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## **Law Firm Leadership:** *Motivating the Next Generation*

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At a time when law firms need stronger leaders than ever, there appears to be something of a “leadership deficit” in many firms. As many current law firm leaders look around their firms, quite a few get an uneasy feeling that there just don’t seem to be that many potential replacements in the pipeline for their leadership roles.

### **The Numbers**

Though the selectivity applied in recruiting, a “forced attrition” staffing model, and associate retention woes have taken a toll on the number of developing lawyers available to be in this pool, there are also nationwide demographic issues at work. United States’ projected population data highlight the fact that the number of 35 to 44 year olds is shrinking. Their numbers will decline by 15% between the years 2000 and 2015<sup>1</sup>. So while many firms are looking ahead to the much larger “generation Y” pool of new lawyers to staff their cases and deals, they are also feeling a bit concerned with the size of their current “potential leader” pool. Firm policies also have an impact on the numbers. Fifty-seven percent of firms with more than 100 lawyers report having policies that require lawyers to leave at a certain age<sup>2</sup>. Challenges abound in developing a diverse lawyer population as well. Though the national averages for entering classes of lawyers were 44.1% women and 18.5% diverse lawyers in 2006, representation among firm partner ranks was only 17.3% and 4.6% respectively<sup>3</sup>. A walk through these numbers suggests that the odds are stacked against firms having a stable, diverse, talented pool of leaders-in-waiting.

### **Motivation**

And it’s not just about the numbers. Many firms say they actually have plenty of lawyers at this level of seniority—in fact, some will say they have too many. Yet where many will admit a gap is with a very unique group of individuals who show signs of being both successful lawyers and the potential (and even more importantly, the desire) to take on roles with more responsibility in their firms. There are a good number of firm lawyers who question whether the next generation of lawyers is really interested in taking on

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<sup>1</sup> United Nations, *World Population Database*, 2006 revision, [www.esa.un.org](http://www.esa.un.org)

<sup>2</sup> Altman Weil, Inc. survey of law firms, [www.altmanweil.com](http://www.altmanweil.com)

<sup>3</sup> National Association for Law Placement, annual law firm survey, 2006.

leadership responsibility even if they are personally capable. This is apparently not just a perception, but rather an assumption borne out by related research. A surprising finding of a 2002 Gallup International survey reported that fewer professionals ages 38 to 57 report they are seeking career opportunities with more responsibility. For men, 52% said they were seeking more responsibility vs. 68% in 1992 and among women, 36% were looking for more responsibility vs. 57% in 1992.<sup>4</sup> This result, in addition, to the smaller overall pool of potential leaders had led to what might be termed an essential “leadership deficit” in many firms. Is it a crisis? This leadership deficit has already sent some firms into the lateral hiring market in search of qualified lawyer leaders, while others are merely assessing very carefully their next generation of high potentials. One of the key issues firms are grappling with is making this emerging population *want* to be leaders. If the research is correct and fewer men and women desire increased responsibility in their jobs, beyond identifying future leaders firms will need to “sell” them on the ideal of leadership in order to get them to commit.

## **Generations and Diversity**

Generational differences in the way people view leadership must be considered when formulating approaches to making leadership attractive. Lynne Lancaster and David Stillman highlight past mistakes employers have made in their book, When Generations Collide<sup>5</sup>. In a chapter on engaging the workforce they note, “*When Xers entered the workforce, most of us assumed they’d view the world of work the same way the Baby Boomers had and that our tried and true management methods would work just fine. That turned out to be painfully wrong.*”<sup>6</sup> The old way of selecting leaders was to choose the lawyer who had the biggest client base or who was the most senior partner willing to take on the responsibility of leadership. Generation Xer’s wondered how they could ever aspire to these roles under those criteria. Some were inspired to become great rainmakers, but many felt leadership roles were unavailable to them—particularly women and minorities. In her book, Ending the Gauntlet<sup>7</sup>, author Lauren Rikleem puts it this way, “[this] highlights a major flaw in the management structure of most firms: the selection of law firm managers has little to do with any inherent management qualities of the individual selected. In general, there is no formal process for selecting Practice Group Leaders, and no established criteria for the skills required to become a member of the firm’s Executive Committee or the Managing Partner. Often, the selection is based on qualities that have nothing to do with management abilities and everything to do with successful lawyering such as rainmaking skills and high billable hours. . . . This informal process for selecting firm leaders presents few opportunities to identify and train women for a seat at the decision-making table<sup>8</sup>.”

