

Continuing to Solve the Great "Teamwork Puzzle"

By Michael D. Short on May 14, 2015

In 2013 we focused much of our research time on Partner Compensation Systems, with particular emphasis on incentivizing teamwork – a goal that is shared by many law firms right now. The complexity of this topic resulted in a series of blogs in which we deconstructed the issue into a set of guiding questions which demonstrate how close your firm can get to this utopian place (to read the first of the four-part series <u>click here</u>). Our intended take-away from that research was the fact that a very high level of teamwork is an entirely achievable goal in all law firms, but it is quite difficult to accomplish and requires many factors to align.

In conjunction with the philosophical and cultural details addressed within the referenced blogs, a more general environment is required to achieve a high level of teamwork. Key features of this environment include:

- 1. A firmwide commitment to the concept of institutional teamwork, spearheaded by a leader who is seriously committed to this goal;
- 2. A complete alignment between the Partner compensation system and the concept of teamwork in order to create teams with accountability by deconstructing group/team-based efforts into individual personal plans that are an integral part of annual Partner compensation deliberations;
- 3. A high degree of trust in leadership, because the associated Partner compensation system will be subjective in nature. Teams and team members will "succeed" in many different ways...not via one uniform approach;
- 4. The ability to have difficult, constructive discussions to get each team member into a suitable role. Some Partners will want to lead but are better suited to support the team via other means. Others may not be on a formal team...at least to start. Leadership needs to get everyone into the right roles a task that sometimes involves (very) difficult discussions; and
- 5. A lot of ongoing leadership time to maintain items 1 through 4 above, because the loss of any one usually equates to the loss of the entire program.

During my travels, I still hear many law firm leaders lament the lack of progress toward the elusive goal of teamwork — both within their firms and across the industry. I hear them asking us for the easy, magic solution that they can a) tack on to their compensation systems, b)ask their practice group leaders to do for them, or c) add to their monthly financial reports as the perfect "teamwork metric." The focus on quick-fixes intrigues me and indicates that there is still a fair amount of wheel-spinning, failed attempts, and frustration going on. If the basic concept is correct (and it is; it works well in select firms) yet broad-based implementation is not happening, we need to figure out what is hindering success. Therefore, I have been thinking a lot about this lately and want to share my first two observations with you today. More will come in the future.

Observation #1 – The structure of the Managing Partner's job in many firms is not conducive to doing everything that is needed to achieve teamwork. A complete program that supports teamwork takes years to implement and requires a great deal of time. In contrast, many Managing Partners operate under a one, two, or three year term AND are practicing lawyers as well. They don't have the time to really dedicate to this cause. Furthermore, the changes needed for teamwork – particularly revisions to the compensation system and a move toward the overall concept of sharing – may not be what the majority of comfortable, happy, and/or nearing-retirement Partners want to vote for come election time.



Observation #2 – The ability to implement teamwork will steadily increase over time. This epiphany struck me recently when I was reviewing some excellent materials that <u>Jessa Baker</u> – our talent strategy expert – assembled on generational thinking. It's no secret that the legal industry is in the middle of a major demographic shift that is tied to the significant amount of Senior Partners (most of whom are baby-boomers) who will be moving out of their firms over the next five to ten years combined with the Generation-X and Millennials who will move in and replace them. As this shift occurs, so too will a significant shift in how lawyers practice together and a related increase in receptivity to the concept of teamwork – simply due to how each generational cohort thinks.

Per Jessa's work, Baby Boomers tend to think in terms of their individual performances and contributions and much less so in terms of the team and the bigger picture. Please note that we're talking about how people are "wired" to think, based on generational experiences, training, and education. These are not bad people, but many have experienced significant successes based on past experiences that are very much aligned with the concepts of eat-what-they-kill, keep others away from relationships, pay your dues, and hang on to relationships forever because they are your only true source of power, prestige, and compensation.

In sharp contrast to the Boomers is the general attitudes and expectations of the Generation X and Millennial lawyers, who are very comfortable working within teams, enjoy group-based efforts, readily share credit and successes, and are energized by the success of the collective effort. As these generations increasingly populate law firm Partnerships, they will demand an evolution toward team based activities and reward systems. It's going to happen but this natural evolution is many years away.

I don't offer these first two observations as excuses or reasons to *not* move forward right now. In order to move through hindrances we need to understand them. However, a broad-based, shared commitment to institutional teamwork emanating initially from the Partnership as a mandate will a) put the Managing Partner in a better position to implement this program regardless of the structure of the job, and b) accelerate the implementation schedule well ahead of the pending generational shifts.

There is more to come on this topic. If you wish to talk about our research, compensation systems in general, or the hindrances against teamwork, please drop me a line at mshort@lawvisiongroup.com.