**Marsh** | THE LAWYER

# Law Firm Risk: Global Survey Report

## Understanding the evolving landscape

January 2025

# Contents

# Introduction

## from Marsh

Welcome to our new annual risk report for law firms, produced in collaboration with The Lawyer. This year we are delighted to present a fresh publication with a global focus, designed to assist our readers in articulating benchmarks and tackling the challenges that lie ahead in an evolving landscape. We are truly most grateful to over 87 law firms worldwide that participated in the survey, contributing invaluable insights to this report.

For law firms and others, the concept of "risk management" is undergoing significant transformation. Simply identifying potential problems casts practitioners in a limited and occasionally unpopular role. However, we are witnessing a shift towards more sophisticated approaches to risk management, characterised by local ownership and education. This evolution sees risk functions and practitioners collaborating to enable new activities while implementing appropriate safeguards.

We welcome this increased maturity, as our role as brokers is also evolving. For some years we have been moving beyond just negotiating terms and pricing coverage; increasingly we now provide support on risk-related choices and mitigation. By delivering actionable insights grounded in statistically significant and highly granular data, we empower law firms to make informed decisions that can be justified to stakeholders, thereby reinforcing the integrity of their enterprise risk management process.  This year alone, we have presented to over 2,000 lawyers and risk managers over six continents, including in-person events in the UK, mainland Europe and Canada with strong positive feedback.

Our advanced design, capture and analysis of claims data enables us to uncover critical insights so that our clients receive and transmit within their organisations the most effective, practical, and up to date risk advice. Direct interactions with practitioners and support for risk functions are both fuelled by this data.

Ultimately, our key deliverable remains resilience at a cost that generates value to the organisation. In other words, we aim to ensure that investments made to safeguard the business are justified and yield tangible benefits.

Reputation and partner confidence are keystones to the strength of the law firm model. The most successful firms are securing insurance limits that far exceed their anticipated claims. Such limits are justified where they enable and secure controlled profit distribution, maintaining confidence and reputation even in situations where worst-case scenarios develop.

As the complexities of global inter-connectedness and extended networks continue to unfold, we believe that those who adeptly manage uncertainty will gain a lasting competitive advantage. We are committed to supporting our clients in achieving that goal.

We hope you find this report insightful and valuable.



**Victoria Prescott**
Senior Vice President

**John Kunzler**
Managing Director

# Methodology and introduction

## from The Lawyer

In 2024 Marsh in conjunction with The Lawyer conducted an online survey focused on examining the global risks facing the legal industry in 2024. Together we produced a structured questionnaire featuring a mix of multiple-choice, likert-scale, and open-ended questions. This design ensured both measurable responses and opportunities for participants to provide in-depth feedback.

The survey was designed as a collaboration between Marsh and The Lawyer and covered a number of different subject areas. These included; prevailing risks for 2024, mental health & wellbeing in the legal sector, menopause awareness in the legal sector, the level of support and supervision given to senior practitioners, risks associated with the use of generative AI, artificial intelligence and its impact on training & hiring in the legal sector and finally the risks arising from office culture, particularly for firms who have multiple regional or international offices.

The audience for the survey was drawn from senior level contacts within law firms from across UK & Europe, the Middle East, Asia Pacific and the Americas, utilising the network of contacts held at The Lawyer and held by Marsh.  These senior level contacts including Managing Partners, Heads of Practice, and those persons responsible for internal risk management within the firm.

In the context of demographics, three key areas were examined: revenue, centre of operations, and residence. The demographic charts on pages five and six provide an overview of the geographic profiles of survey respondents and the economic profiles of their workplaces.

The survey received a total of 87 complete responses. All survey questions were non mandatory, resulting in some partial responses; additionally, some questions were only asked to certain participants in the survey. This means that the overall base size for each question differs throughout the report. A full set of survey data has been provided in charts and tables in the report appendix.

In addition, The Lawyer conducted a further four featured interviews to supplement the survey findings with contacts at Marsh and with their key clients. Structured as a question-and-answer session, each of these interviews explores the topics raised in the report in more detail, providing a unique perspective on how those law firms are responding and adapting their risk management approach to respond to the threats and opportunities these developments present.

We hope that you find the report insightful, thought provoking and most importantly useful for reflecting on your risk management approach for 2025.
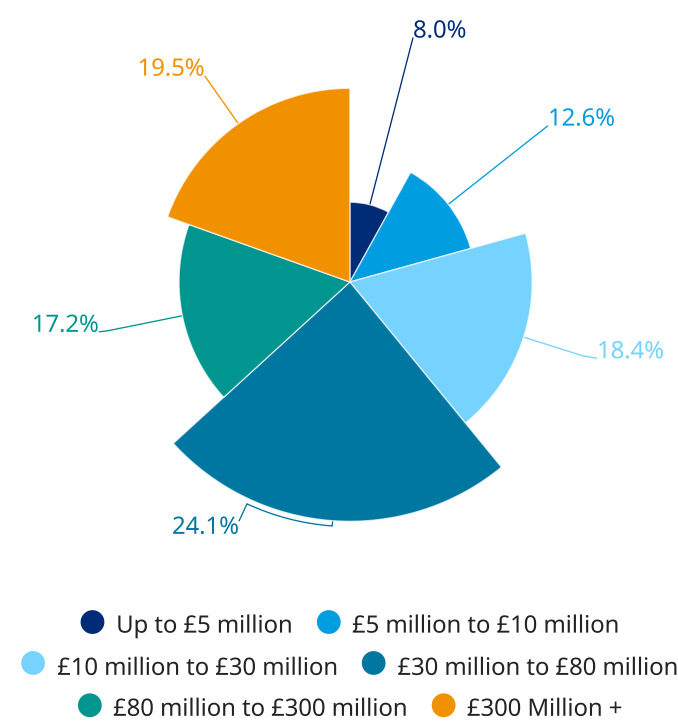
**Thomas Procter**
Research & Insight Director
**The Lawyer**

**Esilanna McMenamin**
Senior Research Analyst
**The Lawyer**

# Demographics

## Of survey respondents

### What is the approximate annual revenue of your firm (in GBP £ or equivalent)?



- 8.0%
- 12.6%
- 18.4%
- 24.1%
- 17.2%
- 19.5%

- ● Up to £5 million
- ● £5 million to £10 million
- ● £10 million to £30 million
- ● £30 million to £80 million
- ● £80 million to £300 million
- ● £300 Million +

### Where is the centre of operations of your firm?



**UK and EMEA**
78.2%

**US and Canada**
13.8%

**APAC**
8.0%

### In which country do you reside?



0    10    20    30
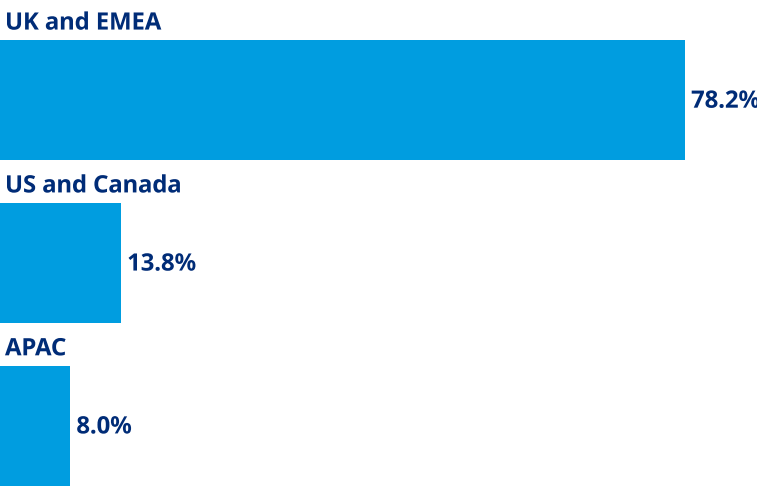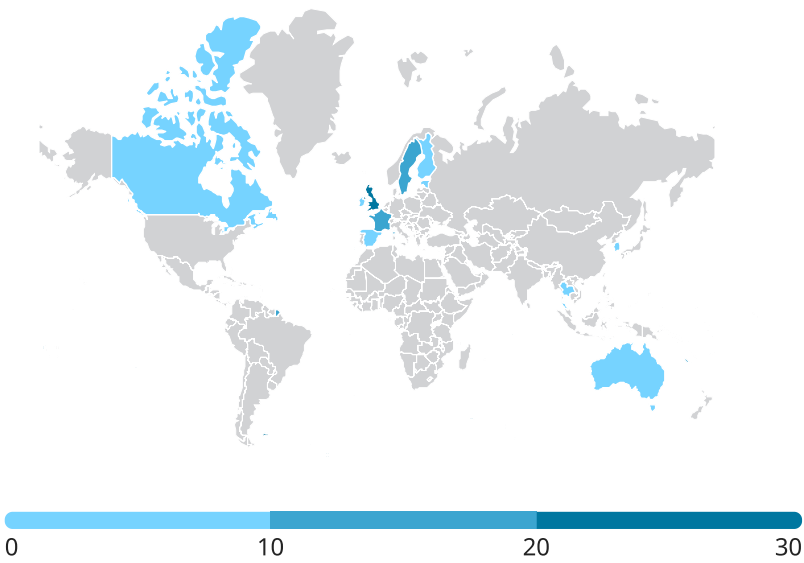
# Prevailing risks in the legal sector

## 2024

> **Firms often become too focused on emerging risks, such as those related to generative AI or ESG-related backlash, at the expense of addressing persistent risks that require ongoing mitigation strategies... firms should adopt a holistic approach to risk prioritisation by considering their entire risk landscape and understanding how different risks - both emerging and perennial - could impact various aspects of the business.**
>
> **Zoë Hughes, Global Co-Head, Contentious Risk & Insurance, Legal & Risk at Linklaters**

The legal sector operates within a dynamic landscape marked by evolving regulatory frameworks, technological advancements, and shifting stakeholder expectations. Understandably, these factors engender a wide range of risks that firms must navigate to remain competitive and compliant. Our research sought to identify and rank the priority of key risk areas that concern firms. We offer data-driven insights to help organisations identify what firms are prioritising alongside perceptions of effectiveness and improvement.

### Top-tier risks: Cybersecurity, professional liability, and reputation management

Among the risk areas, **cybersecurity and data breaches** emerge as the highest concern, with an overall rank of 1, reflecting a score of 555. This prioritisation highlights the ongoing importance of safeguarding digital assets and sensitive information in an era of increased cyber threats. Following this, **professional liability** holds the second rank, receiving a score of 431, suggesting that professional indemnity claims remain a

### Risk rankings



| 555 | 431 | 387 | 369 | 362 | 313 | 300 | 246 | 19 |

— Cybersecurity and data breaches  — Professional liability
— Reputation and brand management  — Talent retention and succession planning
— Regulatory compliance and legal ethics  — Financial risks  — Business continuity
— Mental health and wellbeing  — Other

**The base size for each area ranked ranged between 19 to 71**

significant concern. **Reputation and brand management** (often a factor in scenarios involving either of the top two issues) occupies the third rank with a score of 387, reflecting its hefty role in maintaining stakeholder trust and competitive standing, especially in a digitally connected environment where reputational damage can be widespread and permanent.

### Mid-tier risks: Talent, compliance, and financial concerns

In the middle tier of concerns, **talent retention and succession planning** ranks fourth with a score of 369, emphasising the challenge firms face in retaining and developing skilled professionals and ensuring smooth leadership transitions. Following close behind, **regulatory compliance and legal ethics** ranks fifth, scoring 362, beckoning the ongoing need to navigate complex legal frameworks and ethical obligations. **Financial risks** rank sixth with a score of 313, indicating a continual awareness of fiscal uncertainties, such as market volatility and cost management pressures.

### Lower-tier risks: Business continuity, mental health, and other risks

Risk areas ranked lower include **business continuity and disaster recovery** in seventh place, with a score of 300, showing relative confidence in firms' existing disaster recovery plans. **Mental health and wellbeing** are ranked at eighth, scoring 246, indicating that while employee welfare is recognised, it is not seen as an immediate strategic risk. Finally, **other risks**, as specified by respondents, occupy the last rank with a score of just 19. The noted other risks were mainly regulatory in nature (e.g. Money Laundering and Diversity).

**What can risk leader's takeaway from the above?**

1.  Risks identified as top-tier continue to require demonstrable proactive and preventative approaches in safeguarding the business, such as systematic risk assessment, rigorous testing, transparent and continued communication with employees and clients, and active stakeholder engagement.

    a.  Concerns about technology risk have dominated the risk agenda for law firms and other professions for over a decade and look to continue. This is unsurprising given the enormous change in how sensitive information is stored and transmitted and the dependencies created. In the digital world, key events that might lead to unauthorised publication, loss or destruction of information change far more quickly than physical perils. State-level responses to the problem of cybercrime have been largely ineffective. Consequently, for law firms continued investment is necessary to maintain security levels near to those of financial institutions such as banks.

2.  Mid-tier risks call for leadership development and cultural initiatives, while regulatory compliance demands horizon scanning for evolving laws through routine audits and training.

    a.  Professional liability, like cyber is arguably a sub-set of reputational risk as reliably advising on and completing legal processes is as crucial as protecting client confidentiality. Individual negligence claims rarely threaten a firm's existence given the limits purchased, but limit adequacy and justification are likely to be under review at least in UK in 2025 after the Axiom Ince case.

3.  Lower-tier risks signal maintaining confidence in disaster recovery plans and exploring opportunities that boost employee wellbeing.

    a.  While action has been taken by many firms, ongoing monitoring and evidence of management is needed.  Anecdotally, we understand testing the effectiveness of disaster recovery still often surfaces important learning, while learning from the uptake and impact of wellbeing initiatives is still at an early stage.
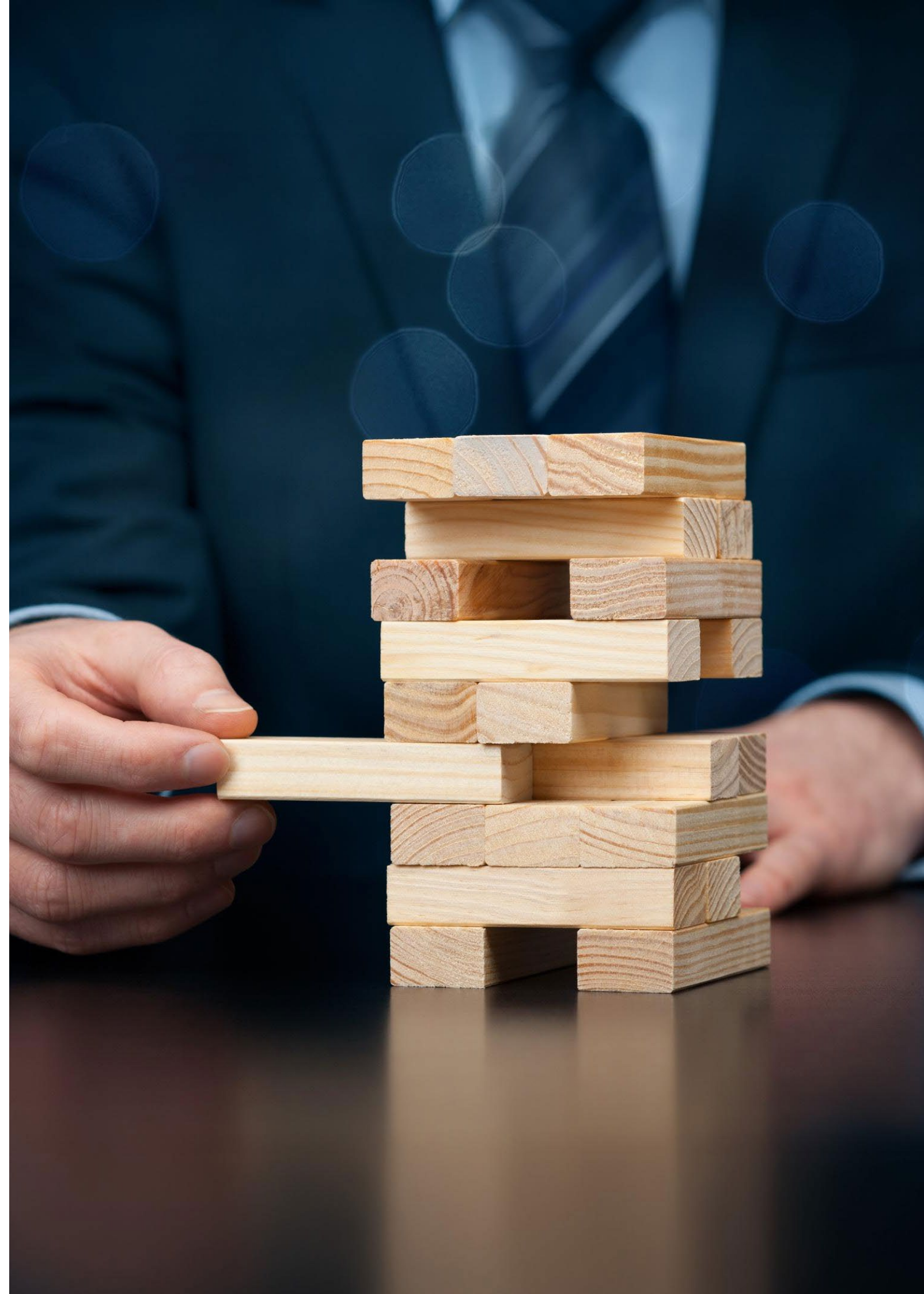
# Generative artificial intelligence

## An overview

Generative artificial intelligence (AI) is a familiar topic to most in legal services and beyond. The proliferation of generative AI and other new technologies and software using artificial intelligence poses significant opportunities and threats to legal businesses when they decide to pilot or implement these technologies, making it a critical topic when discussing global risks.

