

# IT'S NOT ABOUT THE MONEY

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**Motivation has always been a key challenge for law firms. But the economic environment is affecting everyone: from the most junior lawyer wondering what their future holds - if anything - to the most senior who has no fight left in them. The issue of 'Who?' and 'How?' to tackle the issue cannot be ignored. And experts suggest that, even if it were available, throwing money at the problem won't work anymore.**

La motivación de los abogados ha sido siempre un reto para las firmas. Sin duda, el contexto económico está afectando a todos, desde el abogado junior que se enfrenta a un futuro incierto, hasta el abogado más senior que empieza a perder las fuerzas para seguir luchando. La cuestión es quién y cómo va a gestionar este asunto. Los expertos sugieren que, aunque hubiera dinero disponible, ésa no es la respuesta.

The record number of participants at a recent online Master Class - 'Motivating your best lawyers' part of IE Law School's Lawyers' Management Programme (LMP), showed that lack of motivation is a common concern. Over 100 managing

partners participated worldwide, agreeing that everyone is in the same boat, and it is reflecting trends that go beyond just the narrow legal sector. The banking sector, IT, to name a few, are all suffering from the unrelenting effect the crisis is having on morale.

“What has happened is that our old certainties are steadily being eliminated,” explains Stephen Denyer, Head of the international practice at A&O, Senior Co-Chair of the International Bar Association’s (IBA) Management Committee and a member of the LMP Faculty. “The suddenness, severity and all embracing nature of the crisis has had an immediate effect on all professional firms.”

Many lawyers have had the fight knocked out of them, and the consequences are far more visible than before. “We’re seeing a lot of very demotivated people around,” says Sally Woodward, also a member of the LMP Faculty and a coach to the leaders of many of the world’s most successful law firms. “Productivity is reducing and rates of stress and depression are very much on the rise.”

The profession is in need of a huge extra-strength dose of motivation, but the big question is: Who is going to give it and how?

### **Generation Y**

Some would lay the blame at the door of junior lawyers. Many come from ‘Generation Y’ – characterised by having shorter-term perspectives and wanting more equilibrium in their work-life balance. This Generation has been hurt hard with the crisis, evidenced by crippling unemployment figures in Iberia. And their career development expectations are no longer as certain. “We used to think about the law firm pyramid, getting from one rung to the next on the ladder,” says Denyer.

“Today, this Generation wants to get something now, rather than saving up for an uncertain future.” And seeing how no one can predict even a few months ahead, they aren’t prepared to wait.

It’s a rational response to what they see going on, says Woodward. But speaking to the older generation, she senses a degree of frustration and criticism being levelled at Generation Y, who are looking for more purpose and meaning than simply a sizeable paycheck.

This provides a huge challenge for law firms whose historical response to retention was to get out the chequebook. While that can buy you some time, it doesn’t resolve the underlying problem of people feeling they aren’t getting what they need to sustain their motivation to work.

### **Motivating from the top down?**

As one participant joked: “Leadership and motivation are far too important to be left to those at the top of organisation.” But the expectation when morale is low is for everyone to look up, and all eyes are naturally on law firm leaders.

But these leaders are part of a generation that are living and working longer and harder, and whereas retirement used to be based on having ‘done it all’, the choice has rather cruelly been taken away. “Many senior lawyers I work with feel they have done it all,” says Woodward, “and since learning new things is what gives us all the motivation to continue, it is severely lacking at that level of seniority”. This has been prompted by a change in legal practice, not only towards increased specialisation but also at a far earlier stage in their careers.

So, if juniors are managed by somebody demotivated, who doesn’t provide support, guidance or feedback, then it is hard to sustain any level of enthusiasm. Motivation is by its nature infectious and a motivated leader can spread this throughout the firm.

This brings up the issue of role models – senior people who practise what they preach, lead by example and have the courage to implement any changes necessary. But most are under their own pressures, and providing on-the-job training and support involves non-chargeable time – something they feel they don’t get appreciated nor rewarded for.

What makes the difference is the effort and skills these key people have as they are a law firm’s best chance of creating a motivating environment for a young partner. Or identifying those individuals giving rise to demotivation – which is just as catching as motivation.

So if this is the job of management, and they are lacking it, who’s motivating management? Motivation doesn’t necessarily have to be from the top down, says Denyer. “Most good young partners will, in my experience, have the potential to be fantastically motivational. I certainly get that from significantly younger, more junior people.”

Being employed

Isn’t keeping your employment enough to keep you well motivated?” one participant asked. As unemployment figures

across Spain and Portugal keep rising, for some, being an employed junior or senior lawyer should be a dream come true. Participants heard that in the short-term, being in the office and doing something is better than being unemployed, but it won't bring out the best in people in the longer term. As soon as they have a choice in the matter, they leave and look for an environment providing positive support and prospects. Fear and anxiety should not be mistaken for motivation. The worst thing lawyers can do right now is say that there aren't any options available for their people, says Denyer. "You run the risk of losing a significant amount of personnel when the economy moves back up again."

