

# CHANGING ATTITUDES:

The Rise of Partner Outplacement



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**VOLTA**

## ABOUT US

Volta Talent Strategies is a leading consulting firm in the law firm talent management arena. We advise firms on initiatives and programs designed to support the recruitment, development and retention of their lawyers. We have one of the largest specialized lawyer coaching and career counseling teams in the U.S.

Our team of consultants, coaches and counselors works with firms across the US, including Boston, Chicago, Denver, Los Angeles, New York, Philadelphia, San Diego, San Francisco and Washington DC. We work with over 90 law firms—including more than half of the Am Law 100—providing career and executive coaching, consulting and training services.

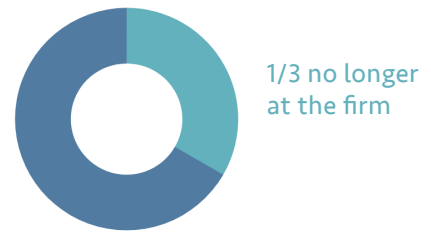


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## INTRODUCTION: THE CHURN

Law firm hiring has changed dramatically over the past decade. The years of recession, and sustained economic recovery and growth since, have resulted in an active lateral market at both the partner and associate level. Last year saw 2,754 lateral partners recorded among the Am Law 200 alone. The rate of lateral moves in the US has been sustained above 2,000 every year since 2010.\* However, retention rates among laterals are disappointing, with one in three leaving their new firm within four years. As a result of this volatile partnership environment, law firms are increasingly facing the uncomfortable realities of unsuccessful lateral hires and subsequent departures—not all of which are entirely voluntary. Factors such as poor fit, ineffective integration and lack of traction have, together with poor candidate selection, played into partner outplacement referrals.

### LATERAL PARTNER RETENTION AFTER 4 YEARS



\*Why Are Lateral 'Success' Rates So Low? Decipher and ALM; Risky Business: Rethinking Lateral Hiring (February 2019)

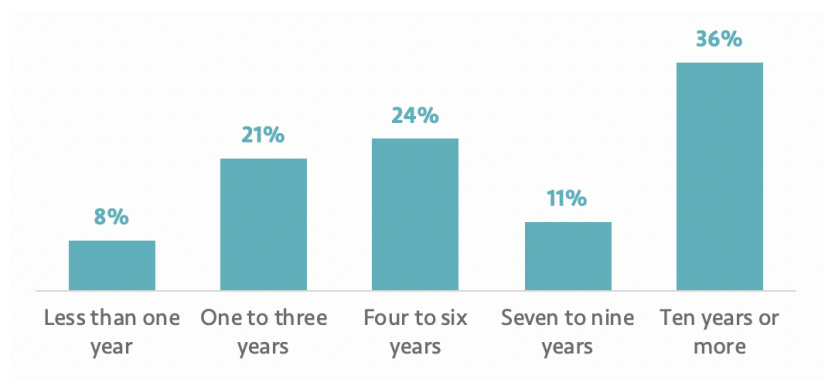
Beyond the issues created by unsuccessful laterals, law firms have increasingly moved in the direction of proactively *managing out* underperforming partners or partners whose practices are not aligned with the firm's strategic direction. As practice demands and individual partner's fortunes change, partners, some of whom may have been at their firms for long periods, find themselves being asked to look elsewhere.

## LOOKING BACK

In 2013, we collaborated with ALM Intelligence to produce a report, *Up or Out: When Partners Have to Go*. We looked at lateral partner hiring—exploring the extent of the problem, the real dangers it causes and its impact on the entire legal industry. Our intention in doing so was to enable law firm leaders and managers to begin to get the information they needed to address some fundamental weaknesses and to improve the performance of their firms.

The main findings of the survey included:

Partners leaving their law firms were more likely than not to have been there a relatively short time, with 53% having been there for fewer than six years:



There were sharp differences between how firms and departed partners described the end of the relationship. 93% of partners who left their firm reported that the decision was theirs. This contrasts with the firm’s views—they reported that only 55% of departing partners left voluntarily.