Our research found that **66.7 per cent of respondents reported that their firm is currently utilising generative AI technologies in operations, while 19 per cent stated their firm is not employing these technologies.** This outcome indicates a strong adoption rate among firms surveyed, with a pronounced portion remaining hesitant or unengaged with these advancements.

The primary operational applications of generative AI within these firms reveal a focus on efficiency and innovation in key business functions:

1.  **Document Review** (63.4 per cent) emerged as the most common use case.
2.  **Legal Research and Analysis** (61 per cent) was identified as the second most frequent application.
3.  **Document Automation and Assembly** (53.7 per cent) tied with **Business Development Functions** (53.7 per cent) for the third position.
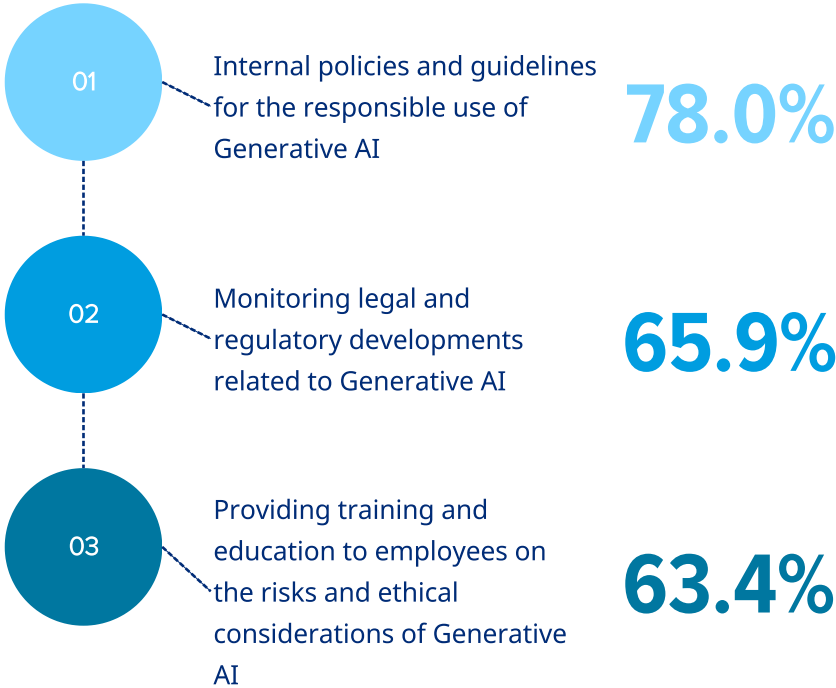
This research demonstrates a strong focus on tasks related to legal operations, such as processing large volumes of text efficiently and administrative tasks. While operational applications seek to streamline processes and support business growth, it may also expose firms to significant risks that could impact their reputation and legal compliance. For instance, errors in document review due to generative AI's inability to fully grasp nuanced legal language can result in inaccurate interpretations and flawed conclusions. Furthermore, a lack of transparency in AI usage could erode client trust if the use of AI is later revealed, raising ethical concerns about the potential misuse of AI in

business practices. These challenges stress the importance of balancing innovation with accountability and ethical responsibility.

When respondents were asked about the factors influencing their firm's decision to adopt specific generative AI systems, **accuracy and reliability of the system** (68.3 per cent) and **cost-effectiveness** (68.3 per cent) emerged as the top priorities. Our research findings underline the dual emphasis on performance and economic feasibility in the adoption of generative AI technologies. Firms appear to prioritise systems that not only deliver precise and consistent results but also align with financial efficiency, reflecting a pragmatic approach to technology integration.

In addressing the risks associated with generative AI, firms reported the implementation of several key measures.

### Steps to address the risks associated with Generative AI

**01** — Internal policies and guidelines for the responsible use of Generative AI — **78.0%**

**02** — Monitoring legal and regulatory developments related to Generative AI — **65.9%**

**03** — Providing training and education to employees on the risks and ethical considerations of Generative AI — **63.4%**

The prominence of internal policies and guidelines (78 per cent) draws attention to the systematic need to formalise a framework for the responsible and ethical application of generative AI. These policies help firms establish clear expectations and boundaries, ensuring consistency and accountability in its use.

> **"The introduction of AI will change the way lawyers work and therefore how they should be supervised. This can be addressed through policies, however, although many firms have AI policies, firms might not always have a mechanism to ensure adherence to these policies.**
>
> **Bahare Heywood, Chief Risk and Compliance Officer at Clifford Chance**

Monitoring legal and regulatory developments (65.9 per cent) further indicates that these internal frameworks are not standalone efforts but are designed to facilitate compliance with evolving external standards. This proactive approach reflects an awareness of the fast-changing regulatory landscape surrounding generative AI and its implications for risk management.

The emphasis on training and education (63.4 per cent) highlights the importance of embedding these policies within the organisational culture. By equipping employees with knowledge about risks and ethical considerations, firms promote an informed workforce that supports responsible innovation. This approach suggests that firms view generative AI adoption as not merely a technical or operational shift but a cultural and strategic transformation, requiring active engagement and buy-in from their teams.

Generative AI comes with its share of risks, but firms emphasise its primary benefits, including enhanced efficiency and productivity (78 per cent), streamlined repetitive tasks (48.8 per cent), and significant cost savings (41.5 per cent). Ultimately, firms are driven by the need to improve operational efficiency and cost-effectiveness to sustain and grow profitability. AI is increasingly recognised as a formidable tool to save time and resources while enabling individuals to optimise their productivity.
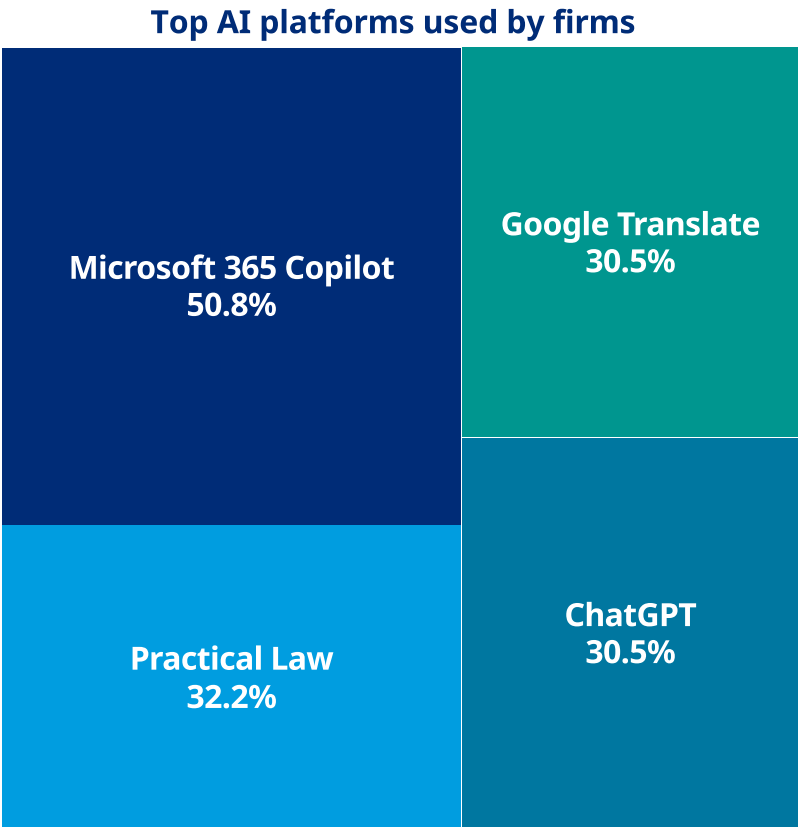
Despite the noted benefits, some firms have chosen to prohibit specific generative AI systems. The primary reasons include a preference to wait for further advancements in the technology before making significant investments (66.7 per cent), as well as critical

issues related to security and data privacy (58.3 per cent). Concerns about the accuracy and reliability of generated outputs are equally prevalent (58.3 per cent), reflecting scepticism about the current maturity of these systems. Additionally, ethical and professional responsibility concerns, noted by 41.7 per cent of respondents, emphasise the need for alignment with organisational values and industry standards. These considerations suggest that many firms are not permanently dismissing generative AI but are instead cautiously observing its evolution. They may adopt the technology in the future once security, accuracy, and regulatory frameworks are sufficiently developed to mitigate risks.

# AI - Impact on training and hiring

## Adapting people management in an age of AI

Our research provides clear evidence of the increasing integration of AI tools and amplified awareness within the legal profession. Effective risk management hinges on employees - the core of any business and its operations - being adequately informed and prepared to address potential risks. As AI usage continues to rise, there is a growing need for technologically advanced knowledge and skills to identify and mitigate risks associated with the use of such technologies.

### Top AI platforms used by firms

| Microsoft 365 Copilot 50.8% | Google Translate 30.5% |
| | ChatGPT 30.5% |
| Practical Law 32.2% | |

Unsurprisingly, Microsoft 365 Copilot sits at the top, as it is a common system offered in Microsoft packages that many firms use. What is surprising is that 30.5 per cent of respondents admitted to their firm using ChatGPT, potentially signalling an increased comfort with being transparent in using this platform. The level of ChatGPT use signals a need for more policies and oversight into where this tool can and cannot be used to protect business interests.

Our research found that a majority of firms provide AI-related training, either regularly (18.8 per cent) or occasionally (59.4 per cent), showing that firms are committed and find it necessary to integrate AI education to some level. A large minority (15.6 per cent) stated that their firm does not provide such training, indicating a gap in preparedness for continued AI innovation and use in legal services. 6.3 per cent of respondents acknowledged that they are unaware of their firm's training practices when it comes to AI, reflecting a potential inequality in communication.

> "Training on AI and navigating hybrid working can ensure that senior practitioners are equipped with the right knowledge to uphold quality assurance and firm policy... training can ensure that senior practitioners are aware of the risks or hallucinations that exist in AI usage and how to best check the work of those under their supervision before moving forward, reducing risks associated with AI usage.
>
> **Bahare Heywood, Chief Risk and Compliance Officer at Clifford Chance**

When asked about AI development and the hiring of new lawyers at their firm, 79.4 per cent of respondents stated that core requirements remain unchanged despite AI use becoming more expansive throughout the industry. This result asserts that traditional legal skills remain the primary focus when hiring new lawyers. Our research found that 9.5 per cent of respondents surveyed felt that AI related skills are now essential for hiring new lawyers at their firm. 11.1 per cent stated they "don't know" if the development of AI has impacted the core requirements for hiring new lawyers at their firm, signalling a lack of understanding about how AI has impacted the firm in terms of new hire strategy.

Our research indicates that respondents perceive that firms are starting to expect lawyers to develop certain AI-related skills. Among these, 52 per cent of respondents identified **ethical considerations in AI usage** as the most expected skill for lawyers

to acquire. **Legal technology proficiency** was also emphasised, with 42 per cent of respondents considering it a necessary skill area. Additionally, though with less emphasis, 26 per cent of respondents identified **data analytics and interpretation** as a key skill for lawyers to possess or develop.

Our research further investigated how firms ensure that lawyers remain updated on latest developments in AI technology and its effect on the legal profession. Internal knowledge-sharing initiatives (67.2 per cent) are the most used method among respondents for firms to communicate with lawyers about AI developments. Regular training workshops (35.9 per cent) and external conferences and seminars (35.9 per cent) are equally utilised but less prevalent than other internal knowledge-sharing initiatives. Surprisingly, 18.8 per cent of respondents are unaware of how their firm addresses keeping lawyers informed on relevant AI developments, identifying a need for better communication and access to development opportunities when it comes to AI knowledge sharing.

**What might this mean for future lawyers?**

1. They may need to develop more technical skills related to technology while training to become a lawyer.

2. A proactive approach to continuous learning and the ability to adapt to rapid technological advancements are likely to be valuable.

3. Proficiency in legal technology tools and platforms is likely to be a baseline requirement for remaining competitive in the field.

4. Specialisation in AI and legal technology could create niche career paths, offering new paths within the legal profession.

5. An awareness of risk management, particularly concerning the implementation and ethical use of emerging technologies, may be a necessary skill in the hiring process.
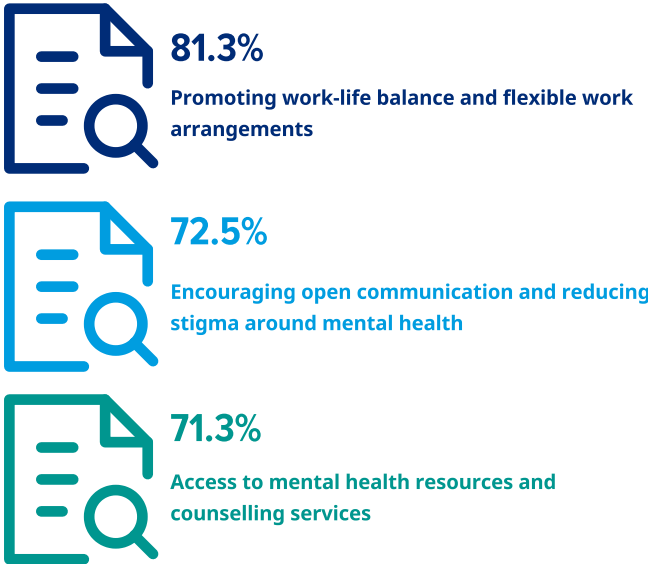
# Mental health & wellbeing

## Supporting the people that make the business

People risk is a critical aspect to consider in effective risk management; in the context of this report, mental health and wellbeing of employees is a specific portion of people risk management. Employees who face challenges with their wellbeing, whether it be due to physical health, mental health, or external stressors, become increasingly more vulnerable if not supported.

Our research revealed that 39.7 per cent of respondents observed a correlation between high workload levels and an increase in errors within their firm. Nevertheless, 35.9 per cent were uncertain about the existence of such a relationship, while 24.4 per cent reported no correlation. The varied responses indicate that while a sizeable portion of respondents perceive a link between high workloads and errors, uncertainty and

**Top three initiatives implemented by firms**

**81.3%**
Promoting work-life balance and flexible work arrangements

**72.5%**
Encouraging open communication and reducing stigma around mental health

**71.3%**
Access to mental health resources and counselling services

differing experiences call attention to the complexity of the issue and the potential need for further investigation. As our understanding of how errors emerge continues to grow, the importance of understanding the interaction between individual components that played a part in the generation of errors becomes clearer. Single cause and linear relations between outcomes and apparent causes or inputs are uncommon – usually more than one element has played a part in the outcome.

