



21st Century law firm

Inheriting a new world

A report exploring the views of the emerging generation of lawyers



EVERSHEDS

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The shape of things to come

This report examines what young lawyers want from their careers and their employers, and how they see the profession ten years from now. It's the third report in our series looking at the changing face of the legal sector. Previous reports confirmed the impact of increasing client focus on costs, and identified the growth in status and use of corporate in-house lawyers.

Of course these two changes are now well-known, and are but two of the many significant recent changes in the sector. But less publicised is the profound shift currently taking place in virtually every law firm around the world, that of generational change. Our research reveals the young breed of lawyer is set to truly move the legal sector into the 21st Century. While they have much in common with previous generations, their ambitions are global and they have a desire to make the sector more efficient and commercial. Many do not view the law as a career for life, but if they stay, they would like a better work-life balance than previous generations of lawyers.

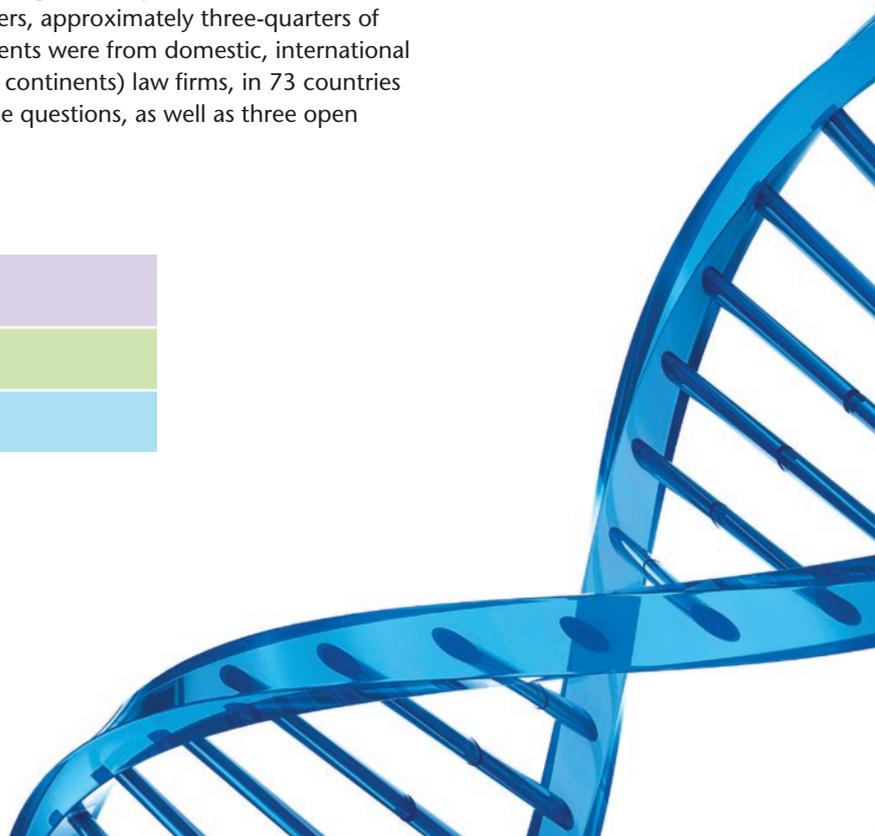
As this generation moves into management and leadership positions in the decades to come, the profession will be what they choose to make it. We are already seeing the effects of this as some law firms change their policies to reflect the emerging mind-set. Equally, many firms are refusing to budge from their traditional way of doing things. Their choice is to play a part in the revolution of the 21st Century lawyer, or risk becoming one of its victims.

THE SURVEY

Between May and December 2012, RSG Consulting, an independent research and consulting company, surveyed over 1,800 lawyers, approximately three-quarters of them between the ages of 26 and 35. Respondents were from domestic, international (at least two countries) and global (at least two continents) law firms, in 73 countries across the globe. They answered multiple choice questions, as well as three open questions, online.