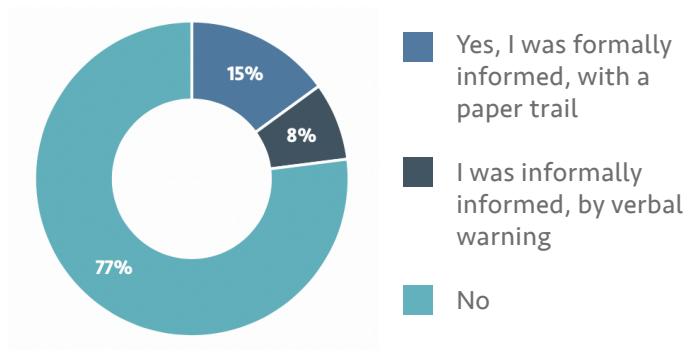
The top reason cited by law firms for transitioning partners out was an “inability to develop and cultivate new clients or organizations or to sustain a book of business”:

Indicate the top 3 reasons partners were laid off or encouraged to leave by ranking the reasons below.

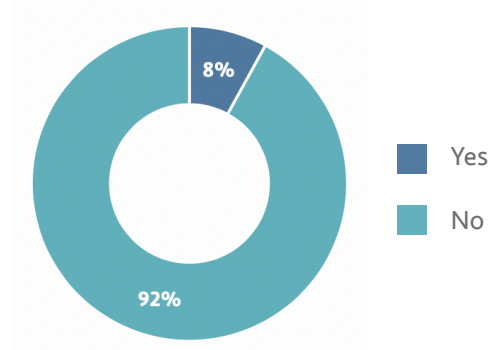
	Top 3
Inability to develop and cultivate new clients or organizations or to sustain a book of business	1
No real commitment to the firm (e.g., not working a minimum number of hours)	2
For cause	3
Inability to perform legal work to firm’s requirements	4
Partner is part of a low-margin practice group	5

Partners who were asked to leave received little to no warning and were rarely offered transition support:

Were you given the message to improve performance before you were asked to leave?



Did your former firm help you transition to another position?



Source: ALM Legal Intelligence, *Up or Out: When Partners Have to Go*, 2013

## KEY DIFFERENCES BETWEEN PARTNER OUTPLACEMENT AND ASSOCIATE OUTPLACEMENT

During the recession, many law firms came to rely on outplacement to ease the transition of associates. Over the past ten years, they have continued to do so and have refined their processes and practices to maximize success. Unfortunately, those processes do not always work when dealing with partner departures.

A successful partner transition process typically takes longer than that of an associate, and it requires more interaction between the partner and his or her career coach or counselor. Several factors play into this, such as unrealistic expectations (e.g., as to compensation or firm prestige), emotional obstacles and fewer career options.

The initial stages of outplacement are spent helping partners come to terms with the news, which for some comes as a shock. In many instances, the partners affected are the sole income earners in their families—adding to the anxiety of the transition process. To ensure a productive job search, it is critical to address their emotional concerns and get clarity on compensation requirements before seeking and assessing possible options.

Often, partners' identities are wrapped up in being a law firm partner, and they see their options more narrowly than more junior lawyers do. This stage in the transition can be challenging. It is critically important that partners remain open-minded and consider other career possibilities. To do so, partners may need to formulate a career vision and explore opportunities in different career tracks beyond private practice (e.g., government, in-house, small firm, solo practice). Once they have done so, they can focus more clearly and conduct market analysis, start networking and identify specific job opportunities.

Some partners being asked to leave have not conducted a job search in many years, and they urgently need to prepare job search fundamentals, such as a resume, representative matters list, cover letter and business plan. This alone can be a challenging and time-consuming exercise.

A lack of technological expertise can also add time and complexity to a transition. Unlike many more junior lawyers, partners are often accustomed to having administrative support and find some key tasks, such as creating and optimizing a sophisticated LinkedIn profile, difficult or uncomfortable. Our research indicates that the majority of partners in transition find their new positions through networking and personal professional contacts. LinkedIn can play a vital role in professional networking. As a result, we stress the importance of updating and enhancing partners' technology and networking skills.

