

BUSINESS & CAREERS

Is face time important anymore?

JOHN SCHOFIELD

It was a credit union mega-merger, creating a provincial powerhouse with \$8 billion in assets under management. The deal earlier this year between St. Catharines, Ont.-based Meridian Credit Union and Whitby, Ont.-based Desjardins Credit Union took about two months to finalize—and was conducted almost entirely over the phone and via email. Christian Gauthier, the lead lawyer for Meridian and a Toronto-based partner with Bennett Jones LLP, says he didn't even meet Meridian's CFO in person until they went before regulators last February to seek approval for the deal. "We negotiated almost the entire agreement," he recalls, "without seeing each other."

In the age of the Internet, smartphones, and video-conferencing, face time sometimes seems like a quaint custom from a bygone era. Technology has revolutionized the way law is practised. Harried partners and their clients can sometimes go months—or even years—without meeting each other. And firms that want to attract and retain the best talent are expected to give their tech-savvy lawyers the freedom to work outside the office. But even for die-hard "CrackBerry" addicts, meeting clients and colleagues in person can still play a key role, says Anne Edmonds, regional manager for Robert Half Legal Canada, a Toronto-based legal staffing agency that recently released a report called



JOHN PENEZIC / DREAMSTIME.COM

Nothing can replace face-to-face meetings, says a digital expert.

Business Etiquette: New Rules in a Digital Age. "We might be able to have Skype sessions or conference calls over the computer," she says, "but nothing can replace face to face."

On the client side, lawyers often recommend meeting in person as soon as possible to establish the relationship. That depends, though, on the expectations of the client. The generational factor can come into play: younger clients may not need immediate face time. But a traditional meet and greet can make future communication smoother, says Edmonds. "Then you can work more remotely,"

she adds. "Once you've met, it's easier for someone to understand your tone in an email."

Face time is particularly important when it comes to tough negotiations, and especially when time is of the essence, says Gauthier. The seasoned mergers-and-acquisitions specialist has been part of many marathon bargaining sessions when—to meet disclosure requirements—executives with public companies locked themselves in hotel boardrooms over a weekend to hammer out deals. He says legal fine points or "cookie-cutter deals" can be handled by email and phone,

but more confrontational cases are best handled face to face. Research shows that most communication is non-verbal, he notes. "There are all kinds of things you pick up in a room that you're not able to pick up on the phone," he says. "In person, you get the full picture. I think it's crucial."

There's one problem, adds Gauthier: multi-tasking and dwindling attention spans have made meetings more challenging than ever. The flood of email lawyers face is sometimes overwhelming. And the longer you keep them in a room, the more likely they'll start popping out to answer emails or calls on their smartphones. That's a pet-peeve for Edmonds, who questions how many messages simply can't wait. "Anything that takes away from the face-to-face diminishes the whole purpose of a meeting, so turn your phone off," she implores. "It seems like such a no-brainer, but these days we're always waiting for the ultimate important e-mail to come in."

When it comes to colleagues, face time is still an important career-building tactic for young associates seeking cases that could move them up the ladder, says Lydia Bugden, a Halifax-based partner in corporate law with Stewart McKelvey, Atlantic Canada's largest law firm. Fundamentally, the business is still about relationships, and building them requires face time. In the first five or six years of practice, says Bugden, new recruits rely on partners and senior associates for the majority of their clients. As they

become more senior, they gain more flexibility with their time.

But new associates are no longer expected to burn the midnight oil or show up on weekends just to maintain appearances, says Christa Brothers, a litigation partner with Stewart McKelvey. "I remember years ago I would come back to the firm after dinner because that's what you did," she says. "I think that's gone out of the profession completely. Now there's a recognition that being in the office can be helpful—that I should be here because this is a good learning tool."

Working face to face also builds the sense of teamwork that lawyers need when they join forces on big cases, says Bugden. That's one reason why every 12 to 18 months, Stewart McKelvey brings together partners from its six offices across Atlantic Canada for firm-wide retreats. "Face time," she says, "is still so valuable."

