

# roundtable



## Gain and retain

This month sees the return of the ALB Roundtables, a forum where experts from leading firms debate the issues du jour. We start with one of the most pivotal issues for any firm – how to recruit and retain the best talent

**T**here was an infamous gaffe a few years ago by a certain multinational hamburger company when, launching a large-scale recruitment drive, it unwisely headlined its advertising campaign with the slogan “people are our most important ingredient”. Poor wording, perhaps, but the concept, whether applying to hamburgers or law firms alike, is central to any business. The quality of a firm is in essence the quality of its people. In the tight employment markets of previous years, no expense was spared in attracting and retaining the best lawyers, and the talent shortage was as notorious an issue as the credit crisis is today. That was the situation last year. Has the state of play changed since then?

**Q: Is it easier to recruit compared to the same point in time last year?**

**Elvira Naiman:** There’s no simple answer to this one, except to say that the market has changed substantially. The market for corporate finance and property lawyers has dropped off in some respects but we’ve seen a rise in litigation, insolvency, employment, construction, energy and mining. Firm size is also relevant. The top tier is becoming more selective in their criteria, which has opened up more opportunities for the mid tier.

**Mark Pistilli:** We occupy the M&A space, and we haven’t really seen a downturn in work. It’s becoming easier to recruit, partly because we’ve established a profile for the firm.





(L-R) Damian Paul, M + K Lawyers; James Neate, Lynch Meyer; Mark Pistilli, Chang, Pistilli & Simmons; Elvira Naiman, Naiman Clarke; Shane Barber, Truman Hoyle; Warrick McLean, Coleman & Greig; Bronwyn Pott, Swaab Attorneys; Catherine Schultz, Wallmans Lawyers

**Warrick McLean:** Being a Parramatta-based firm, we're in a bit of a unique position when it comes to recruitment. The location is a real attraction for some lawyers, and people know that they can get a good quality of life here while still working for a professional firm. So attracting staff is not an issue at all. You do occasionally lose people who think they're missing out if they're not working in town, but quite often those people come back, having found that working for a big firm isn't necessarily as glamorous as it sounds.

**Damian Paul:** We're mainly a home-grown firm and most of our lawyers joined as graduates. Other than principals, we rarely recruit above the four-year PQE level. That

approach also helps with locations like Dandenong, where it's hard to attract senior lawyers – hence our “grow your own” strategy.

**Q: Would you say that salary levels have stabilised lately?**

**Elvira Naiman:** I wouldn't say that salary levels have stabilised. Firms have become more acutely aware of the gap between Australian and overseas salaries, and are beginning to look at ways of redressing this. Bonuses are becoming more formalised and significant in a larger proportion of firms as an important aspect of their compensation structure. Overall, we've seen less people wanting to move on the basis of being dissatisfied with their salary than in previous years.

► **ALB BHL AXIOM ROUNDTABLE – PARTICIPANTS**

**Damian Paul**

Managing director, M + K Lawyers

**James Neate**

Partner, Lynch Meyer

**Mark Pistilli**

Partner, Chang, Pistilli & Simmons

**Elvira Naiman**

Managing director, Naiman Clarke

**Shane Barber**

Managing partner, Truman Hoyle

**Warrick McLean**

General manager, Coleman & Greig

**Bronwyn Pott**

CEO, Swaab Attorneys

**Catherine Schultz**

General manager, Wallmans Lawyers

**David Sinclair**

Business development manager, BHL Axiom

**Facilitator:** Greg Dwyer, College of Law

“Exceptional performers should be rewarded exceptionally”

“if you can't measure it you can't reward it... let Axiom Open a window into your Practice”

For an obligation free demonstration or for further details please contact:

**Karnig Momdjian**

National Business Development Manager

BHL Axiom

Sydney: 02 9004 7818

Melbourne: 03 9642 2477

M: 0425 242 154

E: karnig@bhl.com.au

W: www.bhl.com.au



**BHL Axiom**

Your Software. Your Way.®

“Cultural fit is very important for us – we have a definite ‘no turkeys’ policy. This means a rigorous background check going back 10 years”

**BRONWYN POTT,**  
**SWAAB ATTORNEYS**

**James Neate:** Salary is foremost in people’s minds. If you’re not offering top-end salary, you have to be very good at selling other aspects of the role. For example, in Adelaide we have a smaller market and therefore the talent pool is smaller. People who go to work for national firms in Adelaide have a sub-agenda of sussing out their next move, whether international or domestic, and that’s an example of the kind of other factors at play.

**Catherine Schultz:** Salary gets driven up every year; we’re talking up to 28% increases for the top flyers and around 10% across board at our firm.

**Q: Does your firm use a bonus system?**

**James Neate:** Our bonus system is ultimately discretionary. Meeting budget is part of the criteria, but we also take into account other factors such as contribution to building the firm, practice development, supervision, team building. It’s a mix of factors, not just budget, and it’s ultimately discretionary.

**Mark Pistilli:** Our bonus system is discretionary – we don’t like to be caught between bands. Exceptional performers should be rewarded exceptionally. Our lawyers work with counterparts in the investment banks, and as investment banking and corporate advisory are alternate careers for our lawyers we need to offer packages of a similar structure to them.

This is because we compete with them for people. We also want to reward loyalty and reward the lawyers who took the risk of joining us when we were a start-up firm.

**Shane Barber:** We pay top of the market and where you’ve got a really top performer, we’d rather upgrade their salary rather than use a bonus system.

**Catherine Schultz:** Our bonus system is designed to reward the right kinds of behaviours. Most bonuses are team based. However, there’s still the discretion to award bonuses where a team hasn’t met its particular goals but there are some kind of other exceptional circumstances.

