





**University of Southern Queensland**

**How does a City law firm deal with leadership development?**

A Dissertation submitted by

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## **APPENDICES**

Appendix A: Focus Group Protocol

Appendix B: Interview Protocol

## ABSTRACT

Leadership capability is acknowledged as a critical success factor for most businesses. Traditionally, law firms have not accorded this significance to leadership and its development. This has been because of the nature of law firms as professional service firms, with their emphasis on individual autonomy, and a sole practitioner mentality on the part of lawyers. Over the last fifteen years, the legal industry in the United Kingdom has witnessed a dramatic growth in size, revenue and profitability of a small number of law firms. More recently, leadership capability has been acknowledged as having played a critical role in achieving their success. Leadership in these firms has been compared to that in corporate organizations and regarded as contributing to the corporatisation of law firms and undermining the autonomy of partners in particular. This is an exploratory study to investigate how a City law firm addresses the issue of leadership development.

The research problem addressed is: *How does a City law firm deal with leadership development?* This is a study in the fields of leadership, leadership development and organizational development with particular reference to professional service firms. It has been acknowledged as the first systematic research on leadership development in the legal industry.

Seven research questions were developed from the literature. These provided a focus for data collection. The single case study methodology was used to provide an in-depth investigation and information rich data. Data was gathered from the five strategic business units of the firm, which constituted five embedded sub-cases, thereby providing the advantages of multiple case study methodology. In-depth interviews were conducted with six members of each division, chosen by means of purposive sampling to provide investigation at six levels in accordance with organizational role and level of qualification as lawyers. The research design was based on the established procedures and quality controls of qualitative and case study methodology within the critical realism paradigm. Analysis was based primarily on cross-case analysis and pattern matching for the purpose of analytic generalization

about the research issues. Because of the significance of the role played by experiential and organizational learning in leadership development the iterative learning cycle is used to map and report the progress of the investigation itself, thereby constituting the study as one in experiential and organizational learning.

Overall, the findings challenge much of the existing literature on law firm management. They also challenge some of the existing literature on change in law firms based on quantitative research. The major contribution of the study is the discovery of how lawyers perceive the impact of change on their business and profession, what skills and abilities they perceive as essential for effective leadership in a law firm now, how partners in particular see their own roles in these contexts, and how lawyers suggest leadership capability should be developed. The study makes an additional contribution by developing a model to understand how the interplay of individual perceptions of change, leadership and one's own role affects the development of the firm. This model could be used to analyse the interplay of these perceptions and how these can be modified in implementing change. Directions for further research are proposed.

## CERTIFICATION OF DISSERTATION

I certify that the ideas, experimental work, results, analyses, software and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

Candidate : **Jim Hever**

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## ENDORSEMENT

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Date

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## **CHAPTER ONE—INTRODUCTION**

The purpose of this study is to investigate how a London-based City law firm deals with leadership development. The research draws on the literature on leadership and leadership development, and the literature on management and leadership development in professional service firms, with a particular emphasis on law firms. The investigation is an in-depth study of a single organization in the United Kingdom, using qualitative research methodology.

The purpose of this chapter is to introduce the research problem, explain its background, present a justification for the research and provide an outline of the investigation. Section 1.1 outlines the background to the research, followed by Section 1.2 which presents a summary of the research problem and issues. In Section 1.3, justification for the research is provided on the basis of gaps in the literature, the business critical nature of leadership capability in the City law firm and the potential contribution of the research. In Section 1.4, the methodology for the study is presented. Section 1.5 outlines the structure of the report, while Section 1.6 provides definitions of key terms used throughout the dissertation. Section 1.7 concludes the chapter by presenting the delimitations of scope and key assumptions.

### **1.1 Background to the research**

The development and success of organizations, particularly in times of turbulent change, requires strong leadership capability (DeVries, Vrignaud & Florent-Treacy 2004; Ashton & Lambert 2003; Barrett & Beeson 2002; Bennis, Spreitzer & Cummings 2001; Collins 2001; Kotter 2001). The greater the need for adaptive change, the greater is the requirement for highly effective leadership capable of applying transformational strategies (Ashton & Lambert 2003; Collier & Esteban 2000; Dunphy & Stace 1998). This requires the ability to combine internal maintenance with external adaptability (Barrett & Beeson 2002; Chemers 2001; Schein 1985). The continuous development of robust leadership skills and the building of a strong leadership bench are critical for organizations that seek to thrive in most industries today (Bennis & Thomas 2002; DeVries, Vrignaud & Florent-Treacy 2004; Fulmer & Goldsmith 2001; Yearout, Miles & Koonce 2001).

Leadership development is itself regarded as a strategic initiative in response to turbulence and change (Ashton & Lambert 2003; Yearout, Miles & Koonce, 2001; Avolio 1999; Conger & Benjamin 1999; McCauley, Moxley & Van Velsor 1998). Leadership development offers the potential to build competitive advantage by establishing a leadership capability that is a core competence of the organization and, therefore, a source of differentiation (Ashton & Lambert 2003; Hamel 2000; Prahalad 1993; Prahalad & Hamel 1990). Such leadership development is as much a requirement for law firms as it is for corporate organizations because of the extent of turbulence, change and competition in an increasingly globalized legal market (Chambers 2003; Sinfield 2003; Hodgart 2002a; Lorsch & Tierney 2002; Maister & McKenna 2002; Temporal 2000).

### **1.1.1 Turbulence in the legal industry**

Law firms are differentiated into City law firms (those with their main or only office in the City of London and whose clients are mostly corporate organizations and high net worth clients), national firms (which are those with offices in different locations outside London, but which frequently have offices in London and do ‘City’ work), and High Street law firms (whose clients are mostly individual citizens). A City law firm in the United Kingdom is the focus of this study and will be described in more detail in Chapter Four.

Recent developments in the London legal market reflect the extent of turbulence and change in the legal industry. They include:

- a) Clear signs of segmentation with the leading four UK firms beginning to pull away from the remainder;
- b) Consolidation among firms of a similar nature thereby growing size and competitive capability;
- c) Globalization resulting in a demand by corporate clients for multi-jurisdictional capability especially a combination of UK-US capability;
- d) Using London as a gateway, an ever-increasing number of American law firms are securing work in the UK and Europe traditionally regarded as primary markets for London City law firms thereby increasing the extent of competition;

- e) American firms are attracting top talent away from City firms by providing substantially higher remuneration increasing the challenge of recruiting and retaining top performers;
- f) City law firms are being forced to consider their strategic options in response to these changes; and
- g) These strategic options are few in number.

(Hildebrandt International 2003)

Indeed, as a result of globalization, a new type of law firm is evolving that rides above individual jurisdictions and offers global clients a presence in the world's main financial centres (Chambers 2003). For example, Linklaters, a top-five British law firm, could boast that by 2002, 45% of its revenue came from clients who instructed them in ten jurisdictions or more (*Legal Week* 2002). Law firms wishing to compete at this level must assess their leadership capability, and how to develop it, in order to deal with change of such magnitude.

To create and sustain competitive advantage, firms must develop a focused strategy that will concentrate on core capabilities (Ashton & Lambert 2003; Lorsch & Tierney 2002; Barrett & Beeson 2002; Bennis & Thomas 2002; Hamel 2000). For City law firms, strategic options have been summarized as:

- a) Stand alone—achieve transformation on an essentially organic basis.
- b) Merge with another UK law firm to grow capability and geographical spread within the UK.
- c) Merge with a mainland European law firm having a client base with strong demand for City corporate and banking capability.
- d) Merge with a leading US firm with strong demand for City Corporate and Banking capability.

(Hildebrandt International 2003)

However, clear strategic focus is not typical of City law firms, but characterizes only a few very successful ones (Chambers 2003; Sinfield 2003; Fennell 2003; Lorsch & Tierney 2002; Maister & McKenna 2002). For the firm that is the focus of this study, this raises the issue of how it deals with the issue addressed by the study, that is, leadership development.

### 1.1.2 The problem with law firms

The literature on professional service firms in general, and law firms in particular, suggests that, because of their nature as organizations, leadership, leadership development, a centralized strategy and centralized decision making are problematic for law firms (Malhotra et al. 2003; Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997). Section 1.3 will address this problem and provide justification on practical grounds for this research. In fact, commentators in the industry press and writers in the consultancy literature question whether many law firms have the kind of leadership capability that will enable them to deal successfully with the challenges posed by turbulence and change (Hardcastle & Nelson 2003; Joy 2003; Lumley 2003; Hodgart 2002b; Lorsch & Tierney 2002; Maister & McKenna 2002).

Writers argue that lawyers' attitudes are traditionally inimical to centralized decision making and to management or leadership development programmes because of their concerns for autonomy and billable hours. It is also suggested that securing the alignment of a majority of partners with a centralized strategy would be substantially difficult because of the tendency of lawyers to focus on their own practice areas, almost to exclusion of other practices, even within their own firm (Malhotra et al. 2003; Lorsch & Tierney 2002). However, no scientific research has been published on how lawyers perceive leadership, what kind of leadership they regard as necessary for the success of their firms, how they think leadership could be developed, or how they see their own role in the contexts of change and leadership (Lorsch 2004; Maister 2004; Mayson 2004; Lorsch & Tierney 2002). From the foregoing, it cannot be assumed that the firm which is the subject of this investigation, has the leadership capability, or leadership development strategy, to achieve its stated goals.

The firm is currently positioned within the top twenty UK law firms (*Legal 500* 2005; Hildebrandt International 2003). In its annual report of 2005, the firm expressed its vision as seeking to become a firm in the top seven behind the magic circle firms by 2009. 'Magic circle firms' refers to the top four firms in the UK, which are among the top ten firms in the world. This would mean the firm would have to position itself in the top 12 law firms in the UK.

The firm now faces the challenge of ensuring it has the leadership capability required to devise and implement its competitive strategy and secure the alignment of its partners. This requires the firm to assess its current leadership capability, identify how it deals with leadership development, and implement a leadership development strategy to build competitive advantage. For corporate organizations seeking to design and implement a leadership development strategy there is a wealth of published research on programmes that have been tried and tested (Ashton & Lambert 2003; Barrett & Beeson 2002; Yearout, Miles & Koonce 2001). While law firms, like their corporate counterparts, are faced with unprecedented turbulence and competition—which raises questions of leadership capability and its development—there is little, if any, evidence or published research on what has been tried elsewhere in professional service firms (Lorsch 2004; Maister 2004; Lorsch & Tierney 2002; Maister & McKenna 2002). This gives rise to the concern of this firm to examine how it deals with leadership development and how to improve its development strategies to have the kind of leadership required to achieve its strategic goals. Such is the focus of this investigation.

## **1.2 Research problem and issues**

The fact that no scientific research has been published on how lawyers perceive leadership, what kind of leadership they regard as necessary for the success of their firm, or how they think leadership could be developed in a law firm, creates a gap in the research that gives rise to the following research problem:

*How does a City law firm deal with leadership development?*

The review of the literature fails to provide information to enable the firm to deal with this problem. Seven research issues are identified, namely:

***RI 1 How do lawyers in a City law firm perceive the impact of change?***

***RI 2 How do lawyers in a City law firm regard leadership in the profession?***

***RI 3 How do lawyers in a City law firm perceive their own role in relation to leadership?***

***RI 4 What skills and abilities are perceived as essential for effective leadership?***

***RI 5 How does a City law firm manage the development of its leaders and potential leaders?***

***RI 6 What issues does a City law firm face in relation to leadership development?***

***RI 7 What strategies are perceived as necessary to develop leaders for the future?***

In Chapter Two, the research issues are plotted onto the iterative cycle of experiential and organizational learning and establish this research as a study in experiential and organizational learning.

In this study, it is argued that the impact of change on the City law firm is such that lawyers themselves now acknowledge the critical role of leadership capability in the continued success of their business. There is a new openness to personal development, especially leadership development. It is suggested that leadership development should be an integral element of the strategy of the firm and that it should be designed to provide a framework which challenges and enables partners to resolve the traditional tensions between being *producers* in servicing their clients, *managers* in running their operations and *owners* who must decide on the future of their firm and, accordingly, design and align with strategic directions. This resolution can be achieved by seeing the partner-client relationship no longer from the traditional perspective of being the source of power and autonomy for the lawyer, but as the core domain of leadership for partners. In exercising client leadership, partners will design and implement a strategy to meet client needs and lead a client-dedicated team in delivering service of such quality that it is the source of differentiation and competitive advantage for the firm.

### **1.3 Justification for the research**

This research is justified on both theoretical and practical grounds. Theoretical justification is based on the fact that the study addresses gaps in the literature on leadership and its development in law firms. In addition, the study addresses the lack of in-depth qualitative studies in law firms, such as that provided by case study methodology. Justification on practical grounds is based on the need for the firm to examine its current leadership capability, identify how it currently deals with leadership development and examine how it can develop the kind of leadership required to achieve its strategic intent. Each of the grounds for justification of the research will now be discussed.

#### **1.3.1 Gaps in the literature**

While there is a great deal of published research and literature on leadership and its development, it has been based, for the most part, on corporate-type organizations. Lorsch and Tierney (2002) indicate that professional service firms have been neglected in this respect for several reasons, namely:

- a) The service provided to clients is confidential so that the performance of professional service firms as a contribution to the success of client organizations remains hidden. Credit is given to the client for success, resulting in little being written about professional service firms.
- b) For decades professional service firms were privately held and managed for the benefit of partner-owners so that business analysts did not follow or write about them.
- c) Business schools and research institutes ignored them in spite of the fact that, in the USA 65% of MBA graduates from top business schools join them.

There is some literature on the management of law firms and professional service firms. However, it has not been possible, to date, to find published research on leadership and its development in law firms (Lorsch 2004; Maister 2004; Mayson 2004). This study is, therefore, a beginning of systematic research on leadership and its development in a law firm. By means of the seven research issues, it provides data on how lawyers perceive the impact of change, how they see leadership in the profession and how they see their own roles in these contexts. The study also

identifies what skills and abilities lawyers see as essential for effective leadership, what issues face leadership development in the firm and how that development can take place. The implications of these findings are discussed in Chapter Five and suggestions for further research are outlined.

### **1.3.2 The need for case study research**

Quantitative studies of trends in the legal industry have been carried out based on statistics from such bodies as the Law Society of England and Wales (e.g. Ackroyd & Muzio 2004; Cohen et al. 2003; Malhotra et al. 2003; Pinnington & Morris 2003; Cooper et al. 1996; Greenwood, Hinings & Brown 1990) These studies reveal little of the internal dynamics of law firms and almost nothing about leadership and its development within law firms. It will be seen in Chapter Five that the accuracy of a number of the qualitative conclusions drawn by some of these researchers is questionable in that inappropriate qualitative generalizations were made based on quantitative data only.

By contrast, this study is an in-depth case analysis by means of qualitative research methodology, which sought to uncover and analyse the experiences, perceptions and interpretations of lawyers in a top-twenty City law firm in the United Kingdom. The research methodology will be described in detail in Chapter Three. The study focuses on a single organization comprised of seven hundred lawyers across five business divisions. As a qualitative study, the aim was to uncover such unobservable data as the meanings, interpretations, emotions and values held by lawyers that may help to understand how the City law firm deals with leadership development (Gummesson 2002; Carson et al. 2001). Because the researcher is a member of the firm, he has access to data not normally accessible to professional social scientists. In this sense, the study is unique (Yin 1994).

In summary, on theoretical grounds the study is justified in that it fills gaps in the literature on leadership and its development in law firms, and provides the first in-depth case analysis in a City law firm.

### **1.3.3 The need to evaluate leadership capability and how it is developed in the firm**

Section 1.1 outlined some of the most important factors in the external environment that constitute leadership capability as a critical business issue for City law firms. However, the development of such capability in any law firm requires that a number of internal factors be considered by the firm, arising from the nature of the firm as a professional service organization. In this context, law firms typically face a number of practical problems that tend to undermine the achievement of its expressed strategy and, therefore, require investigation (Ackroyd & Muzio 2004; Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997). This study is justified on practical grounds because it enables the firm to establish to what extent it faces the kind of problems that characterize law firms in relation to leadership and its development, particularly in relation to the impact of change, strategy development, decision making and alignment of partners.

By means of the seven research issues, the study provides significant data in Chapter Four on each of the above concerns and makes a number of suggestions to improve practice in Chapter Five. These concerns will be discussed in detail in Chapter Two, but are now outlined in summary in relation to the research issues and the practical grounds that justify this research.

#### **1.3.3.1 Problems arising from distributed authority**

Law firms as professional service firms are distinct from corporate type organizations (Ackroyd & Muzio 2004; Malhotra et al. 2003; Lorsch & Tierney 2002). In a professional service firm, authority is distributed across partners as owners of the firm, with the result that the exercise of leadership, securing of alignment of partners and the establishment of accountability of partners are contentious and related issues that can undermine the success of the firms in conditions of heightened competition (Malhotra et al. 2003; Lorsch & Tierney 2002; Maister & McKenna 2002). Models of leadership and issues in leadership development that apply to corporate entities often do not apply to professional service firms (Lorsch & Tierney 2002; Maister & McKenna 2002; Lowendahl 2000)

and sometimes apply even less to law firms (Lorsch & Tierney 2002). The firm in question must establish how change is understood by its lawyers, how they perceive leadership, how they see their own roles in relation to change and leadership, and what issues the firm faces in relation to leadership development. Research issues 1, 2, 3 and 6 provide answers to these questions.

### **1.3.3.2 Problems arising from autonomy and elected leadership**

In over 85% of UK City law firms, leaders and executive management boards are elected by the partners to whom they remain accountable while in office, while the remaining 15% of law firms appoint their leaders by consensus of the partners (Hardcastle & Nelson 2003). In law firms, major decisions, including those regarding strategy, must be referred to the partners for approval (Ackroyd & Muzio 2004; Pinnington & Morris 2003). Following approval by a majority of the partners, often required to be as high as 95%, alignment of individual lawyers cannot be assumed (Lorsch & Tierney 2002). In this context, the firm must investigate how lawyers perceive the accountability of those in leadership positions, how they perceive their own accountability to elected leaders and how partners perceive the need for personal alignment with strategy. Research issues 2, 3, 4 and 6 provide answers to these concerns.

The nature of law firms is such that autonomy is strongly emphasised in the legal profession and disposes the individual to resist control and to conflict with management (Malhotra et al. 2003; Lorsch & Tierney 2002; Mayson 1997). Most law firms are essentially democracies, with ultimate power remaining in the hands of the partners (Ackroyd & Muzio 2004; Fennell 2003; Pinnington & Morris 2003). Yet the requirement for leadership development remains, given that positions of leadership are normally filled by practising lawyers who, therefore, require ‘dual expertise’ and who, in many cases, run multi-million pound organizations (Ackroyd & Muzio, 2004; Mayson 1997). Lorsch & Tierney (2002, p. 193) propose that ‘...most professional service firms are chronically short of the talented leaders required to fill their management positions, from CEO on down, shortages (*which*) can be both problematic and costly...’ This raises the issue of how a City law firm deals with leadership development so that the firm has the leadership capability that

is credible in the eyes of partners and is able to secure their alignment with central business strategy. This is precisely the focus of this study. More specifically, Research Issue 1 examines how lawyers perceive the impact of change. Research Issue 2 examines how lawyers perceive current leadership in the profession while Research Issue 4 examines what skills and abilities lawyers see as essential for effective leadership.

### **1.3.3.3 Problems arising from the lack of leadership development**

Most law firms have no leadership development in place (Hardcastle & Nelson 2003) and lawyers have traditionally looked down on professional management (Mayson 1997). Yet, for the most part, lawyers insist that the leaders of their businesses be one of themselves (Mayson 1997). Experiments with appointing professional managers to the top job, such as CEO, are deemed to have failed (Bedlow 2001; Lumley 2003; Mayson 1997) ‘as there are certain things the partnership will only take from a partner’ (Hardcastle & Nelson 2003, p. 22). The result is that non-professional managers run organizations, employing at times up to three thousand people, with revenues in excess of £1 billion. Business unit leaders, who can be responsible for revenues in excess of £50 million with over three hundred employees, often attempt to fulfil the role on a part-time basis while retaining fee-earning responsibility (Lorsch & Tierney 2002; Maister & McKenna 2002). In general, time taken from fee earning is resented, resulting in strong resistance to training and development programmes. This raises the question, given the need for business leadership and the internal resistance to professional management, what issues does the firm face in developing leadership skills and abilities? Research Issue 6 addresses this question.

To date, the firm has not investigated how to develop those to whom it has entrusted responsibility for leading its business units, each with revenues in excess of £30 million, nor has it examined the kind of leadership development appropriate for those such as senior partner and managing partner, who are charged with leading a business with revenues in excess of £140 million. As yet, the firm has not addressed the issue of succession planning, nor has it a leadership development strategy to identify those with high leadership potential. Research issues 4, 6 and 7 examine these questions and provide suggestions from the lawyers themselves. Findings are

presented in detail in Chapter Four. In Chapter Five, the implications of these findings are discussed and suggestions for practice are enumerated. In summary, the research is justified on practical grounds because it identifies and provides answers to the key leadership development issues needing to be addressed if the firm is to achieve its stated strategy. This research is thus justified on theoretical and practical grounds.

### **1.3.4 Contributions of the study**

The study makes a number of valuable contributions. By means of the research issues and in-depth interviews, the study uncovers original primary data on how lawyers experience and interpret the impact of change on their working practices, their firm, the industry and the profession. It provides information on how lawyers perceive leadership in the profession, what leadership skills and abilities they regard as essential for the success of their firm and how they construe their own individual roles in relation to change and leadership. The study contributes to understanding what issues are faced by a City law firm in seeking to systematically develop leadership capability and, in particular, how partners view such an initiative. Furthermore, it outlines what strategies lawyers themselves recommend in developing the leadership capability of their firm. In Chapter Five, the study makes a further contribution by challenging existing concepts of law firm management and extending them to encompass such notions as lawyers as leaders and the applicability of the notion of distributed leadership in a law firm. The study questions the accuracy of some quantitative conclusions drawn by some organizational development researchers by pointing to the inapplicability of their generalizations to the firm studied. The study concludes by contributing a number of practical suggestions on how leadership development can be implemented in the firm. It also suggests directions for further research.

## **1.4 Methodology**

The investigation is within the critical realism paradigm using case study methodology. This methodology is regarded as a rigorous, empirical, research strategy that analyses data in a manner that is more exploratory and descriptive than

prescriptive and normative (Yin 1994; Robson 1993; Bonoma 1985; ). It is deemed particularly suitable in studying a complex contemporary phenomenon about which little research has been published, including an entire organization where meticulous attention to detail and in-depth interviews provide understanding of a complex situation (Perry 1998; Zikmund 1997). Because the focus of the investigation is a single organization, a one case study approach is used. This is justified firstly because the concern is to create an in-depth understanding of many aspects of a complex organizational situation, including the structure, processes and driving forces that are at play (Carson et al. 2001; Gummesson 2000; Tellis 1997; Zikmund 1997) and, secondly, because this is an in-depth study of one organization, the comparative approach of multiple cases is not necessary. The unit of analysis of the study is that of the divisional business unit of which there are five. This creates a single case study with multiple embedded cases (Perry 2004), providing the robustness of multiple case design (Yin 1994). The research methodology is discussed in full in Chapter Three.

## **1.5 Outline of the thesis**

The structure of the thesis is in accordance with that recommended by Perry (1998).

Chapter One discusses the background to the research, identifies the research problem and lists the research issues arising from gaps in the literature. Justification for the research is presented and the methodology used is described in brief. The chapter provides definitions of key terms used in the thesis and concludes by describing the delimitations of scope and key assumptions.

Chapter Two provides a review of the literature on leadership and leadership development within which a framework of seven questions is created in preparation for a review of the literature on leadership development in professional service firms, with a focus on law firms. Gaps in the literature constitute the seven questions as research issues. The research issues are mapped onto the experiential and organizational learning cycle, establishing the investigation as a study in experiential and organizational learning.

Chapter Three discusses the research methodology used for this study and includes a justification of the research paradigm and case study methodology. Criteria for judging the quality of case study design are provided. The chapter goes on to discuss the role of prior theory in the context of case study research and presents a justification for the choice of a single case study. Methodologies of data gathering and data analysis are explained. The chapter concludes with a discussion of ethical considerations.

Chapter Four presents information on the analysis of the data and discusses the findings in relation to the research issues. In keeping with the nature of the study as one in experiential and organizational learning, findings are mapped on the experiential learning cycle.

Chapter Five discusses the conclusions from, and implications of, the study. The chapter makes a number of recommendations for practice. Recommendations for further research, as well as limitations of the study, are also outlined.

