

Trainee Recruitment and Management: A Definitive Law Firm Guide

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Chapter 1: Recruiting for the future

THE CHANGING face of the legal profession is rarely out of the news these days. Changes have been brought about by a variety of factors which are altering the way in which legal services are being, and will be, delivered.

The financial crisis of 2008 has spawned radical changes in the way that clients are buying legal services. The Legal Services Act 2007 (the LSA) has provided the architecture for the practice of law to be opened up far beyond the expectations of even a decade ago. Globalisation and the increasing internationalisation of business have created markets and competition previously unconceived. In addition, information technology is creating short-cuts to the provision of excellent client service that are growing exponentially year-on-year.

In its Market Assessment Report 2012–2013,¹ the Law Society forecast growth in the global legal market at more than 4 per cent each year. The study analysed the factors that might drive change in the market and assessed the challenges and opportunities facing providers of legal services, which include:

- The changing behaviour of purchasers of legal services stimulated and facilitated by technology and broader demographic changes;
- Globalisation/global and national economic climates;
- Changes to civil litigation and legal aid funding;

- The regulatory environment; and
- Technological and process innovation.

Furthermore, Professor Richard Susskind² identifies three 'seemingly undeniable trends':

- The 'more-for-less' dilemma – Clients are demanding more services at a lower cost;
- Liberalisation – The opening up of the legal profession permitted by the LSA; and
- The power and impact of information technology.

Firms are realising, to a greater or lesser extent, that to survive, if not thrive, in this rapidly changing market, they need to adapt the way they do business to meet the challenges of the new model of lawyer as business adviser, to find ways of providing value for money, and to face increasing competition from outside the profession. But, as one training principal warned: 'The client's approach to law firms has changed far faster than law firms' approach to the client – law firms need to catch up.'

So how is law firm strategy represented in its approach to graduate recruitment? What do recruiters see as the main challenges, both currently and going forward, to ensuring that their firms have the talent that can meet and exceed client expectations in order to prosper in the rapidly changing world of international business?

Current challenges in recruiting trainee solicitors

The trainee solicitors recruited in 2013 will be the partners of 2025 – the date used by the Law Society to forecast different scenarios for the structure of the legal market.³ These are the lawyers who will play key roles in ensuring that firms are capable of staying the course and surviving into the next decade. So, what do law firms perceive as the greatest challenges now to recruiting the partners of the future?

Research carried out by King's College London in partnership with *The Times* (KCL research)⁴ identified the three competencies most valued by law firms as 'global mindset', 'commercial awareness', and 'intellectual rigour'. This supports the view that firms are conscious of the need to recruit candidates who will thrive in a global market against competition from within as well as from outside the profession.

For the firms surveyed, the trends listed above, identified by the Law Society and Professor Susskind, along with the findings of the KCL research, are translating into a three-cornered challenge:

- **The war for talent** – Ensuring that firms have a pipeline of excellent lawyers to provide the breadth of service expected by clients;
- **Increasing value for money** – Being able to staff client matters with the appropriate level of expertise; and
- **Increasing internationalisation** – Building the ability to provide legal services in a global marketplace.

The war for talent

Competition and differentiating the firm

Despite the rising number of applicants seeking a training contract, firms are nonetheless anxious to differentiate

themselves from the competition in order to attract the very best talent. In two of the Law Society's scenario overviews⁵ there will still be a demand for lawyers who are experts in their field to deliver advice on complex matters. Firms are chasing top talent and high achieving students are still able to pick and choose from a number of training contract offers. Firms are therefore thinking carefully about how they sell their training contract experience. As one recruiter admitted: 'It is very difficult to come up with a unique selling point that no other firm has thought of.'

Large firms

Some firms seek to leverage the fact that they are not in the Magic or Silver Circle. They are targeting top academic performers who are open to a different training experience, but candidates need to have experienced life at a top 10 firm before being able to compare the expectations, working environment, and training on offer.

Even some of the larger firms in the survey for this report have far smaller graduate recruitment teams and budgets than those in the top 10 and, consequently, the reputation on campus of those firms is not as developed. This being the case, such firms are focusing primarily on how they market themselves once they have attracted candidates through the door for open days, vacation schemes, and training contract assessments.

Feedback from candidates who do not accept offers suggests that it is still a question of brand. Some firms are working hard to change perceived ideas – for example, if retention rates have been low – generally by finding ways to campaign on campus which do not require a large budget or resources. Others prefer to rely on painting as realistic a picture of life at

the firm as possible so that those candidates who are swayed by the Magic and Silver Circle firms will naturally fall by the wayside. As one recruiter explained: 'We're not showy about what we give people. The experience on the vacation scheme should reflect what they get here.'

Niche and mid-size firms

Here, the emphasis is on the quality of the work that the firm can offer and the level of experience that a trainee will be given in a smaller cohort. These firms also tend to target candidates who are further along in their legal training with more life and professional experience to bring to their future career. In this way, they hope to recruit trainees who can meet the challenge of working in a specialised area of law, alongside senior lawyers, and having more responsibility as a result of working in a small team.

US firms

The added advantage for a US firm is that it has a smaller London office with the benefit of greater exposure for trainees, but with the backing of a large organisation having international offices and the big ticket work that flows from this. Trainees will therefore get a better understanding of the practice area that they want to qualify into and greater exposure to the senior lawyers in the business.

National firms

Being located outside London, national firms attract different types of candidates. These firms still want to attract the best academic talent and they recognise that among their unique selling points are a greater work-life balance and a 'City life in the country'.

Recruiting the 'right' people

The smaller the firm, the greater the need is to attract candidates with a genuine

understanding of, and interest in, the firm's practice areas. While larger firms also want to recruit trainees with the right profile and skill set for them, in a smaller outfit the risk to the firm if it gets its recruitment strategy wrong is more far-reaching.