The most widely adopted initiative is promoting work-life balance and flexible work arrangements (81.3 per cent), stressing its foundational role in supporting mental health. The prioritisation of open communication and reducing mental health stigma (72.5 per cent) further reflects a growing recognition of the importance of instilling a supportive culture where employees feel safe discussing their emotional and personal wellbeing. Additionally, the provision of professional support (71.3 per cent) demonstrates an acknowledgment by firms that maintaining positive mental health is a priority.

However, while these initiatives indicate a meaningful effort, they also implicitly acknowledge an underlying issue: many workers in the legal sector face high levels of stress, which can lead to significant challenges related to mental health. For example, foundational research by Bergin and Jimmieson (2013) suggests a significant direct relationship between demands, resources, and overcommitment, particularly concerning depression and anxiety within this profession, remaining pertinent today.

Creating preventive measures to support those at risk of experiencing serious strain could help promote a healthier work environment. This dual perspective highlights both the commitment to addressing these issues and the pressing need for sustained and proactive efforts to manage and tackle the root causes of mental health challenges within the industry.

When surveyed about perceived employee wellbeing in the workplace, most respondents rated it as "good" (59.5 per cent), followed by "fair" (22.8 per cent). The higher prevalence of the "good" rating suggests that most employees feel adequately supported in their roles. Yet, the relatively high proportion of "fair" responses highlights a notable segment that may not feel as well-supported, suggesting opportunities for targeted interventions and improved support.

Unsure or Unable to say 6.3%

9-10 Excellent 11.4%

4-6 Fair 22.8%

**On a scale of 1 to 10, how would you rate the overall mental wellbeing of employees in your firm?**

7-8 Good 59.5%
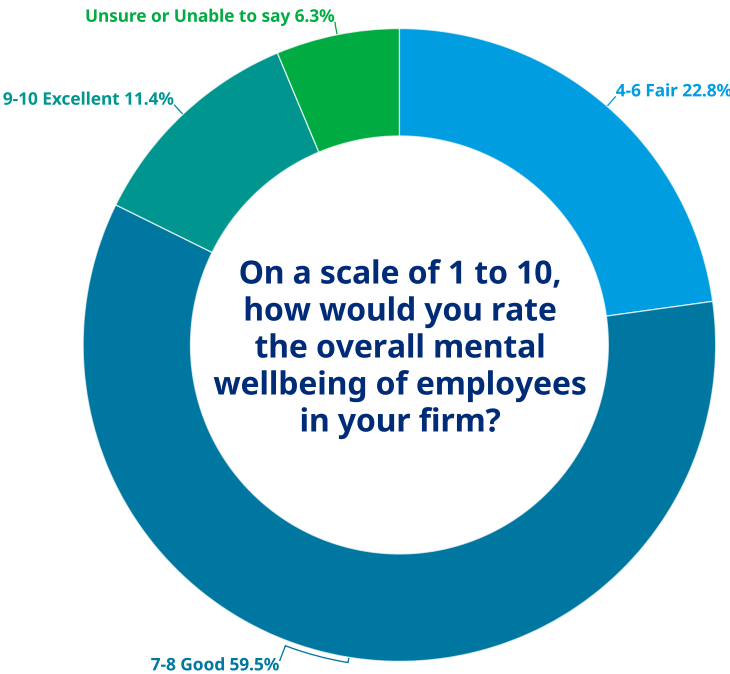
In terms of initiatives perceived as most impactful, work-life balance and flexible work arrangements topped the list (64.4 per cent), pointing to their essential role in cultivating employee satisfaction and wellbeing. These findings display a strong preference for structural flexibility as a driver of workplace morale. The second most impactful initiatives identified were the promotion of open communication and the reduction of mental health stigma, both at 41.1 per cent, revealing progress toward creating psychologically safe workplaces.

Interestingly, despite widespread implementation, mental health resources and counselling services (38.4 per cent) were perceived as having a somewhat lower impact compared to the previously mentioned initiatives. This discrepancy may be attributed to underutilisation, limited awareness, or challenges in navigating available mental health resources or support. This outcome suggests that organisations may need to enhance visibility and accessibility of these services to maximise the effectiveness of their initiatives. Developing tailored pathways that guide employees to the available resources, ensuring they can easily find and utilise the support they need, can support

utilisation. To design these navigation pathways effectively, organisations can benefit from engaging in employee listening to understand their needs and preferences. These findings collectively illustrate the importance of not only providing resources but also ensuring that employes can actively engage with them, integrating these supports into the workplace culture

> **Simple, cost-effective interventions often go unnoticed without open communication channels, yet they can prevent larger operational challenges and risks associated with stress."**
>
> **Synthia Kloot, Chief Operating Officer at Clark Wilson**

## Why does mental health and wellbeing matter to the risk function?

1. Poor mental health increases the risk for errors, which can have serious consequences in the legal profession where attention to detail is critical.

2. Without adequate support systems in place, vulnerable employees can experience decreased productivity, heightened levels of absenteeism, and even long-term disengagement from their roles and responsibilities.

3. Moreover, employees struggling with wellbeing or lacking support can become susceptible to exploitation by external bad actors.

4. Not only do these factors negatively affect the individual experiencing the challenges, but it can also have a ripple effect across teams and business operations.

## How can firms improve their approach to supporting the mental health and wellbeing of employees?

1. Tailor benefits to individual needs and life stages to increase employee utilisation.

2. Survey employees semi-regularly to assess whether the mental health and wellbeing services provided are meeting their needs.

**On a scale of 1 to 10, how would you rate the overall mental wellbeing of employees in your firm?**

*Firms Up to £30 million*
- 16 per cent give their firm's overall employee mental wellbeing a rating of 'Fair'
- 58 per cent give a rating of 'Good'
- 23 per cent give a rating of 'Excellent'

*Firms £30 million or above*
- 27 per cent give their firm's overall employee mental wellbeing a rating of 'Fair'
- 60 per cent give a rating of 'Good'
- 4 per cent give a rating of 'Excellent'

*Possible takeaways\**
- The disparity in 'Excellent' ratings (23 per cent versus 4 per cent) suggests that larger firms might face unique challenges in supporting mental wellbeing.
- The higher 'Fair' ratings for larger firms (revenues of £30 million or above) may indicate gaps in resources, scalability, or accessibility of mental health initiatives.

*\*With base sizes of 31 for 'Up to £30 million' and 48 for '£30 million or above,' these conclusions should be considered directional and exploratory rather than definitive*

3. Recognise that mental health and wellbeing initiatives are meant to adapt to employee needs, updating initiatives can increase their efficacy.

4. Optimise navigation and pathways to accessing available support and resources, ensuring that employees can easily find and utilise the help they need.

5. Provide training for leaders and managers to equip them with the tools to recognise signs of stress or mental health challenges in their teams.

> **Equipping managers with clear training policies, providing easily accessible resources, and offering webinars to sustain ongoing conversations... are essential to ensure employees are aware of and utilise the support available, while also fostering a workplace culture that aligns with the firm's expectations for wellbeing.**
>
> **Zoë Hughes, Global Co-Head, Contentious Risk & Insurance, Legal & Risk at Linklaters**

6. Actively engage in employee listening to gather insights for guidance in designing and updating programmes to significantly increase initiative efficacy.

> **Personal development planning and routine check-ins not only support employees' growth but also provide a way to identify and address barriers to work-life balance.**
>
> **Synthia Kloot, Chief Operating Officer at Clark Wilson**

7. Communicate existing benefits to members of the organisation regularly through newsletters, town halls, and other team communication channels.

8. Create peer support networks where employees can connect with colleagues who may share similar experiences, providing a safe space to discuss challenges.

# Menopause in the workplace

## Bridging the gap between awareness and action

> **Since menopause affects individuals during their working years, businesses must actively promote menopause awareness to support their workforce effectively."**
>
> **Zoë Hughes, Global Co-Head, Contentious Risk & Insurance, Legal & Risk at Linklaters**

> **Increased awareness and sensitivity to different life stages, such as menopause, might provide the benefit of a more inclusive and empathetic environment for all employees... menopause initiatives are particularly important as many workers will either experience menopause themselves, be supporting someone going through it, or know someone affected by it in their personal or professional lives.**
>
> **Synthia Kloot, Chief Operating Officer at Clark Wilson**

Our research showed that awareness of menopause initiatives is high, but the reality is that more action could be being taken to raise awareness and implement support mechanisms. 75 per cent of our participants reported having initiatives or programs in place to raise awareness about menopause, indicating a general recognition of the issue, however more targeted actions, such as having more tailored resources clearer policies would serve to raise awareness and help in the implementation of support mechanisms for partners and staff.

Our research also demonstrated that training and education programs are often underutilised. 56.3 per cent of our participants said their firm offered educational sessions or training programs for managers and colleagues on the issue of menopause. Education and training are crucial for fostering a supportive environment and ensuring line managers are equipped to handle menopause-related concerns with sensitivity. Additionally, there may be a need to optimise navigation to these resources, making it easier for employees to access the support and information they need.

A key learning from the research was that workplace adjustments for menopause could be significantly improved. Just 37.5 per cent of our participants said their firm provided workplace adjustments or accommodations for menopause issues. This suggests a gap in practical support, which may hinder productivity and wellbeing for affected partners and staff.

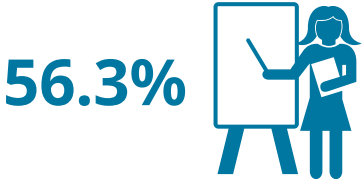Our research also showed that clear policies on menopause are lacking. With only 50 per cent of our participants reporting clear menopause-related policies at their firm,
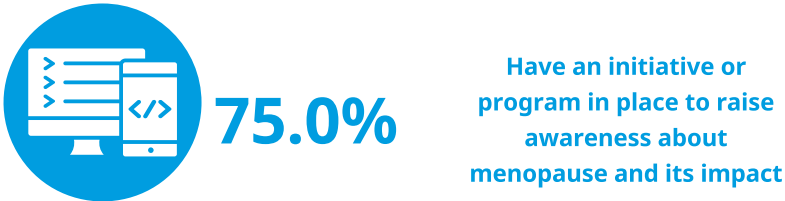
there is a risk of inconsistency in how firms consistently handle menopause-related issues. Lack of consistency in policies or lack of any policy at all may lead to ambiguity in options around periods of leave, flexible working arrangements, or access to healthcare resources related to menopause issues.

### What are the potential risks for firms on menopause related issues?

1. Without clear policies, guidelines, or accommodations, partners and staff may experience heightened stress, reduced productivity, or feel unsupported, potentially leading to increased employee turnover.

2. Inadequate menopause support could result in discrimination claims under workplace equality laws, negatively impacting a firm's reputation and exposing it to legal challenges.

3. A lack of training for line managers may result in mishandled situations, causing tension and a perception of insensitivity within the workplace.

4. Partners and staff who do not receive appropriate adjustments may struggle with performance, leading to a cumulative effect on firm efficiency.

> **Speaking about menopause more openly is still new to women in the right age bracket amongst friends, let alone the workplace! Men still find it difficult to speak about perceived women's issues. High performing women will still seek to cover up the effects or only tell their trusted female colleagues.**
>
> **General Counsel, UK 200 law firm**

## Menopause in the workplace
## Bridging the gap between awareness and action



**75.0%** Have an initiative or program in place to raise awareness about menopause and its impact

Run sessions or training to help partners and staff support employees going through menopause **56.3%**

**53.3%** Have resources specifically tailored to employees experiencing menopause

**How can firms mitigate the risks?**

1. Consider expanding educational sessions for senior practitioners to improve workplace understanding and empathy.

2. Optimise navigation to and communication of value of existing menopause support initiatives, such as through private medical insurance or specialised services, such as <u>Peppy</u>.

3. Include mandatory sensitivity training for partners and staff to address menopause-related concerns effective°ly.

4. Establish and clearly communicate menopause-related policies by a target date, and don't forget regular refresher training.

5. Provide toolkits or support groups for partners and staff experiencing menopause alongside other life stage health issues that women face.

6. Offer practical adjustments, such as temperature control solutions, quiet workspaces, and adjusted workloads, to reduce stress and discomfort.

7. Create open dialogue initiatives and normalise discussions around menopause to reduce stigma.

8. Include menopause metrics in diversity, equity, and inclusion (DEI) reporting to hold senior management accountable.

> **There is a growing trend of inclusion conversations that increasingly incorporate menopause in the workplace... this cultural shift signals a promising opportunity to advocate for broader, industry-wide initiatives addressing menopause in the region.**
>
> **Synthia Kloot, Chief Operating Officer at Clark Wilson**

# Supporting senior practitioners

## Challenges and practices

> **To respond appropriately to a breach, it is helpful to have multiple avenues for people to raise concerns and ask questions. By offering multiple avenues for people to engage in discussions about ethical concerns, firms can create a culture of accountability that encourages transparency and upholds ethical standards.**
>
> **Zoë Hughes, Global Co-Head, Contentious Risk & Insurance, Legal & Risk at Linklaters**

The discussion surrounding the oversight of senior practitioners is crucial, as these individuals play a pivotal role in ensuring business success and delivering high-quality services. A mistake or failure stemming from inadequate oversight can have serious consequences, posing significant risks to an organisation.

Our research found that the most common mechanisms for supervising senior practitioners include collaborative review meetings (42 per cent), event-triggered peer reviews (40.6 per cent), and internal audits of files (39.1 per cent). These findings highlight structured mechanisms and policies that provide some level of oversight. However, our research also revealed a concerning insight: 23.2 per cent of respondents reported having no supervisory measures in place for senior practitioners. This result uncovers a clear gap in oversight, with a notable minority of firms lacking mechanisms to monitor and support their most experienced staff.

Our research further found that perceptions of the effectiveness of existing supervision practices varied significantly. While 25 per cent of respondents rated their practices as highly effective, 33.3 per cent considered them moderately effective, and 25 per cent viewed them as somewhat effective. The latter suggests an opportunity for firms to re-

**How would you rate the effectiveness of the current senior practioners supervision practices in your firm?**

| | |
|---|---|
| 25.0% | *"Highly effective"* |
| 33.3% | *"Moderately effective"* |
| 25.0% | *"Somewhat effective"* |
| 8.3% | *"We do not have such supervision practices in place and do see the need"* |
| 2.1% | *"We do not have such supervision practices in place and do not see the need"* |
| 6.3% | *"Don't know"* |
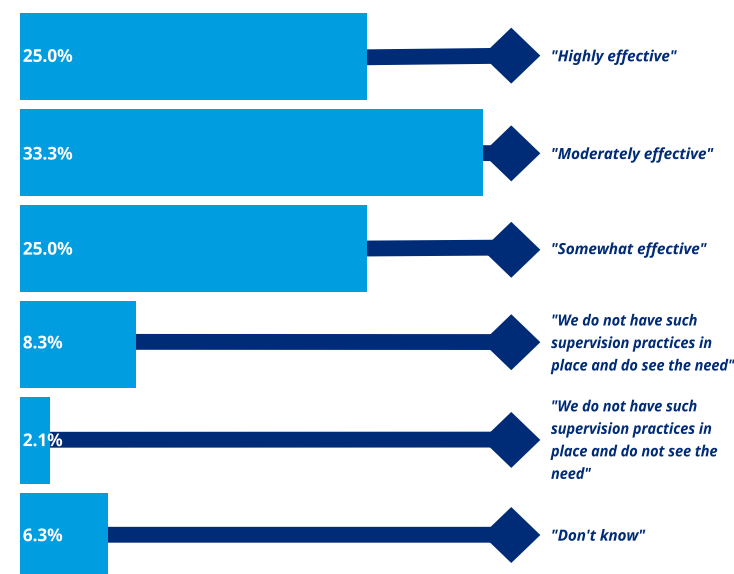
evaluate and improve their current approaches. Additionally, 8.3 per cent of respondents acknowledged having no supervision practices but recognised the need for them, whereas 2.1 per cent did not perceive supervision as necessary within their firms.

Our research also identified the key challenges in supervising senior practitioners. The primary challenge lies in striking a balance between granting autonomy and maintaining oversight (35.4 per cent). Other prominent challenges revealed include resistance to feedback or guidance (33.3 per cent), difficulties in managing workloads and delegation (31.3 per cent), communication and collaboration barriers (25 per cent), and addressing performance or behavioural concerns (25 per cent).

