



## Markus Hartung & Emma Ziercke<sup>1</sup>

**Bucerius Center on the Legal Profession**

**Director**



**Bucerius Center on the Legal Profession**

**Non-Practicing Solicitor, Research Assistant**

# What Tomorrow's Lawyers Want: What Law Firms Would Look Like if Generation Y Were in Charge

<sup>1</sup> **Markus Hartung** is a lawyer and mediator. He is director of the Bucerius Center on the Legal Profession (CLP) at Bucerius Law School, Hamburg. He has a broad experience in managing law firms: In 1999, he was elected as managing partner of Oppenhoff & Rädler, the predecessor firm of Linklaters in Germany. During his tenure he oversaw the merger with Linklaters, and served as the managing partner of Linklaters in Germany and as a member of the Global Executive Committee of Linklaters from 2001-2008.

At the CLP he focuses on legal market research and is responsible for the conception of educational and continuing education programs (management and leadership) for legal professionals. His special expertise lies in market development and trends, management and strategic leadership, and corporate governance of law firms, combined with the regulatory requirements of various legal markets.

Since 2007 he has been member of the Committee on Professional Regulation of the German Bar Association and has chaired this committee since January 2011.

As a lawyer he focuses on conflict management, regulatory issues, and professional indemnity matters. In addition, he advises law firms in strategy and management questions and coaches partners in management functions.

He is a regular conference-speaker on leadership, management topics, and professional ethics and has written numerous articles and book chapters on these topics. He is co-editor and author of *Wegerich/Hartung: Der Rechtsmarkt in Deutschland (The Legal Market in Germany)*, which came to the market in early 2014 and has developed into a standard reference for the German legal market. Recently he dealt with the future of international law firms in a widely acknowledged book, *Leaders in Legal Business* (Ed. Stephen McGarry).

**Emma Ziercke** is a research assistant for the Bucerius Center on the Legal Profession and a non-practicing solicitor. Between 2002 and 2009, Emma worked as a corporate solicitor (managing associate) for Linklaters in London, mainly in the fields of private international M&A and public takeovers by scheme of arrangement.

Emma studied English Law, French Law, and French Language at the University of East Anglia in Norwich and at the University of Lyon, Jean Moulin III, in France. In 2014 she completed an Executive MBA with distinction and received an award for best overall performance from Nottingham University Business School. During her MBA studies she focused on law firm management and won an award for her dissertation on gender diversity in law firms. Following her MBA studies Emma worked as an independent adviser in the field of gender diversity.

Her work as a research assistant at Bucerius Center on the Legal Profession focuses on law firm management, gender diversity, and organizational behavior.

## **So, Tell Us What You Want...**

Ever wondered what law firms would look like if tomorrow's lawyers were in charge? The Bucerius Center on the Legal Profession in Hamburg, Germany, has been gathering ideas and feedback from students at the Bucerius Law School as to how the law firm of the future should be run. The students already have practical experience in law firms through internships or summer work schemes. Although only at the beginning of this journey, we are already forming a picture of a buzzing, high-tech, collaborative work place where junior lawyers have a say in the management of the firm and lawyers can choose when, where, and how much to work.

## **Technology, Technology, Technology**

For students, technology holds the key to increasing efficiency. Boring work, such as sifting through documents, should be performed by computer programs, which frees up junior lawyers to do more exciting work. Increased efficiency through technology is seen by students as a threat to the billable hour model. Students also see technology as holding the key to flexible working conditions, which they believe will improve their work-life balance.

For the new generation of lawyers, technology means equipment like cloud data management, communication platforms, audio-video, user-friendly computer programs, law firm management tools, document management, high-speed internet, Wi-Fi, state-of-the-art devices (such as the iPad, iPhone, and laptop), making use of social media, and adequate security systems.

Students believe that law firms don't currently invest enough in technology and that this is because of the short-term nature of partnerships. They want to see technology *promoted* by establishing technology committees combining junior and senior lawyers, and by bringing in expert external advice, including advice on using social media as a marketing tool. Lawyers with IT skills should be recruited to law firms.

