The hidden cost of high associate turnover

© Getty images

Firms who address talent retention stand to improve client service, cost efficiency and potential earnings.

Law firms are under increased pressure to optimise costs without reducing capability or impacting service quality. But by overlooking the importance of associate retention, some firms may be missing a hidden driver of revenue leakage: talent attrition.

Why associates leave their firms

Start with the most entrenched assumption of all: that associates leave for money. Compensation matters, but it is rarely the sole deciding factor in associates' career decisions. Chambers' UK talent research found that out of roughly forty different aspects of firm life, salary had one of the weakest pulls on day-to-day happiness.

So, what does drive associates? Our research points to four things: how deliberately a firm invests in its people's growth, whether it builds a genuine culture of teamwork and support, how well it helps people carry the stress of the role, and whether it lives up to what it says about responsible business.

Culture is one of the strongest reasons why people choose their firm in the first place, so a culture mismatch weighs heavily when they decide whether to stay. This pattern reveals itself as associates progress. Our research found that three quarters of trainees report being happy in their roles, but that falls to around 70% at junior associate level and to just 61% among senior associates.

Motivation levels are closely tied to this. We also found that 83% of associates who felt their firm had a genuine culture of teamwork and support were motivated to perform at their best.

Long-term loyalty needs somewhere to live, though. Associates stay when they can see a future for themselves within the firm, built on real chances to progress and develop. Tellingly, when we asked what had done the most for their development as lawyers, they pointed far more often to working alongside senior colleagues and being trusted with early responsibility than to any formal training programme.

Associate turnover is not just a 'people' problem

Chambers' UK-based associate data indicates that around 40% of associates plan to leave their firm within five years, with roughly one third currently unhappy in their roles.

The costs of attrition may be underestimated because they are dispersed across the business. The most visible impact comes during recruitment and replacement, including onboarding and early-stage inefficiencies as the new associate integrates. Indirect costs may include lost billable capacity during gaps, senior lawyer time being diverted to supervision, and reduced short-term utilisation.

Attrition also interrupts continuity in team composition, creating internal disruption and making it harder to plan accurately. This in turn has the potential to increase variability in delivery processes, and impact morale.

Enabling legal talent to thrive is a commercial strategy

For firms that can deliver on their value proposition, the potential benefits of improving retention are significant.

First, these firms are likely to experience less disruption caused by variability in team structure. This simplifies workforce planning and allocation, while clients benefit from greater stability too.

Second, a stable workforce makes it easier to allocate work fairly, ensuring associates are not over- or under-utilised. By providing a 'fair' caseload, firms are taking an important step towards improving culture, in turn helping to boost retention by creating an environment where people feel valued and effective.

Finally, the stability that accompanies retention should free teams to focus more on client work, logging more billable hours and improving the financial health of the firm.

Retention is not a standalone HR objective. By reducing staffing variability and improving planning accuracy, firms build a solid foundation to improve the quality of service, reduce internal costs and enhance revenue potential.

Top retention takeaways to prioritise

- **Invest in people:** Associates are most committed where partners genuinely invest in them, mentoring is robust and the work challenges them.
- **Build the culture deliberately:** Create the occasions for people to work together and hold behaviour that cuts against the firm's values to account. Only 24% of associates believe bad behaviour is held to account; where it is, they are four times more likely to recommend the firm.
- **Help people manage the load:** More than half of associates say the stress of the role feels unmanageable, and the ones coping are not simply those working the least. What sets them apart is investment: 65% of those managing well felt nurtured by partners, against just 32% of those struggling. Make it safe to ask for help before the strain becomes too much.
- **Be a responsible firm:** A visible commitment to inclusion, wellbeing and social impact still matters to associates, and it matters that firms show they are serious about it.

Learn more about how to attract, motivate and retain the best with Chambers Talent.

Chambers AND PARTNERS

Cait Evans, Global Talent Head of Research, Chambers

Build a workplace where lawyers thrive

Chambers Talent Intelligence shows exactly how current and prospective lawyers perceive you as an employer, helping to benchmark your employer brand and employee value proposition, showing where you stand on key drivers of talent, attraction and retention. Explore Chambers Talent Intelligence at chambers.com/intelligence/talent-intelligence