We summarise the findings in three sections:

1. The culture of the legal profession
2. The career path
3. The workplace and relationships



Our main findings

- Many young lawyers feel the partnership model is out of step with the 21st Century.
- However, three-quarters of men still want to be a partner – though only 57% of women do.
- Over half feel the legal career path is unnecessarily long.
- The excessive focus on billings, and the billable hour structure, is not favoured.
- The next generation is hungry for change.
- However, most young lawyers are happy in their current careers.
- Having interesting work, or not, is a key factor in career happiness, or unhappiness.
- Over a third of lawyers surveyed are thinking of changing jobs in the next year.
- Two-thirds of lawyers in the 21 to 25 year age group say international opportunities are a key factor when taking a job.
- Women earn slightly more than their male counterparts at the earliest stage of their careers, but by the ages of 36 to 39, earn 25% less.
- The next generation would most like to change work-life balance, improve the physical environment and create a more human workplace.



1. The culture of the legal profession

AN OUT-DATED MODEL?

This could be the generation that changes the practice of law for ever. Nearly 40% of all young lawyers globally think the partnership model isn't appropriate for the 21st Century – the number was 44% at UK and US law firms. Only a quarter actively disagreed with this, and 35% remained ambivalent.

Young lawyers feel the partnership model is out of step with modern business practices, and would like to reshape the legal 'profession' in key areas so it becomes more commercial. Engaging and connecting with clients is key. By far the majority of negative comments were directed at law firms' focus on billings. Many are averse to the old-style hourly billing, and the pressures it creates to work longer hours, regardless of efficiency, or value to the client. These negative aspects of law firm culture were also felt to hinder positive team work, creativity and innovation at law firms.

Young lawyers believe innovation is needed. They are excited by how technology will transform the practice of law – and help them achieve better results, more quickly, and in different ways. We believe this generation will use technology and new business models to work smarter – and work more effectively for their clients.

Young lawyers feel the partnership model is out of step with modern business practices.

WHAT'S GOOD... WHAT'S NOT

Having said that, 83% of young lawyers surveyed are already happy in their careers. For the record, the most satisfied lawyers were in the youngest age group (21–25 years old), or at South American law firms. The least satisfied lawyers were at US and Canadian law firms, or working for domestic rather than international law firms. Men were more satisfied than women.

However, for almost a third of respondents, their work as a lawyer was not what they had expected, and two-thirds of these were for adverse reasons. The top reasons why working as a lawyer did not match expectations were:

1. interest in the work
2. working hours
3. law firm culture.

However, the results clearly do not suggest that uninteresting work is a universal issue, as interest in the work is also top of the list of aspects of working as a lawyer that are better than expected:

1. interest in the work
2. colleagues
3. client contact and interpersonal aspects of the role.



Across all regions there was some scepticism about whether law firms operated as true meritocracies.

If working as a lawyer was different from expectations, was the reason given positive or negative?



While we can infer from this second list that people and relationships are important, it's clear variety also matters. Routine, tedious or less interesting work was the biggest cause of complaint from young lawyers, and there was more administrative work, document review and other paperwork than they had imagined. Some felt their jobs were not intellectually stimulating enough, while others hadn't envisaged spending all day in front of a computer screen. A common comment was that working as a lawyer was less glamorous than they had been led to believe.

Of the lawyers surprised by how interesting and stimulating their work was, for some it was working within a particular field such as environmental law, IT or cross-border M&A. For others it was the constant challenge, variety and opportunity – for example, big deals or time spent in court – they felt to be exciting.

AND DOES THE CULTURE AFFECT CAREER PROGRESSION?

Across all regions there was some scepticism about whether law firms operated as true meritocracies. Personal contacts, the right social and educational background, and 'fitting the mould', were felt to play an unfair advantage in career progression, an issue we'll examine more closely in the next section.