## **What’s Next?**

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<sup>4</sup> Gallup International, 2002 survey, [www.gallup.com](http://www.gallup.com)

<sup>5</sup> Lynne C. Lancaster and David Stillman, When Generations Collide, (Harper Business Press, New York 2002).

<sup>6</sup> Lancaster and Stillman, page 207.

<sup>7</sup> Lauren Rikleem, Ending the Gauntlet, (Thompson/Legal Works, 2006).

<sup>8</sup> Rikleem, page 31.

So there are demographic challenges, motivational issues, and perhaps issues with the way in which leaders are selected in firms. While daunting, none of these concerns are conditions from which firms cannot recover. But there is clearly hard work ahead. Firms are forging ahead with training programs, individual coaching, and affording greater attention to underrepresented populations, but a systematic approach to identifying and developing leaders is required to ensure long-term success.

### **Defining Leadership Competencies**

Before firms decide to address this leadership challenge, it is important to define the term “leader”. Firm leaders could include lawyers who lead committees, are responsible for function oversight or policy development, head practice groups, act as key client/industry leaders in the firm, or actually lead the firm. As firms grow larger, roles for leaders also expand. There are business development partners, lawyers who oversee the professional development function, leaders of diversity efforts, and discrete projects such as mergers or physical moves. Firms that hope to compete in the competitive, global legal services market must have effective leaders of all types in place as well as an emerging leader population in the pipeline if they hope to maintain success over time. The long-term success of a partnership business model requires that there be a sub-group of individuals within each generation of professionals who are willing to both practice and lead, or increasingly—just lead.

### **The Many Faces of “Leadership”**

*“Leadership consists not in degrees of technique but in traits of character; it requires moral rather than athletic or intellectual effort, and it imposes on both leader and follower alike the burdens of self-restraint.”*

**Lewis H. Lapham**, columnist, Harper’s Magazine

Leaders may be born, but more are “made”. Most people who aspire to leadership roles require some developmental support in order to achieve their full potential. A professional service firm requires a different sort of leader than some organizations and it is important for firms to think through what it takes to be a leader in their culture, among their people. In many ways, good leadership decisions begin with good partnership decisions. Firms with rigorous, systematic, fair, and transparent processes for selecting new partner classes (whether non-equity or equity) are already a step ahead of their fellow firms. Jay Lorch and Thomas Tierney describe their views on an effective partner promotion process in their book, *Aligning the Stars*<sup>9</sup>, this way: “. . . good [promotion] processes share several characteristics. First the organization has explicit criteria and standards. Its senior people know what they are looking for, not just in terms of capabilities and skills but also in terms of attitudes and values. Second, the process itself is rigorous and driven by data. Third, partnership decisions are firmwide decisions, not office or individual decisions. Broad consensus building is an essential part of the process; everyone has to buy in, directly or through representatives they trust.”<sup>10</sup> Yet it

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<sup>9</sup> Jay W. Lorsch and Thomas J. Tierney, *Aligning the Stars* (Harvard Business School Press, 2002)

<sup>10</sup> Lorsch and Tierney, page 99

is also true that not every great partner will make a great leader, so the process of identifying the skills, behaviors, and personal traits consistent with success as a leader in the firm must go a step beyond the criteria for success as a partner.

### **Functional Competency and Mindset**

Because of the variety of firm leadership positions, law firm leader roles can carry a host of different responsibilities. Generally there are two categories of attributes firms must consider when making leadership considerations: functional competency (related to the job in question) and mindset. The assessment of functional ability is often the easier evaluation to do. In most firms, there are core functions that generally capture the essence of what is required of a firm leaders. These functional competencies will vary for each firm and every leadership role, but they often include tasks such as the following:

- Establish a strategic vision for the firm and its practices
- Engage firm members in the collaborative pursuit of that vision
- Monitor the firm's economic health and competitive position
- Support the firm in attracting, developing, and retaining talented professionals
- Communicate effectively with colleagues, clients, the professional community, and the world at large

