

Hiring and Retention: Resources and Strategies for Improvement

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Introduction

The NALP Foundation's 2006 – 2011 annual attrition series provides telling data that highlights the need for every law firm to remain vigilant in its efforts to attract and retain the valued members of its workforce. This article sets out to explain why vigilance in developing and maintaining a hiring and retention strategy is more important than ever. Also included are some tips on how to engage the resources and tools that can add value.

While the hiring statistics reported in the survey reflect a net gain in associates hired in recent years, it also shows that firms are struggling to retain a majority of the associates hired. The turnover statistics are alarming (up to 80% in 2011) and the result of all of this is a considerable loss in firms' initial and on-going investment to recruit, hire, on-board and train those who have departed.

Quantifying the financial loss of a valued associate becomes a complex equation that must include the profitability of the associate, as well as the total (and often, sizeable) investment the firm has made in training and developing him/her into a productive member. Regardless of how the equation is constructed, one can reasonably conclude that law firms are losing a substantial amount of time, money and in-house knowledge as the number of departures increases.

Firms Doing More with Less

Associate hiring is on the rise. The majority of participating law firms expect to hire more lateral associates within the next 24 months than they have in the recent past. In addition, over the past two years, contract and temporary attorney recruiting has increased dramatically.

Interestingly, while the trends show a noticeable uptick in hiring activity, few firms anticipate changes in non-partner recruiting budgets or the number of administrative staff who are dedicated to non-partner recruiting within the next two years. Accordingly, internal recruiting departments will be asked to handle more activity without an increase in staff or budget. Given all of the foregoing, it is increasingly important that law firms shore up hiring and retention strategies. Utilizing the right tools and resources to determine when and how to hire entry-level, lateral, practice group-specific, non-partner track, part-time or temporary associates will make a big difference for associate hiring and retention, and to the bottom line. Strategic and thoughtful hiring of contract attorneys provides a higher functioning, more efficient practice with fewer disruptions to the practices of permanent, partnership track associates resulting in more stability and continuity for those associates. Such continuity and stability inevitably leads to better career development and job satisfaction.

Part-Time or Temporary Staffing

As advisors to law firm recruiting staff and hiring partners who want to understand how a temporary staffing model could add value to their firm's hiring and human capital management strategy, we are often asked to weigh in on *when* and *how* a firm should consider hiring an attorney on a temporary basis.

The use of an interim/temporary staffing model as a supplement to a firm's overall hiring strategy is gaining momentum among firms who see the value in a scalable workforce which can expand and contract in accordance with workflow. The use of substantively trained, temporary attorneys can provide stability to the firm as its workflow inevitably expands and contracts, bringing more continuity of work to the rest of the workforce.

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First, it is critical that we accurately define what client and staffing providers mean when using the term “temporary or contract attorney.” There is a widespread misperception that by seeking to hire an attorney as anything other than a full-time, direct employee of the firm, quality in hiring will suffer. Our clients can attest to the fact that this is simply not true.

The widespread use of temporary attorneys for discovery project work (i.e. document review, etc.) has contributed greatly to this misperception. Since many staffing firms are mostly limited only to this network of attorney candidates, they are often unable to provide additional options when law firm clients request candidates who have more substantive experience and better credentials. There are however, qualified firms who *can* provide talented and often well-credentialed attorneys under the structure of a temporary or temp to perm arrangement. As it applies to MLA’s Solutions Practice Group, our temporary attorneys are highly qualified legal consultants with the education and experience required to do the job well, for short or long term temporary assignments.

A temporary staffing model should be employed as a way to complement a firm’s existing hiring strategies. The list of scenarios by which a temporary staffing model can add value is long. However, there are some common themes within all scenarios that you can look for to determine if and when a temporary hire should be considered:

- Rate pressure from clients;
- Need to fill a skill gap in the firm (specific experience or expertise required);
- Frequent changes in workload;
- Short-staffed in a particular department or practice group;
- Flexibility desired: Allowing department or practice group to expand and contract in sync with incoming workload without having to manage frequent hiring and lay-offs;
- Desire to reduce risk associated with employment related claims (wrongful termination, unemployment, etc.);
- Uncertainty as to whether there is enough work to justify a full-time hire;
- Project work;
- Need to free up partner-track associates for more client facing work;
- Need to cover a geographic market where the firm does not have a presence.