Still, in today's stronger job market, says Edmonds, lawyers can afford to be more demanding about work flexibility, regardless of the size of the firm. Some managers worry about keeping productivity high when they're not seeing people all the time, she adds.

But research published earlier this year in the journal *Social Problems* suggests that giving workers the freedom to work remotely can actually improve productivity, morale, and retention. The study, by Phyllis Moen and Erin Kelly, two sociology professors at the

See **Face time** Page 26

Open vs. closed compensation models



THE HEADHUNTER

WARREN SMITH

If there is a single aspect of a law firm that perhaps provides greater insight than any other, it is their compensation system. While a great range of elements undoubtedly are required to provide a full picture of a firm's culture (and value system), perhaps no other element provides greater perspective than how compensation is ultimately calculated. Moreover, compensation forms the core of many critical discussions among partners, both within their firm and across platforms in the market. And on this topic, few issues attract more debate than the merits of an open

versus closed compensation system. What follows are some of the key elements frequently examined when assessing open versus closed compensation models and their impact to practice.

Open compensation: Accountability through transparency

An open compensation system is one where individual partner compensation is known by all partners of the firm. Champions of open compensation systems highlight the need for transparency among business owners as the key to ensuring honesty and accountability by all participants.

Open models aim to reduce surprises and discrepancies among partner earnings based on contributions to the firm. Proponents argue open systems hold firm leadership accountable for

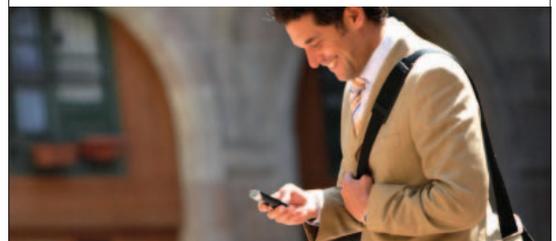
decisions on who is rewarded for what, as all financial decisions, including allocation of origination, billing and non-billable contributions are subject to the scrutiny of the entire partnership.

Open compensation models also shine a spotlight on success—providing younger partners a clear picture of how success is defined within the firm (for better or for worse)—and they serve as a public reminder to those whose performance trails behind expectations of the firm.

Critics of open compensation models frequently cite how politicized the compensation process tends to become; as those tasked with assessing individual contribution must make difficult, subjective decisions on how non-financial contributions are valued by the firm. Non-financial contributions

See **Compensation** Page 24

THE LAWYERS WEEKLY



Follow *The Lawyers Weekly*  on Twitter

Canada's source for legal news

FOLLOW US ON  **twitter**

BUSINESS & CAREERS

Open compensation model can lead to lots of internal criticism

Compensation

Continued From Page 23

to the firm are typically harder to account for, frequently leading open compensation models toward a metrics-based formula—resulting in only those contributions that can be readily quantified as being rewarded under the system.

Open compensation models may also be subject to much greater internal criticism, particu-

larly where a partner feels their contributions are not properly rewarded by the firm. Critics of open compensation models frequently point to the amount of time lost by partners who seek to appeal, challenge, or alter the compensation grid to more properly reflect what they feel is the correct valuation of their contribution.

The key to successfully implementing an open compensation model is transparency and con-

sistency. It is critical all partners appreciate how the compensation model works, where the discretionary elements lie, and how the formula works, resulting in an equitable result all parties can accept.

Closed compensation: Get it right so we can focus on everything else

By contrast, closed compensation models are where partners in a firm do not know how much

the others earn. While partners generally have a sense of how compensation is determined, they will not be party to the outcome by which individual compensation is arrived at.

Adherents to closed compensation models argue they result in significantly lower internal strife, as the politics of compensation is largely eliminated. Unlike other businesses, law firms are comprised of lawyers, who they feel are

more likely to challenge peer decisions, particularly on such delicate matters as compensation. For many, closed compensation models thus eliminate what is viewed as the single most contentious issue between partners at a law firm, thereby fostering a more trusting work environment.

Closed compensation models also have the advantage of being able to more accurately reward star performance, as interpersonal and political considerations are less likely to directly influence compensation outcomes at the firm. Specifically, supporters of closed compensation models point to their ability to more readily reward rising stars in the firm, as perception issues and compensation comparisons are less likely to occur in a blinded model.

