

THOMSON REUTERS INSTITUTE



STELLAR PERFORMANCE

A Survey of Stand-out Talent

Executive Summary

5th Annual Survey **June 2021**

THANK YOU

Our evolving research study of senior talent in law firms would not be possible without the support of both law firm leaders and the client-nominated stand-out lawyers who participate. This year, an astounding 2,452 lawyers responded, 88% of whom were Partners. We thank every one of you for supporting the study either through encouraging participation or sparing the time to share your perspectives.

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EXECUTIVE SUMMARY

This year's report delves into many critical issues facing law firms today – how senior lawyers define purpose and their understanding of ESG (Environmental, Social and Corporate Governance), how they want to work in a post-pandemic world, how firms are supporting their wellbeing and the challenges facing clients and how equipped lawyers feel to support them. The report reveals that flexibility is critical when it comes to optimizing talent – firms need to shake off the one-size-fits-all rigid approach, to attract, develop, engage and retain world-class talent. Flight risk remains high and the most compelling employer brands will make strategic gains in the talent war.

Key findings this year include:

LAW FIRM LEADERSHIP STRENGTHENED THROUGH THE PANDEMIC

The efforts made by the management of law firms to maintain effective operations during the pandemic have not gone un-recognized by top talent at law firms across the world. Partners are more satisfied with their firm's leadership; one of the five strongest drivers of high Partner engagement, particularly for younger talent. Support functions have also delivered a stronger performance during the last year in Partners' eyes – most notably IT.

MORE THOUGHTFUL COMMUNICATION RESULTS IN IMPROVED COLLABORATION

The fear that collaboration – another top driver of high partner engagement – would suffer in a remote working world has not been realized. Partners are now the most satisfied they have ever been with how collaborative the culture is at their firm. This isn't the case for every lawyer, or every firm – some have simply struggled to adapt. The laissez-faire approach adopted with collaborating in the office had to be overhauled to work in a virtual world. Collaboration needed to be planned, more structured and more inclusive. Thought needed to be given to create both formal and informal times to collaborate, thereby creating more social as well as work connections. When these approaches came together, collaboration blossomed.

PEOPLE DESIRE HYBRID WORKING WITH FLEXIBILITY – WORKING ON THEIR OWN TERMS

The benefits of virtual working are dampened by the strains of virtual working. These included endless zooms, constant availability, lack of person-to-person interaction and unwanted distractions at home. It is therefore not a surprise that most lawyers want to adopt a hybrid remote/office working week as they plan for life post-pandemic. Long hours are an accepted practice in law, but people want flexibility. Two thirds of senior lawyers would like to work flexible hours. This is nearly double the level observed prior to the pandemic. Altogether, three profiles of desired working patterns emerge, with varying levels of remote working and hours. Each profile reflects individual perspectives on personal boundaries that enable work-life balance and don't necessarily reflect certain demographics.

SHOULD LAWYERS BE SETTING BOUNDARIES WITH CLIENTS?

Forty-nine percent of senior lawyers do not think they should set any boundaries when it comes to being available for contact. This mindset is likely to be contributing to the mental health issue in law, as juniors feel pressure to follow the example set by partners. A quarter of partners feel unable to discuss boundaries with any of their clients. But can clients adapt their expectations? Should more law firm leaders be advocating initiatives such as the Mindful Business Charter with their clients? Do law firms need to provide a 24/7 service? If this is the case, should firms be thinking about their people working shifts, rather than bearing the load of permanently being on call? Should law be looking to the medical profession, where consultants have dedicated time in the office and then time at home when they are 'on call'? Should clients pay extra for out of hours service?

ROOM FOR IMPROVEMENT ON KEY ENABLERS OF WELLBEING, WITH AN ADDED BONUS WHEN FIRMS GET IT RIGHT – HIGHER ORIGINATIONS

This year, we built on our findings relating to wellbeing stress risk factors, by finding out how lawyers feel their firms are performing against the three foundations required to maximize wellbeing – 1) **clarity** around goals, how their role fits and related objectives, 2) **control** of their work and input to change, and 3) direct **support** for wellbeing. Reassuringly, performance was strong, however, more than half of lawyers felt there was room for improvement – with the control foundation fairing the least well. This reiterated the finding that lawyers are prepared to give the hours, but on their own terms – they want flexibility in return. The silver lining that comes with getting the foundations right is more client wins: Lawyers who agreed their firms provided sufficient clarity around their own and their teams' objectives, achieved 30+% higher originations.

DEFINING A GREATER PURPOSE

Purpose is high on the agenda of many law firms this year. Law firm partners vary hugely in how they frame their professional motivations and how they feel their work impacts broader society. On a personal level, achieving excellence was a top motivation, ranking alongside becoming a trusted advisor to clients. When it comes to describing their impact on broader society, their practice or sector focus weighed heavily. Those with clients whose business activity directly impacted society – for example, healthcare or infrastructure – felt their contribution was made through helping their clients get more work done. For some lawyers, like corporate lawyers, they felt their impact was through helping their clients succeed – creating jobs and wealth. And for others, they felt their work helped create an orderly society – for example, dispute resolution or regulation. Labor lawyers felt they helped clients to behave more ethically. Lawyers expressed their views on these impacts with passion and conviction. This is clearly an area which can raise engagement and create commonality in mission.

ESG – WHAT DOES IT REALLY MEAN FOR LAWYERS AND THEIR CLIENTS?

ESG (Environmental, Social and Corporate Governance) is a hot topic in 2021. Most law firms are reinvigorating and redefining their ESG efforts. The predominant focus was on Diversity, Equity and Inclusion (DEI), the environment and sustainability. Climate change was a term frequently used.

The results suggested that firms would benefit from taking a multi-pronged approach to their work relating to ESG, enabling their people to focus on topics that resonate at a personal level for them and with their clients. Measures of impact could be tailored too, to match. Clients were also asked these questions – and reflected many of the same perspectives.

ADDRESSING THE SKILLS GAP TO BETTER MEET CLIENTS' NEEDS

Cost pressures emerged as the major challenge partners felt their clients were facing. It was also one of the areas in which partners felt least equipped to provide novel or innovative solutions. Another operational challenge where solutions were lacking was digitalization of legal work. Partners also talked about clients having challenges in managing their talent – including DEI, attracting and retaining talent, developing talent and remaining engaged and effective in a virtual world. These were all areas where partners felt less able to respond to clients. Clients are facing challenges to modernize their departments and firms that can help them evolve, by sharing the learnings from their own development, are likely to build stronger partnerships with their clients.

If you have any comments on this year's report or ideas for future research topics, please do get in touch.

PUTTING THIS RESEARCH INTO ACTION AT YOUR LAW FIRM

To access the full findings in relation to this evolving body of research, options available include:

- Slide-based report containing the full findings,
- A tailored slide-based report for firms with sufficient responses, comparing your own firm's results against the market and/or select groups or
- Topic-based workshops delving into single or multiple findings from the research.





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Stellar Performance is an evolving body of research among stand-out lawyers to challenge and evaluate law firm talent management that will deliver on clients' needs.

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