

LAW FIRM MANAGEMENT VS. LEADERSHIP

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LEADERSHIP FOR LAWYERS

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Law firms need good leadership as much as any other industry. In today's world of increasing complexity and globalization, law firms must better adapt to rapid changes in the legal marketplace. Because leadership involves practicing the behaviors that get results, law firms with good leadership can achieve greater productivity, enhanced client service and quality of work, and a positive reputation in the legal marketplace. Good lawyer-leaders will be able to effectively recruit and retain talent in a competitive legal marketplace, help shape a firm's culture, improve communication and foster excellence.

However, many law firms suffer from lack of leadership. Problems such as 800-pound-gorilla-partners, associate revolts, battles between practice groups, partner defections, and poor morale commonly start with poor leadership.¹ One reason for this lack of leadership is that law firms have not implemented good leadership training or practices. Another reason is that law firms generally focus on effective management rather than leadership. Other reasons for the lack of leadership in the law firm environment are that leadership education is not emphasized (or even available) in most law schools and most law firms are staffed with people whose personalities are not prone to practicing leadership.

Because there are differences between effective management and leadership, a well run law firm should practice good techniques in both. The focus of this article is to explore the problem of law firm leadership and to propose solutions. Additionally, exemplary leadership practices are examined in the context of successful law firms that made this year's list in *Fortune Magazine's* "100 Best Companies to Work For."

¹ Leadership & Organizational Development: Conflict Resolution and Repairing Dysfunctional Organizations, Hildebrandt International Consulting Services, at http://www.hildebrandt.com/ConsultingServices.aspx?BD_ID=4872

COMPARING LEADERSHIP AND MANAGEMENT

Management and leadership require drastically different approaches to handling situations. In general:

Management is about making sure that clear goals are established and then carried out, despite organizational size, number of offices, sub-specialization, and other forms of complexity. It is focused on the short-term (usually one-year increments), and depends on analytical, rational, data-based, cognitive strategies to be effective. Leadership, on the other hand, is focused on a longer time horizon (five years or more); is much more people-focused, inspirational, emotional, non-linear and visceral. To lead, you must gain buy-in and commitment. When the people you are leading are also owners of the firm, the need for buy-in is even greater.²

Managers emphasize rationality and control, select goals based on necessity, react to situations, balance opposing views and maintain a low level of emotional involvement with subordinates. In contrast, leaders are imaginative and non-conforming risk-takers, have a personal orientation towards goals, proactively develop new approaches to problems and relate to other people in an empathetic way.³

HOW LAWYERS' PERSONALITY TRAITS AFFECT THEIR ABILITY TO LEAD

Despite the importance of leadership skills in the legal profession, most lawyers have dominant personality traits ill-suited for effective leadership; in fact, the personality traits most prominent in attorneys are better suited for management. The same traits that make a successful lawyer make the non-linear, emotional and inspirational aspects of leadership

² Susan R. Lambreth & Larry Richard, What Does It Take to Develop Effective Law Firm Leaders?, Law Practice Today, at <http://www.abanet.org/lpm/lpt/articles/pmqa03061.shtml> (March 2006).

³ Leading vs. Managing – They're Two Different Animals, Online Women's Business Center, at <http://www.sba.gov/test/wbc/docs/manage/leading.html> (July 1997).

counterintuitive. In particular, lawyers are more skeptical, more urgent, less sociable, less resilient, and more autonomous than the general public.⁴ These attributes make lawyers more comfortable with impersonal, objective and results-oriented management roles.⁵

However, lawyers can overcome these personality traits and become good leaders. But, becoming successful leaders means that lawyers must develop two contrasting skill-sets and be able to readily change between the two. In some situations, lawyers must act as managers and be skeptical, concerned with the present and aloof; however, in leadership situations, lawyers must become more trusting, focused on the future and friendly. Success as both a lawyer and leader requires developing both sets of traits.

