

## Talent development in law firms: three great ironies

BY KENT A. GARDINER

*"When I was a boy of 14, my father was so ignorant I could hardly stand to have the old man around. But when I got to be 21, I was astonished at how much the old man had learned in seven years."*  
—Mark Twain

Mark Twain's classic commentary—on the ironies of how we see and value each other as we grow in our own experiences—is timeless and, it seems, universal even to law firms. Firms have begun to emerge from the budget-crunching shake-up of the Great Recession. But we all continue to face client demands for better, cheaper and more efficient service. Some firms have embraced an imperative to meet these challenges by reinventing their approach to developing their talent. Ironically, those firms are finding precisely the skills they need to compete in the talent they already have. Firms just weren't looking hard enough, or working hard enough, to appreciate, develop and leverage the value inherent in the diverse, creative, talented lawyers they had recruited.

Much has changed for law firms in the past several years. The old paradigm—profitability driven by higher billable hours targets and ever-increasing billing rates—has been squarely rejected by clients. They now demand greater alignment in both pricing



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**KENT A. GARDINER**

and project management, and consequently more individualized focus on the specific value their outside lawyers are providing them at all levels. This pressure has required firms to intensify focus on talent development. An increasingly diverse set of decision-makers at our clients, and an increasingly competitive legal market, also have required firms to look deeper into their organizations for more diverse talent and value, and to redouble efforts to retain that talent. And a "new economy" of Internet-driven companies run by younger entrepreneurs have sent firms scrambling to better understand how to relate to, and sell their services to, a new generation of clients who think differently, communicate differently, and identify and hire lawyers differently than prior generations.

This shifting ground for law firms has produced at least three core changes in the attitudes of

firm management about their own talent. Each reveals a fundamental irony in management's reassessment of the value that its own people have to offer.

### 1. THE IRONY OF "PART-TIME"

Part-time arrangements, now more commonly referred to as reduced hours or balanced hours, have been around for years in law firms. Lawyers—nearly entirely women—seeking greater control over their work schedules have had to run the gauntlet of criticism, skepticism, and seemingly only grudging acceptance of their attempts to balance professional and personal lives. Firms embarked on part-time arrangements because it was believed to be the "right thing to do," but an unspoken pall hung over part-time programs. Partnerships built around full-time billable hours targets worried they were shouldering substandard economics and perhaps even eroding their firms' quality because not all their lawyers were "full-time" in the traditional sense. The part-time lawyers feared this reaction, felt stymied in their staffing assignments and growth opportunities, and often simply gave up and left the firm, draining its talent. Some soldiered on, enduring the skepticism, proving their worth, advancing their careers and emerging as key players in their firms as outstanding lawyers, business developers, and firm

leaders. But their path was hardly a mainstream one.

Then, in part because of natural demographics and in part because of the recession, a generation of senior, mostly male, partners began to reach retirement age—and did not want to retire. They found it hard to leave a stimulating profession; they believed they still had much to give in terms of high-quality service to clients; their 401(k)s were not performing as well as they used to; and in many cases their spouses didn't want them home full-time. So, they asked for—you guessed it—part-time arrangements. And skilled advocates as they were, they persuaded management that they did indeed have true value to convey, even if—shockingly—part of that value came at off hours, working in part from home, telecommuting, and the like. Suddenly, and ironically, the mythology of part-time faded.

In recent years at Crowell & Moring, lawyers across a broad range of our practice areas have either been elected to the partnership while they were part-time, or became part-time shortly thereafter. They are making terrific contributions to the firm—trying cases, broadening our range of legal expertise and adding tremendous leadership value. And in the new paradigm—where clients demand not the logging of hours but pinpoint expertise delivered efficiently—part-time lawyers have proven extraordinarily valuable to clients and thus essential to our firm. We also now have more than a dozen part-time arrangements with senior lawyers, who continue to serve our clients, make critical contributions to our public service programs and lend their insights and wisdom to firm leadership.

Our experience is hardly unique; large law firms generally have come

to realize that they can have high quality, strong economics and a vibrant interactive partnership, with a diversity of work arrangements that accommodate broader needs. While our younger women, as is often the case, had to blaze the trail here, firms are far better for having retained and capitalized on this talent, at both ends of their demographic spectrum.

## 2. THE IRONY OF "DIVERSITY ENHANCEMENT"

Law firms' thinking about increasing the diversity of their talent force has followed a similar evolution. Diversity enhancement was for a long time seen as simply the right thing to do. It was what we all wanted our professional community to be; how we were raising and teaching our children; and intuitively recognized as a future imperative. But the "initiative" was haunted by inchoate anxieties. Could our efforts be truly effective in creating solutions for the complex, individualized challenges diverse lawyers often face? Is devoting special focus and resources to diverse lawyers somehow unfair to nondiverse lawyers? Will it succeed as anything more than an initiative out on the fringe of law firm growth and success?

