

Change Projects in Law Firms

By Nick Jarrett-Kerr

In some ways lawyers are lucky that change has been slow to happen – until recently many law firms have not had to be very proactive in facing up to change.

After all, experts have been saying for some years that the pace of change affecting the Legal Profession continues to increase; that these changes are inexorably affecting every market, every working practice, and every process.

But if you stop to analyse what is changing, both in society and the legal profession, some comfort can be drawn. Take the clothes you are wearing as an example, or what you carry with you. Wool, cotton and silk have been around for centuries and polyester for a number of decades. Buttons and zips have been in use for many years. The point is that, whilst clothing styles may have changed, the basics of much of our clothing have altered little. A similar point can be made about your working environment. You may have had a mobile phone for less than ten years, and the pc on your desk at the Office for a similar time, but many other factors have broadly remained the same. The basic laws which underscore our whole legal system are still in operation. And this is likely to be the case for many years to come. The point is that what tends to change is style not substance, how law is practised (and by whom) rather than necessarily the substance of the law itself. This is mainly brought about because there is an inexorable pressure by clients to be able to obtain their solutions and out-comes quicker,

cheaper and more efficiently than ever before. In addition, our Society is changing too and this means amongst other things greater people-power by non partners and the costs of labour going up faster than our ability to raise fees at the same rate.

In face of this, the biggest change currently being faced by Law Firms is changes to their working practices being forced on the profession by the competitive pressures from both inside and outside the industry.

The good news is that, in being creative and innovative about future working practices, we do not need to throw out all that we have learnt and all the benefits of our experience and start again from scratch. In fact, innovation and creativity is not like that at all. In the word of Arthur Koestler (The Act of Creation) “The creative act is not an act of creation in the sense of the Old Testament. It does not create something out of nothing; it uncovers, selects, re-shuffles, combines, synthesises already existing facts, ideas, faculties, skills. The more familiar the parts, the more striking the new whole.”

Innovation, therefore, entails finding new patterns and methods of working, evaluating them, and then putting in place an implementation strategy. This is easier to say than to achieve. But every practitioner in every practice area ought to be asking himself or



herself “How could we do this differently?”

Law firm partners and leaders ought to have some plans to cope with some of the obstacles to their projects and the implementation of them which could occur along the way. Anticipating such barriers can often lead to them being headed off. Here are some of the issues which can quickly turn into obstacles.

Issue one: the dangers of multi-faceted change.

Impending changes to profit sharing and compensation form a classic example of a situation in which the issues of personal change and organisational change overlap. Additionally, most firms are encountering a period of transition and change brought about by market conditions and the economic climate. It has been shown that people tend to resist change the most when personal change, organisational change and macro change – political, economic, social and technological change - are all taking place at the same time and overlap. In the context of changes to the compensation system, partners will inevitably be concerned about the possible impact of the changes on them, and even if conceptually supportive in organisational terms, may quickly become obstructive or silent objectors if they feel personally threatened. Thus it is almost always easier to change systems during a benign economic period or during a firm’s growth period when the

possible impact of some of the overlapping issues is at its lowest.

Possible Solutions to this issue include

Considering incremental change to ease resistance. Change projects carried out just a little bit at a time tend to incur less resistance

Communication with partners at all times is critical – to maintain focus and to keep people informed

The leaders should paint a clear and compelling vision for the future

In appropriate cases, the leaders should point to the dire consequences which are likely to happen if the change does not happen – as has sometimes been pointed out, people will usually only change to the extent they are forced to.

Issue Two: The tendency of law firm partners to bury themselves in client work.

Professionals will often bury themselves in work and simply abstain from involvement in internal initiatives or even refuse to engage in the dialogue.

