

The problem of partnership



Michael Bradley

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"...I looked around at the partners and I thought, 'I don't want your life.'" So the senior associate from a very large firm told me in describing his reasons for leaving secure employment and the path to partnership. That's of course a very personal thing. There are plenty of lawyers who are at least prepared to live that life for the reward of partnership. But what is partnership these days?

It used to mean ownership, a direct financial stake and a say in how the business was run. But in most large firms, the role of the "partner" has had its scope defined progressively more narrowly over the past 30 years to what is now pretty much a single dimension.

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The risk/reward proposition in private practice never really stacked up. The available pay per hour worked is, even at the most profitable firms, paltry by comparison with some alternative career paths. The trade-off was the addition of job satisfaction – intellectual, emotional, proprietorial. You could aspire to own a real piece of something special, and enjoy the benefits that went with it. These included loads of social status and a soft landing at the back end of your career – a leisure-



Being a partner no longer means a say in how the business is run, among other things. Michael Bradley asks, what is partnership now, anyway?

ly slide out with a corner office and some board seats, supported by the next generation of partners who were in a carriage further back on the same perpetual train.

It became noticeable by the early '90s that this system had an inbuilt defect, due to the lawyer's natural imperative to think myopically. The spectacle of ageing partners living off the fat for years after their prime became rapidly annoying and ultimately intolerable for the young Turks.

Firms responded by, first, implementing a gracefully staged slide down the equity pole. This quickly escalated into an entrenched "up and out" philosophy throughout the profession which dictates that every partner will progress upwards in power and profitability until they can go no higher; and then they are taken out the back and shot.

It's a classically human mode of organisation. Human, but not humane. Law firms have accepted that they are not places for the faint hearted, which might be okay if the slices of pie had gotten bigger to compensate for the loss of long term job security. But it hasn't. Partners still derive all their income during their stay at the firm; they have no access to capital

gain and no opportunity to cash out (unless they float the firm). And their incomes, while still high, haven't climbed in the exponential way that, for example, public company CEOs' salaries have.

At the same time as finding themselves participating in what is now quite literally a rat race, partners have progressively given up most of their traditional role. Driven by the two complementary theories that "good lawyers make bad managers" and "partners should stick to their knitting", the era of "professional management" in law firms has arisen and is now firmly in control. Whether or not the guy (yes, it's a guy) at the top is or isn't a lawyer, there is a phalanx of COOs, CFOs, HR, BD and KM Directors in complete charge of every aspect of the management and administration of the firm.

The partner's role is now reduced to this – ensure that (a) you and every member of your team/cell/unit has the requisite number of chargeable hours on their timesheet every day; and (b) the fees under your "control" (however that's measured) are adequate to justify your continued progression up the greasy pole. How you achieve that is not so centrally controlled, but the

consequences of failure certainly are. Pressure? Yeah, just a bit.

It's efficient, definitely. But for the partner in the trenches, is it what you bargained for? I'd argue that, if you have no real say over hiring, firing, remuneration or progression, and you don't frequently participate in an open forum with your partners to talk about your business in whatever terms and on whatever agenda you choose, then you are an owner in nothing but name. It shouldn't be a huge surprise that not everyone wants to be you anymore.

Michael Bradley is managing partner of Marque Lawyers, voted Australia's Coolest Law Firm 2009. Admired and disregarded by its peers in equal measure, Marque is rewriting the rules of legal practice with youthful glee and a wide screen TV. Marque is law, done differently.

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