

Leadership Development

SHOULD YOUR FIRM INVEST IN GROWING ITS LEADERS?



BY KATHLEEN BRADLEY Developing leadership skills is hard work. Ask any corporate executive who has suffered through a 360-degree assessment, been evaluated on the basis of employee engagement levels, or been given stretch assignments to test or expand his or her leadership potential. Yet most seem to believe the hard work is worth it, and the benefit of developing high-quality leaders is now broadly accepted in the corporate arena. Law firms, however, have been slow to follow. Now may be an excellent time for your firm to get up to speed.

Most law firms' reluctance to invest meaningfully in developing leadership talent is understandable. After all, lawyers tend, naturally, to be highly analytical, risk averse, autonomous and skeptical, the very characteristics that make them very good at lawyering—and the ones that make the exercise of leadership a difficult and risky undertaking. Law firms have, until recently, also been extraordinarily successful at generating profits, so there has been no impetus to expand their lawyers' skill sets beyond substantive legal knowledge and experience. And, to be fair, research is only starting to trickle out to support the business case for investing in leadership development, primarily because the need hasn't been recognized before,

not because it doesn't produce results.

Yet now, regardless of the resistance, the very public and painful failures of firms over the past few years—which resulted at least in part from poor leadership—makes the issue of leadership very real, and firm leaders must seriously consider these questions: Should we invest in developing leadership skills in our lawyers? If no, why not? If yes, what, who, when and how?

Why Invest?

Before a firm makes this type of investment, its current leaders must answer the “why” question for themselves and believe wholeheartedly in their answers. An investment in developing leadership talent should not be made simply because other firms are doing so, someone thinks it's a good idea or a consultant suggests it. The leaders must make this determination so they can communicate to and persuade busy lawyers to spend nonbillable time acquiring a skill that does not have an immediate and direct impact on the practice of their craft.

Some of the factors that may go into the decision include a realistic assessment of the return on investment—meaning how the development of leadership skills will affect the firm's performance. For corporations, there is plenty of research showing how the development of leaders impacts the bottom line. It goes like this: When the quality of leadership is enhanced, employee capability and commitment are positively affected; when employee capability and commitment grow, customer acquisition and retention improve because people who are well served will in turn serve their customers and their organizations well; and as customer acquisi-

tion and retention improve, there is a positive impact on profitability, market share and shareholder value.

Law firms, however, are notorious for arguing for the distinction that they are flat partnerships, not hierarchical structures like corporations. But in today's marketplace, the actual practice within midsize and large firms is very different from this deeply rooted perception. Most partners simply want to get on with their client work and they are happy to leave the leadership of the firm to trusted executive partners. What they want is to be well served by their leaders, their partners, their associates and their administrative staff—and that is where firm leadership is critical. It is the leaders that drive organizational performance within a law firm.

If that's not clear enough, one need only look to the high-profile failures of firms like Heller Ehrman, Wolf Block and Thelen Priest, where clearly the lack of leadership was a factor in the firm's demise. As pointed out by the law firm consultancy Hildebrandt Baker Robbins, which has been studying law firm failures for over two decades, the absence of strong leaders who are trusted and inspire confidence has been a serious factor in a high percentage of law firm dissolutions.

Of course, leadership development requires sustained attention and discipline over months and years to be effective, so before beginning such an initiative, it's essential for the current leaders to openly and honestly articulate the need and the benefits that meeting the need will generate over time. If they cannot communicate this openly within their firms, they should not invest valuable resources on this type of effort. If

they can, then they should proceed to answer the remaining questions.

What Does Leadership Entail? Critical Skills

“Leadership” is one of those big, ambiguous words that can mean vastly different things to different people and in different contexts. Leadership competencies range from interpersonal skills such as communication and emotional intelligence to specific skill sets in areas such as strategy, law firm governance, marketing and change management.

In a recent study of 69 firms with different levels of profitability, published by Lauri Bassi and Michael McMurrer, there was a clear indication that the single most important determinant of law firm success and profitability is the leadership skills and practices of partners. The specific leadership competencies identified as most critical to profitability were, in descending order of importance, as follows:

- Inspiring confidence, providing feedback and eliminating barriers
- Collaborating with employees and inviting input
- Valuing and supporting learning
- Innovative practices and the welcoming of new ideas
- Commitment to the firm's employees
- Making job-related information and training readily available
- Continuous tracking of employee engagement
- Open and effective communication

Different competencies are required for leaders in different roles, of course. So where lawyers are tasked with a specific role such as strategic planning, law firm governance or practice group management, specific substantive leadership competencies

also need to be developed. It is therefore important that firms build flexibility into their development efforts by tailoring their programs for lawyers tasked with specific roles.

Who Should Be Involved?

Successful leadership development is a top-down exercise. If it is not modeled by the partners currently in leadership roles, the chances of success for any type of initiative are limited. This means that current leaders should be among the first to participate in a development initiative. If they don't participate, and they don't already have the skills being developed, it is likely that other lawyers participating in the program will view it as a waste of time and money.

This is not to say that leadership programs targeted to senior associates and new partners are not worthwhile. These programs build a leadership mind-set in the next generation of lawyers and integrate leadership into a firm's culture. However, a program is unlikely to reach its full potential (and lawyers are more likely to leave the firm) if the participating lawyers cannot look to executive leaders and senior partners as role models for the competencies that they are tasked with developing.

Another important point to consider is that highly skeptical lawyers are likely to follow leaders only if they are credible—and credibility requires not only good legal skills but also authenticity. Authentic leadership requires a level of openness, humility and vulnerability that is often uncomfortable for lawyers to display on the job. So lawyers who are not open to the process of growth and do not want to develop new skills are unlikely to be good candidates for leadership development, and they

probably should not be targeted for leadership positions. Not every lawyer needs to be a leader, so there is no need to waste resources on those who are unable or unwilling to learn how.

