

# BRAIN DRAIN DANGER

**F**or the first time, the legal profession has been affected by redundancies. While firms would never admit it because of sex discrimination, women can unconsciously be perceived as being less 'reliable' than men because of having children and all the responsibilities that this entails. Recruiting and training a lawyer, after all, is a huge investment and firms expect high rewards from their investment – lawyers are cash cows. Reduced hours to reduce firm costs has been an unexpected respite helping working mothers in the legal profession, but the catalyst to its introduction has been cost, not employees' needs and wants.

## Downturn creating employer power

In the last 12 months, employers have had the power in firms because of high unemployment and a glut of supply of potential recruits. The tide is turning.

Underneath, simmering in many firms, unless they have a good managing partner and internal communication, is a tide of discontent, which like a boil will burst, with exiting employees leaking the firm's intelligence as the downturn lifts.

## Brain drain danger

When unemployment is high, employees have no choice but to sit tight, but they have long memories about how they have been treated through challenging times, and will vote with their feet when the employment market picks up. An unemployed partner at home, caring for elderly parents, graduate offspring unable to get a job and uncertain pensions, all add to the pressure and stress.

In addition, with older employees needing to retire later to boost their pension, smaller financial rewards for future partners in many firms for all their hard work than in the past, and younger associates hungry for fast progression, a stagnant yet frustrated diverse talent pool can result. Often partners avoid tackling performance issues, so employees are promoted unfairly, again demotivating the cream of the talent pool.

*"Those enlightened partners and managers who are able to step back from the noise of daily targets and client demands and truly manage performance of individuals at all levels of the Firm, manage expectations, maximise potential and have honest conversations will result in engaged, energised, highly productive teams of individuals who want to stay with the Firm. The challenge for Learning and Development is to work to enlighten more partners and managers so that this approach of managing talent is the norm not just a happy occurrence in a number of pockets of the Firm. We're placing great faith in our newly launched competencies framework as a tool to help us shed light in performance and talent management."*

Sue Beavil, Learning and Development Manager, Reed Smith

## Preventing talent drain

Now is the time, if they haven't already, for firms to take action to retain their valued talent and high potentials and engage them to prevent brain drain. The opportunity cost of ignoring this issue is huge; firms simply cannot afford not to invest in employee retention, especially in legal specialisms where there is a skills shortage. In a knowledge economy, and in law where the employees are the competitive advantage, talent retention is everything.

## Cost of talent drain

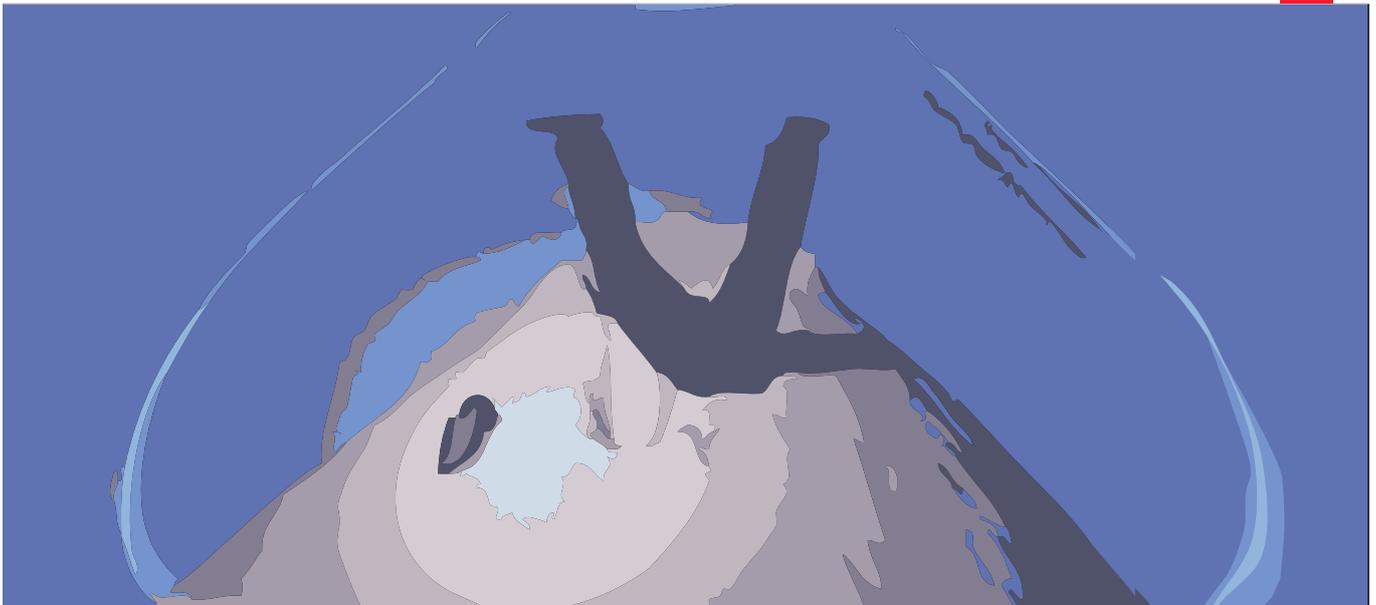
According to the Chartered Institute of Personnel Development's *2009 Recruitment, Retention and Turnover Survey*, the average recruitment cost of filling a vacancy per employee is £5000, increasing to £6125 when organisations are also calculating the associated labour turnover cost. This recruitment cost rises to £10,000 for senior managers/directors, so companies stand to have an expensive bill should they not make employee retention a business priority. In law firms, a figure of 1.5 times annual salary for recruitment, training and learning curve in a new firm for partners' is considered to be a sound estimate.