'Finding the right people' was top of the list of challenges for a number of small to mid-sized firms surveyed for this report. This is particularly problematic for niche firms who practise specialised areas of law which are not taught in the ordinary course of legal training. Finding candidates who are prepared to specialise early in their career is the priority for such firms. One recruiter said: 'We have found by experience that, if we don't weed out candidates who are applying for the sake of applying, we risk using up assessment places on people who then accept an offer from a full-service firm. We need to be sure that applicants are committed to a career in our specialist areas so that we don't waste time and resources.'

Another vital aspect for firms is that of 'fit' – whether a candidate is the kind of person who will thrive in the firm's environment. Clearly, every firm will be looking for something different, but for smaller firms where trainees will have a much higher profile, 'fit' is all the more important.

A changing employer requirement noted by one LPC provider is the emphasis by firms on recruiting trainees who show that they can learn fast. Colin Davey of the University of Law commented: 'In light of the cost of training their future lawyers, firms are looking for candidates who can pick up instructions quickly and turn work around with a minimum of supervision. Technical excellence is a given so it is more a question of whether the candidate is capable of embedding their knowledge and using it in context.'

However, one university adviser asked whether firms are actually able to test the

skills that a trainee will use day-to-day in an assessment scenario because they see a lot of very able students who do not get picked up by firms.

Recruiting candidates four years ahead of qualification

Recruiting trainee solicitors from undergraduates in their second year of a law degree and non-law graduates in their final year poses three problems:

1. Predicting how someone at this stage in their life may change in the two years between recruitment and the training contract start date:
Candidates may take on personal responsibilities or experience other changes in circumstances which lead them to question their career choice, or at least the commitment they will have to give to the firm where they have agreed to train. They may complete the LPC and realise that they are not cut out for life as a solicitor, or decide upon qualification to complete further studies.
2. Identifying business potential in a candidate who has not yet completed their legal studies and/or has little real world experience:
Closely related to point 1 above is how firms can quantify the risks and/or potential of recruiting a candidate two years ahead. As one recruiter said: 'We're not looking at what experience they have, but what they could turn into in two years and trying to find the potential.'
It is recognised that the provision of excellent technical advice by lawyers is now a given. Clients are demanding greater commercial insight and understanding of their business, as well as of the wider business world

within which they operate. The services and skills that clients expect from their professional advisers are far broader than those covered by law degrees and at law schools.

Now that clients are becoming far less willing to pay for trainee solicitors to learn on the job, firms are not only looking for recruits who can learn quickly, but also those who have already started, or who show the potential, to develop commercial awareness.

It is an even taller order when firms recruit second year law and final year non-law undergraduates. As Colin Davey commented: 'It must be difficult for law firms to assess the ability of a second year law student in a group exercise, particularly if they are alongside someone who has completed the LPC and who possibly has some work experience under their belt. The firm is only able to assess potential which is all about making a judgment call.'

One of the recruiters interviewed agrees: 'The partners all have different ideas and are not universally agreed. The key issues are that candidates should understand we are business advisers and provide all round business advice to clients. They need to appreciate that the client wants someone who does more than interpret a technical piece of law and the legal implications – they want an expert in the industry. Finding that person to be partner of the future is very challenging when they may only be 19 or 20.'

Consequently, niche and mid-sized firms often recruit for the current year and/or one year ahead. This encourages applications from candidates who have completed their legal studies. Those individuals may also have work

experience and, arguably, a clearer concept of what it means to work in the law.

3. Forecasting what the firm will be doing four years from the recruitment date: The effect of recruiting so far ahead has been felt in the round of qualifications in September 2013 which saw a fall of 7 per cent in the number of trainees taken on by the top 20 firms, according to research carried out by *Legal Week*.⁶

The scaling back of trainee recruitment in the aftermath of the financial crisis means that law firms may find themselves battling for talent in a few years when those qualifying now reach the 2–5 year PQE window and they are at their most valuable. As one recruiter said: ‘There is a trend across even the biggest, most successful firms to reduce the number of training contracts, but no doubt when it gets to 2015 and everything has changed, we’ll all be in a mad panic to recruit more.’

For smaller firms, the problem has been magnified: ‘Over the last five years, it has been about planning, knowing what’s going to happen in the next quarter. With trainee recruitment, we’re very conscious that it’s their life and livelihood and we don’t want to take someone on when we might have to let them go two years later because we haven’t got a job for them. Now we can take a slightly longer view to look ahead by six months.’

However, one US firm remains bullish: ‘Firms are trying to be smarter about the qualification prospects for trainees. To a certain extent, I think we’re ahead of the game in that respect. I don’t know how the larger firms can

justify continuing to bring further forward their recruitment process. We don’t find that necessary and I don’t think it will actually impact us. We will probably recruit a year in advance because it gives us much more flexibility.’

In larger firms, it may be a question of who blinks first, with recruiters admitting that, while the competition continues to recruit two years ahead, their firm will in all likelihood follow suit.

Increasing value for money

To offer their services at competitive rates, firms are considering whether work is being carried out at the right level of expertise, and whether work currently carried out by trainees can be done by paralegals and, potentially, legal apprentices. In turn, this is leading to questions as to whether the number of training contracts will decline further in the coming years if work is funnelled to other legal technicians.

The growing use of paralegals

The use of paralegals instead of trainees is on the rise in some firms, particularly in commoditised areas of law. Two of the firms surveyed for this report have set up paralegal banks in regional offices. The entire firm network uses the paralegals as required on a project-by-project or ongoing basis.

