



THE NEW ELLIS GROUP

Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Creating Incentives to Fix Gender Pay Disparity in Law Firms. Many factors are pushing law firms to improve their diversity metrics. The two biggest factors appear to be direct pressure from clients and law firms' aversion to being the next firm featured in the legal and business press as defendants in discrimination lawsuits like the ones against Chadbourne & Park, Sedgwick or LeClair Ryan. But despite law firms' efforts, the partner gender pay gap and the ceiling on the percentage of women equity partners are persistent issues as evidenced in recent surveys from Major, Lindsey & Africa, the National Association of Women Lawyers, the ABA Commission on Women in the Profession, and Working Mother's Best Law Firms for Women Initiative. Even if the gender pay gap can be explained in part by the fact that women partners originate less work than men as several studies indicate, the result is the same: law firms are not getting full value from women lawyers and women lawyers are not getting the same opportunity to thrive.

If your law firm is committed to changing these outcomes, consider the following questions:

- Do you have a process for identifying the lawyers who are likely to be the next generation of rainmakers in your firm?
- What qualities have translated into strong business generation? Problem solving? Empathy? Ambition? People skills? Organization?
- Does your process specifically seek out women and other diverse lawyers?
- Are the most promising lawyers paired with partners who have responsibility for training them and including them on pitch teams and client teams?
- Does the firm provide these diverse teams support from business development professionals?
- Does the firm have a dedicated bonus pool to reward the teams which have the most success in nurturing new talent and bringing in revenue?
- Does the firm reward all members of each team to create clear incentives for all participants?

Example: The Chief Client Officer and the Chief Talent Officer of a law firm decided to collaborate on an initiative to retain more women partners and strengthen significant client relationships. They selected a group of new women partners who had demonstrated potential in business development. They then paired a very successful partner in the same practice group who agreed to train and mentor each new partner. They asked each team to identify clients who had specifically emphasized to the law firm the importance of diversity. They then asked the teams to develop a game plan to expand work from each targeted client. They informed each team that the firm would keep score of the extent of growth in revenues from each client from the past year. The law firm set up a bonus pool which would reward the most successful teams when compensation was set at the end of the year. The firm also provided each team with a business development professional to help the lawyers design and execute their strategy. At the end of the first year of the collaboration, revenue from the selected clients grew 10 percent. All participants in the program agreed to continue their teams for a second year. At the end of the second year of the collaboration, revenue from the selected clients grew another 20 percent. The firm increased the size of the bonus pool and expanded the initiative.

Is your firm committed to identifying and nurturing the most promising talent regardless of sex, race, or other characteristics? Is your firm rewarding existing stakeholders to incentivize them to bring along new talent? Please share your firm's successful innovations with The New Ellis Group.