

Law and Disorder?

Not Necessarily.

How the legal profession is adapting
to the millennial generation



It's the era of the millennial. By 2020, millennials — those born between 1980 and 2000 — will make up more than one-third of the global workforce¹. As law firms compete for that talent, it's critical for them to understand how to attract, motivate and retain this generation of workers. Myths and generalisations are in abundance when it comes to the millennial generation. In the popular consciousness, millennials could be more likely to give up on a task or quit a job, and avoid hard work. They are believed to lack trust and be unmotivated by income. In reality, a McKinsey Global Institute analysis found that millennials, on average, perceive job transitions not as quitting but as a means of continuing development. This generation does work hard, but they like having the freedom to work from anywhere at any time — and using their knowledge of and experience with digital technology to make that happen. While they may lack trust in institutions, they do trust the views of friends. Finally, they do care about income, but other factors tend to be just as important...

¹ "Millennial Careers: 2020 Vision", ManpowerGroup, 2015.

*In search
of the ideal
workplace*



So what qualities do millennial lawyers seek in a firm? According to The Legal 500's article *Hiring Millennials — Why Law Firms Cannot Ignore this Generation*, salary is one piece of the puzzle — though perhaps not the most important piece: “work/life balance, culture, appraisal systems, progression, the firm’s reputation, the firm’s impact on society (charity work, pro bono clients, ethics, diversity, career development, etc.) are all big topics of discussion when considering the best fit for them in terms of the type of firm they want to carve out their career with. Salary remains important; however they have other interests and concerns which also need to be met. They want to know that their work matters and, most importantly, that their employers trust them.”

This assessment rings true in a 2017 TargetJobs survey of millennials working in law firms. The survey asked 600 trainee solicitors working at 40 UK law firms to rate their firm’s culture, training and mentoring, hours, offices, trainee retention and other factors. Osborne Clarke, the firm that scored the highest for overall employee satisfaction, fared well in the salary category but scored higher in such categories as culture, and formal and informal training and mentoring. Survey respondents praised the firm’s strong sense of teamwork, friendly culture, and quality of work, which trainees said improved in line with their abilities.

That culture helps set the stage for the relationships that make trainees feel valued and encouraged to make contributions to the firm at large. Anecdotally, survey respondents from Osborne Clarke consistently said

employees at all levels of the firm were “approachable” and “willing to provide feedback” with constructive comments “intended to help me thrive at the firm.” Trainees credited the firm’s open-plan setup for dissolving the perception of hierarchy and encouraging trainees to share their input. One trainee commented: “If we have any ideas (in any sphere of the firm), we can put these forward².”

Firms that have mentorship woven into their culture and office structure can build the kind of environment that attracts and retains young talent. Millennials themselves are helping to create such environments by breaking down barriers between partners and associates. The Legal 500 reports that in recent years, partners and associates have grown closer and interacted more frequently, not because millennials lack respect for hierarchy but because they want more control over their career development and trajectory. More than the generations before them, they are looking for interaction with and transparency from their employers, they are willing to ask for feedback and they are “on the constant lookout for innovation and improvement” in their lives and work³.

Beyond attracting and retaining talent, creating a culture of mentorship can help law firms reap other benefits: By opening the channels of communication, mentoring relationships offer natural opportunities for a firm to reinforce its culture and expectations, and optimise the contributions junior lawyers make at the firm. The Harvard Business School study *Leadership that Gets Results*, which assesses a range of leadership styles

² “Top UK Law Firm Rankings”, TargetJobs, 2017.

