

By Charles A. Volkert, Executive Director of Robert Half Legal®, a legal staffing service specializing in the placement of attorneys, paralegals, legal administrators and other legal professionals with law firms and corporate legal departments.

Law Offices Re-Examine Traditional Retirement Model

A number of demographic, economic and social trends are starting to have a profound effect on legal staffing, according to research conducted by Robert Half Legal for its ongoing Future Law Office project and made available in a new white paper titled *Best Practices for Recruiting, Developing and Retaining Top Legal Talent*. In addition to the sizable number of attorneys who are nearing retirement, factors such as decreased law school enrollment, a shortage in some markets of talent in high-demand practice areas, increased lateral movement and higher attrition rates are putting pressure on legal offices to enhance retention of senior professionals, especially attorneys, whose ranks may be most vulnerable to retirement trends.

Legal administrators, whose responsibilities generally encompass human resources, are ideally positioned to promote the adoption of strategies and programs to retain older workers. A growing number of legal offices are counteracting workforce trends by taking actions such as eliminating mandatory retirement age policies, implementing phased retirement programs and increasing their emphasis on succession planning.

The push to re-examine retirement policies has gained momentum in the legal field in the wake of an American Bar Association (ABA) resolution calling for the elimination of age-based retirement policies, which have been criticized as outdated. Demographics reinforce the argument for change; according to the ABA, the median age of all attorneys rose from 39 in 1980 to 45 in 2000, and continues to rise.

Although the majority (57 percent) of firms with more than 100 attorneys still have some form of mandatory retirement policy, more legal offices are abandoning or altering these policies. For example, one firm replaced its policy of mandatory retirement at age 70 with an approach that allows older attorneys to remain as nonequity partners, with compensation determined on a case-by-case basis.

One Answer: Phased Retirements

Phased retirement programs that allow for a gradual exit from the workforce are an increasingly popular alternative to the traditional retirement model. These programs enable firms to capitalize on seasoned attorneys' deep levels of experience and knowledge, as well as their breadth of professional contacts, while helping experienced attorneys retain meaningful, productive roles within the firm. In addition, a gradual approach to retirement ensures a smooth transition for the individual attorney, law firm staff and clients alike.

Firms can enable veteran attorneys to downshift their roles and responsibilities by offering them flexible scheduling options such as part-time or even seasonal work; bridge

jobs, which may entail a change in hours, occupation or job type; or the ability to work remotely for the most part, such as from a second home. Some legal offices take a carefully planned approach to phased retirement by developing individual three- or five-year plans that often include steps and timelines for transitioning client relationships, phasing into part-time work, shifting to special projects (such as coordinating pro bono or training programs) and transferring specialized knowledge to eventual successors. Of course, one of the most important issues is the need to effect an orderly transfer of client relationships and case ownership. This is where succession planning plays a critical role for law firms.

The Role of Succession Planning

Succession planning is an important component of any attempt to redesign retirement programs. The methodical, comprehensive knowledge transfer from one generation of attorneys to the next – and among other key personnel in a law office – is an essential element of successful phased retirement programs. For law firms, the goal should be not to just replace the knowledge of retiring attorneys but also “experience replacement” – that is, the capture and retention of technical and business acumen, rainmaking skills, social capital, economic capital and the professional contacts of seasoned attorneys. The following steps can help firms develop strong succession plans:

- **Analyze demographics.** Determine the average “age” of the firm as a whole and by practice area. Some specialties may be skewed older or younger. For example, the average age of all attorneys may be 45, but the average age in litigation may be 60. In such a case, a firm would want to formulate strategies to prevent the departure of too many litigators at the same time.
- **Assess the strategic importance of planned departures.** If a firm anticipates the retirement of several key personnel in a particular practice or operational area, this presents an opportunity to analyze the business case for continued engagement or a change of direction. For example, is it an opportunity or a threat that the trust and estates practice area will be ready for transition over the next five years because of the number of legal staff retiring? Also, the loss of nonlegal personnel in certain roles may prompt formulation of a succession plan. If a key technology manager plans to retire, for instance, it could represent a threat in terms of the loss of knowledge about the firm’s systems.
- **Develop knowledge transfer processes.** The specific method of conveying critical information depends on the culture of the firm. For example, a firm that relies primarily on oral transmission of best practices might choose to capture “conversations” with senior attorneys as part of a video archive. A firm that prefers written documentation might prefer to create briefing books that contain tactical advice about business development practices. The main goal should be to find effective ways to capture and transfer as much tacit knowledge held by exiting attorneys as possible.

Consulting: A Popular Option

Working as a consultant also allows attorneys and other legal professionals to ease into full-time retirement. Consulting enables experienced individuals to maintain many of the benefits of work, including challenging assignments, competitive compensation and intellectual stimulation, while still allowing time to pursue personal interests. Some legal professionals formally retire from their employers then rejoin them as a contract consultant. Another option for attorneys, paralegals and legal administrators who want to pursue consulting work as a bridge to full-time retirement is to work through a staffing firm that will perform the administrative and marketing tasks while enabling you to select the engagements you most prefer.

For many members of the baby boomer generation, reaching the traditional retirement age won't mean an end to work. Evidence is mounting that this large generational group is more likely to seek new approaches to continuing their careers, rather than exiting the workforce altogether.

Although many mature workers hope to make adjustments in their professional lives as they age, employers may not be prepared to accommodate retirement-age boomers. Firms that have yet to formulate a response to the coming wave of retirements may be at risk of losing experienced, dependable workers who possess deep institutional knowledge and specialized skills honed over many years. If your law office has not begun to assess the potential impact of retirements on staffing, legal administrators may want to take the lead in focusing their employers' attention on this important issue and exploring alternatives to traditional retirement.

For more information on this subject, you can order a complimentary copy of Robert Half Legal's Future Law Office white paper, *Best Practices for Recruiting, Developing and Retaining Top Legal Talent*, at www.futurelawoffice.com.