



## Leadership Succession: Defining and Developing Capabilities

We often work with law firms as they transition senior leadership positions in the firm. Increasingly, firms facing a leadership transition are taking the opportunity to refine their leadership selection process, review the leadership roles and governance structure, and, importantly, clarify the characteristics and capabilities required for leadership roles.

Historically, law firm leaders have been selected for a variety of different reasons – they were successful lawyers or business developers; they were at the end of their careers and willing to take on the role; they had served on leadership committees and were convinced to take on the role in the absence of other candidates; or they were interested in the role, among others. While many firms have a job description for the Chair or Managing Partner role, relatively few translate that job description to a set of capabilities against which to evaluate potential leader candidates. In fact, sometimes there is only one candidate considered, so the evaluation process is relatively cursory.

Often, the relatively unstructured approach results in great leaders rising to the top, but occasionally a leader may take on the role and not meet the leadership needs or expectations of the firm. Further, a lack of clarity about what skills are required for leadership roles may result in a weaker pipeline of candidates for future positions. This may result in the current leader extending their term because there is not an obvious successor. While some leaders are born, many others can be developed if the capabilities and skill sets are defined.

### Identifying Critical Skills and Capabilities

Because the roles of law firm leaders vary from firm to firm, and even within the same firm when there are multiple leadership roles, there isn't an off-the-shelf set of role capabilities. Additionally, the skills required of a leadership role may change as the firm and the market evolve. What worked for the firm 10 years ago may not be what is required today, or what will be required 10 years from now.

The starting point for determining required skills and capabilities is the job description for the role. It is important to ensure that the job description accurately reflects the required role, and more importantly, the relative balance of responsibilities. For example, if 60% of the role is focused on vision and strategy, that may require a different skill set than if it is 10% of the role. It is also important to assess the role relative to the person currently holding it. Because leaders naturally play to their strengths, it may be that the incumbent has focused their energy on the things they are most comfortable doing. Understanding what the ideal mix is relative to the current mix can be helpful in accurately defining the skills required for the role.

Another useful input is how partners view the skills and capabilities needed in the role. We have done partner surveys to assess views on desired capabilities and experience, which can help both partners and leaders focus on what is and isn't important. For example, when asked what qualities or characteristics are important for a managing partner, partners will typically rate the characteristic of 'success developing a book of business' quite low. Yet when firms are considering managing partner candidates, the list often starts with those who have a significant book of business. Of course successful business generators often have other leadership characteristics that have contributed to their ability to generate business, but business generation alone does not necessarily indicate a skill set that will translate to a successful firm leader.

### Categories of Skills and Capabilities

While the required skills and capabilities vary from firm to firm and role to role, it can be helpful to think about categories of

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capabilities. Common categories include:

### **Leadership**

This category includes: strong communications skills, ability to inspire partners and other attorneys and staff, having the respect of the partners, a firm-first mentality, and a commitment to diversity, equity & inclusion.

### **Strategy Development and Execution**

This category includes: being a visionary, the ability to develop and execute an effective strategy, being open to new ideas and innovation, and having deep knowledge of the business of law.

### **Management**

This category includes: the ability to make tough decisions, a strong understanding of law firm economic drivers, a demonstrated ability to manage financial performance, and proven success at motivating and leading people and teams.

### **Personal characteristics**

This category includes: being (and perceived as) fair and impartial, demonstrating strong integrity such that the individual is trusted and respected by the partners, resilience, strong interpersonal skills, and effective listening skills.

While some of the capabilities are important skills that all partners should have, others are more critical for those in leadership roles. A matrix which weights the relative importance of skills depending on the specific role can be useful in identifying the capabilities critical to top leadership roles.

## Developing and Assessing Leadership Capabilities

Once a firm has determined the set of desired leadership capabilities, the next step is to establish a framework for evaluating and developing future leaders. This starts with the assessment of candidates for top leadership roles. The Nominating Committee or other group charged with identifying potential candidates can use the framework for identifying qualified candidates and selecting the final candidate or group of candidates. A more structured approach can help to broaden the pool of candidates considered, and by grounding the decision against the framework, firms can also help to reduce bias in the process.

From the individual leadership candidate perspective, partners can use the framework to assess their own skills relative to leadership roles and identify areas where they may need to improve. Further, firm leadership can more readily identify potential leaders to expand the pipeline of talent available for future leadership openings. Once identified, a partner's skills can be developed through formal training programs and 'on the job training', including committee or practice group leadership roles.

Finally, as firms invest in leadership development programs, these programs can be aligned with the evaluation framework to ensure that firm lawyers have the opportunity to develop the specific skills required for leadership roles at the firm.

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Law firm leadership is foundational to a firm's success. Being more deliberate about identifying the capabilities that contribute to success in leadership roles, investing in developing those capabilities, and evaluating leadership candidates against a framework of the capabilities critical to the specific role being considered, will contribute to firm success.

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