

The Case for Open Office Environments in the Legal Workplace

By: Marty Festenstein

OPEN OFFICE ENVIRONMENTS IN THE LEGAL WORKPLACE

In today's legal workplace, hierarchical organization of office space, crowned by the ultimate reward of the corner office for the highest ranking attorneys, reigns supreme. But as is true for any static institution that doesn't keep up with the changing times, a revolution is taking place. A growing list of internal and external pressures on law firms continues to build the case for more progressive approaches to occupancy. As other industries adopt increasingly liberal and flexible open office design approaches and millennials exert greater influence in the workplace, it gives ample reason for cost-conscious, competitive law firms to pause and reflect – is it time to evolve, or will the old order bear up under the pressure?

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88%

prefer a collaborative environment

A Focus on Occupancy Costs

The temperature in the legal workplace feels right for change for a number of reasons. Through the recent economic ups and downs of the past eight years, law firms have been forced to address the second largest expense after attorney salaries, benefits and bonuses — the cost of occupancy. Vacancies multiplied throughout the recession as layoffs increased and attorneys found themselves out of jobs — as many as 90,000 in 2008-2009. Adding to the pile of empty workstations and offices is a decrease in the secretary/attorney ratio: secretaries are typically assigned to as many as 5–6 attorneys vs. 1–2 attorneys 8–10 years ago. The legal world has responded: the last 10 major law firm real estate deals across the country saw an average of an 18% reduction in space.

As law firms ramp up efforts to control occupancy costs, new practice trends have emerged in response to downward fee pressure, including:

- **Fixed-fee structures** to mitigate the corporate world's decreased tolerance of high legal costs
- **Outsourcing** of attorneys and case-related tasks
- **Staffing that requires less private office space**, such as first- through fourth-year associates, and other attorneys not on the partner track
- **Increased commoditized service offerings** such as healthcare, immigration, intellectual property and insurance work, which prompt greater consideration of open office environments. Large teams, including project/case managers, interns, clerks and docket staff, have created a demand for settings that facilitate teamwork, collaboration and efficiency in service delivery.

Cultural Influence

Amidst market challenges, the legal world has also been impacted by the pervasive cultural changes affecting the broader working world. As baby boomers retire from the workplace, the door opens wider to millennials, and with them, new influences and demands on the day-to-day working environment. It is worth noting that millennials will make up 40% of the total workforce by 2020.¹ Mobile technology, new expectations for work/life balance, accommodation for family life, and a push for flatter and more transparent workplaces have already carved out a new image for office life in the first fifteen years of the 21st century. But does this mean that law firms must clear the way for foosball tables and beanbags, and bring in kegs of the trendiest local craft beer for every staff meeting? While plenty of industries have adopted the look and feel of the tech startup, each law firm stands poised to create its own future-focused aesthetic — with or without beanbags — and with consideration for its unique culture, brand and history.

Source

1. <http://www.forbes.com/sites/robashghar/2014/01/13/what-millennials-want-in-the-workplace-and-why-you-should-start-giving-it-to-them/>

Alternative floor plans achieve a
15–25% cost reduction

The Value of an Open Environment

Opening up the interior office environment can allow law firms to strategically address many of the internal and external pressures they are dealing with both today and in the future. Alternative approaches to planning have led firms to achieve a remarkable 15–25% reduction in square footage and reduction in the cost of occupancy. Most importantly, these thoughtfully planned offices allow firms to improve and cultivate a more progressive culture — boosting morale, productivity and excellence in practice. What exactly happens when a law office sheds private offices and opts for a more flexible, open floor plan?



More Team Collaboration

An emphasis on hierarchy in traditional law office environments can create noticeable barriers in accessibility of resources and information sharing. However, a recent study of millennial preferences in the workplace found that 88% prefer a collaborative environment over a competitive one.² Open office environments break down hierarchical hurdles and make collaboration across ranks easier and less intimidating. As we know in the legal world, well-functioning teams are crucial to the success of casework and help to build morale across the office.



