



STELLAR PERFORMANCE 2023

The state of lawyer engagement: The impact of firm culture, leadership, and support structures

7th Annual Survey | January 2024

THE STATE OF LAWYER ENGAGEMENT: THE IMPACT OF FIRM CULTURE, LEADERSHIP, AND SUPPORT STRUCTURES

Lawyer engagement is critical to the smooth operation and financial success of law firms on multiple levels. Highly engaged lawyers are more likely to recommend their firms as places to work, more likely to introduce colleagues to clients, and pose a dramatically lower flight risk. But what can firms do to better engage their lawyers? And what are a firm's most valuable lawyers considering when they assess their futures at their firms?

In this *Stellar Performance Research Report*, we survey 2,400 Thomson Reuters Stand-out Lawyers from around the world — those nominated by their clients as being exemplars within the profession — about their levels of engagement, their likelihood to leave their firms, their satisfaction levels with various aspects of law firm life, and their work arrangements. From this data, we present a picture of the satisfaction levels of a firm's most valuable lawyers, the drivers behind those satisfaction levels, and the actions firms can take to retain their most valuable team members.

And while every law firm naturally wants to keep its people happy and avoid having them leave — and take their book of business with them — stand-out lawyers are particularly important to their firms. In fact, stand-out lawyers work 18% more billable hours and bring in 26% higher fees than the average partners in their firms, according to analysis of Thomson Reuters' Financial Insights data.

2,400
lawyers responded,
90% of whom
were partners



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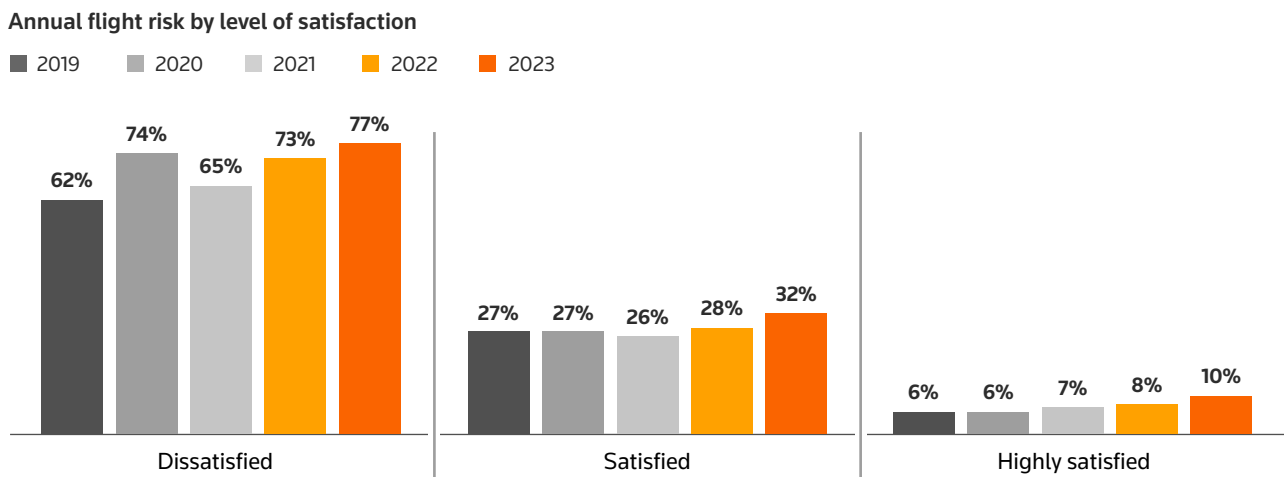
RISING SATISFACTION, RISING FLIGHT RISK

During the pandemic, many law firms embraced the hard work of rethinking their cultures and values. Those efforts appear to have paid off, as stand-out lawyers are in general much more satisfied with their firm’s culture and values now than they were before the pandemic. Other facets of law firm life are rated more highly as well – everything from remuneration to firm strategy, to perceptions of fairness has shown at least a modest gain. Not surprisingly, stand-out lawyers’ likelihood to recommend their firms as good places to work has also risen slightly. And even with the advent of hybrid work, levels of collaboration have remained consistent. (For more detail on collaboration, see our *Stellar Performance Research Report* on collaboration which will be released in February 2024).

