

Are Generational Differences the Enemy of Client Satisfaction?

Part 2: Engaging “Next Gen” Lawyers

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Last week Marcie Borgal Shunk and I provided insights into how generational differences pose a distinct and growing threat to winning and maintaining healthy client relationships (click [here](#) to read). As we highlighted, “Next Gen” lawyers are essential to bridging the generational gap between lawyers and clients. In today’s post we will begin a dialogue about how firms can attract, develop and retain Next Gen lawyers by improving engagement.

What do I mean by “engagement”? Admittedly, it’s an elusive term. Global HR consultancy Aon Hewitt defines employee engagement as “the state of emotional and intellectual involvement that motivates employees to do their best work.” Savvy firm leaders understand that engagement is what actually drives performance, inspires discretionary effort, improves retention and promotes organizational growth.

How do you recognize engaged Next Gen lawyers? They are self-guided. They feel connected and understand their contribution to the firm. They are continuously progressing and expanding their skill sets. And as we hinted in our last post, they want their client relationships to flourish.

The more complex question is: What actually drives engagement in Next Gen lawyers? Being happy isn’t the same as being engaged. Engaged Millennials are happy employees but not all happy Millennials are engaged.

Future posts will focus on a multitude of concrete, tangible ways to improve engagement in Next Gen lawyers, but for now, let’s dive in with one of the most important yet frequently misguided engagement drivers for Gen X and Millennials: **Opportunity for Growth and Development.**

Selected quotes from the [American Lawyer 2014 Midlevel Associates Survey](#) highlight this critical focal point for the rising associate classes:

“Associates are upset about lack of transparency regarding the firm’s policies and compensation. We are constantly left wondering where the goal posts are.”

– *Third-year, Vinson & Elkins*

“Explain, without whitewashing it, the analysis for making non-share and share partners. Merely saying ‘Whether there is a business case’ is not an answer.”

–*Fourth-year, Kirkland & Ellis*

“An up-or-out system is fine, but that means you must first give frank and frequent feedback. You can’t wait until the sixth or seventh year and then drop the hammer. As Jack Welch said, ‘It should never be a surprise when an employee is asked to leave.’”

– Fourth-year, Williams & Connolly

Whereas some Baby Boomers came into the partnership ranks via lockstep advancement, younger generations face unclear, uncommunicated and often inconsistent messaging about what it means to be a partner at their firm. This is in part because far too many firms haven't actually defined their partnership criteria. They are often not intentionally "hiding" the requirements – the partners don't know either. Next Gen lawyers think about professional growth and development differently than previous generations and frequently weigh the following factors:

- Rules that make sense to them
- Open flow of communication
- Immediate recognition and reward
- Frequent leader interaction and feedback
- Potential for rapid career growth

One common obstacle to growth and development? "Boomer Blocking." Senior partners who delayed retirement due to the recession created fewer stretch assignments for junior lawyers, diminished client interaction and limited leadership opportunities. As we elucidated last week, this generational gap can – and will – impact the health of client relationships.

Millennials are motivated to work harder when they know where their work is going. Astute law firm leaders understand this connection and provide opportunities for Next Gen lawyers to be involved in expanding and deepening client relationships. It's a win-win: Millennials feel more engaged and firms develop stronger, renewed ties to their clients.

Market-leading firms are making the connection between client satisfaction and the growth and development of Next Gen lawyers in at least two ways:

1. Including the voice of the client in subjective bonus decisions and
2. Developing business-generation driven objective bonuses.

In addition to using common criteria such as teamwork, commitment to the firm and quality of work, innovative firms are increasingly using client feedback as a factor in awarding merit-based bonuses. Rather than relying on traditional hours-based bonuses, innovative firms are also placing increasing emphasis on business generation bonuses. These bonuses typically involve a set percentage of originations and may increase when associates meet a set threshold of collections (i.e. \$50,000, \$100,000 and \$200,000). Although this practice is gaining momentum it must be approached with a degree of caution given the potential incentive for associates to bring in work that is not in alignment with the firm's strategic objectives.

Market-leading firms are continually looking to improve the engagement of Next Gen lawyers by promoting growth and development. Questions they consider include 1) What incentivizes and motivates the performance of Next Gen lawyers at our firm? 2) How closely are our associate and partner compensation systems aligned to those drivers? 3) Do we have clearly defined partnership expectations? 4) How effectively have we communicated those expectations to future firm leaders? 5) To what degree do we hold current partners accountable to partnership expectations?

Stay tuned to future blog posts as I continue to probe the drivers of Gen X and Millennial engagement in greater detail. Law firms that fail to bridge these generational differences will be at a major competitive disadvantage, particularly when it comes to winning and maintaining healthy client relationships. In our next installment Marcie Borgal Shunk will explore

how law firms can create competitive advantage through client-facing approaches tailored to the rising generation of Gen x and Millennial legal buyers.