Critics of closed compensation models frequently cite the fact that few businesses would entertain the notion of a group of owners not knowing exactly how profits are being divided. They argue the model concentrates power in the hands of the few, and a lack of transparency creates the potential for favouritism and/or errors in application of the agreed upon compensation model.

“

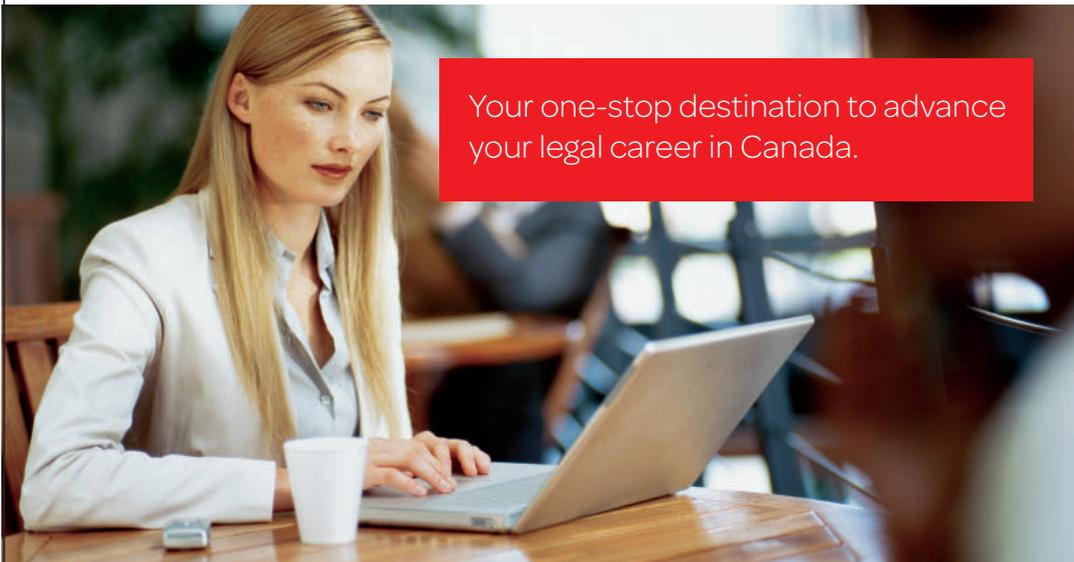
The key to successful closed compensation models is... a high degree of trust within the firm; not only across all partners... but also across all partners...

The key to successful closed compensation models is trust. To be successful, there must be a high degree of trust within the firm; not only across all partners, but particularly in those tasked with evaluating and determining appropriate compensation levels for individual partners.

In the end, the vast majority of law firms operate under an open compensation system, owing to the more intuitive, straight forward solution it provides to compensation issues. Interestingly, however, few firms, once making the transition to a closed compensation model, revert back, which may be the most telling feature of all. ■

Warren Smith is a managing director with The Counsel Network, a lawyer recruitment firm. He is also the only Canadian elected to the board of directors of the National Association of Legal Search Consultants (NALSC), a legal recruitment industry association.

TotalLegalJobs.ca



Your one-stop destination to advance your legal career in Canada.

Find and apply for a job today! Many exciting new positions are listed right now:

- [Tech Patent Agent, Ottawa](#)
- [Plaintiff Personal Injury Lawyer, Yorkville \(Toronto\)](#)
- [Experienced Law Clerk, Bloor West \(Toronto\)](#)
- [Assistant City Solicitor – Contract to September 2012, Burlington, ON](#)
- [In-House Legal Counsel, Calgary](#)

[More...](#)

Set up your profile and upload your résumé.

Employers are searching the database for the right candidates.

Create job alerts so you never miss a new posting.

Follow us on Twitter (www.twitter.com/TotalLegalJobs) to get valuable career information and immediate notification of new job postings.

Now you can search for jobs using your smartphone at m.totallegaljobs.ca.

