

MOVING AWAY FROM THE REMUNERATION GRID?

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Some suggest that the current changes in the legal market will require new approaches to how law firms will attract and keep their best lawyers. If so, does this require pay and promotion which is more closely aligned to an individual's performance - will we see a move away from

traditional career paths that automatically reward lawyers based on their years of experience?

"We base our model on having in our ranks the best and brightest. We will continue to pay our associates more than any of our competitors, adding to our top of the class base compensation a very substantial end of year bonus. Legitimate management questions should not serve as a justification to penalise lawyers effort and talent."

José Luís Blanco, Managing Partner, Latham & Watkins, Spain



"Our lockstep compensation structure for partners and associates promotes a cooperative and teamoriented environment and facilitates a high degree of cross-firm integration, which means that every necessary resource will be used in the pursuit of our clients' goals. We see lockstep as central to providing our clients with the best possible legal service and I don't see it changing any time soon."

Michael J. Willis, Madrid Resident Partner, Davis Polk & Wardwell

'In Abreu Advogados, pay has always been linked to performance and never to seniority or number of years experience. Each associate has an individual pay, based on his/her own personal achievements, level of education, financial productivity and cultural integration. Therefore, we do have some younger associates earning more than some older associates. An element of the remuneration is also indexed to the global results of the firm, but even then the portion of such results that each associate receives is always indexed to their own individual performance.'

Miguel Teixeira de Abreu, Managing Partner, Abreu Advogados



'Some may suggest that money alone solves the problem of keeping talent, which oversimplifies the issue and pays no great compliment to those we view as future partners. We believe that strong motivation and the sharing of our firm's culture and values are the key elements of long-term success. The ratio of partners and senior associates at PLMJ clearly illustrates our policy, which rewards merit, performance and dedication to the firm. Young lawyers who seek only short-term material gains are not the people that PLMJ wants to keep as future partners.'

Luís Sáragga Leal, Managing Partner, PLMJ

'Yes, I believe performance-driven compensation structures will impose a major shift away from modified lockstep career paths combined with aggressive performance driven remuneration mechanisms. The first recognised medium to long-term institutional contribution, and the latter the immediate annual contribution in terms of actual received invoicing and client generation and/or maintenance.'

Pedro Rebelo de Sousa, Managing Partner, Sociedade Rebelo de Sousa





'This is not yet an issue in Madrid we have the need to consider, but I think most firms already have a "modified" track for associate remuneration which takes into account individual performance. Bonuses are a way of achieving this.'

Inigo Gomez-Jordana, Managing Partner, Allen & Overy