## 1.6 Definitions

**The City:** ‘That part of London situated within the ancient boundaries and governed by the Lord Mayor and Corporation, especially its business part or community, in the neighbourhood of the Exchange and the Bank of England; loosely, financial and commercial circles’ (New Shorter Oxford English Dictionary, p. 407)

**City law firm:** Those firms whose clients are mostly, but not exclusively, corporate entities, and where the practice areas of such firms focus largely, but not exclusively, on the commercial sector (Mayson 1997).

**Partners:** Lawyers who are normally regarded as owners of the business, self-employed, and responsible for growing the business as entrepreneurs and for supervising associates (Mayson 1997).

**Salaried partners:** Lawyers who have been given the status of partner in the firm, but who have either chosen not to participate in equity of the firm, or who have not been offered equity participation.

**Associates:** Lawyers who are employees of the firm and are accountable to partners; usually members of teams led by partners (Mayson 1997).

**Fee-earners:** Lawyers, including partners and associates, who have annual chargeable target hours and who are responsible for generating revenue referred to as ‘fee income’ (Mayson 1997).

**Senior partner:** A partner, normally, but not always, elected by other partners as a figurehead for the firm and having responsibility especially for compliance with the terms of the Deed of Partnership, often a part-time position where the individual continues with fee-earning work.

**Managing partner:** A partner, normally, but not always, elected by other partners to manage the firm—usually a full-time role in the top one hundred firms—and who is regarded by partners as *primus inter pares* (Mayson 1997).

**Division** (specific to the firm studied): A strategic business unit comprising of a number of different practice areas with accountability for achieving divisional fee income targets; responsible with other divisions for achieving the overall strategic objectives of the firm; in other firms often referred to as a business group.

**Divisional managing partner** (specific to the firm studied): A partner, appointed by the executive management committee to lead a division, assisted by a deputy divisional managing partner; in other firms often referred to as group leader (Mayson 1997).

**Group leader:** The usual title used in the literature to refer to a partner responsible in a law firm for leading a practice area or group of practice areas; often elected by members of the group or appointed by the executive management committee; usually a part-time role with the incumbent continuing with fee-earning work (Mayson 1997).

**Professional management:** Usually non-lawyers referred to as ‘support staff’ or ‘central services’, responsible for aspects of the management and administration of the firm as a whole, in roles similar to those in corporate-type organizations; includes chief financial officer, business development director, human resource director, IT director, as well as their respective staffs.

**Managerial leadership:** A term used in this study to refer to the combination of roles and tasks that characterize management and leadership on the basis that managers must be able to lead and leaders must be able to manage (Yukl 1998; Carlopio, Andrewartha & Armstrong 1997; Wright 1996; Lewis 1996; Quinn et al. 1996;).

### **1.7 Delimitations of scope and key assumptions**

The nature of the single case study is such that its findings cannot be generalised to a population. In this case, the findings of the investigation are limited to the firm studied and cannot be generalised to other firms.

The choice of the number of embedded sub-cases and the number of interviewees in each sub-case, although in keeping with the recommendations of authorities in the field (Carson et al. 2001; Gummesson 2000; Yin 1994), do not have an otherwise scientific basis. It is assumed that the purposive sampling will be generalizable to the literature and prior theory in question.

The study was restricted to in-depth interviews with lawyers in the firm and, therefore, did not include other professionals such as directors of human resources, marketing, IT, and finance, described in the literature as professional managers who are deemed to play a significant role in the trend towards greater managerialism in law firms (Ackroyd & Muzio 2004; Malhotra et al. 2003; Pinnington & Morris 2003). This decision is justified in that little or no research has been conducted on lawyers and their perceptions with regard to the issues involved. In addition, the views of lawyers regarding professional management, even of their own firms, are typically contrasted with those of professional managers and an assumption was made that the views of this latter group are sufficiently represented in literature on corporate type organizations. However, the views of professional managers on leadership and its development in law firms remain an interesting and worthwhile study.

**Conclusion**

This chapter laid the foundations for the thesis. It introduced the research problem and provided information on the background of the study. It identified the research issues. The research was justified and methodology briefly described and justified. A framework of the thesis was provided and the limitations outlined. On these foundations, the thesis can proceed with a detailed description of the research.

## CHAPTER TWO—LITERATURE REVIEW

### 2. Introduction

Chapter One identified the research problem and discussed its context and justification. This chapter reviews the relevant literature and identifies the research issues arising from the gaps in that literature by which the research problem can be explored. The chapter is divided into four main sections. Table 2.1 provides an overview of the main themes of each section.

**Table 2.1 Outline of the chapter**

2.1 Leadership	2.2 Leadership Development	2.3 Leadership Development in Law Firms	2.4 Research Issues
Concept and nature  The interplay of perceptions of change, leadership and individual roles  Leadership versus management  Transactional and transformational leadership  Interplay of the dynamics of change, leadership and individual roles  <b>Questions 1, 2 and 3</b>	Concept and nature  Characteristics of best practice  Leadership development versus management development  <b>Question 4</b>  Experiential learning in relation to leadership development  Experiential learning, concept and nature  Experiential learning in relation to personal development  Personal development in relation to leadership development  <b>Question 5</b>  Leadership development as building core competence  Leadership development as building individual competence	The problem of the absence of literature  A context review  Review of the consultancy and industry specific literature  Review of the organizational development literature on the nature of change in law firms  The archetype change debate  Change versus continuity  Implications for leadership and its development in law firms  Challenges facing managerial leadership in law firms	Seven questions identify gaps  Confirmation of seven research issues as a study in experiential and organizational learning  The OL Map  Summary and conclusion

<b>2.1 Leadership</b>	<b>2.2 Leadership Development</b>	<b>2.3 Leadership Development in Law Firms</b>	<b>2.4 Research Issues</b>
	Leadership competence in relation to organizational effectiveness related  <b>Questions 6 &amp; 7</b>		

(Source: Developed for this study)

A review of the literature on leadership and leadership development is required for this study, and is provided in sections 2.1 and 2.2 respectively. A review of leadership development in law firms is discussed in section 2.3. Because of the scant research literature available on leadership development in law firms, the literature review needed to be extended to professional service firms, the organizational type to which law firms belong. Given the additional lack of prior research on leadership and its development in professional service firms, the review of the literature consists substantially of a context review, as suggested by Neuman (1997), so as to identify pertinent research issues.

The research questions ‘evolve’ throughout the chapter. In section 2.1, three essential questions arise which would be applicable for a similar study in any organization, given the concept and nature of leadership. These become research issues in section 2.3 where they reveal gaps in the literature on leadership development in law firms. Similarly, in section 2.2, a further four questions arise from the literature on leadership development which become research issues when they similarly reveal gaps in the literature reviewed in section 2.3. In section 2.4, seven research issues are confirmed.

In section 2.1, a review of the literature on the concept and nature of leadership is presented in order to clarify how leadership can be understood. A definition of leadership for this study is proposed which acknowledges the central importance of the change imperative in business environments characterized by turbulence, chaos and unpredictability, while also recognizing the central importance of the democratic nature of partnerships for law firms (Malhotra et al. 2003).

In section 2.2 the literature on the concept and practice of leadership development is reviewed in order to clarify how leadership capability is developed within organizations. The change imperative will be seen to drive leadership development, which is seen as a strategic response that has the potential of creating competitive advantage. In this section, experiential learning is identified as the defining characteristic of best practice leadership development because of the significance of personal development and the dynamic role experiential learning plays in facilitating it. The drivers of this development are seen to be the real life challenges and issues facing the organization. Section 2.2 concludes with a review of the literature on leadership competence and competencies, examined from the perspectives of ‘core competence’, individual competencies and organizational effectiveness.

In section 2.3, a review of the literature on leadership development in law firms and professional service firms will be seen to have uncovered little of substance. The subsequent context review reveals a number of challenges facing leadership and its development arising out of three competing roles partners take—those of *producers*, *managers* and *owners*. The nature and extent of organizational change being experienced by law firms is seen to be a matter of considerable dispute in the research literature. Together with a review of the management consultancy literature, gaps are revealed that establish seven research issues.

In section 2.4, the seven research issues are mapped onto the experiential and organizational learning cycles and constitute this project as a study in experiential and organizational learning. A summary of the chapter is then provided.

## **2.1 An overview of the concept of leadership**

This section will first review the concept of leadership before discussing the more specific aspects of the literature that relate to this study. A number of definitions will then be explored to highlight some of the attributes that are currently emphasized in understanding what leadership involves. Two issues pertinent to coming to grips with

the concept of leadership are discussed. The first relates to the distinction between leadership and management that has emerged in the literature in more recent times. Given that the terms 'leadership' and 'management' are used interchangeably in law firms (Maister & McKenna 2002), the debate on whether leadership and management are different will be reviewed and implications clarified for law firms. The second issue refers to the distinction made between transactional and transformational leadership and how these are viewed as part of a continuum whereby both forms of leadership are required for overall effectiveness. Three questions are proposed as part of a research framework in reviewing the literature on leadership development in law firms in section 2.3.

### **2.1.1 The concept of leadership**

The concept of leadership suffers from a great deal of confusion (Daft 2002; DeVries, Vrignaud & Florent-Treacy 2004; Yukl 1998). Bennis and Nanus (1997, p. 4) state that:

...no clear and unequivocal understanding exists as to what distinguishes leaders from nonleaders, and perhaps more important, what distinguishes effective leaders from ineffective leaders and effective organizations from ineffective organizations.

For these authors, '...leadership is the most studied and least understood of any of the social sciences' (p. 19). Yukl (1998) proposes that definitions of all constructs in social science are arbitrary and subjective and suggests there is no single correct definition for leadership, but only those definitions that may prove helpful depending, to a large extent, on the purposes of the researcher. For Yukl, leadership is a complex, multifaceted social phenomenon that must be studied from a variety of perspectives. The author contends that several thousand empirical studies have been conducted, but most of the results are contradictory and inconclusive.

Confusion in what is meant by leadership arises, at least partly, from the range of variables involved in this aspect of human behaviour. Issues involve such questions as whether leadership has to do with an individual who has particular competencies in a specialized role at the highest level in an organization (DeVries, Vrignaud &

Florent-Treacy 2004; Ashton & Lambert 2003; Bennis & Thomas 2002; Kotter 2001; Collins 2001;). Leadership is also considered as an aspect of the roles of many players in the organization and so 'inheres' in the group or system (Daft 2002; Senge & Kaufer 2000; Collier & Esteban 2000; Wheatley 1999; Barker 1997)).

Proponents of an individual, specialist role vary in the emphasis placed on the exceptional nature of the person, his or her background, formative experiences, particular competencies and gifts and specific tasks to be carried out by leaders at the highest organizational levels. A point of contention exists in whether there is a difference between management and leadership, with some proposing there are essential differences (Bennis & Thomas 2002; Daft 2002, 1999; Kotter 2001, 1990; Kakabadse & Kakabadse 1999; Conger & Benjamin 1999; Zaleznik 1991, 1977); Others see leadership as an integral aspect of management (Yukl 1998; Carlopio, Andrewartha & Armstrong 1997; Quinn, Faerman, & Wright 1996; Lewis 1996; Mintzberg 1973; ). The hybrid term 'managerial leadership' has been proposed (Yukl 1998; Wright 1996;). At the same time, most writers agree that leaders must be able to manage and managers must be able to lead. Consensus on this point implies, however construed, that leadership involves certain dynamics that are not essentially tied to roles.

For those who see leadership as exercised by individuals in a specialised role at the highest level of the organization, the concept of 'strategic leadership' proposes that these leaders are accountable for clarifying the mission of the organization, developing key competencies and capabilities, creating organizational structures, processes and controls, selecting and developing the next generation of leaders, sustaining an effective organizational culture and creating and communicating a vision of the future (Ashton & Lambert 2003; Boal & Hooijberg 2001; Ireland & Hitt 1999). Their overriding task is to determine and lead the organization's response to change. Stratified systems theory sees such leadership as characterised by having to deal with increasingly complex tasks arising not only from the turbulent environments in which they must lead, but also because of the extended time span of discretion for which they have responsibility—up to twenty years in some cases (Hunt 1996; Lewis & Jacobs 1992; Jacobs & Jacques 1990).

The concept of leadership at this level is not only characterised by organizational task complexity but, when effective, is also characterised by cognitive and behavioural complexity on the part of such leaders by which they can call on an extensive behavioural repertoire to deal with ambiguous and paradoxical problems for which no solutions are obvious. This kind of repertoire is unlikely to be required of others at lower organizational levels. Herein lies the distinction between leadership *of* the organization, in contrast to leadership *in* the organization (DeVries, Vrignaud & Florent-Treacy 2004; Ashton & Lambert 2003; Hunt 1996). At lower levels, leadership is exercised in order to align with and implement the strategic decisions of those at the highest levels. The concept of strategic leadership is traditionally associated with corporate organizations, while its absence has been regarded as traditionally characteristic of law firms (Malhotra et al. 2003; Pinnington & Morris 2003; Lorsch & Tierney 2002; Maister & McKenna 2002).

Amongst writers who see leadership as more than the remit of individuals in a specialised role, some consider leadership not merely as a delegated, but as a participative activity or shared responsibility whereby there are many leaders in different roles at many organizational levels (McAdam 2002; Senge & Kaufer 2000; Limerick, Cunnington & Crowther 1998; Barker 1997). Others, building on activity theory and theories of distributed cognition (Cole & Engestrom 1993; Lave & Wenger 1991; Resnick 1991), see leadership as a distributed capability requiring actions distributed across many roles before leadership can be regarded as having taken place (Spillane, Halverson & Diamond 2001; Gronn 2000; Collier & Esteban 2000). This raises questions about whether leadership is a result or outcome, and/or a set of distinct behaviours and skills, and/or a set of traits and/or an aspect of the inherent, adapting, survival mechanisms of organizations in the midst of turbulence (Millett 2001; Collier & Esteban 2000; Senge & Kaufer 2000; Wheatley & Kellner 1996). The notion of distributed leadership has resonance with the distributed authority traditionally associated with professional service firms, especially law firms (Malhotra et al. 2003; Greenwood, Hinings, & Brown 1991; Hinings & Brown 1990).

The question arises whether different situations and organizations call for different kinds of leadership or types of behaviours or traits and, therefore, require different

kinds of individuals. Alternatively, are leaders to be considered as those who possess a master skill-set which transcends time and situations and on which they can draw as circumstances change? The question is asked whether leadership competence can decline with change in circumstances (Ashton & Lambert 2003; Barrett & Beeson 2002). The confusion surrounding the concept of leadership is exacerbated by the fact that myths are endemic to leadership, especially with regard to the supposed, greater contribution of 'super leaders', celebrity leadership and heroic leaders, creating the impression that they are the sole deliverers of results (Ashton & Lambert 2003) and, in turn, tend to create psychological dependence in their followers (McAdam 2002; DeVries, Roe & Tallieu 1998; Heifetz 1994;). Having a validated success model for leadership is a rarity (Ashton & Lambert 2003).

The validity of many of the established notions of leadership is challenged by the perspectives of chaos theory and complexity science (Kanji & Moura E S• 2001; Millett 2001). Traditionally, the description and analysis of managerial and leadership behaviour has been dominated by the linearity implied in open systems theory of organizations whereby, in response to change, organisms, including organizations, seek equilibrium and stability (Millett 2001). This led to the dominance in management studies of a Newtonian, mechanistic paradigm of reality, which has resulted in the search for linear causality in management and leadership effectiveness (Wheatley & Kellner 1996). A number of authors now question the validity of a model for understanding reality that, essentially, is an 18<sup>th</sup> century scientific model (McAdam 2002; Collier & Esteban 2000; Graetz 2000; Wheatley & Kellner 1996). The understanding of reality resulting from quantum physics reveals not only change, chaos, complexity and paradox as endemic, but also reveals inherent, self-organizing, systems dynamics which have a tendency to adapt to constant change (Moura E S• , 2001; Collier & Esteban 2000; Graetz 2000; Kanji & Wheatley & Kellner 1996). This suggests that from an organizational perspective, the competence of dynamic organizations develops more in the very process of continuously adapting to constant change, tensions and contradictions than in seeking to recreate equilibrium and stability. What is required are self-organizing systems that have the capacity to respond to continuous change. From this perspective, change is the organizing force, not a problematic intrusion. Structures and solutions are temporary (Wheatley & Kellner 1996).

From this perspective, the question arises as to what kind of leadership is necessary to facilitate and work with such dynamic processes (Millett 2001). In the context of turbulence and paradigmatic shifts (Bennis & Nanus 1998), activities frequently cited as characteristic of leadership, such as the creation of vision and strategy to take the organization into the future, are questionable. Kanji & Moura E S• , (2001, p. 704) suggest that:

...the modern view of organizations is that of complex adaptive systems with associated properties of chaos, emergence and generation and in which leadership is a systemic capability diffused throughout the organization and nurtured by members.

Established notions of management with its emphasis on task, control and instruction, and of leadership with its emphasis on communicating vision, meaning and values to others, risk undermining the mature collaboration of intelligent individuals who provide the flexibility and adaptability required in environments of chaos, turbulence and unpredictability (McAdam 2002; Limerick, Cunnington & Crowther 1998;). In this context, what is required is not identification with a visionary authority, but the glue of constant, open and widely distributed dialogue that includes persistent questioning and reflection throughout the organization in its constant adaptation to change.

In summary, the term 'leadership' is used so widely and in such varying contexts that it is necessary for writers to clarify in what sense they are using the term. This requires reference to the phenomena and variables being invoked, whether these consist of a set of activities and behaviours, traits and attributes, organizational roles and levels, and/or inherent organizational dynamics. Different organizations may use the term differently to each other. What is clear is that one cannot assume that others' perceptions of what leadership involves automatically accords with one's own. As a result, the concept of leadership requires definition for this study.

### 2.1.2 Defining leadership

Given that leadership can be viewed from so many perspectives, it is not surprising that a good deal of confusion is thought to surround the concept. What most have in common is that, however conceived, leadership is responsible for the successful adaptation of the organization to the challenges posed by change. For the purposes of a leadership development programme, a definition is required that suits the purposes of the organization (Barrett & Beeson 2002; Yearout, Miles & Koonce 2001). For this study, a definition is required that is in accord with the aims and organizational dynamics of a City law firm. This section now considers four definitions of leadership and proposes one definition for this study.

The predominant concept of leadership has traditionally been understood as one person in a specialized role influencing others in a group or organizational context (Barker 1997). This is the predominant model in corporate organizations (Maister & McKenna 2002). Yukl's (1998, p. 5) definition of leadership reflects the perspective of specialised role:

Leadership is a process whereby an individual member of a group influences others. Specifically he seeks to influence the interpretation of events, choice of objectives and strategies, the organization of work activities, the motivation of people to achieve objectives, the maintenance of cooperative relationships, the development of skills and confidence and the enlistment of support and cooperation from other people outside the group.

Daft (2002) offers a modification of the specialized role perspective by including the role of followers in citing a definition by Rost (1991, p. 102):

Leadership is an influence relationship among leaders and followers who intend real changes that reflect their shared purposes.

Barker (1997) builds on Rost's definition and rejects conceptualizations of leadership that imply any feudal or industrial paradigms with one person at the pyramidal top attempting to get others to do his or her will by controlling or manipulating them. For Barker (1997), focusing on the individual leader has created a kind of mythology whereby leaders are expected to save organizations from failure and 'followers develop the social delusion that allows them to escape responsibility for their own

actions and inactions' (Barker 1997, p. 347). Leadership for Barker (1997, p. 349) is a relationship of equals:

...a dynamic social and political relationship that is based on a mutual development of purposes which may never be realized. The concept of leadership as a non-supervisory relationship is characterized by the words dynamic and mutual.

Collier and Esteban (2000, p. 211), in understanding organizations as complex adaptive systems in contexts of turbulent change, like Barker, reject 'static' notions of leadership and define it as:

...the systemic capability, diffused throughout the organization and nurtured by the members, of finding organizational direction, of generating and maintaining continual renewal by encouraging, harnessing and directing creative and innovative capabilities, while simultaneously holding in tension the processes of responsiveness to the environment on the one hand, and the maintenance of internal integrity of purpose on the other.

Table 2:2 presents the four definitions outlined above on a spectrum with leadership as an individual role of influencing followers (Yukl 1998) at one end, and as an organismic adaptive capability (Collier & Esteban 2000) at the other.

**Table 2.2 The evolving concept of leadership**

Yukl (1998)	Daft (2002)	Barker (1996)	Collier & Esteban (2000)
Leadership as influence exercised by an individual in a specialised role seeking to direct group purpose and the implementation of change accordingly	Leadership as mutual influence process between leaders and followers who seek change in accordance with shared purposes	Leadership as a dynamic, mutual relationship effecting compromises between group members seeking to identify shared values and purpose ( <i>summum bonum</i> ), intending change and appointing varying group members to leader roles as appropriate	Leadership as an organismic, adaptive and innovative capability whereby the organization responds creatively to its environment while maintaining its deep purpose and integrity

(Source: produced for this study)

All four models share a focus on:

- a) group purpose
- b) conditions requiring constant adaptation to change.

Explicit in the first three models, and implied in the fourth, is the presence of social influence. The three themes of influence, purpose and a change imperative dominate much of the debate on the nature of leadership. Across the spectrum of these four definitions, the concept of leadership and the leadership role is transformed from that of being the responsibility of one or few, to that of being an integral responsibility for all to respond to change arising out of their membership of the group, irrespective of organizational level. This is not to suggest an absence of role or task differentiation according to organizational level. Rather, it is an attempt to understand what is involved in the dynamics of leadership.

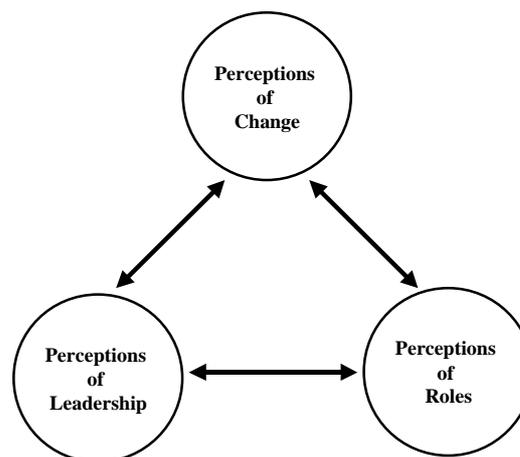
For the purposes of this study the following definition is adopted:

Leadership is a dynamic, mutual relationship effecting compromises between group members, intending change, appointing varying group members to leader roles as appropriate, seeking to identify shared purposes and values, finding organizational direction, and developing a systemic capability diffused throughout the organization, of responsiveness to the environment, and the maintenance of internal integrity of purpose.

Adapted from Barker (1997), and Collier and Esteban (2000), this definition of leadership will be seen in section 2.3 as appropriate for a City law firm because of its emphasis on shared responsibility, i.e. primarily that of the partners, the appointment of varying group members to leader roles as appropriate, i.e. those in formal roles, building a capability throughout the organization of finding direction in response to external change, i.e. having to engage partners in creating and aligning with strategy, and resolving the tensions between change from the external environment and the need for control and stability from the internal environment. In section 2.3, this definition will be seen to accord with the organizational nature of law firms and, for this study, to highlight the issue of how lawyers themselves understand effective leadership.

In summary, for the success of business organizations, the phenomenon of environmental change demands a response called 'leadership'. The demands of change and leadership require individuals to identify and take up roles in relation to both the issues of change and leadership. How individuals perceive change, leadership, and their own roles in relation to both, will determine what part they play in the development of the business, as illustrated in Figure 2.1.

**Figure 2.1 Interplay of perceptions**



(Source: created for this study)

This review of the nature and concept of leadership thus far suggests that, for the City law firm, how lawyers perceive change and leadership and their own role in relation to both, will significantly influence the future of their firm. It also indicates that it cannot be assumed that the individual's perceptions of these factors are in accord with each other.

The terms 'management' and 'leadership' are used interchangeably in the UK legal industry (Maister & McKenna 2002). Given the emphasis in the literature on the role of leadership in the context of change, the question arises whether there is a real distinction between leadership and management. The next section presents the debate on whether or not there is a difference and proposes the term 'managerial leadership' for this study.

### 2.1.3 Leadership versus management

A number of writers have argued that management is distinct from leadership and that the managerial role has a different remit than that of leadership (Daft 2002; Kotter 2001; Bennis 1998; Barker 1997; Zaleznik 1977). Proponents of this view assign different functions and skills to leaders and managers, as summarized in Table 2.3. In general, managers are charged with maintaining the stability of the organization, while leaders are charged with adapting the organization in response to change in the external environment (Bennis 1998; Conger 1992; Kotter 1990).

