The Math Behind Declining Work Ethic

By Michael D. Short on February 13, 2024

It seems like most discussions of law firm productivity these days – from Partners to paralegals – include references to declining billable hours, which are further extended into comments on declining work ethic. Sadly, such comments are stated with an apparent resignation to the fate…that nothing can be done about it. I suppose this phenomenon could be some combination of declining overall demand combined with a post-Covid hangover combined with different generational perspectives on what "working hard" should mean, but my theory is that we – as an industry – are currently teaching a couple of generations to work at an overall part-time level and that *it's perfectly acceptable*.

Nearly all discussions related to work ethic focus on billable hours. I hear many Law Firm Leaders lament that Partner hours are down, and most Associates are not even booking enough hours to be eligible for a bonus. Billing rate increases mask much of this challenge because they act as an offset and hide the issue at a macro-economic level. Still, it generally feels like the fire and drive needed to grow a law firm is dissipating in most at a time when urgency and aggressiveness are needed for real strategic growth and to get ready for the full impact of AI at some point. My question to the business owners – the Partners of the Firms – is, "what level of effort is expected in exchange for the nice base salaries you pay all your people?"

Stated differently, do you intend for the base salaries to return only billable hours at a truly part-time pace?

This is where the math comes in – assume that 50 hours a week with 4 weeks off is a very reasonable annual pace for any timekeeper in a successful and sophisticated law firm (and some will argue that this is being far too conservative). Well, 50 hours per week times 48 weeks = 2,400 total available hours. This is what the expected return and effort on a full-time base salary is. Interestingly, this concept is disappearing and we're letting it happen. For further context, a true 40 hour per week pace equates to 1,920 hours per year and a 60-hour pace equates to 2,880. My point is, where is all that extra and reasonably expected time – above and beyond billable time – going AND why aren't you paying much better attention to it? After all, you're paying for it.

To better understand the message your Firm is sending to these professionals, look at your non-billable/investment time codes. Are there just a few "dumping grounds" used to show a modicum of effort or is there reasonable granularity that can be used to actually track and monitor not only a general commitment to the Firm (and the base salary), but also to link this time to resulting efforts to evaluate a rate-of-return on this invaluable asset?

I'm working with a Firm right now that proudly tracks investment time and calculates an "all-in" pace for each timekeeper class. They even publish a report in which this total time metric is sorted from highest to lowest in an effort to generate activity via public shaming. While they are proud of their report, I note that almost everyone is running at a level that will produce fewer than 2,400 hours, which means the whole firm is a well-paid, part-time enterprise. To be fair, this is a learned behavior. Much investment time also goes unreported unless/until the general population sees that something is actually done with it. Individually (and intuitively), most successful professionals are working at a 50+ hours per week clip. Institutionally, however, most law firms successfully convey the message that "it doesn't matter, as long as you get your billables in." Unfortunately, the learned behavior is that a billable effort within some normative range is an acceptable effort for a full-time salary regardless of what happens with the investment time.

My goal with the math angle here is to create a context for a productive conversation about a reasonable pace and a work ethic while taking the generational aspect out of this. The last thing non-boomers want to hear – again – is how much harder the boomers worked and how much times are changing. Everyone has non-billable time available for investing in many types of activities. Some of this invaluable asset is used for typical chores, such as time entry, billing, collecting, etc. The real ROI occurs when the remainder of this time (up to a full-time pace) is used for strategy implementation, professional development, business development, training, mentoring, profitability improvement initiatives, and innovation…efforts which should produce more billable time in the future.

Are you promoting a part-time pace and work ethic in your Firm? Do the math and find out. If so, it's not too late for an expectations reset before all of this becomes engrained and institutionalized.

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