

Retention Reality: What Really Matters for Today's Associate Attorneys

This edition of the Managing Partner Forum's Law Firm of the Future webinar series, "Retention Reality: What Really Matters for Today's Associate Attorneys" is the 49th installment in our ongoing series aimed at equipping law firm leaders with the latest trends and strategies in the legal industry.

Panelists:

- **[Fiona Trevelyan Hornblower](#)**: President & CEO, [The NALP Foundation for Law Career Research and Education](#)
- **[Jennifer C. Mandery](#)**: Vice President for Research, [The NALP Foundation for Law Career Research and Education](#)
- **[Skip Horne](#)**: Vice President for Engagement, [The NALP Foundation for Law Career Research and Education](#)

Moderators:

- **[John Remsen Jr.](#)**: President of [TheRemsenGroup](#) and President & CEO of Managing Partner Forum
- **[Uri Gutfreund](#)**: Senior Vice President and Managing Principal at [Ames & Gough](#)

Key Takeaways:

1. Associates prioritize work-life balance, fair compensation, and clarity around career advancement opportunities when deciding whether to stay at a firm. Effective mentoring and leadership are also important.
2. Firm culture and leadership are the top reasons associates leave firms. Associates want transparency, communication, and opportunities for growth from leadership.
3. Small and mid-sized firms can be well-positioned to provide personalized attention, mentoring, and accessible leadership that associates value.

NALP's "Should I Stay or Should I Go?" Study

At a recent Managing Partner Forum (MPF) conference, live polling revealed that the number one challenge facing law firms is talent retention, closely followed by concerns about the future of the firm. Recognizing the critical importance of understanding what keeps associates at their firms, the National Association for Law Placement (NALP) conducted the "Should I Stay or Should I Go?" study. This study, initiated last fall, aimed to fill the gap in existing research by identifying not just why associates leave firms, but more importantly, why they choose to stay.

Results



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NALP used a combination of relative ranking and empirical ranking methods to gauge the importance of 15 key factors influencing associates' decisions to remain at their firms. The study also included open-ended prompts to capture more nuanced responses.

During the webinar, audience members correctly guessed that the top reasons associates stay at their firms are compensation and work-life balance, albeit in the reverse order, with compensation ranked first and work-life balance second. The comprehensive study outlined 15 key factors that contribute to associates' decisions, categorized into areas such as community, culture, inclusion, compensation, benefits, professional development, and work-life balance.

15 Key Factors

Community, Culture and Inclusion:

- Firm Culture/Social Ties
- Diversity, Equity and Inclusion
- Pro Bono/Community Involvement

Compensation, Benefits and Policies:

- Compensation
- Benefits
- Firm Policies (e.g., billable hours, leave)
- Hybrid Work Policies (remote or flexible work)

Location and Reputation:

- Location
- Market Perception (e.g., prestige of firm)

Professional Development and Growth:

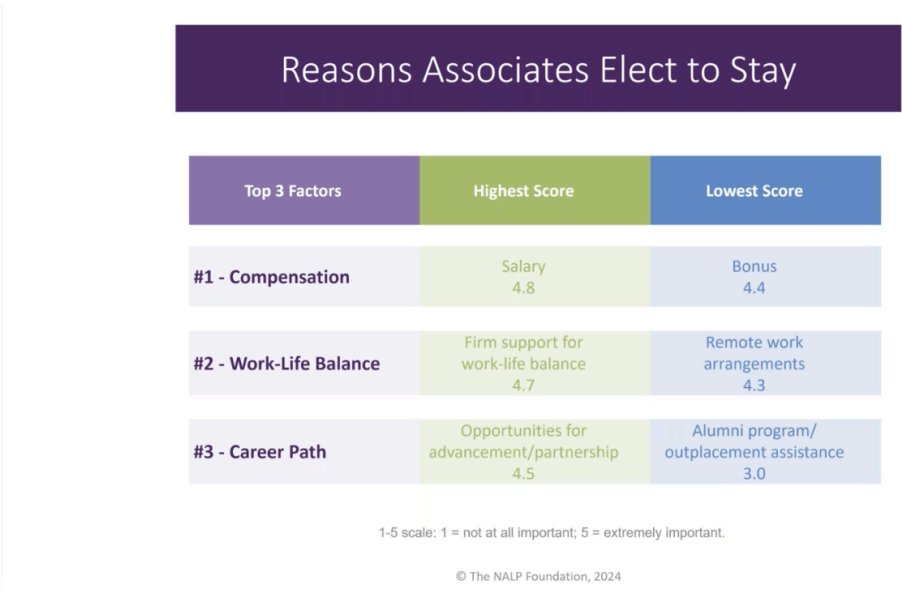
- Career Path
- Mentoring
- Practice Area Alignment with Personal Interest
- Professional Development
- Work Allocation/Workflow Management

Work-Life Balance:

- Work-Life Balance

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Moderator John Remsen Jr. highlighted a key insight: “profitability is a byproduct of doing the right things and attracting the right people,” indicating the importance of aligning firm policies with priorities identified in the study to enhance retention.



