

Can't get no satisfaction

DAVID BAIRD AND MEGAN DRYSDALE, MAHLAB

Another day in paradise?

It has been an extraordinary year in the legal market. Partnerships are experiencing significant revenue growth due to high levels of corporate activity, prolific working hours, and soaring billings. This is placing heavy demands on practitioners at all levels.

As a consequence, Australian lawyers are expecting their employers to be more responsive to their needs. Firms are aware of these needs and are implementing strategies to satisfy them. These include increased salaries, better mentoring, leadership and marketing training and increased benefits. But is it enough to satisfy lawyers and retain them?

Survey 2007, Mahlab Recruitment's annual survey of the legal profession, showed that 58 per cent of lawyers in private practice are considering leaving their current position. This is an increase on last year.

Remuneration was the main driving force behind a move (followed by work/life balance, career progression and quality of work). Yet individual salaries increased by an average of 14 per cent nationally (14.4 per cent in Victoria) with salary bands increasing by an average of 4.65 per cent nationally.

It is clear that lawyers want recognition for working hard and exceeding budget. Some firms are offering incentives and bonus schemes for high performing lawyers, but many feel it is not enough. One respondent to *Survey 2007* replied that his reward for exceeding budget was to keep his job. *Survey 2007* also shows that only 42 per cent of firms are providing performance bonuses. This is less than the corporate legal market.

Simply irresistible ...

Of the lawyers considering leaving their current role, the most popular move is overseas. Jurisdictions of interest, in order of preference, are the UK, US, Asia and the Middle East. The heady salaries on offer around the world are attractive to many young lawyers, despite their expectation of long working hours.

For instance, *Survey 2007* found that first-year lawyers in New York received an annual salary of US\$160,000.

Australian law firms cannot compete with top-tier salaries offered in these markets. Rather, many firms are encouraging and supporting lawyers wishing to go overseas by arranging secondment opportunities; the rationale being that returning lawyers may look to their previous employer for opportunities rather than going elsewhere. Most lawyers intend to be away for one to two years.

To stay in contact with overseas employees, firms are also strengthening their alumni programs, with newsletters and events in overseas locations. There is some anecdotal evidence that these strategies are working. However, *Survey 2007* has indicated that many lawyers returning from overseas see their next role as being inhouse.

It's lonely at the top ...

From a succession planning point of view, the realities are concerning for law firms. Nearly 60 per cent of lawyers surveyed do not want to make partner, citing reasons such as too much hard work, pressure, networking and responsibility – factors typically associated with being a senior lawyer.

However the path to senior associate is shortening, particularly in Sydney where star lawyers with as little as three years experience are being appointed. This is in part due to the high attrition rate of young lawyers seriously depleting the associate and senior associate ranks in all major law firms.

The heat is on ...