**What are the risks associated with not having effective supervision practices in place?**

1. Without oversight, senior practitioners may make critical errors in judgment or decision-making that can affect the business, including financial losses, legal issues, or regulatory non-compliance.

2. Mistakes or misconduct by senior practitioners can disproportionately damage the organisation's reputation and client relationships.

3. Supervision mechanisms on senior practitioners can catch issues before they become explosive.

4. A lack of oversight reduces professional development of senior practitioners, leading to stagnation, which doesn't benefit the business or the practitioner.

5. Inefficiencies and systemic issues that could otherwise be identified in audits or reviews could lead to larger operational vulnerabilities.

The absence of supervision mechanisms for senior practitioners creates an environment of unchecked autonomy, which can lead to operational, financial, reputational, and ethical risks for the organisation.

> **A mentor-mentee partnering initiative… enhances senior practitioner accountability by creating an additional layer of oversight. Mentors gain visibility into their mentees' progress and challenges, allowing for timely interventions and tailored support where necessary… this added perspective helps ensure that employees – including senior practitioners - are not only achieving their individual goals but are also aligning with the firm's broader objectives.**
>
> **Synthia Kloot, Chief Operating Officer at Clark Wilson**

**How can firms mitigate the risk?**

1. Establish policies and procedures that outline clear mechanisms for overseeing senior practitioners and providing employees with safe channels to report issues.

2. Periodically evaluate existing supervision mechanisms to determine if approach updates are needed while remaining open to adapting oversight approaches where necessary.

3. Actively involve senior practitioners in developing these oversight mechanisms, promoting a culture of accountability from the top down.

4. Consider enlisting external consultants or advisers to conduct independent review of senior practitioner conduct and performance.

5. Educate employees about appropriate conduct at all-levels of the business to align behaviours.

# Featured interviews

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An Interview with Bahare Heywood
Chief Risk and Compliance Officer - Clifford Chance
**Supervision and accountability mechanisms for senior practitioners**

An Interview with Synthia Kloot
Chief Operating Officer – Clark Wilson
**Immediate risks affecting firms in Canada**

An Interview with Zoë Hughes - Linklaters
Global Co-Head, Contentious Risk & Insurance, Legal & Risk
**Discussing emerging and perennial risks**

# In conversation with Marsh

## Hilary Battison and Stephen Morton

**Senior Vice President**          **Senior Vice President**

**How does your approach to risk indemnity insurance differentiate you from other providers, particularly in terms of proactive risk management support and tailoring coverage to the evolving challenges faced by law firms in the UK?**

Battison explained that at Marsh, the approach to risk indemnity insurance stands out for its focus beyond transactional risk transfer to proactive risk management and post loss support and recovery. She brought attention to Marsh's many years of experience in empowering law firms by providing insights and training to enhance their risk management culture. This support, she noted, is particularly evident during the renewal process, where Marsh collaborates closely with firms to present a robust risk profile to the market. Morton added that the firm has invested in and significantly developed its capability to turn the claims data it captures into actionable intelligence to support data backed decision making on management, pricing and limit and excess selection. This is very much in collaboration with firms and creates a win-win situation: by helping firms improve their risk management practices, Marsh facilitates better outcomes, including fewer claims, lower premiums, and more tailored insurance programmes.

Battison further amplified how they work hard to help firms sell their controls, not the firm, to underwriters. With guidance and support telling a firm's risk story through tangible evidence, such as supervisory frameworks, audits, and properly scoped retainer letters for each file. She explained that by showcasing these elements, firms can present themselves as well-managed and attractive to key stakeholders, ultimately securing more favourable coverage and strengthening client relationships. Specifically, Marsh's risk and error management team provides dedicated support to help firms achieve the highest standards of operational excellence, creating a virtuous circle where improved risk culture leads to better insurance outcomes and long-term benefits for both clients and insurers.

**Given the current macroeconomic uncertainties and geopolitical challenges, how do you anticipate these factors will impact the risk landscape for UK law firms, and how are you adapting your coverage and advisory services to address these emerging vulnerabilities?**

Morton articulated that a number of legal services are especially in demand during crises, making well diversified firms well hedged and resilient in the short term amongst geopolitical disruption. Notwithstanding this, as a business enabler, any sustained slowdown in economic activity is disruptive and ultimately damaging, and the increasing trend to nationalism is challenging for global firms to navigate. Battison emphasises that law firms have demonstrated remarkable resilience, as seen during the COVID-19 pandemic. Unlike sectors such as entertainment, the legal profession has shown sturdy growth and adaptability, often turning times of uncertainty into opportunities for innovation. However, according to Battison, factors such as fluctuating economies and changing employment contract norms are driving a dynamic environment where agility is essential. Recent events have also highlighted the importance of severability and firms are thoughtful of contingencies for ringfencing and exit in new relationships, locations, and activities.

With agility in mind, there is a need to make firms more resilient to emerging risks. Battison noted that proactive measures like horizon scanning and advisory services are seen by Marsh as part of their role in being more than an insurance broker for their firms. While being local to their clients as part of a global firm Marsh, as Morton explains, plays a pivotal role in providing local intelligence, expertise and support to firms navigate geopolitical challenges. Furthermore, Battison focuses on their role in using tools and perspectives from the wider firm to bear, such as enterprise risk management platforms, ESG rating tools, and cyber risk assessment frameworks. A recent innovation for example, Sentrisk, an AI-powered platform offered by Marsh, helps businesses enhance resilience against critical risks, including supply chain vulnerabilities, cyber threats, and advanced technological challenges.

Battison and Morton are optimistic on the legal sector and betting on them to navigate the challenges ahead. Given their longstanding commitment to the sector and investment into their Lawyers Practice Group this appears to be a view widely shared at Marsh.

**How should law firms evidence supervision and accountability mechanisms for senior practitioners to mitigate risks related to ethical breaches or professional complacency?**

Battison opened the conversation emphasising that Marsh helps firms capture and present the measures they have in place, balancing the need to demonstrate objectively effective measures are in place, while respecting approaches are necessarily different. Battison and Morton collectively reinforce the critical need for law firms to establish and be able to demonstrate full-bodied supervision and accountability frameworks that extend across all levels of the organisation, with particular attention to senior practitioners.

Battison highlighted that insurers expect supervision to be an ongoing process, pointing to the necessity of transparency, peer review, and open discussions to ensure ethical practices. She highlights that inadequate supervision structures are a common source of claims against firms, particularly in hybrid work environments, where oversight challenges are amplified. Morton further focuses on how firms often bring this to life by highlighting the practical and cultural dimensions of promoting ethics within their own firms. He picks out highlights from successful presentations as being how firms are actively monitoring team dynamics, creating safe spaces for dialogue, and encouraging team members to identify and address ethical lapses collectively. Battison picks out frameworks that balance senior practitioners' autonomy with necessary oversight, supported by documented trails of supervision and decision-making processes. This needs to be reinforced by describing and demonstrating examples of active leadership during their interactions with the market, she asserts, covering such issues as prioritisation of ethical behaviour and setting a tone of accountability to cultivate a supportive and compliant organisational culture.

Morton discussed how some firms highlight the use of tools, such as shared checklists, to help individuals recognise ethical grey areas and suggests formal mechanisms for resolving concerns. Others broaden the conversation to include a holistic evaluation of character, referencing monitoring behaviours like personal financial unreliability that may signal potential ethical risks in professional contexts.

**How can law firms foster an inclusive and cohesive office culture while addressing the unique risks and challenges associated with cross-jurisdictional teams, particularly in remote or hybrid work environments?**

This is a practical issue in focus for insurers, but culture is difficult to capture and convey on the page in submissions or in presentations. Firm's typically start by emphasising shared values and standards rather than rigid practices. Battison affirmed that a strong culture originates, and is often best demonstrated by, senior leadership.

According to Battison, to demonstrate consistency, firms should establish a clear code of conduct and highlight engagement strategies, regular training on expected behaviours and core values. This training can include ethical and cultural modules completed online, paired with in-person or virtual town halls, where senior leaders reinforce the value of these principles. An open forum set-up allows for more communication from members of the firm to senior leadership and vice-versa. Additionally, maintaining open channels for dialogue and creating opportunities for teams to connect, can further strengthen cohesion, enabling employees to feel aligned with the firm's mission and culture despite physical or jurisdictional distances. Increasingly firms are opting to show rather than tell insurers this sharing photos, videos and content from events and awards that speak to who, rather than what, the firm is.

**What are the potential legal and reputational risks for firms that fail to adequately address menopause awareness, and how can firms create a supportive environment to ensure inclusivity and retention?**

Seen through the lens of insurer questions and responses Menopause awareness can be seen as part of an operational and cultural alignment subtext. Both Battison and Morton fortify the necessity for firms to demonstrate they continually review and proactively address workplace challenges that arise from life events, such as menopause, to ensure inclusivity, sustainability, and business success. Battison stressed the legal and reputational risks associated with neglecting menopause awareness and advocates for proactive strategies to mitigate these challenges. There is a place for highlighting strategies and initiatives to insurers including facilitating education, normalising open conversations, training management to handle related issues sensitively, and ensuring accessible health benefits, all aimed at cultivating a supportive and inclusive workplace environment. Morton complements this perspective by focusing on operational processes and analytics, arguing that understanding and addressing underlying causes of employee challenges is more

sustainable than reactive measures like performance management. Insurers are always more interested in the system that failed to prevent the human error than the human making the error.

Creating supportive workplace environments is not only about mitigating risks but also about inspiring inclusivity and demonstrating care for employees' well-being. While Battison highlighted the importance of visible role models and proactive support to retain talent, Morton focused on the role of systems and analytics to supplement the narrative (with examples and numbers where possible) to help insurers quantify the impact. They advocate that the most compelling strategies are where firms demonstrate an integrated approach that involves blending cultural and procedural strategies to ensure employees thrive, while reinforcing organisational reputation and resilience in the eyes of clients, insurers, and talent alike. The societal and operational challenges in focus are rarely unique to law firms. Battison's observation that Marsh has an internal program actively implementing strategies and conducting research to support individuals experiencing menopause, demonstrates a wider recognition of the issue and mutual interest in progress.

**With the rise of generative AI tools, how can law firms effectively manage risks related to confidentiality, accuracy, and ethical use while leveraging AI for efficiency?**

The rise of generative AI tools presents both opportunities and challenges for law firms, requiring careful management of risks related to confidentiality, accuracy, and ethical use while leveraging AI for efficiency. It is of particular interest for insurers given they are covering liability arising from the use (or misuse) of these tools in the output of client engagements. Battison asserted that, 'though it is an exciting time for technological innovation within the legal sector, credibility and reputation with clients should be at the forefront of development and implementation. During the testing and implementation stage much of the insurer focus has been on confidentiality concerns, and closed, sandboxed AI systems rather than open platforms like ChatGPT. As these tools become embedded in working practices the focus moved through policy and training to oversight, control, and client disclosure.

Morton noted that the challenges of accuracy and attribution, reminiscent of issues faced during the rise of internet searches, are now magnified by the scale and speed of modern AI tools and the opacity of their sources. While these tools can enhance output capabilities and drive process innovation, human peer review, quality assurance, and partner oversight, remain hot topics for insurers. Insurers are also alive to the challenges of ensuring AI's conclusions and output align with the culture and ethical standards, and the challenges of reviewing the rationale with the "black box" problem, where AI's reasoning is opaque.

Ethical considerations are equally important, with Battison stressing that exaggeration or omission of a firm's AI capabilities is in scope for insurers as a potential source of reputational harm or regulatory censure. Clients increasingly expect firms to disclose even minor AI involvement to uphold ethical practices. By managing these challenges effectively, firms can retain client trust and improve business prospects. Automating routine tasks, Battison adds, allows firms to free up resources for innovation, enabling new opportunities despite the uncertainties surrounding AI risks.

Both Battison and Morton see considerable potential in AI to target, scale and facilitate effective risk management and advocate for firms to share their use of intelligent controls to help balance the exposure argument with a perspective on AI has a risk mitigant.

# Office culture and differences

## Operational management for inter-office collaboration

In times of crisis, whether it be market volatility, natural disasters, or cybersecurity threats, well-integrated offices can collaborate quickly and efficiently to successfully implement responses, reducing potential damage to the overall business.

Based on our research, most firms surveyed operate beyond a single office, with only 20.3 per cent of firms stating that they only have one office. 34.4 per cent of firms surveyed have multiple offices within one country, 20.3 per cent have multiple offices

**How would you describe the cultural differences between your firm's global or regional offices?**

Don't know 5.9%
Very different 7.8%
Moderately different 29.4%
Not very different 23.5%
Somewhat different 33.3%
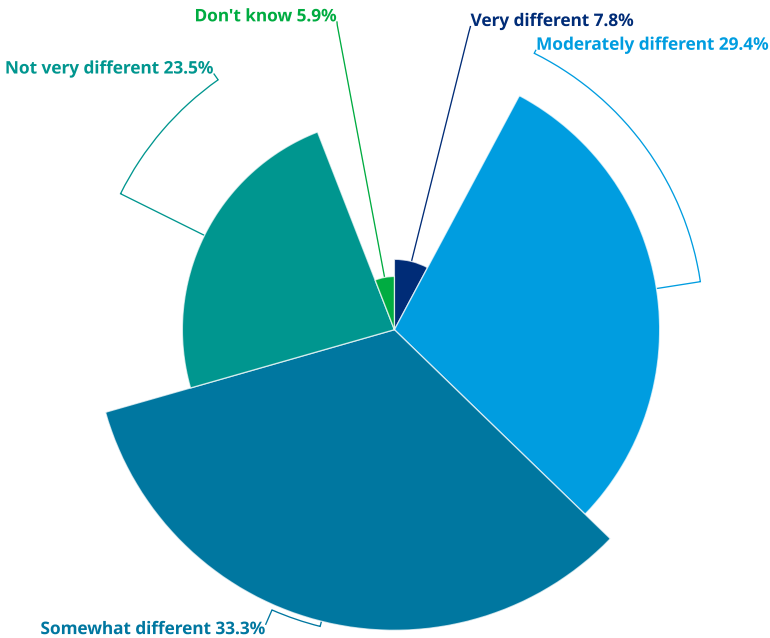
globally, and 25 per cent operate both globally and regionally, demonstrating that firms are distributed across multiple jurisdictions.

Our research revealed that 70.5 per cent of respondents perceived some level of cultural difference between their firm's global or regional offices. While the extent of these differences varied, only 7.8 per cent of respondents described the offices as being "very different". This suggests that while cultural differences are acknowledged and felt, they are generally not extreme.

## Key challenges from cultural differences

The study identified several challenges arising from cultural differences between offices:

1. 53.2 per cent of respondents reported **varying work styles or approaches** as a significant challenge.
2. 42.6 per cent cited differences in **legal or regulatory frameworks** between offices.
3. 29.8 per cent mentioned difficulties in **building trust and rapport** with colleagues in other offices.

These findings accentuate that challenges are primarily centred on variations in work styles, regulatory disparities, and efforts to establish trust.

## Strategies for managing cultural differences

**In risk management, cultural differences in organisations can sometimes pose a challenge in terms of what is deemed acceptable vs unacceptable forms of communication and operation... loss can be avoided through creating a primary standard in 'international language.' International language refers to wording policies in a way that is inclusive to all jurisdictions alongside the training that is disseminated.**

**Bahare Heywood, Chief Risk and Compliance Officer at Clifford Chance**

**Ethical] standards must be consistently applied and ensure a truly globalised and inclusive approach to firm policy implementation and ethics.**

**Zoë Hughes, Global Co-Head, Contentious Risk & Insurance, Legal & Risk at Linklaters**

### Top three ways firms encourage cross-cultural integration between offices

| | | |
|---|---|---|
| Regular communication and knowledge sharing between offices | **1** | **67.3%** |
| **65.3%** | **2** | In-person meetings or retreats/awaydays |
| Establish common values or guiding principles for the firm | **3** | **65.3%** |
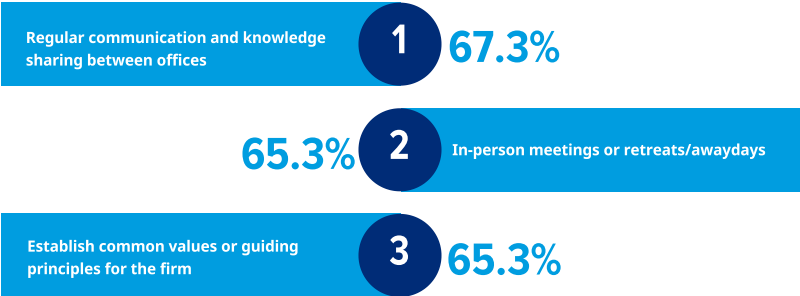
**Regular communication and knowledge sharing (67.3 per cent)** was identified as a foundational approach for bridging cultural gaps, signalling the importance of consistent dialogue and transparent exchange of ideas.