Skepticism

Studies show that skepticism is the most dominant trait among lawyers. According to measures of skepticism by Dr. Larry Richard, lawyers average around the 90th percentile, while the general population checks in at the 60th percentile.⁶ High skepticism creates distrustful, judgmental, questioning, argumentative and somewhat self-protective behavior, all qualities that can lead to legal success. This innate mistrust makes most lawyers more comfortable with the objective, unilateral decisions made by managers. Although skepticism aids in practicing law, lawyers often maintain a skeptical attitude in non-adversarial situations like mentoring younger attorneys or serving on a committee.⁷ Because less skeptical people tend to be accepting of others, trusting and give others the benefit of the doubt, lawyers cannot create the collaboration and trust needed to lead without overcoming their skepticism.⁸

⁴ Larry R. Richard, Herding Cats: The Lawyer Personality Revealed, at <http://www.lawmarketing.com/pages/articles.asp?Action=Article&ArticleCategoryID=7&ArticleID=350> (Jan. 9, 2005).

⁵ Lambreth, supra.

⁶ Lambreth, supra.

⁷ Lambreth, supra.

⁹ James M. Kouzes & Barry Z. Posner, The Leadership Challenge 18 (3d ed. 2003).

Successful leaders consider teamwork, trust and empowerment essential elements of their efforts. By becoming dependent on the work of others, a successful leader builds trust and individual empowerment. However, highly skeptical people cannot bear to be dependent on others, causing them to do everything themselves, or supervise others so closely they become overbearing.⁹ Because this micromanagement stems from an absence of trust in the abilities of others, it is a major obstacle to effective leadership.

However, a successful lawyer-leader must remain skeptical in legal roles, but must also be trusting and nonjudgmental in non-lawyer roles.¹⁰ Because people tend to use their dominant personality traits across all situations, attorneys must practice adapting to different situations and cannot become leaders overnight.¹¹ Only by developing leadership skills over time can lawyers become collaborative in certain situations while remaining skeptical when necessary.¹² But, by showing a willingness to trust others, listening to others and creating opportunities for informal interactions, lawyers can take the initial steps to becoming effective leaders by building trust.¹³

Urgency

Lawyers also tend to be more urgent than most people (71st percentile for lawyers, 60th percentile for the general public), resulting in impatience, immediacy and a need to get things done quickly.¹⁴ This need for speed creates a desire for efficiency and economy in everything from conversations to case management; however, such emphasis on efficiency often causes poor listening skills and brusqueness, and can cause tension in meetings and mentor-protégé

⁹ Kouzes *supra* at 224.

¹⁰ Lambreth, *supra*.

¹¹ Richard, *Herding Cats: The Lawyer Personality Revealed*, *supra*.

¹² Lambreth, *supra*.

¹³ Kouzes *supra* at 268-277

¹⁴ Richard, *Herding Cats: The Lawyer Personality Revealed*, *supra*.

relationships.¹⁵ This short-term focus makes attorneys well-suited for the immediate goals of management.¹⁶

A focus on results makes urgent people well-suited to the task-centric nature of management. However, emphasizing immediate, specific goals contrasts with the broad, long-term vision needed to lead. Ideally, leaders should have a vision that spans years and keeps people focused on building a common vision.¹⁷ However, impatience prevents many attorneys from establishing and adhering to a long-term vision. Most lawyers focus on solving the most immediate problem as quickly as possible. While this approach benefits clients, it prevents attorneys from building a long-term vision. As with skepticism, adaptability – being able to form a long-term vision while remaining able to quickly dispose of professional problems – is critical to becoming a successful lawyer-leader.¹⁸

Urgency can also frustrate the personal relationships essential to successful leadership.¹⁹ Because urgent people tend to be poor listeners, often finishing other peoples' sentences, they struggle to appreciate the viewpoints and experiences of others. This can prevent attorneys from drawing upon other people's expertise and abilities. This difficulty in listening to constituents and showing openness to influence makes it difficult for lawyers to build the trust between leader and constituents that makes constituents open to influence by the leader.²⁰ Only by becoming more patient and willing to hear outside input can lawyers become effective leaders; also, willingness to listen may improve lawyers professionally by exposing them to different viewpoints and interpretations.

¹⁵ Id.

¹⁶ Id.

¹⁷ Kouzes supra at 131.