2. The career path

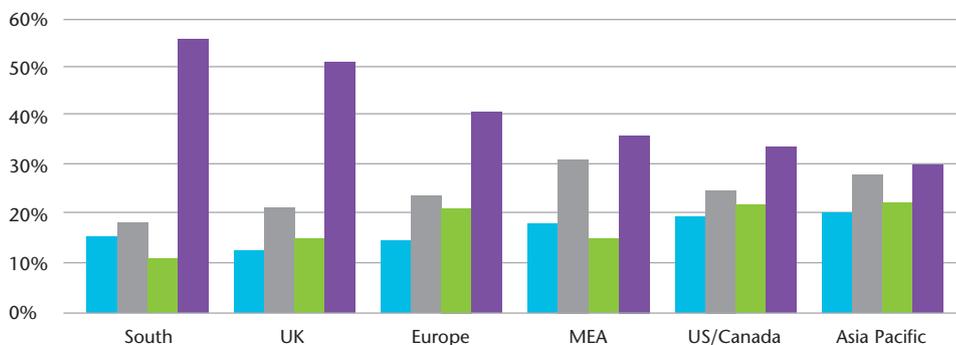
THE LONG ROAD AHEAD

For many, the private practice career path had turned out to be longer and less certain than expected. Most criticisms of career progression came from lawyers working at global firms, and those based in the UK, Europe and Australia. The majority (60%) of young lawyers felt the legal career path was unnecessarily long. Many wanted more opportunity to progress on merit rather than years worked, and felt this would also provide greater certainty and security when planning their future. And while nearly half the men surveyed (46%) viewed the law as a career for life, just 34% of women felt the same way.

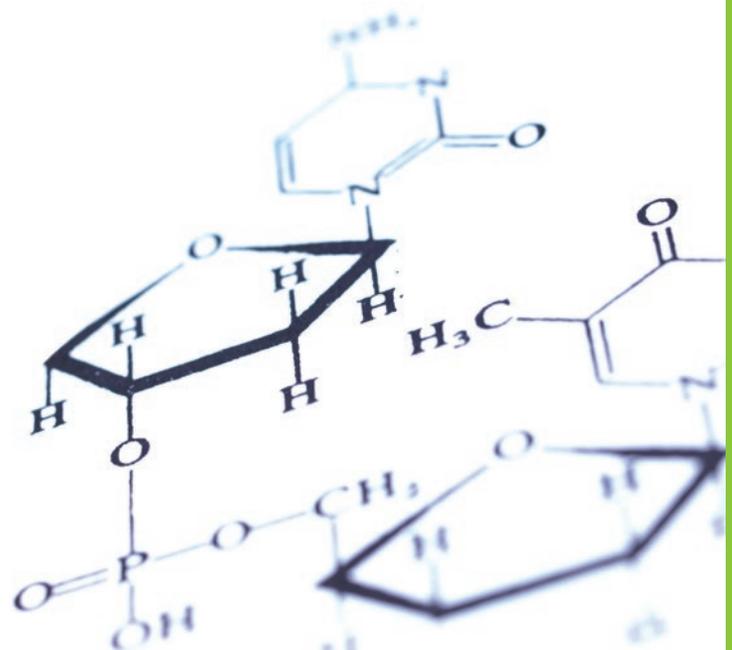
The majority (68%) of young lawyers still want to become a partner, although there is an important gender variation: 77% of men wanted to, compared to only 57% of women. There are strong regional variations to this also, with 79% of lawyers in South America wanting to become a partner compared to 58% in North America. The age bracket 26 to 30 years old (the heart of generation 'Y') was slightly less keen to become a partner, and slightly less likely than others to see themselves working at a law firm in ten years, or for the rest of their careers.

The majority (60%) of young lawyers felt the legal career path was unnecessarily long.

How long do you plan to work in a law firm?



- Less than five years
- Less than ten years
- Less than 20 years
- For the rest of my professional career



Younger lawyers also have a greater expectation for international exposure.

AND A WINDING ROAD, AT THAT

Within every age group surveyed, over a third of lawyers said they were thinking of changing jobs within the next 12 months. Up to the age of 27, lawyers say they would change firms primarily for a different type or quality of work, or for better remuneration. After this age, though, the main reason given for moving firms is to seek a better work-life balance, particularly for women, or men in the US and Europe. For men elsewhere, and for both sexes in the Middle East and Africa, remuneration was still the most important consideration.

Younger lawyers also have a greater expectation for international exposure. Working for an international organisation was considered an essential factor in the choice of employer for 59% of young lawyers, and slightly more important for men than women. In the 21 to 25 age bracket, 67% of lawyers said international opportunities were essential. This was markedly different in the US and Canada, where only 30% of all young lawyers said working for an international organisation, or one that does international work, was an essential factor in their choice of employer.

The majority (71%) of young lawyers believe the legal qualification process is in need of reform. This opinion was strongest in Asia-Pacific, and the least widely held in the UK. A majority of lawyers also say they would like more training in business development, and in negotiation and meeting skills. Many also say they would like training in management and supervision. Lawyers were fairly evenly split around the world as to whether their organisations empowered them to reach their full potential. A third felt they did not, and 42% felt that they did. Those in UK domestic firms and US international firms were the least likely to feel empowered.