The large commercial litigation and debt recovery teams of one firm have increased the number of paralegals significantly in the last 12 months. A review of the firm’s practice areas identified the teams that did not have a strong business need for qualified lawyers. Although they were using trainee solicitors, they were not offering newly-qualified positions, effectively blocking one qualification choice for the trainees concerned and potentially depriving the firm

of an opportunity to realise its investment in the trainee if that individual then left. Such teams were encouraged to recruit paralegals so that trainees could be redeployed to teams who would be able to absorb them on qualification. Trainees were also prioritised into sectors where the firm was struggling to recruit at a more qualified level, thereby ensuring a future pipeline of lawyers into those practice areas.

By contrast, partners who ask whether paralegals can take the place of trainees soon realise the future impact that this decision might have on their business – a shrinking pool of newly qualified solicitors and the knock-on effect of this year-on-year in terms of staffing. Many firms pride themselves on the number of home-grown senior lawyers that have stayed with the business and there is a growing appreciation of the cost, in both financial and intangible terms, of having to recruit externally and of the bedding-in period before new joiners are operating at full capacity. There is, therefore, a balance to ensuring that work is done at the right level to provide greater client value for money, while safeguarding the firm's talent succession planning.

In his working paper *Provocations and Perspectives*,⁷ Professor Susskind refers to clients' objection to, in effect, subsidising the training of junior lawyers as a result of 'paying fairly high rates [for] fairly routine and repetitive work'. This will further complicate how lawyers are trained because the allocation of routine tasks to paralegals, or even to external legal process outsourcers, will remove many of the opportunities currently available for trainees to learn the basics.

One training principal commented that, although the law is becoming increasingly commoditised, 'there is still large part of what we do which is not and cannot be – it

has to be bespoke in terms of relationships created and work product.' Susskind suggests that 'the legal profession must respond with sophisticated learning facilities that enable young lawyers to learn their trade without necessarily being steeped as deeply as their ancestors have been in the experience of routine work'.

The decline in the number of training contract places

In May 2013, the Law Society published its Annual Statistics Report 2012,⁸ announcing that the number of training contracts registered in 2012 had fallen by more than 10 per cent on the number in 2011. Many of the contributors to this report predicted that the number of trainees taken on by their firm will either remain the same or decrease. This mirrors the news that two Magic Circle firms are reducing their trainee intake in 2014 and 2015. Reasons suggested for this drop by the firms surveyed include:

- Trainees being increasingly regarded as a resource within a team rather than solely answerable to one supervisor;
- The reallocation of junior work to paralegals and bringing in paralegals to complete work on a project basis; and
- The need to re-balance numbers after a glut of trainee recruitment.

Recruiters highlighted the importance of maintaining close links with the business so that they have as clear an idea as possible of the recruitment needs of each practice area but, as discussed in the section above, firms are struggling to predict the number of newly-qualified positions that will be on offer four years in the future.

A drop in the number of trainees has practical implications for graduate recruiters – trainees are still in demand by

the business but, with a diminishing number available, business priorities will determine where trainees should be deployed. Clients are also keen to take trainees and secondments are on the increase for some firms. Satisfying client demands while maintaining the level of service within the firm may well give some recruiters a headache going forward.

Increasing internationalisation

Finding candidates with the 'global mindset' that firms have identified as essential or advantageous⁹ is one of the key challenges for firms in their search for future talent.

Developing an international reputation

With the growth of many firms through merger and acquisition both at home and abroad, as well as the increase in cross-border business being conducted, many firms are recognising the need to build their reputation as international players among the student population. There may be a mismatch between the reputation enjoyed by a firm amongst its clients and the impression of it that candidates have formed.

Clearly, firms with a network of international offices are able to use overseas secondments to attract candidates. A firm's international client base and involvement in business overseas will also interest applicants. Small to mid-size and national firms are therefore considering how they can market their training programmes to attract candidates with a global mindset when they may not have the geographical reach of larger City firms.

The restrictions imposed by the SRA on the supervision and experience which trainees must receive prevents some firms from sending trainees to their foreign offices where there are no English-qualified lawyers

or the work would not provide English law experience. However, there is nothing to prevent a firm seconding a trainee to a client in an overseas jurisdiction so long as the SRA supervision requirements are met.

Managing trainee expectations

Interestingly, one firm said that its international secondments were not particularly hotly contested and that trainees were more interested in being seconded to clients in the UK, possibly because, in the two years between recruitment and the training contract start date, the trainee's personal circumstances had changed.

This has led some firms to be very specific during recruitment about their expectations of trainees, making it clear that 'it will be difficult for trainees to spend the entire two-year training period in London' and that '[candidates] have to be up for the international challenge – that's non-negotiable'.

Qualification overseas

A number of firms are, or will be, offering positions on qualification in overseas offices. Again, they recognise that it is important to flag this early so that trainees' expectations are managed and the firm's investment is not wasted by trainees who are not prepared to relocate on qualification. As one firm commented, 'it is a happy marriage between not having so many jobs in London and where the business is coming from'.

Future challenges for graduate recruitment

The final report of the research phase of the Legal Education Training Review was published in June 2013 and presented a number of recommendations for the future regulation of legal education and training. The Solicitors Regulation Authority has

now issued its policy statement *Training for Tomorrow*¹⁰ in which it sets out its plans to consult on, amongst other things, a move towards an outcomes-focused pathway to qualification. Given the staged consultation process, the SRA has confirmed that the current qualification structure will continue to be available as a route to qualification as a solicitor until at least the end of the 2017/2018 academic year.

In the meantime, the following three issues are of particular note in relation to graduate recruitment according to the firms interviewed for this report:

1. Encouraging diversity and widening access to the profession;
2. Legal apprenticeships; and
3. Managing Generation Y lawyers.

