

## Workplace Trends in Law Firms

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In a profession built on precedence, change occurs at a measured pace. Recently, however, law firms in North America have experienced increasing pressure to change more quickly in response to, or anticipation of, market forces.

As a result, law firms are wrestling with many workplace issues.

**Identity**—How can image be progressive enough to attract new business yet sufficiently stable to reassure clients?

**Consolidation**—How can firms manage through the challenges of merging with other firms?

**Versatility**—How can different ways of working be used to give clients greater value?

**Stewardship**—How can controlling costs be balanced with attracting and keeping good people?

**Technology**—How can the benefits of electronic tools outweigh the costs and security issues?

The ways law firms answer these questions shape how they conceive, construct, and furnish their facilities.

### Identity

Clients, particularly corporate entities, are conflicted in their perception of law firms. They want the legal practice they hire to be at the forefront of their profession, yet they expect the markers that signify solidity and stability.

In response, some law firms have chosen to look more like their customer base. In San Francisco, for example, those targeting dot-com companies abandoned wood paneling and private offices for light, open, airy spaces. This approach furthered a perception of niche expertise, but the risks became painfully apparent in the technology downturn.

What a law firm's offices look like is an issue because clients regularly visit. In contrast to management or technology consultants, which often do the bulk of their work at the client's site, law firms host their customers.

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To be most effective, the appearance of a firm's offices must match the image, or brand, clients receive in advertising, personal meetings, and other encounters with the firm. That appearance should reflect a firm's expertise without being so closely aligned to a market segment that it loses other business.

The image a firm projects also comes into play when attracting and retaining people. Firms will need many paralegals and legal assistants in the future. The Bureau of Labor Statistics projects these occupations will grow 62 percent between 1998 and 2008.<sup>i</sup> Right now most firms employ three assistants for every partner. Some aggressive firms are moving to a five-to-one ratio.<sup>ii</sup>

Many of these new staffers will be women since they continue to show strong job growth, particularly at managerial levels. As both genders become more equally represented in law firms, stereotypes, including those about what a firm's offices should look like, will evolve. Offices will likely project a more residential feel.

### Consolidation

As in many other areas of the economy, mergers and acquisitions are becoming increasingly frequent in the legal profession. There is a significant trend among regional law firms to combine with other regional firms to effect national, even international, coverage.

While growth and an attempt to produce a firm that can support high profits per partner are the usual drivers for mergers and acquisitions, some firms are using it as strategy for obtaining key talent. Acquiring another firm can bring needed partners into the practice, but at the same time it can exacerbate human resource and real estate issues.

These challenges become even more vexing when large firms decide to expand internationally. Most pursue one of four models for developing a global practice:

- Use correspondent law firms in foreign countries.
- Form alliances with law firms in foreign countries.
- Establish offices in foreign countries staffed by either local or home-country lawyers.
- Merge with law firms in foreign countries.

Each approach carries different implications for managing real estate assets. Beyond the challenges of coordinating facilities across borders, global firms must balance—through partner and associate attitudes, as well as the look and feel of offices—sensitivity to national cultures with an identity that reinforces international capabilities.

No matter what their size, most firms lack the expertise to effectively integrate international partners. "Where U.S. law firms grow through merger with foreign firms, there appears to be no program under way to ensure the adequacy of the new foreign partners, at least with regard to U.S. professional standards."<sup>iii</sup>

The cost—and safety—of partners traveling to foreign offices to establish and monitor standards may tip the scales toward more electronic interactions, including video conferencing. This will require offices with more group meeting spaces.

### Versatility

"Managing the cost of associates in a slower economy has created a new pattern of practice—the shifting practice group . . . where firms teach transactional associates to move from the corporate side to increasingly active groups such as litigation and bankruptcy."<sup>iv</sup>

Shifting practice groups build on an approach some firms used in their Y2K work, namely bringing together lawyers with diverse specialties to address a common problem. As a result, many firms discovered the strength of multidisciplinary teams in providing clients more value.

A team approach requires versatility on two levels, however. First, associates must be willing to change assignments, a requirement that most experts believe very young lawyers are best equipped to meet.

Second, firms must deal with the issues—and costs—associated with moving people and their furniture to make practice groups most effective. Firms may begin using one of several facility strategies to support a team approach:<sup>v</sup>

**Assigned Meeting/Project Space**—Teams work together in a "nonresidential" project space or in meeting rooms assigned for the life of the project. Members' individual offices may be located in adjacent space or with their functional work groups.

**Group Scheduled Meeting Space**—Teams work mostly in the field; at the corporate location, they meet in scheduled conference rooms.

**Co-located Teams**—Dedicated team workspace incorporates collaborative and individual workspaces within team boundaries.

**Shared Special-Purpose Areas**—Teams have shared use of spaces such as project rooms, video conferencing, training rooms, and libraries.

**Virtual Teams**—Teams collaborate mostly through the use of technology.

None of these represents a single, best way to organize space for teams, and new strategies will likely emerge as evolving technologies continue to reduce the constraints of time and location. However, the design of the physical environment plays an important role in supporting versatile approaches to practicing law.

### Stewardship

Law firms have not been exempt from the pressures of controlling costs while maintaining, or exceeding, established service levels. This dichotomy is particularly acute for legal practices because of the need to look successful without appearing to be extravagant.