Once a firm determines *when* a temporary attorney should be considered, it is even more important that it carefully considers *how* to engage the right provider. First, seek a reputable firm. There are many providers out there that claim to be able to provide well-credentialed and qualified attorneys under a temporary arrangement. However, there are only a few firms that truly provide this service consistently, and you would be well-served to research the firm, speak to client-references, and gather intel from your personal, professional network. Second, determine how important regional, national or international coverage is to the firm. If this is important, it is critical that you find a firm that is capable of providing coverage on a local *and* global basis. Third, interview the provider. Take time to understand their processes for sourcing and screening their candidates. Be sure to understand the operational structure of the company and inquire as to the internal resources that will be dedicated to your needs. Also request information about the depth and breadth of each staffing provider’s network or database of candidates in a particular location or practice area. Finally, be sure to understand each provider’s terms regarding your firm’s right to hire the temporary attorneys provided.

Full Time Associate Hiring

While law firms have increasingly incorporated non-traditional associates onto their staffs, full-time partnership track associates are still the backbone of the AmLaw 200. Because firms anticipate that their growth will largely come from recruiting traditional lateral associates over the course of the next two years, determining whether and when to hire a full time, permanent associate, requires consideration of both financial data and issues related to firm brand, culture and legacy. On the financial side, firm management determines if there is sufficient work flow to ensure that a new hire will be utilized

to the full extent (typically based on a 2000 hour billable year) and that the other associates currently on staff can continue to work at the same level of productivity with an additional member of the team. The other side of the analysis includes an examination of the firm's culture and succession plan. Great care is taken in hiring partnership track associates to ensure that their credentials, work ethic and long term goals mesh well with the team, because they represent the future and legacy of the firm. Significant resources are expended training and grooming an associate for partnership.

Our clients anticipate that they will focus hiring on a few key practice areas: intellectual property/patents, litigation, corporations/business, health law and tax law. In any given geographic area, there are a finite number of associates of a particular skill set. In addition, when firms hire laterally, they are looking for associates of a specific vintage (within a range of two to three years) to fill a need for a particular skill level as well as a structural need so that the group can function appropriately and deals can be staffed efficiently. Accordingly, as supply and demand shift, competition between law firms for legal talent will increase, particularly within the practice areas stated above. Firms were accustomed to such competition, particularly for transactional associates, in the years before the recession. However, since the recession, law firms have typically received applications from many more qualified associates than for which they have room. When competition among firms within these practice areas does become a reality, firms will need to recruit aggressively and creatively. Partnering with an outside recruiter to help manage the process and to advise the firm recruiting team how to proceed is crucial to successfully competing— particularly given that the majority of law firms do not foresee increasing their recruiting budgets and will expect their law firm recruiting personnel to do more without an increase in internal recruiting bandwidth.

Partnering with a trusted recruiter goes way beyond candidate sourcing. A savvy recruiter knows that simple cold calls do not lead to the same success as having a more targeted and strategic approach. Moreover, a search professional who knows the unique culture, platform, client base and growth strategies of your firm will have the necessary tools to articulate to the top candidates the most compelling reasons for joining your team and the ability to close the deal. As such, a good recruiter takes the time to get know their clients on a very intimate level by meeting with the firm partners who will be working with the potential new hire and the partners who have decision-making power in the recruiting process. Armed with that knowledge, the recruiter effectively guides a firm through the paces of attracting top talent. The recruiter works as a team-member alongside the partners and the recruiting coordinator to: identify the best targets for the search, devise a strategy for getting an audience with those sought after attorneys, and finding the synergies between client and candidate that are most likely to lead to the addition of a top-notch, committed, long-term new hire.

Conclusion

Building an efficient, productive and profitable legal team is more complex than it ever has been given the changing economic climate, candidate pool and competitive landscape. Law firms worry about both over- and under-hiring. This combined worry can result in a sense that recruiting is reactive and lacks strategy. We encourage our clients to explore new and creative staffing options in conjunction with a stronger, more tactical and targeted permanent recruiting strategy. Taking time to think through the most efficient use of internal and external resources while developing strategic partnerships with recruiting consultants can defray this reticence and sense of reactivity. Having a team of search and staffing consultants who share information and approach a firm's needs holistically can be of tremendous assistance in restoring recruiting functions to a more aptly proactive role where workforce needs are anticipated and filled in the manner that is most financially and culturally positive for the firm.

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