Increased Transparency and Mentorship

In a traditional office, the day-to-day functions of partners and senior-level attorneys can be largely hidden by closed doors and private offices. In a more open layout, staff of all levels become exposed to their superiors' daily routines which can foster an environment of "indirect mentorship," in addition to allowing for a more accessible and spontaneous arena for communication between associates and senior-level staff.



Greater Inclusivity

Law firms in general continue to seek more ways to break down outdated barriers along gender and race/ethnicity lines. While policies continue to play catch-up with more diverse populations in the workplace, an open office can provide an important assist for these initiatives. A recent study quoted in Fast Company noted a shift in perception of the meaning of workplace inclusion and diversity amongst millennials, who view diversity as "the blending of different backgrounds, experiences, and perspectives within a team," or what is known as "cognitive diversity." Not surprisingly, an inclusive environment for millennials is one that "values open participation from individuals with different ideas and perspectives that has a positive impact on business."³ Similar to the way a public plaza serves as an open,

Source

2. <http://www.forbes.com/sites/robasghar/2014/01/13/what-millennials-want-in-the-workplace-and-why-you-should-start-giving-it-to-them/>

3. <http://www.fastcompany.com/3046358/the-new-rules-of-work/millennials-have-a-different-definition-of-diversity-and-inclusion>

democratic space, an office free of physical barriers becomes a great equalizer for staff and ideas — fertile ground for cognitive diversity and the establishment of an inclusive culture.



Greater Flexibility

As the legal world has witnessed, market conditions can toss unexpected ups and downs toward even the most secure industries. Open office layouts are far more amenable to swift reconfigurations than traditional layouts. This can become an important tool in controlling costs during uncertain times.



Real Estate Cost Savings

The financial advantages to be gained are too significant to ignore. A 15–25% reduction in occupancy costs achieved through smarter and more efficient use of space makes the adoption of an open layout a business imperative, not just a cultural one.



The Resistance

A reluctance to changing the old order can certainly explain why the legal world is one of the last to embrace new office layout strategies. Generational opposition explains some of the resistance — right now, with baby boomers in their last years of leadership before retirement, preferences skew toward the traditional office layout. Unless baby boomer perspectives change, the evolution will most likely happen organically as partnerships shift to younger generations with different ideas.

Still, a sense of entitlement is built solidly into the culture of law practice — the promise of a corner office in return for long, intense hours of work over the course of many years is part of the long-term compensation package. Furthermore, concerns over privacy and confidentiality of client information pose a legitimate challenge in any open office. It's important to note, however, that adopting an open layout does not have to mean eliminating private office spaces in full. Many office layouts incorporate a variety of space types while retaining private offices for partners and still achieving a reduction in square footage — a typical hybrid approach might incorporate a mix of floors with open workstations, integrated or separate collaborative areas, and flexible “touchdown” offices for temporary or sporadic use. Good design teams work to make sure the needs of all users are addressed in the ultimate design, and they've been implementing innovative and tailored open environments for a wide variety of other industries for years. Based on what we already know about millennial preferences, we may soon see that the promise of flexibility, choice in space and the collegiality that an open layout affords will replace the lure of a corner office for the new generation of attorneys.



Sample floor plan featuring flexible office space and collaboration areas

Opening up to the Future

Embracing a new model for the legal office may involve dismantling some of the old signifiers of workplace hierarchy that have come to define the profession. Many law firms may not deem it necessary to introduce such changes, nor should they if they do not support a firm's culture or business objectives. But brushing some of the cobwebs off of the traditional office layout will reveal far more than just an updated aesthetic — it will allow law firms to take a truly business-oriented and cost-conscious approach to occupancy planning. Using space to dramatically slim down real estate costs and build a collaborative, inclusive culture that attracts the next generation's top talent — it's a strong case to open up.

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For more information on **NELSON's** service offerings for the legal workplace, please visit www.nelsonworldwide.com, or contact Marty directly at mfestenstein@nelsonworldwide.com.



NELSON White Paper

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