Encouraging diversity and widening access to the profession

The widening of access to the legal market is a key aim of the Legal Services Act 2007 and law firms are required by Principle 9 of the SRA Handbook to 'run [their] business or carry out [their] role in the business in a way that encourages equality of opportunity and respect for diversity'. The LETR addresses both concepts with its proposals for encouraging fair access and tackling the barriers to entry to legal education and training.¹¹ Given that it may take years before new measures are introduced, what initiatives do firms already have in place?

Short-term versus long-term strategy

Attitudes to diversity generally amongst those interviewed varied enormously: from those whose firms are involved in many different initiatives to encourage longer term diversity and wider access to the law at different educational levels, through those

who have procedures in place to ensure fairness in recruitment, to those who are happy with their diversity statistics and do not see any particular reason to change their approach.

Eleven out of the 19 firms surveyed have signed up to the Law Society's Diversity & Inclusion Charter, with only two firms having neither signed the Charter nor entered into programmes with organisations promoting diversity.

Partnerships with organisations promoting diversity and access to law

Figure 1 on the next page lists the organisations with which the firms surveyed for this report are affiliated. Only three contributing firms do not yet have partnerships with organised diversity initiatives.

Organisations such as PRIME and Pathways to Law match up students with member firms who provide structured work experience. By working with an organisation, firms are put in touch with students thereby cutting down on the time and resources required to make contact with candidates. This can be a good way for firms to get started on this type of initiative, particularly if resources are limited.

Developing links with schools

Firms are linking up with local schools to offer insight into a career in the law. One contributor said: 'We are targeting students at A level stage to encourage them to consider law, especially if they will be the first generation to go to university.' The firm is in the process of devising a 'schools day' when it will invite students into the firm to focus on all routes into the profession. Other recruiters agree that it is important to emphasise the other roles available on the business side – such as HR, marketing

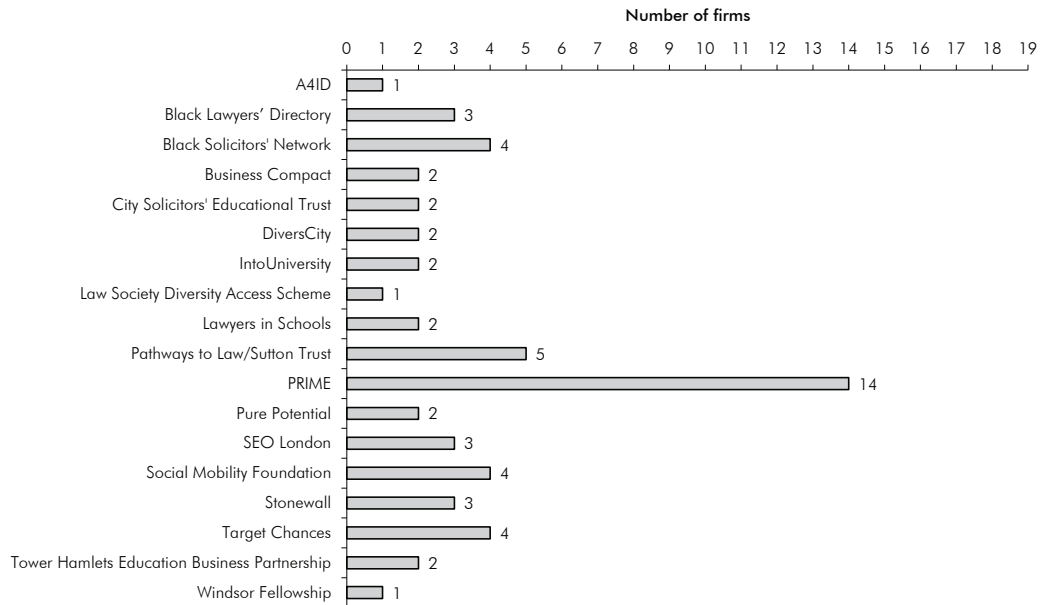


Figure 1: The diversity initiatives supported by the firms surveyed for this report

and finance – so that students start thinking about the possibilities open to them more broadly.

While many firms are targeting A level students, others are also encouraging those at GCSE stage. A recruiter in a national firm talked about the problem of linking up with state schools because they do not have resources such as a career officer, and it can be difficult to make contact with the right person to get a programme off the ground. Nonetheless, she had been able to attend a Q&A session at one of the area’s underperforming schools which was arranged through a local employability organisation.

Mentoring scheme for LGBT students

Following on from the success of the DiversCity recruitment event supported by eight City firms to dispel the myths about opportunities in the City and encourage LGBT students to consider a career in the law, the sponsoring firms have launched an informal mentoring scheme.¹²

Ensuring fairness during recruitment

Firms are aware of their responsibility in relation to equality and diversity, but most seem satisfied that their recruitment processes are robust enough to ensure a diverse trainee population, employing a number of methods to treat applications as fairly and objectively as possible. The following sections outline some of the methods that are, and which can be, employed in order to ensure fair treatment of applications.

Anonymising applications

Taking out personal details so that recruiters have no reference to names, gender, or provenance is favoured by some firms, but others point out that a person’s schooling may reveal a great deal. Details of languages spoken may also give clues as to the person’s ethnicity or nationality.

To combat this problem, one firm has all application forms anonymised, then arranged so that the answers to the free-form questions are uppermost. During

the first sift, the recruiter reads these answers first and, on the basis of the quality of the answers, will then look at the candidate's academic record and other information. In this way, the firm believes that it is doing what it can to create as level a playing field as possible by considering first and foremost the candidate's motivation for joining the firm, interest in the law, and commercial awareness. The recruiter also ignores the university for the purposes of benchmarking the candidate's grades. 'Our trainees come from a wide range of backgrounds. In our pool of 12 current and future trainees, we have a gender balance and representatives from four ethnicities so it seems to be working for us.'

