

The Invisible Impediment: Is Your Firm's Culture Holding You Back?

By [LawVision](#) on October 13, 2015

Peter Drucker said it best. "Culture eats strategy for breakfast." In our rapidly evolving industry the need for and attention to firm-wide strategy is rampant. Law firms, rightly, recognize the value in setting an agenda for moving forward; and many – to their credit – acknowledge that much of the success they accomplished previously was more likely related to double-digit industry expansion than attributable to their own creativity and savvy.

So here we are – in a new era of strategic thinking. One in which the forces have been redefined, the inputs are vast and the pace of change is greater than ever before. It is no wonder, then, that the strategic planning approaches utilized by most law firms in years past are proving ineffective. Not only has the industry changed to bring into focus new and different considerations – changes, which, incidentally also spurred us at LawVision to evolve and expand our own approach to strategy – but also, the external environment, which is moving at a pace faster than most law firms are used to, has a direct impact on an organization's ability to execute. Underlying this last point is the pivotal connection between rapid change and an all-too-often-ignored factor in the legal industry: culture.

In times of great transformation, a strong culture alone will not necessarily provide the underpinnings for financial success. To the contrary, [research by John Kotter and James Heskett](#), indicates that even if culture is aligned with the firm's overarching strategy, the culture may thwart efforts to achieve strategic goals if it is not one that promotes behaviors and activities that allow organizations to continuously respond to changing markets. The nature of an organization's culture, therefore, is equally – or perhaps more – important than its strength.

Consider, for example, the culture that I have heard first-hand existed at Digital Equipment Corporation in the early 80's. Heralded by many for their culture of innovation founded on the ideal of "do the right thing," the organization failed to keep up with transformation and respond to the PC industry. MIT organizational culture expert [Edgar Schein](#) attributes part of their demise to the tenacity to which they may have held on to their core values at the expense of new ideas and change. Perhaps an arrogance set in that eschewed external ideas in favor of those born internally. In other words, the very values that made them successful in one environment prevented them from achieving success in another.

Law firms find themselves in a similar situation. External factors, including economic cycles, demographic shifts and client demands, are reshaping the way law firms do business. In the face of rapid change, the cultures at many law firms may be antithetical to the very activities and behaviors that will promote success in today's competitive world. (And, as if that's not enough, [Dr. Larry Richards' research](#) is sure to demonstrate how lawyers' personalities exacerbate efforts at change even further.)

More specifically, studies across multiple industries and countries show that certain cultures are more constructive – advantageous in times of change and consistently enhancing performance – than others. Conversely, defensive cultures, both passive and aggressive, can undermine performance, irrespective of the underlying excellence of the strategy, management or leadership at the firm. Unfortunately, there is little research to indicate where law firms on the whole fall on the spectrum. One study of large Wisconsin law firms, though, helps to shed light on where at least some firms may be faltering.

[Susan Balzer Spoerk](#), a former student at Marquette University, did her 2011 dissertation on Organizational Culture at Wisconsin Large Law Firms. In addition to a broad literature review, Ms. Spoerk performed a cultural assessment of Wisconsin firms with more than 30 attorneys using The Organizational Culture Inventory® (OCI). Co-created by Professor Robert Cooke of University of Illinois, OCI is the most widely used and well-researched tool to assess organizational culture. Recently, my colleague Silvia Coulter and I attended a certification course in the use of this tool. Ms. Spoerk's findings indicate that overall the law firms in her study had constructive cultures, with the most dominant behavioral norm being that of Achievement – pursuit of excellence and self-defined goals.

The secondary factor defining the law firm cultures, though, was its more aggressive (and less constructive) cousin: Perfectionistic. Perfectionistic norms encourage persistence and hard work. Those of you with my sensibilities may be wondering, “well, what’s wrong with that?” Perfectionistic cultures, while encouraging high performance, leave no room for taking risk. Mistakes are not tolerated. Cultures with Perfectionistic norms seldom inspire or allow for discovery, innovation or adaptation. Our experience suggests the Wisconsin firms may not be unique in their expression of this cultural value. In addition, other behavioral norms that may challenge law firms include Competitive, Avoidance and Oppositional.

As law firms embark on crafting new visions and inching – or leaping – towards radical change, it is imperative that they not lose sight of the very nature of who they are and how their organizational culture may help or hinder their progress. Like executing on a strategic vision, cultural change is not an easy task. Yet the alternative is far riskier. Just ask Enron.

Author's Note: If your firm is interested in participating in an industry study of law firm culture, [please contact us](#) for details and requirements.