

## *How to Retain Associate Talent*

Law firms are in an enviable position—the demand for legal services is at an all-time high; profits are growing by leaps and bounds at many firms; the high-tech "new economy" is creating new legal needs; and the end of the growth period is not in sight. Unfortunately, legal industry growth is occurring at the same time that unprecedented numbers of associates are leaving their firms for other firms, or quitting the industry altogether. Currently, very few associates stay with their first law firm for more than two to three years. For many firms, the combination of a high workload and an inability to retain associates is stretching firm resources to the breaking point.

### **Compensation**

For the past few years, it has been next to impossible to read a week's worth of trade publications and not find a discussion on associate compensation. In a number of markets (including Connecticut), firms are relying more heavily than ever on associate compensation as a recruiting tool. The emergence of various Internet "chat rooms" where associates discuss their firm's compensation structure relative to others reinforces the fact that associate compensation is a hot topic.

Unfortunately, for many associates, high compensation is not the foundation for professional happiness. If it were, firms offering above market compensation would be experiencing below average turnover. Given that nearly every firm is struggling with associate retention, above market compensation may not be the panacea. In fact, above market compensation can be counterproductive when it is tied to higher than normal billable hour expectations. After watching wave after wave of associates leave for greener (though not necessarily richer) pastures, it is apparent that there is a certain disconnect between compensation and retention. Compensation is important in retaining associates, to a point. Given the constraints of supply and demand, law firms need to be competitive with their compensation packages. This does not mean they have to lead the market.

### **Training and Mentoring**

It is widely recognized that passing the bar exam does not mean that newly minted lawyers are trained to produce legal work. Unfortunately, the legal industry provides less training for its lawyers than most other professions. By contrast, accounting firms often require 40 training hours per employee each year; most accountants exceed 40 during the early stages of their careers. Rather than spend time and money on training, some law firms set associates loose and assume they will learn on the job. Given the obvious professional liability risks and potential for write-offs related to "training" time, this is not a productive long-term solution. From the associate's standpoint, working on a new and seemingly insoluble legal situation can be demoralizing. It can also provide an incentive to look for a firm where training occurs regularly, and those in charge of training are recognized for their efforts.

In some firms, partners assume a mentor, or role model status and are in charge of training associates. It is hard to understate the importance of effective role models for young professionals, many of whom are trying to develop their own professional identities. Mentor programs can be very effective at limiting associate frustration while helping them feel part of the team. Of course, effective programs help reduce associate attrition. The best programs have written guidelines and mentors are held accountable for their performance in the mentor role.

### **Communication**

Picture yourself working as hard as possible to meet an organization's goals, but having no idea what the actual goals are. For most of us, that situation might be rather unpleasant. It might also encourage us to

participate in closed door meetings to fan the fire of an already hot rumor mill. The leaders of law firms are in the perfect position to ensure that this does not happen. While not every detail of the firm's plans needs to be divulged, it is important that every lawyer and employee in the firm understand the firm's goals and their role in helping the firm get where it wants to be. Perhaps because firms have been so busy for the past few years, many have forgotten to tell associates what they need to do to help the firm (beyond billing hours).

One of the most important things to communicate to associates is the firm's expectations. Many firms discuss individual performance and expectations during a structured performance appraisal and review process. Done correctly, the performance evaluation process can be useful and may play a role in reducing attrition. Firms should also discuss with each associate the criteria for attaining partnership status and how the associate is performing relative to the criteria. A firm's inability (or reluctance) to clearly establish partnership criteria can lead associates to the door. In addition to clearly articulating the requirement for partnership, firms have to apply the criteria consistently and fairly.

Firms that want to minimize the rate of associate turnover need to consider associates an important part of the bigger organization. Many firms like to think of themselves as operating as teams. It is odd, then, that some members of the team are playing in the dark. Effective communication can be formal or informal. Whatever the type, it needs to occur continuously. Moreover, it cannot all be bad news.

## Client Interaction

Providing associates with direct client interaction can have a number of benefits. First, by showing the client that the firm offers expertise beyond the originating partner, the client's comfort with the firm should grow. Second, by spreading the client contact among multiple lawyers, the firm increases the institutional knowledge about the client's business and current and future legal needs. This is extremely important when you consider that many law firm clients believe that their lawyers do not understand their business. Third, from the associate's standpoint, interacting with clients is part of being a legal professional. Most lawyers prefer to not be holed up somewhere churning out legal briefs; they prefer the sometimes dynamic interaction with clients. Associates are no different.

## Leadership Opportunities

To help associates understand that their input is valued and carries some weight, look for opportunities to involve them in management and decision-making. This does not mean everyone should run the firm. It does mean that everyone should be able to make an impact. Obviously, associates are not "owners" of the business. However, they are future owners. In order to train them to tackle leadership roles and act as owners when their time comes, offer them limited management roles early in their careers. Such roles can give them a break from legal work and offer different challenges than they get in day to day work. Some firms have succeeded by involving associates in committees that present "associate issues" to the managing partner or management committee.

It is also important for firms to review the workflow for young associates. To help associates grow and develop, firms should look for opportunities to give associates assignments that are one to two steps beyond their reach. For most lawyers, the natural **career path** is one where they move from being strong individual contributors to having more and more management and client responsibility. Usually, the in-between transitional steps include managing a team of peers or younger associates; managing transactions and other lawyers' personalities; building client relationships, and then developing new business and clients for the firm. At each step, the lawyer experiences a transition. By pushing younger associates to handle the transitions as soon as practical, law firms can create well-rounded, satisfied professionals and future leaders.

***Interested in Learning More About Legal Hiring? Read the Definitive Guide:***

***[How to Hire a Legal Recruiter for Your Law Firm: How Law Firms Recruit Attorneys Using Legal Recruiters](#)***