



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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## Stickiness and Brinksmanship

American Lawyer recently surveyed a group of prominent legal recruiters to gauge the state of the lateral market. The group concluded that the lateral partner market was still strong with some caveats. The process is slower because both candidates and firms are relying on more in-person meetings to ensure they don't miss the nuances that may have been overlooked in virtual interviews. The group also predicted an increase in hiring by midsize firms that can offer laterals more rate flexibility for their clients. According to the recruiters, lateral partners' goals remain the same: more compensation; collaborative cultures; cross-selling opportunities; fewer conflicts; firms with good management and financial stability; and enthusiasm for their practices. With lateral partner hiring still so active, firms are trying to limit attrition. The recruiters reported an uptick in the number of counteroffers extended by firms when partners announced their intention to leave.

My question this week: Can firms strengthen the stickiness of their bonds with their most important partners and avoid the brinksmanship of counteroffers when a rainmaker announces a lateral move? Even though increased compensation is at the top of the list of lateral partner goals according to the American Lawyer survey, it may not be the most important one when it comes to keeping an existing partner. Here is a checklist of stickiness factors to consider:

- Has each valued partner been recognized in some way by firm leadership in the last six months?
- If a valued partner has had health or family challenges, has the firm provided support?
- Has a valued partner lost work because of conflicts that were not resolved in his or her favor?
- Has the valued partner had issues with other powerful partners that were minimized or ignored?
- Has the valued partner missed opportunities because of limits in the firm's scope of practice?
- Has the firm provided mentors, sponsors, or coaches to valued partners?
- Has the firm helped partners build their teams?
- Has the firm been flexible on fee arrangements for key clients of valued partners?

**Example:** When a firm's chief diversity officer observed that attrition was increasing among the most successful diverse partners who were being recruited by more profitable firms who could offer higher compensation, she decided to act. She invited a group of firm leaders to brainstorm how to improve retention of the most successful diverse partners. The group agreed that it would be valuable to get more candid feedback from partners who had left about their experience with the firm and their reasons for leaving. The firm hired an outside consulting group to do retrospective exit interviews. One recurrent finding from the exit interviews was that the partners who left did not feel valued. Several felt that the firm consistently deferred to more powerful partners with respect to conflicts and firm resources like staffing. Several of the departed partners said they had been reluctant to leave but ultimately decided they had more loyalty to the firm than the firm did to them. To follow up, the CDO identified a group of "must keep" diverse partners and met with each one to reinforce the firm's commitment to them and to address friction points head on.

If your firm or practice group has faced attrition of valuable partners, can you replace the fire drill of responding to lateral attrition with proactive planning? Do you have a strategic plan that is adequate to retain partners who may be vulnerable to the persistent pursuit of more profitable firms?