Law firms are people businesses. On the whole this is a very good thing, but it can also mean, for example, that the ability of the management team to get initiatives completed is constrained. A program to change profit sharing and compensation mechanisms, in order to succeed, will need participation or co-operation from the project team and the partners generally. And if this is not forthcoming, then the initiative will fail. This has become a real problem for some firms, where it has quickly become



Obstacle Two – Partners getting buried in work

Partners show different levels of cooperation

Subvert	Oppose	Indifference and Inertia	Sympathise	Support	Share
Playing political games to undermine	Active opposition	Immersed in client work and appear disengaged	Respect for the goal but will make no effort	Prepared to put in time and energy	Sharing the goal as powerful ally

Possible solutions to this issue include

- ② Forming a guiding group or loyal allies who will share the burden of the project
- ② Identifying early on the people who are likely to oppose the changes and taking time to discuss their fears, uncertainties and doubts at an early stage
- ② Making sure that you have the firm's opinion formers onside at all times
- ② Spending time in partner

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apparent who are the movers and shakers, who can be always relied on. This in turn results in the movers and shakers always taking on more than their fair share of projects. So what is to be done about those who are not pulling their weight? It is important not to under-estimate the degree of resentment felt by the achievers, if they feel that they are taking on unfair burdens and that those on the sidelines are extracting unfair advantages. There can be an element of self fulfilling prophecy here. The over-achievers and high performers are usually recognised by the firm and are already pretty well rewarded. They often will resist changing a system that is already working for them. As has been argued before, it is often the underperformers that law firms fail to involve or rely on.

This issue can seriously affect the project team as the initiative will fail if a poor process is followed or promises and commitments are not followed up or followed through. It seems to me to be part of the job of both the project team and the firm's leadership team to create an effective and realistic timetable and stick to it.

workshops and one-to-one to increase buy-in and decrease apathy

- ② Make it clear how determined the leadership group is to seeing the change through

Issue Three: How different personalities view change.

It is important to recognise that different personalities have different attitudes to change - from those who love change to those who positively hate it.

People might agree with both the need to change the profit sharing mechanisms and the proposal, but still resist for a number of reasons - because they are risk averse or because they are concerned it may affect their status in the firm. Alternatively they may be worried about their ability to survive in a new world. Worst of all are those who say

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nothing but are silent dissenters. It is vital to understand your partners and to identify how they might react in the face of proposals to alter compensation or profit sharing, particularly if a major shift is envisaged.

Some law firm partners are heavily analytical people¹ who have a tendency towards perfectionism. They are used to dealing in facts, data, logic and details. They are sometimes slow to make decisions because they want to be sure before taking

action. As a result they may appear cautious and risk averse. On the other hand, as details people, the decisions and information they provide are usually accurate and well thought through. Some analytical partners are very resistant to change. Their need for analysis can lead to paralysis and certainly gets in the way of fast moving projects which are not firmly rooted in science and data.

For these people, the dangers of multi-faceted change will be very high.

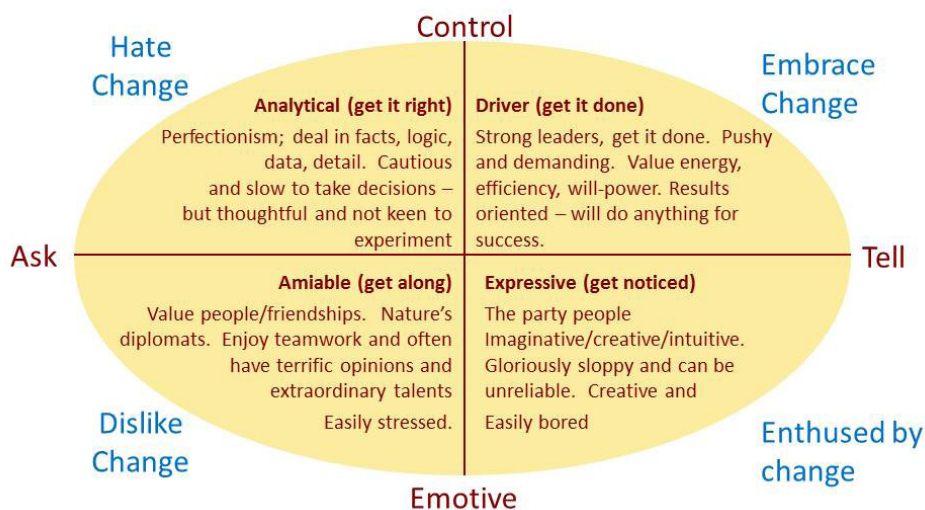
All firms contain their fair share of partners who are social creatures, likeable and charming and inclined to attach a lot of importance to the building of relationships. Such partners prefer to leave involvement in projects - such as the design of a compensation system - to others. Their

strengths are usually in areas like recruitment and the juggling of multiple tasks without getting stressed. They may be just as arrogant or opinionated as any other partner but are often inclined to keep to themselves what is on their mind. Such partners are disinclined by nature to enjoy change and can retreat into a shell when a change programme is under way.