¹⁸ Richard, Herdning Cats: The Lawyer Personality Revealed, supra.

¹⁹ Id.

²⁰ Kouzes supra at 247-48.

Sociability

Sociability represents the desire to interact with other people, in particular the comfort level in creating new, intimate connections with others. Studies show that lawyers average a sociability score of 12.8%, while the general public scores 50%.²¹ Low sociability means most lawyers are more likely to rely on existing relationships, rather than to form new ones. Lawyers also prefer to deal with analytical, rather than emotional, information or interactions.²² While this emphasis on rational thinking and objective information is essential for practicing law and managing, it makes it difficult for lawyers to recognize the contributions of others, a lynchpin of successful leadership.

Because people are more willing to follow a person they like and trust, effective leaders build trust with their constituents. However, to create trust, leaders need to disclose things about themselves – their hopes and dreams, their family and friends, their interests, their pursuits – to their constituents. Showing some vulnerability makes leaders more human, and easier to trust.²³ Such a public display of vulnerability goes against lawyers' strong dislike for forming connections with new people; however, this openness is critical to creating the personal connections necessary to lead.

Effective leaders understand that people are most miserable when they feel isolated and combat this by creating situations, like celebrations, where people can interact with each other. Such social settings also prevent people from believing they are not responsible to others and remind them they are part of a group.²⁴ While these gatherings are essential to leadership, planning and participating in group events requires making new social

²¹ Richard, Herdin Cats: The Lawyer Personality Revealed, supra.

²² Id.

²³ Kouzes, supra at 330-31.

²⁴ Kouzes, supra at 357-59.

connections, which lawyers typically find difficult. When people feel a strong sense of affiliation and attachment to their colleagues, they are much more likely to be committed to the organization and to complete extraordinary tasks.²⁵ Only by understanding that people have emotions, not governed by logic, and finding ways to nurture those emotions can lawyers become successful leaders.

The dislike for forming new relationships also makes it difficult for lawyers to appropriately recognize the contributions made by others. Effective leaders personalize recognition, showing that the leader took the time to notice the achievement, seek out the responsible party and personally deliver praise.²⁶ Simple, personal gestures provide the most powerful rewards. In fact, personal congratulations rank as one of the most powerful non-financial motivators. Personal praise satisfies basic human needs to be noticed, recognized and appreciated.²⁷ However, providing this personalized attention often requires stepping outside existing social networks. Given the tremendous impact of personal attention, lawyers must be willing to create some personal connection with each constituent to effectively lead.

Resilience

Resilience, or ego strength, is related to sociability and provides a measure of self-esteem. Lawyers average a resilience score of 30% while the general public averages a score of 60%. This low score means that most lawyers tend to be defensive, resist feedback and overly-sensitive to criticism.²⁸ Thus, although outwardly confident, lawyers tend to be more inwardly sensitive and self-protective.²⁹

²⁵ Kouzes, supra at 358.

²⁶ Kouzes, supra at 332.

²⁷ Kouzes, supra at 334.

²⁸ Richard, Herding Cats: The Lawyer Personality Revealed, supra.

²⁹ Id.

The combination of self-protective nature and discomfort in forming new relationships makes it difficult for lawyers to open up to others and to gain trust. Successful leaders first demonstrate their trust in others, which gives others a reason to trust the leader.³⁰ Given the considerable risk in disclosing information about themselves – there is no guarantee others will agree or interpret words and actions as intended – it is very difficult for most lawyers to open up to others. But by opening up to others first, leaders can make it more likely that others will take a similar risk and create the interpersonal trust necessary for a group to achieve a long-term goal.³¹ Although difficult for lawyers, initially showing some vulnerability is critical to building the needed trust between constituents and leader.

Heightened sensitivity further complicates building trust among team members. Low resilience makes lawyers defensive when communicating with others, which can create a climate of distrust. However, relatively simple measures can diffuse this mistrust. Giving descriptive rather than evaluative comments, restating other peoples' ideas, asking questions and expressing genuine feelings can all mitigate distrust.³²

Although remaining aloof allows managers to focus on facts, remain objective and preserve the obedience of others, aloofness only works for short-term goals. Personal relationships between leader and constituents are essential to completing long-term goals.

