

Is Your Culture Putting Your Firm At Risk?

By [Michael D. Short](#) on July 20, 2017

While I acknowledge the vital role that culture plays with respect to defining each law firm's working environment, creating expected behaviors, and establishing a "glue" among the lawyers, I am increasingly seeing law firms where their cultures are not evolving with the times and needs of the firm. Sadly, some of these partnerships are celebrating elements that may be putting the firm at risk.

Such scenarios are very apparent when I speak with many Partners in a firm, understand each person's relative contribution to the firm, and really listen to what they are saying. To simplify this point, I will sort all Partners into two general segments and then compare/contrast the perspectives of two groups across a set of descriptive cultural statements.

First, the partnership segments –

1. **Driving Minority** – This group includes the Partners who are a) major generators of business, b) constantly developing business opportunities, c) responsible for keeping multiple lawyers busy, d) firm leaders, and e) at, or near, the top of the compensation schedule. This group usually represents 20% to 30% of most partnerships.
2. **Modest Majority** – This is the rest of the partnership, and includes subsets such as a) rising stars, b) those who cover their costs, c) the lawyer's lawyers – great legal minds that just don't seem to attract clients on their own, d) those who are paid more than what they bring in for a variety of reasons, and e) the survivors – those who barely do enough to hang on year after year.

Next, the cultural statements, along with typical perspectives and opinions from each segment –

- **"It takes us years to address under-performers"** – The Modest Majority will celebrate this statement by saying that it represents wonderful respect, autonomy, patience, belief in each other, and a true spirit of partnership. Meanwhile, the Driving Minority say that management is far too slow to act, not doing their jobs, and allowing certain Partners to take advantage of the firm...and the big contributors.
- **"All of our staff have been here forever"** – The Modest Majority say this with pride, as it reflects a commitment to loyalty, the family atmosphere of the firm and its people regardless of the profits of the firm or the changing business of law. Meanwhile, the Driving Minority see old systems, processes and habits being protected and defended against changes by an old and protected guard who are set in their ways, with no regard for the size of the profit pool, efficiency of operations, and innovative thinking.
- **"This is a lifestyle firm"** – The Modest Majority report that it is very important to maintain a family focus so the lawyers can coach their kids' teams and have a lives outside the firm. Meanwhile, the Driving Minority say they want those goals as well but their client demands are such that they are always the ones working while the Modest Majority are home with their families.
- **"We vote on everything"** – The Modest Majority celebrate the firm's spirit of democracy and true senses of partnership. Meanwhile, the Driving Minority get frustrated with endless debates, procedures, and the time needed to reach conclusions. They also secretly wonder why those who truly drive the firm's business and fuel its growth are not really in control of votes.

- ***“We cannot ever change our culture”*** – The Modesty Majority view culture as an inviolate, cast-in-stone set of descriptors (such as those listed above) that must stand the test of time. The Driving Minority recognize that everything about the business of law is changing and now is the time to evolve, plan strategically, and do whatever is necessary to survive and thrive.
- ***“Our highest earners always leave a money on the table”*** – The Modest Majority say this is in recognition of the support that they, and others, provide the Driving Minority AND it is the right thing to do to maintain the family atmosphere of the firm and all of the points listed, above. Meanwhile, the Driving Minority smile publicly but privately resent being taken for granted...particularly when the headhunters call with significantly larger offers from other interested parties.

Clearly, I am using the extreme positions from an array of perspectives to describe the overall situation. We see many firms where the biggest producers are also the most strident supporters of the firm’s culture, are aligned strongly with the perspectives of the Modest Minority (described above) and want nothing to change. However, within a small but growing group of firms I am hearing these extreme positions.

The most important point, and the source of real risk, is the relative contributions at both ends of any firm’s array. If the real differences between the contributions from both groups are reasonably close and the Driving Minority recognizes that not everyone can operate at their level, everyone is trying hard, and no one is taking them for granted then the firm is probably not going to experience devastating departures. If, on the other hand, members of the Driving Minority feel like some within the Modest Majority are being protected, are hiding within the partnership at the expense of the Drivers, or are blatantly taking advantage of the firm’s kindness, then the firm’s culture is definitely putting that firm at risk. The Driving Majority won’t stand for this attitude long-term.

For me, a sound culture is a stated experience that differentiates one partnership’s environment from others. It is the glue that holds a partnership together. However, if it ever becomes an excuse for the Modest Majority to take advantage of the firm or stop needed changes “because it may change our culture”, the culture is putting the firm’s best interests at risk. Please listen for the comments, above, and ensure that the range of relative contributions between the two groups is reasonably close. The Driving Minority must never feel like they are taken for granted.