2015 Annual Education Conference

Chicago, April 22 - 25, 2015

Advancing Your Talent Management Agenda Through Practice Group Leaders

Presented by Stephanie Willson and Tim Leishman

Materials

1. Selected Presentation Slides
   (further information will be shared during the program)

2. Recommended Reading

3. Sample Resource for Practice Group Leaders: "Leadership Conversations about Performance and Goal-Setting"

Advancing Your Talent Management Agenda Through Practice Group Leaders

Stephanie Willson, Chief Professional Resources Officer, McCarthy Tétrault LLP

Tim Leishman, Principal, Firm Leader Inc.

Our Agenda

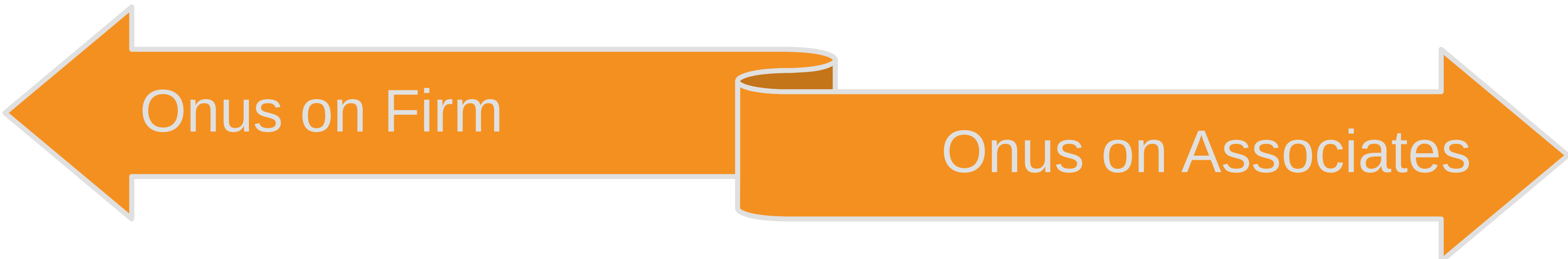
- Lessons learned at McCarthy Tétrault:
  - Work allocation
  - Mentoring
  - Recruitment

- Building leadership capabilities:
  - Managing change
  - Conducting leadership conversations

Table Discussions

How are you working with practice group or other leaders in your firm to implement your talent management priorities?