These five functional competencies must then be taken a step further to address role-specific competencies. For example, if the role is Practice Group Leader, it is likely that the functional competencies would also include the following:

- Understanding the firm's business vision/strategy and determining a Group strategy that is aligned with that
- Communicating that vision to Group members and building individual investment in Group/Firm goals by developing positive relationships with Group lawyers at all levels
- Measuring, monitoring, and managing Group revenues and productivity levels
- Establishing client relationship and service standards and assisting Group members in achieving them
- Looking for competitive market opportunities and collaborative potential with other Groups
- Monitoring the development of developing lawyers and the quality of training assistance provided by Group members
- Hiring, training, evaluating, and mentoring Group lawyers
- Building effective channels for communication and a sense of team and shared goals and achievements
- Developing future Group leaders

Beyond functional competency, there is also a leadership "mindset" that defines the most successful leaders. The variety of skills, behaviors, and personal traits required of firm leaders is broad. Having a mindset that is conducive to carrying out the leadership role is just as critical as being able to carry out the functional responsibilities. David Maister

and Patrick McKenna, in First Among Equals<sup>11</sup>, quote one of the firm leaders they interviewed for the book in the following excerpt, “*The reality is that a leadership role is fundamentally different from the individual contributor role. A leader has fundamentally got to be somebody who is effective at making things happen for other people.*”<sup>12</sup> Later in this same book they write, “*Your effectiveness in being a group leader (or coach) is more about you than it is about the person you are coaching. In particular, your success as a leader will turn on whether or not you are received by your people as a trusted advisor. If they so view you, then you can make a lot of mistakes and still have an impact. But if they view you as somebody trying to play the role of boss or cop or technical expert, telling them what they are doing wrong, then you are going to fail.*”<sup>13</sup>

The mindset of a leader is what allows future leaders to go beyond the concept of *managing* people to being viewed as someone by whom they would like to be *lead*. The mindset of effective leaders varies from firm to firm and among leadership roles, but these characteristics are often a part of effective leaders’ mindsets:

- Self aware—understands his/her own strengths and weaknesses
- Cares more about the success of the team/firm than personal success
- Intuitive and inquisitive about people, relationships, and judgments
- Shows good judgment—over time and in multiple circumstances
- Willing to listen, accept other approaches
- Willing to accept responsibility, admit mistakes
- Able to make difficult decisions
- Viewed by others as honest and trustworthy
- Diplomatic, tactful, and able to deal with conflict effectively
- Sensitive to and welcoming of differences in people
- Adaptable and comfortable with change

One thing that becomes clear as both functional competencies and mindset attributes are articulated is that they could apply to many different types of people. As important as it is to recognize and articulate the leadership functions and mindsets of successful leaders in the firm, it is just as important to adjust the perceptions of the current leader population of what it will take to fill their shoes. Too often, leaders try to replace themselves with clones—people who think and act as they do, have their same strengths, and who will be most likely to carry on their legacy. While this may be the best approach in some circumstances, leaders need to consider if the demands on the next generation of leaders will require a different skill set, mindset, perspective, or approach. Leaders must be aware of their own filters in approaching these important decisions. The number and increase over time of women and minority lawyers in leadership positions does not mirror the growth of these two groups in the legal profession. The high attrition rates among both groups influence the availability of women and minority leaders within the senior lawyer populations at most firms, but there are other factors at work as well. Alice

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<sup>11</sup> Patrick McKenna and David Maister, First Among Equals, (The Free Press, 2002).

<sup>12</sup> McKenna and Maister, page 3.

<sup>13</sup> McKenna and Maister, page 28.

Eagly and Linda Carli, in their article, *“Women and the Labyrinth of Leadership”*<sup>14</sup>, note the following: *“What’s behind [the resistance to women’s leadership] . . .? Essentially, a set of widely shared conscious and unconscious mental associations about women, men, and leaders. Study after study has affirmed that people associate women and men with different traits and link men with more of the traits that connote leadership.”*<sup>15</sup>

