Are Generational Differences the Enemy of Client Satisfaction? Part I

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By 2020, Millennials will comprise 50% of the working population – dominating the workforce in the U.S. By 2025, this figure is projected to grow to 75%. For law firms and other professional service firms, the impact of this monumental generational shift is perhaps more pronounced than for every other industry. Unlike traditional companies whose greatest assets include products, intellectual property and physical resources, law firms rely on just two fundamental elements to survive: clients and talent.

In today's post, we will explore how generational differences pose a distinct and growing threat to winning and maintaining healthy client relationships. On September 30th, Jessa Baker will present best practices and market-leading examples of how firms are attracting, developing and retaining their next generation of leaders in Part II of our series. Marcie Borgal Shunk will round out the series with an exploration of how law firms can create competitive advantage through client-facing approaches tailored to the rising generation of Gen X and Gen Y (Millennial) legal buyers.

First, a brief primer on the core differences between Gens X and Y (Millennials) and Baby Boomers.

A Primer on Generational Differences

Dr. Arin Reeves' article Generational Diversity offers a valuable perspective into why the generational differences in today's workplace are more vibrant than in decades past. The two primary reasons, she proffers include 1) There are 5 generations in the workplace today whereas in 1970, for example, there were just three; and 2) The 3 previous generations – Silent, Transitional and Boomers – all shared a common belief in a hierarchal system – making controversy and disagreements more manageable (or more easily ignored, depending on your perspective).

Furthermore, drastic changes in communication styles and preferences exacerbate efforts to bridge the gap. The Boomer generation relied on – and to this day places a premium on – face-to-face interaction. Younger generations, on the other hand, typically prefer – and some may argue forge equally powerful bonds – over the phone, by email and online. It is this communication style difference that leads frequently to feelings of frustration or a sense of disrespect between the generations.

So what does this have to do with clients?

Let's start with an example. Last week during an interview with a semi-retired executive he expressed his complete satisfaction with the way his law firm handled a recent transaction. "They were phenomenal to work with," he told me. Then he went on, "If I had to name one thing they could do to improve it would be to pick up the phone. Clients need personal attention, not just emails." In other words, from his Boomer perspective emails just didn't cut it – regardless of the frequency, content or tone, a message communicated by email simply could not leave him feeling special.

Yet an entrepreneurial CEO interacting with the exact same team of lawyers at the firm sang their praises. "They do not reach out to me with unimportant details or questions. They keep me up to date with regular emails…sometimes, when it's really important they pick up the phone and call." From her perspective, a phone call was an act of dire need. A mode of communication reserved for emergencies and time-sensitive decisions. The discrepancy is stark.

While generational differences in communication styles will not always be so pronounced, the message is clear. *The generational gap can – and will – impact the health of client relationships.* Specifically, as Dr. Reeves explains, communication differences rooted in generational differences are perceived as subtle signs of disrespect or disregard based on one's own perspective of interaction protocols. Even though unintentional, a simple generational difference between lawyer and client can undermine client satisfaction and business development.

What's more is that the disparity between lawyers and the clients they serve is only going to increase in the coming years. In an illuminating presentation on generational differences, Jonathan Fitzgarrald and Heather Morse shared several critical statistics on the changing generational make-up of law firm clients. Specifically, almost 20% of Fortune 100 General Counsel and nearly one-third of GCs at Nasdaq companies are members of Generation X. The majority of AmLaw leaders and over one-third of equity shareholders, however, hail from the ranks of the Boomer generation along with a not inconsequential number from the Silent and Traditionalist generations (which constitute a greater proportion of the legal profession than the overall workforce (according to Dr. Reeves' aforementioned article).

Already, the gap between lawyers and clients is apparent. And it will get worse:

1. Long-time shareholders reluctant to turn over the reins and transition client relationships
2. A much smaller class of Gen X to fill out the partner ranks
3. Few Gen Y (Millennials) with the legal skills and experience to step into the gap

These trends demand new approaches to client relationship management and business development, as well as the strategies and programs to develop the talent to transition from one generation to the next. In our next installment, Jessa Baker will provide insight and recommendations for how law firms can prepare for this transition and attract and retain the talent they need from the younger generations.