³ “Hiring Millennials — Why Law Firms Cannot Ignore this Generation”, The Legal 500, 2 January 2018.

within organisations, identified the advantages of organisations that embrace mentoring (or “coaching,” as the study refers to it): “[Coaching] requires constant dialogue, and that dialogue has a way of pushing up every driver of climate. Take flexibility. When an employee knows his boss watches him and cares about what he does, he feels free to experiment. After all, he’s sure to get quick and constructive feedback. Similarly, the ongoing dialogue of coaching guarantees

that people know what is expected of them and how their work fits into a larger vision or strategy. That affects responsibility and clarity. As for commitment, coaching helps there, too, because the style’s implicit message is, ‘I believe in you, I’m investing in you, and I expect your best efforts.’ Employees very often rise to that challenge with their heart, mind, and soul... Although the coaching style may not scream ‘bottom-line results,’ it delivers them⁴.”

“I believe in you,
I’m investing in you, and
I expect your best efforts.”

The Harvard Business School study *Leadership that Gets Results*

⁴ Daniel Goleman, “*Leadership That Gets Results*,” Harvard Business Review, March-April 2000.

A man and a woman in business attire are walking down a set of stairs. The man is on the left, wearing a dark suit, white shirt, black tie, and glasses. He is smiling and looking towards the woman. The woman is on the right, wearing a dark blazer and dark pants. She is also smiling and looking towards the man. The background is a plain, light-colored wall. The text "The office space race" is overlaid in the center in a white, cursive font.

*The office
space race*

The physical setup of the office itself can create natural opportunities for mentoring and has a direct correlation to a firm's ability to attract and retain millennials. First, it has the power to impact employees' perception of their quality of life. Survey feedback from Osborne Clarke indicated that the firm's open-plan setup provided value beyond the workplace by helping trainees preserve their work/life balance.

Second, a person's work setup — and the degree of access and flexibility it offers via the arrangement of desks and the technology it employs — can generate opportunities and exposure that foster engagement and commitment. “For many firms, attrition is happening not at partner level but at the associate level where millennials account for a significant percentage, so firms need to ensure that their working environments cater for the working practices of these associates

and are viewed as good places to work,” said James Kerr, Head of Professional Indemnity at Travelers. “Agile and/or flexible work arrangements supported by investment in technology and underpinned by a progressive culture do make a difference to millennials and who they choose to work for.”

In fact, research has indicated that millennials will compromise on a number of other factors if given the opportunity for an ideal office setup. This was a conclusion in a 2016 CBRE survey, which encompassed responses from 13,000 millennials in their 20s across 12 countries around the world, plus nearly 7,000 survey responses from global CBRE staff, along with individual interviews and focus groups. The research found that 78 percent of respondents see workplace quality as important when choosing an employer and 69 percent will trade other benefits for better workspace.

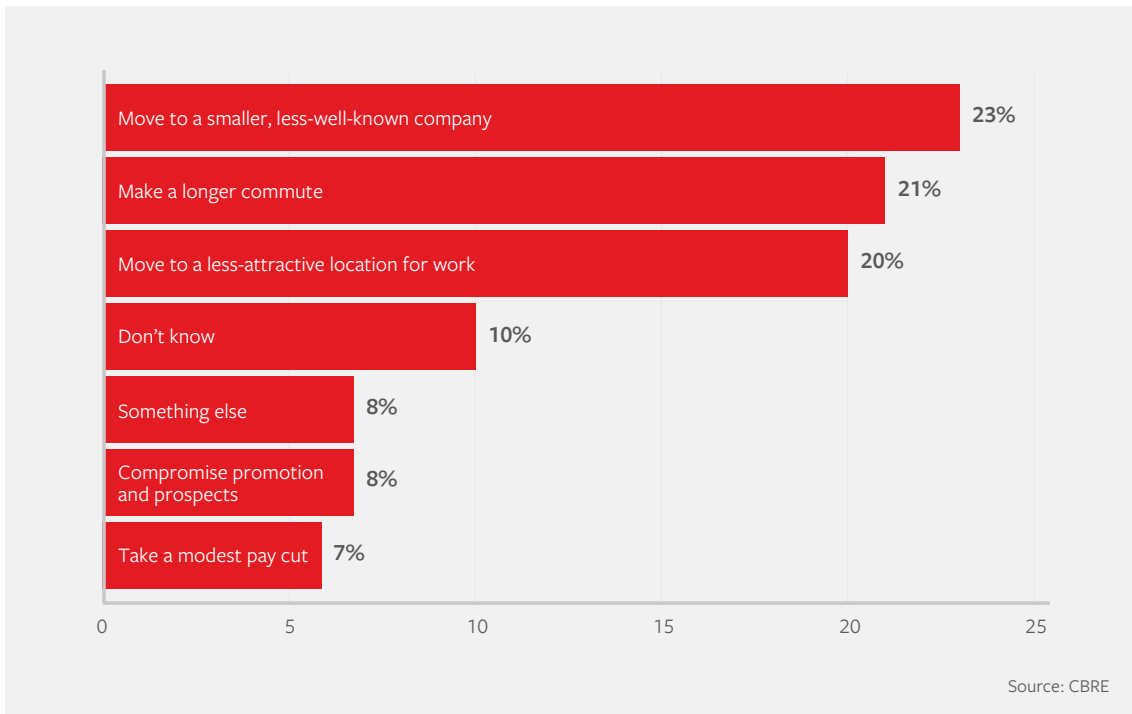
“Agile and/or flexible work arrangements supported by investment in technology and underpinned by a progressive culture do make a difference to millennials and who they choose to work for.”