Findings from the study revealed that, beyond just salary, compensation includes market competitiveness and perceived fairness. Clarity around career advancement opportunities was also flagged. Panelist Fiona Trevelyan Hornblower noted that while compensation and work-life balance were consistently prioritized across all firm sizes, the importance of factors like career path and hybrid work arrangements varied slightly, being lower in smaller firms.

Digging Into the Study

The NALP study provides deep insights into the factors influencing associate retention across various cohorts. One of the significant findings is the importance of mentorship programs. These programs are designed to level the playing field by ensuring that all associates have access to mentorship opportunities. However, the effectiveness of these programs ultimately depends on how well firms implement and manage them.

Greatest Divergences by Cohort

Race/Ethnicity	Gender	Seniority	Firm Size
• Mentoring • Firm culture/social ties	• Leave policies • Hybrid work policies • DEI	• Opportunities for advancement • Alumni programs/out-placement • Non-billable credit	• Hybrid work policies • Compensation • Pro bono credit

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Moderator Uri Gutfreund pointed out a common misconception among small and mid-sized law firms: that big law firms have everything figured out. The data from the study disproves this notion, showing that big law firms also face significant challenges in retaining talent.

Work-life balance emerged as the second most highly ranked factor for associates deciding to stay at their firms. Interestingly, when the data was separated by cohort, more women placed a higher emphasis on work-life balance compared to their male counterparts.

Work-Life Balance



1-5 scale: 1 = not at all important; 5 = extremely important.

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Career path clarity and opportunities for advancement were shown to be critical across all firm sizes. Associates highly value knowing what steps they need to take to advance within the firm. This need for transparency is consistent across different firm sizes, from small to large firms.

Importance by Firm Size						
Career Path						
Factor & Sub-factors	All firms	100 or fewer	101 – 250	251 – 500	501 – 1,000	More than 1,000
Career Path: Overall	4.4	4.3	4.4	4.4	4.4	4.4
Opportunities for advancement/partnership	4.5	4.5	4.6	4.5	4.6	4.4
Clarity about requirements and next steps for advancement	4.4	4.4	4.6	4.4	4.5	4.4
Alternative Career Paths	3.4	3.1	3.1	3.2	3.4	3.5
Alumni program/outplacement assistance	3.0	2.5	2.6	2.9	3.0	3.2

1-5 scale: 1 = not at all important; 5 = extremely important.

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The study's responses highlight several key areas that keep associates at their firms:

1. **Work and People:** Associates are motivated by engaging work and the relationships they build with their colleagues. Professional development opportunities are also a significant draw, particularly in smaller firms where personalized attention is more feasible.
2. **Compensation:** Associates prioritize fair and competitive compensation over simply chasing the highest dollar amount. Base salary is often deemed more important than bonuses and other benefits, though these are also valued.
3. **Effective Leadership:** Associates appreciate leaders who communicate clearly, articulate the firm's goals, and involve the team in the firm's vision and changes.

“I have stayed at my firm because”

Culture: *I feel like the culture aligns with my personality and interests.*

Work: *The work is challenging, interesting, and cutting edge.*

Professional development/advancement opportunities: *I have found colleagues who have invested time, resources, and energy into my development and showed a genuine interest in my progress and success.*

Remote/flexible work: *Flexibility in work environment (flexible work from home policies and flexible hours).*

People: *I enjoy the people I work with, they are smart, understanding, respectful, and work well under pressure.*

Compensation: *I feel that I am compensated fairly for the work I perform and stress I carry.*

Leadership: *It is well managed with thoughtful strategic vision and good communication from the executive committee and partners to associates.*

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These findings point to the importance of a holistic approach to retention that includes competitive compensation, career development opportunities, and a supportive work environment. Smaller firms can leverage their ability to provide personalized mentoring and accessible leadership to attract and retain talent effectively.

Why Associates Leave

Firm culture plays a significant role in an associate's decision to stay or leave. Changes in firm culture, particularly shifts towards metrics-driven environments, can prompt associates to seek opportunities elsewhere. Similarly, the departure of key mentors and peers can negatively impact an associate's connection to the firm.

“I would leave my firm if”

Firm policy on remote/flexible work: *I would leave my firm if the firm began requiring in person work in the office on set days and tied such attendance to bonus or compensation.*

Negative work/life balance: *My work-life balance drastically decreases.*

Culture changed: *The culture shifted from collaborative, autonomous, and supportive to a firm culture that cared only about metrics and prestige.*

Reduced development/advancement opportunities: *I did not feel supported in my career goals both day-to-day and long term.*

People departed: *I would also consider leaving if my favorite colleagues left the firm, as the people really keep me here.*

In-house/corporate opportunities arose: *The opportunity to work for a company and transition into a leadership role came about.*

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A lack of clarity around the advancement path is another major factor. Associates who cannot see a clear route to progression are more likely to be enticed by opportunities that offer a defined career trajectory. This is particularly true for those considering in-house roles, where leadership opportunities are often more clearly outlined.