As a result, many firms are becoming more egalitarian in their assignment of space. There is a trend toward giving all partners the same sized office and providing associates and paralegals with significantly smaller offices. A review of 10 firms in Los Angeles, San Francisco, Chicago, New York, and Atlanta found that associates offices averaged 142 square feet, while partner offices averaged 235 square feet. Respondents indicated that these sizes had contracted over the past few years.<sup>vi</sup>

The trend toward standardizing partner offices involves more than size. In many cases, firms are outfitting partner offices with the same set of furnishings. This allows maximum flexibility for change and helps reduce conflicts over status.<sup>vii</sup>

For administrative staff typically housed in workstations, the trend is toward reducing standard workstations with footprints of 8 by 8 feet to 8 by 6 feet. Storage consolidation is one way to reduce standard workstation sizes. Some firms are implementing electronic information archival systems to reduce the need for physical storage components within individual workstations.

Firms must offset this tendency to contract with the need to keep employees satisfied. The workplace has a significant impact on job satisfaction. Ranked in order from most to least important these include:<sup>viii</sup>

- 1 Ability to do distraction-free solo work.
- 2 Support for impromptu interaction anywhere.
- 3 Support for meetings and undistracted group work.
- 4 Workplace comfort and enough space for work tools.
- 5 Workplace arrangement that supports side-by-side work.
- 6 Location near or within easy access to coworkers.
- 7 Good place for breaks.
- 8 Easy access to technology and shared equipment.
- 9 Quality lighting and access to daylight.
- 10 Temperature control and air quality.

Law practices in areas where competition for associates is acute have begun providing “lifestyle” amenities, such as health facilities, cafeterias, and on-site day care. Offering these and other “perks” is becoming an issue for more firms as they seek to attract and retain women and minorities in order to increase their diversity.

Overall, changes in work processes and technologies are driving businesses to rethink their facility strategies.<sup>ix</sup>

1998	Rank	2003 (Projected)	Rank
Cost Reduction	1	Work Process Change	1
Work Process Change	2	Technology Change	2
Technology Change	3	Cost Reduction	3
Worker Retention	4	Worker Retention	4
Organizational Structure	5	Organizational Structure	5

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## Technology

While paper documents still dominate in legal practice, electronic versions, and the personal computers and servers they reside on, are becoming more prevalent. This trend has implications for space and security.

As desktop computers proliferate, the size of their monitors grows as well. By 2004, about two-thirds will be 17-inch monitors that will require significant surface area. Larger monitors will vie for space in workstations that are growing ever smaller. Notebook computers will relieve some of the pressure in this area, but probably not in administrative workstations.<sup>x</sup>

From Web-enabled cell phones to personal digital assistants, lawyers are beginning to use handheld computing power to increase their efficiency and make themselves more accessible to clients and staff. With projections that these “information appliances” will increase in sales to double those of personal computers by 2006, it is likely that the legal profession will continue to embrace these technologies.<sup>xi</sup>

By 2006, a quarter of a billion Americans will regularly use the Internet. As law firms consolidate, they will rely more heavily on videoconferencing among offices at various locations and collaboration via extranets.

This trend will increase security risks in two ways. The first will come through vulnerabilities in the technology. The second will result from a proliferation of paper documents. Most videoconferences start with the question, “Does everyone have a copy in front of them?” When everyone in remote offices has copies of documents, security risks escalate.

An increase in the number of courts that accept electronic case filings will hasten the automation of the court systems. The Internet will foster this type of remote work, as well as “virtual law firms” that exist with and without affiliations with legal information Web sites. As a result, more lawyers will begin working from home offices or other non-traditional office spaces.<sup>xii</sup>

Advances in technology have had the greatest impact to date on the law library. While it still seems important to have a law library with hard copies of many materials, firms are using electronic links to other resources to significantly expand their holdings. Libraries are often 75 percent smaller than a few years ago and housed in one location only.<sup>xiii</sup> Professional librarians, with special research skills as opposed to legal training, are championing these changes.

Technology’s influence on the legal profession will garner attention in the next few years as law firms wrestle with understanding it and putting it to efficient use. Yet it represents only a portion of the pressures the practice of law will encounter. From the strain of consolidation and increased competition to the need for providing greater value to clients to the question of controlling costs while attracting and retaining talent—law firms face a challenging future.

## Notes

- i. Bureau of Labor Statistics, “Top 10 Occupations with Fastest Employment Growth, 1998-2008, Projected,” 1998
- ii. Johnson, C., Taylor, G. and Lockhart, J., “Merging Practices: A Shift in Law Firm Real Estate and Design,” presentation on law firm trends, NeoCon World’s Trade Fair, June 18, 2003
- iii. American Bar Association, “Deliberations of the Committee on Research About the Future of the Legal Profession and the Current Status of the Legal Profession,” p. 20, August 31, 2001 (working notes)
- iv. American Bar Association, p. 40
- v. Herman Miller, “Making Teamwork Work: Designing Spaces That Support Collaborative Efforts,” 1997
- vi. Herman Miller, “Review of Law Firm Offices,” 2003 (unpublished research)
- vii. Johnson, Taylor and Lockhart, “Merging Practices: A Shift in Law Firm Real Estate and Design”
- viii. Herman Miller, “Work Trends 2002: Work Force, Work Tools, Workplace,” 2002 (unpublished research)
- ix. Herman Miller, “Work Trends 2002”
- x. Herman Miller, “Work Trends 2002”
- xi. Herman Miller, “Work Trends 2002”
- xii. American Bar Association, pp. 6, 29
- xiii. Johnson, Taylor and Lockhart, “Merging Practices: A Shift in Law Firm Real Estate and Design”