James Kerr, Head of Professional Indemnity — Travelers Europe

When these millennials were asked what they were willing to give up in order to obtain a better working environment, one-third said they were not willing to do anything but the remainder indicated a greater willingness to sacrifice: Nearly one-quarter of respondents would move to a smaller, lesser-known

company in exchange for a better workspace; one in five would accept a longer commute or move to a less attractive location for work; and nearly one in 10 would give up a potential promotion or accept a modest pay cut for a better work environment.

Trade-offs for a better work environment Most millennials are willing to make sacrifices





*Adapting the
workplace to
the millennial
generation*

Of course, reconfiguring an office setup is a multiyear challenge for many firms, with real estate costs pressuring firms to reorganise, all while concerns about talent management, confidentiality, document management and client perception vie for priority. (For more information about how law firms are adapting to new ways of working, read the 2017 Travelers report *Experts Need Workplace Innovation: How Legal Firms are Navigating the Changing Workplace to Innovate and Grow*).

“In London, a number of major law firms have upcoming lease events in buildings which will need to undergo imminent, extensive refurbishment,” said Henry Ward, Director at CBRE. “One of the problems law firms face, in particular, is the time to acquire an office, design it and move into it is significant. Trying to respond to emerging technology and changing occupational trends proactively is an obvious challenge.”

The traditional office layout still abounds in the legal industry, with 67 percent of firms in London using primarily cellular office arrangements, according to CBRE’s report *Law in London 2018: The Changing Real Estate Needs of Law in London*. However, agile work policies are gaining traction, with 61 percent of firms having adopted an agile working policy at the start of 2018, compared to just 30 percent at the start of 2017. Many firms are adopting open-plan arrangements and alternative work spaces that make agile work more possible. In recent years, the need for profitability has motivated firms to evaluate their office space more closely — particularly in markets like London. Now,

however, firms are increasingly focusing on how their office space can help their staff collaborate and their firm compete for talent.

Even so, few firms are “truly agile,” Ward says, though more of them are transitioning to more flexible and dynamic ways of working. Even those who have already adopted agile working policies still likely have more to do. According to the report, 97 percent of firms allow working from home, 82 percent provide technology to untether employees from their desks, 53 percent offer a choice of work settings within the office and 42 percent employ desk sharing. Concerns remain about managing data and documents in smaller, more open office settings; maintaining confidentiality; and ensuring proper mentoring and management can occur when staff are regularly working away from the office.

