fairfax
INSIGHTS

What is Law Firm Culture?

Nearly all firms we've worked with talk about their unique culture, and many firms do indeed have distinct elements of their culture. Firm leadership often works hard to preserve that culture, and most partners are similarly protective of the firm's culture.

But what does culture really mean? And is preserving it always a good thing? While culture can certainly provide the glue that ties lawyers to the firm, there are always lawyers who choose to go elsewhere as a result of the culture. And different generations of the firm may value different aspects of the culture.

There are many elements of law firm culture, but the ones which truly differentiate firms are centered around the role of partners, the expectations of the firm's lawyers, the social connections among the lawyers (and staff), and the relative degree of a business approach to firm decision-making.

Role of Partners

Firms can range from relative democracies to autocracies. In autocratic firms, which are sometimes founder firms but can also be large established firms, most partners have very limited involvement in the management and decision-making of the firm. In highly democratic firms, partners expect to have a voice in firm decisions and be engaged in the business of the firm.

Often related, some firms are very egalitarian while others are hierarchical. In hierarchical firms, not only are lawyer classes very distinct, but even within the partnership there will be a perceived rank order or power structure. Egalitarian firms tend to have a far more distributed power structure and even associates can play significant roles in firm management.

There are successful firms at both ends of the spectrum and at points in between. High performing meritocracies, including prestigious money center firms, are often democratic in nature and continue to perform well and attract top talent with relatively decentralized leadership. By contrast, many large and mid-size firms operate with more centralized decision-making. These firms often benefit from the ability to act more quickly and appeal to lawyers who value greater structure.

The key to whether or not a firm is effectively balancing the role of partners with leadership decision-making depends in large part on what the firm needs at a given point in time. For firms facing competitive pressure and seeking to take more rapid action, agile and top down decision-making may be required. In other firms experiencing steady increases in demand and expanding client relationships, a more inclusive and democratic style may be effective.

Business Approach and Partner Autonomy

While nearly all firms of size these days recognize that they need to operate as a business, some are much more guided by bottom line results in their decision-making than others. These firms are more metric oriented in all aspects of the firm's business and make decisions that help the firm move towards achieving key financial targets. At the other end of the spectrum, there are firms who are not strongly bottom line oriented, and often describe themselves as not focused on the "last dollar".

A related aspect is the degree of partner autonomy. While partners as a general matter have a high degree of autonomy in the way they conduct their practice, in some firms this extends to things like setting billing rates, agreeing on pricing arrangements, resolving conflicts, or even recruiting lawyers. In other firms, these decisions are much more centralized. While high autonomy can encourage entrepreneurial spirit, it can also result in inconsistencies in practice that may be visible to clients and is likely readily observed by associates and staff as well.

Expectations of Lawyers

While most large law firms articulate high expectations of firm lawyers, from billable hours to business generation, there is in fact much variation across firms, particularly those competing at the regional and local level. Some firms tolerate, or even embrace, different levels of contribution to the firm, while others are much quicker to take action if performance dips below firm norms. In firms with the latter approach, partners often have a high sense of urgency around client work and business development which contributes to greater productivity and better financial results. Of course that assumes that the firm has enough partners who are willing and able to meet the high expectations, which is not always the case. In the former, more tolerant, firms, they may benefit from greater flexibility in retaining lawyers seeking alternative career paths, but may also face frustration and departure risks from the highest performers who are rowing disproportionally harder than their peers.

Social Connections

In some firms, the lawyers, and often staff, are very collegial and socialize regularly with colleagues outside of the office. In others, while certainly lawyers are respectful and work well together on client matters, there are far fewer personal relationships among the firm's lawyers. A highly social firm can experience strong bonds among lawyers, and a strong glue, but this social environment can also make hard decisions or conversations about performance more difficult. Perhaps surprisingly, highly social firms can also be more challenging to navigate for diverse lawyers, including women. Tightly knit social groups can feel hard to break into, even clubby.

Many firms these days are focused on increasing collaboration across the firm. Collaborative partnerships, where lawyers frequently team up on pitches, cross selling and client matters, can exist at both ends of the social spectrum. While collegiality and social bonds can certainly foster collaboration, numerous collegial firms struggle with collaboration. These two cultural elements are not one and the same, and one does not guarantee the other.

While culture does indeed differentiate firms, it is important to recognize that there are positive and negative aspects of most law firm cultures and that a firm's culture may need to adapt over time. In our work with firms we often find that different generations view the firm's culture through different lenses and may not value all aspects of culture in the same way. In fact one group may be frustrated with an aspect of culture that another group values. For example, the social cliques mentioned above represent an aspect of firm culture where leadership needs to adapt the social dynamic so that the firm is more inclusive. Autonomy is another example of a cultural aspect that partners often value because they don't like to be told what to do, but too much emphasis on partner autonomy can lead to silos, individualist behavior and thinking, and may not be in the best interests of the firm. Leaders need to manage the firm in a way which recognizes cultural tensions and brings them into balance.

When thinking about preserving culture it can be helpful to identify the non-negotiable aspects of culture. What is it about the firm's culture that is distinctive, which partners value, and which benefit clients? And which aspects of culture may have served the firm well in the past but are not aspects the firm will carry into the future?

Washington

Lisa Smith
lisa.smith@fairfaxassociates.com
202.365.4180

California

Kristin Stark
kristin.stark@fairfaxassociates.com
415.215.9294

London

Giles Rubens
giles.rubens@fairfaxassociates.com
44 (0)20 3633 3943