

Asia's battle for law firm partner retention

CML Recruitment



Rob Green
Managing director
CML Recruitment
 r.green@cmlrecruitment.com.hk

Both regional and international law firms in Asia are continually fighting for a leading position in the Asian legal market.

As we enter 2012, we can see that the year is likely to see a great deal of competition between international law firms,

hiring Chinese-speaking partners they can add these languages to their firms, as well as adding respectable contacts from their previous firms. Law firms are aware of the fact that due to the growing economy and the rapid expansion of the market over the past 30 years, the need for Chinese lawyers has significantly increased. With 200,000 licensed lawyers in China, international firms are always ready to poach partners from Chinese firms, and in turn increase their potential in the market.

Inevitably one of the main reasons for

and have some say in the direction the firm is going. This is why we have seen prominent partners in big multinational law firms – where they have little or no say in the strategic direction of the firm – leave to join smaller outfits that they can help grow. Another reason that partners look to move from their current firm is that they are looking for a change of scene and are interested in being more involved in the development of a firm.

Amidst this struggle for success, firms that are most in danger of losing their partners to international and regional firms tend to be those from the UK magic circle, as well as other big international firms that have prominent Chinese partners. The reason for this is that partners from these globally renowned firms will have a well-established reputation that could in turn enhance the reputations of other firms.

It is ultimately impossible to control the goals that partners have for their careers and how they intend to reach them, but there are certainly ways of giving partners incentives to stay with their firms and not decide to move on quite so soon. These may include

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as more of them, particularly those from America, look to solidify their position and reach their considerable growth plans. Therefore retention rates, in particular for Chinese firms, are likely to be significantly lower than those of 2011.

Towards the end of last year, a large number of international firms created offices in Asia in order to tap into this continuously growing market. Once established, some have actively poached prominent partners from competing firms. The view is that these partners will open the door to prolonged success and a huge client base. Many of them are Chinese partners with all-important links to the growing mainland Chinese market.

One notable US firm that made a series of hires in 2011, including opening a new office in Shanghai, states that although these moves may come at a difficult time, they form part of a plan for the future, to stabilise the firm's presence in Asia, and in particular opening that vital door to mainland China.

Furthermore, firms are now beginning to understand the importance of Chinese languages, and thus realise that through

partner moves is a firm's desire for growth and success. It is a fact of life that people will always strive to be the best that they can possibly be, and this is especially true of ambitious lawyers. If partners see a lack of opportunities for growth

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within their current firm, they are likely to look for new opportunities that will help them achieve their ambitions. For example, if the way pay structures are laid out within a firm allows little to no room for movement or growth within that firm, partners will begin to look elsewhere for firms that will allow this movement. Likewise, if a firm offers them an equity share which largely exceeds their current equity share, or at least some equity where they are currently not offered any, then this is often a huge incentive to move. Ambitious lawyers will also look for more involvement at the senior level

increased pay packages or equity shares, or showing partners that serious business plans are in store, perhaps through aggressive hires or promotions.



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Unit B, 16th Floor, Two Chinachem Plaza
 68 Connaught Road, Central, Hong Kong
 T: +852 2836 6382
 F: +852 2203 0438
www.cmlrecruitment.com.hk