**Table 2.3 Leadership versus management**

<b>Leadership (Change focus)</b>	<b>Management (Stability focus)</b>
<ul style="list-style-type: none"> <li>• Creating a vision for the future</li> <li>• Establishing direction</li> <li>• Aligning people</li> <li>• Motivating/inspiring</li> <li>• Produce change</li> <li>• Provide potential for the new</li> </ul>	<ul style="list-style-type: none"> <li>• Planning/budgeting</li> <li>• Organizing/staffing</li> <li>• Controlling/problem solving</li> <li>• Produce order, predictability</li> <li>• Deliver on time and within budget</li> </ul>
Daft,(2002); Kotter (2001, 1990); Bennis (1998); Bennis & Nanus (1997); Barker (1997); Parry (1996); Conger (1992); Zaleznik (1990, 1977.);	

**Source: adapted from Hunt (1996) for this study**

The most fundamental distinction is made by Zaleznik (1990; 1977) who proposed that there was an essential difference between the personalities of leaders and managers, borne out of their early life experiences. The experience of early deprivation was seen as causing some to desire to lead, as a kind of compensatory drive, while the experience of sufficiency caused others to have no such desire. Tasks that characterize the managerial function include dealing with complexity, planning, budgeting, structuring, delegating, monitoring, controlling, organizing, staffing, and problem solving (Kotter 2001; Bennis & Nanus 1997; Conger 1992;). To the leaders they assign the tasks of creating and communicating a vision for the future, setting direction, creating and sustaining alignment, inspiring, mobilizing and motivating the work force and building trust. In fact, for Bennis and Nanus (1997, p. 7) the crisis in leadership everywhere can be explained by the fact that 'Leaders have failed to instill vision, meaning and trust in their followers.' Leaders must do the right thing while managers must do the thing right.

Bennis (1998, p. 45) is uncompromising in his insistence on the difference between leaders and managers. For him, 'The manager administers; the leader innovates. The manager is a copy; the leader is an original. The manager maintains; the leader develops. The manager focuses on systems and structure; the leader focuses on people. The manager imitates; the leader originates.' It is difficult not to see the heroic-leader, traits-theories as underpinning much of this view.

The distinction between leadership and management is challenged by Yukl (1998), Carlopio, Andrewartha & Armstrong (1997), Wright (1996), Lewis (1996) and Quinn et al. (1996). For these writers, the role of the manager has evolved due to conditions of constant change and the layering of organizations that took place in the eighties and nineties. Yukl (1998) sees the distinction as purely arbitrary and serving no real purpose, particularly if there is a pejorative nuance in the use of the term 'manager'. Carlopio, Andrewartha & Armstrong (1997) suggest that the basis of the distinction, namely conditions of stability (management) as opposed to conditions of change (leadership), has all but disappeared given the constant turbulence and competitive environment in which most organizations find themselves. Contemporary managers must be able to lead in conditions that are constantly changing with expectations for performance continually escalating (Carlopio,

Andrewartha & Armstrong 1997; Quinn et al. 1996). This view suggests that managers who are unable to lead are deficient in one of the functions of management and are, therefore, not very good managers (Lewis 1996). For Mintzberg (1973), leading was traditionally an activity that was integral to the managerial role. For most of these authors the terms 'management' and 'leadership' are interchangeable.

Whatever their position on whether or not there is a distinction between leadership and management and whether one is a subset of the other, most writers agree that given environmental conditions that demand organizational change, a response is called for that is described as 'leadership'. This study adopts the term 'managerial leadership', given that the range of tasks assigned to positions of management in law firms varies greatly and includes tasks categorised as managerial, and others as belonging to leadership. Terms such as 'managing partner', 'divisional managing partner', 'senior partner' and 'chairman' all refer to the most senior leadership roles in law firms generally and in the firm under study in particular. The term 'managerial leadership' (Wright 1996) best encapsulates these. In section 2.3, the terms 'management' and 'leadership' will be used interchangeably in keeping with practice in the legal industry and as defined in this chapter.

#### **2.1.4 Transactional and transformational leadership**

Researchers since the mid-eighties have attempted to differentiate between transformational and transactional leadership (Bass & Avolio 1993; Hunt 1996; Parry 1996a; Bass 1985). Differentiation lies not just in what leaders do, but in the level of needs mobilized in followers such as those of purpose and meaning, and in the extent and quality of influence on followers (Lewis 1996). Transactional leadership is based on an exchange of rewards for meeting objectives and goals (Bass & Avolio 1993). Transactional leaders are described in terms similar to those used to describe traditional managerial roles such as planning and budgeting, controlling, and providing tangible rewards to meet lower level needs (Bass 1996; Daft 1999). Hunt (1996) sees the leadership behaviour typologies of Mintzberg (1973), Luthans and associates (Luthans, Hodgetts & Rosenkrantz 1988) and Yukl (1998) as representing transactional leadership. The fundamental task is the effective and

efficient management of the organization in conditions of stability and predictability (Daft 1999; Yukl 1998;). Transactional leadership, like management, is seen as an essential capability for all leaders and a requirement in all organizations (Bass 1996; Hunt 1996; Parry 1996a).

By itself, however, transactional leadership is not sufficient if organizations are to succeed in conditions marked by turbulence, chaos, complexity, discontinuity and competitiveness. For organizations, such conditions demand from their people enthusiasm, dedication, long term commitment, flexibility and adaptability, qualities which, in turn, require a different type and quality of leadership (Bennis 2001; Kotter 2001; Conger & Benjamin 1999; Avolio 1999; Bass 1996; Conger 1992;). The term 'transformational leadership' is used to describe leadership characterised by a focus on a vision for the future of the organization which mobilises a sense of purpose and enthusiasm in employees, proposing both new meaning and related values which can become the basis for culture change (Daft 1999; Yukl 1998; Bennis & Nanus 1997; Conger 1992; Hunt 1996).

The development of the construct is attributed to Burns' use of 'transforming' (1978, p. 20, cited in Daft, 1999) to refer to leadership as a process in which 'leaders and followers raise one another to higher levels of morality and motivation' (Daft 1999; Yukl 1998; Lewis 1996;). Leaders appeal to ideals and moral values such as justice, equality, peace and liberty. Bass (1985) proposes a model for the relationship between transformational and transactional leadership by suggesting that transformational leadership augments transactional leadership in that the former, because of its inspirational quality, results in raising followers' performance above and beyond that accounted for by transactional leadership. This is referred to as 'the augmentation effect' (Bass & Avolio 1997).

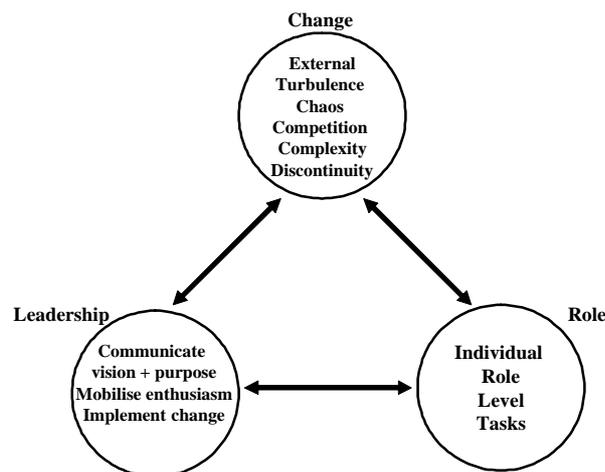
Implied in this kind of leadership is the necessity for substantial cultural change in the organization (Hunt 1996; Lewis 1996). Dunphy and Stace, (1988, p. 321) suggest that:

Transformational strategies apply when the organization is markedly out of fit, or the environment changes dramatically, and for the organization to survive, fit must be achieved by more discontinuous change processes.

Change to this extent requires the development of the identity, purpose and values of the organization and an organizational strategy which, together, act as unifiers in the process of organizational change (Ashton & Lambert 2003; Kouzes & Posner 1995). The extent of such change raises the question of the capacity of individual employees to align their own sense of purpose and values with those of the organization in a mutually satisfying and developmental process and the ability of leadership to avoid creating a sense of psychological dependence (McAdam 2002; Limerick, Cunnington & Crowther, 1998; Barker 1997).

The distinction between transactional and transformational leadership provides a useful contribution to the notion of managerial leadership for a law firm by differentiating the tasks and activities of each leadership type, but maintaining them in a leadership task continuum whereby both are essential for effective leadership. For the purposes of this study, the interplay of the dynamics of change, leadership and roles can now be viewed with greater specificity, as illustrated in Figure 2.2.

**Figure 2.2 The interplay of change, leadership and roles**



(Source: created for this study)

### 2.1.5 Summary

This review of the literature on the concept and nature of leadership can be summarized with reference to Figure 2.2. Change in the external environment is characterized by turbulence, chaos, competition, complexity and discontinuity (Ashton & Lambert 2003; Barrett & Beeson 2002; Hamel 2000). Leadership must not only analyze the external environment but, in response, devise and communicate a vision, purpose and strategy for the implementation of change that mobilizes enthusiasm in the members of the organization. In the context of both change and leadership, individuals must be able to find their appropriate roles, levels and related tasks in achieving the success of the business. For the City law firm, the extent to which the lawyers' perceptions of change, leadership and roles are in accord with the dynamics of external change, the related demands of leadership in their profession and industry, and the effectiveness of roles played by individuals in these contexts, will significantly influence the future of the firm. Three questions, therefore, arise in approaching the literature on leadership and its development in law firms in section 2.3. These are:

#### Question 1

*How do lawyers in a City law firm perceive the impact of change?*

#### Question 2

*How do lawyers in a City law firm regard leadership in the profession?*

#### Question 3

*How do lawyers in a City law firm perceive their own role in relation to leadership?*

These questions will form part of a research framework in reviewing the relevant literature in section 2.3.

Whatever the confusion about how leadership is understood, the section has indicated that, for most writers, leadership capability is critical for the sustained success of business organizations (DeVries, Vrignaud & Florent-Treacy, 2004;

Ashton & Lambert 2003; Barrett & Beeson 2002; Bennis & Thomas 2002; Collins 2001). How leadership capability can be developed is the subject of the next section.

## **2.2 The nature and concept of leadership development**

In reviewing the literature on the nature and concept of leadership in the previous section, a definition of leadership for this study was proposed. The interplay of perceptions of change, of leadership and of individual roles in those contexts was seen to be critical in influencing the future of an organization to the extent that these perceptions were in accord with what is needed for success. In building the required leadership capability, perceptions of what kind of development is required are equally critical.

This section first reviews the characteristics of traditional management development and summarizes the weaknesses of this approach, providing a contrast between traditional management development and best practice leadership development. The literature on the nature and concept of leadership development is then discussed and characteristics of best practice outlined. Potential implications of leadership development for a law firm are summarized.

The section then reviews the role of experiential learning in leadership development. Leadership development is seen to involve the personal transformation of individuals in a collaborative learning enterprise, the agenda of which involves confronting and resolving real issues facing the organization. Leadership development is seen as an essentially strategic response to the change imperative and, as such, transforms individuals and their organizations. Issues raised for such an initiative in a law firm are identified in preparation for the review of the immediate literature in section 2.3.

Experiential learning is identified in this section as a model for this study itself, and the role of the research issues in moving through the Experiential Learning Cycle (ELC) is highlighted. The section concludes with an overview of leadership capability, understood as a core competence constituted by leadership competencies linked to organizational effectiveness. Two further questions are then proposed for the literature review in section 2.3.

### 2.2.1 Management development versus leadership development

The contrast between traditional management development and best practice leadership development is most evident in the instructional focus of the former and the experiential emphasis of the latter (Ashton & Lambert 2003; Barrett & Beeson 2002; Fulmer & Goldsmith 2001; Dixon 1999;). Because of its focus on instruction and classroom discussion, management development is essentially informative. Because of its focus on project-based experiential learning, leadership development is essentially transformative (Yearout, Miles & Koonce. 2002; Fulmer & Goldsmith 2001; Conger & Benjamin 1999; McCauley, Moxley & Van Velsor 1998). Traditional management development is contrasted with contemporary practice in leadership development in Table 2.4.

**Table 2.4 Differences between management and leadership development strategies**

<b>Traditional Management Development</b>	<b>Leadership Development</b>
Development was focused on the individual, was seen as a reward and preparation for promotion and targeted mid- to senior-level managers	Development focused on high potentials at multiple levels in the organization
Content consisted of university-based programmes decided by university faculty with the location on a campus or training centre with training mostly class-room based	Highly customized content, tailoring development activities to the strategic needs of the business while identifying particular strengths, development needs and career potential of the individuals
Learning was conceptually based and teacher-centred, using a combination of lectures and off-the-shelf case studies and exercises and duration varied from a few days, to a few weeks or months	Experiential learning, detailed career planning including range of necessary job-related assignments and experiences; learner-centred and extended over substantial period of time up to three years
Case studies were frequently unrelated to industries of most participants	Action learning based on in-company projects related to executing business strategy
Conceptions of leadership were based on generic taxonomies, small-group behaviour, structuring of tasks and the involvement of subordinates	Conceptions of leadership developed within company creating customized leadership competencies in accord with vision, strategy and organizational culture
Sensitivity training aimed at self-awareness through encounter group feedback and was highly learner centred and based on intuitive learning	Multiple learning strategies including peer learning groups, coaching and feedback, internal and external workshops, mentoring, development assignments, e-learning, distance learning, collective team offsite meetings, internal and external senior executive courses
Self-diagnosis relied on questionnaires to profile participants' leadership styles, strengths and weaknesses and to raise awareness of other possible leadership behaviours	Multiple source feedback including 360° feedback, peer group feedback, psychometric assessment, competency based performance reviews
Little emphasis on the larger organizational and strategic concerns of participants' companies	Focus on developing leadership capability required for achieving strategic goals

(Source: adapted from Ashton & Lambert 2003; Barrett & Beeson 2002; Fulmer & Goldsmith 2001; Conger & Benjamin 1999; Dixon 1999)

Traditional programmes were criticized for failing to meet the real needs of the business and were regarded as having a number of significant weaknesses, as summarized in Table 2.5

**Table 2.5 Weaknesses of traditional management development**

Weaknesses
Failed to contribute to business objectives because of a focus on individual development based on generic programmes divorced from real business issues
An inability to develop a critical mass of people in the same organization who have a common understanding of work-related issues and can work together to develop the business, because they focused on developing individuals away from the work place
Provision of pre-packaged content and centralized delivery failed to meet the need for new skills in leaders because change is so rampant and rapid; courses provided only a short-term intellectual experience
Failure to recognize the inability of individuals to have all the requisite knowledge for decisions by an exclusive focus on developing individuals and so failed to develop the distributed leadership capability organizations need today
Lessons learned from traditional classroom development programs do not last much beyond the end of the program with participants slipping back into previous behavioural patterns

(Source: adapted from; Niemes 2001; Pernick 2001; Day 2000; Vicere & Fulmer 1997; Barker 1997)

In summary, management development failed to align perceptions of the implications of change across the organization and of the related leadership required. It failed to engage a critical mass of people throughout the organization in taking up roles to implement strategy over an extended time. In contrast, leadership development is seen as a component of business strategy in that it constantly reviews and develops the leadership capability required to achieve the organization's strategic objectives while, at the same time, executing elements of strategy and alignment throughout the programme. In this context, it not only builds the leadership bench with a developmental focus on the highest executive roles in the organization, but ensures that leadership competencies are distributed throughout the organization. This is the kind of development required by organizations facing turbulence, change and heightened competition (Ashton & Lambert 2003; Barrett & Beeson 2002; Conger & Benjamin 1999). Best practice leadership development will now be discussed in more detail in the next section.

### **2.2.2 Leadership development—a new paradigm**

A particular paradigm for leadership development, based on experiential learning, has emerged over more than a decade that is in contrast to that of traditional management development (Ashton & Lambert 2003; Barrett & Beeson 2002; Fulmer & Goldsmith 2001; McCauley, Moxley & Van Velsor 1998). ‘Paradigm’ in this context refers to a framework of assumptions, theories and methodologies by which leadership development is understood and achieved. An important assumption of this paradigm is that leadership is not an exceptional competence and can be developed in most people, irrespective of their role within organizations (Yearout, Miles & Koonce, 2001; Conger 1993; Fulmer & Vicere 1997 ). It differs from its traditional predecessor most dramatically in terms of the developmental methodology employed with its focus on experiential learning, both of individuals and of groups. Experiential learning is understood to transform experience and through successive transformations achieves the development of the person (Dixon 1999; Kolb 1984). This methodology will be discussed in more detail in Section 2.2.5.

In this approach to leadership development, both individuals and groups learn by reflecting on the experience of exercising leadership whether, and at what level, that involves analyzing the state of the organization, a department or business function, identifying current business critical issues, visioning an alternative future, identifying and recommending actions and communicating with and involving others, securing alignment and implementing strategic plans (Fulmer & Goldsmith 2001; Conger & Benjamin 1999; Fulmer & Vicere 1997). Like learning to ride a bike, leadership can only be learned by the experience of leading and hence the dominance of experiential-learning methodology. This model of development serves a dual purpose. It builds critical organizational capabilities, while at the same time solving current business issues. At the heart of this understanding of leadership development stands the change imperative (Ashton & Lambert 2003; Barrett & Beeson 2002; Conger & Benjamin 1999; Dixon 1999). For a City law firm, such a leadership development initiative could involve a cadre of appropriate people, such as partners, distributed across the firm working together on real business issues and implementing required change while building the leadership capability required by the firm.

### 2.2.3 Defining leadership development

Although leadership capability is understood as an organizational competence in the first instance (Ashton & Lambert 2003; Barrett & Beeson 2002; Fulmer & Goldsmith 2001), building such capability requires the development of knowledge, skills and abilities in individuals so that, together, they constitute the leadership capability required to achieve the aims of the organization (Ashton & Lambert 2003; Barrett & Beeson 2002; Goleman 2000; Kouzes & Posner 1995;). While the objectives of leadership development go beyond the individual, developmental processes focus on the expansion of personal capabilities.

Both leadership and leadership development must be defined for each organization in terms of 'fit-for-purpose' (Ashton & Lambert 2003; Barrett & Beeson 2002; Yearout, Miles & Koonce 2001). For the purposes of this study the following definition is adopted:

Leadership development consists in the development of the individual, including personal development, involving the expansion of one's knowledge, skills and abilities so as to be effective in leadership roles and processes. Leadership roles and processes are those that enable groups of people to work together in productive and meaningful ways so as to achieve the aims of the organization.

**(Adapted from Ashton & Lambert 2003; Barrett & Beeson 2002; Goleman 2000; McCauley, Moxley & Van Velsor 1998)**

This definition is appropriate for a City law firm in that the definition encompasses both those in formal positions of leadership and others who are expected to exercise leadership by virtue of their roles, whatever these may be. Potential polarization between those in formal positions of leadership and the college of partners is avoided given that, traditionally, partners tend to see the former as their delegates to whom they have entrusted the leadership role (Maister & McKenna 2002; Pinnington & Morris 2003). Leadership development understood in this way is in keeping with the 'fit-for-purpose' definition of leadership adopted for this study in section 2.1.2 with its emphasis on shared responsibility, appointment of varying group members to leadership roles as appropriate, and the need to build capability throughout the organization with particular involvement of the partners.

### 2.2.4 Characteristics of leadership development

The demands of implementing a best practice leadership development initiative for a law firm raises the question of the extent of commitment of the management and partners to such an initiative. In order to be clear about what this commitment entails, this section identifies and summarizes six dominant characteristics of best practice leadership development from the literature. This will be followed by an explanation of how such a programme can align perceptions of change, required leadership and individual roles. Leadership development is then contrasted with traditional management development and a fourth question is identified for the review in section 2.3.

Characteristics of leadership development are summarized in Table 2.6.

**Table 2.6 Characteristics of leadership development**

Characteristics
Strategic orientation
Focus on business needs
Action learning methodology
Extended process
Collaborative enterprise
Focus on individual in relation to others

(Source: adapted from ; Yearout, Miles & Koonce, 2001; Conger & Benjamin 1999; McCauley, Moxley & Van Velsor 1998)

#### 2.2.4.1 Strategic orientation

Leadership development is characterized by a strategic orientation with five strategic objectives consistently cited by authors. These objectives aim to:

1. develop a unified, collective and clear understanding of the firm's strategic vision for the future and its priorities (Conger & Benjamin 1999);

2. develop the knowledge, skills and support systems to interpret and execute these priorities across all levels (Ashton & Lambert 2003; Niemes 2001);
3. expedite large-scale change, creating dialogue about change issues, building consensus on implementation, and helping surface underlying assumptions and resolving conflicts (Ashton & Lambert 2003; Niemes 2001);
4. ensure immediate application of useful knowledge by structuring exercises with well-focused topics and provide process assistance to enhance dialogue and facilitate collective decision-making (Cacioppe 1998; Vicere & Fulmer 1997); and
5. build depth of leadership talent, giving team and unit leaders the skills and knowledge to develop, implement, communicate and integrate a new vision able to motivate and inspire while being able to think strategically (Ashton & Lambert 2003; Niemes 2001; Vicere & Fulmer 1997).

Strategic orientation serves to align perceptions of change and its impact on the organization, the skills and knowledge necessary to for implementing strategy, and the roles and contributions of individuals in achieving the strategic vision.

#### **2.2.4.2 The needs of the business drive the program**

The needs of the business call for a particular combination of competencies and capabilities to achieve its objectives. Top management sets business priorities and, consequently, the development priorities of the leadership programme. Programme activities are vital components of the strategic development of a firm in helping to implement change and facilitate revitalization (Vicere & Fulmer 1997). In this sense, leadership development is not primarily based on the needs of the individual. Development processes themselves are not generic, but must support the strategic direction of the firm and, in turn, be supported by that strategy (McCauley, Moxley & Van Velsor 1998). These development priorities must identify the behaviours and perspectives that leaders will develop to move the firm forward and which anticipate the capabilities and competencies required in the future. The design of programmes will be an ongoing process as priorities change with the emergence of new business factors (Vicere & Fulmer 1997).

Focus on the needs of the business reinforces strategic intent and serves also to align perceptions of the demands of change in the external environment and the perceptions of what kind of leadership is required in response.

### **2.2.4.3 Action learning targets business priorities**

Participants of the program learn by using issues from their own firm. Using experiential learning methodology, action-learning focuses on work-related initiatives being accomplished (Conger & Benjamin 1999) and involves a continuous process of learning and reflection built around working groups of colleagues. Research indicates that people learn most effectively when working on real time organizational problems (Day 2000). In this way, development is integrated into the daily work of the organization through workplace assignments (McCauley, Moxley & Van Velsor 1998). The emphasis is not knowledge about leadership, but real leadership know-how (Fulmer 1997). Action learning implements the change required for the success of the business and thus aligns the efforts and roles of individuals in achieving strategic goals.

### **2.2.4.4 An extended process**

Development, by its very nature, takes place over time and cannot depend on a single event (Dixon 1999; Cacioppe 1998; McCauley, Moxley & Van Velsor 1998). Leadership expertise is only acquired over a substantial period of time, not on a short course. It requires that one reflects on experience, is involved in developmental relationships such as mentoring and coaching, and builds on learning with others to further hone leadership skills. Appropriate sequencing of projects is important for building confidence and competence (Kaagan 1998). The average length of programs of substance is three years (Millett 2001).

### **2.2.4.5 Collaborative enterprise**

People learn faster and more efficiently in team-based projects where support, challenge and assessment are provided (McCauley, Moxley & Van Velsor 1998). The primary 'text' of the program is the shared experience of the group seeking solutions to workplace problems (Kaagan 1998). It is the reflecting together that allows for rich new concepts to emerge. These must be tested for applicability to specific workplace dynamics. Emotion-filled and value-laden, direct experience opens participants to new ideas and convictions and allows permanent transformation

of attitudes. Learning in this context is an interaction between the individual and what surrounds him or her, including other people, relevant literature and the physical environment. Transactions have to be made that involve human needs, desires and impulses (Kolb 1999; Kaagan 1998). This gives the development of leadership capability depth and personal impact. Action learning within a collaborative enterprise, extended over time, enables the clarification of how individual roles are perceived, their alignment with strategic focus and the need for collaboration and coordination across the business.

#### **2.2.4.6 Focus on the individual in relation to the organization**

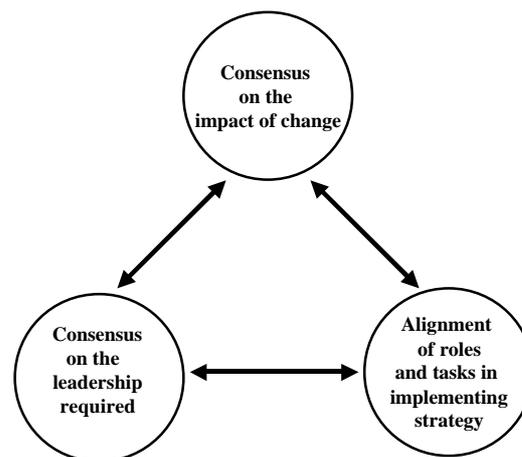
The structure of the new paradigm is determined largely by the concern of organizations to focus on development of the organization, rather than that of the individual (Vicere & Fulmer 1997). At the same time, leadership development is, inescapably, personal development (Kouzes & Posner 1995). Who one is and how one works with others to achieve organizational objectives is an integral dimension of leadership and, therefore, must be a focus for reflection and learning in the programme. Individual and organizational development must be addressed in parallel (Vicere & Fulmer 1997). The linkage has two important results which are themselves linked: the impact of development for the individual is maximized and corporate support for the program is greatly reinforced (McCauley, Moxley & Van Velsor 1998). Essential elements in individual development are enhanced self-awareness and self-regulation (Goleman 2000). These are achieved only by frequent feedback from a variety of sources including one's team members, peer group, work group and coach or mentor. The aim is to provide individuals with an accurate grasp of their strengths and weaknesses (Conger 1993). The ability to understand people, build trust, elicit respect and engage commitment is inextricably tied to leadership and personal development (Day 2000).