While all this is good news, with so many firms reassessing their cultures and the ways in which their lawyers are supported in their work, the bar is rising across the board. So even though stand-out lawyers said they are more satisfied with their firms, they’re also more likely to say they’re considering leaving. Part of this could stem from a larger cultural and generational shift. As we also see in our [Stellar Performance Research Report on associates](#), it’s no longer assumed that, should an associate make partner, they’ll remain at the same firm for the rest of their careers. Instead, partners are more receptive to the idea that they could switch firms, and possibly take their entire team with them.

This phenomenon goes beyond any particular firm and even beyond the legal profession. In the wake of the pandemic, professionals across industries have reassessed the role and primacy of paid work in their lives.

Figure 1: **Flight risk increasing even among the most highly satisfied – but risk remains highly correlated with satisfaction**

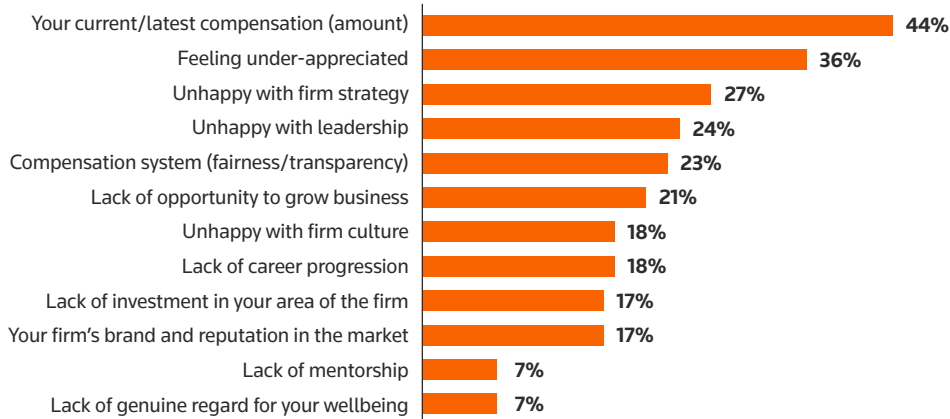


Source: Thomson Reuters

While flight risk varies by satisfaction level, it’s rising among every group of lawyers, including those who said they are most satisfied with their firms. This year, the overall share of stand-out lawyers who said they were considering changing firms within the next five years – those considered a flight risk – was 21%. In 2019, 17% of stand-out lawyers were identified as flight risks.

Figure 2: **Dissatisfaction with leadership and strategy increases flight risk**

Reasons for considering moving firms (prompted list)



Source: Thomson Reuters

To counter these trends, law firms need to invest in leadership. As well as being strong drivers of overall satisfaction, firm strategy and leadership are crucial to avoiding top lawyer flight risk. Previous Stellar Performance research has shown that law firm leadership needs to demonstrate three things: *i*) a clearly articulated vision for the firm and a strategy to achieve it; *ii*) positive personal characteristics such as focus, energy, care, and support; and *iii*) the cultivation of a culture of collaboration, client focus, and transparency.

While the possession of a clearly articulated vision is an important leadership quality across sectors, it may be even more critical to law firms. There are few other businesses in which such a large number of professionals (in this case, equity partners) potentially have a say in the overall running of the firm. Obviously, not every opinion can be accommodated — the result would be institutional paralysis — but that makes it all the more important that firm leadership is able to make everyone feel that their voice has been heard, is clear in describing the ultimate direction of the firm, and is able to bring along those who may initially disagree.

On that same theme of clarity, having clients provide formal feedback is also associated with higher lawyer satisfaction. As shown by our [Stellar Performance Research Report on client feedback programs](#), lawyers whose clients participate in such programs are also more likely to recommend their firms as good places to work.

In this context, it may not be so surprising that supposedly *soft* factors such as care and support are valued so highly. It's not just what law firm leadership does, but how they do it: Are they accessible, and do they seem to genuinely care about the welfare of their colleagues? Do they appreciate the work and time that other lawyers put in at the firm? Is there a genuine open-door policy?