Many of the firm's leading partners – and those who are very ambitious - will be highly driven personalities. All firms have partners

Obstacle Three – Personalities get in the way

Different Personalities view change in different ways



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Tracom – David Merrill

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who are pushy and demanding and seem to be the strong, decisive, results-oriented types. They can appear to be unfairly aggressive at times and, although good delegators, are equally demanding of themselves and of others. They will usually try to keep their emotions to themselves, but will occasionally explode. They are however highly self-critical, and resent those who waste their time with idle chit-chat and non-busi-



¹ A framework which resonates with many is based on work of David Merrill, an American Psychologist who divides the universe into four personal styles Analyticals, Amiables, Drivers and Expressives. See David W Merrill and Roger H Reid “Personal Styles and Effective Performance (1999) CRC

ness oriented gossip. Drivers tend cheerfully to embrace the new and untested; there is little by way of change which they will seriously resist.

There are also a few highly creative partners, although the legal profession does not always attract those whose core strengths are a fertile imagination and an innovative attitude. These creative and expressive partners love to have a good time, are highly enthusiastic and creative, and operate primarily by intuition. Such partners can be easily bored and creative, and therefore keeping them focused on a task is sometimes difficult.

However, they often seem only to function at their best during a time of change and their tendency to explore new ideas and projects makes them eager for change.

Possible Solutions to this issue include

- Taking time to understand those who are risk averse and spending time to give them facts and

- data which will help them analyse through the changes

- Identifying those who are frightened or embarrassed to put their heads above the parapet and spend time talking to them to establish their real fears

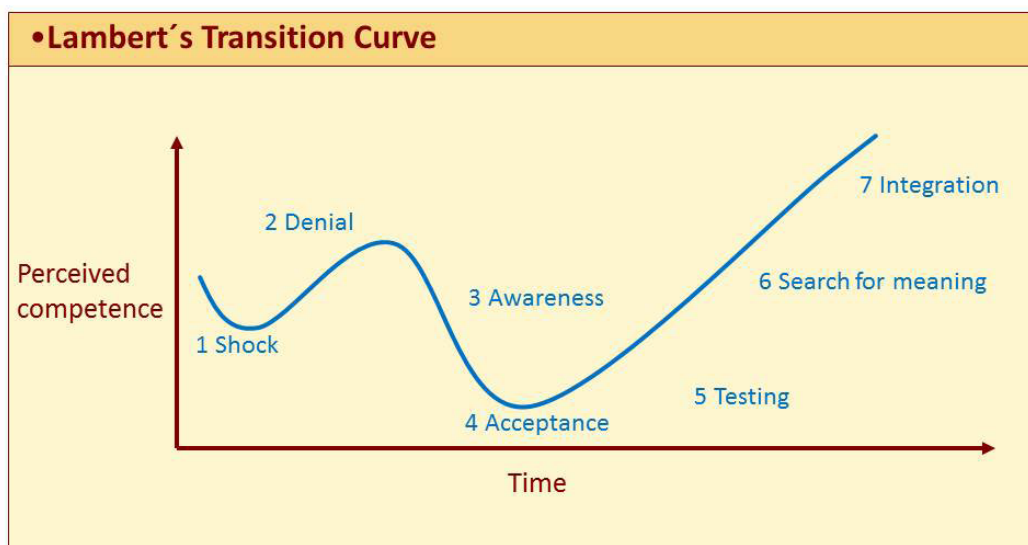
- Partner workshops help to build esprit de corps and to create both a momentum and feel-good factor

- Appeal to those who are either creative or results-orientated to help with the project

Issue Four: How people's perceptions alter during a period of change.

During a period of change, individual partners will go through a cycle of emotional phases as they react to and attempt to handle the transition. This often follows some form of transition curve, the intensity and speed of which will vary between partners depending on their personal attitudes to

Obstacle Four - People's feelings alter during times of change



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change, their position in the firm, their perception of the level of threat presented to them by the proposed change, and their level of confidence in their own abilities to survive and prosper.

