

Groundbreaking Research

Motivating The Next Generation

Can we motivate others... probably not. The right people are motivated from within. However, the right law firm environment can foster motivation. The wrong law firm environment can neutralize it or even extinguish it.

This article is about groundbreaking research to assist senior management in breaking the code of cultural and generational differences to create an appropriate environment for peak performance and high satisfaction.

In a business where the firm's primary assets arrive each morning and leave every night, attracting, motivating and retaining talent is critical. Jim Collins phrase from his bestseller *Good to Great*¹, "first who - then what" prompts the question, "can we create and sustain an environment wherein the right people (first who) can develop their legal expertise individually and collectively (then what) to deliver competitive advantage.



by Karen MacKay, MBA, CHRP
President

This task is not assisted by the trend toward portability: "even outstanding performers do not anticipate staying with one organization for their entire career and are always working with the knowledge, at least in the background, that their current position is temporary"²

My research goal was to get inside the hearts and minds of lawyers around the world. While there were some existing national surveys of lawyers done in the US, the UK and Australia, there was no global study that would overlay cultural differences on generational differences.

We were curious about what lawyers working in private practice aspire to and what motivates them. We were curious about what rewards them and what they need to develop as professionals. This article, the first in a series, discusses what motivates them.

Who Responded

Over the summer of 2004, in collaboration with the member firms of Multilaw, a leading global network of independent law firms, we surveyed partners and associates worldwide. (Findings were presented at the Multilaw Annual General Meeting and this article is published with their permission.)

74% of the partners who responded to our survey were born during the post WWII baby

The Team

A project of this size needs a team. We are privileged to have worked with:

Elizabeth Hyde is a lawyer and educator. She is the Director of Professional Development at Miller Thomson LLP, a Multilaw member firm. Elizabeth collaborated with us in the development of the questions, the analysis of the data and in the presentation of our findings at the Multilaw AGM.

Bill Northcote, Partner and Sean Lawler, Associate at Shibley Righton LLP, a Multilaw member firm. Bill got buy-in for the survey from Multilaw

boom between 1946 and 1964. Demographers have described this group as idealistic, revolutionary, highly competitive and driven by money.

71% of the associates who responded were born between 1965 and 1980 – crowned by demographers as Generation X. This demographic group is described as independent, skeptical and resourceful. There is no right or wrong in these two generations - they just see the world differently.

member firms worldwide and Sean assisted in the development of questions that would get at the things that are of particular interest to associates.

ViDesktop (www.videsktop.com) hosted the survey and provided the technology and support to specifically meet our needs. ViDesktop is the leading provider of online performance appraisal, recruiting and survey software to law firms worldwide.

Associates were asked to rate the following motivators in terms of their importance, from 'extremely important' to 'not important at all'.

Partners were asked how they thought the associates with whom they worked most closely would rate these motivators.

1. Security
2. Status
3. Being a member of a team
4. Time for personal Life
5. Relationship with mentor
6. Professional growth
7. Opportunities for advancement
8. Intrinsic nature of the work
9. Recognition
10. Autonomy
11. Opportunity to develop own clientele
12. Effective management of their firm
13. Leadership
14. Corporate Social Responsibility
15. Social contribution of work
16. Financial reward
17. Achievement

We

asked associates to rank seventeen motivators from "extremely important" to "not important at all". We asked partners how they thought the associates with whom they worked most closely would rank the same list. There was a difference... and it was fascinating.

Also fascinating were the differences in the needs of associates in different geographic regions which in our study were North America, South America, UK/Europe and Asia/Pacific.

Time for personal life, professional growth, advancement (to partnership) and security were identified as extremely important and were the top four of motivators as ranked by associates worldwide. These four are now examined in detail.

What Tops the List? – Time

Time for personal life ranked as extremely important to 44.44% of the respondents worldwide. 1 in 3 associates in North America cited time for a personal life as extremely important. 73% of associates in North America told us their billable targets were 1800 billable hours per year or more and pushing higher. The extreme importance placed on time for personal life may simply be a reaction to the ever-increasing hours required by North American law firms and could be a lesson to firms in other

regions.