Research compiled by Woodward following the last downturn in London showed that it was often the best lawyers that subsequently left. She saw those firms that had held their hands up saying 'there's nothing we can do, it's the times' found that as market improved they lost their brightest and best.

Size, however, definitely has something to contribute here. The smaller the firm, the more advantageous because they are better placed to tackle motivation due to less numbers of lawyers. Also, said Denyer, people seem to be more motivated being part of a relatively 'new' firm, as the set-stage can provide an exciting environment to work in, and being part of creating something contributes to a lawyer's sense of pride. Whether the title of 'lawyer' still carries that same sense of pride was debated. But while participants agreed that in some countries it still did, the majority found it had recently taken a big hit – another factor that is contributing to a decrease in motivation.

### **Money as a motivator**

So can money solve motivation? While money of course drives one into work each day, it isn't the sole basis for why people stay. How often do people complain about their working life based on money alone?

It is tempting to say that money is a key motivator and now, in difficult times, the lack of bonuses and pay increases is an issue. But research has consistently shown that, once they cover their basic human needs, money is not a main driver for successful lawyers. Mutual respect from colleagues and clients alike, plus personal work satisfaction is always a higher priority.

Now that less money is available to signal success, and especially progress, new approaches are required to fill the gap.

### **Looking internally**

Whilst a common concern, law firms are adopting different solutions, and the first is based around internal development. There is huge value in more flexible and adaptive career structures with levels that are not just automatic but something that needs to be worked towards.

Training – on and off the job – is also paramount. If people feel the firm is investing in them, then their motivation to contribute to the firm will undoubtedly increase. But it is crucial to ensure that both receiving and/or giving any training is recognised within a firm's measurement systems, otherwise the benefits are being lost. What usually gets measured and noticed are always chargeable hours and fees billed, and quality feedback, training and encouragement is lost in an 'unchargeable' black hole.

What law firms need to be offering to both junior and senior lawyers, are alternatives to traditional career paths that give them opportunities to develop and grow. Everyone needs clear milestones of success to work towards, so developing skills needs to be recognised within the evaluation and remuneration process.

Leadership attributes are going to be crucial. Managing expectations, and transparency about future prospects are key when it comes to the options and rewards on offer. But the most valuable thing that law firms can do, be they big or small, is to empower teams to create an environment where motivation happens and spreads throughout the firm – and to celebrate the efforts of those teams who do this.

### **'Coach' lawyer**

While many law firms have been investing in such procedural systems, Woodward believes that the crisis has revealed their limitations and shown that culture is a key requirement – how to engage better with lawyers during such difficult times.

Feedback has been key to a better understanding of how one is doing at work. And it is widely recognised that the quality of feedback also makes a massive difference. Transparency can go a long way in eliminating doubts and stresses as one's position within a firm.

A hot topic, therefore, is the role of lawyers as coaches and mentors. Senior lawyers who manage and delegate to juniors, giving feedback and helping them set objectives. "We are increasingly seeing very experienced law firms leaders as coaches," says Woodward, "as they recognise that if they tap into the huge amount of potential within their firms, and

support the intrinsic motivation that professionals bring to their work, it is what will be most beneficial in the long-term". The IBA, encouraged by Denyer, has just unveiled a mentoring programme, putting together people who would like to be mentored, or are new to management or leadership, with seasoned law firm managers and leaders. But this commitment from law firm leaders means giving up valuable time, free and non-chargeable. As one Managing Partner said, off the record, while acknowledging that motivation is a key issue for law firms: "How can I care about juniors now? I need to care about senior lawyers, the best, those that can bring in the profits we so urgently need!" The only way to ensure the success of such projects is to record, recognise and reward it otherwise people will be reluctant to volunteer.

### **Don't delay**

Juniors are the seniors of the future. And failing to acknowledge their needs now, both professional and personal, could be hugely detrimental to firms in the long-term. And it is too easy to blame a lack of motivation on the unrealistic expectations of Generation Y, or on the crisis, which has only brought the changes of the past 20 years into such hard focus. And the legal market is suffering a lack of motivation as much as any business sector.

Being a lawyer is seen as being less fun and satisfying than ever before. Most critically, that goes as much for law firm leaders as it does for their junior lawyers. While law firms are starting to address these issues, in particular with more flexible career options, the problem is deep rooted.

Law, after all, is a people business.

**To participate in further LMP Master Classes please contact [andrea.longaretti@ie.edu](mailto:andrea.longaretti@ie.edu)**

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