The first reaction to proposed change often starts with some very mixed feelings. Excite-

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ment over something new can be tinged with a strong feeling of anxiety, and in some cases anger sets in. Often a period of numbness and denial then sets in, when partners often rationalise the impending changes as either not likely to happen or not likely to affect them personally. At this stage, partners tend to retreat back into the safety of client work, feeling that if they keep their heads down, the danger will soon pass. They will remember any failed internal initiatives and will rationalise that this latest management idea will soon fade. At this phase, the leaders need to ensure the changes are fully understood and re-inforce their resolve to see the project through.

At some stage, it becomes clear to partners that the threatened change is very likely to become a reality, and the realisation of this can cause confusion, anxiety and even depression. It is at this stage that such partners may start to engage in the project and even allow themselves to be helped, coached and supported through the process. They may however remain extremely concerned how the proposed change might affect them. There then starts to be a resigned acceptance of the reality of the new situation along with a dawning recognition that new skills, behaviours and attitudes may be required. This is the real low point on the transition curve and can be a time when partners either give up and leave, or wallow in an introspective pool of regret and resentment at the passing of the old order. It is also, critically, a time when partner performance may be affected and partners may enter a period of underper-

formance. At this point, the firm leaders need to watch out for any partners who feel under threat and are suffering some form of internal personal crisis. The threatened partners must be encouraged to let go of the past and helped through a period of acceptance, transition and preparedness to try new ideas and adopt new ways of working.

Possible solutions include

- Watching for signs of stress and changes in mood as people work through the changes

- Coaching of and support for those who appear to be finding the changes really difficult

- Communicate, communicate, communicate

Communication and Implementation

Too many law firm projects remain uncompleted or collapse into obscurity. It is one of life's little truisms that people tend only to move to action if there is something in it for them. Within law firms, it is often thought that all professionals are self starting, highly motivated driven individuals who merely need all to be pointed in the same direction for success to be achieved. Sadly this is far from the case. I have found some consistent partner management difficulties over many years of managing people, and advising others how to manage people. On the whole, professionals (apart from their fee earning work) are poor at management and as difficult to move to do new things as pushing a boulder uphill. If a firm is going to achieve the partners' ambitions for it, then partners must be motivated, inspired, cajoled and disciplined into pulling their weight and work-



ing towards the overall vision and objectives of the institution.

Nothing can be taken for granted in law firm communications. What is clear is that much of the task for Leaders is painstaking, often process driven, and at times downright boring. My own previous experience, as a Managing Partner of a large law firm, was that, as soon as I written one 'View from the Top' newsletter, it seemed no time at all before I had to write the next one. Messages which I thought I had successfully delivered seemed to require constant repetition, recalling Michael Hammer's famous seven times seven rule that "The same thing must be communicated seven times in seven different ways before anybody will believe it". The clear message to law firm leaders is that they should adopt a careful and methodical approach to their communications

I have six communication and implementation steps which should be applied in any change programme

- Apply consistent standards. Standards in law firms are often agreed and set, but are not applied by partners in management positions for several reasons. First, a degree of favouritism is often shown to cronies and power partners, particularly partners who are responsible for a large book of business. Second, many Managing Partners prefer to avoid confrontation where they can. Third, the standards are vague and leave much room for debate and varying interpretations. To avoid this, make sure that the project plan is agreed in some detail and that the milestones are carefully set and adhered to. Any changes to the project need to be clearly and consistently explained and documented.

- Avoid Short term thinking. This is usually exemplified by a focus on fees and hours and practically nothing else. This typifies a common focus on short term profit to the detriment of long term investment. The focus of any change programme should be oriented to the long term health and strategic success of the firm. At the same time, if some shorter term successes can be created, this helps to keep up the momentum of the change project

- Make sure you follow through. I have lost count of the number of incomplete management projects and failed initiatives which I have seen in law firms

- Improve communications. Managers so often fail to communicate adequately, consistently or even at all. One Managing Partner was recently described to me as 'never leaving his office, managing only by dictat and email'. It is vital to keep people informed and to stimulate enquiry at all stages. It is best not to rely on firm-wide emails

- Prioritise better. I find Managing Partners often get bogged down in trivial administration and miss out on the important task of inter-acting with their people. Such Managing Partners probably manage a few minutes a month on long term planning. Practice Area Heads are often as bad; by spending a disproportionately large amount of time on client work, they succeed in losing precious management nurturing and further devaluation of the management currency.

