Partner Turnover: It's Not Just About The Money

By Laurie Caplane on September 4, 2024

After 20 years in partner recruiting, I have learned from hundreds of recruiters and thousands of candidates what motivates partners to change firms.

And it might surprise you to learn that money is usually far down – or often not even on – the list.

The vast majority of partners are highly successful, busy and billable. They are well compensated and love what they do. They just don't love where they're doing it. So why do partners move, why are more of them moving than ever before, and what can firm leadership do about it?

Key motivators include:

1. Lack of connection to management and, by extension, the firm

How close is firm leadership to the partner? Does the Managing Partner or do members of the Executive Committee ever seek out and communicate directly with the partner? Has the partner ever been consulted or invited to participate in business strategy or planning meetings?

Partners want to learn and contribute to the future direction of the firm or, at a minimum, be asked for their input. A phone call or brief meeting can make an *enormous* difference in helping to ensure partners feel connected – and, in turn, continuously reinforce their commitment – to the firm.

2. Infrastructure practice and platform issues

A firm's platform is key to growing and achieving thriving practices. Partners who have an expanding practice know they need teamwork – within their practice groups and across the firm – to get to the next level. Absent the ability of the firm to deliver, rapidly developing partners may depart when their firm's platform is not serving their needs and, more importantly, their client's needs.

The most pressing platform concern is often associate support and making sure the partner has adequate coverage. This can be a major source of partner frustration and dissatisfaction, and may cause a partner to look elsewhere and, ultimately, leave.

Other platform challenges are supplementary service support and geography. Does the firm have specialized experts in areas needed by the partner's clients/deals (e.g., tax, environmental, ERISA)? Do these clients need 'boots on the ground' in other locations to grow? Anything that hinders the growth of key client relationships incentivizes partners to evaluate their options elsewhere.

3. Rate Pressure, Rate Flexibility and Client Issues

Is the partner experiencing real, relationship-threatening rate pressure (not just the reflexive and automatic "no increase" response) from clients and, if so, is the firm helping to meet those rate demands?

Firms should proactively help analyze and, where possible, help solve rate issues while evaluating the situation within the broader context of matter profitability. Sometimes the profit margin from lower rate work is greater than the margin from higher rate work. Sometimes a practice can grow substantially when there is rate relief, allowing the partner to win back previous clients or save clients on the verge of leaving. And, sometimes, moderate rate relief can land new clients. The financials should be estimated and evaluated, not ignored.

This issue can work both ways. A partner may be in a situation to increase rates for the practice and not decrease them. As a result, similar exploratory questions should be asked and analyzed.

4. Conflicts

Conflicts is a growing issue because partner and partner group moves as well as the number of mergers and takeovers have substantially increased.

A partner who winds up on the 'other' side of a conflict resolution may suffer significant loss of business in the short-term, but also start to think long-term about the impact of similar future situations.

How conflicts are resolved procedurally is an important and motivating factor too. Was it purely a business decision or were there other reasons the conflicts were resolved this way? Was the business case sound or did the 800-lb gorilla with sharp elbows win by screaming? Of course, the size of the business and the impact on the practice are also very significant considerations.

Partners who do the math on how a material reduction in conflicts will ensure business isn't lost may decide to move elsewhere.

Turnover in any business is tough, but when your business is dependent on the expertise and reputation of its people…then making sure the people you count on feel they can count on you is critical. Partners who feel valued, supported, and heard are rarely motivated to move on.

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