

An ALM Publication

Want to get your attorneys more engaged? Get them in the office.

By AshLea Allberry

Law firm leaders are increasingly concerned with lack of engagement. With law firm demand down and office attendance policies in flux, many firms don't believe their workforce is optimally motivated and are struggling with disengagement.

Compliance with RTO policies is a hallmark of this disengagement.—and what we are seeing is that, while the majority of firms have now implemented a RTO policy, 94% do not comply.

The concern is that psychological investment changes when professionals don't see co-workers in the office, making it easier to develop distance, and disconnect.

This phenomenon is all too common with most firms' hybrid RTO policies: there is no mechanism to ensure coworkers and colleagues will be co-present, creating that vital engagement that glues firms together. A recent Microsoft illustrates this point quite vividly:

- 84% of employees would be motivated to go into the office if they could socialize with co-workers;
- 74% of employees would go to the office more frequently if they knew their "work friends" were there; and
- 73% of employees would go to the office more frequently if they knew their direct team members would be there.

As an extension of the broad lack of compliance with RTO is the drop in space utilization. Across the nearly 5.5 million square feet of office space in legal, the average utilization rate is 47.15%.

It should not come as a surprise that across the 90 U.S. markets tracked by Cushman & Wakefield Research, overall absorption was -59 million square feet (msf) for the three quarters ending in Q1 2023. Overall leasing was also down 16% YoY on a four-quarter rolling basis. With the average law firm spending 10.5% of 2022 gross annual revenue on real estate, this overhead expense is of significant concern.

We decided to investigate attorney engagement factors such as RTO compliance, time spent in office, hybrid model types, and space utilization and surveyed the market. We received responses from 34 law firms, representing 203 offices, 5,436,978 sq ft of office space, 10% of the Am Law 100/200 and approximately 9,000 attorneys.

First, we found a glaring gap in RTO policies: the lack of technology adoption across law firms to help their professionals understand where and when their "work friends" will also be in the office. How can attorneys engage in a hybrid model when there is no infrastructure to support it?

In fact, the majority of firms (60%) have adopted no new technology whatsoever to support hybrid or RTO, and the most popular tool reported by firms (13%) to help connect attorneys in a hybrid office is Microsoft Outlook.

While a great tool, the shortcomings of Outlook as a connection and collaboration tool are well-documented.

As further evidence, we found that when attorneys are provided visibility to simply "see" who is in the office, which coworkers and which colleagues on what day in what seat on what floor in what office with our technology, attorneys **more than double** their time in the office—just as the Microsoft study inferred.

Doubling time in the office is significant and can translate to as much as 60 extra workdays in the office—**engaging with the firm**. This is a direct result of gaining visibility into coworkers' intentions and presence through technology.

When analyzing hybrid model types, of the 18,720 attorney seats in our set of respondents, the majority of seats (51.9%) were reservable seat types for hoteling. Just below the reservable hoteling seats were permanent seats, aka "offices" at 46.1%.

The smallest percentage of seats (.3%) were "flex" seats meaning a specific seat is shared on a pre-set schedule, such as persona "A" in the seat on M,W,F and person B in the seat on T, Th. Flex seats, while popular in other industries, is statistically insignificant for law firms, we found. Lastly, 1.7% of the seats are closed for maintenance or repairs.

Here is the thing: firms that allow most of their attorneys to keep their own seat/office are seeing utilization rates of 57.8% which outpaces the industry average office utilization rate of 47.15%, **and** is also **more than double** the utilization of firms that allow the majority of their offices/seats as reservable/hoteling which are seeing an office utilization rate of 23.70%.

With a differential between majority permanent seat firms and majority hoteling seat firms at 34.1% utilization, across respondents that equates to 1,854,009.50 square feet of office space.

Given the average full-service Class A asking rent across 21 markets is \$40.17 per square foot, this differential in un-utilized space adds up to about \$74,475,561.6 annually or about \$2.1 million per firm of the 34 firm respondents.

These numbers are compelling and worthy of consideration as firms continue to tweak their hybrid models. However, if we assume maximum utilization and presence to be strong signals for engagement, presence technology, when combined with permanent, assigned seats yielded maximal results of attorney time spent engaging in the firm.

Conclusion

It's important to keep in mind that law firms are still in a time of innovation and that will only continue not only because of hybrid but now unforeseen consequences and change as a part of the introduction of AI into operations.

What is important, however, is that firms begin acquiring the data they need to make strategic decisions that increase engagement—and this is a start. There is no one size fits all solution – and that's why the data is exciting as we build the future as we go.

About the Author

AshLea Allberry, COO of Maptician, has worked with software firms for nearly 15 years, building their operations, and positioning them for growth. Her executive experience working with internal employees and operations, and directly with clients, enables rapid and successful software implementations and long-term client relationships.

Additionally, AshLea is Maptician's legal industry expert, a thought leader in space optimization, and spends the majority of her time with Maptician's legal clients. Hybrid office strategy, planning, and software deployment are her focus areas.

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