³⁰ Kouzes, supra at 248.

³¹ Id.

³² Kouzes, supra at 268.

Autonomy

Lawyers are highly autonomous, scoring in the 89th percentile, compared the general public's 60th percentile, in studies.³³ This high independence can frustrate traditional approaches to managing in law firms. However, good leaders can exploit this independence. Effective leaders thrive by giving power to others.³⁴ Because lawyers are already highly independent, they are more willing to accept responsibility than most people. This acceptance of responsibility allows lawyer-leaders to spend more time creating a shared vision and modeling the way rather than building confidence. Such a collaborative approach to leadership is essential to leading attorneys, as they value their independence too much to respond to traditional "command and control" management.

WHAT IS EXEMPLARY LEADERSHIP?

There are many different ideas about what leadership is and what makes a good leader. According to the idea described in the book, The Leadership Challenge by James M. Kouzes and Barry Z. Posner,³⁵ there are five key practices of exemplary leadership. These practices are: 1) modeling the way; 2) inspiring a shared vision; 3) challenging the process; 4) enabling others to act; and 5) encouraging the heart. These practices provide a starting point to evaluate law firm leadership practices.

In its January 23, 2005 issue, *Fortune* Magazine published its 8th annual list of the "100 Best Companies to Work For." The list is compiled for *Fortune* by Robert Levering and Milton Moskowitz of the Great Place to Work Institute in San Francisco, based on two

³³ Richard, Herdin Cats: The Lawyer Personality Revealed, *supra*.

³⁴ Kouzes *supra* at 284.

³⁵ Kouzes, *supra* at 13.

criteria: an evaluation of the policies and culture of each company, and the opinions of the company's employees.³⁶ The latter is given more weight; two-thirds of the total score comes from employee responses to a 57-question survey, distributed to at least 400 randomly selected employees from each company. The remaining one-third of the score is based on an evaluation of each company's demographic makeup, pay and benefits programs, and culture. Companies are scored in four areas: credibility (communication to employees), respect (opportunities and benefits), fairness (compensation, diversity), and pride/camaraderie (philanthropy, celebrations).³⁷

Fortune's rankings show that some law firms have succeeded in creating a collaborative, trusting environment. For the seventh year in a row Alston & Bird (Rank 19) has made the list. Other firms appearing on the list include Perkins Coie (Rank 48), Nixon Peabody (Rank 49), Arnold & Porter (Rank 54), Bingham McCutchen (Rank 82), and Morrison & Foerster (Rank 88).³⁸

Modeling the Way

Modeling the way involves setting an example for others to follow. According to Kouzes and Posner, effective leaders should set the example by aligning their actions with shared values.³⁹

Effective leaders are good role models. They know that "do as I say, not as I do" doesn't work ... [p]articularly in a law firm where lawyers are highly cynical too, there will be little

³⁶ 100 Best Companies to Work For: Fortune's Annual Ranking of Companies that Rate High with Employees, *Fortune Magazine* available at http://money.cnn.com/magazines/fortune/bestcompanies/full_list/ (Jan. 23, 2006).

³⁷ Id.

³⁸ Id.

³⁹ Kouzes, supra at 14.

credibility if you do not follow through on what you say you will do. Acting as a role model builds credibility. It is human nature to see our leaders as exemplars and to invest more meaning in things they do than when others do the same things. So, effective leaders need to act in ways they want their followers to emulate. Your behavior models your values to the rest of the organization.⁴⁰

In the law firm context, modeling the way can be accomplished by showing a commitment to public good by way of pro bono activities. Arnold & Porter LLP, for example, has received honors by the Minority Corporate Counsel Association for its commitment to diversity six times, more than any other law firm in the country.⁴¹ Similarly, Bingham McCutchen was ranked the number one law firm in California and the number five firm in the country in terms of its commitment to pro bono work in the *American Lawyer's* Annual Associates Survey.⁴² Further, Bingham has the largest percentage of female attorneys among the top 250 law firms in the country.⁴³ The firm was ranked one of the “25 Most Diverse Law Firms in America” by *Minority Law Journal* (Summer 2001). Clearly, at the firm level it is possible to model the way through pro bono activities and commitment to diversity.