#### **2.2.4.7 Summary**

In summary, in an effective leadership development programme the six dominant characteristics summarized in Table 2.5 collectively serve to create the alignment of

perceptions of the impact of change, of the kind of leadership required in response, and of the complementarity of individual roles in achieving success. The interplay of these perceptions is illustrated in Figure 2.3

**Figure 2.3 Alignment through leadership development**



(Source: created for this study)

In the leadership development programme, the external environment is analyzed and consensus reached on the implications for, and likely impact on, the business now and in the future. In response to this analysis, the programme serves to create a vision for the future of the organization and forges the required strategy, engaging the hearts and minds of participants in struggling for unity of vision, purpose and execution of strategy. In this execution, roles and tasks are aligned in striving to achieve the success of the business.

For a City law firm, a leadership development initiative offers the potential of developing those in formal leadership roles, together with a cadre of partners who could work collaboratively across the various practice areas of the firm in achieving its development. Because this cadre would be distributed across the firm, the exercise of leadership could ensure widespread alignment. The commitment to such a programme is substantial. Such a programme has its origins in corporate type organizations. The origins and required commitment raise the question of to what extent it would be fit-for-purpose in a City law firm where there may be a traditional emphasis on having professional autonomy. These factors, together with the

distributed authority of the partners, may make collaboration difficult (Malhotra et al. 2003; Maister & McKenna 2002; Lowendahl 2000 ). This, therefore, raises a fourth question for the review of the literature in Section 2.3 namely:

#### **Question 4**

*How does a City law firm manage the development of its present and future leaders?*

The review of the literature on leadership development thus far has identified how such a programme constitutes a strategic response to the change imperative, including the implementation of a change throughout the business. It has not, however, reviewed the literature on the developmental dynamics and their implications for individuals and groups. The cultures of law firms are regarded as traditionally inimical to non-technical training because of the focus on billable target hours and the general cynicism of lawyers regarding what they term as ‘soft skills’ and ‘management fads’. This is compounded by the fact lawyers tend to regard non-fee earning staff, including professional managers, as inferior (Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997). In this context, the developmental dynamics of leadership development must pose a question regarding the probability of a City law firm making a commitment to such a counter-cultural initiative. It is, therefore, essential for this study to review the literature on what precisely is involved in these dynamics. This is the focus of the next section.

### **2.2.5 Experiential learning and leadership development**

This section consists of three parts. Section 2.2.5.1 provides an overview of the concept and nature of experiential learning with the aim of understanding why experiential learning is regarded as a critical success factor and defining characteristic of leadership development.

Section 2.2.5.2 outlines the essential relationship between experiential learning and personal development and establishes experiential learning as constitutive of personal development.

Section 2.2.5.3 brings the two previous sections together and traces the integral relationships between experiential learning, personal development and leadership development. It establishes personal development as constitutive of leadership development. Leadership development is then presented as an initiative that at once involves experiential learning and organizational learning. The section concludes with a fifth question with which to approach the review in section 2.3.

### **2.2.5.1 Experiential learning**

The development of leadership capability is founded on the development of individuals (Ashton & Lambert 2003; Barrett & Beeson 2002; Conger & Benjamin 1999). It is individuals who alone, or in groups, analyze and interpret and form perceptions of change, who make judgments about what actions are necessary and form perceptions of the leadership skills and abilities required for success and who, in the light of their perceptions, assign roles and tasks to themselves and others. Experiential learning is the means by which the development of these individuals takes place. In this section an overview is provided on how experiential learning achieves the personal development of individuals. It outlines how, when the focus of learning is leadership, the personalization of what is learned through experience results in leadership competence in individuals and groups.

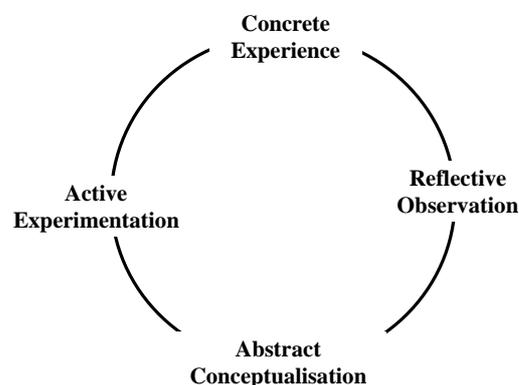
Experiential learning has been identified as a critical success factor and defining characteristic of best practice leadership development (Ashton & Lambert 2003; Barrett & Beeson 2002). The term ‘Experiential Learning’ emphasizes the central role experience plays in the learning process. Here, the dynamics of learning differ from those associated with instructional learning. Authors such as Freire (1970), Revans (1981), Knowles (1983), Kolb (1984), Honey & Mumford (1992) Argyris (1993), have created experiential learning models in the form of iterative cycles. Experiential Learning Theory (ELT), on which experiential models of learning are based, is in contrast to cognitive-based theories of learning, as summarized in Table 2.7.

**Table 2.7**      **Experiential and cognitive learning theories**

Experiential Learning Theory	Cognitive Learning Theory
<ul style="list-style-type: none"> <li>• Knowledge generated by learners</li> <li>• Learning occurs through an iterative cycle and holistic process</li> <li>• Learning process develops the whole person</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge transmitted by knowledgeable others</li> <li>• Learning occurs by personalizing instruction</li> <li>• Learning process develops cognitive ability</li> </ul>

(Source: constructed for this study)

Cognitive learning theory places its central emphasis on the roles instruction and ‘knowledgeable others’ play, and has been characteristic of traditional management development programmes (Kolb & Kolb 2003; Dixon 1999). In contrast, experiential learning emphasizes the creation of knowledge by the learner through reflection on his/her experience and how, through the interactive process, personal development takes place which includes, but goes beyond, cognitive development (Kolb & Kolb 2003; Boyatzis & Mainemellis 2001). The term ‘experiential’ acknowledges the intellectual origins of ELT in the works of Dewey, Lewin and Piaget whereby writers see that Dewey’s philosophical pragmatism, Lewin’s social psychology and Piaget’s cognitive, developmental, genetic epistemology form a unique perspective on learning and development (Kolb 1984). It is beyond the scope of this study to review in full the literature on ELT. Dixon (1999) suggests that Kolb’s model is widely accepted as representative of most other experiential learning cycles. For this reason, Kolb’s model will be discussed in detail, as illustrated in Figure 2.4.

**Figure 2.4**      **The experiential learning cycle**

(Source: Kolb 1984)

According to the four-stage learning cycle depicted above, immediate or concrete experiences are the basis for observations and reflections. These reflections are assimilated and distilled into abstract concepts from which new implications for action can be drawn. The implications can be actively tested and serve as guides in creating new experiences. Experiential learning is thus a process of constructing knowledge that involves a creative tension among four learning modes: Concrete Experience (CE), Reflective Observation (RO), Abstract Conceptualization (AC) and Active Experimentation (AE). This process is portrayed as an idealized learning cycle where the learner ‘touches all the bases’—experiencing, reflecting, thinking, and acting—in a recursive process that is responsive to the learning situation and what is being learned. The four steps in the cycle are interdependent and mutually supportive. Learning depends on the consistent application of all four steps, with sufficient time and attention devoted to each step.

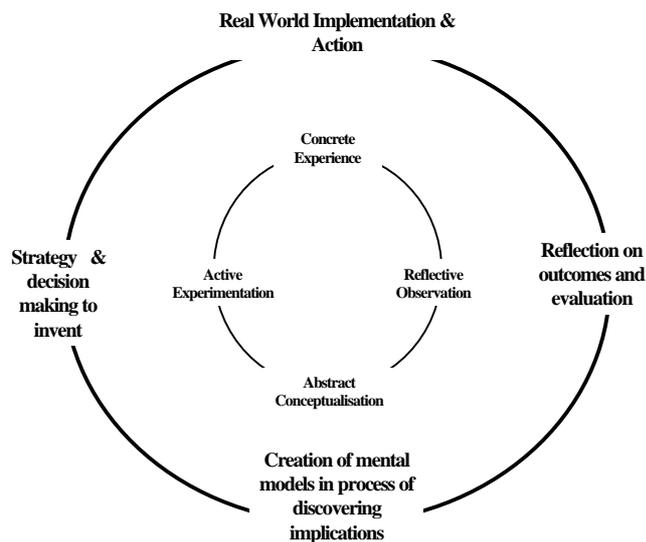
Kolb & Kolb (2003) suggest that six propositions are shared by and characterize the work of prominent scholars who give experience a central role in learning. These are:

1. Learning is a holistic process of adaptation to the world. It is not just the result of cognition, but involves the integrated functioning of the whole person thinking, feeling, perceiving and behaving.
2. Learning is best conceived as a process, not just in terms of outcomes. The primary focus is on engaging learners in a process that involves feedback on the effectiveness of their learning efforts.
3. Learning requires the resolution of conflicts between dialectically opposed modes of adaptation to the world. Conflict, differences, and disagreement are what drive the learning process. In the process of learning one is called upon to move back and forth between opposing modes of reflection and action and feeling and thinking.
4. All learning is *relearning*. Learning is best facilitated by a process that draws out the learner’s beliefs and ideas about issues so that they can be examined, tested and integrated with new information and where available, other more refined ideas.
5. Learning results from synergetic transactions between the person and the environment involving the processes of assimilating new experiences into existing concepts and accommodating existing concepts to new experience.
6. Learning is the process of creating knowledge. ELT accommodates both critical realism and constructivism whereby knowledge is created and recreated in the personal knowledge of the learner. This stands in contrast to

the ‘transmission’ model of knowledge whereby pre-existing fixed ideas are transmitted to the learner.

A number of theorists developed similar models, such as that developed by Argyris and Schon (1978) and illustrated in Figure 2.5 for comparison.

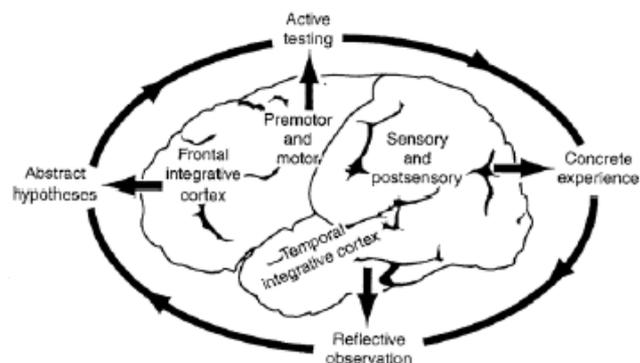
**Figure 2.5** Argyris & Schon’s Experiential Learning Cycle with Kolb’s ELC inset



(Source: Adapted for this study from Argyris & Schon (1978) and Kolb (1984))

Kolb & Kolb (2003) cite Zull (2002) who points out that recent research in the field of neuroscience indicates links between ELT and the process of brain functioning as shown in Figure 2.6 which maps the Experiential Learning Cycle (ELC) onto the cerebral cortex by rotating the ELC ninety degrees clockwise.

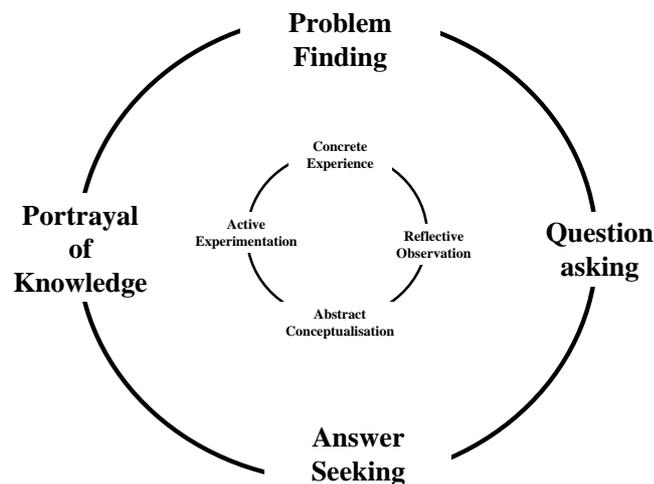
**Figure 2.6** Experiential learning cycle and brain functioning



(Source: adapted for this study from Kolb & Kolb 2003; Zull 2002)

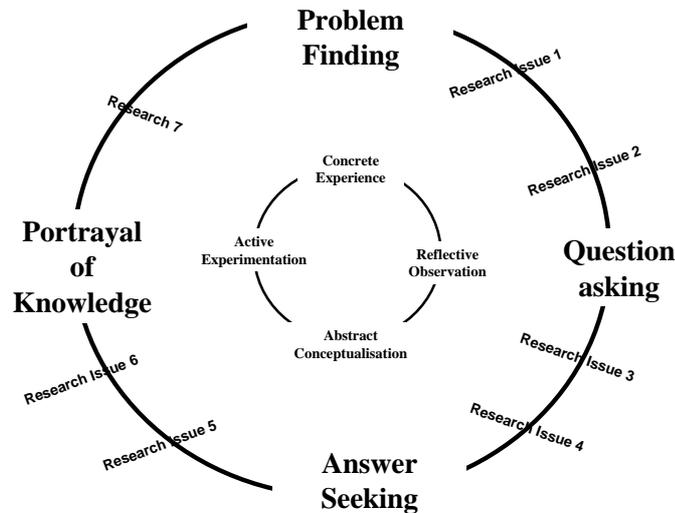
Experiential learning theorists see scientific inquiry, such as this study, as an exercise in experiential learning as represented in Figure 2.7.

**Figure 2.7** An experiential learning perspective of scientific inquiry with Kolb's ELC inset



(Source: adapted for this study from Isaacs & Senge (1994) and Kolb (1984))

Research questions or issues drive the creation of knowledge around the learning cycle as illustrated in Figure 2.8 (Kolb, Boyatzis & Mainemelis, 2001; Isaacs & Senge 1994). The model will be adopted for this study and discussed in Section 2.4, where the research issues will be summarized and mapped onto the experiential learning cycle in conclusion of the chapter.

**Figure 2.8 Research issues drive scientific inquiry**

(Source: Kolb, Boyatzis & Mainemelis, 2001; Isaacs & Senge 1994)

### 2.2.5.2 Experiential learning in relation to personal development

ELT is regarded not only as a holistic model of the learning process but also a multilinear model of adult development consistent with what is known on how people grow and develop (Kolb & Kolb 2003; Kolb, Boyatzis & Mainemellis 2001). Kolb (1990; 1984) defines learning as the process whereby knowledge is created through the transformation of experience. ‘Knowledge results from the combination of grasping and transforming experience’ (Kolb 1984, p. 41). In this view, learning is the major determinant of human development. How individuals learn shapes the course of their personal development (Kolb & Kolb 2003; Mainemellis et al. 2002; Dixon 1999).

From this perspective, there are three main developmental stages:

*Acquisition*, from birth to adolescence where basic abilities and cognitive structures develop.

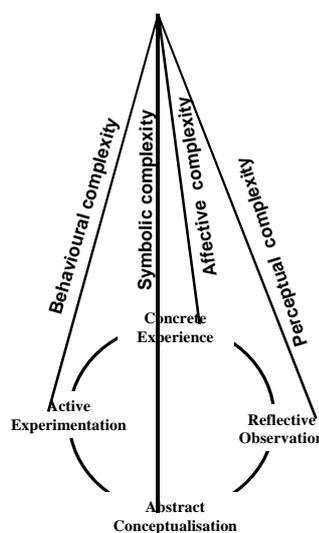
*Specialization*, from formal schooling through the early work and personal experiences of adulthood where social, educational, and organizational socialization forces shape the development of a particular, specialized learning style.

*Integration* in mid-career and later life where non-dominant modes of learning are expressed in work and personal life.

(Kolb 1984).

Learning is differentiated from development in that, while learning involves new techniques to function more effectively in an existing framework, development involves the movement from one framework or stage to another. Development through stages is characterized by increasing complexity and relativism in adapting to the world and by increased integration of the dialectic conflicts between AC and CE, and AE and RO. As illustrated in Figure 2.9, human development is conceived as multi-linear and based on an individual's particular learning style and life path (Kolb, Boyatzis & Mainemelis, 2001; Dixon 1999; Kolb 1984).

**Figure 2.9 Multilinear human development based on ELT**



(Source: adapted for this study from Kolb 1984)

The development of CE increases affective complexity, development of RO increases perceptual complexity, development of AC increases symbolic complexity, while the development of AE increases behavioral complexity.

To sustain personal development four abilities are required, namely:

1. to involve oneself fully and openly and without bias in new experiences (CE)

2. to reflect on and observe these experiences from many perspectives (RO)
3. to create concepts that integrate observations into logically sound theories (AC)
4. to use these theories to make decisions and solve problems (AE).

(Dixon 1999).

For experiential learning theorists, the drive to learn is regarded as part of the human survival mechanism and an aspect of the desire to make sense of and function effectively in the world. While cognitive learning involves cognition and making sense of ambiguous information (Dixon 1999; Kolb 1984), experiential learning constitutes the dynamics of human development understood as a progression of frames or lenses through which humans interpret and make sense of experience.

Each stage of stability is a way of seeing the self in relation to the external world, a way of organising one's understanding of the world and of relating to it. At different developmental stages, existing frames of interpretation and sense-making are challenged and broken down, and new meaning has to be constructed to make sense of new experiences and challenges. How one sees oneself as a child, as an adolescent and as an adult involves constant reinterpretation through constantly widening frames of reference and continual reinterpretation of experience and self-understanding. As development progresses, the individual's relationship to the world is organized more effectively and authentically by increasing differentiations of the self from the environment and, thus, by increasing integrations of the environment (Kegan 1982). With every new re-organization of the self, new experiential learning plays the central role. Development occurs primarily in response to the challenges of life. Hence, development always occurs in context.

### **2.2.5.3 Experiential learning in relation to leadership development**

In the context of leadership development, it is the 'curriculum' of the programme itself which aims to provide the developmental context for participants in exposing them to the issues and challenges facing their organizations. These issues provide the data and dissonance upon which the reorganization of the self is based. In summary, the leadership development programme provides the drivers and psychodynamics of personal development that results in individual leadership competence. Development

occurs because people deal with real problems about which they care deeply. Case studies and role plays cannot provide the level of reality that is needed for development because in such hypothetical situations the individual is not compelled to experience the frustration of failing at something he or she truly cares about nor the deep concern that others will suffer from one's mistakes.

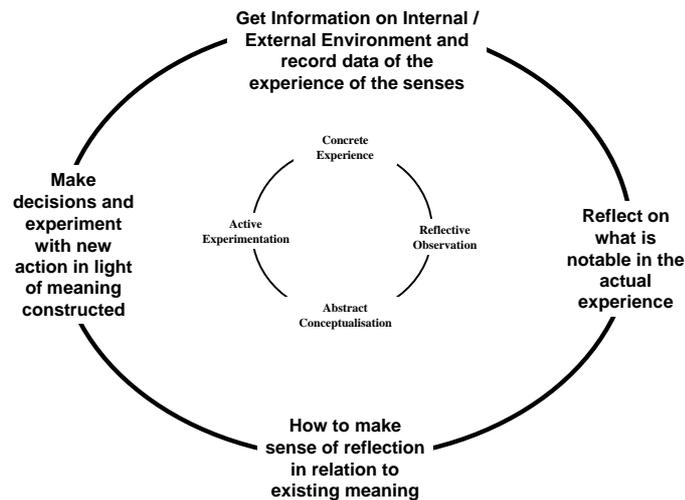
It is in the cut and thrust of the concrete experience of dealing with real organizational issues *that affective complexity* is developed, while through reflective observation with others *perceptual complexity* is enhanced. Without this involvement in real time issues, the satisfaction of completion or the often overwhelming frustration and complexity of decisions cannot be experienced. In the processes of observing and reflecting on these experiences, participants are required to view them from many perspectives and, in the process, increase their *perceptual complexity*. For the individual, the ongoing quest for work-related knowledge includes and requires self-knowledge and self-awareness (Easterby-Smith, Thorpe & Lowe, 1997). One aspect of this is the need to understand and critique one's own 'mental models'—deeply ingrained assumptions about how the world works, what motivates people, cause-and-effect relationships—and to be open to challenges from others regarding these assumptions (Senge & Kaufer 2000; Argyris 1993;). These challenges will assuredly come from fellow participants in the leadership programme.

In the activity of abstract conceptualization, whereby participants develop and test mental models and theoretical perspectives in reflecting on and seeking to understand experience, they increase their *symbolic complexity*. In focusing on real business problems and seeking their solution through active experimentation, they apply theories and insights created in making decisions, thereby developing their *behavioural complexity*. The development of affective, perceptual, symbolic and behavioural complexity provides participants with the opportunity for personal transformation. In the process, real business issues are addressed. The agenda of leadership development is at once personal and organizational development.

For Dixon (1999) leadership development is, in fact, an expression of organizational learning, understood as the intentional use of learning processes at the individual, group and system level, to continuously transform the organization in a direction that

is increasingly satisfying to its stakeholders (Dixon 1999; de Geus 1994; Morecroft & Sterman 1994). Figure 2.10 illustrates the iterative nature of organizational learning and its parallels in experiential learning.

**Figure 2.10** Dixon's Organizational Learning Cycle with Kolb's ELC inset



(Source: adapted from Kolb 1984 and Dixon (1999))

From the perspective of organizational learning, the concrete experience of the individual in leadership development, is integrated with, and constitutes part of, the experience of the organization as individuals seek information on the internal and external environments. In the process of reflective observation, multiple questions will be asked by participants in seeking to understand this information. Humans have the ability to change their environment physically, or by reframing or re-conceptualizing it (Deusterberg 2001; Merron 1997; Weick 1979). Learning and change reinforce each other. In the processes of abstract conceptualization, current mental models of participants seek to create meaning on the data, in the light of which decisions must be made for active experimentation to be undertaken to develop the organization. In the process, individuals, and organizations are transformed.

For a City law firm, the developmental dynamics of a leadership development programme offer the possibility of building a strong collaborative ethos across the partnership, based on the experience of growing the firm together, while becoming more adaptable personally, transforming the firm to become ever more competitive. But the programme, by its very constitution, creates an organizational learning dynamic that has the possibility of involving most, if not all, members of the firm in articulating, reflecting on and analyzing the experience and challenge of change facing their firm, creating new and meaningful understandings and designing and implementing new strategic action and experimentation in a drive for competitive advantage. The promise held out is that of the alignment of perceptions of change, of what leadership is required and of what roles must be taken up in the collaborative enterprise of developing the firm.

However, as noted earlier, the culture of law firms is traditionally inimical to collaboration to such a degree. Does this then imply that best practice leadership development is not possible in a City law firm? While billable target hours traditionally provide the model of revenue generation and measurement of lawyers' contributions to the firm, will this model continue to provide an estimate of the value of their work for clients? In addition to hourly targets, lawyers are required to be involved in marketing, business development and people management (Lorsch & Tierney 2002; Maister & McKenna 2002). How is time allotted and contribution to the firm measured in these areas? As this study addresses questions already identified, including how the impact of change is understood, how leadership is perceived, how individuals perceive their role in relation to leadership and how a law firm manages the development of its leaders, an additional question now arises. This is:

### **Question 5**

*What issues does a City law firm face in developing its leaders and future leaders?*

This review of the literature on leadership development has established that the primary concern of such an initiative is the building of organizational leadership capability. It has also established that this can be done only through the development of leadership competence in individuals. So far, the review has not discussed what constitutes leadership competence either as an organisational capability, or as an ability of a person. The next section addresses these concerns. Two final questions will be identified for the review in section 2.3.

### **2.2.6 Leadership competence and competencies**

The development of leadership as a capability in a law firm, and that of leadership skills in individuals, requires the identification of specific competencies involving knowledge, skills, abilities and attitudes essential for achieving the goals of the firm. As an organizational capability, leadership is understood as a ‘core competence’ (Ashton & Lambert 2003; Barrett & Beeson 2002; Bennis & Thomas 2002). As a competence in individuals, leadership is understood to consist of composite skills and abilities (Ashton & Lambert 2003; Barrett & Beeson 2002; Hunt 1996). This section is, therefore, in three parts.