Sexual equality still has a way to go. Between the ages of 21 and 25, women earn 30% more than men. However, this reverses between the ages of 26 and 30, with men earning 10% more than women. And by the age of 36–39, women earn 25% less than men in the same age range.



3. The workplace and relationships

GREAT EXPECTATIONS

For many lawyers, working hours are longer than they expected, and some describe their jobs as all-consuming, or comment on the lack of work-life balance their positions allow them. Some lawyers say their career's effect on their well-being and social life is much greater than they expected. Others say they struggle with the unpredictable nature of their working hours.

But such criticisms are by no means universal – many say they are pleasantly surprised by the level of autonomy and flexibility their legal careers offer them. While many relish the unexpected challenge, fast pace and intellectual stimulation their roles offer, many feel their jobs are more demanding and difficult than law school had prepared them for – saying there is pressure from partners and clients to handle complex work at high speed. For some, though, this is just the new reality of becoming more commercial.

Some lawyers say their career's effect on their well-being and social life is much greater than they expected.

A BRAVE NEW WORLD

Respondents differ in their views on how mobile technology is changing the legal profession. While it provides greater flexibility, it is also blurring the distinction between work and home life. A third feel the industry doesn't use technology well enough, with over a quarter wanting better facilities to improve their working environment. Meanwhile, a quarter of younger lawyers are also keen to establish a better work-life balance, and many expect the option to work remotely and flexibly.

On the whole, lawyers want to work shorter hours, and have more control and predictability. This is a stand-out theme from the survey, with 96% of women and 81% of men saying flexible working options are moderately to crucially important. However, women are almost twice as likely as men to say flexible working is crucial in their career.

It seems feedback and flexible working options, more than money, help lawyers feel empowered. Those earning less than US\$30,000 annually are just as likely to feel empowered as those earning five or ten times as much. However, 54% of lawyers who say they receive enough feedback from their bosses, and 52% of those whose employers offer flexible working, say they feel empowered by their organisations – compared with the average of 42%.

INTERPERSONALLY SPEAKING

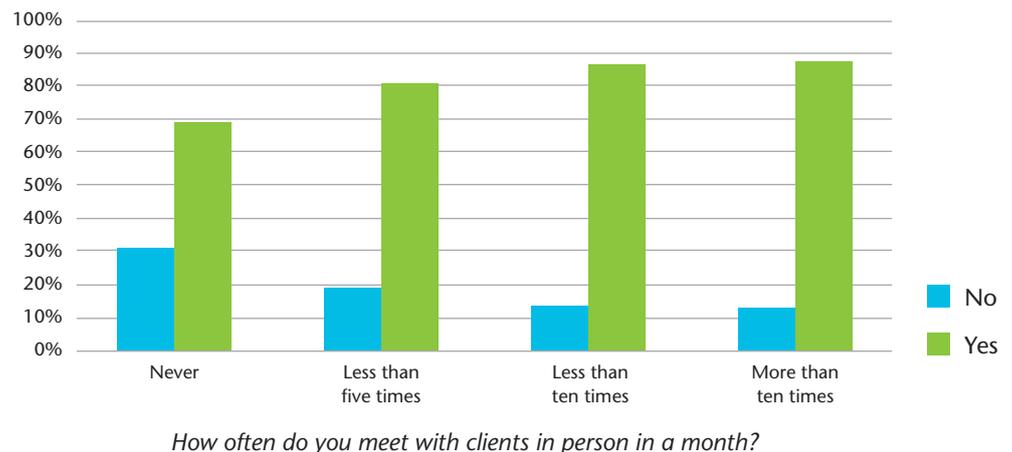
Most young lawyers value the more human and interpersonal aspects of their jobs, and say they are unhappy spending more time working alone than they had expected. The opportunity to work with talented, inspiring and supportive colleagues is one of the most valued aspects of working as a lawyer. While many wanted more client contact, a significant proportion are pleasantly surprised by the interaction opportunities on offer.

A sixth of respondents express desires for a more 'human' and positive corporate culture.

Young lawyers still have less personal exposure to clients than they'd like. Interestingly, 80% of lawyers said they meet clients less than ten times in an average month, and 60% meet clients less than five times in a month, or not at all. Men were almost one and a half times as likely as women (23% of men compared with 16% of women) to meet clients more than ten times a month.