As one respondent put it, "my firm changed its rules since I started working here. First there was a 1900 hour goal and then it became the rule. Now, making 1900 is the minimum and you should make 2100... Now firm management has decided to implement a requirement of at least 2500 hrs dedicated to the firm. This means that we are now supposed to bill not less than 1900 (if possible more) plus another 600 hrs of practice development, CLE courses, and other things to promote the firm. How can one

have a life or even be productive if you cannot take a vacation and when you must work every day 10 to 12 hours, plus pretty much every other weekend of the year to be able to achieve these goals?"

In the UK, Europe, Asia-Pacific and in South America billable targets in the respondent firms appear to be more manageable. The vast majority have billable targets between 1400 and 1600 hours. While time is still very important to associates in those regions as they balance their personal and professional lives, they are more interested than their North American counterparts in professional growth, achievement, security and advancement to partnership - perhaps because their billable targets are manageable.

When partners were asked how important time for personal life was to the associates with whom they worked most closely, only 1 in 5 ranked it as extremely important compared to 1 in 2.4 associates worldwide.

Developing as Professionals

Professional growth came in second, ranked extremely important by 37% of associates around the globe while perceived as extremely important by only 26% of partners. In fact, firms are doing a very good job of providing associates with consistently challenging work according to 66% of the associates who responded.

Meaningful delegation and challenging work remain key motivators of talented young lawyers. While this is where partners and associates were most closely aligned it can be difficult for many senior lawyers to make it a reality.

Our fondness for giving or receiving feedback is very different depending on our demographic. For senior partners who are still in your firm but who were born before 1945 no news was good news. For about 74% of the partners in firms today who were born between 1946 and 1965 feedback is an annual ritual that justifies a raise in pay, a bonus, or both. At worst, the annual feedback ritual brought a message to leave the firm – sometimes out of “left field”. They are uncomfortable with feedback but it was a means to an end.

Here’s what one associate said: “I never get any feedback, except at annual performance reviews. Even then, the feedback is worthless because the partners give their feedback anonymously.” Partnerships design feedback processes that they, the partners, are comfortable with. Partners who were uncomfortable getting feedback are likely uncomfortable giving it and therefore go to great lengths to make it anonymous.

For the vast majority of associates in law firms today, feedback is an indication that someone cares about their development as professionals – about their future. As one associate put it, “I rarely get feedback. It is frustrating to have a mentor that does not seem to care about my future in the firm.” I suspect the partners in his or her firm care deeply about their firm and their younger colleagues. I suspect the partner/mentor does care about this associate’s future but each approaches feedback from their own bias.

For many partners, their experience with feedback as a young professional was fairly judgmental. Younger professionals today see it differently. “Scheduling of formal feedback is not the important element, it is more important to know if the work performed is in accord with expectations at various stages of my professional development. So 'ongoing' means as I grow and take on new responsibilities, feedback is provided to guide me”.

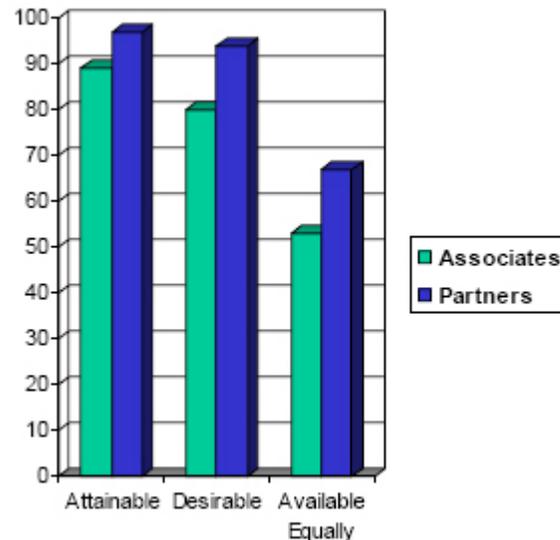
The question of partnership

Opportunity for advancement was extremely important to 34% of the respondents worldwide. According to our study, advancement and achievement are most important to young lawyers in Asia-Pacific.