Also, partners who themselves resist engaging in a leadership development program (as did one finger-wagging managing partner who claimed that "men don't change after the age of 29") and those who don't recognize the importance of leadership skills throughout their firms are not good candidates for leadership programs (and they probably make poor leaders), since they don't have the learning mind-set required for authentic leadership.

When to Begin?

Instituting a comprehensive leadership development program requires that one of two events occurs: a strong leader is already in place who can lead the initiative or there is a crisis.

In firms where strong leaders are convinced of the need for leadership development, they must first convince their partners that the need for leadership within the ranks of the partnership is essential for the firm's ongoing health and survival. Leaders can do this in a variety of ways, including by undertaking a crisis management analysis to highlight the risks of poor leadership within the firm. This involves looking at various potential scenarios such as the retirement, departure or sudden death of existing leaders, a failure to secure credit, a change in markets that eliminates a once lucrative practice area, the termination of a lease, being fired by a large client or another major catastrophe.

After creating the sense of urgency that generally arises when such risks are surfaced, it is easier to overcome the complacency of partners who are

content with the status quo. Then, once complacency is overcome, the leaders need to enlist a coalition with enough power to effect change and develop a clear vision and strategy for implementing the program.

Firms that do not have strong leaders, on the other hand, may need an actual crisis to occur before they are willing to implement a leadership development initiative—if it's not too late. The economic hardship that many firms are facing in today's market may present such a crisis for many firms. Fortunately, if no crisis exists at present, leaders can still engage in the type of scenario planning just discussed to create a looming threat and move forward with a strategy once the need is recognized.

How Do You Proceed?

This is where the rubber meets the road. There is no shortage of programs designed to teach leadership skills to lawyers, and many of those programs are excellent. However, a one-, two- or three-day workshop, in and of itself, will not a leader make. As with most training programs, incremental learning can be had, but without ongoing support designed to help lawyers integrate the new learning, the value of these types of programs is limited.

Therefore, even when a firm is able to answer the why, what, who and when questions clearly, in order to maximize the return on investment for a leadership development initiative, it needs a comprehensive strategy for integrating leadership competencies into the firm's culture and operating systems before beginning the initiative. The organizational support should include these actions:

- Establishing a system that measures leadership competencies through use of a developmental

assessment such as a 360-degree instrument. These types of instruments, by which a partner can be assessed by others on the specific competencies, provide the feedback that a partner needs to start the development process.

■ Developing rewards for meeting and exceeding the leadership competencies that are measured, in the form of compensation, special recognition, leadership assignments, or another type of reward that is valued by the lawyers who are assuming leadership roles.

■ Providing ongoing education in the area of leadership so that lawyers know and understand what is expected of them and are taught how to meet their targets. This is particularly im-

portant for lawyers if they have had no formal training in this area and, until now, have been asked to be only individual contributors in their firms.

■ Providing ongoing individual support in the form of mentoring within the firm and coaching from an internal or external leadership coach. Skilled coaches can walk with the leaders through the initial assessment processes and provide essential training and support for building new competencies.

■ Providing lawyers with an opportunity to practice their newly acquired knowledge and skills in real time and to engage in the best learning tool available—a mistake here and there—so they can inte-

grate what they have learned into their daily leadership practices.

The investment in leadership development can be a substantial one in terms of money and time. However, for firms that can answer the “why” of leadership development, the process of implementing an effective program is straightforward, although not simple. For those who recognize a need for development in order to meet the demands of today’s and future markets, the investment is well worth it. **LP**

Kathleen Bradley (kcb Bradley@execlawyer.com) is a lawyer, a consultant and an executive coach, specializing in the development of law firm and corporate leaders in a global environment. She is the founder of The Executive Lawyer LLC and a member of Threshold Advisors LLC. She practiced law for 18 years, with Clifford Chance and White & Case.

LEADERSHIP DEVELOPMENT: LAW FIRMS THAT ARE DOING IT RIGHT

AMONG THOSE DOING IT RIGHT when it comes to leadership development are firms like Buchanan Ingersoll & Rooney, Reed Smith, Goodwin Procter and Young Conaway Stargatt & Taylor. What’s so special about their approaches? Consider this:

■ In 2007, Buchanan Ingersoll partnered with law firm consultancy Altman Weil to institute a yearlong training and coaching program for the firm’s executive leaders (both lawyers and nonlawyers), practice group leaders, lawyers with large project-like transactions and cases, and junior lawyers with leadership potential. One of the primary benefits that Buchanan has found in focusing on top-tier leaders is the ability that those lawyers acquire to push down their leadership skills to the next generation of lawyers who will eventually succeed them.

■ Reed Smith and Goodwin Procter are both partners with premier business schools—Reed Smith with Wharton and Goodwin Procter with Harvard—for the delivery of executive leadership training to the firms’ senior leaders. In addition, both firms now include leadership competencies

as part of their competency-based career development programs for their lawyers. Notably, neither firm refers to leadership as a “soft skill.” It is recognized as a business skill that is essential for good client service and firm citizenship.

■ Lastly, Delaware-based Young Conaway has worked with the consultancy Hildebrandt Baker Robbins to deliver an intensive leadership development program. Last year, 20 of the firm’s 45 partners, including its management committee members, attended a weeklong off-site program, which was supplemented by coaching and real-life projects through which the partners could evaluate themselves in action while also contributing to the firm’s management. The weeklong intensive was followed up by two additional two-day off-site sessions. The program was so successful that now, says managing partner Jim Patton, the remaining partners are hungry to participate in a similar program.

In all four cases, by focusing on leadership at the top and pushing it down to all levels of the firm, these law firms have signaled the importance of leadership throughout the organization.