Work Allocation Systems

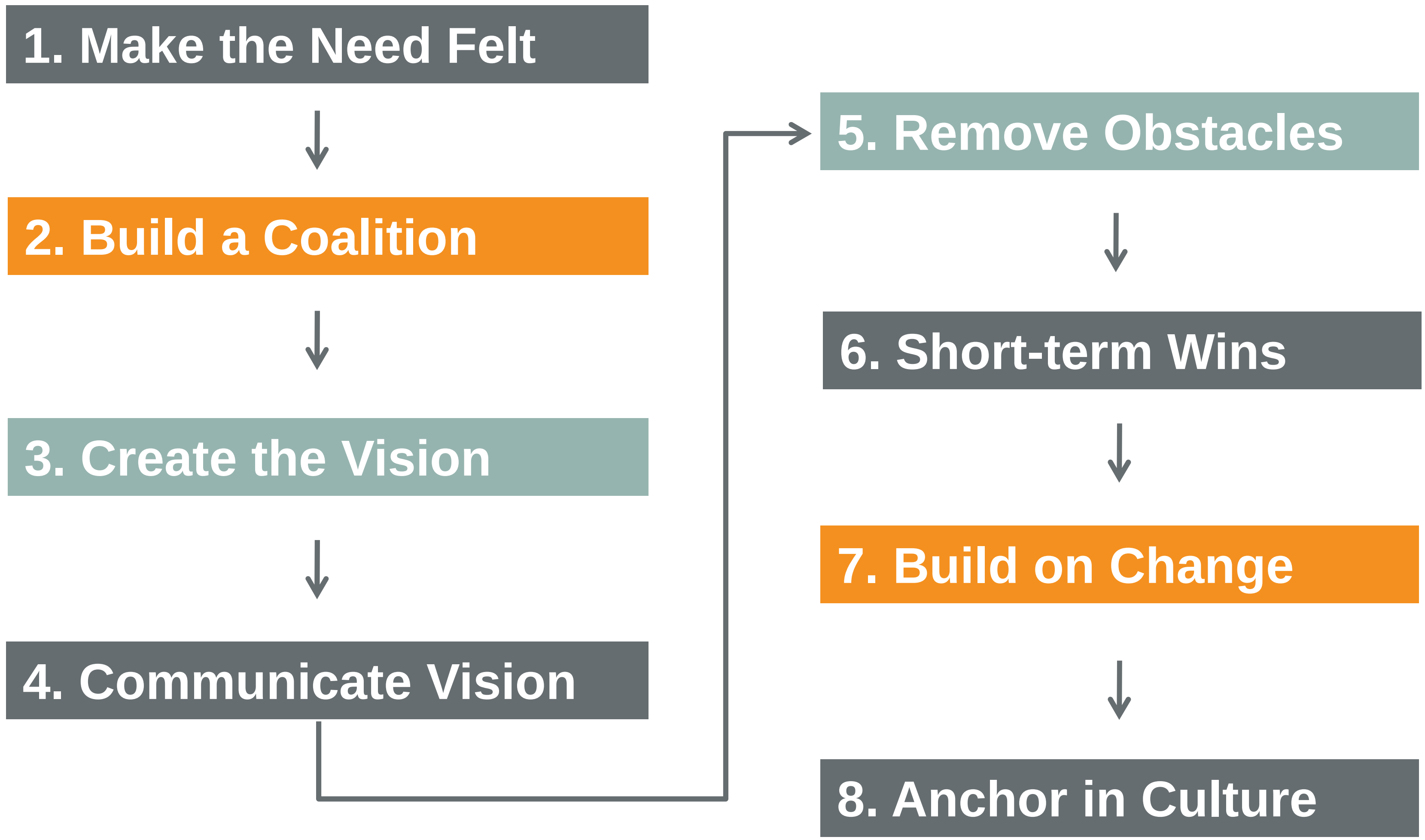


Centralized assignments

Partner managed

Free market

Kotter’s Eight Steps for Managing Change



Adapted from John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996)

Tactics for Making the Need Felt

1. Focus on the group’s business drivers

2. Assemble data & stories

2. Use a process to remind and reinforce

3. Lead by example

Table Discussions

What are examples of business drivers

or data that you have used to

"make the need felt"?

Leadership Conversations

- Sample skills for development:
  - Second-guessing assumptions
  - Framing the conversation in the future
  - Reinforcing that it is up to the other person to decide what to do

Thank You

Stephanie Willson
McCarthy Tétrault LLP
swillson@mccarthy.ca
(416) 601-7805

Tim Leishman
Firm Leader Inc.
tim.Leishman@firmleader.com
(416) 560-6915

Firm Leader

NALP 2015 Annual Education Conference

Advancing Your Talent Management Initiative Through Practice Group Leaders

Recommended Reading

Managing Change

Chip Heath and Dan Heath, *Switch, How to Change Things When Change is Hard* (New York: Crown Business, 2010)

Robert Kegan and Lisa Laskow Lahey, *Immunity to Change, How to Overcome It and Unlock the Potential in Yourself and Your Organization* (Boston: Harvard Business Press, 2009)

John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996)

John P. Kotter, *A Sense of Urgency* (Boston: Harvard Business School Press, 2008)

John P. Kotter, *Accelerate, Building Strategic Agility for a Faster-Moving World* (Boston: Harvard Business School Press, 2014)

Practice Group Leadership and Law Firm Strategy

Jay M. Lorsch & Thomas J. Tierney, *Aligning the Stars, How to Succeed When Professionals Drive Results* (Boston: Harvard Business School Press, 2002)

David Maister, *Strategy and the Fat Smoker, Doing What's Obvious But Not Easy* (Boston: The Spangle Press, 2008)

David Maister & Patrick McKenna, *First Among Equals, How to Manage a Group of Professionals* (New York: The Free Press, 2002)

Thomas J. DeLong, John J. Garbarro, and Robert J. Lees, *When Professionals Have to Lead, A New Model for High Performance* (Boston: Harvard Business School Press, 2007)

Jeswald W. Salacuse, *Leading Leaders, How to Manage Smart, Talented, Rich and Powerful People* (New York: AMACOM American Management Association, 2006)

Managing Difficult Conversations

Patrick Lencioni, *The Five Dysfunctions of a Team, A Leadership Fable* (San Francisco: Jossey-Bass, 2002)

Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzer, *Crucial Conversations, Tools for Talking When Stakes Are High* (New York: McGraw-Hill, 2002)

Douglas Stone, Bruce Paterson and Sheila Heen, *Difficult Conversations, How to Discuss What Matters Most* (New York: Viking, 1999)

Douglas Stone and Sheila Heen, *Thanks for the Feedback, The Science and Art of Receiving Feedback Well* (New York: Viking Penguin, 2014)

Firm Leader

Leadership Conversations about Performance and Goal-Setting

Techniques

Steve Armstrong, steve.armstrong@firmleader.com, (202) 580-9291

Tim Leishman, tim.leishman@firmleader.com, (416) 977-8714

Introduction

This handout is intended to help Practice Group Leaders prepare for conversations with partners about their performance, compensation, and the goals they might set to move to the next level in their contributions. There is no single formula to follow in these conversations, which can be challenging and emotionally-charged.

