

Law Firm Leadership

We talk about leadership a lot! In fact lots of people talk about it a lot!

What is this thing they call leadership?

"Leadership is entirely different. It is associated with taking an organization into the future, finding opportunities that are coming at it faster and faster and successfully exploiting those opportunities. Leadership is about vision, about people buying in, about empowerment and, most of all, about producing useful change."¹



Stephen Mabey, CA
Principal & Managing Director

Why is there so much focus on the topic?

One of the single greatest challenges faced by law firms of all sizes is the effective transition in their leadership as the enterprise grows. This was probably best articulated in the recent 2013 Report on the State of the Legal Market that is a joint production by The Center for the Study of the Legal Profession at Georgetown University Law Center and Thomson Reuters Peer Monitor wherein it concluded:

"Plainly, to be successful in today's world, most every firm of any significant size must respond to the changing competitive realities of the market by centralizing many of the decisions previously made in more collegial ways and by embracing a consistent strategic vision that is uniform across the firm and that drives decisions and actions in all of its practice areas. At the same time, a firm must preserve the essential qualities that nourish and support great lawyering, including structures that preserve the independence of professional judgment and the autonomy of lawyers to act in the best interest of their clients".

Obviously the key is finding the right balance for your firm. This can only be done if the partnership² and managed business proponents³ in a firm:

1. Are willing to appreciate the values espoused by both parties (vision);
2. Accept that compromise is the order of the day (buy in); and
3. The firm's leadership staunchly oversees the balance and is prepared to make the necessary adjustments, either way, in a timely, consultative manner (producing useful change).

So why is law firm leadership a blood sport?

It is a reasonable question given the level of intelligence found in law firms. Three key obstacles impede the benefits of the collective wisdom:

"So why is law firm leadership a blood sport?"

1. How to function as a team; It has to be relevant in its topic;
2. Consensus basis decision making; and
3. Selection and training.

Teamwork

Many lawyers in most firms, irrespective of the size, practise essentially in a solo mode and when thrust into a leadership role are confronted immediately with the need to function in team mode. The transitional challenges are fivefold:

1. To be a successful team requires continuous interdependent work rather than the occasional episode they endured in the past;
2. The selection criteria for the best members to be on the team changes from intellectual brilliance and friendship to adding strategic value to the issue and being able to put the firm first;
3. Great teams need to both openly share information essential for full decision-making and make decisions together on critical issues versus keeping strategy close to the vest and calling all of the shots;
4. Team meetings need to focus on the abstract strategic success of the firm and not on the cause du jour or a specific file/issue of the day; and
5. The rules of engagement for successful teams are not opt in-opt out in nature and apply whether with the team or with others.

If you honestly contrast the above to the way in which your firm operates the obstacle created by the need for teamwork becomes readily apparent.

Consensus

In January 2012, H. Karen Gardner, an assistant professor of business administration at Harvard University, authored a paper titled [Performance Pressures as a Double-Edged Sword: Enhancing Team Motivation While Undermining the Use of Team Knowledge](#). For purposes of this article in layperson English, her research suggests innovation is smothered by consensus decision-making.

The legal profession is a classic example. Everyone knows of the need to make significant changes in many aspects of its business processes and procedures, but there is no real wholesale movement in the profession. In a simple chain of events Gardner's research would seem to point out that:

- ε High pressure results in teams needing to reach consensus;
- ε Consensus causes the focus to be on common knowledge;
- ε Common knowledge results in a deference to status in the firm's hierarchy of power;
- ε The deference results in a conformity to the hierarchy's knowledge; and

- Conformity of knowledge results in no innovation.

...the perennial conversation ender "the partners will never agree to this."