Law firms dealt with this fundamental ambivalence by first trying to convince themselves that clients would immediately reward firms with new business if they enhanced their diversity metrics. That turned out to be unfulfilling, as clients and firms themselves wanted more than metrics—they wanted true, powerful diversity, delivering to them the very best lawyers whose diversity brought enhanced perspective, experience and value. This longer, more arduous path proved frustrating. Firms then defaulted to congratulating

themselves on entry-level statistics—more diverse lawyers entering the firm at lower levels—an equally unfulfilling accomplishment as firms watched that talent drain away as lawyers failed to advance their professional careers.

But then, suddenly, a new, comprehensive and driving reality began to set in, about how "diversity enhancement" could also benefit our approach to developing talent across the law firm. Once again, the recession was our ally: Clients began to demand not only statistical proof of enhanced diversity, but proof that every lawyer on their team, in particular the junior ones, were sufficiently valuable—as individuals—that clients should pay for them. This, coupled with the more rapid diversification of our clients in gender, ethnicity and age, forced law firms to look fundamentally differently at their associates and counsel in particular. Clients' rejection of fungibility at this level means that firms no longer can marshal a faceless infantry; firms now can only effectively compete by understanding and leveraging the unique value and promise of each of the lawyers within their ranks. At its heart, this new focus borrows from a central tenet of the best diversity initiatives—making yet another a business case for why firms can no longer rely on one-size-fits-all models.

At our firm, we see this client demand for how we identify, sponsor and leverage this talent as a source of competitive advantage. By taking the time to understand better what each of our lawyers brings to the table—based on their backgrounds, their contacts and their diverse skill sets—we are better able to match their talents with client needs. All our lawyers thrive

in that sort of environment, where their different perspectives and experiences are proven to be assets not impediments.

So once again, ironically, an initiative initially thought to focus on a small sector of our talent pool has taught us something fundamental about the value of our talent more broadly defined. The architecture of diversity enhancement has become an important part of the roadmap for overall development of our individualized talent. Helping our women and people of color enhance their power and influence in the organization—as outstanding lawyers, business developers and leaders—remains critical. It requires focused efforts to level the playing field, promote inclusiveness and trust, broaden perspectives and create enduring opportunities. But the concept also has inspired broader efforts to “sponsor” all talent across our entire firm and ensure that talent is diverse in every way it can be. The great promise here is that understanding and valuing individualized talent—thereby achieving true diversification of our greatest asset—will not be viewed as optional or altruistic; it will be viewed as vital to the core of our firm’s professional and economic advancement.

### 3. THE IRONY OF “BUSINESS DEVELOPMENT”

Law firms have pursued for decades a straightforward methodology of business development: The senior lawyers bring in the business, and the junior lawyers do the work. Client relationships are managed by senior partners, and eventually—sometimes too eventually—relationships are handed off to a chosen few junior partners, who

thus become the senior partners, and so on. And in that rigid cadence, the broader population of junior lawyers were viewed in this particular way much as the cliché about children—they should be seen, but not heard.

Three things have happened, though, to fundamentally change that paradigm:

First, the recession sent us all in search of new business. With general counsel (and their chief financial officers) declaring, often grudgingly, that “all the business is on the table,” even decades-long client-lawyer relationships were put at risk. This required firms to be much more creative about networking, reaching out to new prospective clients and forging new relationships.

Second, the “new business,” we have discovered, is significantly in the hands of new entrepreneurs. They are young, dynamic, wealthy, global in their thinking and unencumbered by long-standing loyalties. They want service, innovation and fresh thinking from their law firms. They are scary.

Third, these new clients communicate differently. Internet savvy and armed with vast social media networks, they make business decisions and legal hiring decisions with the aid of Facebook, LinkedIn, Twitter and an array of other information-gathering and communications vehicles. Rather than defer to historical reputation, these newly empowered clients access their global network, which provides them with instant insight into market-tested, real-time reputation for quality, services and results. This requires law firms to display themselves, price their services and deliver those services in a far more nimble way. Change-averse law firms have been struggling to keep up.

And so the final irony: Law firm leaders have had to turn

to their in-house experts in the new economy—their more junior lawyers. What we have found is that these immensely talented folks we have hired over the past decade are truly plugged in. Their peers are up-and-coming clients; they communicate with far wider and more diverse communities of people in important business positions; and they have a confidence about their own talent and potential that equips them well to market effectively. The Millennials have suffered from a misdiagnosis in many respects, and we are only now beginning to understand all they can bring to their firm’s professional success. What they lack is actual training in business development—how exactly to marry their law firm’s best service offerings to the particular needs of particular clients.

Mark Twain’s ironic observations thus are once again apt. In the past few years, senior law firm leaders have been amazed at how much our junior associates actually know. They, of course, haven’t changed; we have, in our understanding and appreciation of what they have to offer. The challenge now is for us to effectively harness the value—to develop client service and business development skills throughout the whole law firm in a way that better equips us for a new, challenging, unpredictable, but increasingly robust economy.

*Kent A. Gardiner is Crowell & Moring’s chairman and a partner in the firm’s antitrust and trade secrets groups.*