- Empower people and avoid Control Freakery. There are some managing Partners who only seem to be able to manage by the imposition of martial law and a reign of terror. Thankfully, they rarely last long.



The Management Style to Adopt in a Change Programme

Decision makers in Partnerships face an unenviable dilemma; the need to speed up and professionalise decision-making, whilst at the same time preserving the essential elements of Partnership, including the need for some element of consensus. The inclination of many Law Firms towards a more explicitly corporate structure carries the attendant risk that a ‘command and control’ style of ‘corpocracy’ can follow –rules-oriented, hierarchical, status conscious, with formal structures designed to restrict the flow of information.

Part of any Partner’s development and training should be concentrated on finding the right style of management to suit both the character of the Partner and the needs and profile of the organisation. There are many ways of describing the various different possible management styles. In their book ‘Why Change doesn’t work’², for instance, Harvey Robbins and Michael Finlay describe their views of the four different styles or attitudes of management – Push, Pull, Pummel and Pamper. Most organisations use all four approaches all the time, but in an unplanned manner. An

awareness and understanding of the different styles, and when to use them, can help all those involved in the management of Professional Service Firms to develop their own methodologies and approaches.

Push: Push is most commonly known for its use of the burning platform. It is the deliberate use of fear to galvanize positive action. It involves force but not bullying. Its main advantage for a Professional Service Firm is that it is efficiency, results and measurement orientated. It is therefore extremely useful in the short to medium term, particularly as a rescue or salvage mechanism. There is also a heavy degree of direction and control, with the accent on improvement, reform, and the work ethic, as evidenced, for instance, by high billable hours. It has relatively low risk of long-term unhappiness, when used on its own, and carries moderate job satisfaction. It is often, however, also attended by heavy degrees of anxiety on the part of individual Partners unless carefully applied.

Leadership Communication and Management Styles

Most organisations use all four approaches all the time, but in an unplanned manner. There is a time and place for all of them, but Pummel and Pamper are extremes for occasional use only

- Push
- Pull
- Pummel
- Pamper



These four leadership styles are described by Harvey Robbins and Michael Finlay in their book “Why change doesn’t work” (1996) Peterson’s/Pacesetter Books ISBN 1-56079-944-7).



Pull: In the long term, most Partners should be aiming to use as much Pull as they can. For Pull works inspirationally to engage the imagination. It is Push plus empowerment. Under this model, Partners motivate or, indeed, scare themselves.

It permanently alters the way people think of themselves, as it encourages career planning and ambition. It is the hardest way to achieve results but has the best long-term prospects. Perhaps most importantly it carries with it all that is best in terms of progressive personnel practices, with a focus on the creation and maintenance of positive performance-oriented and client-focused cultures; it encourages an attitude of 'look after the people, and profit will follow'. Pull emphasises relationships, culture, democracy and teamwork

Job enrichment is important. Under this approach, work may be stimulating, and people may be challenging.

Pummel: This is the application of Martial Law, useful in times of emergency. It involves control, forced change, the reign of terror. Whilst it can be occasionally necessary to employ dictatorial measures, Pummel only works well in the short term. It relies on enforcement by bureaucracy, and by the application of a small carrot, and a big stick

There is little or no security for individuals under such a regime, and in generally leads to long-term unhappiness and demotivation. There is practically no positive encouragement to perform, but maximum negative stimulation and even a degree of bullying to enforce compliance

Pamper: Pamper can be useful as a short-term reward, but hopeless as a long-term approach. It involves the culture of entitlement and proprietorship. It enhances the

old-style illusion of cradle to grave security. It can be seen as Pull minus accountability. The problem is that, whilst there is maximum empowerment, there is also no ultimate sanction and little fear.

In the long term Pamper will result in slack performance, with scant measurement or evaluation. It is a regime of chaos and anarchy.

The point about Push, Pull, Pummel and Pamper is that there is a time and place for all of them, but Pummel and Pamper should be extremes for occasional use only.

The importance of establishing a coherent management style is that some key objectives can be achieved, such as

- ratcheting ambition and performance
- establishing a sense of urgency
- consolidating improvements and produce still more
- institutionalising new methods into the corporate culture

