

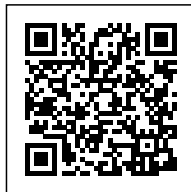
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How to engage the next generation of leaders is becoming a priority challenge

Recientemente, en un foro de Iberian Lawyer, un Socio Director se sorprendía de que los horarios de trabajo de los abogados no se hubieran reducido con la crisis tanto como se esperaba. Al haber menos trabajo, afirman que la tentación de los socios es pasar menos trabajo a los miembros más jóvenes del equipo. Sin embargo, los clientes ya no están dispuestos a pagar honorarios tan altos, por lo que el uso de los socios se ha mantenido pero a un precio inferior.

Esta tendencia implica una contraposición entre los intereses individuales de los socios a corto plazo y la perspectiva de desarrollo o aprendizaje del equipo o despacho a largo plazo. La prioridad para la supervivencia de los despachos debe ser cómo motivar a la futura generación de líderes, lo

cual supone un conflicto para los socios de más edad, que deberán decidir entre dar prioridad a sus intereses personales o enfocarse hacia el futuro del despacho de forma más institucional.

It is curious how the hours worked by partners has not fallen as much as expected since the start of the crisis, noted one law firm Managing Partner to another at a recent Iberian Lawyer event. Of course, legal services have not suffered as heavily as many business sectors in Spain and Portugal, although the relatively good performance of partners may simply be covering up some wider, and deeper, challenges for their firms.

First, with less work around, partners will be tempted to pass less work than before to the more junior members of their team and do it themselves (although it may be less challenging than their usual workload). No surprises, therefore, that maintaining partner utilisation (hours worked) has meant a parallel reduction in work for junior and senior assistants.

In some quieter practice areas, the lifeline of work for junior lawyers may even be drying up. Of course, clients are less willing to pay partner fees for all types of work. So while partner utilisation can be maintained, their realisation figures (the percentage of their full rate as paid by clients) will be steadily falling.

This trend touches some sensitive issues at the heart of the partnership concept, not least the shorter-term needs of the individual versus the longer-term perspective of the group. Is a partner's duty towards maintaining their own billing (by which the majority are assessed and then remunerated), or the longer term interests of the firm: finding work to divide as appropriate among the junior lawyers?

Research done by London-based consultant Sally Woodward of past downturns in the City, points to some disturbing longer term challenges. An important number of senior lawyers, de-motivated by the change in workload and atmosphere, leave their firms once the economy picks-up while the more "average" lawyers stay (they have less options to move). It is therefore the brightest and the best that often make for the exit first.

How to engage the next generation of leaders is, therefore, becoming a priority challenge for law firms but perhaps there is a first hurdle for partners: deciding if their own priorities are towards the individual or instead towards the institution and its future. Either option is of course a commendable business approach, as long as it is shared by the majority.