

Winning the War for Talent with Your Practice Groups – Part 3: Is there any benefit of a “free market” system?

By [Susan Raridon Lambreth](#) on April 26, 2022

In [Part 1](#) of this series, we discussed the statistics underlying the Great Resignation, research on engagement and some of the actions practice groups can take using the project management approach to stop the exodus and retain talent. In [Part 2](#), we discussed the cost of turnover; engagement research findings; and measures to reduce attrition. In Part 3, we will look at associate workload assignment and allocation systems.

Free Market Systems

Within a few short months, partners in three different firms asked the same question. I was conducting training with the Practice Group Leaders. As I spoke about the challenges in associate retention today and creating engaged professionals, someone would ask: “Is there any benefit to a free market assignment system?”

In a free market assignment system, partners select whatever associates they want to work on their matters. They might be limited to a given department or practice group. But, essentially it means that no one is actively managing the process to ensure that the projects an associate is given align with their developmental needs, interests and preferences.

In each case, I responded, “No, other than the so-called benefit of partner autonomy in selecting their favorite associates for their matters.”

In fact, in over three decades of helping firms implement and operate effective practice groups, I have seen many negatives but no real positives. The free market system sounds deceptively democratic. But it creates inequities, limits exposure to different partners, overrides associates’ career goals, and ignores a logical progression of development.

Centralize Workload Management or Work Allocation

What’s the alternative? The opposite of a free market system, sometimes called centralized workload management or work allocation programs, factors in client needs and partner preferences. However, there is also a critical emphasis on the developmental needs and desires of the associates. In this system, there are one or more professionals who are responsible for trying to ensure, at a minimum, the following:

- Associates maintain high utilization levels and ensure that the essential work of the firm gets completed.
- Associates receive assignments that help them develop the skills or experiences they need to progress to the next level in their area of practice.
- Associates have visibility into their progress as they gain mastery in areas of expertise.
- Associates gain exposure to multiple partners and are better able to showcase their skills.
- Associates have similar opportunities to find sponsors who will affect their ability to make partner one day.
- Associates have the opportunity to work on a variety of different types of work, expanding their skills.
- Associates avoid being pigeonholed into areas that are not conducive to their development or partnership

progression.

- Associates receive as much or as little diversity in their assignments (as is practicable) to facilitate their development goals, whether they wish to try out different areas or specialize.
- Associates receive unbiased and equitable assignments and the opportunity to work with a wide range of diverse professionals.

Some firms used these systems way before the current war for talent, ensuring that they have well-rounded associates in each practice group. Without these systems, I have regularly seen the situation where a practice group has the equivalent of two 4th-year associates, one who everyone wants to use and one who no one wants to use.

Free Market Comes with Negatives

In my experience, this is rarely a function of a difference in competence or intelligence between the two associates. By the fourth year, any major competence or intelligence issue would typically have been ferreted out. So what happens?

Typically, someone took the favored associate under their wing, coached and mentored them, and gave them the best opportunities. The other one fell through the cracks. Perhaps they had an early less than stellar review by a partner and got labeled so others didn't want to work with him or her.

Not only do law firms lose talented lawyers with this approach, it can be incredibly expensive. (See [last post](#) for the cost of attrition. That's not all, though. Additional negatives of the free market system include:

- Disgruntled alumni: Firm alumni are created who have a negative view of the firm from what they perceive to be unfair or uneven treatment of associates. These alumni often end up being potential clients.
- Inconsistent views of the firm: An associate in a practice group with a great approach to workload allocation and development will have an entirely different experience than the one in the practice group where free market approaches dominate.
- Poor ratings: Firms that use the free market system may not fare well in public surveys such as Vault and NALP, harming the firm's attractiveness to potential associates in the future.
- Inability to retain diverse lawyers: Bias can tend to favor a certain type of associate. In these situations, the firm will be unable to meet clients' goals such as the compliance with the Mansfield Rule.
- Lowered morale: Associates who watch their colleagues and friends leave the firm will feel the negative effect.
- Impact on client relationships: Clients notice turnover on their matters, particularly when an associate they liked is no longer there.
- Capacity issues: Associate turnover and the underutilization of available talent may make it difficult to service client needs efficiently and effectively.

And on and on.

AmLaw 200 Firms Lead the Way

The LawVision Practice Group Professionals Roundtable is the only association primarily focused on the business professionals helping Practice Group and Department Leaders run their practices. The results of the roundtable's recent survey disclose a revealing story.

Approximately 50% of the firms (all AmLaw 200) have a central workload assignment process, either firm-wide or by PG or department. And, about half of those use an automated tool to help them manage the assignment and associate development process. This might be a publicly available tool or one custom-built within their firm. Assignment partners, practice group professionals, or professional development professionals manage these assignments to ensure they meet the goals identified above.

Practice groups that continue to use free market allocation do so to their detriment. The pendulum is swinging toward central workload assignment.

Final Thoughts

If your firm has a system that is working well, we would love to profile you in an upcoming blog post or the second edition of my book, [The Practice Group Leader's Handbook for Success](#). As I mentioned in the last post, the world has changed. Today's associates have different wants and needs. If you're going to win the war for talent, you'll want to take the right steps to help your firm be the law firm of choice.

Stay tuned for more posts on this topic and for the new edition of *The Practice Group Leader's Handbook for Success*, a treasured classic by many PGLs who have read it over the years. This book covers some of the topics mentioned above and more. It will be updated later this year. However, much of the current book's content is timeless and applies to every PGL getting started in their role or learning new approaches.

The book is currently on [sale](#). Also, if you are a practice group leader or practice group business professional with ideas you'd like to share for the new edition of the book, let me know at slambreth@lawvision.com. I would love to interview you.