

Executive Summary

Introduction

Understanding what motivates associates and builds morale is fundamental to the development of a successful practice. To support management in building this understanding, Hildebrandt combined its consulting experience and the output of a major survey of associates (run in conjunction with Thomson West) to identify the critical issues in the development of associate enthusiasm and engagement.

Associates Overall

Many believe that the legal profession is facing a crisis of disillusionment. This belief is frequently founded on perceptions about pay, hours, dissatisfaction and retention. The report examines each of these in turn.

Associates have maintained pace with partners' earnings and, although highly paid, this largely reflects the competitive recruitment market rather than individual pressure for higher salaries.

Hours are long and at least a third of associates identify themselves as having more work to do than they want. However, the overall figures highlight a wide variation in responses, and many associates would be interested in working longer hours than they do at present.

Furthermore, it is those associates with too little work that are the least likely to be satisfied with their work and career, not those with too much.

In the region of 45% of associates are highly satisfied with their work, another 50% are more or less satisfied, and only 5% express strong dissatisfaction. These figures are better than one would expect to see in the general working population, and they represent a substantial improvement since the low levels of satisfaction found in studies of the legal profession in the 1980s and 1990s.

Improving retention brings substantial benefits to firms. However, the leveraged business model and the varied aspirations of young lawyers mean that striving for 100% retention is likely to be both costly and unachievable. Firms need to examine the reasons associates leave rather than the overall retention figures to determine whether or not they truly face a problem in this area.

Secrets of Segmentation

A sophisticated statistical analysis, similar to that used in political and consumer polls, was used to identify four segments within the associate population.

1. Career Practitioners

Approximately a quarter of associates have “traditional” aspirations to build a career in professional practice and to develop into partners. They are relatively highly satisfied, and are willing to sacrifice their personal life for professional advancement.

2. Flexibility Seekers

About a quarter of associates demonstrate a particularly strong interest in flexible hours and alternative career tracks. They are not any more likely to be in a caring role (looking after children or others) but they do wish to reduce hours and pay. Overall this group is the least satisfied and few wish to become partners.

3. Called Lawyers

Slightly less than a quarter of associates can be identified by a love of the law and their interest in pursuing careers in public service or education. Disinterest in partnership does not mean that they do not wish to contribute to the firm and to be involved in management, but they are only reasonably satisfied and firms do not appear to be meeting their needs particularly well at present.

4. Willing Workers

Just over a quarter of lawyers identify themselves through a willingness to be managed and their relatively high satisfaction. They do not demonstrate a particular passion for the law, nor a willingness to sacrifice personal life for advancement.

Performance is relatively similar across all groups. Current approaches to associate development and retention seem to be particularly effective at meeting the needs of the Career Practitioners, but they are failing to provide equivalent satisfaction to the other groups. Many firms are therefore only appealing strongly to about a quarter of the associate population, and the ability for firms to address themselves to the other groups will be key to winning the “war for talent.”

Demographic Segmentation

Traditional approaches to segmentation identify significant differences by ethnicity and gender. The former will be explored in a future report; the latter are examined in detail.

Women find life as an associate significantly less satisfying than men. Both seem to start their legal careers with similar aspirations, but while men's interest in a career in private practice and partnership increases with experience, women's interest decreases.

The data identify a number of factors which have a disproportionate influence on female associate satisfaction, including the importance of belonging, the importance of contributing, and non-standard employment policies and roles.

The changing demographics of the legal profession make the need to appeal to female associates a business priority rather than a diversity issue. Firms need to address the factors identified in order to improve satisfaction and encourage a larger proportion of female associates to pursue a career as a partner.

Firm Performance

Thirty-one management issues were examined to compare firm performance with the efficacy of the approach in raising associate satisfaction. By and large, firms perform well in areas strongly related to associate satisfaction and morale. However, the survey identifies priority areas for improvement that are likely to have a substantial impact on satisfaction.

Of particular importance are issues that fall within individual partners', rather than central management's, control. Providing partners with the motivation, time and skills to address these will be critical to improving satisfaction.

Key Issues

Recruitment remains a struggle for many firms, and the lack of differentiation in the approaches taken by the majority of firms seems to be part of the problem. Firms develop business strategies to appeal to particular types of clients and sectors, and they could apply this approach as they seek to appeal to particular types of associates.

The concept of a single associate role is rapidly being replaced by a ladder of positions, which requires particular responsibilities, skills and competencies, and training and experience to move from one step to the next. Law firms can learn from the approach taken by other professional services firms in developing a defined and rewarding career path.

Different aspects of training and development appear to have very different efficacy in improving satisfaction. Formal training programs have relatively less impact than informal day-to-day training and the provision of high-quality work. Actively managing the distribution of work and encouraging the involvement of partners in the development of associates are likely to have a disproportionately positive effect on morale and engagement.

The way in which the level of compensation acts on associates' satisfaction differs from segment to segment. As a group, however, associates demonstrate an interest in the use of performance, rather than tenure, to determine pay and career advancement. At the same time, firms need to be careful about how they describe the path to partnership, since a significant number of associates feel that this has proved to be substantially longer in reality than they had been led to believe.

Firms are wise to treat the departure of an associate as the start of a new relationship rather than the end of an old one. Effective alumni relations play an important part in building a firm's reputation, increasing referrals, and building client relationships. A few simple processes greatly assist in the development of an effective alumni network.

Conclusion

Associates are not the unhappy collection of unfulfilled employees portrayed in the media. As a group, they are engaged, interested, and happy with their compensation. Very few show any interest in leaving the profession. On the other hand, only a small proportion aspires to partnership. Many are seeking alternatives. Some of this relates to the wide and varied aspirations of young lawyers and some of it to the unattractiveness of private practice to significant segments of the population.

Appealing to this heterogeneous group requires a detailed understanding of how different segments of the population react to different management initiatives. Traditional demographic segmentation provides one view, more advanced segmentation based on attitudes and aspirations provides another. The combination of the two, along with an analysis of the relative effectiveness of the potential initiatives, supplies management with a new perspective on how to encourage associates to develop the enthusiasm and ambition necessary to build a competitive and successful practice.

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