Additionally, **establishing common values or guiding principles (65.3 per cent)**, which can align the organisation around shared values helps promote cohesion. The creation of a unified set of principles can allow organisations to navigate cultural variations while maintaining a sense of belonging and purpose.

**In-person meetings or retreats (65.3 per cent)** were underlined as valuable, advancing deeper connections and mutual understanding. Physical gatherings can deepen interpersonal connections between office workforces and facilitate the development of trust and respect.

Then, **shared databases or knowledge management systems (57.1 per cent)** to facilitate collaboration and reduce misunderstandings. By bridging geographical and

time-zone differences, these systems ensure all team members have equal access to resources, supporting inclusivity and efficiency.

**Overall collaboration and integration**

Most respondents rated collaboration and integration between offices positively. While 17.6 per cent considered it "excellent" and 58.8 per cent deemed it "good," 17.6 per cent described it as "average." These results indicate that while many firms are achieving successful integration, there is scope for enhancement to increase the percentage of firms reaching "excellent" levels of collaboration.

**Why are bridging cultural differences between offices important to the risk function?**

1.  Strong collaboration minimises miscommunication as it requires clear and consistent communication across offices.
2.  Offices in different regions often operate under diverse legal and regulatory frameworks; integrated teams can better pool knowledge and expertise to ensure compliance and minimising legal penalties and regulatory breaches.
3.  A cohesive structure ensures that best practices and contingency plans are shared and executed across locations – requiring adaptive communication across offices.
4.  Building trust and rapport across offices reduces conflicts that could undermine collaboration, allowing for more adaptability when changes occur.
5.  Reduction of reputational risk through consistent, reliable, and united service provision in clients served across offices.

# Closing: A word from Marsh

Having collated responses from law firms around the world it is interesting that across the issues faced, there are differences as to perceived risks especially when correlated to size of firm. Nevertheless, firms are demonstrating that they are taking the appropriate steps, in most cases, to tackle emerging risks and deal with ongoing challenges.

Some of the emerging risks tackled in the survey are societal issues, which all businesses will need to grapple with in similar ways.

We anticipate that generative AI will be the fastest moving and most resource intensive for law firms in particular to manage over the next five years. We suspect in five years' time, looking back on the responses, it will be apparent that the overall understanding of the transformative impact and risks associated with this technology was possibly underestimated by some firms, especially in relation to the hiring and training of new lawyers.

Clients will expect that their lawyers will continue to provide certainty, which may be incompatible with the use of cutting-edge technology. It is important that lawyers retain their ability to offer assurance and do not leave it all to the machines without proper reviews of outputs. Designing and developing reliable solutions seems likely to require significant and ongoing effort for all. Whilst we wish everyone good fortune, Marsh is committed to supporting our clients throughout this journey.

# For more information

# About Marsh

With offices in more than 130 countries, Marsh is the world's leading insurance broker and risk advisor. We provide industry-focused brokerage, consulting, and claims advocacy services, leveraging data, technology, and analytics to help reduce our clients' total cost of risk.

With around 45,000 colleagues worldwide, we provide our commercial and individual clients with insights, advice, and support in the local markets in which they operate or where their business may face risks. We help you understand coverage nuances, regulatory developments, and risk trends. And we work together with you on placement, mitigating risk, and optimising your risk spend.

For over 150 years, clients have trusted Marsh to advise them during the most trying and celebratory times, helping them achieve success by becoming more resilient and attaining the possible. With new risks and opportunities constantly emerging, we help you navigate the changing risk landscape, realise your ambitious goals, and make your future more secure.

**For more information see https://www.marsh.com/**

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# Featured interviews

# An interview with Bahare Heywood

## Clifford Chance

**Chief Risk and Compliance Officer**

### Supervision and accountability mechanisms for senior practitioners

Heywood opened the conversation with the point that the traditional model for supervision needs to be revisited as query whether the existing approach is fit for purpose. The traditional model is outdated as it does not account for hybrid working or the introduction of AI. The introduction of AI will change the way lawyers work and therefore how they should be supervised. This can be addressed through policies, however, although many firms have AI policies, firms might not always have a mechanism to ensure adherence to these policies. Additionally, in consideration of ethical decision making, ensuring appropriate oversight is essential; the responsibility of oversight often lies on the shoulder of senior practitioners. Thus, training on AI and navigating hybrid working can ensure that senior practitioners are equipped with the right knowledge to uphold quality assurance and firm policy. To illustrate, at Clifford Chance, Heywood reveals that the internal team is strategizing how best to accomplish this objective, with it coming down to training senior practitioners on recognising AI usage and managing others effectively in a hybrid working environment. This training can ensure that senior practitioners are aware of the risks or hallucinations that exist in AI usage and how to best check the work of those under their supervision before

moving forward, reducing risks associated with AI usage through checks and balances from the senior practitioner if others used AI in any stage of the work.

### Insurance broker and provider relationship in firm risk management

When prompted by the interviewer in inquiring about the relationship firms should have with insurance brokers and companies when navigating risk, Heywood asserted that this relationship varies depending on size of firm and amount of resource available to address risk. Insurers need to satisfy themselves that firms effectively manage their risk, alongside regulators and clients. Insurers specifically will want to see an effective methodology, illustrating capability and dedication as a firm. Additionally, there is a need for a mechanism to measure success through regular discussion and review, including emerging risks. That said, the mechanism needs to be adaptive to the needs of the organisation and other requirements laid down by regulators. In terms of relying on insurers or brokers for tools and guidance on managing risks, Heywood discussed that smaller firms might benefit from this most due to a lack of resource for building an internal, independent framework that is adequate in addressing emerging risks. Clifford Chance currently does not depend on insurers for such things due to their large size and investment in internal capabilities. However, Heywood further pointed to the opportunity that insurance brokers and companies could help share best practice and tools with firms of all sizes that might allow them to save time and resources, should those tools be created and demonstrate their trustworthiness effectively. Besides just the quantification of risks, they can provide other analytics on trends to help firms be more prepared in their management of emerging risks.

### Menopause awareness and support

Heywood highlighted that, at present, individuals experiencing menopause - across various industries - often feel uncomfortable disclosing their experiences. Heywood further noted in the UK Clifford Chance is independently accredited as a Menopause Friendly Employer and has created a dedicated group to facilitate discussions to explore menopause, providing space for people to discuss how it affects them, how they cope, and what they wish they could have to further support them at work. Heywood discusses the importance of prioritising supporting people at life stages, avoiding suffering in silence. Thus, firms are benefited from a safe, supported workforce, so cultivating an environment that is more understanding can not only benefit the business but, on a human level, inspire others to feel comfortable coming forward, setting the tone, and reducing the taboo through open discourse.

**Inclusive culture across jurisdictions**

Clifford Chance's approach to fostering an inclusive and cohesive culture emphasises balancing the celebration of diversity across jurisdictions with the need for a unified organisational identity to mitigate risks. Heywood recognises the imperative for firms to maintain inclusivity and cohesion when operating across diverse jurisdictions. She asserts that Clifford Chance is a firm that has its own unique culture which positively embraces the diversity of its people. In risk management, cultural differences in organisations can sometimes pose a challenge in terms of what is deemed acceptable vs unacceptable forms of communication and operation. When it comes to mitigating risks, she points to critical importance of having a unified position based on objective criteria that guides decision making on how to respond to evolving risks and issues and the firm's values-based Code which defines the expectations of everyone at the firm, and acts as a guide for behaviour among colleagues, clients, and all external stakeholders.

Furthermore, Heywood discussed specific ways Clifford Chance has achieved a cohesive office culture cross-jurisdictional team. The earlier described loss can be avoided through creating a primary standard in "international language." International language refers to wording policies in a way that is inclusive to all jurisdictions alongside the training that is disseminated. For example, when Clifford Chance creates training, they have moved away from it being UK-centric by having people from different offices, distinct cultures, presenting pieces of training to embody multiculturalism. Another way Heywood asserts that firms can increase inclusivity is through avoiding being regulator-specific in global communications or incorporate all regulator information to be more expansive and internationally focused rather than being centred on UK operations. With the primary standard approach, each office needs to operate on the same level to maintain compliance alongside maintaining credibility with clients. Each policy should be applied across offices; if the organisation is global, then each policy should be global – ensuring that all offices were involved in the formation of company-wide policies. Another important aspect of ensuring successful implementation of these policies is to build a network and trust with the office to create a global standard that all offices can see the value of.

# An interview with Synthia Kloot

## Clark Wilson

**Chief Operating Officer**

**Immediate risks affecting firms in Canada**

When discussing the most immediate risks affecting firms, Kloot focused on three regional challenges within Canada alongside the mitigation strategies employed by Clark Wilson.

The first risk stems from the current geopolitical landscape, which creates uncertainties around the economy and regulatory frameworks. A weakening economy, decorated by declining real estate and capital market activity, and government uncertainty has raised concerns for Canadian firms. Kloot states that this might be particularly challenging as the workforce has grown accustomed to a more stable – and at times prosperous – domestic economic and political environment. In response, Kloot emphasised the importance of prioritising business development and related activities. She also highlighted the value of personal development planning and regular check-ins throughout the year, which help employees feel valued and supported. According to Kloot, individualised approaches to employee recognition and growth are more effective than a "one-size-fits-all" method, as they allow for acknowledgment of unique contributions and skills. Such investments not only improve employee retention but also strengthen the firm's internal culture and long-term business success.

Another significant risk identified by Kloot is the shortage of skilled talent particularly in key recruitment areas within larger metropolitan cities like Vancouver and Toronto. Thus, to mitigate these issues, the firm has found success through its student pool in developing young talent and implementing innovative strategies to improve retention, such as offering remote work options, expanding employee benefits, and enhancing personal development planning.

The third risk Kloot drew attention to involves professional liability concerns related to employee burnout and poor well-being. She explained that personal development planning and routine check-ins not only support employees' growth but also provide a way to identify and address barriers to work-life balance. Kloot noted how she steered adjustments, sometimes small in effort or cost, that lead to significant improvements in employee satisfaction and operational efficiency. For instance, Kloot shared a specific example of an employee who reported that outdated technology was slowing their workflow and diminishing their overall experience. By addressing this issue promptly, she points out that the firm improved both employee efficiency and satisfaction. Kloot stressed that such simple, cost-effective interventions often go unnoticed without open communication channels, yet they can prevent larger operational challenges and risks associated with stress.

### Mentorship as an employee benefit and a senior practitioner accountability mechanism

Kloot stated that Clark Wilson has implemented a mentor-mentee partnering initiative designed to support employees on their individual journeys to success. Unlike traditional mentoring programs, this initiative pairs employees with mentors who are outside their immediate team or supervisory chain. She elaborated on how the structure she developed encourages a collaborative environment across different teams and departments while providing a safe, impartial space for employees to seek advice, share experiences, and focus on personal and professional growth. The absence of a direct reporting relationship between mentor and mentee encourages open dialogue, helping employees navigate challenges without fear of judgment or repercussions.

Beyond facilitating growth, Kloot argued that this initiative also enhances senior practitioner accountability by creating an additional layer of oversight. Mentors gain visibility into their mentees' progress and challenges, allowing for timely interventions and tailored support where necessary. She goes further to say that this added perspective helps ensure that employees – including senior practitioners - are not only achieving their individual goals but are also aligning with the firm's broader objectives. Additionally, Kloot underlined the significant impact of this initiative on internal morale and the overall workplace culture. She emphasised the magnitude of a dual-directional

approach to support: protection and guidance that flow from the top down, combined with empowerment and feedback that rise from the bottom up. She identified that the aim of this balanced dynamic ensures that employees at all levels feel valued, heard, and equipped to succeed within the firm. By prioritising a culture of growth and accountability, a mentorship program like this can strengthen a firm's organisational environment where collaboration, accountability, and mutual growth are not just encouraged but actively practiced.

### Menopause support

Currently, Kloot states that the firm has not implemented a specific menopause support initiative, largely due to cultural perceptions in North America, where menopause remains a taboo subject. However, within Vancouver, there is a growing trend of inclusion conversations that increasingly incorporate menopause in the workplace. Kloot supports that this cultural shift signals a promising opportunity to advocate for broader, industry-wide initiatives addressing menopause in the region.

Kloot observed that menopause-related conversations are primarily being led by women, despite the topic being relevant and beneficial for everyone in the workplace. Increased awareness and sensitivity to different life stages, such as menopause, might provide the benefit of a more inclusive and empathetic environment for all employees. She goes on further to state that menopause initiatives are particularly important as many workers will either experience menopause themselves, be supporting someone going through it, or know someone affected by it in their personal or professional lives.

In our discussion, Kloot expressed interest in creating safe spaces within the firm to openly discuss menopause. Such efforts could help to reduce stigma, promote understanding, and provide meaningful support for those affected.

### Insurance broker and provider relationship in firm risk management

Kloot emphasised that insurers play a vital role in holding firms accountable, while brokers serve as key guides, helping firms meet or exceed the expectations set by insurers. By sharing industry and region specific insights on claims and other emerging trends, brokers enable firms to benchmark their risk management practices and gain a more comprehensive understanding of the risk landscape.

Kloot illuminated the educational value that brokers can provide firms in risk management. For example, Clark Wilson's broker conducts webinars and training initiatives focused on essential risk-related topics that the firm has found helpful for its internal risk management. Webinars were said to serve as housekeeping

reminders, providing effective communication strategies and innovative approaches to risk mitigation. In her view, the broker-firm relationship advances a practical and proactive approach to navigating the complexities of risk management. As an example, Kloot described how Clark Wilson leverages its broker's expertise in cyber insurance. By collaborating with both the broker and the insurer, the firm was able to refine its internal processes and present stronger, more strategic proposals to the insurer. That said, this process is continuous and ongoing. This recalibration not only improves insurance negotiations but also creates opportunities for additional business advantages. According to Kloot, such partnerships help firms address challenges more strategically, ultimately enhancing their operational resilience and risk preparedness.

<u>Click to return</u>

# An interview with Zoë Hughes

## Linklaters



**Global Co-Head, Contentious Risk & Insurance, Legal & Risk**

### Discussing emerging and perennial risks

Hughes emphasised that the focus should not solely be on emerging risks but on the broader risk landscape. She highlighted that firms often become too focused on emerging risks, such as those related to generative AI or ESG-related backlash, at the expense of addressing persistent risks that require ongoing mitigation strategies. Hughes argued that firms should adopt a holistic approach to risk prioritisation by considering their entire risk landscape and understanding how different risks - both emerging and perennial - could impact various aspects of the business.

For holistic risk evaluation, she recommended implementing a comprehensive framework that evaluates all risks, assesses their potential impact, and identifies appropriate mitigation strategies. She asserted that such an approach, embedded within enterprise risk management practices, not only aids in mitigating emerging risks effectively but also ensures a proactive stance in managing and reducing the likelihood and severity of persistent risks impacting the organisation.

## Mitigating ethical breaches or professional complacency

After the prompt of, how should law firms structure supervision and accountability mechanisms for senior practitioners to mitigate risks related to ethical breaches or professional complacency? Hughes broke down her response into three critical components necessary for fostering a culture of accountability in law firms: understanding of the ethical framework, the identification of breaches, and the appropriate response to a breach.

Understanding the ethical framework at a firm brings attention to the importance of firm-wide awareness regarding ethical standards. These standards must be consistently applied and ensure a truly globalised and inclusive approach to firm policy implementation and ethics. Hughes stressed that while training programs outlining clear policies and procedures are important, the most essential element is having at least one person whom employees can turn to with questions or concerns about ethical practices. She shared that, in her trainings, she encourages participants to "remember my name" and feel comfortable reaching out if they need guidance after the session.