**Q: What kind of recruitment system do you use?**

**Bronwyn Pott:** Cultural fit is very important for us – we have a definite “no turkeys” policy. This means a rigorous background check going back 10 years. We outsource the checking process to an agent who’s independent of the recruiter, to avoid any conflict of interest. We’re prepared to wait several months to find the right person if the candidates aren’t right.

**Damian Paul:** Our favourite method of recruitment is employee referral, which is much more effective in terms of cultural fit. We don’t exclusively use any particular recruiters, but we do have a couple of recruiters who have worked with us for some time and can sell us in the way we would.

**Warrick McLean:** We have to sell to the recruiter and recruiter has to sell on our behalf. They need to understand how we work.

**Q: Diversity is a big issue for firms in markets such as the US. Do you see it becoming as major a driver of recruitment here?**

**Elvira Naiman:** There’s no particular push for it. If you look at the students that are currently coming out of the law schools, there’s sufficient diversity which filters through naturally.

**Shane Barber:** In a sense, our diversity policy is almost self selecting. For example, people who are misogynist or materialist aren’t going to be happy at our firm. There’s a deeper meaning to the work. And I’m not just talking about work-life balance – it’s about finding value in the work itself.

**Q: Are you concerned about staff turnover?**

**James Neate:** Some degree of turnover is, to an extent, inevitable in Adelaide, something which we haven’t always accepted. In the past, when people left we didn’t necessarily take it personally, but we did wonder why it was happening. Our priority now is to make sure we do everything we can to keep them and that they’re leaving for their own reasons. We appreciate that

people do leave for reasons beyond our control and that is how the market works.

**Damian Paul:** Turnover has been very low in past five or six years. The majority who left did so because we initiated the discussion – not necessarily for performance reasons, but our growth-based strategy might not work for those who just want to be lawyers, and not practice builders. And then there are those who left of their own accord and in those situations, to be honest, it's often a reflection on the leadership of that team. The better team principals generally don't lose people.

**Q: Are you concerned about losing lawyers to inhouse roles?**

**Mark Pistilli:** We shouldn't be afraid of people leaving – they could go out and be a great ambassador for the firm. It's an unhealthy thing to see a partner sitting in the same office he started in 30 years ago.

**Shane Barber:** People leave to go into inhouse roles, but also come back. We've had quite a few who've come from inhouse roles as they wanted to return to a collegiate firm environment or they felt like they weren't being adequately challenged. We find lawyers who come from inhouse are well rounded, very commercial and very valuable. They've got good life and professional experience, and are much more critical of where they want to go.

**Q: What are your views on the so-called "Gen Y" lawyers?**

**Damian Paul:** Whether they stay a year or four years, the energy the firm gets from these new graduates is fantastic. If we can get two out of the six to stay on in the long term, that's a good hit rate.

**Elvira Naiman:** Every generation wants to be valued and nurtured. Perhaps Generation Y has a slightly skewed idea of how fast they will progress. But I'd say firms are genuinely interested in engaging

their staff and using the relationship-building qualities of the partnership to engage and attract staff. In the past, it was okay for firms to say "we are the world" to young lawyers. Nowadays, the younger generation want to be acknowledged as a full individual, not just a lawyer.

**Q: What are the other pressing priorities for retaining staff?**

**Bronwyn Pott:** Flexible work arrangements, particularly paid maternity leave are issues that are high priority. Sometimes women will come back to work after the first child, but less of them come back after the second.

**Elvira Naiman:** Given that 60% of law graduates in most states are female, integrating a long-term career in law with motherhood seems to be an area where firms still have a long way to go. Initiatives like paid maternity leave and the ability to tax deduct childcare are important initiatives we need to do more work on. **ALB**

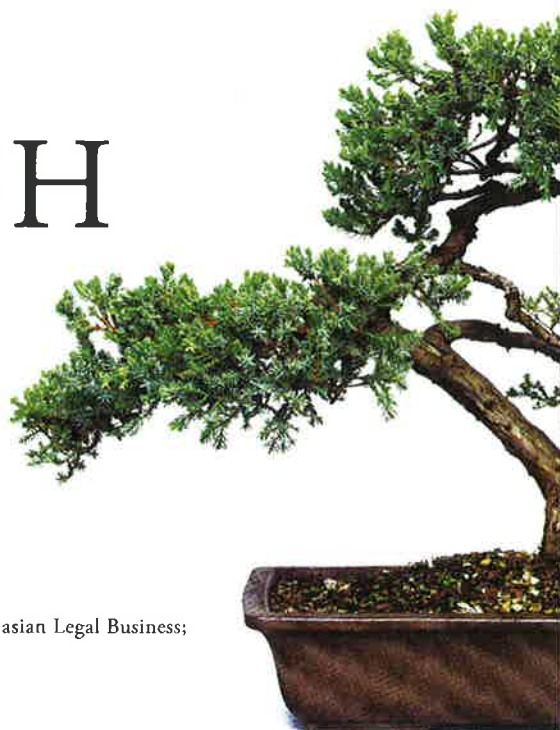
TRUMAN HOYLE  
Lawyers

# DISTINGUISH

In a world where it is often hard to distinguish one law firm from another, one firm continually stands out.

To understand why, please visit  
[www.trumanhoyle.com.au](http://www.trumanhoyle.com.au) or call +61 2 9226 9888.

- ☛ Ranked Top Tier, Telecommunications, Media and Technology Law, 2008 Australasian Legal Business;
- ☛ Finalist, ACOMM, 2008 Telecommunications Industry Awards for Excellence;
- ☛ Finalist, 2008 BRW Client Choice Awards;
- ☛ Finalist, Sydney Law Firm of the Year, 2008 Australasian Law Awards.



CORPORATE | TECHNOLOGY | COMMUNICATIONS | MEDIA | ENERGY | INDUSTRIAL