Multiple filters

The importance of having more than one person screening applications was highlighted by one recruiter: 'We're all unconsciously biased in some way and the only way to deal with this is to get variation and diversity of views – by making sure that everyone involved in the recruitment process is at the wash-up so that it's not just one person's view and we're not assessing people in isolation. We have to look at candidates as a whole.' Applications are

often divided up ,among the graduate recruitment team and sometimes members of HR, or a recruiter does a first sift and passes on the short-listed candidates to other recruiters and/or partners.

'We run our selection process with a very structured scoring matrix that has certain scores for certain answers. We divide up the applications between the three of us in the team. Once we have a short-list, we sit together and moderate each other's scores by re-reading the top 100 and challenging each other on the scores if we don't agree. We are as objective as we possibly can be.'

When partners are brought in to assess short-listed candidates, one recruiter will give them the overall score they have allocated to an application, but not the breakdown because they do not want to influence the partners by telling them how they decided to select the candidate.

Other measures

In addition, many firms assess candidates against objective selection criteria to provide another level of fairness and transparency. Most will also take into account mitigating circumstances when considering academic achievement. Each is described in more detail in Chapter 3 of this report.

The view from university and law school advisers

There is concern among those who work with students to help them secure a training contract that law firms are missing out on a raft of able candidates because of rigid recruitment practices. Firms cite academic achievement as an overarching factor in selecting students, but they may not take into account the wider context behind a student's grades or university. For example, a student with BBB at A level might have been the highest achiever in their class in an underperforming school, or someone who attended a lower ranking university might have had no choice in where they studied owing to family or financial circumstances.

The focus on vacation schemes as a recruitment tool may also skew the profiles of students recruited. There is often a gender imbalance, with female students focusing more quickly from the second year on what needs to be done to secure a training contract, whereas male students may take another year or so to understand what is required. This time-lag means that

male students may be at a disadvantage when it comes to completing application forms and presenting themselves at interview. Suggestions are that firms could run specific events for third year law students to pick up those who did not 'gear up' as quickly, but who are nonetheless very promising students. One contributor said they were aware of only a couple of firms currently engaging with this group.

Another encouraged law firms to consider candidates on a broader range of competencies and experiences. They appreciate that extra-curricular activities will develop valuable skills, but pointed out that some students might not be able to take part in such activities for financial reasons, or more simply that their school did not offer such opportunities.

An example of inconsistent firm strategy is that of a video shown by a firm during an on-campus presentation which featured no female partners, even though the firm had fielded a mixed team. The students picked up on what they felt was a confused message.

A City firm already holds back a certain number of places that it fills closer to the training contract start dates. The University of Law assists by identifying promising candidates using its careers employment database. In this way, the firm can offer opportunities to individuals who may otherwise miss out.

What progress is being made?

Two reports published by the Law Society provide data on the progress being made by the profession in promoting diversity:

1. The 2012 Annual Statistics Report (ASR 2012)¹³ which contains information on the number of practitioners and their demographics; and
2. The Diversity and Inclusion Charter's Annual Review 2012 (DIC 2012)¹⁴ which reported on how its member firms were building diversity and inclusion into their businesses.

The reports found the following results:

- Almost one in four training contracts in the 2011–12 period (almost 25 per cent) were registered to black, Asian, or minority ethnic (BAME) trainees. This is compared with 20 per cent of training registrations going to BAME trainees 10 years previously. However, the DIC indicates that only 10 per cent

of solicitors are BAME, with only 6 per cent of partners being BAME;

- In the firms surveyed for the DIC 2012, 59.6 per cent of the solicitors and 29 per cent of partners are female;
- Smaller firms have a higher proportion of BAME and female partners than large firms; and
- Firm size does not necessarily indicate success in advancing diversity and inclusion.

These themes seem to indicate that the steps taken by firms at recruitment level is paying dividends in terms of the profile of their trainee solicitors. The DIC does not, however, provide a breakdown of diversity:

- i. In the trainee population according to size/location of firm to indicate how commercial firm statistics compare with firms in other sectors; or
- ii. Of those newly entered on the Roll, which would show whether diversity ratios are preserved on qualification.

The ratios change as a lawyer progresses through their career. As stated in the DIC 2012: ‘... attracting and developing a diverse workforce, particularly at the partnership level remains a challenge.’ It is outside the scope of this report to probe this further, but if firms are to address the imbalance in representative groups, it will be interesting to note how and why the profile of the profession changes at the various step-off points in a solicitor’s career.

Legal apprenticeships

Legal apprenticeships have been available for some time and are already offered by a number of firms to school-leavers. The new Higher Apprenticeship in Legal Services (HALS) offers entry to students post A-level with apprentices following a programme of on-the-job and classroom learning to develop the required competencies and knowledge. They take periodic examinations set by CILEx and receive the HALS which is a level 4 qualification under the government’s flexible Qualifications and Credit Framework (QCF) and equivalent to the first year of a law degree. Some of the recruiters surveyed for this report said that, while they are not yet taking active steps to implement a programme, they are listening keenly to what other firms are doing and keeping in touch with the providers of legal apprenticeship schemes.

Firms who are considering the introduction of legal apprenticeships believe that this initiative will bring greater stability in its client service compared with its current strategy of using paralegals to staff the more commoditised aspects of its business. The current route offers students the opportunity of qualifying as a solicitor through the legal executive training framework, which still requires the student to pass the LPC and obtain a training contract.

Given the focus on widening access to the profession, legal apprenticeships offer a skills-based, outcomes-focused route into the profession. However, the current level 4 qualifications only offer pathways in commercial litigation, debt recovery and insolvency, and personal injury – the apprentice therefore specialising from day one. The new Higher Apprenticeship in Legal Practice will provide a broader legal qualification at levels 4, 5 and 6 QCF (the equivalent of years 1, 2 and 3 of a law degree respectively) and eventually at level 7 QCF (Master’s level and the equivalent of the LPC) which will not require the apprentice to follow a specialism.