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DRIVERS OF LAWYER ENGAGEMENT

When asked what they value most about their firms, lawyers give a consistent answer: The people. This year, when asked this question, the share of lawyers who specifically mentioned “people” dropped slightly compared to four years ago. The most common responses were “culture” and the “collegial” aspect of relationships — both closely related to “people,” of course.

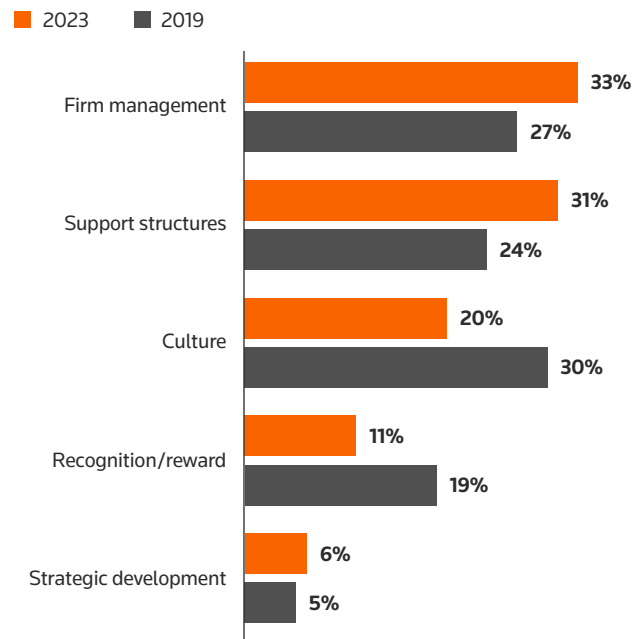
Figure 3: **Significantly less criticism of culture (collaboration and firm values) and reward**

Like most about firm (unprompted)



*Not all codes were recorded in 2019.

Ways to improve satisfaction (unprompted)



Source: Thomson Reuters

This year, “collaboration” and “culture” were less likely to be cited as areas for improvement, perhaps again reflecting changes law firms made in response to the pandemic. There were also fewer complaints specifically about collaboration between offices and practices, and about firm values. Pay is also less likely to be mentioned as an area for improvement — although, when lawyers do feel under-compensated, it remains a strong driver of flight risk, as shown above.

Again, we see that lawyers have become more demanding of firm management. Separate analysis shows that in the past five years, “firm direction and strategy” has become the strongest driver of lawyer engagement. Firm reputation and support from other fee-earners have also become more important. Lawyers are expecting more and better business support, whether that comes in the form of knowledge management, business development & marketing efforts, or better training for junior lawyers.

ENGAGEMENT AND NEW WAYS OF WORKING

Among stand-out lawyers, a hybrid work schedule is now the most common. That being said, almost one-quarter of stand-out lawyers said they are back in the office full-time.

At this time, it's not possible to say what impact various return-to-office policies might have on overall lawyer satisfaction. At the time this research was conducted, almost all stand-out lawyers seemed to be working the schedule that they desired. Indeed, when asked about flexibility, 76% of stand-out lawyers gave their firm a score of 9 or 10 out of 10, and only 4% scored their firm below a 7. The small group of lawyers who are almost fully remote (working a maximum of one day a week in the office) are the most satisfied with the flexibility they have in when and where they work, but those working two-to-five days a week in the office are not far behind.

However, those lawyers who come into the office most often are most likely to recommend their firms as good places to work and to make the most introductions of their colleagues. It's not clear if these behaviors are a product of office attendance, or if lawyers who are already the most engaged are also the ones who are most willing to come to the office five days a week.