Minority lawyers often feel they lack equal access to the mentoring that can be so important to achieving success in a law firm and potentially being prepared to become a firm leader. In the Minority Corporate Counsel Association’s report, *“Creating Pathways to Diversity”*<sup>16</sup>, authors state that, *“Communication was another barrier targeted by many minority and some white participants. Minority attorneys do not always receive the same timely and constructive feedback as their white counterparts. Several factors come into play—the lack of a mentor, a senior attorney’s discomfort with differences, and the fear of white attorneys being labeled “biased.” Whatever the reasons, the outcome is still the same. The feedback that is crucial to steady improvement and career success is less available to minority attorneys than to their white counterparts. So, if a minority attorney continues to make the same errors or does not develop at the same rate as his or her white counterparts, the assumption of “lower standards” becomes a self-fulfilling prophecy.”* Lacking meaningful mentoring and explicit support for striving for leadership, women and minority lawyers may take themselves out of the running for such roles fearing a lack of support from current firm leaders.

Many firms have made attempts to place women and minority lawyers in leadership roles and greater attention to the need to diversify firm leadership is an accepted tenet of most successful firms’ business strategy. Firms must be careful, however, not to rush to place women and minority lawyers into leadership positions without process or examination. They may sabotage these lawyers’ ability to be successful in leading their colleagues by making it obvious that the appointment has more to do with gender or diverse status than with an individual’s capacity to lead. Having clear criteria by which leaders are selected, explicit guidelines for each leadership role, and a long-term commitment to developing leaders are steps in the right direction to address this issue.

### **Steps to Developing Leaders**

*“The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it.”*

**Theodore Roosevelt**

Picking good people for leadership roles is a sign of leadership in and of itself. In search of a reliable supply of leaders, some firms have decided to establish formal leadership training programs that will both identify and prepare a pool of talented lawyers who will then (theoretically) be ready when the firm needs them. These programs have only recently become popular and so it is impossible to date to assess their long-term

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<sup>14</sup> Alice H. Eagly and Linda L. Carli, *Women and the Labyrinth of Leadership*, Harvard Business Review, September 2007.

<sup>15</sup> Eagly and Carli, page 65.

<sup>16</sup> MCCA, *“Creating Pathways to Diversity”*, [www.mcca.com](http://www.mcca.com)

effectiveness in preparing the next generation of firm leaders. These programs have many forms. Some programs focus on underrepresented populations in firm leadership such as minorities and women and present a focused curriculum designed to address leadership challenges specific to these populations. The majority of programs pull participants from the entire law firm population, though many choose increased numbers of participants from among underrepresented populations. The candidates are typically from the segment of lawyers who are between the ages of 35 and 45, with 10 or more years of experience practicing, and who are on track toward making or have made partner. There are a few programs that reach into more senior and junior populations for participants.

Some firms have chosen to partner with graduate business schools and put participants through either those schools' standard leadership program or have the school's faculty customize a program to fit their firm's needs. Other firms have designed a curriculum that offers a combination of in-house training and programs presented by external consultants and some manage their programs using faculty drawn only from inside the firm. There are multiple approaches and most firms are still fine-tuning their strategies.

There are common elements among programs that appear to be working well:

- There is clear communication to the entire firm about the program, its objectives, and the nature of the participant group in order that both participants and their fellow lawyers understand the program's objectives
- The lawyers chosen to participate are already viewed as leaders or as having significant potential by many, they are of similar years of experience, they represent the diversity of the firm, and each of the firm's key practice areas is represented by one or more members
- The planned program of activities is spread out over time, for example for six or 12 months to minimize the impact of the time investment, maximize the opportunity for this group to form a cohort, and to enhance the learning potential of concepts presented over time and in depth
- There is significant involvement of the firm's current leadership, both in formulating the program content and in the group's meetings and training sessions to ensure that a direct connection is seen between participation in this program and what actual firm leaders value
- An element of self assessment is a part of the curriculum for participants in order to raise each individual's awareness of how he/she is viewed by peers, subordinates, and more senior lawyers at the firm so that developmental planning can be most productive
- Program content is directly tied to the functions and mindset demands of the leadership role at the firm and participants are offered both skill building opportunities and practical strategies for employing these skills
- Current issues facing the firm are a part of the program content so that these emerging leaders are able to fully understand the scope of the responsibilities of firm leaders and can begin being a part of the problem solving process before they wear the mantle of leadership

- Program content is constantly evaluated by firm leaders and participants for its usefulness and updated regularly to reflect the changing demands on firm leaders