Director of BPP Professional Apprenticeships, James Hammill, says that the university is in exploratory talks with a number of City firms who have expressed an interest in a programme that would offer students broader technical and skills-based training with an alternative, direct path to qualification as a solicitor. The apprentice would gain on-the-job work experience, rotating around the firm’s departments in the same way as a trainee, and attend courses run by BPP to learn the skills and knowledge of relevance to a lawyer in a City practice.

Concern has been expressed that this wider introduction of legal apprenticeships may create a two-tier system: those who qualify through a training contract and those who qualify via a legal apprenticeship. Hammill says that an important step in ensuring the parity of apprentices is the introduction of the level 6 and 7 qualifications which will allow apprentices to top up their legal learning to the level of a law degree and LPC. In any event, he believes the concern to be unfounded based on evidence emerging from other professional service firms.

Accountancy firm BDO LLP introduced apprenticeships in 2012, and so far the programme is a resounding success. Director of Training & Professional Qualifications, Greg Owens, is convinced of its benefit to the firm: 'The apprenticeships model allows us as an employer to tap into a much wider pool of talent with potential – enabling us to build a more diverse team of colleagues.' He says that not only are the apprentices performing highly, but they are also incredibly dedicated, a reflection perhaps of the type of person willing to sign up for the programme: 'For someone at the age of 18–19 to make a decision, against all the pressures on them to go to university from school and parents, then there has to be something special about them – a certain level of hunger for the role and that's been evident in the people we've recruited.'

One recruiter from a City firm is also convinced, saying that their firm is already planning how apprenticeships will work to support its business. They will need to define each of the roles of trainee, paralegal, and apprentice, and the type of work that each could be expected to carry out: 'It will be interesting to see how [apprentices] develop. If we get them earlier, how will they be more involved in the business going forward and what will they look like when they come out?'

Others, however, mentioned the resistance to change in partnerships and that, although apprenticeships are being discussed, partners still see trainee recruitment as the firm strategy for growth. Many firms do not even employ paralegals and therefore have no experience of working with that level of legal technician.

The City firm recruiter above believes, however, that it will be possible to create a market in apprentices because, if a firm has worked out the value in the tasks that can be carried out at the junior end of the business,

clients will be able to select how teams are made up based on the value of the tasks each member can perform. It is then a question of helping the partners to see apprenticeships in the context of value to the client.

The interested law firms, including some of those surveyed for this report, who are exploring the introduction of legal apprenticeships with BPP are also working with the SRA to define the outcomes to be achieved at each level. The programme will be piloted from September 2014. Whether other firms decide to introduce this path to qualification will in all probability depend largely on the success of these pioneer firms and apprentices.

Managing Generation Y lawyers

Many of the firms surveyed for this report highlighted the difficulties of managing the differing expectations of lawyers qualifying today compared with the expectations of those who manage the firm – Generation Y versus Generation X/Baby Boomers.¹⁵ Their observations are supported by what university and law school advisers are also noticing – that students are focusing almost exclusively on securing a training contract without necessarily being interested in a long-term career in the law. As Colin Davey noted: 'Students are going through a constant iterative process of reviewing what they want in life.'

Other advisers agree, saying that students do not feel the same level of loyalty as law firms might have enjoyed historically and that many only see themselves staying with one employer for five years or so. This creates a potential time-bomb for firms who could find themselves recruiting trainees year-on-year only to see them leave at two to four years' PQE when they are at their most profitable and potentially most difficult to replace.

The increase in client secondments may exacerbate the problem by showing young lawyers a life outside private practice, precisely the reason why such opportunities are so popular. So what can firms do to minimise, if not entirely manage, the risks associated with Generation Y talent?

The 'partner perception'

Today's candidates and trainees have been described as: 'lazy', 'more demanding', 'feeling they have more rights', 'not so grateful', 'the generation that don't have to work hard for it', and 'entitled'. This perception is leading to a real mismatch of expectations between managers and the people they are supervising.

According to one contributor: 'My job is to educate [the partners] on how we do things and why we do it and what the market is like now.' But she admitted that it was proving increasingly frustrating that there appears to be no magic solution to satisfying these ostensibly conflicting expectations.

Unfortunately, according to one firm's experience, Generation Y is more than up to the task of signing up to the values of a firm, securing a training contract and persevering – until around two years' PQE when departures become a 'massive problem'. The time lag means that partners either do not believe that anything needs to be done to address the problem at trainee recruitment level and that probably nothing will be done until the firm has difficulty attracting graduates. This begs the question whether the link is in fact being made between how trainees are recruited and nurtured and the early departure of young associates.

University advisers agree that there appears to be little information gathered on what happens to trainees once they qualify. One mentioned carrying out their

own study to understand what made a student successful within a business and found that it was those who fitted in with the organisation's existing culture and who were comfortable working hard. Given what motivates Generation Y (discussed below), it is likely that this profile of recruit will become harder to find and certainly harder to retain.

While this is a problem highlighted by recruiters, it is recognised as an issue of much wider significance given that any difference in approach is likely to require a 'fundamental belief change' at partnership level which will only happen over time. The lead may quite possibly have to come from clients themselves as the members of Generation Y who are now being recruited by clients move up through the ranks to positions where they can influence policy.

The 'Generation Y perception'

The characteristics of Generation Y (also referred to as 'Millennials') that are so open to criticism, when seen from their perspective, have a far more positive intent.¹⁶ Rather than being lazy, Millennials want to understand the reason for working hard and the end goal of doing so – once they do, they will apply themselves. Where they are seen as more demanding, they want more feedback and inclusion than previous generations. They like a sense of belonging and working with others, whereas members of Generation X prefer to work independently and take responsibility for how they work. Those belonging to Generation X or the Baby Boomer generation may not appreciate these Millennial characteristics, but it is argued that the parenting of Millennials has led them to believe that they can do anything. It should not therefore come as a surprise that they are not particularly well equipped to handle failure or being let down and find it hard to accept anything other than positive feedback.