## Engaging talent

In adverse times, it is human nature to be more risk averse, especially with a legal mind. However, what motivates 80% of people is having more challenging work. Source = Maynard Leigh *How 20 of the UK's best employers are rising to meet the challenges of turbulent times 2009*. Understandably partners want to protect their own position and prove their worth, especially in law where individual profile and accolade is the DNA of the profession, so partners can be reluctant to delegate tasks to talent hungry for new stimulating challenges. The smart firms involve their talent in tackling business problems for a 'win win' for employee and employer.

Not only this, but when the pressure is on, and less people are doing more work, with heightened pressure to deliver billable hours, time spent on the emotionally engaging tasks e.g. sharing experiences and building relationships that women thrive on but which don't create immediate billings, are often neglected or limited. Smart firms will play to the strengths of women and engage them in engagement, playing to their strengths and preferences. The rewards will be high; talent retention, greater loyalty, motivation and billings and reduced recruitment costs as a result of attracting target talent via word of mouth and a robust employer brand, appealing employee experience and tailored employee value propositions.

Simple things like saying thank you, asking employees about their unutilised skills, values and motivation and redesigning their jobs, can re-energise employees and increase retention, preventing brain drain.



### The importance of internal communications

Communicating with employees is easy to push down the priority list with many other pressures on time. The 2009 Best Companies research shows that employee motivation and commitment are linked to good leadership. Where there is not a great deal of faith in the leader, just 40% of employees are engaged compared with 93% of those who have faith in their boss.

*"I'm very conscious of the importance of employee engagement, the difficulty seems to be that you have to engage different sorts of people in different ways and that is very time consuming! My mantra over the last year or so has been communication. In a business where we supply a service, our people are our major resource, and if we don't work to keep them happy and involved, that will be clear to our clients, and that will impact on their satisfaction."*

Julia Iball, Managing Partner, Henmans LLP:

### The importance of career conversations

Career development and progression has been hard hit by the recession according to the Chartered Institute of Personnel Development's (CIPD) Employee Outlook Survey Summer 2009; only 24% of employees agree that they are learning new skills in their organisation as a result of the recession and only 7% agree that there are more opportunities to progress.

*"The best people will move when times get better if you don't treat them right. HR have got to create an atmosphere where staff feel they are in charge of their own destiny."*

Jack Welch, US Business Guru

Job clarity is also important; where people know what they are doing in their job, 88.% are engaged compared with 49.3% when they are not clear. 53% of employees think that increasing trust in senior management could be achieved by more frequent and honest communication and 35% by more meaningful

consultation (Source = CIPD Employee Outlook Survey Summer 2009), so time on internal communication is time well spent.

Given time & attention, a defined role, clear information and an inspiring leader, employees develop, thrive and reward their employer with loyalty.

### Link between emotions and performance

How people feel affects what they do. When employees are happy, they feel motivated and engaged, stay and work harder creating more billable hours. When they are unhappy, they jump ship and go to a firm who understands and appreciates them, or they opt out of the profession altogether. There is a direct link between motivation and people's desire to work hard and create billable hours. Women are more emotional creatures than men and they work amongst primarily left-brain men, with lawyers' sharp minds, actions and words magnified under stress, sometimes deflating their female or more sensitive counterparts.

### Time to shatter the glass ceiling?

Could 2010 be the year when female lawyers are appointed to the top table or new positions are created to help law firms understand employee engagement and change from primarily left brain thinking led organisations to ones that start to make evoking positive emotions and engaging staff a business priority? The proof of the pudding will be in the eating – the financial result; billings, costs and talent turnover.

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