Section 2.2.6.1 presents an overview of the concept of leadership as a core competence of the organization which is seen to provide competitive advantage and a practical focus for the development of leadership competencies in individuals. Section 2.2.6.2 provides an overview of the literature on the nature and role of competency frameworks in relation to leadership development programmes. Section 2.2.6.3 discusses the relationship between leadership competency frameworks, leadership effectiveness and criteria for organizational effectiveness.

#### **2.2.6.1 Leadership as core competence**

Leadership capability, understood as a core competence of the organization, is seen as a source of competitive advantage (Barrett & Beeson 2002; Heifetz & Linsky 2002; Collins 2001). Prahalad & Hamel (1990) introduced the concept of ‘core competence’ and ‘core competencies’ of an organization. Neither term referred to

individuals. Core competencies subsist in ‘core products’ or services and are: ‘...the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies (Prahalad & Hamel 1990, p. 81). These authors detected a shift in companies that were experiencing competitive advantage in the 1980s. This shift consisted in a changing of focus from a portfolio of businesses to a portfolio of competencies which could be leveraged, not only into different products, but also into different businesses and industries (Prahalad & Hamel 1990). Competitive advantage was seen to result from the ability to build, at a lower cost and more speedily than competitors, the core competencies that permit the creation of unanticipated products. For a City law firm, competitive advantage then would result from the design and delivery of a range of innovative products and services, leveraging knowledge of the law, industry sectors and client businesses, that would be perceived by clients to add more value than those of other legal advisers. However, for Prahalad & Hamel (1990, p. 81) this ability, in turn, rests on management capability:

The real sources of advantage are to be found in management’s ability to consolidate corporate wide technologies and production skills into competencies that empower individual businesses to adapt quickly to changing opportunities.

In a City law firm the capability of quick adaptation to changing opportunities would require this management ability to be widely distributed across different practice areas, thirty-five in the case of the firm under study, and many of which can be viewed as individual businesses while requiring cross-practice client service.

Prahalad and Hamel (1990) consistently use ‘competence’ to refer to singularity and ‘competencies’ to refer to plurality and always in describing organizational capabilities. The terms are never used to refer to the abilities of individual people. Core competencies are developed by a process of continuous improvement and enhancement and the building of people-embodied skills needed to sustain product leadership. For Prahalad (1993), competitive advantage is created by leaders who focus on the twin aspects of value creation:

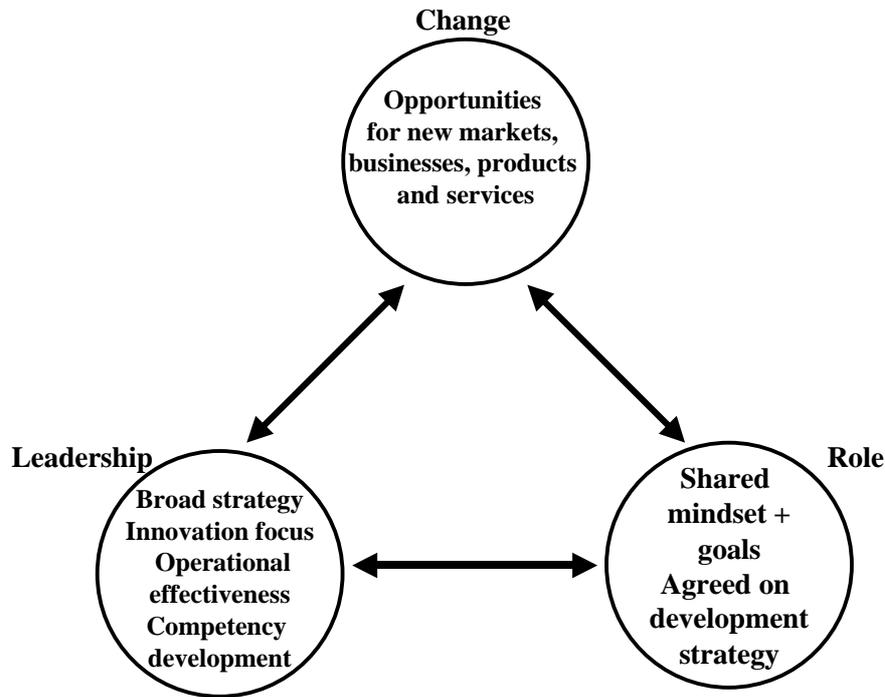
- a) profitably deploying resources to create new markets, new businesses and a sense of broad strategic direction; and
- b) simultaneously improving operational performance across a wide variety of dimensions such as quality, cost, cycle time, productivity and profitability.

The role of top management is:

...essentially one of energizing the whole organization—all people, at all levels, in all functions, and in all geographies. It involves developing a shared mindset and shared goals, and developing strategies for acquiring competency.

(Prahalad 1993, p. 43)

For the City law firm, the task of a leadership development programme, under the sponsorship of top management, would be to build competitive advantage as illustrated in Figure 2.11.

**Figure 2.11** Aligning perceptions for competitive advantage

(Source: created for this study)

What is required under (a) above is to develop an external focus in response to the interpretation of change—which includes the articulation of a sufficiently broad strategic direction that is able to align perceptions and win the hearts and minds of the majority of partners across diverse practice areas. This must include winning agreement on the necessity of innovation and the delivery of more value than competitors. Under (b), an internal focus is required that wins agreement on the importance of operational effectiveness with its appropriate metrics—a focus that has not been traditionally characteristic of law firms (Malhotra et al. 2003; Pinnington & Morris 2003). In addition, the role of top management will require that those in positional leadership will create a shared mindset and shared goals across practice areas so that individuals clearly perceive their individual roles in implementing strategy and achieving specific goals. Equally, top management will need to engage partners in devising, and agreeing on, the competency development strategy which is likely to involve both external hires and a focus on training and development.

Developing competitive advantage in these terms is likely to be perceived as particularly challenging, firstly because of the traditional autonomy of the individual associated with the profession which resists shared strategy and shared goals (Malhotra et al. 2003; Lorsch & Tierney 2002; Maister & McKenna 2002;). Training and development are characteristically treated with antipathy (Maister & McKenna 2002; Mayson 1997). The extent to which lawyers perceive the impact of change, the role of leadership and their own roles in these contexts will be discussed in Section 2.3.

For Prahalad & Hamel (1990), leadership capability itself becomes a core competence only if it meets three simple tests:

- 1) Is it a source of competitive differentiation?
- 2) Does it provide a unique signature to the organization as, for example, miniaturization did for Sony?
- 3) Is it hard for competitors to imitate?

Prahalad (1993) argues that if leadership capability is not a source of competitive differentiation it is not really a core competence.

The links established by Prahalad and Hamel (1990) between their concept of core competencies, the ability of management and the creation of competitive advantage provides an important, practical focus for the identification and development of leadership competencies (Millett 2001). The task for leadership development in a City law firm is to identify and develop not merely the competencies that constitute leadership capability, but rather those that constitute a leadership capability which itself provides differentiation for the firm and that is, therefore, better than that of its competitors. This provides a focus for the next section, namely, what competencies are required for leadership?

#### **2.2.6.2 Leadership competency frameworks**

The review of the literature in sections 2.1 and 2.2 has emphasized the significance of the interplay of perceptions of change, leadership and individual roles for the success of a City law firm. Leadership competence in individuals is generally

perceived to consist of a combination of skills and abilities in accordance with individual roles and organizational levels (DeVries, Vrignaud & Florent-Treacy 2004; Ashton & Lambert 2003; Barrett & Beeson 2002). How lawyers in a City law firm perceive their own role in relation to leadership is likely to be influenced by what skills and abilities they perceive as essential for effective leadership. This section reviews the literature on leadership competencies that enable individuals to exercise leadership.

Within a leadership development programme it is required to design a bespoke framework of leadership competencies that creates the 'fit-for-purpose' leadership capability the organization requires to meet its current challenges and achieve its goals (Ashton & Lambert 2003; Barrett & Beeson 2002; Yearout, Miles & Koonce, 2001). This is because each organization must identify the kind of leadership skills required by its unique combination of history, culture, current capability, external and internal environments, and the future it envisages for itself. In this context, the identification and development of specific skills and abilities is necessary for training and performance appraisal (Ashton & Lambert 2003; Hunt 1996). As already discussed, this is essential if leadership capability is itself to create competitive advantage as a core competence. Competencies are also need to be role specific in so far as roles are understood as having specific activities and behaviours aligned with particular functions (DeVries, Vrignaud & Florent-Treacy 2004; Hunt 1996; Yukl 1998).

Competency frameworks seek to identify those behaviours and skills that are predictors of effective leadership (Tett et al. 2000). The creation of managerial competency frameworks spearheaded by the work of Boyatzis (1982) for whom a competency is 'an underlying characteristic of a person which results in effective and/or superior performance in a job'. Such characteristics include motives, traits, skills, self-image, social role or a particular body of knowledge (Boyatzis 1982; Dulewicz 1989). Identical behaviours in different companies were seen to differentiate between successful and less successful senior managers (Boyatzis 1982; Hollenbeck & McCall 1999; Hunter, Schmidt & Judiesch 1990; Spencer & Spencer 1990).

Terminological debates focused on what constitutes a competency and whether there is a difference between ‘competence’ and ‘competency’ (Dulewicz 1989; Munro & Andrews 1994; Woodruffe 1990, 1991). Table 2.8 compares four definitions of a competency.

**Table 2.8 Competency definitions**

<b>Boyatzis (1982)</b>	<b>Quinn et al. (1996)</b>	<b>Tett et al.(2000)</b>	<b>Hunt (1996)</b>
An underlying characteristic of a person which results in effective and/or superior performance in a job	The possession of knowledge and the behavioural capacity to act appropriately the development of which requires the opportunities to practice skills	An identifiable aspect of prospective work behaviour, attributable to the individual that is expected to contribute positively and/or negatively to organizational effectiveness	The ability to translate knowledge into action that results in desired performance

(Source: developed for this study)

What most definitions have in common is a focus on behaviour as the indicator of the presence of a competency, and a future or predictive orientation regarding effective performance. Skills and competencies are regarded as similar concepts. Sometimes the terms for skills and behaviours are used interchangeably, or, what are described as skills in one taxonomy, are described as behaviours in another (Hunt 1996). For the purposes of this study a leadership competency is defined as:

An underlying characteristic of a person the development of which requires the opportunities to practise skills which provide leadership as defined by the firm in order to contribute to the firm’s success.

Recent competency frameworks have emphasized leadership skills and abilities required for meeting the challenges posed by turbulent environments over the next ten years (Barrett & Beeson 2002; Bennis & Thomas 2002). Table 2.9 summarizes three such competency frameworks indicating how leadership competencies are differently conceived by writers.

**Table 2.9 Leadership competencies to 2015**

<b>Ashton &amp; Lambert (2003)</b>	<b>Bennis &amp; Thomas (2002)</b>	<b>Barrett &amp; Beeson (2002)</b>
<b>Functional competencies</b> <ul style="list-style-type: none"> <li>• Envisioning</li> <li>• Team leadership</li> <li>• People development</li> <li>• Motivation</li> <li>• Organizational design</li> <li>• Strategy formulation</li> </ul>	<b>Adaptive capacity</b> <ul style="list-style-type: none"> <li>• Hardiness</li> <li>• First-class noticer</li> <li>• Learning learning</li> <li>• Proactively seizing opportunities</li> <li>• Creativity</li> </ul>	<ul style="list-style-type: none"> <li>• Cognitive ability</li> <li>• Strategic thinking</li> <li>• Analytical ability</li> <li>• Decision making ability in midst of ambiguity</li> </ul>
<b>Knowledge Areas</b> <ul style="list-style-type: none"> <li>• Managing complex change from culture to technology</li> <li>• Designing sustainable organizations</li> <li>• Managing mergers, acquisitions, divestments, joint ventures</li> <li>• Organizational communication</li> <li>• Brand development from corporate to product</li> <li>• Performance management, from individual to organization</li> <li>• Financial and tax strategies</li> </ul>	<b>Engaging others by creating shared meaning</b> <ul style="list-style-type: none"> <li>• Encourage dissent</li> <li>• Empathy</li> <li>• Obsessive communication</li> </ul>	<ul style="list-style-type: none"> <li>• Influence and persuasion</li> <li>• Manage in an environment of diversity</li> </ul>
<b>Personal qualities</b> <ul style="list-style-type: none"> <li>• Integrity</li> <li>• Judgment</li> <li>• Self-awareness</li> <li>• Self-control</li> <li>• Courage</li> <li>• Resilience</li> <li>• Adaptability</li> <li>• Learning orientation</li> <li>• Master of complexity</li> </ul>	<b>Voice</b> <ul style="list-style-type: none"> <li>• Purpose</li> <li>• Self-awareness, self-confidence</li> <li>• Emotional intelligence</li> </ul>	<ul style="list-style-type: none"> <li>• Delegate tasks while managing risk with appropriate controls</li> </ul>
	<b>Integrity</b> <ul style="list-style-type: none"> <li>• Ambition</li> <li>• Competence</li> <li>• Moral compass</li> </ul>	<ul style="list-style-type: none"> <li>• Attract and develop talent at all levels</li> <li>• Personal adaptability</li> </ul>

(Source: constructed for this study)

All three frameworks describe competencies at a high level of abstraction, and lack the degree of role, level and behavioural specificity necessary for training design and performance management. While the framework of Ashton & Lambert relates to

leadership at the highest organizational level, given its role-specific references to such elements as ‘managing mergers and acquisitions’ and ‘organizational design’, the other two frameworks could conceivably be applied as a generic framework for leaders of business units, functions, departments and teams.

Generic lists pose difficulties in that they tend to be seen as applicable in their entirety while lacking organizational-cultural, situational and role specificity (De Vries, Vrignaud & Florent-Treacy 2004; Ashton & Lambert 2003; Thompson et al. 1997; Hunt 1996). They typically fail to reflect the complex and at times paradoxical nature of the work of managerial leadership (Quinn et al. 1996). In addition, they are seldom linked to criteria of organizational effectiveness with the result that leadership performance appears without metrics related to organizational success (de Vries, Vrignaud & Florent-Treacy 2004; Ashton & Lambert 2003; Hunt 1996; Quinn et al. 1996). As indicated in Section 2.1, it is those at the top level who exercise leadership *of* the organization as a whole. Leadership at the top carries responsibility for ensuring the overall success of the organization and for devising the criteria or measures by which success can be measured (Ashton & Lambert 2003; Bennis & Thomas 2002; Collins 2001). Without being linked to such measures, it is difficult to see how a leadership development programme could be based on action learning and deliver real results to the organization.

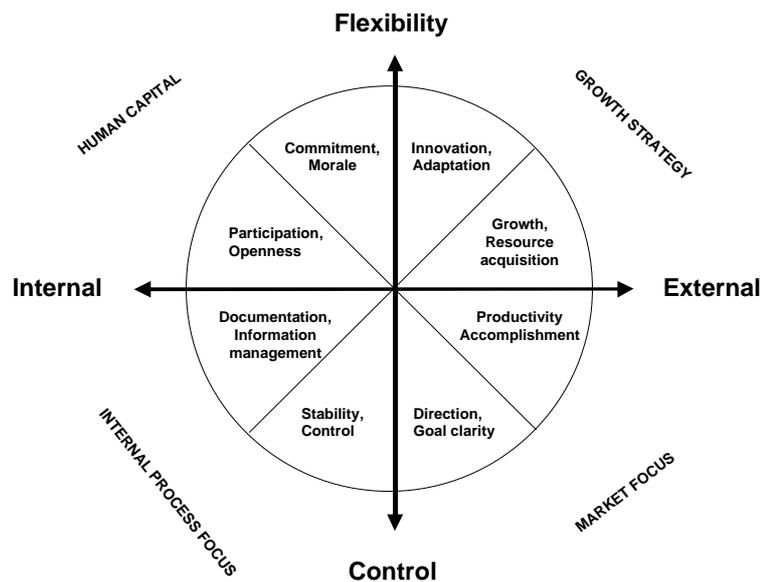
In developing a leadership competency framework for a City law firm it would be necessary to identify the traits, knowledge, skills and abilities that would predict the effectiveness of individuals exercising leadership roles in achieving the success of the firm. The distributed nature of authority in law firms would suggest that all partners as owners of the firm are required, or may even seek, to exercise a leadership role (Ackroyd & Muzio 2004; Malhotra et al. 2003; Pinnington & Morris 2003). Whether or not this is how partners perceive their roles and whether such perceptions are aligned will be addressed in Section 2.3. It will also be necessary to articulate success criteria for the firm so that criteria of effective leadership can be related to the performance criteria of the firm. The relationship between leadership effectiveness and organizational performance is, therefore, the subject of the next section.

### 2.2.6.3 Leadership competencies and organizational performance

By themselves, competency frameworks do not correlate leadership effectiveness with organizational effectiveness. 'There is ample evidence of the failure of organizations led and managed by people who in all likelihood, had developed high levels of leadership generic competence' (Thompson et al. 1997, p. 58). This is because frameworks were often developed either by using the critical incidents technique, or through ratings of leaders by subordinates or nominated others, using questionnaires consisting of behavioural descriptors (Ashton & Lambert 2003; Yukl 1998; Kouzes & Posner 1995). Criteria of effective leadership performance were not linked with those of organizational performance.

Leadership and organizational effectiveness are, in fact, interdependent and should both be evaluated by the extent to which the goals of the organization are achieved (Parry 2000; Yukl 1998; Thompson et al. 1997). These goals are usually multiple and often in competition with each other. For example, profit maximization competes with marketing spend; flexibility in adapting to external change competes with internal control. Leaders are habitually required to be able to integrate opposites and take what may seem like conflicting roles at different times, according to the needs of the business (Hunt 1996; Quinn et al. 1996). In effect, leaders must solve complex and often ill-defined organizational problems and balance competing demands of external and internal environments and of multiple stakeholders (Ashton & Lambert 2003; Quinn et al. 1996). Criteria of leadership effectiveness, therefore, need to address the complex nature of what leaders must achieve. Recent research indicates that effective leaders are those who are able to balance conflicting demands and take competing roles, suggesting that high performance requires the simultaneous mastery of seemingly contradictory or paradoxical competencies (Barrett & Beeson 2002; Densten & Gray 2002; Daft 2002; Boal & Hooijberg 2001; Mumford et al. 2000; Hunt 1996).

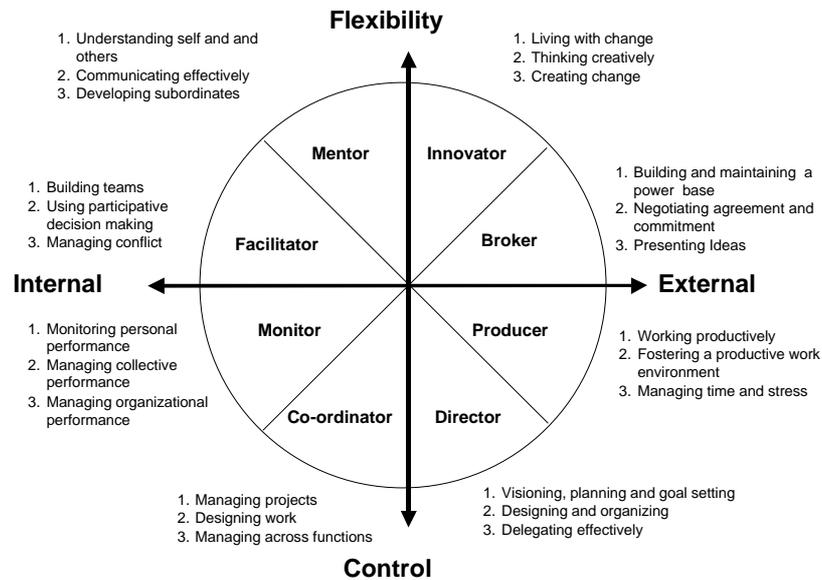
The Competing Values Framework, as illustrated in Figure 2.12, was developed to differentiate criteria of effectiveness in terms of an internal versus an external focus and of a flexibility versus a control focus (Quinn et al. 1996).

**Figure 2.12 The competing values framework**

(Source: adapted from Quinn et al. 1996)

The dimension of internal versus external focus distinguishes between satisfying such internal effectiveness criteria as investment in staff morale and participation and satisfying external effectiveness criteria, such as clear direction and productivity achievement and sales growth. The flexibility versus control dimension distinguishes between effectiveness criteria such as adaptability to changing market conditions, competitor challenges and creating competitive advantage through innovation, versus consistent control and information management. In summary, to succeed, organizations need to be both adaptable and flexible, and controlled and stable.

The capability of organizations in meeting competing criteria of effectiveness requires their leaders to exercise a variety of apparently competing roles. This in turn requires leaders to have the knowledge, skills, and abilities in these valued domains as illustrated in Figure 2.13. (Tett et al. 2000; Thompson et al. 1997).

**Figure 2.13 Competing leadership roles**

(Source: Adapted from Quinn et al. 1996)

What is at stake is the ability of individuals to call on a range of complex behaviours in exercising leadership. In this context, such behavioural complexity ‘is the ability to act out a cognitively complex strategy by playing multiple, even competing roles in a highly integrated and complementary way’ (Quinn et al. 1996 p. 15). A number of studies link individual behavioural complexity of CEOs and senior managers with effective organizational performance (Densten & Gray 2002; Daft 2002; Quinn et al. 1996).

In determining a bespoke set of competencies, a City law firm, must first establish what are its criteria for organizational success. These criteria will identify valued domains of performance and the range of competencies required of leaders. Behavioural complexity will require leaders at all levels to have a wide behavioural repertoire and the intellectual ability that enables and sustains cognitive complexity.

In summary, this review of the literature on leadership competencies has identified the importance for a City law firm of:

approaching a leadership development initiative from the perspective of creating competitive advantage and thereby creating a leadership capability that is a core competence of the firm;

developing a leadership capability that is required for success in the future, as well as more immediately;

differentiating leadership competencies according to different roles and levels within the firm and the tasks or deliverables to be achieved by each; and

linking leadership performance criteria with the performance criteria of the firm.

The review, therefore, gives rise to two further questions in reviewing the immediate literature in Section 2.3.

### **Question 6**

*What skills and abilities are perceived as essential for effective leadership?*

### **Question 7**

*What strategies are perceived as necessary to develop leaders for the future?*

### **2.2.7 Summary**

The overall review of the literature on leadership development has identified an iterative cycle as its developmental model, involving the dynamics of experiential learning and personal development driven by the business agenda of addressing real time challenges. As summarized in Figure 2.11, the management of a leadership development initiative in a City law firm requires the alignment of perceptions of:

the impact of change—identifying opportunities for new markets, businesses, products and services;

the role of leadership in devising a broad strategy and focus on innovation, as well as achieving operational efficiency and competency development;

individual roles in creating a shared mindset and goals and an agreed development strategy for required skills.

Criteria of success must be fully articulated so that criteria of successful leadership is aligned with business performance.

The literature review thus far has identified a framework of seven questions for a review of the literature on leadership development in law firms. At this point, the questions enable the researcher to review industry specific literature to clarify these questions further, if necessary, and to establish them as research issues if they reveal gaps in the literature. They are summarized in Figure 2.14 here for ease of reference.

**Figure 2.14 Questions for a review of the immediate literature**

<p><b>Question 1</b> <i>How do lawyers in a City law firm perceive the impact of change?</i></p>
<p><b>Question 2</b> <i>How do lawyers in a City law firm regard leadership in the profession?</i></p>
<p><b>Question 3</b> <i>How do lawyers in a City law firm perceive their own role in relation to leadership?</i></p>
<p><b>Question 4</b> <i>How does a City law firm manage the development of its present and future leaders?</i></p>
<p><b>Question 5</b> <i>What issues does a City law firm face in developing its leaders and future leaders?</i></p>
<p><b>Question 6</b> <i>What skills and abilities are perceived as essential for effective leadership?</i></p>
<p><b>Question 7</b> <i>What strategies are perceived as necessary to develop leaders for the future?</i></p>

(Source: created for this study)

The industry-specific literature on leadership development in law firms is the focus of the next section.

### **2.3 Law firms and professional service firms**

This section reviews the literature on professional service firms and law firms, with a view to identifying issues relevant for leadership development. It would be reasonable to expect some answers to the seven questions identified in the previous sections were there a body of literature on leadership and/or its development in law firms. In reality, no such literature is accessible at the time of writing. Law firms as organizations are classified as professional service firms (Ackroyd & Muzio 2004; Gray & McAllister 2003; Hinings, Lorsch & Tierney 2002; Maister & Thomas 2002; Lowendahl 2000; Maister & Thomas 2002). The literature research was, therefore, widened to include that on leadership and its development in professional service firms (PSFs). PSFs are defined as:

those firms that provide professional assistance to the business community; that is, accounting firms, advertising agencies, management consultants, executive search firms, investment banks, information technology consulting firms, and, most numerous of all, law firms.

