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How Your Law Firm Can Improve Employee Retention

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Do you want to promote greater team synergy and harmony? What about higher productivity and a friendlier workplace? Then you need to retain your employees.

Employee turnover is almost always negative. Losing employees requires you to invest significant amounts of time and resources in advertising, recruiting, onboarding, and training, all of which are nonbillable. Employee turnover also means disruption to caseloads and more work for other lawyers and staff while your law firm tries to hire a replacement, which can hurt morale and — you guessed it — lead to more turnover.

In short, you want to avoid turnover like the plague.

To keep your law firm humming, it's essential that your firm retain your lawyers and staff. The best way to retain your employees is to support them. Sometimes that means paying them more. But there are also a lot of other important components to ensuring your employees feel valued.

In this article, we'll discuss law firm employee retention trends and what your law firm can do to make sure it stays on the right side of them.

Why is employee retention constantly making headlines?

Employee retention is a hot topic because of the current market. Economic forces have led to a buyer's market. The tides have shifted, and employees are left holding the cards. A [2021 McKinsey study](#) found that more than half of employers are experiencing lower-than-normal employee retention rates. In November 2021 alone, roughly [4.5 million](#) U.S. workers voluntarily left their places of employment. Recruiting firm [Major, Lindsey and Africa](#) and [Above the Law](#) found that a third of junior lawyers do not plan to stay with their law firms beyond five years. Many younger lawyers don't see careers in law firms, much less aspire to make partner.

All of this adds up to a lot of buzz, and the buzz is important. You need to pay attention to the hiring and retention trends in the market. To keep your law firm intact and thriving, you need to prioritize employee retention and minimize turnover. Let's get into some ways to do that.

What are the main issues that tend to push employees to leave law firms or look elsewhere for employment?

A variety of factors create an environment that damages employee morale and encourages them to

leave law firms. Here's a look at some of the most common.

A lack of flexibility

The practice of law hews closely to tradition. That means many things, including coming into the office and slogging away for hours on end.

That tradition doesn't sit well with younger generations. And forcing employees to come into the office today for a nine-to-five when they have technology at their fingertips that allows them to work anywhere and anytime isn't going to build goodwill with staff or associates.

A lack of upward mobility

Firms need to rethink the meaning of "advancement." The traditional law firm follows an up-or-out model. Either you stay and make partner, or you move on.

That type of career ladder isn't what many younger employees are looking for. They don't have the same career aspirations as the partners in your firm did. They may be interested in other leadership or business opportunities with your firm, such as operations or marketing roles. Or they may be happy to serve as counsel rather than as a partner. A better approach to employee advancement is to think of it as a lattice, which offers more routes to advancement than just a single way up.

A lack of diversity and inclusion

The highest levels of law firm leadership tend to be white and male. Women and people of color are increasing in the associate and partner ranks, but [they still lag behind](#). Women were 26% of all partners in 2021, but only slightly more than 4% were women of color. Black and Latinx women are less than 1% of all partners. The statistics for equity partnership are even bleaker: 22% of equity partners were women, while only 9% were people of color.

This lack of inclusion creates a gap in leadership pipelines. When employees don't see an opportunity in a firm to advance, they're more likely to leave. And if that inability to advance is rooted in metrics that discriminate against marginalized groups or unconscious biases, that firm is likely to get a bad reputation. No one wants to work for a firm where they can't see themselves reflected in the leadership ranks.

What factors help law firms retain employees?

The best way to retain your employees is to pay them competitively and to support their growth. We understand it's a delicate balance between considering your own bottom line and paying lawyers and staff, but compensating your firm's employees adequately is money well spent. Creating [a healthy and collegial law firm culture](#) is another way to get employees to stick around. People want to be where they are valued and supported.

Compensation: Salary and benefits

In law firms, retention is often all about the Benjamins. The foundation for employee satisfaction is competitive salaries and benefits packages. By paying your legal team and staff market rates, your law firm directly shows them their value and worth. A higher salary means higher retention rates and thus less training of new associates and less turnover of client contacts. It also means your

people won't be lured as easily to the law firm across the street.

Importantly, valuing your attorneys and staff also includes promoting internal pay equity. The gender pay gap is real, and that gap is even larger for women of color. Your firm can both promote internal and external equity and look out for its own bottom line by offering all employees fair and competitive packages.

By paying your employees fairly and re-evaluating their compensation regularly and objectively, your firm will show in the numbers that it values its workforce. If you aren't willing to pay what your team is worth in the market, your firm is likely to lose employees and staff. You're also likely to struggle if you need to hire replacements.

Of course, if you get into a salary tug-of-war with your competition, you'll eventually run out of cash. Increases are only sustainable to a point. That's why you'll need to focus on improving your law firm's culture and support for employees as well.