- How do you help an underperforming partner get back on track?
- How do you explain to a partner who is making a major contribution that he is having an adverse impact on everyone around him?
- How do you offer constructive suggestions to a star performer without implying that their past contributions have been less than satisfactory?
- How do you manage the expectations of a promising but still developing partner who is disappointed about their compensation relative to others?

What works best will depend on the circumstances, your relationship and history with the partner, his or her personality, the culture of the firm, his or her assessment of your credibility, and your own style. Underneath all the variables, however, three qualities are critical:

- **Intention**: Are you genuinely interested in the success and development of your colleague – or simply making judgments? Have you taken the time to identify their strengths and contributions and consider their future potential and how you might help them succeed?
- **Honesty**: Are you frank and forthright – or evasive and indirect? Can partners trust that you will tell them truthfully where they stand, and what they must do to advance to the next level?
- **Fairness**: Have you collected, probed and weighed all relevant information about the partner's contributions and impact on the success of the group and firm? Do you ask for the partner's perspective? Do you listen? Do you communicate with respect?

A fourth quality is also critical, but it has to do with what precedes and follows the conversation. The conversation is much more likely to be effective if you have shown an ongoing interest in the partner during the year, had informal discussions about his or her work and goals, and found ways to be helpful. And, if the conversation is difficult or leaves open issues, your credibility in the partner's eyes depends in part on whether – and how promptly – you follow up.

Preparing for the Conversation

1. Clarify your goals and assumptions. What do you want to achieve in the conversation? Do you want the partner to modify their expectations regarding compensation? Be motivated to step out of their comfort zone to try something new? Recognize that what they have been doing is not achieving the results they desire? Agree to take the lead in a group initiative? How realistic are your goals? Can they be achieved in just one conversation? How is the partner likely to react or behave? What goals might the partner have for the conversation?

Think beyond the conversation and broaden your perspective about the results that you would like to achieve:

- What do I really want for my partner?
- What do I really want for myself and our ongoing relationship?
- What do I really want for our practice group and the firm?

After answering these questions, second-guess your goals and approach for the conversation. Ask yourself, "How would I behave if I really wanted these results?"[1]

Second-guess your assumptions as well as your goals. What assumptions are you making about your partner's perspective, contributions, capabilities, intentions, and motivations? What don't you know that might influence your views? Are you jumping to conclusions too quickly? Is it possible that a partner's less-than-satisfactory performance results in part from factors they cannot control?

Finally, what commitments are you prepared to make in the meeting? Are you willing to schedule another meeting? Will you help line up an opportunity for the partner?

2. Prepare to recognize the partner's contributions. Recognizing contributions is the price of admission to a conversation about a partner's performance, past or future. A partner is unlikely to be open to what you have to say unless they feel that you truly appreciate their contributions, talents and sacrifices. Most of us are not very good at praising our colleagues; we worry that they may develop inflated expectations or become complacent.

Ask yourself, "What is the strongest praise I can offer genuinely to this person?" It is important to acknowledge a partner's metrics, but it is easy to focus too much on metrics. What contributions are they making to the overall success of the firm and the group, and to the practices and success of individual members of the group? What are the trends in their contributions? Why does the group or the office need their skills and expertise?

[1] Adapted from Patterson, K. et al (2002), Crucial Conversations, Tools for Talking When the Stakes are High (New York: McGraw-Hill)

For praise to be effective, it should be as specific as any other form of feedback. If it is not, it may lack credibility. Guard against qualifying your praise (e.g., "but, there are some issues..."). Save your constructive feedback and suggestions for another part of the conversation.