(Lorsch & Tierney 2002, p. 5)

This study follows the recommended practice for researchers of identifying keywords and databases to improve the validity and reliability of a literature review (Perry 1998; Cooper 1989). Repeated searches were made using The EBSCOhost MegaFILE Premier service. The following databases were included, as summarized in Table 2.10, with their descriptions given on the EBSCOhost page:

**Table 2.10 Research databases**

<b>Academic Search Premier</b>	<b>Business Source Premier</b>	<b>ERIC</b>	<b>Psychology and Behavioral Sciences Collection</b>	<b>World Magazine Bank</b>
provides full text for nearly 4,700 publications, including full text for more than 3,600 peer-reviewed journals. Coverage spans virtually every area of academic study and offers information dating as far back as 1975. This database is updated on a daily basis via EBSCOhost.	provides full text for nearly 7,600 scholarly business journals and other sources, including full text for more than 1,100 peer-reviewed business publications. Coverage includes virtually all subject areas related to business. This database provides full text (PDF) for more than 350 of the top scholarly journals dating as far back as 1922. This database is updated on a daily basis via EBSCOhost.	provides more than 2,200 digests along with references for additional information and citations and abstracts from over 980 educational and education-related journals.	provides coverage of more than 550 full text journals, including more than 525 peer-reviewed titles. <i>Psychology &amp; Behavioral Sciences Collection</i> covers topics such as emotional and behavioral characteristics, psychiatry & psychology, mental processes, anthropology, and observational and experimental methods. Nearly every full text title included in this database is indexed in <i>PsycINFO</i> . This database is updated daily via EBSCOhost.	provides full text for more than 250 English-language publications from Australia, New Zealand, Asia, U.K., South Africa, U.S.A and more.

(Source: created for this study)

Search terms used included ‘leadership development law firms’, ‘leadership law firms’, ‘leadership development professional service firms’, ‘leadership professional service firms’, as well as using these terms together with ‘Arthur Andersen’, ‘Price Waterhouse Coopers’, ‘KPMG’ and ‘Ernst Young’. Each search received the same response, ‘No results were found for your search query’. Personal consultation with known authorities and management consultants in the fields of law firm and professional service firm development confirmed the apparent lack of the kind of literature and published research being sought ((Maister, DH 2004, pers.comm. 15 April; Lorsch, JW 2004, pers.comm. 23 May; Mayson, S 2004, pers.comm.16 February; Hodgart, A 2004, pers.comm. 10 April).

As indicated in section 1.3.1 and repeated here for ease of reference, the absence of such literature is due to the following reasons:

- d) The service provided to clients is confidential so that the performance of PSFs as a contribution to the success of client organizations remains hidden. Credit is given to the client for success, resulting in little being written about PSFs;
- e) For decades PSFs were privately held and managed for the benefit of partner-owners so that business analysts did not follow or write about them;
- f) Business schools and research institutes ignored them in spite of the fact that, in the USA, 65% of MBA graduates from top business schools join them.

Lorsch & Tierney (2002, p. 14).

Given the lack of prior research on leadership development in PSFs in general, and in law firms in particular, a literature review must consist substantially of a context review so as to identify research issues for exploratory or qualitative research (Perry 2000; Neuman 1997). The focus of the context review will be those aspects of professional service firms that are deemed to have a significant bearing on leadership and its development, that is, issues related to the impact of change, the role of leadership and the roles and tasks of individuals in relation to change and leadership.

The relevant literature consists of that produced by management consultants to PSFs and of the legal industry press, both of which focus largely on issues in management, structure and roles in law firms. This literature will first be reviewed in section 2.3.1. Section 2.3.2 will then provide a review of recent research literature in the field of Organizational Development (OD) which has reported research on organizational change in PSFs and, more particularly, in law firms.

### **2.3.1 Characteristics of professional service firms as businesses**

In this section, an overview of the consultancy literature reveals a series of challenges facing leadership and its development in law firms. These arise from the nature of law firms as PSFs and are regarded as particularly significant in law firms because of the strength of the belief in professional autonomy. The section concludes by listing key problems facing law firms in relation to leadership and its development.

PSFs are regarded as having a unique business model that is founded on the effective management of highly paid professionals (Lorsch & Tierney 2002). As business organizations, they have a number of defining characteristics, as summarized in Table 2.11

**Table 2.11 Characteristics of PSFs**

<b>Organizational Characteristics</b>
<ul style="list-style-type: none"> <li>• Highly knowledge intensive expertise is delivered by people with higher education</li> <li>• A high degree of customization of services to clients is essential</li> <li>• A high degree of discretionary effort and personal judgment is required of experts in each service encounter</li> <li>• Substantial interaction with the client organization's representatives is required</li> <li>• Services are normally centred around non-substitutable individuals</li> <li>• Revenue is generated through the selling of professionals' time, most often in terms of hourly billing</li> <li>• Developing and sustaining personal relationships with clients is essential for repeat business</li> </ul>

(Source: Adapted from Lorsch & Tierney 2002; Lowendahl 2000)

What PSFs have in common is that they sell high-priced time and services on a sustainable basis by building client relationships and delivering client value (Lorsch & Tierney 2002). The service provided relies heavily on the expertise of individual top professionals, rather than on the capabilities of the organization to which he or she belongs (Lorsch & Tierney 2002; Lowendahl 2000; Maister 1993). The professional is wholly responsible for the level of client satisfaction and, unlike those in corporate organizations, cannot point to anybody else or another department for failing to satisfy the client (Lorsch & Tierney 2002). As a result, the strategic resources of the firm consist in the technical expertise of individuals, their skills in building client relationships, their professional reputation, their individual networks of professional peer contacts and their established relationships with past, present and potential clients (Lowendahl 2000). The individual professional, such as a lawyer or management consultant, is centre stage. The successful management, motivation, development, rewarding and retention of these talented individuals is critical to the success of the business and, therefore, a primary concern for managerial leaders. PSFs are thought to be different to corporate organizations to such an extent that one writer declares:

direct application of traditional strategic management assumptions and tools is at best misleading and at worst disastrous. Such concepts as *economies of scale, profit maximization, incorporation and external ownership, human resource allocation, quality control procedures, and hierarchical authority* [his italics] may take on an entirely different meaning in professional service firms, and such fundamental strategic goals as market share, growth, and internationalization must be seen as possible strategic options rather than obvious virtues.

(Lowendahl 2000, p. xi)

How these highly paid individuals relate to their clients is critical to the business, but how they relate to one another and their organization or firm, determines the strength of the business, its ability to attract and retain high calibre professionals and the extent to which it can devise and execute a successful strategy in response to the challenge of substantial change (Hodgart 2002a; Lorsch & Tierney 2002; Maister & Tierney 2002).

Accomplished professionals exercise three roles in the firm once they are elevated to the status of partner, '*producers* who sell business and serve clients, *managers* who help to run the firm and *owners* with a long term interest in the firm' (Lorsch & Tierney 2002, p. 21). But these roles carry inherent tensions that impact on how leadership is perceived and exercised in the firm. Such tensions create a number of challenges for the leadership of PSFs, however exercised, and for the development of effective leadership skills and abilities. These challenges can be classified into three groups in relation to how partners perceive their roles, namely:

- producers in the context of autonomy and ownership;
- managers in the context of accountability; and
- owners in the context of business strategy and alignment.

Each of these issues will now be reviewed in turn.

### **2.3.1.1 Producers in the context of autonomy and ownership**

Traditionally, ownership of the firm and professional autonomy have been dominant and characteristic values in law firms (Ackroyd & Muzio 2004; Cohen, Wilkinson &

Arnold 2003; Malhotra et al. 2003). The challenges they pose are summarized in Table 2.12.

**Table 2.12 Challenges posed by autonomy and ownership**

<b>Challenges</b>
<ul style="list-style-type: none"> <li>• establishing accountability for performance</li> <li>• developing and maintaining a culture of collaboration</li> <li>• aligning business development initiatives with central strategy</li> <li>• client retention and positioning of clients as belonging to the firm</li> <li>• quality control</li> </ul>

(Source: Adapted from Ackroyd & Muzio 2004; Malhotra et al. 2003; Maister & McKenna 2002; Lorsch & Tierney 2002)

In PSFs, the degree of dependence by the firm on individual professionals as producers confers a value on the latter which often leads to their being considered as more important than the firm's clients (Lorsch & Tierney 2002). This is because if they leave, the client frequently follows. The nature of the client relationship underpins the autonomy of the professional. In guarding their autonomy, professionals traditionally, rarely cede authority to anyone on how they staff their projects or what business development activities they conduct (Malhotra et al. 2003; Maister & McKenna 2002). The individual may agree in a general sense with the main thrust of the firm, but on any given issue may disagree radically with others—especially about which clients he should serve and how his performance is evaluated and remunerated (Lorsch & Tierney 2002). A key challenge for leadership in law firms is the management of this autonomy (Hodgart 2002b; Maister & McKenna 2002; Lowendahl 2000; Mayson 1997). The kind of people being managed want to feel like owners (Maister & McKenna 2002).

Mayson (1997), however, questions the validity of the notion of ownership in law firms describing it as a 'mirage'. He represents it as having an insidious effect, weakening both the firm's culture and climate and serving to undermine alignment with the firm's overall purpose, values and strategy. His suggestion is that the principal asset of a law firm is its human capital, understood as the collective and

firm-specific know-how constituted by individual professionals. This human capital cannot be owned by anyone. The evidence consists in the fact that when a professional leaves the firm, human capital both know-how and clients leave with him or her. The mirage of ownership gives rise to an elitism where becoming a partner is seen as the ultimate career goal and non-partners, both fee-earners and support staff, endure an imposed sense of inferiority. Instead of ownership creating an entrepreneurial spirit among partners, it creates an employee mentality resulting in:

- clients seen as personal property which are guarded jealously with often a refusal to engage in cross-selling;
- individual partners preferring to do their own thing, refusing to conform and often lacking mutual respect;
- a lack of a strong leader or culture, or, paradoxically, the existence of a strong leader and culture but a naïve refusal of partners to accept that both are prerequisites to continued prosperity; and
- a disregard of the needs of fee-earners and support staff for training and development, feedback and appreciation

Lorsch and Tierney (2002) suggest that the ownership mentality can allow for a great deal of dissent without incurring the kinds of penalties that can pertain in a corporate type organization. But partners are not just producers, but managers and owners as well. How they perceive their role in the context of change and leadership is critical to the future of the firm.

### 2.3.1.2 Managers in the context of accountability

The organizational structure of law firms and the lack of clarity of the managerial role of partners in positions of management and of other partners in relation to them, pose significant challenges for leadership capability as summarized in Table 2.13.

**Table 2.13 The challenge of managerial roles**

<b>Challenges</b>
<ul style="list-style-type: none"> <li>• the empowerment of leaders</li> <li>• development of managerial expertise</li> <li>• building collaboration</li> <li>• developing group cohesion</li> <li>• distribution of leadership capability throughout the group</li> <li>• development of employees</li> </ul>

(Source: adapted from Ackroyd & Muzio 2004; Malhotra et al. 2003; Lorsch & Tierney 2002; Maister & McKenna 2002)

The impression of what Mayson (1997) terms 'naïve individualism' is supported by Maister and McKenna (2002) in pointing out that the organization of work and specialization into separate practice groups such as Commercial, Banking & Finance Employment and Litigation, results in firms often consisting of autonomous business groups that are only loosely connected to each other. These groups are generally made up of autonomous partners who, in turn, are only loosely connected to each other. Yet it is a basic precept of management that organizations be designed so that managers have authority commensurate with their responsibility, but this is not the case in many PSFs (Lorsch & Tierney 2002; Maister & McKenna 2002). Managers typically lack the authority vested in corporate leaders. Fellow partners are not subordinates, but peers and fellow owners. As a result:

- group leaders frequently do not have real authority to supervise activities of others in the group;
- the role of the group head is generally and primarily administrative not managerial;
- freedom to act as group leader is severely circumscribed in that no extra time is allowed for managerial responsibilities and group leaders often have the same billable targets as other fee-earners;
- there is often no job description for group leaders and they are often unsure of what is expected of them;
- professional groups are generally difficult to run because of a lack of ground rules under which they will operate;
- the conditions for the group leader to do what is asked are often missing; and
- there is no expectation and often no apparent requirement that members act collectively and make joint decisions with mutual responsibility to each other on such things as practice development, development of junior staff and building tools and templates for everyone in the group to use.

Maister & McKenna (2002, pp. 11-14).

The greatest single cause of managerial failure in PSFs is the lack of clarity about managers' roles on the part of partner-managers themselves and how partners perceive this role, and their own, in relation to it (Maister & McKenna 2002). Neither is there information for managers on what their group members expect from them. The picture emerging from this literature is a bleak one for those in formal managerial and leadership positions.

### 2.3.1.3 Owners in the context of business strategy and alignment

There is widespread agreement that among the most significant challenges facing leaders in PSFs is the design and implementation of strategy and securing alignment by a majority of the partners (Malhotra et al. 2003; Hodgart 2002a; Lorsch & Tierney 2002; Maister & McKenna 2002; Bedlow 2001; Mayson 1997). Centralized strategy, and alignment with it, faces the characteristic difficulty of a tendency towards strategic drift (Lorsch & Tierney 2002). This is because, traditionally, strategy in law firms is seen as the aggregate strategy of individual partners (Malhotra et al. 2003; Greenwood, Hinings & Brown 1990;). This poses significant challenges to leadership as summarized in Table 2.14.

**Table 2.14 Challenges facing strategy and alignment**

<b>Challenges</b>
<ul style="list-style-type: none"> <li>• analyzing market dynamics and market perceptions of the firm's identity</li> <li>• leading firm-wide change and adaptation in response to market dynamics</li> <li>• developing and maintaining a sense of shared identity, purpose, values and goals</li> <li>• distribution of leadership responsibility throughout the firm in relation to strategic direction and alignment</li> </ul>

(Source: adapted from Ackroyd & Muzio 2004; Malhotra et al. 2003; Lorsch & Tierney 2002 Maister & McKenna 2002;)

Alignment results when the behaviour of individual professionals is such that, on average, they put the interests of the firm ahead of their own needs (Lowendahl 2000). Strategic drift is inherent in the PSFs business model whereby leaders are reluctant to monitor activities of other professionals because of the traditional concepts of ownership, autonomy and related democracy, as well as the lack of role clarity for such leaders (Lorsch & Tierney 2002). This results in the existence of a strategic perimeter where some partners go in and out of the strategic direction set by the firm's leadership and veer off mostly on their own. Establishing and maintaining alignment is difficult because:

- tension exists between the firm's strategy and individual strategy whereby partners pursue individual opportunities that make sense to them;
- firms rely on high performing producers to implement strategy on an individual basis but who characteristically tend to do whatever they want regardless of the wishes of leadership;
- firms are frequently forced into a balancing act between getting individuals to implement strategy while retaining non-conforming, high performing producers;
- there is frequently substantial difference in interpretations of market dynamics and changes;
- issues of ownership and compensation create resistance to considerations of strategic alternatives;
- follow-through on strategic decisions is often haphazard due to the decentralized nature of firms with different practice areas;
- many partners prefer the producer role which allows them to be involved in traditional client work rather than do the hard and deep thinking about strategy required of their roles as owners and managers; and
- PSFs tend to consider the issue of strategy only in times of economic downturn creating strategic task forces that often lead to nothing.

(Malhotra et al. 2003 ; Lorsch & Tierney, 2002 ;).

The business model of PSFs is founded on the dyadic relationship between the client and the individual professional. This is what makes the producer role so significant and is the source of individual partners' sense of worth and market value. Their value is concretely measurable in terms of fees earned consistently in the last few years which, in turn, sets the value of their client following and their status within the firm. It is doubtful if their market value is enhanced by their managerial experience or expertise. The balance of power, therefore, between a firm and its partners tilts sharply in favour of the latter—on whom the firm is dependent for implementation of strategy. This can be seen in Figure 2.15.

**Figure 2.15 The pivotal role of the individual professional**



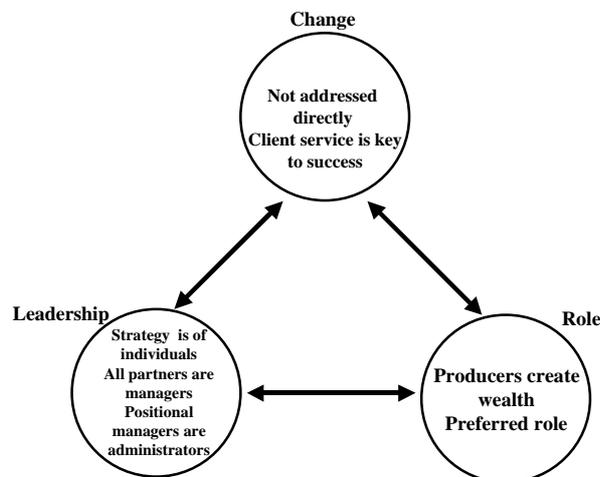
(Source: adapted from Lorsch & Tierney 2002)

Because of the structure of the business model, the cumulative profile of the firm in the market place is difficult to evaluate and understand which, in turn, potentially undermines how accurately the firm understands market perceptions and adapts its strategy accordingly.

#### 2.3.1.4 Questions facing management in law firms

In summary, the literature review in this section suggests that the interplay of perceptions of change, leadership and roles in law firms, as illustrated in Figure 2.16, is unlikely to provide firms, where such perceptions hold sway, with the capabilities to deal with change and develop their firms.

**Figure 2.16 Perceptions in traditional law firms**



(Source: created for this study)

Partners perceive the external environment in terms of a market in which they must service their clients with their own roles perceived as predominantly that of producers. A broad strategy that goes beyond individual practices and partners seems largely absent, with all partners regarded as managers with poor reporting lines and unclear accountability. Those in positional leadership are generally perceived as administrators, the result of upward delegation by the partners to run the firm and business units on their behalf.

The review so far has not provided answers to any of the seven questions in the framework composed by Sections 2.1 and 2.2. It has clarified that law firms face a series of obstacles regarding the alignment of perceptions of change, leadership and individuals' roles in these contexts. Based on the literature reviewed so far, it is reasonable to suggest that, in the face of substantial change, partners must resolve a number of paradoxical issues if their firms are to thrive in a context of heightened competition. These can be summarized as a series of problems, namely:

- How can leadership be exercised without commensurate authority?
- How can leadership be exercised when leaders are mandated by and report to their followers?
- How can a strategy be devised that is built on shared perceptions of change when each practice or partner has an individual strategy?
- How can alignment be built that is compatible with individual autonomy?
- How can a sense of shared purpose, identity and collaboration, in effect a shared mindset, be developed with people whose working practices constrict sharing?
- How can accountability be created without appearing to weaken professional autonomy?
- How can roles for firm-wide leadership, group leadership and shared leadership be developed so that a common understanding of leaders' mandates will empower them to develop the firm in the best interests of the majority?

Again, it seems reasonable to suggest that the solutions to these problems must lie somewhere in the resolution of the competing values involved in the dominant and preferred role of producer, and in the roles of manager and owner. From a competing values perspective, partners must be able to exercise sufficient cognitive and behavioural complexity that allows them to exercise each role as circumstances require. The review of the literature in this section suggests that this behavioural complexity and required competencies are lacking. Articles in the legal press repeatedly emphasize the importance of effective leadership in law firms which seek competitive advantage (Hodgart 2b; Bedlow 2001; Temporal 2000; Chambers & Wilkins 1998; Egan 1998; Viney 1996). Their writers, mostly management consultants, characteristically offer extensive advice on *what* must be done, drawing on models of leadership from the literature on corporate organizations. Advice on *how* it can be done while addressing the complex issues above is less forthcoming.

The literature reviewed so far, while providing insights into how leadership and roles are perceived in law firms, has not presented anything substantial in terms of a systematic treatment of how change and its impact are perceived in the legal industry or by lawyers in law firms. However, recent research in the field of organizational development suggests that some law firms are adapting by implementing changes that alter the very nature of professional service firms (Cohen, et al. 2003; Malhotra et al. 2003; Cooper et al. 1996). At the same time this view is robustly challenged by other researchers (Ackroyd & Muzio 2004; Morris & Pinnington 2003). A review of this recent literature will provide a framework for examining the nature and extent of change and its implications for leadership and its development in law firms.

### **2.3.2 The nature of change in PSFs and law firms**

This section first reviews the analysis of change in law firms and PSFs suggested by proponents of archetype theory. Secondly, a review of the literature which challenges the applicability of archetype theory and its findings on change in law firms follows. Competing interpretations of elements of change and continuity are identified. The section concludes by identifying implications for this study. The framework of seven questions will be confirmed as a framework of research issues by which the research problem will be explored.

#### **2.3.2.1 The theory of change in law firms**

Greenwood, Hinings & Brown (1990) proposed an organizational archetype for PSFs, including law firms, called the professional partnership model or the P2 form. Their model includes many of the features of PSFs identified in the previous section. For these writers, an organizational archetype has a distinctive set of values, ideas and beliefs, called an interpretive system, which determines a particular configuration of structure and systems. A configurational perspective is thought to be particularly useful in understanding and conceptualizing change in PSFs.

Proponents of archetype theory suggest that PSFs, including law firms, are undergoing significant configurational change to such an extent that the question

must be asked, ‘Where are PSFs headed organizationally and managerially?’ (Malhotra et al. 2003, p. 3). What change is taking place has been proposed as so extensive that it consists of a change from one archetype to another (Ackroyd & Muzio 2004; Malhotra et al. 2003; Morris & Pinnington 2003).

Faced with unrelenting pressures to become more business-like, PSFs have been undergoing changes to their traditional P2 organizational type and developing the characteristics of an organizational archetype referred to as a Managed Professional Business (MPB) (Maister 2004a; Cohen et al. 2003; Malhotra et al. 2003; Pinnington & Morris 2003). The contention is that forces driving change in the external environment, such as deregulation and competition, globalization and the changing nature of clients—as well as technological innovations—are causing PSFs to question their fundamental beliefs and practices, related structures and processes and to reconfigure themselves to become more managerial and business-like. It is argued that this is particularly the case with large accounting firms and some law firms (Malhotra et al. 2003; Cooper et al. 1996).

A summary of the P2 and MPB organizational archetypes will assist in discussing the case being made regarding change by archetype theorists, the challenges made to their findings and alternative proposals for understanding change and continuity in law firms.

### **2.3.2.2 The P2 archetype**

Three main groups of elements are seen to provide the characteristic configuration of P2 organizations, as illustrated in Table 2.15.

**Table 2.15 The P2 archetype**

Interpretive System	Extent of Control	Structure
Partnership and Professionalism	Weak strategic control involving low emphasis on analysis	Low degree of specialisation
6 Key beliefs	Emphasis on consensus in decision making	Differentiation based on professional's personal work interests
<ul style="list-style-type: none"> <li>• professional knowledge is central</li> <li>• control and evaluation is exercised by peers</li> <li>• authority is widely distributed across partners</li> <li>• work responsibility is indivisible</li> <li>• strong links with clients</li> <li>• minimal hierarchy</li> </ul>	Weak market and financial control	Little room for professional managers other than in support/administrative roles
	Weak operating control	Integration and hierarchy are minimal
	Recognition and rewards based on seniority and lockstep profit allocations	Professionals build own roles
		Informality in work groups
		Integration and coordination is left to professionals
		Use of rules and procedures is minimal

(Source: adapted from Malhotra et al. 2003)

The interpretive system centers on the elements of partnership and professionalism (Greenwood, Hinings & Brown 1990). For example, the approach and attitude to governance is determined by three key beliefs, namely the fusion of ownership and control, representative democracy for purposes of strategic and operational decision-making, and the non-separation of professional and managerial tasks. The notion of professionalism includes five key beliefs: professional knowledge is central, control and evaluation is exercised by peers in that authority is widely distributed across partners, work responsibility is indivisible, there are strong links with clients and there is a minimal hierarchy (Hinings, Brown & Greenwood 1999). The review of the consultancy literature in section 2.3.1 indicates the strength with which these values and beliefs are held and the challenges they pose for leadership development.

In the P2 form, control of strategy is weak with strategy understood as broadly the aggregate of partners' individual interests with little central strategic planning or central direction of client-facing activities (Malhotra et al. 2003; Pinnington &

Morris 2003). Financial performance is closely monitored in order to minimize risk, such as that posed to law firms by money laundering or negligence, and to ensure that each partner is accountable in terms of achieving target billable hours. The strength of this partnership model is its responsiveness to the diverse and ever-changing client demands, a strength evidenced in the decentralized structural configuration. Financial rewards for equity partners in the P2 archetype are based on profit-sharing allocated by seniority and the lockstep principle, supported by a strong internal labour market in which 'up-or-out' promotion is the norm (Ackroyd & Muzio 2004; Malos & Campion 1995; Morris & Pinnington 2003).