According to students, senior lawyers need to be educated in technology (including joint junior/senior lawyer workshops). There should also be guidelines on how technology will be used, including "minimum use" thresholds for older lawyers who might otherwise escape the tech revolution. Above all, students want to show the older generation the way when it comes to technology.

## **Choosing When and Where to Work**

As might be expected, students want law firms to support flexible and part-time working arrangements. Students see flexible working as discouraging "presenteeism" and facilitating work-life balance. There is, however, a lone (some might say realistic) voice of student opinion that contends young lawyers will adapt to the traditional long-hours model anyway, as success and long hours go hand in hand.

Future working arrangements include part-time work; different tracks for billing targets (e.g., 1,500 or 1,600 billable hours per year) and alternative career tracks (both in return for less pay); and devising shift work schedules (like doctors) so that only some lawyers have to be "on-call." Students expect flexible working for parents to be

encouraged for *both* men and women. They also feel that offering part-time partnership tracks will increase diversity at management level.

### **Money Matters**

Students favor a hybrid lock-step and merit-based compensation model, so that compensation increases with seniority through the lock-step element, but hard work and performance is rewarded through a bonus element. In countries where legal studies are expensive and students are likely to begin work with high levels of debt, then the financial security offered by a lock-step compensation system is more attractive. Indeed, some students would like to see higher salaries and equally have no problem with the long hours. Non-monetary compensation is attractive for tomorrow's lawyers: vouchers for clothes, weekends away, time off, and, in particular, prizes or rewards for good work. Students expect to see fair remuneration for all "types" of partner, and especially for those who bring in business but do not subsequently work on the transaction.

### **A Voice and a New Structure**

The new generation of lawyers want "a voice" and to be represented in management decisions such as partner and associate compensation, promotion to partner, and firm strategy. This may even go as far as a model of democratic representation at the executive level, but at the very least consultation and two-way information flow is expected, as well as an Ombudsman to hear junior lawyers' grievances.

The students challenged the current partnership structure, which they believe hampers a law firm's ability to invest profits for the long term, and therefore results in, what the students perceive to be, a lack of investment in technology. A non-partner owner-managed structure (e.g., a corporation) is seen as the answer.

Students want the executive committee to allocate work (including a recommendation to allocate work anonymously through "a numbers game") in order to reduce bias and internal competition, including inter-partner competition. Some students suggest decentralizing firm decision making. The billable hour was also challenged and, according to the students, should be replaced with product pricing.

### **More Feedback, Better Work, Broader Horizons**

Young lawyers want additional feedback more frequently and even "instantly," including using digital means (e-mails, SMS, social media, Yammer). Mentoring is considered to be an important part of personal development.

The students envisage a law firm that offers more exciting work (by outsourcing, computerizing, or delegating "mundane" work), more client contact, greater involvement, and training in business development. Students want to be involved in meetings and gain work experience, even if the firm cannot recover those costs from clients.

The students want "horizontal" rather than vertical career development. This means moving to different practice areas, secondments, externships, a focus on personal

growth, developing non-legal skills, and global training rather than a focus on simply “making partner.” However, students still want to be informed about partner succession planning, and when and how partnership can be achieved.

### **A Fun, Collaborative Place to Work**

Students would like to see a “fun” and “enjoyable” work environment with more collaboration, interaction, social events, relationship building, and open plan working. They expect less competition between lawyers, especially partners. Indeed, the students discussed how different compensation models could create “competitive” or “collaborative” working environments. Horizontal, collaborative working is preferred to hierarchical, vertical working structures. High-quality facilities with a gym, relaxation areas, provision of devices, Wi-Fi, and a high-speed internet connection are on the students’ wish list.

### **Diversity is an Inherent Value**

Gender and generational diversity are inherent values for Generation Y, and they expect to see a diverse leadership. For tomorrow’s lawyers, diversity is not just about gender and generation but also includes different perspectives, cultures, and backgrounds. Diversity is understood to mean equality of treatment, but students also highlighted the need for educating senior and junior lawyers about generational diversity.