⁴⁰ Lambreth, *supra*.

⁴¹ Press Releases: Arnold & Porter Named One of Fortune's "100 Best Companies To Work For" For Third Consecutive Year, Arnold & Porter LLP, at http://www.arnoldporter.com/news_news.cfm?publication_id=1041

⁴² Id.

⁴³ Making Your Firm A Great Place to Work, Hildebrandt International Consulting Services, at http://www.hildebrandt.com/Documents.aspx?Doc_ID=959 (May 25, 2002).

Inspiring a Shared Vision

According to Kouzes and Posner, inspiring a shared vision involves having a positive outlook for the future and enlisting others in a common vision by appealing to shared aspirations.⁴⁴

There are few, if any, successful organizations without clear goals. Leaders tap into the emotional, the visceral, the hopes and aspirations of their people to develop goals or a vision. They also focus on "uplifting", positive visions, rather than fear-induced or "rear-view mirror" visions. These leaders study the market, talk to clients, envision the possibilities and communicate to build ownership of the goals. People respond more willingly and positively, and give more of their true potential, when you give them a meaningful, inspiring future to move towards.⁴⁵

Law firms can inspire a shared vision in many ways. Lawyer-leaders within firms can raise the level of morale and reduce organizational problems by having a positive vision for the future and getting others on-board. Pro bono activities are one way to do this, but there are many others. Setting and working towards firm-wide goals could be another way. For example, law firms could engage in charitable fundraising or develop client satisfaction goals.

⁴⁴ Lambreth, supra at 15.

⁴⁵ Lambreth, supra.

Challenging the Process

Challenging the process involves venturing out and questioning the status quo.

According to Kouzes and Posner, it has to do with experimenting and taking risks by seeking innovative ways to change, grow and improve.⁴⁶

Leaders take risks. They lead. They push for change, go where no one has gone before, and try new ways of doing things. They also experiment and carefully observe what happens. Effective leaders recognize good ideas and encourage/support the changes in the organization to allow the new ways to be adopted.⁴⁷

Keeping the law firm environment challenging and innovative should be a top priority for lawyer-leaders. Questioning the status quo often leads to positive change. Most would agree that there is nothing worse than bureaucratic ritualism where things are done a certain way just because that is the way they have always been done. An effective leader recognizes the need for innovative change.

For example, law firms have long suffered morale problems relating to distinctions between those who have law degrees and those who do not. Fenwick & West solved this problem in 1997 by issuing a memo entitled “The Golden Rule.”⁴⁸ The memo is still periodically circulated to remind employees that every staff person is a member of the Fenwick & West team, and all are working together towards servicing clients.⁴⁹ “Since the inception of the firm, we have worked hard to eliminate those distinctions,” says firm chairman, Gordon Davidson, “[a]t Fenwick,

⁴⁶ Kouzes supra at 18.

⁴⁷ Lambreth, supra.

⁴⁸ Making Your Firm A Great Place to Work, supra.

⁴⁹ Making Your Firm A Great Place to Work, supra.

everyone is important, everyone contributes to the success of the firm, and everyone is made to feel valued.”

Challenging the status quo can effect positive change in many ways within a law firm. The fact that firms are generally smaller than corporations should give them the maneuverability to question common practices and propose new solutions.

Without the ability to quickly adapt a firm might well disappear.

Enabling Others to Act

Enabling others to act has to do with promoting cooperative goals and building trust and strengthening constituents by sharing power and discretion.⁵⁰

These days, "command-and-control" leadership does not work ... In a world in which knowledge is our stock in trade, and in which the law firm that does the best job of drawing out the greatest potential of its people to be creative, resourceful and to stretch beyond the "ordinary" will give them a tremendous competitive advantage. Effective leaders today use a more collaborative approach and give power away rather than hoard it. This is difficult for many lawyers, since research has indicated that people drawn to the law as a profession, especially those who make partner, like accumulating power.⁵¹

Enabling others to act addresses the importance of getting employee buy-in. It is the ability of the leader to draw on the firm's greatest resource which is its employees. Effective leadership requires a collaborative approach to decision making. A great way of enabling others to act in a law firm environment is giving employees a forum to voice their comments and concerns and to get constructive feedback on their performance. According to the firm's managing partner, Ben F. Johnson III, Alston & Bird's success is attributable to the "constant

⁵⁰ Id.