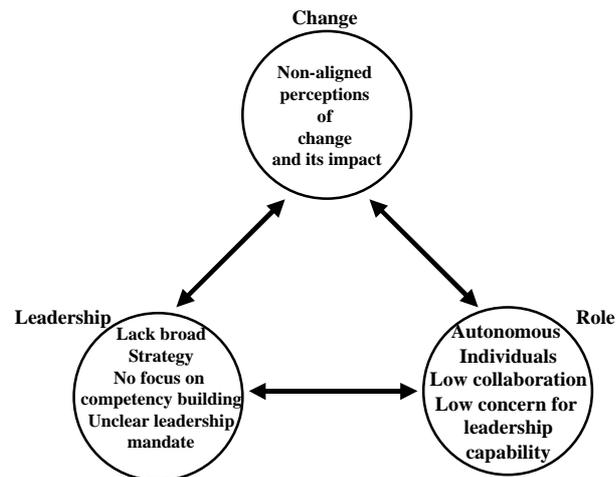
Operating systems are decentralized except for control of work standards and quality of service. Structurally, the P2 form is characterized by a low degree of managerial specialization. Professionals, i.e. the lawyers, especially partners in law firms, build their own roles rather than fit preset ones (Cooper et al. 1996). Integration and coordination are left to the lawyers and are achieved through meetings between partners and other senior lawyers and the meetings of the college of partners as a whole. Use of rules and procedures is minimal except for professional standards that are reviewed on a regular basis (Hinings, Brown & Greenwood 1999).

Features of the P2 organization include authority that is widely distributed across the partnership. Democratic decision-making requires the partners to be consulted on all major decisions affecting the firm. Relatively loose control exists over the activities of partners. Coordination is achieved by standardizing inputs rather than processes, while extended professional training develops the appropriate skills and attitudes (Malhotra et al. 2003; Pinnington & Morris 2003). In a UK law firm, standardized inputs consist of the application of legal expertise to the analysis of legal issues and their implications in a set of facts, the training for which is provided by law schools, post-graduate certification and two-year training contracts. Traditionally, the status of partner is achieved in most cases after a minimum of approximately five years in small firms and up to 8-10 years in larger firms (Ackroyd & Muzio 2004).

The P2 form contrasts with a corporate organization mostly in terms of the distributed nature of authority, the individualised approach to strategy, the consensual nature of decision-making and the indivisibility of professional and

managerial tasks. The configuration of these elements in the P2 form raises doubts about how the interplay of perceptions of change, leadership and individual roles can develop the firm under conditions of turbulent change and heightened competition, as illustrated in Figure 2.17.

**Figure 2.17 Interplay of factors on P2 organization**



(Source: created for this study)

Given a culture of autonomous professionals and the lack of a broad strategy, interpretations of change are likely to be evaluated by each individual regarding the extent to which it affects his or her own practice area. Concern for impact on others, or on the firm as a whole, is unlikely to be a priority. The need for competency building is likely to be perceived in the tradition of developing associates to strengthen ones own practice with a low emphasis on recruiting lateral hires to build competencies that would differentiate the firm and provide innovative products and services. The mandate of leadership is characteristically unclear in P2 organizations (Maister & McKenna 2002). The notion of building of leadership capability, either in individuals or in the firm, as offering the potential for competitive advantage is unlikely to occur to many partners. Under such conditions it would seem unlikely that partners would see the potential contribution of a leadership development initiative.

Given that the majority of studies in leadership development have been based on corporate entities and that lawyers traditionally look with suspicion and cynicism on activities such as management development (Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997), there arises the question of its practicability in the context of the P2 archetype. At the same time, the distributed authority of partners could provide a basis for a model of distributed leadership which would help in enabling partners to go beyond their own narrow interests and take a more strategic view of the development of the firm. A development programme of distributed leadership could secure the strategic alignment that is suggested as being weak or non-existent. However, as already indicated and to be discussed in further detail in the next section, a number of researchers using archetype theory argue that configurational change is taking place in the direction of corporatisation. If this is the case, then perhaps the applicability of corporate-based research may have useful lessons for PSFs and law firms. This suggestion of change and its direction toward the MPB form is the concern of the next section.

### **2.3.2.3 The MPB archetype**

The P2 model is said to be giving way in recent years to a more managed organization called the Managed Professional Business (MPB) which has a different set of values and related organizational configuration (Ayckroyd & Muzio 2004; Malhotra et al. 2003; Pinnington & Morris 2003; Power & Hinings 1999; Cooper et al. 1996). This new archetype, in contrast to the P2 form, has been identified with large accounting firms and some law firms (Cooper et al. 1996; Hinings, Brown & Greenwood 1994). In responding to myriad external pressures, firms are seen to be attempting to become more business-like or commercially oriented. What is emerging is the MPB form, as illustrated in Table 2.16.

**Table 2.16 The MPB archetype**

Interpretive System	Extent of Control	Structure
Partnership & professionalism 3 Key beliefs <ul style="list-style-type: none"> <li>• Partnership involves being a team player</li> <li>• Professionalism involves business-like behaviour</li> <li>• Being business-like requires efficiency, competitiveness and client responsiveness</li> </ul>	Centralized strategic planning processes More directive decision making More elaborate market targets Financial control Formal monitoring of client relationships Balance of short term and long term horizons Low tolerance for not meeting targets Operating control and planning important and done by marketing and human resource functions now seen as more critical Recognition and rewards tied to performance, individual productivity and elaboration of criteria for contribution of non-billable work such as marketing, business development and management	Increased differentiation and integration High degree of functional differentiation in such areas as human resources and marketing Integration higher with more elaborate hierarchy with 'partners-in-charge' and heads of departments Heads responsible for business plans of their departments and evaluation of partners and staff Coordination and control more complex and bureaucratic

(Source: adapted from Cooper et al. 1996 ; Malhotra et al. 2003)

In the MPB, the two elements of partnership and professionalism continue to constitute core values and beliefs, but hold a different meaning (Cooper et al. 1996). Partnership now emphasizes being a 'team player' and professionalism is seen as business-like behavior. Collegiality diminishes and, although ownership is retained by the body of partners, for the individual partner equity is dependent on his or her performance. Beliefs focus on efficiency, competition, and client responsiveness and value added provision of service (Malhotra et al. 2003; Pinnington & Morris 2003).

The MPB emphasizes a much greater degree of centralized, strategic control. Strategic planning processes are more analytical, with partners expected to adhere to

central policy and align with overall strategy. Decision-making tends to be more centralized and more directive. Market-financial controls become more centralized and characterized by more elaborate market targets (Hinings, Brown & Greenwood 1999). More formal mechanisms for monitoring client relationships are established. Tolerance for not meeting targets goes down significantly (Cooper et al. 1996). Planning and operating controls are regarded as more important and are entrusted to marketing and human resource non-lawyer professionals. Compensation is more closely tied to performance and individual productivity (Cooper et al. 1996; Morris & Pinnington 1999).

In the MPB, more elaborate criteria are introduced to evaluate a partner's contribution, apart from billable hours, in order to compensate for marketing, business development and management work that do not fit the category of billable hours. Pressure from clients to provide a range of services requires the partners to present a seamless front via client service teams. These require partners to cooperate across practice areas and integrate both core values and management of professionals from disparate specialisms (Pinnington & Morris 2003). In contrast to the P2, the MPB recruits frequently from the external labour market those senior professionals with new or scarce skills, especially those good at winning work, often referred to as 'rainmakers' (Boxall & Steveneveld 1999). Promotion and profit sharing is based on more robust performance metrics, especially productivity assessment and comparative evaluation of individuals' contribution (Morris & Pinnington 1999).

Structurally, both differentiation and integration increase significantly in the MPB form (Coopers et al. 1996). Specialization is seen as critical for providing value-added services and quality work. Structural differentiation increases on a functional basis as the management function gains importance requiring the recruitment of specialists in areas such as human resources and marketing. The hierarchy becomes more elaborate especially with establishing 'partners-in-charge' or practice heads of the departments that have emerged in organizations (Hinings, Brown & Greenwood 1999). The partners-in-charge are responsible for the business plans of their departments and for the evaluation of other partners and staff (Coopers et al. 1996). Coordination and control, overall, become more complex and bureaucratized. The new emerging MPB is characterized by corporate-like governance, structures and

systems and a notion of professionalism that emphasizes efficiency and rationality (Malhotra et al. 2003; Hinings, Brown & Greenwood, 1999). Table 2.17 summarizes these changes by contrasting elements of change in the configurations of both archetypes.

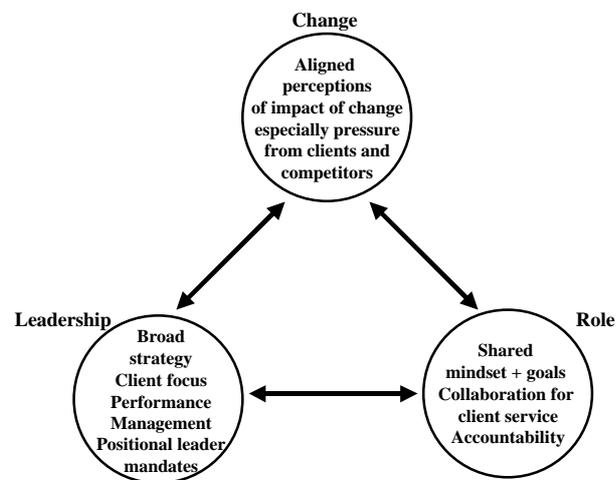
**Table 2.17 Change factors from P2 to MPB archetypes**

Element of change	P2	MPB
<b>Governance</b>	Fusion of ownership and control Revolving managerial tasks among the owners  Widely distributed authority	Ownership retained, but contingent on performance  Central management with 'Partners-in-charge' of major business units  Authority more centralized
<b>Strategy</b>	Aggregate of partners' interests	Centralized analysis, formal planning, marketing and growth strategies requiring alignment of partners and including setting performance targets in line with strategy
<b>Decision making</b>	Consensual	Centralized and directive with consultation only on most strategic issues such as merger
<b>Specialization</b>	Low with indivisibility of work	Partners-in-charge in full time roles Recruitment of non-lawyer experts as professional managers in HR, Marketing, IT  Further specialization through growth of new practice areas
<b>Accountability</b>	For professional standards and billable hours	Professional standards, billable hours but also added value for client, client service quality, team management, productivity and efficiency
<b>Profit share</b>	Seniority and lockstep	Some degree of lockstep, but combined with assessment of productivity and comparative contribution
<b>Operating control</b>	Professional standards and quality of service	Professional standards, quality of service, planning, marketing and compensation. External Quality Standards
<b>Recruitment</b>	Mostly internal; 'up-or-out' promotion	Some internal, but also external lateral hires for development of firm's competitive capability and rainmaking

(Source: adapted from Malhotra et al. 2003; Morris & Pinnington 2003)

In making the case for archetypal change, researchers (Ranson, Hinings & Greenwood 1980) point out that there is no suggestion such change is dramatic or transformational, i.e. a sweeping away of one archetype by another. It is rather a process of 'sedimentation' whereby a layering of one archetype over another is producing sedimented structures. A new stable archetypal form is gradually emerging (Malhotra et al. 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996). It is, no doubt, a clear departure from the traditional P2 form, but what is emerging is not a complete representation of the MPB form in the way it has been described. It is suggested that the new archetype is still emergent and continues to retain some of the attributes of the old P2 archetype with an overlay or layers of sediments of managerial and business-like practices and ideas. But there is also the possibility that the sedimented structure is a stable archetypal form in itself rather than just a phase in the evolution towards the MPB. Malhotra et al. (2003) found evidence of variations of archetypal combinations in a study of 98 Australian law firms.

If the findings of archetypal change are applicable to UK law firms, then a gradual corporatisation of firms may be taking place. However, no information is provided on how these changes have taken place in any firm, or on how partners-in-charge deal with the challenges identified in the consultancy literature. Neither is there information on how lawyers changed their mindsets in the change process. If the analysis is accurate, then given the significance of the interplay of perceptions of change, leadership and individual roles for the future of the firm, elements of alignment are likely to help in positioning the firm competitively, as illustrated in Figure 2.18.

**Figure 2.18 Alignment in the MPB archetype**

(Source: created for this study)

In the MPB the impact of change is clearly perceived to include more demanding clients and, therefore, a more competitive market. A broad strategy results from a centralized analysis and the presence and collaboration of positional leaders who have robust performance measures in place with related rewards including the recognition of non-fee earning work for business development. The demands of clients for team-based service require a collaborative culture and shared mindset on how to best serve them. The articulation and presence of shared goals and robust performance management implies an acceptance of accountability amongst a critical mass of partners.

Implications for leadership development in the MPB law firm must include the creation of leadership capability akin to that in corporate entities: a focus on a cadre of present and future leaders, but based on a model of distributed leadership that engages partners in an appropriate role to sustain alignment and implement change. In turn, this could hasten the change from the P2 form and go beyond the MPB in response to the demands of change both in the external environment and within the profession itself. On the back of such changes there must be a question of the extent of influence exerted by non-lawyer, managerial experts. In the context of the MPB form, given the distributed authority of partners, their relationship with professional managers must be an issue of interest, particularly with reference to whether the

authority of partners is diminished and whether, and to what degree, there is a loss of collegiality on the part of the latter.

The development of the MPB law firm would seem to hold the potential of dealing with many of the challenges deemed to face leadership and its development in the traditional law firm. Unfortunately, researchers have not addressed issues of how change took place in relation to internal operations and the dynamics of law firm management in MPBs. As a result, the framework of questions from sections 2.1 and 2.2 remain unanswered.

#### **2.3.2.4 Change and continuity—an alternative view**

The findings of proponents of archetype analysis are challenged as questionable by Pinnington and Morris (2003) and Cohen, Wilkinson & Arnold (2003) and as fundamentally flawed by Ackroyd and Muzio (2004). These studies have addressed the issue of change in UK law firms and deserve discussion here because, in challenging the findings of archetype theorists, they propose alternative interpretations of change and continuity. Their findings have implications for the structure and role of leadership and its development in law firms. Pinnington and Morris (2003), in attempting a survey of 756 partnerships in the UK, had a return rate of 26% with a slight bias towards larger firms (20 partners or more), a bias not unfavourable to this study in a firm of 162 partners. Cohen, Wilkinson & Arnold (2003) sought to examine architects' and solicitors' perceptions of the impact of change on the organizations in which they work and how professionals see the roles of management in their organizations, as well as the nature of the relationships and patterns of authority between managers and professionals. They carried out 40 semi-structured in-depth interviews with lawyers from the public and private sectors. Their findings support those of Pinnington and Morris (2003) and so both sets of findings will be reported here together.

Ackroyd and Muzio (2004) drew their data from the figures returned by law firms to the Law Society of England and Wales and represent a more extensive quantitative analysis of change and its implications in the profession. They suggest that their findings, in terms of change and continuity, are applicable across most firms

irrespective of size, but are most evident in larger firms (25 partners or more according to the researchers)—once again, of particular relevance for this study. Their findings will be discussed separately from the two previous studies because they not only reject the very applicability of archetype theory in understanding change in law firms, but also argue that it has resulted in erroneous interpretations of the significance and nature of change. Their arguments will be seen to support the main findings of the other two studies cited above.

### **2.3.2.5 Continuity amidst change**

While research reveals a more managerial form of organization, it is nevertheless one in which the core elements of the P2 form have not been transformed (Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003). Transformational change consists of change from one archetype to another and is extremely difficult to achieve (Ranson, Hinings & Greenwood 1980). Archetypal change needs to be distinguished from the general phenomenon of greater managerialism in PSFs (Ackroyd & Muzio 2004; Cohen, Wilkinson & Arnold 2003; Pennington & Morris 2003). More business-like ways of operating do not constitute archetypal change. For these authors there was no evidence of change in the underlying interpretive system of the P2 form in UK law firms. Even the case of sedimentation was regarded as overstating the significance of newer elements. Dominant underlying features indicate the persistence of the traditional interpretive scheme. Interpreting a more managerial focus and concern for being business-like and efficient is regarded as an over simplistic explanation of what changes are taking place (Cohen, Wilkinson & Arnold 2003).

It is suggested that the characteristics of the P2 archetype misrepresent its incompatibility with other forms of PSFs where more bureaucratic forms of control can co-exist with the essential partnership form. Continuity is, in fact, to be expected given the distributed nature of authority amongst partners which makes the achievement of radical change particularly difficult. Those managing the firm may be unable to secure the agreement of other partners to change because they see proposed change as a threat to their own power and/or as incompatible with perceptions of their own role and rights (Lorsch & Tierney 2002; Pinnington &

Morris 2003). In summary, the core elements of the P2 interpretive scheme have not been transformed. What changes exist are simply variations and elaborations upon the traditional professional firm archetype. Table 2.18 compares and contrasts elements of change with those of continuity.

**Table 2.18 Change and continuity in law firms**

Change	Continuity
Planning to present a clearer market image Employment of marketing specialists who bring expertise from other fields	Interpretive system remains in form of underlying values especially those that embrace the role of partners as core producers, decision makers and owners
Tighter operating standards More consciously managed firm	Strategy developed and implemented only with extensive consultation of partners who balance the power of a managerial group focused on rational planning
Market facing operations more formal and under centralized management	Non- lawyer professionals support rather than control or challenge the authority of partners in management activities both in the arenas of marketing and people management.
More extensive performance management for individuals	

(Source: adapted for this study from Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003)

Archetype research is criticized for being over-focused on what changes to the exclusion of what remains the same, creating a bias in the basic framing of research problems. Morris & Pinnington (2003) suggest that too much generalizability from accounting firms was applied to law firms. For these authors, law firms have remained relatively traditional compared to the radical changes reported in research on the largest business advisory firms. Law firms have adopted some corporate management practices, but not changed fundamentally. What changes have taken place reflect the preferences of those who control the firm and have been sufficient for firms to be able to meet exogenous pressures. Law firms have adapted by mixing high responsiveness in the strategic arena with increased planning, control and coordination of their production processes and their technical bases, i.e. employees. This has all been achieved by retaining control in the hands of partners who are actually involved in the production process and close to clients. The picture is of persistence with the interpretive scheme, but with more concerted management support systems.

If archetypal change is distinguished from the general phenomenon of managerialism (Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003) then the introduction of outside experts in professional management can be seen as an attempt to make firms more business-like. This must not be interpreted to suggest that the introduction of such professional managers results in a loss of control by partners in decision-making. In looking at the balance of change and continuity, the critical point is that the capability of the partners to run the firm and retain control over the source of their power, i.e. client relationships, is largely undisturbed. Pinnington & Morris (2003) point out that their findings challenge much of the practitioner press that promote an image of radical change away from the values and governance method of the traditional partnership and toward what is often referred to as the 'corporatisation' of the firm. The dimensions of stability and change in UK law firms add up to a more managerial professional firm which balances its traditional methods of responsiveness to the client market with a more consciously managed and internally differentiated organization.

For the purposes of this study, the implications of these arguments are that lawyers' traditional perceptions of the role of management in their firms have changed to include an appreciation of the importance and potential contribution of marketing, finance and human resource professionals, as well as the professionalization of their own managerial expertise. Even within the interpretive system, the acknowledgement of the need for a centralized strategy developed through a process of consultation is a far cry from the aggregate of individual partner strategies for their own practice areas. However, there is little information on the dynamics of how such change came about, to what extent it is representative of all law firms of different sizes, or of those of a particular size. Neither is there information on how traditional perceptions changed in bringing about a shared mindset, collaboration across autonomous practices and alignment with central strategy. While proponents of archetype theory and its critics have discussed elements of change in law firms, there has been no information on the processes of change, particularly of the related perceptions of lawyers regarding the impact of change, the role of leadership and their own roles in these contexts. This means there is little information in response to the framework of seven questions with which this literature review was approached.

### **2.3.2.6 Continuity greater than change**

For some researchers, the very applicability of archetype theory is wholly rejected, not only because it seeks factors of change to the neglect of those of continuity, but even in attempting to account for change, it misses the very agency of change namely, the partners themselves as they seek to continue their professional project (Ackroyd & Muzio 2004; Muzio 2004). For these writers, organizational change in law firms is the result of decisions and strategies of professional elites (partners controlling practices) which are designed to safeguard and promote their interests. In this particular view, change in the legal profession is not explained merely by the identification and adoption of a better and more effective archetypal paradigm, but by the continued and increased exercise of control by equity partners. In this view, continuity is greater than change.

Having substantially lost control of the numbers entering the profession, it is argued that the elite of the profession is seeking to preserve professional privileges by, among other things, increased specialization in, and ability to claim, superior expertise concerning lucrative areas of legal business. It is argued that such a strategy lies behind the increasing size of firms. Partners are also exercising internal closure on the numbers becoming equity partners and, therefore, entitled to a share in the profits in law firms. These writers provide an overview of change in the legal profession in England and Wales in support of their position, which is presented here in summary in order to analyze the significance of their arguments.

### **2.3.2.7 Overview of change**

For Ackroyd and Muzio (2004) change in the legal profession in England and Wales is seen most clearly in four aspects of how law firms operate as summarized in Table 2.19.

**Table 2.19 Change in the UK legal profession**

Growth & Concentration	Division of Labour	Profitability & Performance	Structure
<ul style="list-style-type: none"> <li>• larger production units</li> <li>• emergence of law factories</li> <li>• 36% lawyers in larger firms</li> <li>• increase in scale of operations</li> </ul>	<ul style="list-style-type: none"> <li>• 40% increase in proportion of lawyers to support staff</li> <li>• 110% increase in proportion of associates to partners</li> <li>• lawyers constitute 40% of total industry workforce</li> </ul>	<ul style="list-style-type: none"> <li>• economies of scale have increased productivity of large firms</li> <li>• fees per lawyer 120% greater in largest firms compared to smallest firms</li> <li>• monopoly and prestige of largest firms with critical mass of lawyers in most lucrative areas</li> <li>• disproportionate rewards for equity partners</li> </ul>	<ul style="list-style-type: none"> <li>• control by equity partners reinforced</li> <li>• restricted access to equity among partners</li> <li>• elongated hierarchies</li> <li>• extended career ladder for associates</li> </ul>

(Source: adapted from Ackroyd & Muzio 2004)

### 2.3.2.7.1 Dramatic growth and concentration

The legal profession is becoming increasingly concentrated in larger productive units. The last 15 years has seen a substantial growth in the size of the largest legal practices and the proportion of the total of qualified solicitors who work in them. Since the mid-80s the size of the average law firm, as measured by the number of solicitors, has increased by 55%, whilst doubling from its mid-70s levels. Very large firms have been growing 60% faster than the second-best performers and nearly nine times faster than the worst performers. The level of concentration is evident from the fact that over a third of all solicitors (36%) work for large firms, (25 partners or more). Today, the largest of British legal firms can be described as ‘multinational law factories’, which employ thousands of salaried legal and support staff throughout a network of offices across the five continents.

Size allows for the development of the specialised legal expertise and breadth of experience amongst specialists necessary to achieve a degree of monopoly in the most lucrative segments of the market such as commercial and corporate practices, as well as conferring prestige. Corporate and financial areas often require the capacity

to provide multi-disciplinary teams and a global presence. For these activities, a large critical mass of legal expertise is a requirement (Flood 1996; PWC 2000; SRU 2002).

### **2.3.2.7.2 Restructuring of division of labour**

Contrary to expectation, the ratio of solicitors to support staff has increased by 40%. Lawyers themselves constitute 40% of the industry's entire workforce which represents a progression from the early 90s, when lawyers constituted only 30% of the entire workforce. This suggests that increased managerialism did not automatically follow from increased size. Very large practices employ a higher ratio of lawyers to support staff and hence have, pro-rata, less support staff than any other category of firm. Accordingly, very large practices, which are sometimes represented in the practitioner press to be further down the path towards managerialism, seem to be able to operate with less support staff and larger operating cores of lawyers than the rest of the profession. This is due to the fact that, unlike manufacturing organizations, professionals do not just produce; they also design their service to the particular needs of clients and their particular circumstances. The extent to which what they do can be designed, rationalized or controlled is limited. It is alleged that essentially, the professional operating core is not only important for production, but also dominates decision-making processes and retains ultimate control over occupational and organizational development (Freidson 2001; Mintzberg 1979).

There have been considerable changes to the constitution of the cadre of the lawyers themselves. There has been a continuous rise in the proportion of associates relative to partners, with the relevant ratio moving from the 1985-86 value of 0.5, or 1 associate for every 2 partners, to a 2001 ratio of over 1:1. This is a 110% decline in the underlying ratio. Bearing in mind that the partner figure includes junior non-equity partners, the ratio of professionally qualified wage earners to profit sharing staff is even higher. There has, in other words, been a strong long-term tendency towards increasing the proportion of salaried lawyers to partners.