As for how they interact with clients, 83% do so by email, while video calls with clients remain a rarity, even among younger lawyers – 73% say they have never interacted with clients this way. Interestingly, the survey also suggested lawyers who met clients more than five times a month were most likely to say they were happy (87%), compared with lawyers who met clients less than five times (81%), or never (only 69%).

Are you happy?



CHANGE – AS GOOD AS A REST?

When asked what main change they would make to their working environment, lawyers' top responses related to working hours and culture, and changes to the physical environment.

Working hours, work-life balance and more flexible working mattered to nearly a third of respondents, who identified three key areas:

- The length, unpredictability and sometimes anti-social nature of working hours.
- The availability of genuine flexible working and working from home options.
- The sometimes indistinct line between being 'at work' or not.

A sixth of respondents express desires for a more 'human' and positive corporate culture. Personal communication – vertically and horizontally – across the firm, is also considered important, along with team-building and a friendlier, collegial and less competitive atmosphere.

In conclusion

By Lee Ranson, Managing Partner, Eversheds

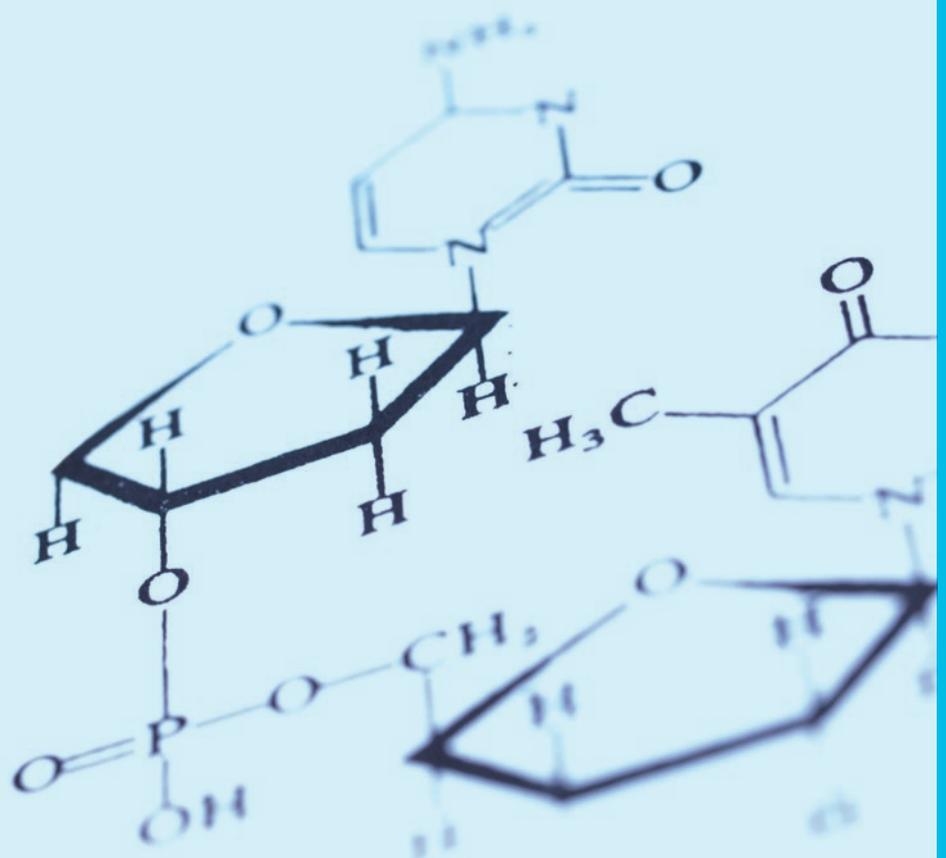
The new generation of lawyers has the potential to change the way the legal profession works. Therefore we conducted this research to identify their unique concerns, opinions and attitudes.

While they have much in common with previous generations, young lawyers do have some different priorities. With their greater sense of 'connectedness', this generation sees the world differently. Business relationships, a commercial outlook and working internationally are more important to them than to previous generations.

With nearly half of young lawyers surveyed identifying constructive ways to make their firms more efficient, it's clear that these are voices we should listen to. They are raising concerns over how a legal career can fit with their life ambitions. It's important we address these concerns, so the legal profession can continue to attract and retain the brightest talent.



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