3. Prepare your core message and outline for the conversation.

Take the time to:

- Think through your core message, so you can articulate it clearly and strongly. Depending on the person, the core message may have a positive element (strengths and contributions), a critical component (how performance has failed to meet expectations or goals previously discussed), a forward-looking element (what you would like to see in the next year), and, if appropriate, a compensation component (what current performance is likely to produce, and what results might lead to the next compensation level). You may not want to start off with the core message because it would be too blunt. However, if it is important that the partner hear the whole message clearly, you may want to close with it, even if you have stated pieces of it along the way.

  Don't skimp on the message because someone is doing well: Take the time to fully recognize a strong performer's contributions, rather than leaving the impression that you are treating months of hard work too lightly.

- Outline an agenda: What topics will you address, in what sequence? For example:

  1. Tell the positive story: "What you have contributed/are contributing/are capable of contributing to our practice is …."
  2. If necessary, discuss the metrics.
  3. Talk about progress against previously discussed expectations, or about trends.
  4. Discuss the partner's goals and next steps.
  5. Brainstorm how to provide support.
  6. If necessary, re-affirm your "message": expectations and consequences.

  Consider beginning the conversation with a simple outline. For example, "I thought we'd talk about what you've been contributing to our group, and then about what you see lying ahead. I would like to spend some time brainstorming about goals and next steps, and any support that might help you to achieve your goals. Is that ok?"

- Think through the questions, arguments, or complaints you may hear, and how to respond. Several of the tips below deal with responding in ways that avoid unproductive debates.

Keeping it Constructive

Whenever we feel defensive, it is human nature to deflect responsibility ("it was someone else's fault more than mine," "it was out of my control," "there must have been a misunderstanding") or "attack" the source, by arguing ("this isn't fair, you don't have all the facts"), questioning credibility ("who are you to be giving me advice?"), lashing out ("you are only saying that because you want the work for yourself"), or making threats ("If I am not appreciated here, then I will have to consider my options"). Defensiveness is likely to undermine any conversation and strain your ongoing relationship. How can you manage the conversation to avoid defensiveness, and what can you do if it rears its ugly head? Try the following techniques.

4. Avoid sharing your thoughts about the person. Whenever you offer constructive feedback or suggestions, ***focus on the problem rather the person*** in order to avoid provoking defensiveness. The "problem" is whatever can be described objectively: facts, results, observable behavior and its impact. At the same time, it is human nature to be thinking things about the "person." We interpret, assess, hypothesize, and make assumptions about their capabilities, intentions, motivations, interests, and beliefs. Sometimes, our assessments become labels, e.g., "Jack *is* a perfectionist." But if you share your interpretations or assumptions (e.g., "you don't seem to be interested in this kind of work"), or apply a "label" (e.g., "you are not considered to be a strong business-developer") then the partner is bound to become defensive. They will think it is unfair for you to be "mind-reading" or making judgments that imply that improvement will be difficult or unlikely. Being honest and forthright does not mean sharing whatever is on your mind; keep your thoughts about the other person to yourself and focus objectively on the problem or challenge.

5. Shift the conversation to the future. As a general rule, try to spend more time in the future (e.g., talking about possibilities, goals, and commitments) than the past (e.g., describing, interpreting, and assessing what happened, what worked, what didn't, and why). Conversations are likely to begin in the past as you recognize the partner's contributions or review the metrics. However, look for opportunities to shift the conversation to the future as soon as it is appropriate, using questions such as:

- What are the possibilities for ….?
- What if…?
- Going forward, what are you planning…?
- If we were to look back on things a year from now, what would we…?
- What's the next thing you will do…?

In addition to asking questions, you can also shift the conversation into the future by talking about your own future actions and the group's goals and capabilities.

- I am willing to….

- Let's get together with…
- The next step for the group is…
- I believe that we can…

Shifting the conversation to the future is critical for two reasons. First, the future is where you want to be if you want to generate action, new ways of thinking, new possibilities, and changes in performance. Most performance conversations get bogged down in opinions and assessments about why things are they way there are and, therefore, why they are unlikely to change.

Second, shifting the conversation to the future reduces the potential for defensiveness. To the extent that any performance conversation focuses on areas for improvement, as most will, talking about "how something might be done in the future" is likely to be received constructively as a collaborative, coaching conversation, rather than defensively as a critical evaluation. The more time devoted to describing, analyzing and diagnosing a partner's past performance, the more it will feel to the partner that you are apportioning blame. Note that it is possible to talk about the same issue in the past or the future:

> *Past:* "You did great work and billed a lot of time on these two matters for Acme, but the leverage wasn't very good."
> *Future:* "What do you see on the horizon in work from Acme? What are the opportunities for leveraging that work, and how could I help you do that?"