The second component involves empowering employees to recognise potential ethical violations and providing them with the tools and space to address them. Hughes highlighted the need for a safe environment where individuals can discuss possible breaches, learn from one another's experiences, and voice concerns, all aiding in the empowerment of employees in the continued identification of potential breaches.

Hughes referred to the options available to people at Linklaters if faced with a potential workplace concern. Linklaters offers internal channels, including traditional routes like speaking to Human Resources or sharing a concern with a "Speak-up guardian" – a specially trained volunteer employee who can signpost options. Linklaters also utilises externally hosted third-party services as another option for its people.

The last component points out that to respond appropriately to a breach it is helpful to have multiple avenues for people to raise concerns and ask questions. By offering multiple avenues for people to engage in discussions about ethical concerns, firms can create a culture of accountability that encourages transparency and upholds ethical standards.

## Relationship with insurance brokers and providers in managing risk

Hughes emphasised the importance of strong, long-term relationships with both brokers and insurers, highlighting Linklaters' decade-plus long partnership with their broker and enduring relationships with their insurers as prime examples. These partnerships are not merely transactional; they are built on proactive, strategic engagement that aids in risk management.

For insurers, Hughes noted the value of off-cycle interactions, where insurers provide insights beyond claims, such as analytics, "hot topics," and trends that assist with risk management and horizon scanning. She contended that these exchanges equip the firm with a forward-looking perspective, enabling it to anticipate and address potential challenges effectively.

When it comes to brokers, Hughes stressed the need for a deep, holistic understanding of the firm, including its specific risk appetite. Brokers must go beyond delivering generic market updates; they should help the firm grasp what issues are most concerning to insurers. Armed with this insight, the firm can conduct internal analysis and prepare for meaningful, data-driven discussions with insurers. By demonstrating tangible actions and sharing relevant metrics, Hughes claimed that firms can show how they learn from insurers' insights to inform and target their operational risk management practices, strengthening trust and alignment.

## Menopause awareness and support in the workplace

Since menopause affects individuals during their working years, businesses must actively promote menopause awareness to support their workforce effectively. Hughes outlined Linklaters' comprehensive initiatives designed to address menopause alongside other life stages, emphasising the value of nurturing inclusivity and breaking down stigmas. Through these examples, she articulates the significance of having multiple support options for women that are disseminated firm-wide to promote utilisation.

The first example Hughes presented was that Linklaters has implemented both a UK-specific policy and a global policy framework that address menopause, accentuating the firm's commitment to supporting employees based on their unique experiences. Hughes discussed how these policies empower individuals to request additional support tailored to their needs, acknowledging the diverse ways menopause can impact people. Hughes went further to assert that this recognition might encourage a culture where individuals feel confident that their challenges will not be dismissed or lead to negative repercussions. Recognising that menopause is often a taboo topic, Hughes talked about how Linklaters partnered with Over the Bloody Moon to provide menopause resources aimed at reducing stigma. This partnership offers discreet tools for employees to assess their knowledge and adopt appropriate language for discussions about menopause.

An additional example of a menopause initiative that Hughes shared is that Linklaters provides UK employees access to a health and wellbeing platform called PEPPY, a

resource that includes support for individuals going through the perimenopausal, menopausal, and postmenopausal stages. This is complemented by a global support group dedicated to menopause-related topics. Beyond these targeted resources, Hughes highlighted the importance of a substantial health and wellbeing infrastructure. Linklaters supports its people with a dedicated health and wellbeing team, in-person programming, an onsite general practitioner (GP), and on-site psychological assistance. These comprehensive services demonstrate the firm's holistic approach to employee health, ensuring that individuals have access to the resources and support they need throughout various life stages, including menopause.

### Mental health and wellbeing

In discussions about mental health and wellbeing, Hughes emphasised the critical importance of well-built line manager training. This includes equipping managers with clear training policies, providing easily accessible resources, and offering webinars to sustain ongoing conversations. Such initiatives are essential to ensure employees are aware of and utilise the support available, while also fostering a workplace culture that aligns with the firm's expectations for wellbeing.

Hughes shared at least one of the firm's insurers believes they are seeing an increase across their portfolio of claims where poor mental health and wellbeing was an identifiable factor in their root cause analysis of the claim. In discussions with insurers, Hughes explained that she shares detail on how the mental health and wellbeing of the firm's people is supported; insurers recognise that this is more than an indicator of the firm's culture and values, it is risk mitigation for human error as one of the potential causes of professional liability.

# References

# Appendix - tables & detailed charts

Bergin, A. J., & Jimmieson, N. L. (2013). Explaining psychological distress in the legal profession: The role of overcommitment. International Journal of Stress Management, 20(2), 134–161. https://doi.org/10.1037/a0032557
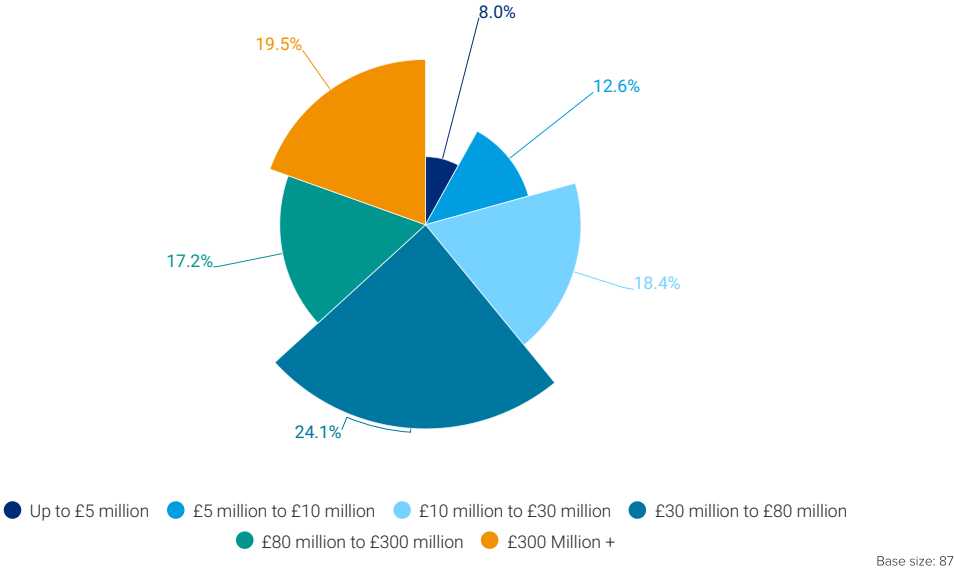
**What is the approximate annual revenue of your firm (in GBP £ or equivalent)?**

- 8.0%
- 12.6%
- 18.4%
- 24.1%
- 17.2%
- 19.5%

- ● Up to £5 million
- ● £5 million to £10 million
- ● £10 million to £30 million
- ● £30 million to £80 million
- ● £80 million to £300 million
- ● £300 Million +

Base size: 87

**Where is the centre of operations of your firm?**

UK and EMEA — 78.2%

US and Canada — 13.8%

APAC — 8.0%

Base size: 87

**In which country do you reside?**

0    10    20    30
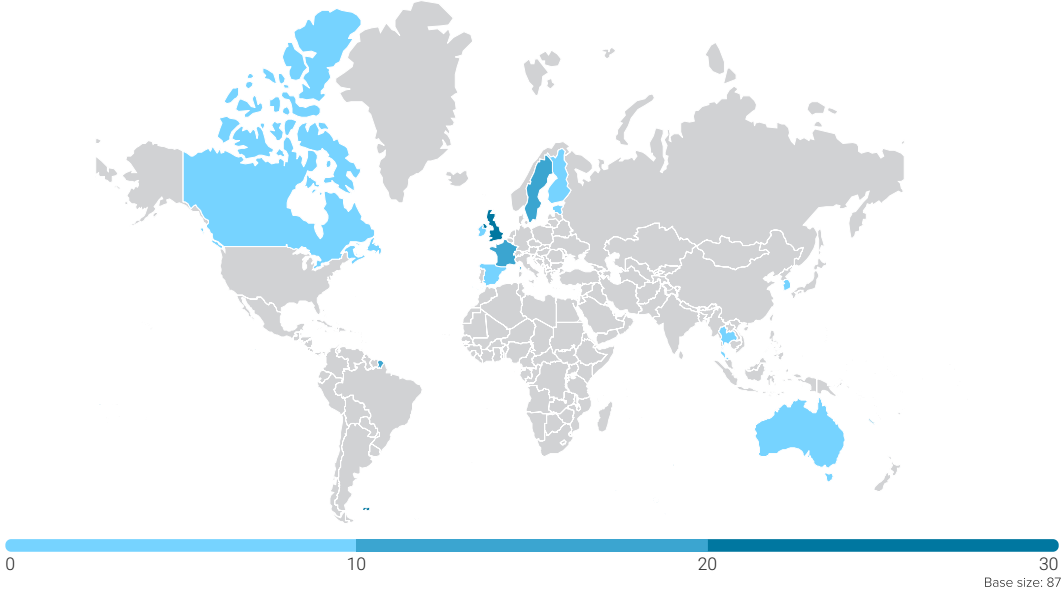
Base size: 87

## Which of the following risk areas are of greatest concern to your firm?

| Rank | Score |
|------|-------|
| 1 | 555 |
| 2 | 431 |
| 3 | 387 |
| 4 | 369 |
| 5 | 362 |
| 6 | 313 |
| 7 | 300 |
| 8 | 246 |
| 9 | 19 |

- Cybersecurity and data breaches
- Professional liability
- Reputation and brand management
- Talent retention and succession planning
- Regulatory compliance and legal ethics
- Business continuity and disaster recovery
- Financial risks
- Mental health and wellbeing
- Other

Base size: 106. Numbers in circles relate to the ranking priority of concerns.
The numbers below the circles relate to the overall ranking score assigned by the survey platform.

## What initiatives has your firm put into place to support your mental health and well being in the last three years?

| Initiative | % |
|------------|---|
| Policies to manage workload and prevent burnout | 47.5% |
| Mental Health First Aiders | 46.3% |
| Non-compulsory stress management and resilience training programs | 43.8% |
| Menopause awareness initiatives | 41.3% |
| Employee resource groups | 41.3% |
| Monitoring changes in employee perception of organisational culture of support for health and well-being | 38.8% |
| Neurodiversity initiatives | 37.5% |
| Training for supervisors to identify potential issues in mental health | 31.3% |
| Compulsory training on stress management, resilience, and maintaining mental well-being in a high-pressure work environment | 18.8% |
| Measurement and evaluation of mental health initiatives | 17.5% |
| Technological or software tools to monitor and track employee workload | 13.8% |
| Other | 2.5% |

Base size: 80

## What initiatives has your firm put into place to support your mental health and well being in the last three years? (Top 5 Pictured)

**Promoting work-life balance and flexible work arrangements**
81.3%

**Encouraging open communication and reducing stigma around mental health**
72.5%

**Access to mental health resources and counselling services**
71.3%

**Regular check-ins or open door policies to encourage employees to discuss their workload and mental health concerns**
55.0%

**Employee feedback regarding initiatives and support services**
53.8%

Base size: 80

## Which three initiatives have had the most measurable improvements in employee mental health and wellbeing? (Top 5 Pictured)

**Promoting work life balance and flexible work arrangement**
64.4%

**Encouraging open communication and reducing stigma**
41.1%

**Access to mental health resources and counselling services**
38.4%

**Regular check-ins or open door policies**
24.7%

**Mental Health First Aiders**
16.4%
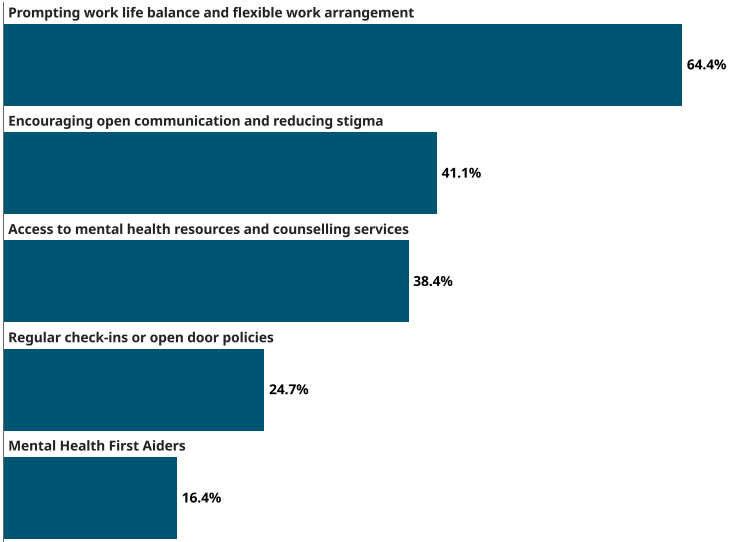
Base size: 73

## Which three initiatives have had the most measurable improvements in employee mental health and wellbeing? (The rest pictured)

| | |
|---|---|
| Policies to manage workload to prevent burnout | 12.3% |
| Employee feedback and support services | 11.0% |
| Employee resource groups | 8.2% |
| Non-compulsory stress management and resilience training programs | 8.2% |
| Training for supervisors to identify potential issues in mental health | 5.5% |
| Monitoring changes in employee perception of organisational culture of support for health and well-being | 5.5% |
| Compulsory training on stress management, resilience, and maintaining mental well-being in a high-pressure work environment | 5.5% |
| Technological or software tools to monitor and track employee workload | 4.1% |
| Menopause awareness initiatives | 4.1% |
| Neurodiversity initiatives | 2.7% |
| Other | 1.4% |

Base size: 73

## On the scale of 1 to 10, how would you rate the mental wellbeing of employees in your firm?



11.4%
6.3%
22.8%
59.5%

● 4-6: Fair  ● 7-8: Good  ● 9-10: Excellent  ● Unsure/unable to say
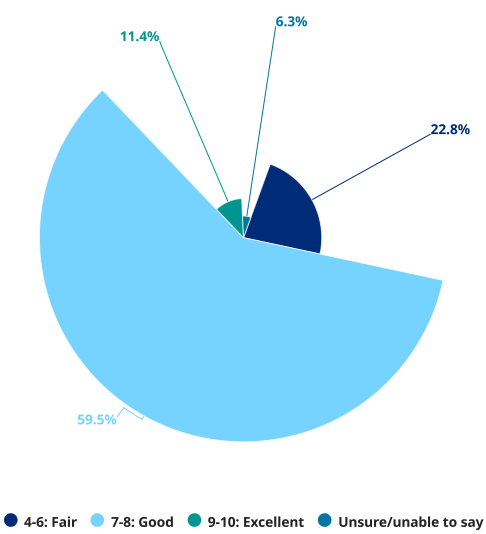
Base size: 79

## Have you observed any correlation between high workload levels and an increase in errors within your firm?



35.9%
39.7%
24.4%

● Yes  ● No  ● Unsure
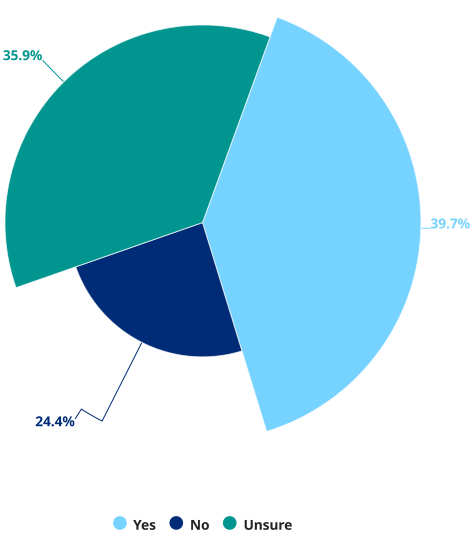
Base size: 78

## What initiatives does your firm have in place to support menopause awareness?

Programs in place to raise awareness about menopause and its impact on employees
75.0%

Educational sessions or training programs to help managers and colleagues understand and support employees going through menopause
56.3%

Resources specifically tailored to employees experiencing menopause
53.1%

Clear policies in place that address menopause-related concerns, such as leave options, flexible working arrangements, or access to healthcare resources
50.0%

Workplace adjustments or accommodations available for employees going through menopause
37.5%

Don't know
6.3%

Other
6.3%

Base size: 32

## Are there any barriers or challenges that you believe exists in effectively managing menopause related risks within the firm?