John raised an important question during the webinar: does a focus on profitability impact firm culture? Fiona responded by noting that profitability means different things to partners and associates. For associates, profitability can be associated with fairness and transparency in compensation and career advancement.

There is a strong desire among associates for greater connectivity within their firms. They want to build relationships beyond their immediate working groups and have a deeper understanding of the firm's operations and decision-making processes. This need for connectivity is coupled with a recognition of the conflicts between work and personal life. Associates are willing to work hard but also seek acknowledgment of their personal responsibilities.

What can your firm do better to engage you?

Social engagement/events: *More partner/associate opportunities to engage in social settings.*

Professional advancement clarity: *Focus on assisting with career development and getting clients.*

Recognize conflicts with personal life: *I do think employers need to be aware and promote the idea that "being engaged" is different for everyone. It's much easier for a single person, or a person whose partner stays home with children, to be engaged vs. a person with two working parents.*

Work allocation: *More equitable allocation of work and a better system for allocating work among associates.*

Expand billables designations: *Make firm service hours (e.g., diversity and inclusion, recruiting, firm activities) count for billable credit.*

Leadership/partnership transparency: *More transparency in firm policies and decisions.*

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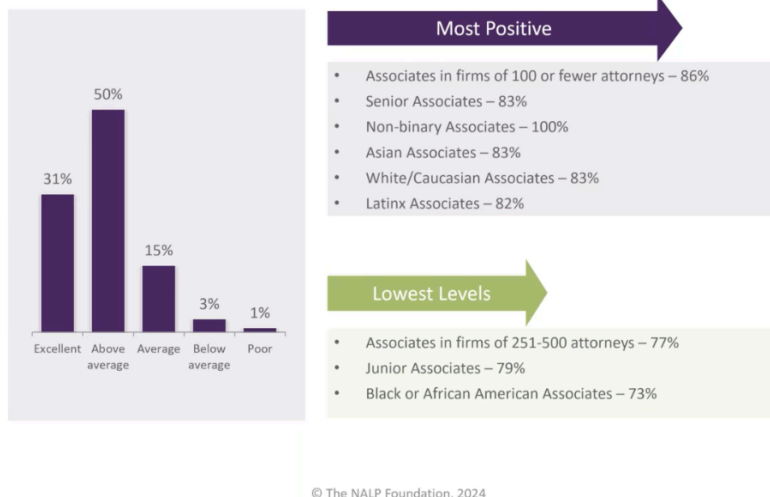
Associates also want formal recognition, both financially and through career development opportunities, for the additional responsibilities they take on. Effective and frequent communication from firm leadership is essential. Associates want to know why decisions are made and how they fit into the broader goals of the firm.

John emphasized that firms need to adapt to the priorities of a new generation of associates who are more vocal about their expectations for fairness and clarity. Uri agreed, noting that these are the very aspects that many older attorneys did not receive during their careers. Small firms, in particular, have the opportunity to lead the way in adapting to these changing expectations.

Path to Partnership

The NALP study reveals varying levels of satisfaction among different cohorts within law firms, highlighting how their experiences and perceptions of their futures can significantly differ. Associates' satisfaction is closely tied to their understanding and clarity regarding the path to partnership, a vital aspect of career advancement within law firms.

Experience at Firms



Despite the clear importance of business development for associates and their expressed desire for transparency in career advancement paths, many firms still lack formal business development training programs. This gap can leave associates feeling uncertain about their future and unprepared to meet the expectations for partnership.

Associates also value mentorship and professional development opportunities. Smaller firms can leverage their ability to provide personalized attention and accessible leadership to meet these needs, improving associate satisfaction and retention.

What's a Firm Leader to Do?

In the final segment of the webinar, panelists offered practical advice for law firm leaders, particularly those at mid-sized firms located away from coastal areas. Their insights focused on improving associate retention through clarity, tailored feedback, consistent policies, and effective communication.

- **Jennifer C. Mandery** emphasized the importance of providing clear pathways for associates to advance within the firm. She advised tailoring feedback to individual associates rather than offering generic advice.
- **Skip Horne** highlighted the necessity of consistent and fair hybrid work policies. He recommended establishing clear guidelines that are not subject to frequent changes.
- **Fiona Trevelyan Hornblower** stressed the significance of communication. She pointed out that the upcoming cohort of associates is bright, engaged, and poised to transform the legal industry. Firms should actively listen to their associates' suggestions and be transparent about decisions and changes.

- **Uri Gutfreund** underscored the importance of clarity in the path to partnership. He also suggested implementing "stay interviews" instead of just exit interviews.
- **John Remsen Jr.** added that tools such as interviews and culture indexes can offer significant insights into why associates remain with the firm.