



The Critical Link Between Managing Peers and Managing Change in Law Firms

Change within law firms is notoriously difficult to accomplish. Law firms tend to focus on and manage themselves based on precedent, making new ideas and ways of doing things difficult to adopt. Partnership structures and a high degree of partner autonomy also act as opposing forces to accomplishing change in many firms, where a multitude of stakeholders, a strong consensus orientation, and in some instances, leadership by committee limit a firm's ability to adapt. Through our work with law firms in leading successful change management programs, we have identified multiple key factors in accomplishing change – with one of the most critical being the act of *effectively managing peers*.

While this topic has been discussed for many years, both within the legal industry and outside of it, the notion of 'peer management' in and of itself remains a challenge for most firms. While law firms recognize the need for broader and more empowered leadership roles and responsibilities, many firms still struggle with the role of leaders in managing other partners. There is a clear tension between the need for management of partners as highly valuable assets, and the recognition that partners are owners of the business.

In the context of accomplishing change in law firms, the value and intent behind effectively managing peers is not a typical top down definition of management or aimed at dictating partner thinking or actions. For many law firms, this type of peer management would be highly problematic.

Instead, managing peers in this context is about firm leaders recognizing the need for cultivating support, understanding, engagement, dialogue and buy-in among partners on change efforts (and in all aspects of the firm). It is about defining how leaders communicate with peers and seek to cultivate the understanding, relationships and connections which will enable partners to get behind change efforts. Under this lens, managing peers can be intensely challenging. It is not a simple decision which can be rolled out or communicated. It is an ongoing campaign to solicit input and support from relatively large groups of independent thinkers and trained skeptics.

We often see change efforts fail because too little leadership time and forethought has been invested in considering how best to manage peers in relationship to the change. In these instances, assumptions are made about how partners may or may not react to a change, and too little one on one dialogue occurs between those leading the change and the owners of the business.

So, how do law firm leaders manage peers, and how can they be particularly effective at it?

A first step towards effectively managing peers starts with recognizing that in order to accomplish change, leadership must seek out and communicate with a diverse group of partners operating with a spectrum of views. This means that different approaches will be required for different groups and even individuals. Leaders will need to seek out each group to explain the case for and value of the change and be prepared to address the questions and concerns which are most relevant for that particular set of partners. This step is aimed at winning the hearts and minds of the partners.

By way of example, we often see partners falling into some or all of the following categories: 1) partners most heavily focused on the business, financial and strategic impact of change, 2) partners most heavily focused on the cultural impact and people side of change, or 3) partners comfortable with the status quo and fearful that any change will cause discomfort or jeopardize their own personal priorities. While some partners fall squarely into one of these groupings, many will have characteristics of more than one grouping, and depending on the firm, other nuanced groupings may emerge. By examining the perspective of various categories of partners, we can observe how differing forms of peer management are required. Leaders will need to be prepared to provide proactive communication which will allay concerns and address the issues specific to each group.

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1. **Business, Financial, Strategic Impact:** Dialogue with this group tends to require careful analysis of the expenses associated with the change under consideration, potential return on investment or long term savings, the alignment with the firm's strategy, and how this will move the needle for the firm in terms of long run competitiveness and market position. Leaders should be prepared to show action plans and financials associated with the proposed change.
2. **Cultural and People Impact:** For partners most concerned with the human side of change, leaders must be prepared to demonstrate the alignment of the change with the firm's core values, how the change benefits the firm membership as a whole, and methods for defraying short term morale issues which may be created by the change.
3. **Status Quo Preservation:** Unfortunately, in many firms where change is pursued less frequently, or where the change being proposed is significant, the status quo group can represent a large number of partners. Individuals in this group are averse to change because they fear it may jeopardize their own comfort level or current clients, practice, compensation, etc. While leaders may not have the bandwidth to manage all of the partners in this category, for vocal change resisters in this group, leaders will need to demonstrate that the status quo is not sustainable, and utilize support from key influencers in other categories to message the risks inherent in seeking to preserve 'business as usual.'

For particularly difficult change efforts, managing peers effectively will require these conversations take place with numerous key partners and influencers in the firm. Often times the format will be informal, through one on one meetings and walking the halls. Leaders will need to convey that they are actively listening to concerns while maintaining clarity in the message and direction being set with the change. This is where the truly nuanced nature of effectively managing peers comes into play. Leaders cannot effectively implement change efforts by over-responding to partner pushback. This requires balancing the ability to listen and solicit input, with the need to generate support and cultivate buy-in around the change. A key to achieving this balance lies in conveying both active listening and careful preparation – hearing partners' questions and having thoughtful responses and analyses prepared in anticipation of these types of concerns and reactions.

Managing peers requires cultivating a series of these conversations, over many topics, over many months and forming close ties to peers. To accomplish change in a law firm, leaders must have a strong network of partner relationships, which generates essential partner trust and confidence in overall decision making. This confidence snowballs, enabling partners to more readily support future change efforts which in turn enables the firm to more proactively adapt to changes in the marketplace. Managing peers is a critical tool for firm leaders seeking to influence partner thinking, establish trust, and successfully execute change.

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