

Making way for young talent

Transparent succession plans should keep partners and young lawyers happy, writes **Patrick Durkin**.

Just as political commentators ask whether Prime Minister John Howard has stayed too long, legal consultants and managing partners are asking whether older partners know when it is time to call it a day.

With generation X and Y lawyers becoming increasingly restless, firms are confronting the problem of how to introduce transparent succession plans that manage the exit of older partners while meeting the changing attitudes and expectations of younger lawyers for career progression.

Firms also need to ensure younger lawyers are ready to step into leadership roles when the time is right.

"Not many mid-career lawyers have a clear idea about what it takes to make partner," says Linda Julian, author of the book *The Passionate Professional*. "Partners like to keep the size and dimensions of the prize a mystery."

Corrs Chambers Westgarth has started a change strategy program, known as Corrs 2010, and has appointed a 30-year-old senior associate as project manager.

The program provides a pipeline to partner program to identify high potential senior associates and help them to develop their careers. They offer scholarships for executive training courses at prestigious institutions around the world.

Mallesons Stephen Jaques is also focusing on developing senior associates, particularly their leadership, client and people skills, through training and support from partners.

"Senior associates have the benefit of discussing their business case for partnership well ahead of time with senior partners on the admissions committee," says Kate Rimer, executive director, people and development.

"Our two-stage admissions process focuses on all aspects of the candidate's capabilities and the alignment with the future practice



Photo-illustration: KARL HILZINGER

team and client needs," says Rimer.

Despite these initiatives there is still the issue of how to break through the "grey ceiling" and tell older partners it is time to make way for younger lawyers.

"There is an older population of lawyers who are refusing to leave the profession because they still have a need for income, whether because of second marriages, more expensive lifestyles or children staying at home for longer," says Fredrick Swaab, whose firm Swaab Attorneys recently won a BRW client choice award for the best law firm with revenue under \$20 million.

The resistance to depart may increase with the prospect some firms will incorporate and list following the lead of Slater & Gordon.

Some lawyers predict partners have more incentive than ever to hang onto their share of equity. Partners at major law firms are potentially sitting on millions of dollars of wealth that could be unlocked by a float.

Swaab warns the grey ceiling will also increasingly pose problems for

firms keeping their younger clients. "It is not that clients think older lawyers are not good at what they do, but clients don't want to be put in the position where they are pushing around people who are the same age as their parents.

"Client instructors are getting younger and they don't want to deal with older partners," Swaab says.

He says the trend is being driven by younger executives who want to forge their own relationships with lawyers.

"A new 42-year-old CEO will probably want to use a lawyer he

partners at law firms," he says. "I am more comfortable dealing with lawyers who are my peers and who speak the same language."

Tristan Forrester, legal consultant at Beaton Consulting, says one cause of the grey ceiling is the failure of law firms to implement firm-based superannuation schemes for retiring partners in the same way firms have in the accounting industry.

"Generally speaking, accounting firms have done a much better job of providing retirement schemes for exiting partners," Forrester says.

Swaab says partners have a vested interest in deciding when to leave, which means firms should impose specific guidelines to manage their exit. "If you can't get them to accept that there will be limits on their use-by dates, you may need to impose it.

"But if you press the ejector button, you need to make the parachute as comfortable as possible. The best way is making sure people are grateful for their retirement planning and are happy to make positive contributions in handing over their clients."

"Partners at major law firms could be sitting on millions of dollars."

knows because he sets up that relationship and it is not imposed on him."

A 38-year-old director at a medium-sized consulting firm, who asked not to be named, agrees.

"You can feel intimidated by some of the older, more traditional