Without the old fallback of consensus decision-making we are asking law firm leaders to take risk and make recommendations and execute strategies and directions that are independent of "what are the other firms doing" and the perennial conversation ender "the partners will never agree to this." Likely many of you have read about personality assessments and studies that consistently suggest lawyers score a significantly higher aversion to risk than the general public. Therefore, expecting

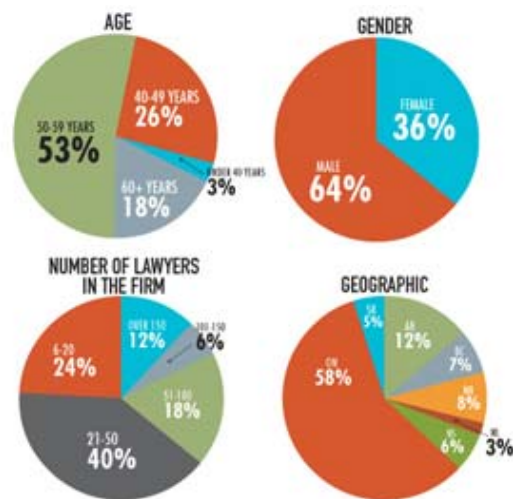
leaders who are lawyers to take risks may not be a prudent bet!

Innovation is required for firms to both find and successfully exploit new opportunities that will ensure their long term viability. Do your respective firms put off decisions because consensus can't be reached!

Selection

Recently in preparation for a law firm leadership boot camp workshop put on for the Canadian Bar Association that I was fortunate enough to co-present with Karen MacKay of Phoenix Legal, Inc. a survey was conducted of a cross section of individuals involved in law firm leadership in Canadian firms. Before reviewing the results of the survey, it is important to provide you with a snapshot of the demographics of the 72 responses so you can draw your own conclusions as to it being representative of your firm:

It would not be a survey on leadership if it didn't ask how future leaders are developed in the respondents' firm. The responses, while likely predictable, do not necessarily provide a warm fuzzy feeling. The approach "we give high potential people opportunities to lead teams and task forces and give them mentoring and feedback in these roles" was selected by 41 per cent of those surveyed; "we give high potential people opportunities to lead and they will figure it out" was selected by 29 per cent; and "we don't do anything" was selected by 15 per cent of those surveyed. It seems like a fairly cavalier approach to such a mission critical role.



Those surveyed were also asked to rank the importance of various competencies for a leader to be successful in their firms. The rankings they used were: critical, important, somewhat important, and not important. The competencies a significant number of responders ranked critical were: communication (written, oral) at 76 per cent; decision making and judgment at 72 per cent; and interpersonal at 66 per cent. The competencies a significant number of responders ranked important were: financial at 70 per cent; business acumen at 70 per cent; sense of urgency at 60 per cent; and managing underperformance at 60 per cent.

The emphasis placed on communication, judgment, and interpersonal skills underlies the growing acknowledgement that the future success of law firms will very much depend on the ability of their leaders to engage, motivate, and instill hope in the partners to get them to meet and

exceed their capabilities. In Peter Drucker's words *"the leader of the past knew how to tell... the leader of the future will know how to ask..."*

A fair but tough question for you to ask yourself is was your last leader selected because of his or her communication, judgment, and interpersonal skills or the size of their book of business or to give them something to fill up their time with?

So what is the right leadership style for a law firm?

The style of leadership that will be most successful will depend on the environment in which the leading is being attempted. There are numerous leadership styles and variations that have been identified or labeled in modern literature with six of the more prominent ones being:

1. **Situational:** seen to be extremely flexible whose practitioners are constantly tweaking and making adjustments to meet current circumstances;
2. **Participative:** continuous seeker of consensus which can cause some confusion as to who is leading and who is following;
3. **Transactional:** intuitive negotiator who places heavy emphasis on the "you scratch my back and I will scratch yours" approach to leading;
4. **Charismatic:** leadership based on the strength of their personality, not necessarily the strength of their ideas;
5. **Servant:** leadership based on empowering others to take on increasingly visible and important roles; and
6. **Transformational:** leadership based on the strength of their ideas or vision and their belief of the possibility of the impossible.