Where do firms go from here?

Given that Generation Y is the talent pipeline for all law firms, how can they remould their business model to encourage Generation Y to buy into the firm’s values

and future? Some firms feel they are at something of an impasse, so perhaps looking at another organisation and sector facing the same recruitment and retention issues can shed some light.

PwC’s NextGen: The largest generational study ever conducted into the aspirations, work styles, and values of professional service employees in the Millennial generation

In 2013, PwC, the University of Southern California, and the London Business School published a report based on data collected from more than 180,000 employees and partners worldwide in the PwC network from different generations, career stages, and cultural backgrounds. The report entitled *PwC’s NextGen: A global generational study - Evolving talent strategy to match the new workforce reality – Summary and compendium of findings*¹⁷ (the PwC report) concluded that the edges of many of the generational stereotypes are blurred; that in understanding the similarities and differences between the generations, an organisation can adopt strategies to leverage the differing values and attitudes of each generation and prepare its business for the future.

Key findings of the PwC report:

- **Many Millennial employees are unconvinced that excessive work demands are worth the sacrifices to their personal life** – They value work/life balance, and the majority of them are unwilling to commit to making their work lives an exclusive priority, even with the promise of substantial compensation later on.
- **Millennial employees want more flexibility at work, but so do non-Millennials** – In fact, a significant number of employees from all generations feel so strongly about wanting a flexible work schedule that they would be willing to give up pay and delay promotions in order to get it.
- **Millennials say that creating a strong cohesive, team-oriented culture at work and providing opportunities for interesting work – including assignments around the world – are important** to their workplace happiness, even more so than their non-Millennial counterparts.
- **Many – but not all – stereotypes about Millennials are untrue** – Millennials do not expect their organisations to meet all of their needs, including job security, and they do not see themselves working for one organisation for their entire careers.
 - Although Millennials have a natural aptitude for electronic forms of communication, email and social media platforms are not always their communication vehicles of choice – they still want face-to-face discussions with their managers about their careers.
 - While a common perception exists that Millennials are not as committed or hard working as their more senior colleagues, the study effectively ‘busted’ this myth by revealing that Millennials are as equally committed to their work.

- **The reasons for staying or leaving the firm are virtually the same between both Millennials and non-Millennials, but their relative importance differs** – Millennials have a greater expectation of being supported and appreciated in return for their contributions, and to be part of a cohesive team. Flexibility in where they work and how much they work is also a key driver in Millennial satisfaction. The non-Millennial generation places greater importance on pay and development opportunities and control over their work.

It is easy to see from these findings how the differing expectations and motivations between the generations can cause misunderstanding and ill-will. So what can law firms do to help everyone in the organisation feel valued?

Potential strategies for law firms to consider

The PwC report emphasised the importance to organisations of listening to their people and understanding what drives and motivates them. Without this, firms risk implementing strategies taking only the firm's perspective (or the perspective of the decision-makers) into account, at best missing the opportunity to engage with its lawyers and staff for the benefit of all, and at worst alienating people (at any generational level) if they do not feel that their needs and wants are being taken into account.

A useful example might be in the way that lawyers are rewarded for their input – the firm may award a financial bonus which members of the Boomer generation and Generation X will appreciate. Generation Y may well prefer an extra week of leave or the opportunity to develop their extra-curricular skills and experience funded by the firm. Further, associates are often unclear how much the time they spend supervising and developing juniors is valued, saying that only activities bringing tangible benefits to the firm are taken into account in the calculation of billable hours targets. For Millennials, recognition of their contribution to the team is extremely important and another factor in helping them to feel 'part of something'.

The PwC report suggests the following:

- **Create a flexible work culture** – This could include providing employees with greater flexibility in their work location or schedule without having to execute a more formal flexible work arrangement. This will require a move away from the 'face-time' concept which more senior lawyers still may believe to be important. Providing concrete examples of how flexible working will reap rewards for the firm in the longer term may assist in persuading partners to try a new approach.
- **Fully leverage technology** – Accelerate the integration of technology into the workplace, enabling workers to harness technology in ways that give them more flexibility and increase efficiency. This ties in with the trends identified earlier in the chapter.
- **Increase transparency around compensation, rewards, and career decisions** – Take the mystery out of compensation decisions, and provide greater transparency to employees regarding their career development. Create a meaningful rewards structure that regularly acknowledges both large and small contributions made by employees. Decision-makers may

be persuaded to introduce reward systems which do not have a direct financial impact, yet which they may not see personally as valuable, such as offering extra days off when a team has had a run of long days.

- **Build a sense of community** – Emphasise teamwork, appreciation and support from supervisors, and give employees honest, real-time feedback, face-to-face. As mentioned earlier, Millennial supervisors may require support in giving development feedback and managing performance issues. Non-Millennials may need help understanding the importance of delivering detailed feedback to junior lawyers when they are more focused on working independently.
- **Invest time, resources, and energy in listening and staying connected with your people** – Understand the generational differences that are at play and manage employees on a personal and local level so that their own individual needs are met. Create innovative ways to keep employees engaged and perform at their best. This means communicating back to employees the results of any fact-finding or other initiatives and acting on them, or at least explaining the reason for not acting on them.
- **One size does not fit all** – Generational differences do exist among Millennials and non-Millennials, and should be taken into account by organisations that include employees from both groups. Non-Millennials may not appreciate the different outlook of the younger generation of lawyers, but they will be the partners of tomorrow, as well as the powerhouse of 2 to 5 year PQE associates who are likely to leave once they reach that point in their career. Firms must understand how to harness their loyalty and interest because, as Henry Ford once said: ‘If you always do what you’ve always done, you’ll always get what you’ve always got.’ And that is not going to keep Millennials at your firm.

