



Delivering for the next generation

Cultural change is key in the war for talent, says Dana Denis-Smith

The pandemic has not heralded the hoped-for cultural change in the legal profession. Yes, allowing staff to work from home is now the norm, but we are not seeing the fundamental reset of law firms' values that is needed to address the challenges they face.

As we outline in our recent report, 'Legal Reset', a cultural reset is needed to tackle issues such as inclusion, accessibility, attracting the next generation of lawyers and ensuring the legal profession stands first and foremost for the rule of law and not just profit (see bit.ly/39iieKA).

Attracting and retaining lawyers is something firms of all sizes are struggling with. For larger city firms, the answer appears to be to throw money at the problem—resulting in escalating levels of pay for newly qualified lawyers. This is a short-term solution that does not deal with the underlying problem.

The great resignation

The need to address adverse law firm culture has been accelerated by what has been dubbed 'the great resignation'. It's explained in various ways: people who had planned to quit their jobs but put it off because of Covid finally feeling confident enough to do so; workers leaving because they are burnt out after a relentless period of activity; and more broadly everything that has happened in the last two years leading some to reconsider what they want from their working lives.

For Millennials and Gen Z, who continue to push existing boundaries and demand change, the talent crisis is exacerbated.

Inequality and an exclusive culture endures, tech development continues to lack transformative impact, and an inability to truly innovate the future of work remains.

When attracting and retaining the right people, adapting to new ways of working and differentiation are cited as the top challenges law firms face. Now is when leaders should make change happen to stand out from the crowd.

Millennials and Gen Z don't run the world—yet. But they are the future of law firms, and some will soon be running them. They are made up of super-confident, entrepreneurial, digital natives and social activists—firms need to recognise the imperative to take their views into account, arguably more than they might have done with previous generations.

Gen Z and Millennials hold themselves and others accountable. According to the Deloitte Global 2021 Millennial and Gen Z Survey they're the people most likely to call out racism and sexism, and to shun companies and employers whose actions conflict with their personal values (see bit.ly/3yybL8X).

This is, of course, a generalisation but it describes these generations as, overall, more persistent, more vocal and more apt than others to question—and even upset—the status quo.

No more platitudes

Platitudes aren't enough. Employees want to see action and leaders held accountable. There are signs at some firms that this attitude is having an impact on how they run themselves. Whether it relates to climate,

pro bono, diversity or the type of clients and suppliers firms work with, pressure is coming from younger lawyers.

The Ukraine crisis shows that these issues can arise from anywhere and without warning. Law firms have had no choice but to act quickly and sever their Russian connections, whatever their true feelings about doing so, because to do otherwise would have attracted opprobrium from every quarter.

New propositions

The profession must create better employment propositions that are more inclusive and diverse if they want to attract the brightest and the best.

Three-quarters of Gen Z law students surveyed last year by Major Lindsay & Africa felt that there is a gender pay gap at big law firms and that sexism remains an issue. When it comes to law firm culture, only 55% believe firms and partners cared about associates. Although pay is still the priority when looking at potential employers, benefits including informal mentorship and training also ranked highly (see bit.ly/3yO7LRV).

But there are signs of change. Some firms are setting up as a not-for-profit business, other small practices are operating as social enterprises. The biggest step among larger firms has been taken by the handful that have become a B Corporation (standing for benefit).

These are words that will turn the heads of Gen Z in particular. B Corps have to recertify every three years, so there's no resting on laurels. This is real accountability—not producing glossy ESG reports. Ultimately law firms have to truly live these values. Their cultures won't genuinely evolve if they are only making changes because they feel pressure from the outside.

We envisage that the law firm of the future will be values-driven in a way that supports diversity in its many forms and creates the platform for motivated staff to deliver for their clients. Obelisk Support was founded on the principle of #HumanFirst and everything we have learned and achieved in the 11 years since has reinforced the business benefits of putting people at the centre of what we do.

Ultimately, the world is changing, and law firms must recognise that the old ways will no longer do. It's not going to happen overnight, but it is going to happen.

Getting to this point will not be easy for tradition-bound law firms. But they will be surprised by the hunger among their lawyers, as well as the next generation, to embrace transformative change.

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Dana Denis-Smith, founder and CEO of Obelisk Support (www.obelisksupport.com).