⁵¹ Lambreth, supra.

flow of communications with employees and commitment to open discussion and keeping employees ‘in the loop’.”⁵² Alston & Bird’s lawyer evaluation system exemplifies this commitment to feedback. According to Johnson:

The associates get to review the written evaluations prepared by the partners who evaluated them. They can sit down with the partner, challenge what they said and discuss it. As a result, people think more about what they say. Our partner evaluation system is exactly the same. Every partner here knows that he or she can come to us and get an explanation of his or her compensation. It is transparent and open for discussion. Our people know they will be treated and respected as important parts of the organization and that they will advance in a system that they understand.⁵³

This is just one of many possible ways to enable others to act within the law firm environment. Communication between all levels of attorneys and staff is critical to developing subordinates professionally and creating positive change. For example, most law firms in Silicon Valley today are shifting to a more informal “open door” policy. This trend will likely continue as firms search for ways to build bridges and encourage communication between members.

Encouraging the Heart

Encouraging the heart involves recognizing contributions of employees and creating a spirit of community.⁵⁴

Effective leaders are good at recognizing people who help move the team towards the goal. Recognition of others costs little but yields a lot. However, most lawyers are not very good at it.

⁵² For the Seventh Year in a Row, Fortune Names Alston & Bird on its List of “100 Best Companies to Work For,” AB News, at <http://www.alston.com> (n.d.).

⁵³ Making Your Firm A Great Place to Work, *supra*.

⁵⁴ Kouzes *supra* at 19.

Highly effective leaders know the importance of "heart" and recognize people who are contributing to the team effort. Effective leaders also encourage the heart by celebrating interim wins when shorter term milestones are reached on the way to a major long term goal. This maintains enthusiasm and motivation on the way towards a longer-term goal.⁵⁵

One way firms can encourage the heart by allowing employees to maintain a good work-life balance. Due to rising minimum billing requirements, work-life balance is becoming increasingly important, and more difficult to maintain, in the legal marketplace. The practice of law is becoming increasingly global and competitive and firms with a better focus on quality of life issues will continue to attract the best people and provide the best legal services for their clients. In Johnson's opinion, Alston & Bird's success is attributable to the firm's commitment to ensuring a positive work-life balance through flexible work arrangements, world-class child care facilities, and generous parental leave.

Similarly, Bingham McCutchen prides itself on respecting each individual as a person and not just as an employee. Because of this, the firm also has gone to great lengths to support its members.⁵⁶ For example, after September 11, the firm took a number of steps to respond to events, including facilitating several fundraising efforts, scaling down its plan for a lavish Christmas party, and taking part in a newly created referral service started by the San Francisco Lawyers' Committee for Civil Rights to defend victims of hate-motivated crimes.⁵⁷

CONCLUSION

A changing climate in the legal profession makes it important for law firms to develop leadership. The tremendous change affecting the legal profession in general and the

⁵⁵ Lambreth, *supra*.

⁵⁶ Making Your Firm A Great Place to Work, *supra*.

⁵⁷ Id.

accompanying uncertainty – clients shop around on a case-by-case basis and partners periodically switch firms – makes it imperative that attorneys develop leadership skills.⁵⁸ Because uncertain times magnify the role of leaders within organizations, it is now more important for lawyers to be leaders, rather than mere managers.⁵⁹ Although lawyers have dominant personality traits traditionally suited for managers, through leadership development programs, over time lawyers can hone the skills necessary to lead. However, because management requires a different approach to people and problems than leadership, law firms need to develop both leadership and management skills in their employees.⁶⁰ Lawyers' personality traits make law firms ideal environments for leaders with the right approach to flourish.

⁵⁸ Lambreth, supra.

⁵⁹ Id.

⁶⁰ Id.