Case study: Merger integration – Bond Pearce and Dickinson Dees

By Sam Lee, recruitment manager

The challenge

On 1 May 2013, Bond Pearce and Dickinson Dees came together to form Bond Dickinson, a national law firm with an estimated turnover of £95m, 1,200 people, and eight locations across the UK, from Plymouth to Aberdeen – a truly national reach! Both legacy firms had strong reputations in the graduate market which we hoped would put us in an excellent position as a newly merged firm. The development programmes were well recognised as offering first-class training to its future lawyers, again, something that we hoped we could capitalise on.

As a merger of equals, these two strengths also became two of our greatest challenges. Both firms were very proud of their graduate programmes but, fortunately, recognised that it was a fantastic opportunity to take the best of both to create something even better.

By the time the merger had been voted through, both legacy firms had been out on campus promoting their respective programmes and already launched the application and assessment process. This was not an enormous hurdle to overcome, but it did play a very large role in deciding how we approached the integration of the two programmes.

The approach

As the time between the vote and date of merger was very limited, we made sure that both graduate teams met at the earliest opportunity to get to know each other and to understand both programmes. We needed to understand very quickly the structure of the programme, its strengths and weaknesses, and the approach to recruitment and selection. Our first few meetings involved a lot of information sharing and brainstorming what the priorities were.

One of our first decisions was around how we approached the process. In our view, we had two options; pause for 12 months and re-launch in September 2014, or take each aspect of the recruitment and development cycle step-by-step, integrating as we progressed throughout the year. It was important to both firms that we continue building on the good work that had already been undertaken and we felt that it was too much of a risk to take ourselves out of the market for a period of time. With that in mind, we drafted our project plan to include all recruitment and development activities highlighting the short, mid, and long-term priorities and made sure that we met regularly to review progress.

With each activity we have taken the time to review what we do that is the same and what is different, what we would like to retain, what we want to do differently, and what we want to start doing.

It became very clear early on in our discussions that our motivations for recruiting trainees, the way they are utilised, our commitment to their long-term careers, and the competencies and behaviours we valued were already very closely aligned. However, we were both at very different stages of the journey in terms of recruitment processes and procedures. For example, one of the legacy firms had been using one of the top two online application forms for a number of years while the other used its own in-house tailor made form. One of the firms had a more structured approach to vacation scheme applications by running assessment centres, whilst the other selected candidates from the application form only. The assessment centres for training contracts tested very similar competencies, but the structure of the day and the assessments used were very different.

Our application process is now aligned and has been since 1 June 2013. We took the decision to continue with two different application processes for the summer vacation scheme this year opting to run the legacy schemes (one was for one week, the other for two) and closed applications for training contracts at this point to allow us the chance to align the training contract application process.

We are now starting to re-design the vacation scheme and assessment centres. Given that we have some time before we run these, we will be looking at this afresh, whilst ensuring that we retain and build on the strengths.

The next big project is the brand work. We are out on campus at the moment, but under the corporate brand. This is such a high profile part of the project we decided that we would take our time with it rather than rush it through at our busiest time of year. Our corporate brand really lends itself nicely to the graduate market and we are confident that we will stand out on campus.

The outcome (so far so good)

There is still an enormous amount to do, but we are pleased with the progress that we have made in a short space of time. This approach has allowed us to maintain the profile

on campus and that was important to us from the outset. We are now out on campus with a cohesive message about what we can offer the next generation of Bond Dickinson lawyers and to have reached this point whilst providing a business as usual service to the firm is quite some achievement.

The success of our integration is not something that we will be able to measure overnight. It is likely to be a year or two down the line before we can genuinely measure its effectiveness, but we would hope to see some signs in next year's applications, both in terms of quantity and quality.

We have wondered whether the profile of our candidates may change as a result of our merger. As well as attracting the more traditional second year law student, both firms have historically attracted candidates from more diverse backgrounds (i.e. paralegals, LPC candidates, and career changers) and this has had a great value. Both legacy firms have been impressed with the quality of each other's trainees and, provided we continue to attract that same talent, we will consider integration to have been a success.

Our discussions are now moving on from the immediate priorities to look at the wider graduate strategy for 2016 and beyond, and some of the internal factors that we are considering are the potential shape of our business at that time, office locations, and any proposed international strategy. Externally we are keeping a close eye on the way the legal market is developing and how we need to respond to that with good succession planning. The LETR is going to have an impact on how we train our future lawyers and it makes sense that we plan for that now while we are making changes to the programme.

We are constantly challenging ourselves around the number of training contracts available and whether we should stop recruiting so far in advance to allow ourselves to respond more to the needs of the business.

What we have learnt

If we were to do it again, what would we do differently? Whilst it was important to us that we maintain our profile on campus throughout this process, it has been a difficult juggling act at times managing the day-to-day (particularly through the busiest time in the graduate recruitment calendar) and implementing significant changes. With hindsight there is a great value in pausing to review, allowing the opportunity to take a step back rather than try to effect change at such a rapid pace. It's hard to be totally objective when you are fully immersed in a process.

Communication is absolutely crucial to any merger and there is no substitute for getting together on a regular basis to thrash out ideas. It has been so important that we are all open to constructive feedback, comfortable challenging and being challenged, and can really focus on what is right for the business rather than particular individuals. It's not always easy, particularly when it's your ideas and processes are being challenged, but focusing on the end goal and being part of the team that creates a brand and programme to be proud of is a great motivator.

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