22.6%

38.7%

38.7%

● Yes  ● No  ● Don't know
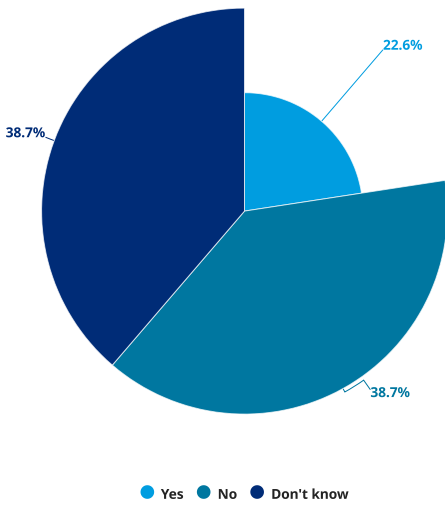
Base size: 31

## How would you rate the effectiveness of the current senior practioners supervision practices in your firm?

**Highly effective**
25.0%

**Moderately effective**
33.3%

**Somewhat effective**
25.0%

**We have no such supervision practices in place but see the need**
8.3%

**We have no such supervision practices in place and do not see the need**
2.1%

**Don't know**
6.3%

Base size: 48

## What mechanisms or processes does your firm have in place to ensure effective supervision of senior practioners?

**Collaborative review meetings where file might be discussed**
42.0%

**Peer review when trigger event occurs e.g. high risk or high value case**
40.6%

**Internal audits of files to ensure compliance with policies and procedures**
39.1%

**None we do not supervise senior practioners**
23.2%

**Peer review on random basis**
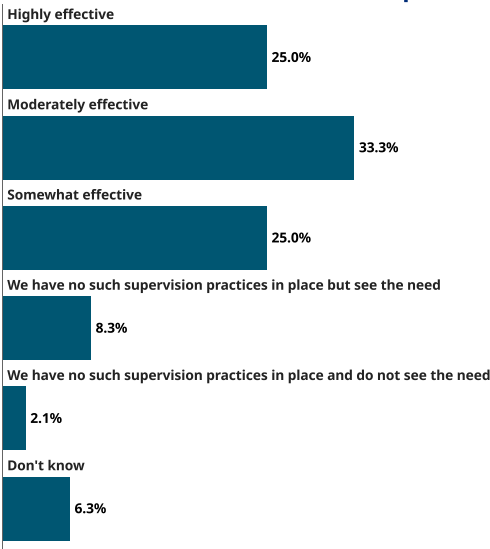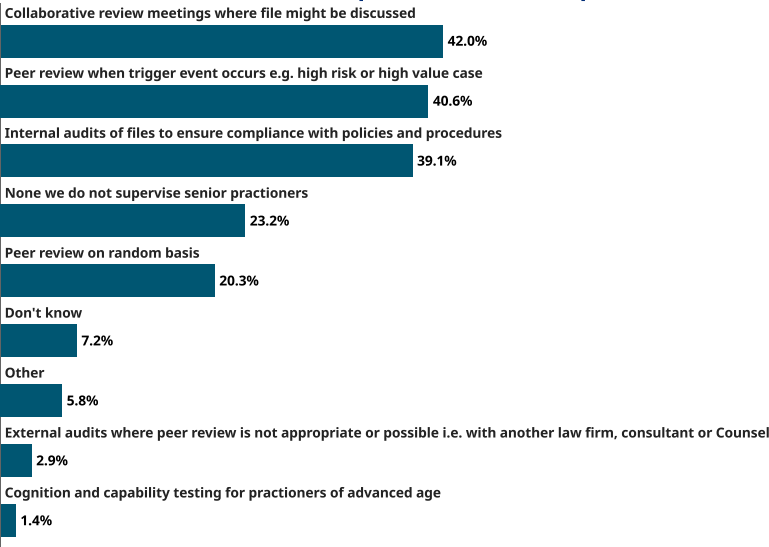20.3%

**Don't know**
7.2%

**Other**
5.8%

**External audits where peer review is not appropriate or possible i.e. with another law firm, consultant or Counsel**
2.9%

**Cognition and capability testing for practioners of advanced age**
1.4%

Base size: 69

## Are there any specific challenges or issues that arise when supervising senior practioners in your firm?

**Maintaining a balance between autonomy and oversight**
35.4%

**Resistance to feedback or guidance**
33.3%

**Managing workload or delegation effectively**
31.3%

**Communication or collaboration difficulties**
25%

**Addressing performance or behaviour concerns**
25%

**Other**
8.3%

**Don't know**
16.7%

**Not applicable, we do not supervise senior members**
8.3%

Base size: 48

## Is your firm currently utilising Generative AI technologies in its operations?

14.29%

19.05%

66.67%

- Yes
- No
- Unsure
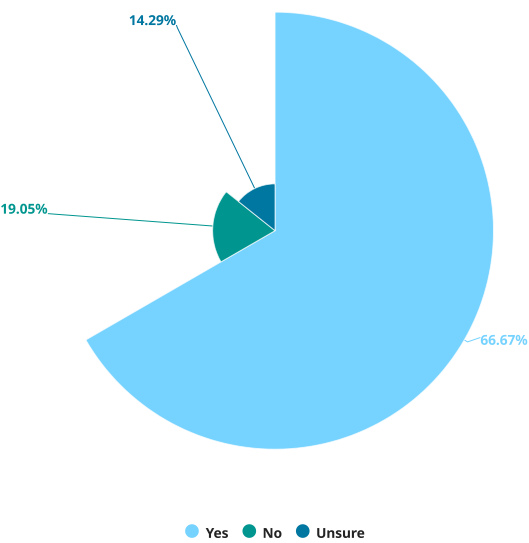
Base size: 63

## In which areas of your firm's operations is Generative AI being used?
### (The rest pictured)

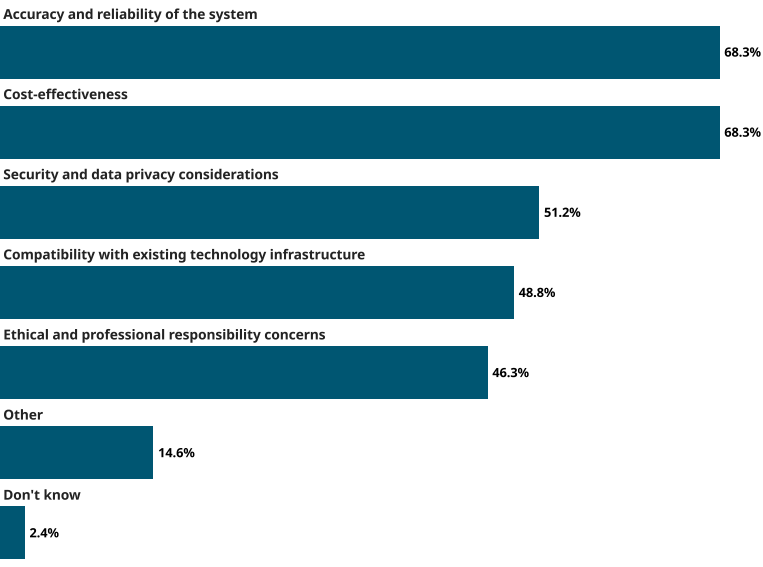| | |
|---|---|
| Due diligence | 34.1% |
| Customer relationship management (CRM) systems | 29.3% |
| Marketing function | 22.0% |
| Compliance | 19.5% |
| Intellectual property analysis and management | 4.9% |
| Other | 4.9% |
| Don't know | 4.9% |

Base size: 41

## In which areas of your firm's operations is Generative AI being used?
### (Top 5 Pictured)

**Document review**
63.4%

**Legal research and analysis**
61.0%

**Document automation and assembly**
53.7%

**Business development function**
53.7%

**Contract drafting and review**
48.8%
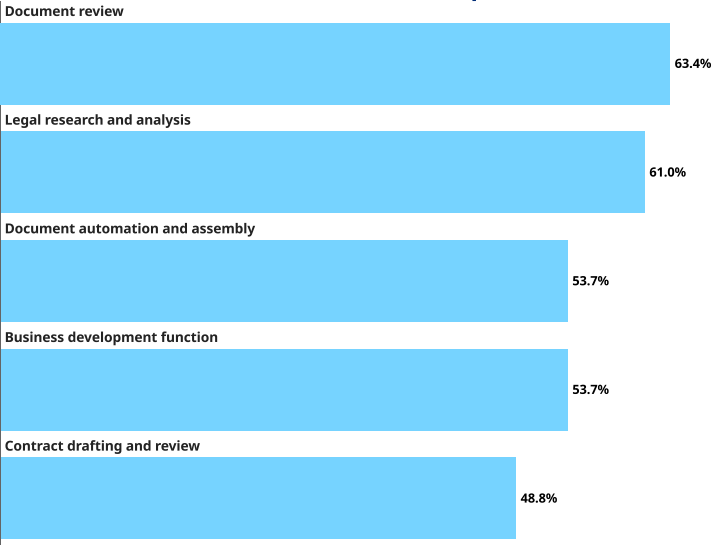
Base size: 41

## What factors influenced your firm's decision to utilise specific Generative AI systems?

**Accuracy and reliability of the system**
68.3%

**Cost-effectiveness**
68.3%

**Security and data privacy considerations**
51.2%

**Compatibility with existing technology infrastructure**
48.8%

**Ethical and professional responsibility concerns**
46.3%

**Other**
14.6%

**Don't know**
2.4%

Base size: 41

## What steps has your firm implemented to address the risks associated with Generative AI?

**Internal policies and guidelines for the responsible use of Generative AI**
78.0%

**Monitoring legal and regulatory developments related to Generative AI**
65.9%

**Providing training and education to employees on the risks and ethical considerations of Generative AI**
63.4%

**Conducting risk assessments specific to Generative AI technologies**
51.2%

**Prohibiting the use of Public Open-Source Generative AI e.g. ChatGPT**
46.3%

**Technical safeguards to prevent misuse or unauthorised access**
46.3%

**Collaborating with external experts or organisations to stay informed on emerging risks**
31.7%

**Don't know**
4.9%

**Other**
2.4%

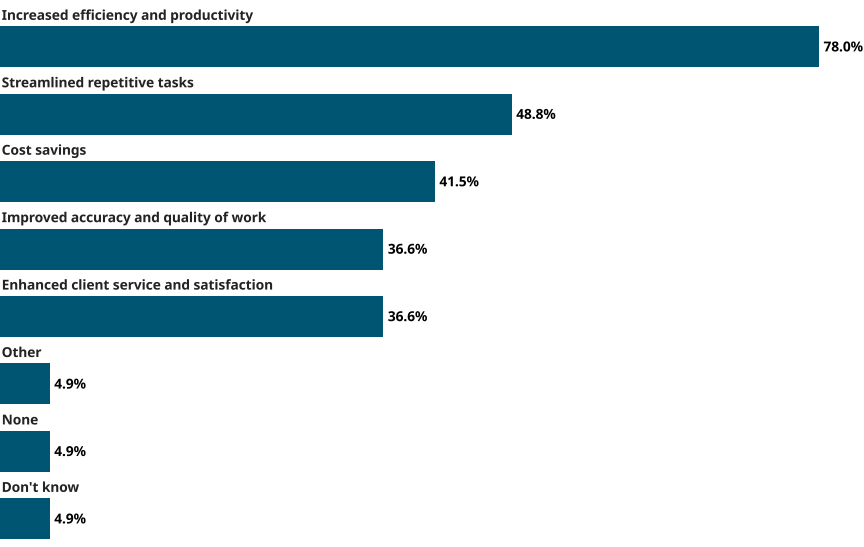Base size: 41

## What factors influenced your firm's decision to prohibit specific Generative AI systems? (Top 5 Pictured)

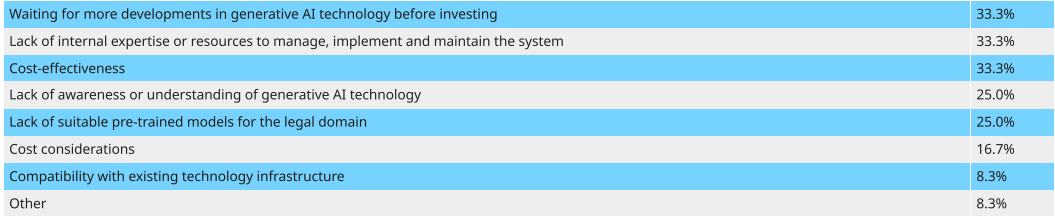**Waiting for more developments in generative AI technology before investing**
66.7%