To my way of thinking, the initial focus should be on the leadership traits not style that are critical to those trying to provide the leadership at any level in a law firm. I would suggest to you that the six most critical ones are (and not in order of importance):

1. **Firm-first mentality:** law firm leaders must have the trust of the partners that they will always put the interest of the firm/practice/department ahead of personal gain or interest of the few;
2. **Understanding the motivation of others (empathy):** able to push/motivate people to want to take on challenges, push personal and practice boundaries, and thereby create new opportunities for the firm and themselves by understanding emotional buttons and hitting the right ones;
3. **Receptacle for new/different ideas and approaches:** balances self-opinion with the ideas of others, irrespective of origination and quality;
4. **Business acumen:** keenness and quickness in understanding and dealing with a business situation in a manner that is likely to lead to a productive outcome;
5. **Personal capital (credibility):** most changes in law firms involve some degree of infringement of individual autonomy and it is critical that the person is seen to have

credibility when arguing on behalf of the change, whether it is having a real grasp of the impact of the change, the ability to ensure the proper execution, or the necessity to make the change; and

6. **Communicator:** without strong, interpersonal verbalization skills it becomes almost impossible to create the desired collaborative environment—while not shying away from confrontation when absolutely necessary, by being prepared to conduct "walk around" conversations, confrontation is minimized.

Given the critical leadership traits identified, a "subservient leadership" style would seem to have the greatest odds of achieving success in today's law firms, particularly to address engagement. This is a hybrid of the "servant leadership" model with the thrust being that leaders adopting this model lead from behind by shying away from the limelight and empowering others to be seen at the forefront.

Successful subservient leadership requires a healthy dose of Machiavellian attitude as the importance of executing on the vision or plan has to clearly outweigh the need for recognition of one's efforts or ideas: *"I don't care who takes credit as long as we get done what must be done."*

"I don't care who takes credit as long as we get done what must be done."

Some of the benefits of such a leadership style that should resonate with law firms include:

- ε The exemplary treatment of lawyers and staff leads to an excellent treatment of clients by lawyers and staff of the firm and a high loyalty of the clients;
- ε There is high lawyer and staff identification with the enterprise;
- ε An excellent firm culture is developed; and
- ε Leaders of the firm define themselves by their significance to the people.

"Gaining commitment increases the odds that people will work harder and more creatively to move a firm, practice, or project in the desired direction. In the face of increased financial frustration on the part of lawyers, unmet needs, lack of shared vision, jadedness with what they do, and general poor morale finding the right leadership style for a firm has taken on increased significance."⁴

So how do we select our next leader?

I know the following sounds contrary to comments earlier in this article but don't do it by holding an election. Rather make the choice an informal consensus of who is the best fit for the role. The search committee presents it as "we canvassed everybody, and we think Partner "Y" is the best candidate for the position". Then everybody says yes or no and moves on. An election becomes a "popularity contest" and forces people to choose sides which invariably results in the creation of an opposition faction who supported the unelected candidate.

Conclusion

Referring back to the law firm leadership survey, participants were asked to rate on a scale of 1 to 7 (1 being the most important) what law firm leaders should do/be focused on. The weighted results were:

- ε Set direction for the firm — 2.3;

- ε Motivate, mentor and inspire; energize people in the firm at all levels — 2.9;
- ε Build commitment —3.0;
- ε Set a personal example — 4.0;
- ε Challenge the status quo and create change — 4.6;
- ε Take direction from the partnership — 4.9.

This weighting not only re-enforces John Kotter's definition of what leadership is but demonstrates its relevance to law firms.

¹ HBR Blog Network — Management is (Still) Not Leadership — John Kotter — January 9,2013

² Includes concepts like participation by the full partnership in governance decisions, the provision of services by professionals exercising relatively unfettered discretion, and the use of collegial structures as the basis of organization — all designed "to respect professionals' desire for autonomy, to maintain the principle of partnership, and to promote acceptance and cooperation — 2013 Report on the State of the Legal Market

³ The hallmarks of a professional, such as education, vocation, esoteric knowledge, self-regulation, and civility, have been replaced, or at least augmented, by an interpretation that stresses punctuality, style, dynamism, financial success, and entrepreneurialism - 2013 Report on the State of the Legal Market

⁴ When Professionals have to Lead: A New Model for High Performance " Thomas J. DeLong, John J. Gabarro and Robert J. Lees

Comments or Questions?

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