

Cleary Managing Partner Says 'Connection' Helps Keep Talent

By **Aebra Coe**

Law360 (June 29, 2021, 1:18 PM EDT) -- As Cleary Gottlieb Steen & Hamilton LLP celebrates its 75th anniversary this year, managing partner Michael Gerstenzang says he believes the key to the firm's future success lies in its strategy around talent.

Gerstenzang laid out his views on the best way to approach talent attraction and retention in today's competitive environment in a recent phone call with Law360 Pulse.

While top-of-market pay is important, the firm leader also pointed to "connection to the place" as an important factor to consider in keeping lawyers from leaving and one that is especially relevant today in a partially remote work environment.

Here is our conversation with Gerstenzang on his law firm's strategy for competing in today's brutal talent market, as well as his plans for the firm's future when it comes to in-office work. This interview has been edited for length and clarity.



Michael Gerstenzang

How has the competitive landscape for law firms changed over the last year and what challenges are firms like yours facing in the current environment?

I think the competitive environment for law firms has changed a lot over the last 10 years, principally because there are a greater number of competitors participating in a greater number of practice areas and geographies than ever before.

The pandemic and remote work has, in some ways, accelerated that because it's allowed firms that didn't necessarily have an office in a particular region or city to compete not on the basis of physical presence but on the basis of remote engagement. And we've been the beneficiaries of that, frankly. Our global approach has allowed us to engage with clients in places where we don't have offices to a much greater degree than we've ever done before.

One aspect of this is competition for talent and being able to adapt recruiting processes and being able to adapt training and development approaches to a hybrid environment where some people are in the

office and some aren't. We're very focused on making those adaptations to make sure we are an attractive destination for top talent.

Does the firm plan to allow lawyers and staff to work from home going forward?

One of the things I've always said about my role as managing partner is that I'm "listener in chief" of the firm, and a really important part of what I do is get feedback and connect with people in every office to understand their needs and concerns and to get good ideas about how we can be most creative, collaborative and equitable in our environment. Many of those conversations over the last six months have been about this question of returning to work and what kind of flexibility people want and need as we move into the next normal.

It's clear from those conversations that we will have a flexible approach where people spend time in the office and also work outside of the office. We're trying to maximize not only productivity but also opportunities for collaboration and growth through this flexible approach.

What does that mean in practice? Is there a certain number of days they have to come in each week? Are there set rules?

I think over time we will develop rules and patterns around that. It will certainly involve spending some time in the office, although not every day. But we want to do it in a way that reflects the needs of our people and also reflects how to be most effective as a firm.

I think part of that is having people spend time together to make sure we continue to build cohesion internally, to make sure we continue to have opportunities for in-person development of our people, and continue to have those moments of creativity and energy that for many of us happen best in person, but at the same time recognize we don't have to spend all our time together in the office.

The lateral market for associates is incredibly competitive right now. What are you doing to position the firm to compete for that talent?

We have continued to be at the top of the market in terms of compensation, including in the most recent salary increases for U.S. associates. But I think that while it's important to be at the top of the market in terms of compensation, what really keeps talented people at an organization is their connection to the place.

There's lots of research that supports the fact that money is not what drives most talented people when it comes to their career choices over a long period of time. I'm not suggesting we should be anything but the top of the market when it comes to compensation. But if we really want to recruit and retain the best people, we have to think of it as more than a compensation matter.

We have to provide great opportunities for growth and development, we need to create a culture that is welcoming and inclusive, and we need to foster the connections amongst our people. Work should be someplace you go not just because you're paying the rent, but also because you enjoy being there, you enjoy working with your colleagues and you feel like you're learning from your time at the firm. That's the kind of place we want to be.

As the firm celebrates its 75th anniversary this year, what are you doing to ensure its success in the next 75?

The 75th anniversary is an important moment to reflect on our history and the success we've had over a long period of time. But it's also an opportunity to look forward and think about what we're going to do to build on that success.

When I look forward, I'm focused on how we continue to build on and strengthen the things that have always been at the core of our success. I think we have to remain focused on recruiting, retaining and developing top talent. That's really the future of our firm. And we need to continue to nurture an inclusive environment and advance equity to ensure every member of our community can thrive. We need to remain dedicated to strengthening client relationships and building trust by learning our clients' businesses and providing exceptional service and practical, actionable advice.

That's not to say things won't change, In fact I think they're likely to change in significant ways. We're going to continue to innovate our approaches to talent management, our approach to delivering client service. We have to do that. We have to evolve and adapt to new circumstances and opportunities.

You mentioned how the firm has to adapt in the areas of talent management and the delivery of client service. Can you sketch out what that means?

To frame that a little, global law firms can seem like complicated businesses. We have thousands of employees around the globe. We have clients across industries and across geographies. There are lots of moving parts in a global law firm. But when I step back and think about what contributes to our success, there are really two ingredients. One is attracting and retaining and developing talented people, and the second is providing exceptional client service.

As it relates to talent development, it involves adapting the way we recruit and train people to reflect a flexible work environment to reflect the changing needs of our business and our clients' needs. And it means increasing our focus on diversity, equity and inclusion to create an environment where everybody feels like they can bring their authentic selves to work every day and that their contributions are recognized and valued. It also means making sure that every member of the Cleary community feels like the firm is playing an active role in the development of their professional skills for the long term.

--Editing by Orlando Lorenzo.