

Are you going to keep your best in better times?

All law firms have been through tough times in the last eighteen months. Previously bullish beliefs have been battered by reduced work, pressure on fees, clients disappearing and the painful inevitability of redundancies. It is estimated that hundreds of lawyers have lost their jobs across the UK. But that leaves thousands left in the office. The question arising for many firms is: Will you keep them when times get better? More importantly will you keep the best and all the knowledge they hold of your firm and your clients?

If this question has not occurred to you – history and recent data suggest you should be asking it right now.

The last real recession of 1992 was followed by a significant ‘round robin’ in the legal sector with lawyers departing the firms who had retained them through tough times. In most cases they left because they were dissatisfied with how they and their less fortunate colleagues had been managed.

- A 2009 survey of 3,000 people by CIPD has revealed that 70% felt morale had been damaged by recession management and 22% were looking to change jobs when the upturn starts
- A survey of 116 businesses by IRS Employment Review has found that those who had lost staff were affected by low morale, reduced motivation, increased sickness absence and retention issues
- A quick call to the legal recruitment agencies tells you that enquiries and CVs are beginning to land on their desks in preparation for the upturn
- Partners are reporting low morale and dissatisfaction in their associates

When faced with this data all too many partners are indignant at the perceived ‘lack of gratitude’. Unfortunately this does not hold in the minds of beleaguered lawyers who want to keep moving up the career ladder. Discussions with young lawyers reveal the following reasons for the need to move on:

- Dissatisfaction with how they have been managed through the recession. Many report a lack of communication, lack of true leadership from partners. In addition redundancies by stealth, achieved through performance management, will always hit morale
- Belief that their careers have been held back two years because the good work has not been there on which to prove and advance themselves. They are looking outside their own firm to see which other firms are likely to give better career prospects
- Classic survivor syndrome in which lawyers, having escaped redundancy, have gone through a process of relief, guilt, regret and discomfort. They now feel angry because they are expected to carry the workload of their departed colleagues with less secretarial support

The author also notes that, in some firms, there is a lack of commercial reality in many young lawyers. There is a refusal to accept that a business facing reduced income has to reduce costs and that means making tough and difficult decisions. The belief that ‘rich partners’ should have taken the financial rap in order to retain all associate jobs still seems to be a symptom of the new distributive age.

The danger is that many firms will lose their lawyers as the upturn arrives. Laws of selection tell us that the most marketable – that is the best – will be fastest to market and first to go. As they leave morale will take an ever deeper dip. What is even worse for the firm is that investment to date is lost, knowledge is lost and continuity for clients will be threatened. In some circumstances clients will be lost.

So what can firms do now to mitigate against the potential threat?

1. Lead

The first step has to be strengthening leadership in the partner group. The age old approach of ‘not saying anything to avoid worrying the associates’ does not work. From the viewpoint of associates and other staff this is simply poor communication, lack of vision or strategy and evidence of a hidden agenda. Associates and staff will respond to honest answers, a move to action and seeing partners actively working to pull in the work. An honest message of ‘we do not know what next year will bring though we have a plan to make it better’ will gain more respect than a vague ‘don’t worry’.

2. Engage

The next step is to galvanise associates into action. Sitting and seeing what fate may bring is not an option. Partners would be well advised to involve associates at all levels in action plans to drive business development, get closer to clients and improve service – the very actions which will fast track a firm out of recession. Action brings energy and energy brings good morale.

3. Communicate

Step three is to use your mentors. Many firms have mentoring schemes and most have formal and informal mentors – the partners and seniors to whom associates turn for advice and guidance. Mentors need to be equipped to pick up on morale issues and to address these through sensible business and career discussions with lawyers. If career discussions or questions which indicate career concerns are avoided, then lawyers will seek careers elsewhere. Mentors have to be a first line of defence in focusing associates on opportunities within their current firm.

4. Invest and bind

Step four is to invest and give lawyers the skills to fast track their business portfolio when times get better. Firms need to be equipping their lawyers with the skills to network, win new business, grow clients and drive their own personal brand across the firm. Business related training gives a message that lawyers are valued and the firm has belief in their ability. Moreover, given the skills to succeed, lawyers are more likely to equate success with their firm and are more likely to stay loyal.

In short, firms need to wake up to the fact that all too many of their most valuable assets are not feeling valued. Action is required now to ensure that better times are secured in terms of retention and morale.

If you want to talk through your options for securing your people, you are welcome to call Gwenllian Williams at deWinton-Williams Consulting on 0044 297 372 4997.