**Security and data privacy considerations**
58.3%

**Concerns about the accuracy and reliability of generated outputs**
58.3%

**Accuracy and reliability of the system**
41.7%

**Ethical and professional responsibility concerns**
41.7%
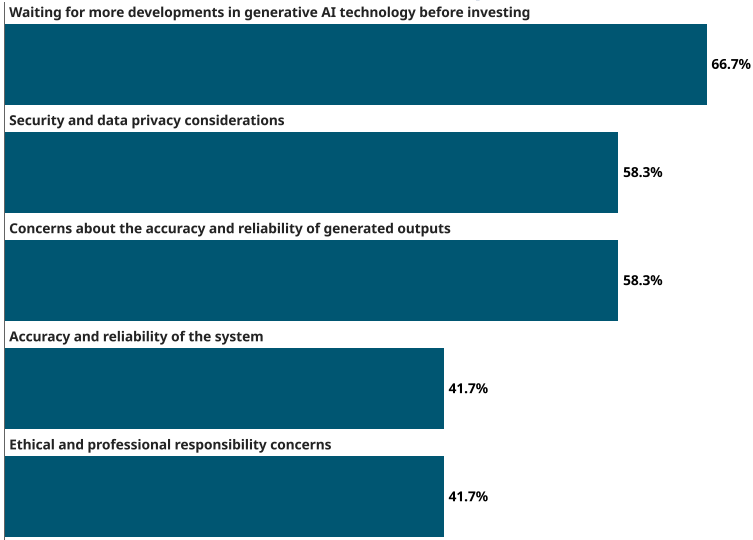
Base size: 12

## What benefits has your firm experienced from using Generative AI technologies?

**Increased efficiency and productivity**
78.0%

**Streamlined repetitive tasks**
48.8%

**Cost savings**
41.5%

**Improved accuracy and quality of work**
36.6%

**Enhanced client service and satisfaction**
36.6%

**Other**
4.9%

**None**
4.9%

**Don't know**
4.9%
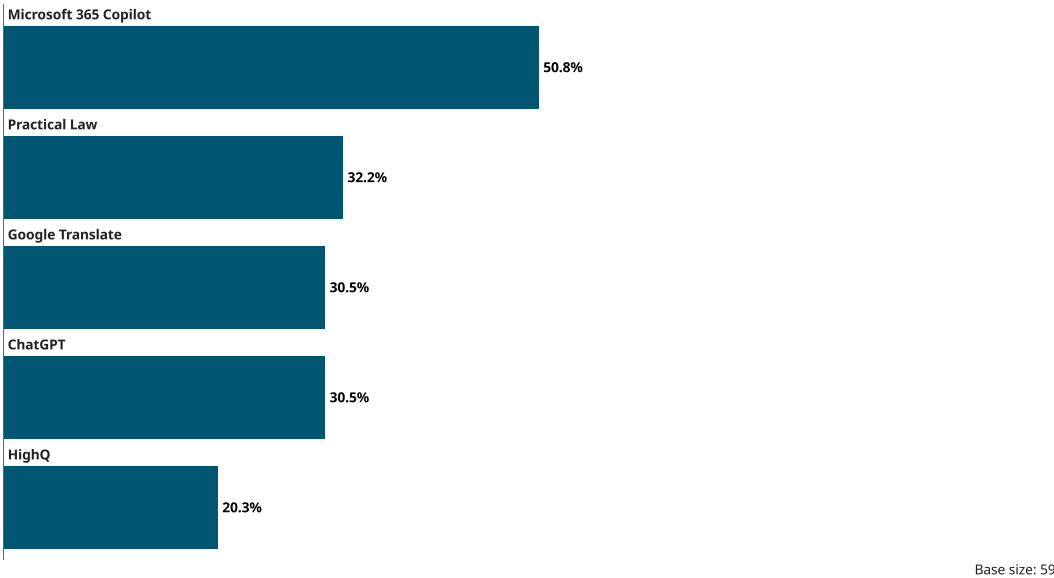
Base size: 41

## What factors influenced your firm's decision to prohibit specific Generative AI systems? (The rest pictured)

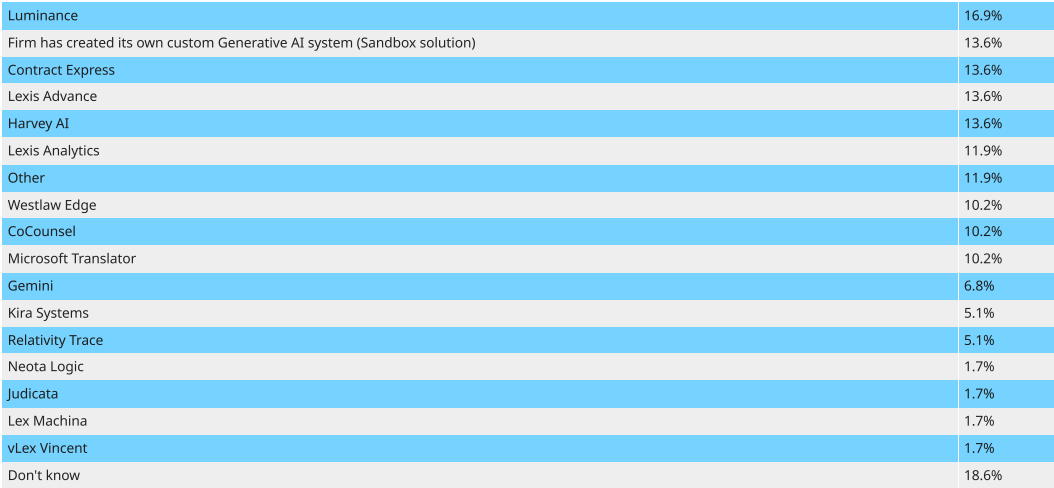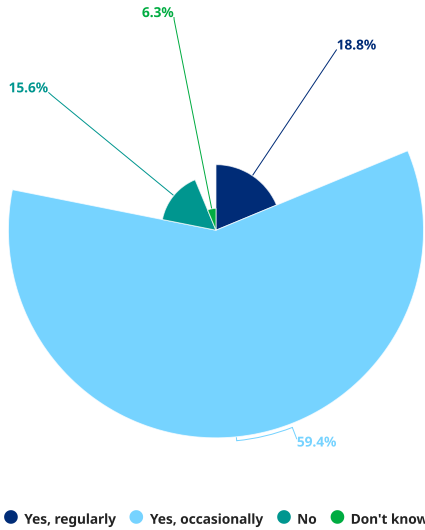| | |
|---|---|
| Waiting for more developments in generative AI technology before investing | 33.3% |
| Lack of internal expertise or resources to manage, implement and maintain the system | 33.3% |
| Cost-effectiveness | 33.3% |
| Lack of awareness or understanding of generative AI technology | 25.0% |
| Lack of suitable pre-trained models for the legal domain | 25.0% |
| Cost considerations | 16.7% |
| Compatibility with existing technology infrastructure | 8.3% |
| Other | 8.3% |

Base size: 12

**Are you aware of your firm using any of the following systems or platforms?**

Microsoft 365 Copilot
**50.8%**

Practical Law
**32.2%**

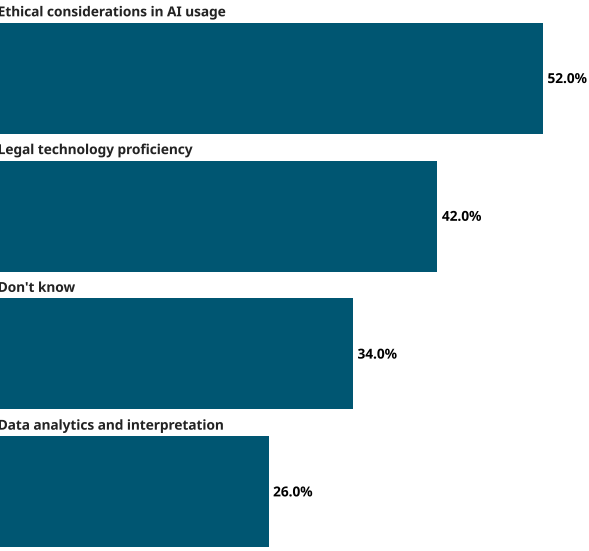Google Translate
**30.5%**

ChatGPT
**30.5%**

HighQ
**20.3%**

Base size: 59

**Are lawyers in your firm currently receiving training or education on AI technologies and their implications for the legal profession?**

6.3%
18.8%
15.6%
59.4%

● Yes, regularly ● Yes, occasionally ● No ● Don't know

Base size: 64

**Are you aware of your firm using any of the following systems or platforms? (The rest pictured)**

| | |
|---|---|
| Luminance | 16.9% |
| Firm has created its own custom Generative AI system (Sandbox solution) | 13.6% |
| Contract Express | 13.6% |
| Lexis Advance | 13.6% |
| Harvey AI | 13.6% |
| Lexis Analytics | 11.9% |
| Other | 11.9% |
| Westlaw Edge | 10.2% |
| CoCounsel | 10.2% |
| Microsoft Translator | 10.2% |
| Gemini | 6.8% |
| Kira Systems | 5.1% |
| Relativity Trace | 5.1% |
| Neota Logic | 1.7% |
| Judicata | 1.7% |
| Lex Machina | 1.7% |
| vLex Vincent | 1.7% |
| Don't know | 18.6% |

Base size: 59

**Has the development of AI impacted the core requirements for hiring new lawyers in your firm?**

11.10%
9.50%
79.40%

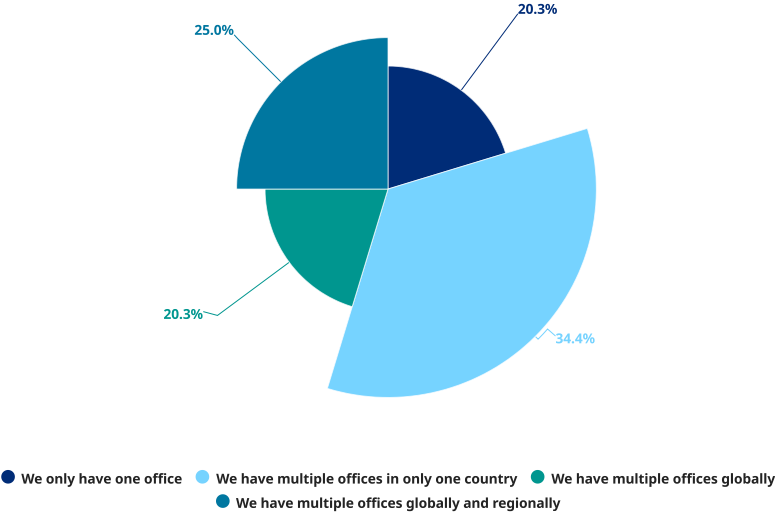● Yes, AI-related skills are now essential for hiring ● No, core requirements remain unchanged ● Don't know
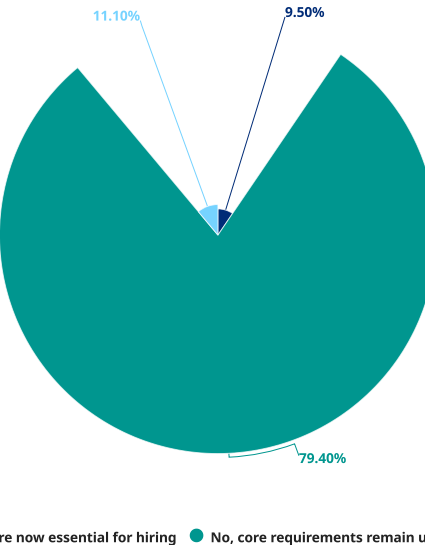
Base size: 63

## Are there any specific AI-related skills or competencies that your firm expects lawyers to possess or develop?

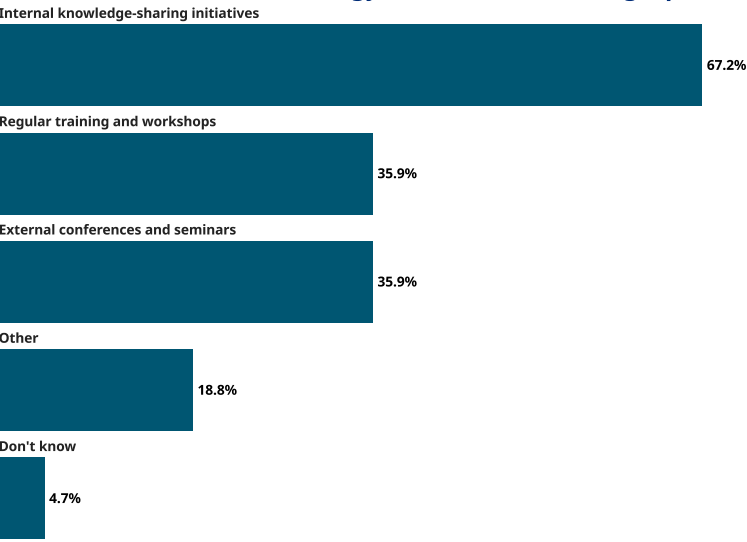Ethical considerations in AI usage
**52.0%**

Legal technology proficiency
**42.0%**

Don't know
**34.0%**

Data analytics and interpretation
**26.0%**

Base size: 50

## Does your firm have offices in multiple regions or jurisdictions?



25.0%
20.3%
20.3%
34.4%

● We only have one office    ● We have multiple offices in only one country    ● We have multiple offices globally
● We have multiple offices globally and regionally

Base size: 64

## How does your firm ensure that lawyers stay updated on the latest developments in AI technology as it relates to the legal profession?

Internal knowledge-sharing initiatives
**67.2%**

Regular training and workshops
**35.9%**

External conferences and seminars
**35.9%**

Other
**18.8%**

Don't know
**4.7%**

Base size: 64

## How would you describe the cultural differences between your firm's global or regional offices?



5.9%
7.8%
23.5%
29.4%
33.3%

● Very different    ● Moderately different    ● Somewhat different    ● Not very different    ● Don't know
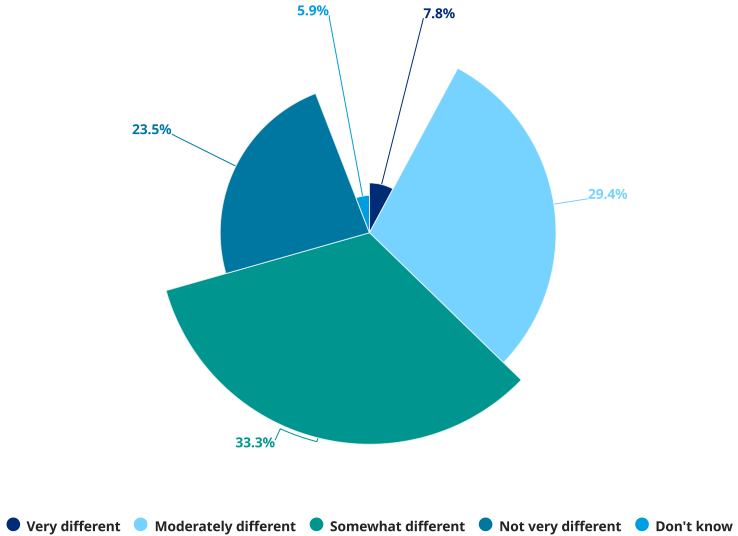
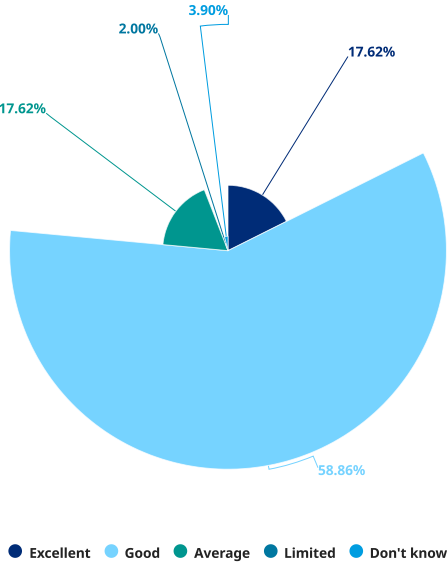Base size: 51

## Are there any specific challenges that arise from the cultural differences between your global or regional offices?

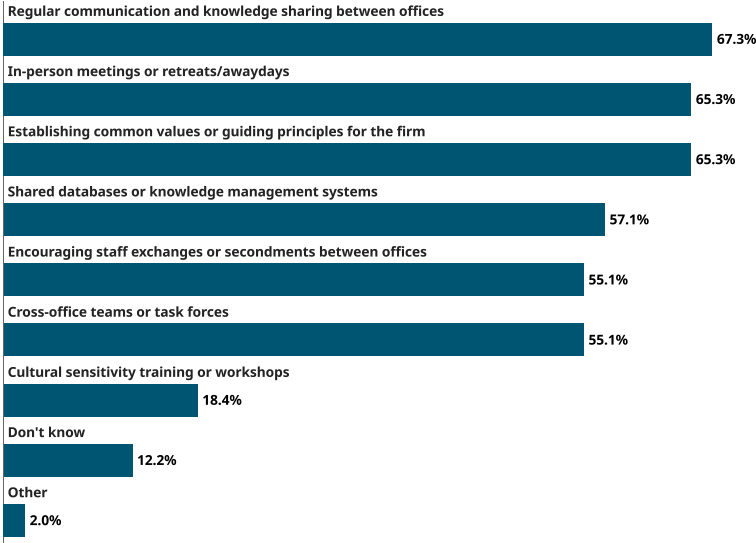**Varying work styles or approaches**
53.2%

**Different legal or regulatory frameworks**
42.6%

**Building trust and rapport across offices**
29.8%

**Lifestyle differences**
23.4%

**Impact of status/seniority**
19.1%

**Communication barriers or language differences**
12.8%

**Tolerance for uncertainty**
12.8%

**Don't know**
10.6%

**Other**
4.3%
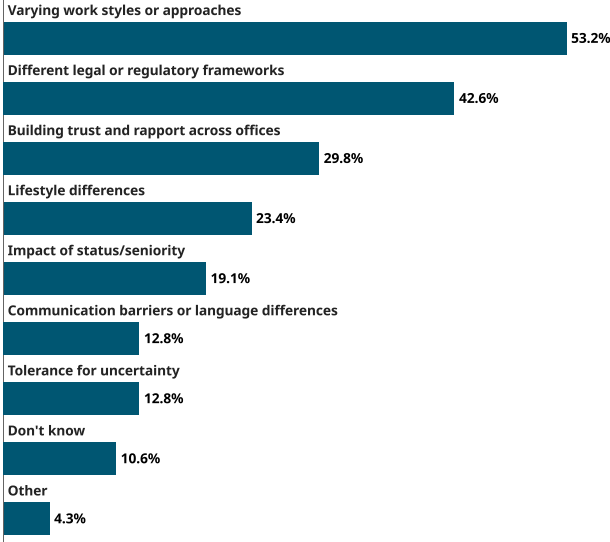
Base size: 47

## How would you rate the level of collaboration and integration between your offices?

3.90%
2.00%
17.62%
17.62%
58.86%

● Excellent ● Good ● Average ● Limited ● Don't know

Base size: 51

## How does your firm address cultural differences, promote cross-cultural understanding and encourage integration between global or regional offices?

**Regular communication and knowledge sharing between offices**
67.3%

**In-person meetings or retreats/awaydays**
65.3%

**Establishing common values or guiding principles for the firm**
65.3%

**Shared databases or knowledge management systems**
57.1%

**Encouraging staff exchanges or secondments between offices**
55.1%

**Cross-office teams or task forces**
55.1%

**Cultural sensitivity training or workshops**
18.4%

**Don't know**
12.2%

**Other**
2.0%

Base size: 49