Firms are taking on those concerns when designing new space, allocating seats and determining technology needs. Ward says many firms are considering village-style layouts, in which different functional groups occupy adjacent space within an agile workspace. In doing so, they’re factoring in the need for confidentiality along with the desire to foster collaboration among groups where there is greatest benefit to the client and the firm. To help make the most of the time junior staff have in the office, Ward sees an option for firms to dedicate one junior lawyer to a number of senior lawyers, instead of just one, so younger staff are getting exposure to a range of senior talent. To manage data, firms are investing heavily in document storage and processing facilities or expensive software that digitises files.

To make the best longer-term decisions about workplace development, Ward advises law firms to involve millennials in the discussion. “Though partners might drive the process of acquiring and designing space, they’re probably not the end users of the workspace, particularly for offices with a 15-to-20-year lease,” he said. “The employees using that

workspace and fashioning their careers from within it are perhaps only completing their training now. If firms don’t factor in the perspective of that group, it could impact on the attraction and retention of top talent, and result in a potentially negative client perception of the firm as well.”

Test your tech transition

As law firms embrace agile working policies and rely on technology to allow staff to work away from an office desk — whether in a café or conference room within the firm, at home, or on the road — their technology needs to keep pace with the transition. Unfortunately, law firms are vulnerable: “While banks have rigorous and robust information security systems in place, law firms haven’t typically kept pace by comparison,” said James Kerr, Head of Professional Indemnity at Travelers. “And since law firms tend to be data-heavy organisations, cyber criminals may see them as easy targets for a payout or reward. As such, law firms need to take information security seriously in order to protect themselves from unwanted cyber, malware and ransomware attacks.”

Firms can decrease the likelihood of an incident and minimise resulting damage by having these protections in place:

- Firms that are bring-your-own-device organisations need well-articulated processes around the use of laptops. If a laptop is left on a train, for example, there should be a clear process for reporting the loss and preventing the breach of data.
- Encrypt emails and employ two-factor authentication for staff logging on to the firm’s computer network. This holds true for individuals working from home and those travelling to the firm’s network of offices.
- Back data up daily so if systems go down or a device goes missing, the data can be retrieved.
- Anticipate how sensitive information may be inadvertently shared — via a photo taken on a mobile phone or a social media post, for example — and ensure your employee policies spell out the do’s and don’ts.



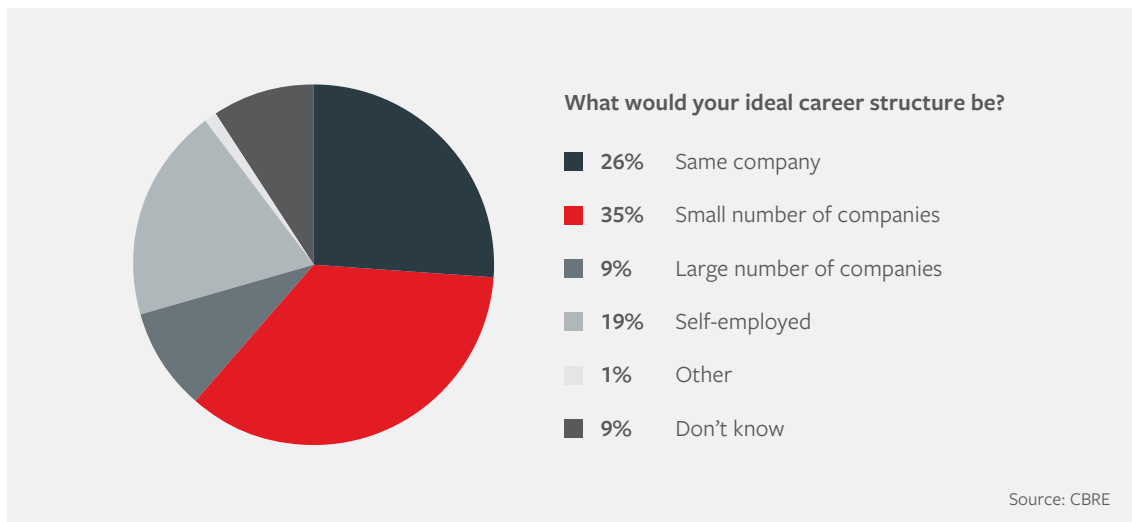
*Preparing
for the firm
of the future*

If millennials find a firm that provides strong mentorship and career development opportunities, along with an appealing work environment, they are more likely to stay. Contrary to the popular belief that millennials lack loyalty to an employer, CBRE's 2016 study of millennials found that 62 percent of respondents said their ideal career was with the same or a small number of employers. Research by Manpower confirmed this, according to the CBRE report: "[Manpower] found that millennials want to move on and move up, but more often than not they expect to advance with the same employer. The overwhelming majority