Hybrid work: Finding the right balance

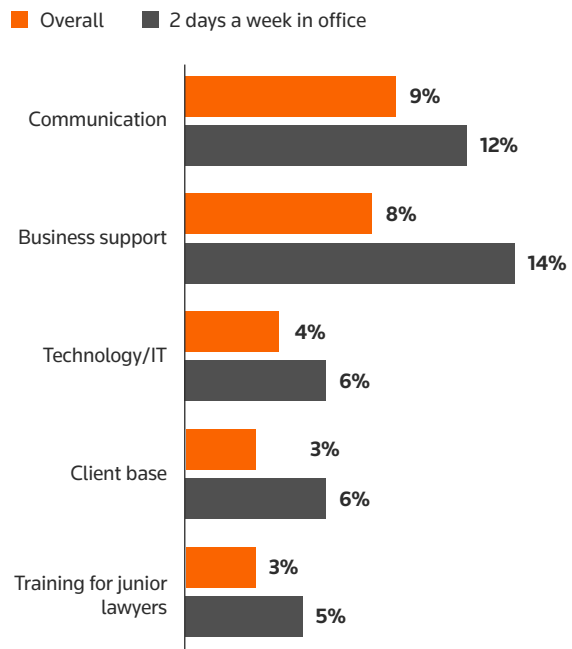
Despite the fact that most lawyers appear to have control over how many days they work in the office, stand-out lawyers working in the office two days a week are the *least* satisfied group overall. The deviation in their level of satisfaction is small, but still statistically significant.

It's not clear why this particular group of hybrid workers might be less satisfied with their firms. It could be that, when it comes to the support offered by their firms, they're falling through the cracks. Lawyers who work remotely full-time have likely made an effort to ensure that they have the technology in place to work effectively from home. These lawyers, as well as their firms, are probably acutely aware of the interpersonal challenges of working fully remotely, and both parties may be actively addressing them.

Lawyers who work in the office at least three days a week may not be so dependent on a particular technology and culture to help them be productive and feel included in their firm. They may be in the office often enough that if equipment or software fails at home, they can simply do the work from the office the next day. When in-person meetings become necessary, they probably can arrange to attend relatively easily. Those who work two days a week in the office may be caught in the middle, with neither the technology nor the culture to support remote work and without the ability to compensate with substantial in-office time.

Another possibility is that lawyers whose engagement is already lagging may choose to only come into the office two days per week.

Figure 4: **More common complaints for hybrid workers**



Source: Thomson Reuters

BOOSTING LAWYER ENGAGEMENT

The single biggest way that law firms can increase lawyer engagement is to improve the quality of firm leadership, and providing a proper recognition of the importance of clarity in leadership is a good place to start. Stand-out lawyers crave a clear vision and strategy, as well as the cultivation of a collaborative culture. And they expect firm leadership to be role models, through focus and commitment to strategy, and in adopting an open, transparent, and caring approach with colleagues.

Firms would also be wise to reexamine hybrid working arrangements. Now that lawyers have settled into a variety of schedules, it's an opportune time to look at the benefits and shortcomings of each, and to reassess the support mechanisms and culture necessary to make hybrid working successful. We don't see clear evidence that any particular arrangement is *better* than another, but it might be the case that not all schedules are being supported equally.