6. Shift perspectives to move away from relative comparisons. In conversations about compensation, partners often focus on the relative compensation of other partners. "My numbers are just as good as Jack's; why is he two levels higher than me in compensation?" The issue is fairness. If a partner feels that they are not being treated fairly, they are unlikely to be motivated to improve. How can you deal with this difficult situation without falling into the traps of arguing (defensiveness) or distancing yourself from the decision of the compensation committee (e.g., by agreeing with the partner)? One technique is to shift the partner's perspective in three steps:

- First, encourage the partner to take on the perspective of the compensation committee or the leadership of the firm. Note that partners make contributions in many different ways – including in ways that are not reflected in the metrics. Partners' contributions are also influenced by the dynamics of their practice areas, teams, and the market. "Let's assume that the compensation committee is trying to make decisions in the best interests of the firm and that they have much better information than we do about all partners' contributions to the overall success of the firm."

- Second, encourage the partner to think about compensation in multi-year rather than single-year terms, and shift the partner's perspective to their own future performance. In a large firm, it is impossible to persuade everyone that they are being treated absolutely fairly compared to each of their peers every year. The real question: Over three or four or five years, what do they need to do to increase their compensation, if that is their goal?

- Third, shift their perspective to their impact on the group and firm as a whole. Ask them to consider what their practice would look like in a year or two if they were contributing significantly more to the success of the group and the firm on a sustained basis. The key is to frame the discussion in terms of the partner's impact on the success of the group or the firm, rather than solely on the success of their individual practice.

7. Handle excuses by moving on – without agreeing or disagreeing. When a partner says something that sounds like an excuse (e.g., "We are pricing ourselves out of the market,", "I can't delegate more because clients want my time, and refuse to pay to train associates," "I have been doing all that I can to find new business."), a leader will often feel that they are stuck between a rock and a hard place. You don't want to "agree" with the excuse because that might let the partner off the hook, and you don't want to "disagree" with the excuse because that might provoke defensiveness. However, there is a third option: (i) listen attentively, allow them to make their point, reflect your understanding, and acknowledge their position (without necessarily agreeing or disagreeing); and then (ii) shift the conversation to what they might do in the future to handle the situation.

- I understand that our rates are high. Which of your clients will pay our rates? For what kinds of work can we get our full rates?
- What are some possible ways to show clients how they might benefit from having you delegate certain work to associates in the group?
- I appreciate that you have been working flat out. In the coming year, how might you allocate your time differently to get more return on your business-development efforts?

If the complaint or excuse is about conditions that are unlikely to change, at least in the short term, suggest the partner regard them as "rules of the game": They may not be the rules we prefer, but they are the rules we have. The question is how to play successfully within them.

8. Anticipate defensiveness – on both sides – and refuse to take the bait. If the other person says something that causes you to feel annoyed or defensive, avoid the temptation to engage in a debate – or, at least, move on from the debate quickly. Defensiveness begets defensiveness. You must be prepared to listen and probe for understanding. Pause. Take a breath. Ask a question. Ask for an example. Let these important principles guide you:

- Winning an argument never wins anyone over.
- Whether they understand you matters; whether they think you understand them matters much more.

9. Diffuse anxiety with the "Don't / Do" contrasting technique.[2] If you sense that the other person is anxious about the conversation or becoming defensive, you can diffuse the situation by clarifying your intentions. The technique involves first saying what you "don't want" followed immediately by what you "do want." The *don't* part addresses any concerns the other person may have about whether or not you appreciate their capabilities or contributions, or fears that they may have about their future with the firm. The *do* part confirms your appreciation or clarifies your purpose.

> [The don't part] *The last thing I want to do is create the impression that your future in the firm is somehow in jeopardy.* [The do part] *You are making a valuable contribution as a partner and I am committed to helping you to address these issues.*

Managing Motivation and Commitment

No one likes being told what to do. Indeed, the more that someone tells you that you should be doing something, the less you want to do it. As a group leader, you may feel that you know exactly what a partner needs to do to improve their contributions. But partners must find their own reasons for setting a goal and following through, changing an unproductive behavior, increasing their intensity level, or creating a new habit. Carrots and sticks – compensation, promises, threats, and recognition – can motivate people for a while, but research shows that people are much more strongly motivated by their own wishes and desires than anything that is imposed on them from the outside.[3] How can you help partners find the motivation to behave differently, or contribute in new ways? Try the following techniques.