Simply put, the biggest difference between associate and partner outplacement is that each partner's work experience and background is just that, *different*. Accordingly, **to be successful, a partner transition needs to be tailored to the individual's context and provide a full range of services and support.**

## EMBRACE THE DIFFICULT CONVERSATION

Notwithstanding the buoyant lateral market, in recent years, we have observed and heard from our clients that the decision to outplace partners is as difficult as ever. To ease what can undoubtedly be a difficult transition, **more firms are offering transition coaching and outplacement services to their partners.** That said, while the number of partner outplacement referrals continues to increase, many law firms have not yet established a clear policy or process for the transition. The absence of proper protocols often results in increased costs to the firm, both direct and indirect. From the individual partner perspective, it can lead to negative feelings, such as shame, embarrassment, frustration and anger, all of which can impede the partner's ability to make the next career step.

There are various reasons why firm decision makers resist explicitly asking partners to leave. These include:

- A reluctance to be the "bad guy."
- Believing that, with time, the partners will recognize the need to leave and will do so on their own.
- Concerns that the firm's reputation will be tarnished if word gets out.
- The concern that outplacement costs are high.
- Concerns about morale if the firm is known to have a policy of actively outplacing lawyers.

However, when partners who are unproductive or not a good cultural fit hold on, they often have an adverse impact on the morale of other partners (and associates). This can do as much harm to a firm's reputation as rumors of departures making their way through the market. While it may be uncomfortable for management to tell a partner that they have no future with the firm, a formal termination meeting should not be the first conversation reflecting a partner's lack of productivity or fit. By avoiding clear career discussions with underperforming and/or misaligned partners and giving in to the temptation to squeeze them out by reducing their compensation or limiting their resources, or simply hoping that they "get the message," firm management runs the risk that departing partners leave feeling resentful and poorly treated. While that may not seem important if they go to another firm, they can generate negative buzz in the market. The negative emotions triggered by being asked to leave will most likely be reduced if the termination is preceded by a series of candid and transparent performance- and career-focused conversations, as well as a communicated timeline where the partner is treated not only professionally but also sympathetically.

## RECOMMENDED STEPS

*Provide clarity:* Indirect, “it’s not working out,” conversations should be avoided. Be ready to explain with specificity:

- Why the partner’s practice is no longer a fit for the firm and that they need to leave the firm.
- The date by which they have to leave the firm.
- What the other partners will be told and when.
- That the decision was made by the management committee (or other relevant decision-making body within the firm).
- That the firm will provide support by way of a professional career coach who will work to ensure that the partner can leverage his or her experience and apply it at another platform that is a better fit.
- That they should stay in communication with the firm about progress and whether more time is needed.

*Recognize the economic reality:* As a practical issue, the majority of partners who are asked to leave do not have a significant book of business. As a result, headhunters may be less able to assist in placing the partner with another firm. Partner outplacement can be complex given title, status, years of experience, expectations, the age of the lawyer and how they measure up in terms of their preferred next step, compensation requirements and market conditions for lawyers with their specific practice and client base (with all the related issues of conflicts, billing rates, matter sizes etc.).

*Understand how transitions work:* Generally, change is uncomfortable for the majority of people. When thinking about the implications of asking partners to leave, it is worth bearing in mind how individuals react and respond to such change. It is both personal and important. One way to look at change is through the lens of change models, such as the [Bridges Transition Model](#), which takes account of the various emotions involved.

*Assign a point person:* Ensure that there is someone who is tasked with supporting partners who are transitioning from the firm.

*Start early:* Outplacement or transition support can begin as soon as the firm has had the first conversation with the partner regarding their standing and future. Initiating outplacement support gives the partner a degree of ownership over the process and access to a candid market assessment, as well as assistance with some of the initial decisions.

## CONCLUSION

As a result of the active lateral market, volatile partnership environment and a more proactive approach to managing out underperformers, partner outplacement is on the rise. And while outplacement is nothing new, many firms find themselves unprepared for the unique challenges of partner transitions. Law firms that create a positive, supportive partner outplacement process stand to gain an appreciable advantage in the market.

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## CONTACT US

For inquiries regarding our specialist career coaching and outplacement services for partners, please contact Nancy Carver at 202.821.9358 or [nancy.carver@voltagepeople.com](mailto:nancy.carver@voltagepeople.com).

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