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Sisters doing it for themselves forcing change to partnership model

As diversity quotas become more common in legal services procurement, **Shaaron Dalton** has followed the breadcrumbs to where the talented female lawyers from the leading commercial firms have gone and assessed the impact their career choices are now making on the traditional partnership model.

I have learned in many years of working with lawyers, if I don't listen properly to individual candidates, they will solve for themselves and leave me in their wake. The large commercial law firms of the world are learning the

hard way as they try to solve the gender imbalance in partnerships, decades too late.

With a view that there was a better option away from the partnership track, female lawyers, individually, in large numbers

have solved for themselves. Partnerships have tried playing catch up, but found it too little, too late. Irrevocable change is now being forced on the traditional partnership model.



THEY JUST WOULDN'T LISTEN

Women's dissatisfaction with the traditional partnership model is hardly news to the world. At the recent launch of 100 Years in Law by NSW Women Lawyers Association we heard of the example of Marie Byles, the first female practising solicitor in New South Wales, admitted in 1924. A woman before her time, Marie started her own law firm because she felt the male partnership model would give her no decent opportunity. She wanted more control, hired mainly part-time female lawyers and clerks and was known to be unusually timely and responsive for a lawyer in those days.

The Eurythmics song "Sisters are Doing it for themselves" was a major hit when I graduated law school generations later, in 1989. 50% of our cohort were female. In 2017 the figure has risen further and now over 66% of Australian legal graduates are women. Very few of the women in my cohort are now partners of law firms, mainly by choice. In the early 1990s when I started in recruitment, female lawyers were seeking high quality work with flexibility to work to live not live to work and juggle family in if they wished. The message from women in the law has not changed in nearly a century.

Corporations and government were quicker to offer flexible and part-time options and the gender talent drain began. In large law firms 30 years ago, the choice to move in-house or to government was termed "opting out" and those who did were not seen as serious lawyers.

FOLLOWING THE BREADCRUMBS

So where are the females who should have been partners of leading commercial law firms now? If we follow the trail, we see that "opting out" has put women in the driving seat and they are now being taken quite seriously.

1. In-house and in GC roles

The rate of employment of new female General Counsel globally over the past five years was measured for Fortune 500 Companies in a 2016 survey

undertaken by Womens In-house Counsel Leadership Institute and Russell Reynolds in the USA. They found 35% of new female GC's were female. In Australia, the 2016 KPMG report for the Corporate Governance Council showed a rise from 33% to 39% from 2011 – 2016 in the percentage of female GC's of ASX top 200 Companies. This is compared with only 24% women in partnership and 18% in equity partnership in large law firms.

2. Government Legal Departments and Government Agencies and Regulatory Bodies

The NSW Law Society data on lawyers with practising certificates shows nearly two thirds of government lawyers are female in this State.

3. Contracting Platforms and New Law Firms

Lawyers on Demand and similar platforms recruit from the ranks of in-house lawyers between roles and women taking career gaps from BigLaw firms for child raising who seek part-time or sessional work. Legal talent marketplace platform, Crowd & Co has partnered with Lawyer Mums for the same reason. New Law aggregator models Keystone Law (UK) and Keypoint Law(Australia) attract female partners of larger firms giving them more control over their inputs and earnings to fit in with the vicissitudes of life.

THE GENDER QUOTA – MARKETPLACE AND OUTSOURCED?

Faced with the pressing imperative of measurable gender quotas to enable certain panel appointments, the major law partnerships are starting to become concerned. With an average of only 24% female partners and only 18% in equity there is a long way to go to demonstrate diversity with any credibility. The biggest concern we hear from partners and HR Directors is that the pipeline is not in place. Women have literally 'opted out' of the partnership track.

We see a range of collaborative strategies being employed by firms, in part to assist in

capturing quality senior female lawyers. DLA Piper's joint venture with Lawyers on Demand, Allen & Overy's Peerpoint and Corrs Orbit are examples. New marketplace platform Crowd & Co is moving in to capture the 'gig economy' opportunity, but in law this is not a no brainer. So called "BigLaw" seeks brand and professional control of the person and the projects. They see the risks to their business model and reputation.

TOWARDS A NEW PARADIGM?

The future of private practice law will be dominated by those firms that can rapidly embrace a new model offering diverse opportunity to progress and contribute. Winners in law firm innovation have begun to light the pathway for law firms to pick up the breadcrumbs and offer the same incentives so female talent stays within the firm.

Instead of insisting on the traditional partner path and up or out policies, some firms are now taking a lead from their corporate and government clients. Top ten European innovative firm DWF a recent entrant to the Australian market offering three different levels of partnership and three different career routes depending on a person's different skills. Herbert Smith Freehills with ALS and MinterEllison marketing itself as Legal and Consulting are showing early signs of these progressive career opportunities within their firms.

New remuneration models offering team or project profit share / bonus and offering lawyers opportunities in project management, outsourced GC roles and rolling contract opportunities mirroring the offerings in the financial services sector and multi-national corporations, enables firms to take control back and become a contender in the war for senior female talent.

Rewarding time tied to a desk has never worked to encourage gender balance in law firm partnerships. Sisters have indeed done it for themselves, hijacked the gender agenda and are now in the position to force change that took too long to come. **BFM**