of millennials also want lifelong learning and are willing to spend their own time and money on further training. Almost two-thirds say the opportunity to learn new skills is a top factor when considering a new job. Millennials understand that continuous skills development is necessary to remain employable. But the idea that millennials are somehow pre-programmed for job-hopping seems misplaced; rather than desiring a nomadic career pattern, they are pursuing personal challenge, development, variety and skills enhancement. They may move around to pursue that until they find it⁵."

Ideal career structure

Job-hopping is less attractive than assumed



5 "Millennial Careers: 2020 Vision"; "Millennials: Myths and Realities", CBRE, 2016.

As a result, firms looking to attract and retain talent need to find creative ways to provide millennials with professional development opportunities and paths — and provide the means for these employees to monitor and measure their progress when supervision happens remotely. Law firms that look beyond the traditional model of a firm are more apt to provide millennials with the diversity of quality options they desire. The Legal 500 predicts career paths in the legal field will continue to evolve, and cites such possibilities as distinguished career paths for personal support lawyers, legal directorships, alternative consultant roles and senior in-house positions as potential considerations for millennial lawyers, along with movement to other in-house roles at an earlier stage.

Others foresee more dramatic changes to the legal business model as firms compete for talent. Last year, Peter Saunders, a partner at Deloitte who co-authored a report on developing legal talent, told the Westminster Legal Policy Forum that the legal profession would likely reach a tipping point in 2020, which would usher in a shift in how legal services are delivered. For example, more

firms could adopt a freelance model where they utilise a pool of a talent and hire qualified attorneys on a project basis⁶. Lawyers on Demand, Keystone Law and Axiom are just a few examples of organisations designed to help law firms tap additional talent on an as-needed basis — all while providing lawyers looking for work-life balance with the project-based work that allows for breaks between assignments. Or, as PwC’s 2017 Law Firms Report predicts, law firms looking to offer the kinds of career paths that attract and retain talent may evolve into multidisciplinary partnerships, public companies or private companies backed by financial investors.

Understanding the need for quality options is key to being an employer of choice for millennials.

“Not all millennials are on that partner trail,” James Kerr said. “Many are happy as long as their expectations regarding remuneration, career progression, working practices and work-life balance are managed effectively. I think that’s the direction of travel for law firms today.”

“Understanding the need for quality options is key to being an employer of choice for millennials.”

James Kerr, Head of Professional Indemnity — Travelers Europe

⁶ John Hyde, “Millennial Lawyers Won’t Be Wedded to Firms in Future,” The Law Society, 25 January 2017.

Hiring millennial talent? Keep these tips in mind.

- Offer meaningful roles that offer challenge, variety and the opportunity for development.
- Create a culture of communication — via open-plan workspaces and technology that helps employees connect, ask questions and receive/offer feedback regularly.
- Tap into their experience with social media platforms — and use their insight to develop a clear social media policy that reinforces the damage that can result when sensitive information is shared.
- Identify career paths beyond the partner track and provide rotational projects in different areas of the firm that may offer opportunity for advancement.
- Embrace flexibility through agile/flexible work environments, job sharing, sabbaticals or other programs that provide work/life balance.
- Provide structure through measurement: When supervising them, provide clear, consistent objectives and criteria for success.
- Look beyond the stereotypes and scan your candidate pool for key traits: Patrick Lencioni's book *The Ideal Team Player* says the best hires are humble, hungry and people-smart.



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