### **Potential Pitfalls**

As is true with most things, even the best practices may not produce the desired results for all. Some of the key issues for consideration with the development and implementation of an emerging leader training program include the following:

- One or more participants is not successful in the program and the firm has to decide how to provide feedback on their performance and deal with their career prospects post-program
- The program is successful in developing potential leaders, but there are not enough leadership slots to fill and these future leaders become frustrated
- There are not enough “emerging” leadership candidates among the firm’s senior associate/junior partner population
- Leaders and other senior lawyers fail to commit time to the program and are unwilling to mentor the emerging leaders
- Potential participants do not see leadership positions as attractive and are not interested in being a part of the program

There is no way to control most of these factors completely, but a well-planned program should allow firms to avoid many of them. First, firms must establish performance standards and an evaluative policy for both the program and eventual performance of leadership duties. Clarity here will make it easier to provide unsuccessful participants with candid feedback and can help the firm decide next steps with regard to the lawyer’s career progression. Controlling the size of the program is critical. By keeping programs very selective, firms can manage the number of individuals who will participate and keep that number aligned with potential needs. It is, however, important for firms to be creative in thinking about ways to use people with leadership potential even when there is not a specific role for to play immediately following the program. Participants should be given a clear message about what it is they are being prepared for and the likelihood and timing for possible assignment to a leadership role after the program. If, upon considering the development of this type of program, a firm learns that there are too few leadership candidates in the ranks it is time for careful inspection of the recruiting and development practices of the firm. See the other chapters in this book on those topics for more detailed guidance on identifying and applying appropriate selection criteria in the recruitment process and for devising professional development strategies that will provide lawyers with the supports they need to build the full range of skills necessary to success. If leaders and senior lawyers do not commit to the program it will fail. Firm executive committees, managing partners, or chair must gain consensus among partners that this is an important program and worthy of the time investment **before** launching such a program. Senior lawyers should also be rewarded for their participation with billable credit and recognition for their investment in the firm’s future. If developing lawyers in the firm do not care to take on leadership roles, the firm may need to examine those roles carefully. Are leaders rewarded and appreciated by their partners and other firm members or do they invest countless hours and feel they get no tangible benefits?

Do their efforts as leaders enhance their practices and professional visibility or do they struggle to maintain clients and their practices while devoting hours to firm citizenship without appropriate support or rewards? Are leaders allowed to lead or are they regularly second-guessed or overruled by rainmakers or others with power? Are leaders given clear and reasonable hours expectations given their responsibilities or are they expected to add time for these responsibilities onto their existing workload? The answers to these questions will make it clear whether leadership positions are something firm members will aspire to or run from.

## **Summary**

Attributes of the best of these programs are that they go through a rigorous process to select a group of lawyers who have the potential to be leaders, but who also offer a variety of perspectives. Even if their long-term advantages are not yet measurable, these types of programs offer a variety of benefits. The first, and perhaps most important, benefit is that when firms decide to develop programs of this sort they are forced to do two very important things: 1) define the leadership qualities and competencies they are seeking, given the requirements of the roles and unique culture of the firm population; and 2) identify a group of individuals who do or have the potential to exhibit those qualities. Defining what it means to be a leader—and an effective leader—is an important exercise. All the leadership books in the world cannot tell a partnership what type of leaders they will need. The nature of a partnership is unique and so are the capabilities that will allow them to lead their colleagues. Programs that help firms identify the next generation of leaders strengthen the firm and motivate individuals within the developing lawyer population to have more of an interest in leadership. Once people see a path to leadership, greater numbers of individuals are likely to show an interest. Investing in the firm's talent must be a critical strategic priority for the 21<sup>st</sup> century firm.

## **Background:**

**Susan Manch** consults with law firms in the U.S. and abroad on leadership identification and development. She has designed tailored programs for emerging leaders, trained existing leaders, and coached aspiring leaders. In 2008 she created and launched the annual **Leadership Institute** for the Federation of Defense and Corporate Counsel, a 3.5 day intensive program for members held each April. In February, 2009, Sue facilitated a full-day women's leadership conference in New Delhi, India—the first program of its kind to be held in India. Sue has been speaking and writing on the strategic issues of leadership in law firms since 1993.