Value and support

The [McKinsey study](#) that we mentioned above also asked employees why they quit their jobs. The top three factors cited were that the employees didn't feel valued by their organizations (54 percent) or their managers (52 percent) or because they didn't feel a sense of belonging at work (51 percent).

Understanding the term "valued" goes beyond compensation and benefits and into something more humanistic. All employees, regardless of their level, want to feel that their contributions are noted and appreciated. They want to be understood and treated like human beings. For employers, and especially law firms, this means both giving credit where it's due and allowing employees flexibility based on their individual circumstances.

When it comes to giving credit, recognition goes a long way! If an associate ran point on a multimillion-dollar acquisition, give them a shoutout at the next team meeting or in the firm newsletter. If a paralegal recently helped on a big case, it's appropriate to do the same. Letting your lawyers and staff know that you notice their hard work is important to employee satisfaction. It shows that you're paying attention and that you see their dedication.

Another tangible way to show employees that they are valued is to offer them individual flexibility. The COVID-19 pandemic taught us many things about office life, including that brick and mortar isn't for everyone. We also learned that many people can be just as productive (possibly even more productive) working from home.

By offering flexible work arrangements, including work-from-home options, your firm can easily support its lawyers and staff and make them feel valued. This also includes flexible arrangements for new parents or employees who might need to work remotely to care for an aging family member. Valuing your lawyers means supporting them when they need it. You'll reap the benefits of increased productivity and higher-quality work.

Balance and opportunities for growth

The term work-life balance gets thrown around a lot in the legal world. It means different things to different people and varies based on a host of factors, like seniority. For example, [younger lawyers](#)

in particular are dissatisfied with their work-life balance, and this dissatisfaction is the top reason that millennial attorneys might start looking for another job.

What remains constant for all lawyers is the desire to not burn out. While burnout depends on a host of individual factors, your firm can implement systems to ensure that your lawyers and staff aren't being overworked. We recommend monitoring the hours of your individual attorneys and apportioning their workloads accordingly. So, if you note that one associate has been billing 12 hours a day for a week straight, especially over the weekend, she probably could use some additional support. You may need to assign another associate to a matter or reallocate some of her workload. The same goes for your paralegal who has worked three weekends in a row. It's probably time to assign another paralegal to the matter. By monitoring workloads, you take some of the burden off of your attorneys and staff to establish hard boundaries, which can be difficult to do. It also shows that you care, which employees notice.

Helping your attorneys and staff grow professionally is another component of employee retention. Constructive feedback and positive encouragement are important. This proves especially true for junior lawyers and new staff members. By providing personalized feedback and having one-on-one meetings (and not just waiting for the dreaded end-of-year performance reviews), your lawyers and staff will feel supported in their learning. They'll also believe that there's a path forward for them in the firm. You may also want to build a greater sense of community by offering structured mentorships between senior and junior lawyers.

Formal learning opportunities are also essential. Incorporate opportunities for continuing legal education (CLE) sessions and conferences in your learning and development budget. Additionally, to encourage development, ask what your lawyers are most interested in learning about. This gives junior lawyers and other new employees the ability to shape their careers. If your lawyers and staff feel like they have a say in what they're learning, they'll feel more excited to invest in their growth. More investment in learning means better work for your clients — and more satisfied clients mean more income for your firm.

What are some strategies to help with employee retention?

We've discussed them throughout this article, but we want to double down on the fact that you shouldn't underestimate the importance of [a positive law firm culture](#). Your firm's culture is a manifestation of its core values. Respect, collegiality, and equity should be at the heart of your firm. A supportive law firm culture will foster high-level thinking, which means better solutions for your clients. Prospective clients can also tell when a law firm is working well together and when working conditions are suboptimal. This is good for your people, good for your firm, and good for your bottom line.

We'll also note the importance of communication for retaining employees. Openness is key! Your law firm should prioritize transparency such that lawyers and staff feel empowered to communicate with firm management on all topics. This includes more serious topics like compensation, discrimination, workloads, and balance. A culture of open communication also enables your team to share creative ideas for business development or innovative CLEs and conferences.

Be sure that your law firm follows through. Open communication without results is just lip service. So, if you know that an employee is struggling, help them. If an associate has a great idea, listen

and then help them achieve it. Similarly, if you want to know how employees are doing and what you can do to better support them — just ask! Communication is a two-way street.

Retain your employees and grow your law firm.

As the war for talent rages on, your firm needs a strategy to retain your lawyers and staff. By ensuring that you have the processes and structures that enable your firm to value your employees in meaningful ways, not just through compensation, your law firm can hold on to your most valuable resource: your people.

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