

Law Firm Remuneration, Reward and Motivation

A Practical Analysis

Edited by John Renz



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Introduction

IN CONJUNCTION with *Law Firm Remuneration, Reward and Motivation*, this report aims to provide readers with practical advice, examples of strategies that firms have adopted, and tools and tactics that they have employed when both deciding on, and then implementing, a suitable strategy for remunerating, rewarding and motivating their employees. Practical analysis is included in the form of case study material illustrating the wide variety of different approaches that firms have taken when tackling this issue. Expert opinion highlighting the principal issues, potential pitfalls to be avoided and key considerations for firms to be aware of is also provided in managing partner profiles, law firm features and masterclass materials.

Given the current social, economic and political climate, there has probably never been a more suitable time to analyse, and overhaul, your approach to this particular area of human resources management. To give just a few pertinent examples, at the time of writing *Legal Week* has reported a number of news articles which highlight the fact that remuneration, reward and motivation of law firm employees remains at the top of the agenda for most organisations. On the issue of lateral hires, in the US, DLA Piper have recently recruited William Goldman (from Sidley Austin), and generally the practice of lateral hiring continues apace (25 January 2008). Norton Rose has recently announced that it has adopted a new three-tier ranking system for its associates; a very clear indication of its desire to move away from basing its remuneration strategy purely on the traditional measure of post-qualification experience (14 February 2008). Herbert

Smith is currently in talks with several of its senior corporate partners concerning what steps ought to be taken when putting together appropriate retirement packages (21 February 2008). Efficient and effective human resource management that is firmly connected to your overall business strategy will prove invaluable in not only keeping your employees engaged and content within your firm, but will certainly also increase your competitive advantage as an employer.

Throughout this report much is made of reflecting on the particular markets within which we find ourselves, and the variety of different responses required by firms dependent on their own particular circumstances. The topics of motivation and engagement of employees within law firms is covered in a number of the chapters, illustrating the variety of approaches that firms have taken. Examples provided are specific to the circumstances, and the different labour markets that we operate in. In each instance, it is key to establish a coherent and cost effective remuneration strategy, and in turn resourcing strategy, so that we can best use our human resource.

Material has been compiled from a selection of best practice case studies and commentary published in *Managing Partner* magazine in the past 12 months.