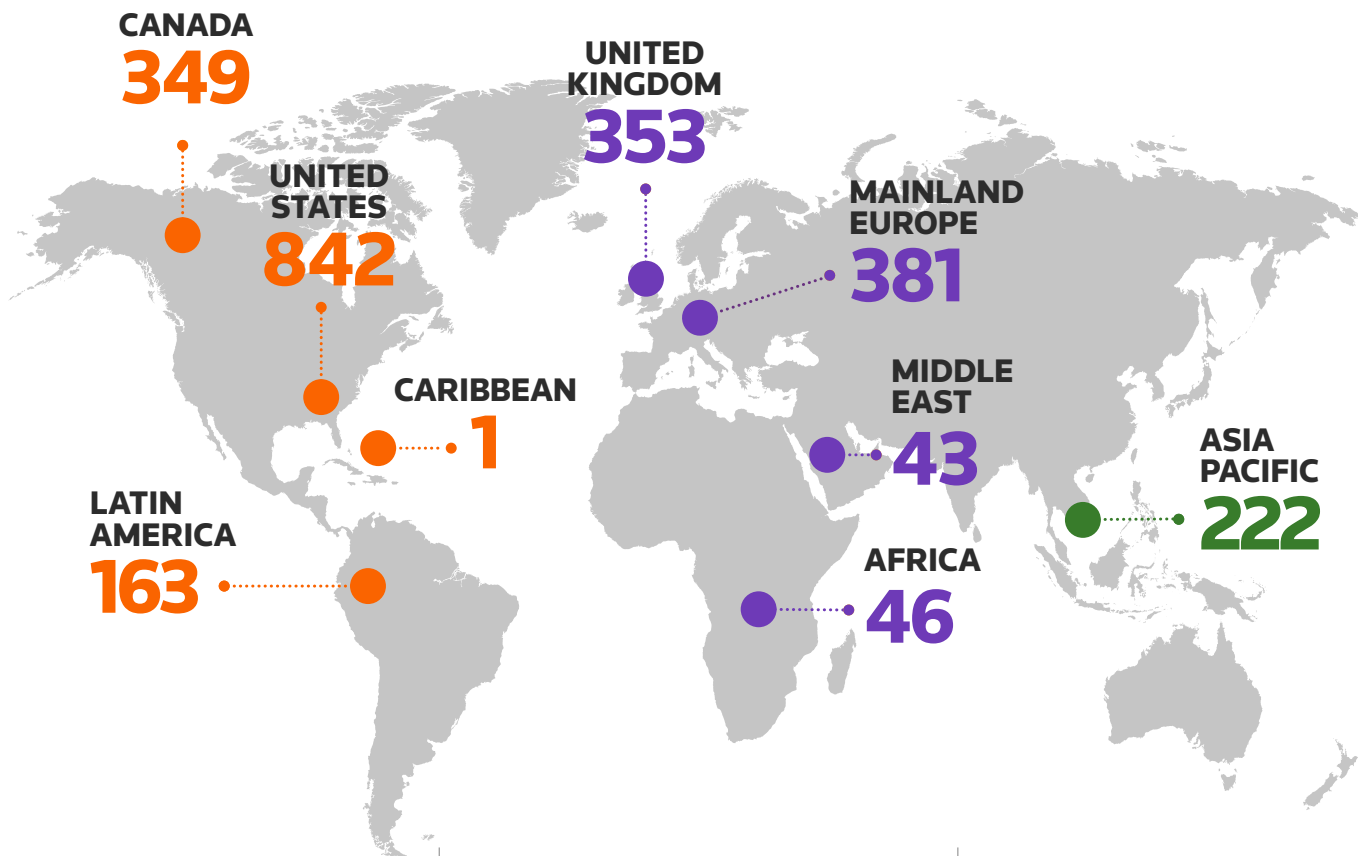
The engagement levels of a firm's lawyers have a large impact on the success of their firms. In the view of stand-out lawyers, responsibility for those engagement levels lies squarely on the shoulders of firm leadership. These lawyers are looking for clarity, strategic direction, and leaders who are not afraid to show their concern and care on a personal level.

While these would be reasonable requests within any professional workplace, the nature and structure of law firms makes these factors all the more relevant — and all the more important for law firm leadership to demonstrate.



METHODOLOGY

This report discusses the findings of a self-completed web survey, distributed to lawyers who were nominated as “stand-out” in our ongoing, random-sampled Sharplegal survey of law firm clients. This year, 2,400 lawyers responded, 90% of whom were law firm partners. We would like to thank every one of those exceptional lawyers for taking the time to support our study and share their perspective on what law firms need to be doing to enable them to work at their best and continue to deliver exceptional client service.



2,153
PARTNERS

OF WHICH

1,801
ARE EQUITY
PARTNERS

25%
ARE FEMALE

(2% prefer not to state)

13%
ARE UNDER
40 YEARS OLD

73%
ARE MALE

11%
ARE OVER
60 YEARS OLD

12%
WOULD CONSIDER
THEMSELVES PART
OF AN ETHNIC
MINORITY GROUP

WANT TO ACCELERATE THE SUCCESS OF YOUR TALENT STRATEGY?

Clients spend upwards of 31% more with firms that have stand-out lawyers.

Firms that can engage and retain their high-performing talent have a significant market edge. With access to the latest empirical Strategic Insights research, the Thomson Reuters Advisory team can help your firm align strategic planning to ensure long-term engagement and greater retention of top talent.

To learn more about how our Advisory team can help your firm make data-driven decisions that will help ensure successful firm growth, profitably and exceeding client and top talent expectations, book a free consultation with:

- **Jen Dezso**
Jen.Dezso@thomsonreuters.com

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