

Fighting the Last Talent War

Instead of fighting the last talent war, aim to win the next one instead.

By Jordan Furlong, Edge International

Generals are often accused of "fighting the last war" — that is, employing the tactics that worked before and trying to avoid the mistakes they made last time. Wars don't tend to repeat themselves, but we nonetheless tend to repeat our strategies and responses when fighting each new conflict.

This phenomenon is relevant to what has been referred to as the "talent war" in law. Talk of this war has faded during the financial crisis and throughout the recession, but these battles are still being fought. The going price for first-year lawyers is back to \$160,000 and will probably go higher still, while lateral acquisitions and law firm mergers (the traditional shortcuts for obtaining desired talent) continue to pick up steam.

It might well be, however, that law firm leaders pursuing these strategies are applying the lessons from previous talent wars, when it was critical to recruit your fair share of the "best and brightest" new graduates from "top" law schools, or to land that coveted partner with the fat book of business. Those look increasingly like incomplete battle plans, if not the wrong ones altogether.

Nobody believes, for instance, that even the "top" law schools do a good job preparing their graduates for practice, and nobody can offer a defensible rationale for how to define "top." Not only that, but firms still race to outdo each other in associate bonuses despite a recent *American Lawyer* study showing such bonuses do nothing to improve associate retention.

The news is worse for laterals. A UK survey reported earlier this year by *The Lawyer* found a staggering percentage of lateral acquisitions simply failed to take. In a study of nearly 2,000 lateral hires over a five-year period, 33% left their new firm within three years; over a five-year span, that figure rose to 44%. Think about all the time and money wasted to integrate those new hires who didn't pan out.

These are the first signs that the old strategies aren't working anymore and that new ones are needed to replace them. When crafting your talent strategies, therefore, think about the next battlefield: the leaner and more streamlined law firms of the future.

These firms will be built around systems, processes and technology, where most "associate" work will be done by freelance, project or foreign lawyers (or computers) and many partners will be pricing their work on a non-hourly basis. Key personnel skills will include management (of both processes and people), collaboration, and client communications. Is your present recruitment strategy capable of adjusting to these new parameters?

Try to avoid fighting the last talent war, as your competitors will be doing. Aim to win the next one instead.

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