When we asked if partnership was attainable almost 90% of all associates said yes, while just less than 80% said partnership was desirable.

When we asked if partnership was equally available to all associates in the firm only 52% said yes. Partners had a more optimistic view as illustrated in the graph; however, this leads us to another important issue.

This is where women feel they have to choose between family and partnership. As one individual put it, "I have to choose between a career and a family. Making partner may no longer be an option that is workable." This is clearly one of the reasons why the gender split among our respondents to the survey of 45% / 55% women to men among associates becomes 23% / 77% among the partner ranks.



Does it make sense for this to continue? Can firms continue to lose this significant investment in talent?

Tom Peters, former McKinsey partner, made famous as author of the all time best selling business book, *In Search of Excellence*, said in his most recent bestseller, *Re-imagine*:

"There is a Great War for Talent. Great Talent is in short supply. And the supply will get even shorter ... as the Age of Creativity and Intellectual Capital accelerates. And accelerate it will. So can we afford to ignore half [women] (or, to be precise, slightly more than half) of our store of potential Great Talent."

Well ... No."³ If we cannot fit their needs into the law firm business model profitably, we'll lose a very big investment. Making women happy alumni won't be enough.

To many, partnership means, among other things, increased financial reward. When asked if partnership is attainable one respondent said, "...it is probably attainable however, I am not interested in becoming a partner of a law firm. I would rather earn less money and have a life". For some partnership is akin to winning a pie eating contest where the prize is more pie.

While money has never been on the top of any list of motivators, associates in our survey ranked financial reward as 10th on a list of 17. Partners who responded thought that associates would rank financial reward as 3rd. Who raised associate salaries in

response to the hot legal job market in the 1990s? How are firms paying for these high salaries? Increased billable hours!

Rounding out the top four – job security

The final motivator in our top four is security. Perhaps because of complicated political and economic times, or perhaps because of the relentless downsizing and restructuring of corporations worldwide. Whatever the reasons, a secure future is an extremely important motivator to more than 1 in 3 associates who responded.

Will firms change with the next generation?

When 70% of the partners in law firms today are card carrying members of the Baby Boom things have changed to accommodate the values and motivators of that demographic. This is the group who moved their firms from hierarchy (that was accepted by the generation before them) to consensus driven democracies. This is the group that moved their firms from lock step compensation to the various forms of meritocracies that exist today. This is a group driven by achievement, driven by status and driven by money. Will firms be changed by Generation X as they were by the Baby Boom? Wait a few years and we'll see.

Conclusion

The challenge for law firm leaders is to create a shared vision among the partnership that provides a compelling value proposition to the next generation coming into the firm and indeed the partnership. One managing partner told me recently that one of his greatest challenges is to resolve the tension between partners who want to “strip-mine the firm every year” and those who want to “invest in the future”. Combine that tension with the issues across the generations (who simply see the world differently) and the leadership challenge becomes much more complex.

When asked if they were satisfied with their overall experience with their firm 66% of associates indicated that they were, compared to 79% of partners who responded. We congratulate the member firms of Multilaw for taking leadership in investigating these important issues.

The more we dig through the data, the more fascinated I become. The differences between the two prevalent generations in law firms today will continue to provide challenges to law firm leaders for the foreseeable future. In a world where lawyers can cross borders and find opportunities virtually anywhere on the planet, these issues become more and more important.



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1. Good to Great, Jim Collins, Harper Business, 2001
 2. Coaching: Evoking Excellence in Others, James Flaherty, Butterworth Heinemann, 1999
 3. Re-imagine! Business Excellence in a Disruptive Age, Tom Peters, Dorling Kindersley Limited, 2003

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