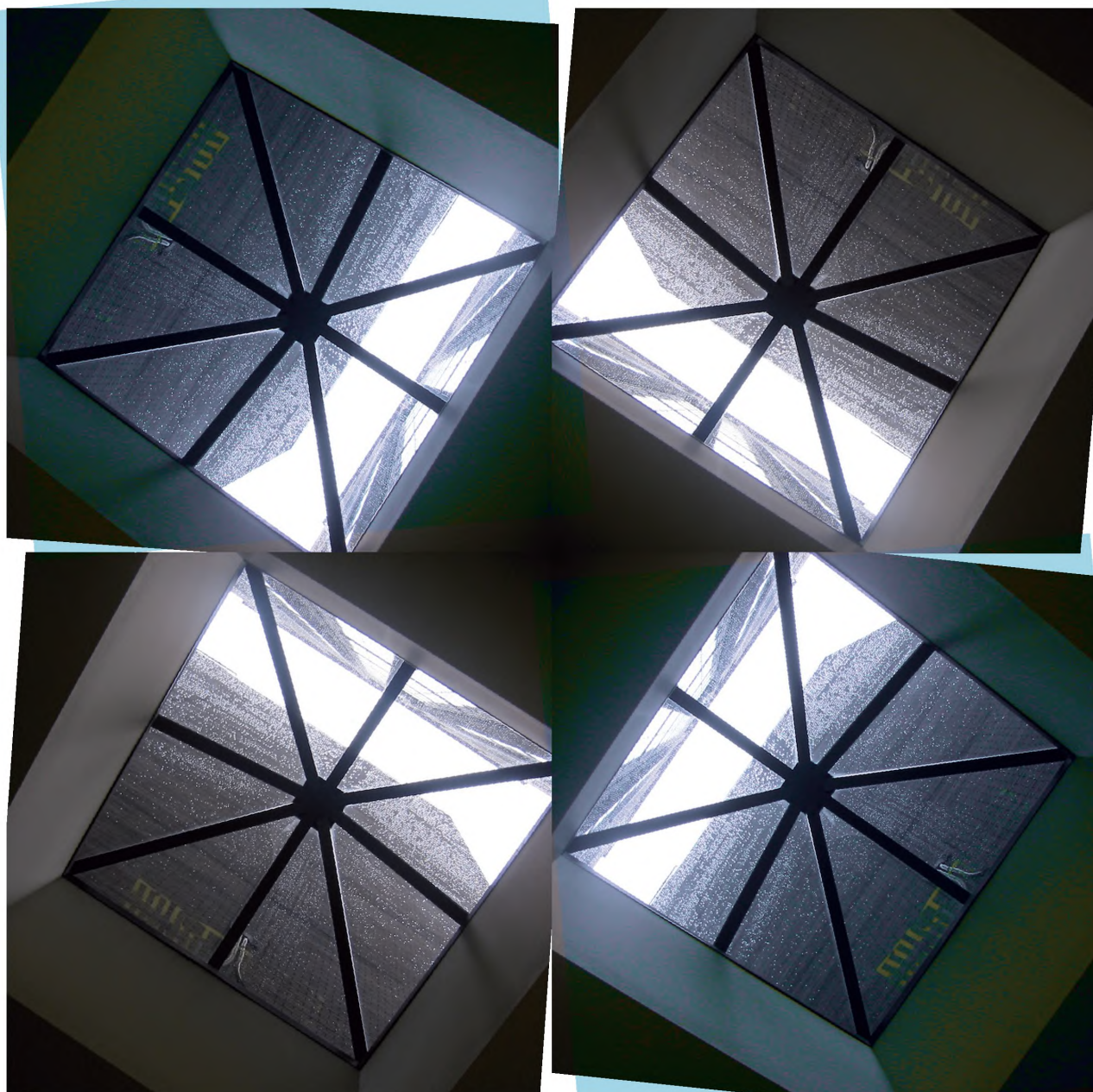
Respondents to *Survey 2007* listed a number of technological, financial, lifestyle and career development benefits that they desired, but were not provided by their current firms.

The technological benefits desired by respondents included (in order of importance), provision of a mobile phone, laptop, home Internet connection and Blackberry. Some of the most popular financial benefits desired by lawyers (in addition to greater remuneration) included additional superannuation, private health insurance, car parking and an after-hours travel allowance.

Given the hours that lawyers are required to spend at work, lawyers want their employers to provide lifestyle benefits that will allow them to put in the hours and prevent burnout. These include gym memberships, the ability to work from home and stress management or relaxation programs (for example, yoga and massage).

Lawyers also want the opportunity for secondments, travel, better training and continuing education (in areas including marketing and business development and leadership). As mentioned earlier, some firms offer scholarships and international internships. Other firms offer a pro bono program.

Mentoring and support (or lack thereof) is also often cited as a prime reason for moving. Only 43 per cent of respondents to *Survey 2007* indicated that their mentoring was "good", with only 8 per cent indicating that it was excellent.



Many firms try to structure teams, initiate “buddy” systems and run training sessions to achieve this. However, it is clear more can be done.

Don’t worry, be happy ...

After remuneration, work/life balance was cited as the most significant reason for considering a career move.

Some firms do have policies in place to achieve flexible work practices (for example, working from home).

However, the application of these policies often differs significantly in reality. There is also a reported perception in the marketplace that even if a lawyer is offered a part-time or flexible working arrangement, this affects their prospects for career progression and their perceived commitment to the job.

Lawyers who work part-time may also end up working a full-time workload, just in fewer days and for a part-time salary. This is not a new issue and needs to be managed carefully by firms.

The good news for law firms is that the lack of work/life balance (especially in large firms in London and the US) is the main reason lawyers return from overseas.

Smells like teen spirit ...

Firms are looking hard at their internal processes and programs to retain good staff. Part of law firms’ strategies should be to focus on a genuine work/life balance and recognise the demands of the younger Generation Y and the fact many of them would “rather die happy than rich and overworked”.

The fact is that lawyers are required to work hard to achieve both their own goals and those of the firm.

On this basis, firms need to tailor the benefits and their work practices as best they can to each individual lawyer.

For detailed information about domestic and international salaries, the results of *Survey 2007* are available at www.mahlab.com.au/survey2007. ■