

# The Urgent Call:

By LYNN M. THOMAS



## Introduction

In the dynamic and highly competitive world of law firms, attracting and retaining talented legal professionals is a fierce rivalry that will only increase as the pool of law school graduates annually shrinks. The legal industry, marked by its high-stress environment and rigorous demands, often grapples with a revolving door of employees. This article will focus on why law firms would reap compelling benefits from evaluating their employee attraction and retention efforts and implementing leading-edge retention strategies to be a magnet for top talent.

## 1 The Financial Cost of Constant Turnover

One of the most glaring reasons law firms need to reconsider their employee retention strategies is the significant financial cost of turnover. Attracting, recruiting,

interviewing, hiring, onboarding, and training new employees demands considerable time and expenses. Law firms must divert significant resources toward these processes that could otherwise be allocated to core business operations, technology investment, employee growth and development, or business growth. Law firms rarely view their Onboarding Process as a potent retention tool, even though 66 percent of companies with one have a higher retention rate than their competitors.

## 2 Erosion of Client Relationships and Firm's Reputation

Trust, expertise, and consistency are the cornerstones of the legal profession. Clients choose law firms based on their confidence in the firm's capabilities and the quality of service. A law firm's reputation and brand image are their most valuable

IP. However, a constantly changing roster of lawyers and staff can erode that trust, disrupt client relationships, and discourage talented lawyers and professionals from considering the firm a career destination.

## 3 Impact on Morale, Productivity, and Culture

Replacing a key team member takes time, whether finding a suitable replacement or redistributing the workload among existing staff. During this transition period, clients' needs may not be met promptly, leading to dissatisfaction, potential loss of clients, and harm to the firm's reputation. High employee turnover can have a demoralizing impact on the remaining staff. The constant comings and goings of colleagues create a sense of instability and uncertainty among employees. The extra workloads employees need to handle diminish morale, job satisfaction, produc-

# Law Firms Need to Increase Their Ability to Attract and Retain Top Employees



tivity, and ultimately affecting the firm's overall performance. Creating a culture that allows employees to be engaged, excelling, and thriving is the challenge. The best firms frequently ask and deeply listen to what their employees want and need to remain productive, engaged, and thriving.

## 4 Loss of Institutional Knowledge

Experienced employees have an immense wealth of institutional knowledge indispensable to a law firm's success. They are well-versed in the firm's unique processes, historical cases, individual lawyers' expertise, and client preferences. When these experienced individuals depart,

they take this knowledge with them, creating a knowledge vacuum that can be virtually impossible to fill quickly. This loss of institutional knowledge can hinder the firm's efficiency and effectiveness in serving clients. Few law firms conduct extensive, in-depth exit interviews specifically designed to capture as much of their institutional knowledge as possible. These interviews significantly help to make these transitions smoother and easier for the employees and clients.

## Conclusion

The imperative for law firms to revisit their employee attraction and retention strategies cannot be overstated. The financial burdens, disruptions in client

relationships, erosion of institutional knowledge, damage to reputation, competitive disadvantages, workflow disruptions, loss of legal expertise, and impacts on morale all emphasize the urgency of addressing this issue. While we have elucidated the reasons for change, the specific solutions will vary, contingent on each law firm's unique circumstances and culture.

Acknowledging the need for change is the critical first step toward improving employee attraction and retention and thus ensuring long-term success in the legal industry. ■

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Learn more from Lynn M. Thomas at *How to Attract and Retain Top Talent, Including Millennials & Gen Zs for Law Firms.*

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