10. Reinforce the partner's responsibility for deciding what to do.[4] The first step in helping partners to find their own motivation is to remind them that it's up to them to decide what to do – and that you are not going to tell them what to do. Of course, their choices will carry consequences, and you may want to remind them of those consequences. Certainly, you will want to be clear about the firm's or the group's expectations for the partner's performance. But, ultimately, partners are still free to choose what to do – or not do.

If you start a conversation about goals by reinforcing the partner's responsibility to decide what to do, you are more likely to avoid the trap of telling the partner what to do. For example:

- Tell me more about your plans for the next six months.

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[2] Patterson, K. et al (2002), *Crucial Conversations, Tools for Talking When the Stakes Are High* (New York: McGraw-Hill, 2002)
[3] Pink, Daniel H. (2009), *Drive, The Surprising Truth about What Motivates Us*, (New York: Riverhead Books)
[4] Pantalon, Michael V. (2011), *Instant Influence, How to Get Anyone to Do Anything – Fast*, (New York: Little, Brown and Company).

- I have some ideas and would be happy to help, but the choice of what to do is entirely yours.
- It is up to you to decide what you want to do.

11. Uncover motivation by asking, "Why might you…?"[5] A highly motivated partner is one who has found their own reasons for taking action. A partner who is not achieving their full potential, on the other hand, might know that they "should" be hustling to generate more business or delegate more work, but they must find their own reasons for breaking out of their current patterns of behavior before they will do so. Your impassioned pleas, carefully constructed arguments, impeccable logic, best-intentioned advice, and direct and honest criticism, are more likely to generate resistance than action. Partners must motivate themselves. So, how can a leader help a partner to find their motivation?

The first step is to reinforce the partner's responsibility to decide what to do, as noted in Tip #10 above. The second step is to ask, "Why might you…?"

- Why might you want to spend more time on client development?
- Why might you want to delegate more work?
- Why might you want to write an article on this development?

An alternative starting point is to ask why they are already doing something:

- Why are you writing articles?
- Why are you participating in that organization?

These questions begin the process of uncovering ***the partner's reasons*** for wanting to do something. The third step is to explore their answers with further "whys" to clarify the roots of their motivation:

- Why is that important to you? (followed by further "whys")
- Why do you like doing that?
- If you achieved that outcome, why would that make a difference to you?

The key is to find out what's in it for the partner personally. Why might they enjoy or benefit from achieving the outcome or engaging in the new behavior? Once they articulate their own reasons for acting, they are more likely to begin taking action.

12. Brainstorm possibilities. Although few of us like to be told what to do, most of us acknowledge that we can benefit from others' ideas. Approach the forward-looking part of your conversation as a brainstorming session, rather than starting with hard-edged recommendations or asking for a solid list of next steps. Try phrases such as:

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[5] Ibid.

- What if you were to….?
- What options for approaching that company have you been thinking about?
- Would either of these approaches make sense?
- How might you spend your time differently going forward?
- Is there anything that you do now that you might pass to others?

Depending on the person and the situation, you may want to conclude by asking for a solid list of next steps, or arrange another conversation to pin down those steps.

13. Help them get the strategy right and then coach behaviors, not outcomes. Goals are measured in outcomes, but most of the time we can't control outcomes. My goal, for example, might be to "find two new clients this year," but it is up to those clients to decide to retain me – and they might be perfectly happy with their current counsel. While we can't control outcomes, we can control our behaviors. As a leader, it is important to make sure that a conversation about goals and strategies devotes enough time to behaviors – the action steps that a partner can control – to implement the chosen strategy. As a leader-coach, you can help the partner get the strategy right once a goal has been set. But you can also help the partner focus on consistently practicing the behaviors (e.g., staying in touch with clients on a regular basis) that will pay off over time.

- Is the partner focused on the right goals?
- Have they chosen the right strategy?
- Are they committed to behaviors that will implement the strategy?

Coaching the partner to take a next step, no matter how small, is critical for generating activity and momentum for a new goal and strategy.

- "What will you do next?"
- "I would like to hear about how that meeting/call/lunch/research goes."

14. Plan to have another conversation. Helping partners to set goals or adopt new perspectives can take more than one conversation. A follow-up conversation – or maybe several conversations – may be required if:

- The conversation has been difficult, and the partner needs time to process the core message, or you want to be sure that they have received the message that you intended to deliver.

- The partner faces difficult challenges and may not be sure about how to proceed.

- The partner was not yet ready to decide what to do and, therefore, not ready to commit to goals, a course of action, or a next step.