### 2.3.2.7.3 Profitability of firms

The productivity of larger firms outperforms their smaller counterparts. Very large firms of 100+ partners, with an overall growth of 40%, are the best performers. These firms are followed by large firms (50+ partners) and medium firms (25+ partners) which both exceeded the 20% mark. With size comes the capability of improving the volume of fees generated by each lawyer. There is a strong positive correlation between organizational size, professional productivity and financial performance. Lawyers in large practices generate more per capita revenues than their colleagues working for smaller firms, as indicated by Table 2.20

**Table 2.20 Gross fees per lawyer 2000**

Sole Practitioner	2-4 Partners	5-10 Partners	11-25 Partners	26+ Partners
£103,000	£116,000	£132,000	£163,000	£229,000

(Source: Ackroyd & Muzio 2004)

A 23.5% differential separates medium firms from large firms whilst 40% separates large firms from their colleagues working in very large practices. Even more dramatically, solicitors working for very large practices enjoy, in gross fee terms, a 120% advantage on their colleagues in sole practice.

### 2.3.2.7.4 Structure

Professional hierarchies have become elongated, and the terms and conditions of career progression are changing in favour of those at the top and against those at the bottom. In the ten years to 2000, the headcount growth of partners grew by 30%, while their salaried subordinates expanded by 170%. Associates have been growing over five times more rapidly than their profit-sharing colleagues. This has meant the lengthening of partner promotion times, which, once the new position of salaried partner is taken into account, have effectively doubled. Abel (1988) calculated an average time of 5.5 years for a solicitor to become a partner in the mid-80s. An

equivalent calculation for data available for the late 1990s shows this period has increased to approximately 10 years.

Any increased use of management is not central to the processes that are occurring and increased use of management techniques is only an adjunct to processes of internal change within the profession itself. Ackroyd & Muzio (2004) challenge the notion that there are, or will have to be, fundamental changes in the pattern of organization away from control of their businesses by professional themselves towards more managed patterns of provision.

Additionally, Ackroyd & Munzio (2004) maintain they found little evidence for a move away from traditional forms of organization in which legal services are organized and delivered by lawyers themselves. They suggest the evidence points more towards continuity than represented by other researchers. They argue that the evidence for the existence of the MPB in the legal profession is negligible if this is taken to suggest that the control of law firms has moved, or is moving, out of the hands of the lawyers themselves.

### **2.3.2.8 An alternative interpretation of change**

Ackroyd and Muzio (2004) argue that increases in the scale of operations provide a way of defending the high levels of remuneration that partners have traditionally enjoyed. They suggest that reorganization of, and change in, law firms represent an assertion of internal closure to compensate for the loss of external closure. Law firms' attention to their own management is regarded as a by-product of the reorganization of the profession, itself undertaken by the professional elites in pursuit of their own advantage. In the case of UK law firms, the dominant elite is pursuing profitability and continued occupational success through new methods which prioritize new lines of internal closure.

If the interpretations offered by Ackroyd & Muzio (2004) are accurate, a number of issues for the exercise of leadership in law firms arise. Firstly, the question must be asked to what extent equity partners in larger law firms were conscious of adopting exclusionary tactics as a business management strategy, given the likely effects on

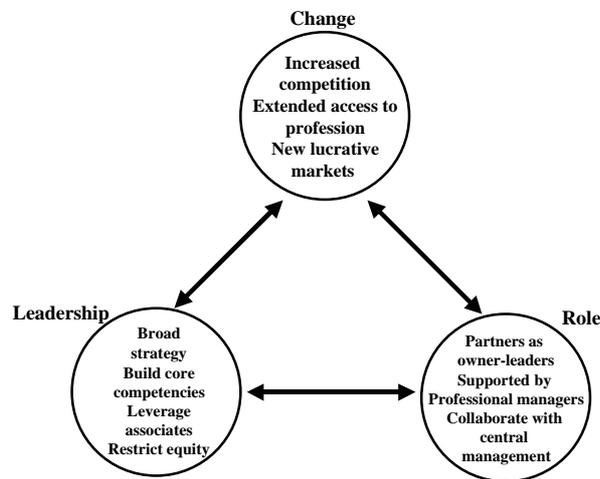
those whose promotion to partnership was, at best, being delayed significantly. Secondly, it must be asked, to what extent have partner-owners addressed the issue of how they can motivate associates who may see their career aspirations frustrated, and see themselves continuously disadvantaged in terms of comparative rewards and benefits. This issue could be all the more acute as the level of expertise of senior associates approaches that of the partners themselves.

A third question must ask how leadership has been exercised in what have been acknowledged as big businesses ('law factories'). Linked with this question must be that of how such leadership capability was developed and positioned within firms, given the democratic nature of law firms and the indivisibility of work that has traditionally characterized the exercise of management in law firms and where lawyers traditionally 'looked down' on professional managers (Mayson 1997). Lastly, the recruitment of expert management professionals, presumably from other sectors, raises the question of how such senior executives are allowed exercise their role and influence strategy and decision making, given their presumed senior previous experience and the distributed authority of the cadre of partners. The authors infer much from statistical information, but provide no evidence from the internal dynamics of how change came about within law firms.

The analysis offered by these Ackroyd & Muzio (2004) seems unduly simplistic. There is little reference to market forces such as deregulation, competition, globalization, the changing nature of clients and technological-driven change. The main driver for change is presented as that of the profession itself, particularly the factor of the widening of access to legal studies. In fact, implied in the arguments of these writers is very substantial change in the mindsets of partners in law firms. The extent of growth and concentration implies that partners as producers and owners, at least in larger firms, are working collaboratively to extend the capability of their firms even beyond their own practice areas. This, in turn, implies an agreed broad strategy for building critical competencies. This strategic alignment and collaboration marks a significant departure from traditional law firms, which the writers seem to overlook. This collaboration has also allowed partners to maximize leverage through associates while retaining control.

The impressive performance of the larger firms implies that partners have developed an approach to management that, through integration and coordination, has maximized revenue, productivity, efficiency and profitability. This degree of managerial expertise is not characteristic of traditional law firms and implies a significant shift in traditional mindsets, operations and performance management. Clearly implied is an alignment of partner perceptions of the nature of change, the role of leadership and of the partners themselves in growing the firm, as illustrated in Figure 2.19. This seems to be particularly the case in the largest firms.

**Figure 2.19 Implied change in larger firms**



(Source: created for this study)

Here, leadership is exercised in the analysis and interpretation of change, including the identification of new opportunities and markets. A broad strategy has been devised which is one of growing the firm to have core competencies that deliver competitive advantage in the most lucrative areas. A shared mindset has developed, at least amongst the equity partners, that includes restricting equity and leveraging associates to maximize productivity and profitability. Management has been ‘professionalized’ by the recruitment of professional experts while direction and leadership is firmly in the hands of equity partners. Professional experts remain in a supportive, rather than executive, role. In summary, by implication, Ackroyd and Muzio (2004) portray a picture of very

extensive change in larger law firms not dissimilar to that summarized in the MPB archetype.

### **2.3.2.9 Summary**

This review of recent organizational development literature on the nature of change taking place in law firms, with particular reference to UK firms, indicates that whilst there is substantial agreement among researchers that significant change has been taking place and is likely to continue, there is considerable disagreement on how such change is to be understood. For some, the significance of change is to be understood as the emergence of new organizational archetypes through a process of sedimentation involving the changing of the foundational beliefs and configured practices, especially those relating to how the leadership of firms is to be exercised (Malhotra et al. 2003; Cooper et al. 1996). For others, change is understood as less significant, involving no questioning of the underlying beliefs and values of law firms, but emphasizing a trend towards increased managerialism and business-like behaviour, including the involvement of expert professional managers (Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003). A third perspective understands significant change more in terms of growth in the scale of operations, restructuring of the division of labour and extension of hierarchies and professional career paths and a retrenched protection of professional privilege and high earnings of equity partners (Ackroyd & Muzio 2004; Muzio 2004). This latter view sees no fundamental change in the nature of leadership in UK law firms and regards the role of professional managers as merely supportive.

Where most researchers agree is that what changes have taken place in the external environment of UK law firms have resulted in a heightened awareness on the part of partners regarding the critical role played by management in the success of their firms—whether exercised by the college of partners by way of distributed leadership, or by a centralized leadership group composed of partner-managers supported by expert professional managers. Research has largely focused on the impact of change and on the exercise of leadership involving such issues as governance, strategy, alignment, decision making, accountability, performance management, operations, specialization, integration and coordination. Unfortunately, for the purposes of this

investigation, the research has been conducted from an external perspective involving quantitative analysis for the most part.

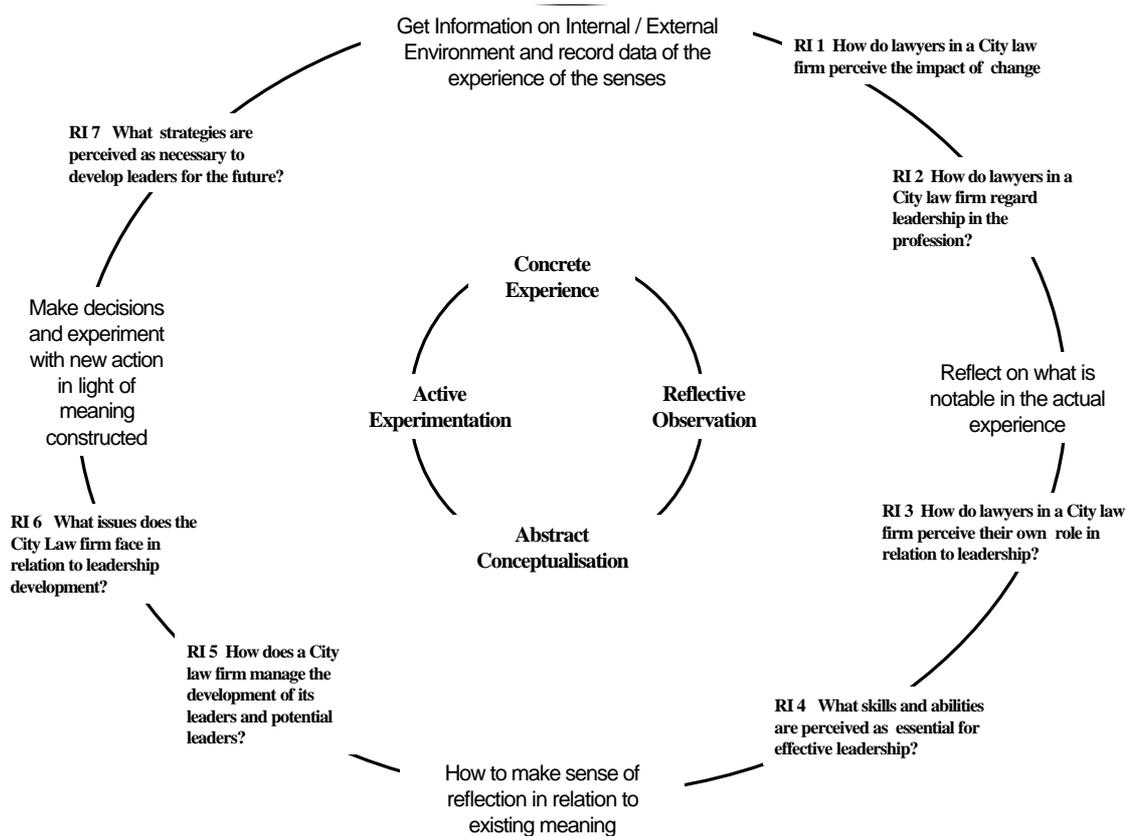
The picture of management that emerges is one of a strongly focused group of partners, aware of change and with the skills and abilities to analyze it, devise a growth strategy, build competitive capability in the most lucrative market segments, maximize revenue and profitability driven by productivity and efficiency. These constitute considerable leadership skills. Yet throughout the literature there is little information on how lawyers themselves perceive change and its impact, on how they perceive leadership now in the profession, and their own roles in these contexts. There is little information on the interplay of the roles of producer, manager and owner and whether a change has taken place that has enabled partners to reconcile the competing values of each.

The review of the immediate literature consisted, firstly, of an examination of that from management consultancy and the industry press which established the challenges faced by leadership and its development in law firms in the face of substantial change. These challenges were seen to arise from the traditional roles of partners as producers, managers and owners, and particularly from the fact that partners have a strong preference for the role of producer. Secondly, the literature on change in law firms was reviewed and revealed that very significant change is taking place in the management of law firms and that some firms, particularly those that have been able to grow rapidly, are responding to such change very successfully, delivering exceptional profits to partners, but apparently at considerable cost to associates. Implications of this literature is that in exercising their roles as owners and managers, partners in the most successful firms have recruited expert professional managers, improved their own managerial expertise and are experiencing a degree of success that characterizes the most successful corporate organizations. The inherent tensions between the roles of producer, manager and owner would seem to be reconciled. However, in all of these two bodies of literature, for the most part, the voices of the lawyers are peculiarly absent. In summary, the context review has failed to provide information in response to the seven questions posed by sections 2.1 and 2.2. The questions thus reveal significant gaps in the literature and, therefore, become research issues for this study.

## 2.4 Research issues

At the centre of this investigation is the experience of lawyers in a City law firm, how they reflect on that experience and conceptualize it and what action they see, if any, as essential in building the leadership capability required by their firm for success in the future. This is, therefore, a study in experiential and organizational learning. With a slight alteration in the sequencing of the research issues, they can be mapped onto the experiential (Kolb 1984) and organizational learning cycles (Dixon 1999), as illustrated in Figure 2.20. This learning is of course an integrated process of individuals learning from experience (experiential) and collaborating together to constitute the learning of the organization. As an integrated process and for the sake of simplicity, it will be referred to in this study from here on as ‘The Learning Cycle’.

**Figure 2.20 The learning cycle**



(Source: adapted for this study from Dixon 1999; Kolb 1984)

## **2.4.1 Research issues in the learning cycle**

### **2.4.1.1 Exploring concrete experience**

Research issues 1 and 2 are intended to explore two aspects of lawyers' experience relevant for leadership development, namely the impact of change and current leadership in their profession. This will provide important data in the context of the change imperative identified in Section 2.1 as requiring a response called 'leadership'. Secondly, how leadership in the profession is perceived by lawyers will provide important data in evaluating the extent to which they perceive current leadership as providing an effective response to change and the extent to which they regard the profession's awareness of the need for robust business leadership.

### **2.4.2.2 Reflection on experience**

Research issues 3 and 4 will move interviewees from experience to reflection by first inviting them to reflect on how they see their own roles in relation to leadership. This will provide important data on the extent to which lawyers may still see their roles as predominantly producers and whether, and to what extent, they see leadership to be encompassed within the roles of manager and owner. How associates perceive their roles in this context will be of particular interest in light of the changes to their career development described in the previous section. Research issue 4 will invite lawyers to reflect on what skills and abilities are necessary for effective leadership. This should provide important data on whether, and to what extent, lawyers link these skills and abilities with needs arising from the nature of a law firm, the impact of change on their own firm and to their own roles in this context.

### **2.4.2.3 Theorizing on experience**

Research issues 5 and 6 will invite lawyers to move beyond reflection and, in the light of their considerations, to examine how the firm currently manages leadership development. This will provide important data on how they make sense of this

management, given their earlier reflections on skills, abilities, roles and the experience of leadership and change. Research issue 6 invites lawyers to provide their own theory on the issues the City law firm faces in seeking to develop leadership. This will provide important data on what hurdles lawyers see the firm facing in relation to a leadership development programme. This will provide data on how lawyers perceive the strength of concerns about billable hours, the significance of the preferred producer role and whether or not cynicism still prevails in relation to development programmes.

#### **2.4.2.4 Strategies for action**

Research issue 7 invites lawyers to propose some concrete actions which, in their view, would be worth trying or experimenting with in light of their considerations of the previous six questions. This will provide important data on whether, and to what extent, lawyers see practical ways in which to intentionally develop leadership capability. It will be interesting also to see whether they are aware of any strategies that have been tried elsewhere, and whether these relate to those firms judged in the OD literature to have had exceptional success.

#### **2.4.3 Conclusion**

The chapter began with a review of the literature on the nature and concept of leadership and suggested that, even in the midst of considerable confusion on what leadership means, three related factors dominate the literature on leadership. The first of these is the change imperative, understood as perceptions of the phenomenon of substantial change in the external environment demanding an appropriate response from the organization for its continued and future success. The second related factor was seen to be perceptions of effective leadership, which constitutes the appropriate response to change. The third related factor was the perceptions of roles individuals see as their own response in relation to leadership and change. These three factors were the original source of the first three research issues.

The chapter then reviewed the literature on leadership development. As well as identifying the characteristics of best practice programmes, it outlined the

developmental nature of these programmes as founded on the theory of experiential learning understood as constitutive of human development. Best practice and the dynamics of personal development were the original source of two further research issues. In the context of best practice, the literature on core competence and leadership competencies was reviewed. Links were established between leadership capability as core competence constituting competitive advantage, individual leadership competencies required for the future, and the criteria of leadership success as founded in criteria for organizational success. Two final research issues were identified.

The final part of this chapter consisted of a review of the literature of the immediate discipline of leadership development in law firms and was necessarily a context review consisting of two bodies of literature. Literature provided by management consultancy and the industry press helped to identify a series of challenges facing the development of leadership in law firms arising from their nature as professional service firms. At the same time, the literature on organizational change in law firms indicated that at least some firms were responding to the change imperative with extraordinary success. Neither body of literature provided answers to the seven questions posed by earlier sections, revealing gaps that confirmed these questions as research issues.

The chapter concluded by a slight re-ordering of the research issues to establish this project as an investigation in experiential and organizational learning.

## CHAPTER THREE—RESEARCH METHODOLOGY

### 3.1 Introduction

Chapter Two provided a review of the literature on leadership and leadership development with particular reference to law firms. Arising from gaps in the literature, seven research issues were identified. This chapter describes the methodology used in collecting the data in response to these issues and in order to solve the research problem, *How does a City law firm deal with leadership development?*

The chapter begins with an outline of scientific paradigms and presents, in section 3.2, a justification of the scientific realism paradigm for this study. In section 3.3, the choice of case study methodology is justified as a rigorous empirical inquiry appropriate for qualitative research. In section 3.4, a range of criteria for judging the quality of case study design is presented, together with an explanation of how this investigation will meet each of these criteria. In section 3.5, the role of prior theory is discussed and the study is presented as consisting of two phases—an exploratory phase, followed by a confirmatory phase. Convergent interviews are explained and their role in contributing to prior theory and the interview protocol is outlined.

Section 3.6 is of particular importance to this study. Here, the choice of a one case study with multiple embedded sub-cases is justified by extensive reference to research identifying criteria for justification. The robustness of the research design is then explained. In section 3.7, data collection procedures are discussed, including the role of the interview protocol and the selection criteria for interviewees. Data analysis procedures are outlined in section 3.8, with limitations of the study discussed in section 3.9. Ethical considerations relevant to this study are summarized in section 3.10.

### 3.2 Justification for the scientific realism paradigm

This section describes the nature of scientific paradigms, presents a brief outline of four major paradigms and justifies the selection of scientific realism for this investigation.

The pursuit of scientific inquiry forces researchers to examine their fundamental assumptions about what constitutes reality, knowledge and inquiry, regarded as issues in ontology, epistemology and methodology respectively (Guba & Lincoln 1994). The scientific community has schematised different sets of assumptions into what have become known as the ‘scientific paradigms’ understood as perspectives for determining how researchers view, investigate and understand reality (Cooper & Emory 1995).

A paradigm is ‘a worldview consisting of a set of basic beliefs or metaphysics that deals with ultimate or first principles’ (Guba & Lincoln 1994, p. 107). It involves a framework of beliefs, values, orientations and techniques shared by the members of a specific professional community (Carson et al. 2001). In this sense, a paradigm defines the nature of the world, the individual’s place in it and the range of possible relationships to that world and its parts. The scientific method investigates these relationships and depends critically on being able to relate phenomena to theory (Cooper & Emory 1995). The beliefs are basic in that they must be accepted simply on faith, however well argued. There is no way to establish their ultimate truthfulness (Guba & Lincoln 1994). People whose research is based on a shared paradigm are committed to the same rules and standards for generating knowledge. ‘The commitment and the apparent consensus that it produces are the bases for the genesis and continuation of a particular research focus and set of answers’ (Kuhn 1962, p. 11). In essence, the inquiry paradigms ‘define for researchers what they are about and what falls within and outside the limits of legitimate inquiry’ (Guba & Lincoln 1994, p. 108).

There are two major approaches to theory development, deductive theory testing and inductive theory building (Perry 1998; Parkhe 1993; Bonoma 1985; ). Their differences are reflected in two main scientific paradigms, the deductive approach represented in the positivist paradigm, and the inductive approach represented in the phenomenological (Easterby-Smith, Thorpe & Lowe 1991) or interpretive (Carson et al. 2001) paradigm. This latter includes three further differentiated paradigms including critical theory, constructivism and realism. Table 3:1 compares the respective assumptions of these paradigms in terms of their perspectives on ontology, epistemology and methodology.

**Table 3.1 The scientific paradigms**

<b>Paradigm</b>	<b>Ontology</b>	<b>Epistemology</b>	<b>Research Method</b>	<b>Application in this study</b>
<b>Positivism</b>	An apprehendable physical reality exists independent of the knower and is determined by immutable natural laws and principles	The researcher does not influence what is known even in acts of knowing such as deduction and interpretation and findings are 'true'	Concerned with quantitative methods such as experiments and surveys to generate data and verify hypotheses	Not suitable because this study is not concerned with theory testing. Gaps in the literature gave rise to a number of research issues that require investigation and analysis of qualitative data
<b>Critical Realism</b>	An apprehendable reality exists independent of the knower but it is complex and difficult to apprehend fully; it includes phenomena that are not directly observable such as emotions, interpretations, values and beliefs	This reality can be known mostly by induction; the knower is fallible influencing and being influenced by what is known and must create processes to establish and maintain objectivity; findings are 'probably true'	Case studies involving in-depth interviews, convergent interviews and triangulation of data sources	Suitable for this study because the concern is to understand complex phenomena, requires findings to be tested for objectivity so that results can be regarded as highly probable and permits further theory building
<b>Critical Theory</b>	Reality is not subsistent but is shaped by social political, economic and other forces; the role of the researcher is to liberate participants from deterministic social structures and interpretations	The researcher transforms the reality studied proposing alternative frameworks and interpretations in accordance with own values	Action Research	Not suitable because this perspective seeks change or transformation whereas this study seeks to explore, understand and interpret phenomena not change them
<b>Constructivism</b>	There is no subsistent reality but rather only that which is constructed by knowing subjects	Objectivity is not a concern as the reality constructed by the knower is the really real.	In-depth interviews	Not suitable because objectivity is a critical concern for this study as discussed in Section 3.4. Constructivism regards propositions as necessarily subjective

(Source: Adapted from Perry, Alizadeh &amp; Riege 1997)

In any investigation, the researcher is required to choose the paradigm that best suits the nature of the inquiry being conducted. For research purposes, data can be quantitative (numbers), or qualitative (words) (Perry 1998). Qualitative research provides insights and understandings, while quantitative tries to generalize these insights to a population. Qualitative research is particularly appropriate when ‘the need is to understand certain phenomena’ (Carson et al. 2001, p. 64) or ‘for specific situations such as diagnosing or exploring the nature of a problem, that is, the key dimensions of the issue and discovering new ideas about a problem’ (Zikmund 1997, p. 101). In Chapter Two, the focus of this inquiry was presented as, ‘How does the city law firm deal with leadership development?’ Seven research issues arising from gaps in the literature were identified, ruling out any substantial theory testing, thereby necessitating rejection of the positivist paradigm for this study.

Theories are developed, for the most part, through the process of inductive reasoning (Perry 1998), described by Zikmund (1997, p. 28) as ‘the logical process of establishing a general proposition on the basis of observation of particular facts’. In the constructivist paradigm, such propositions would be necessarily only those of the researcher and, therefore, purely relative and without tests for objectivity. On this basis, the constructivist paradigm is also rejected for this study. The critical theory paradigm (see Table 3:1) is rejected in that the concern of this study is to understand how the City law firm deals with leadership development and to relate findings to the body of theory on leadership development. The researcher is not concerned with influencing or transforming how a City law firm develops its leaders in accordance with any ideology or value system. This leaves the option of the critical realism paradigm, which, as will be seen, matches the aims and objectives of this inquiry.

### **3.2.1 Justification for the critical realism paradigm**

Research problems require outcomes and conclusions that fall into two broad categories of findings: those that identify general statements (generalizations) and those that identify specific understandings of an in-depth nature (Carson et al. 2001). This study seeks findings of an in-depth nature in attempting to investigate and understand the perceptions and interpretations of lawyers in a City law firm in relation to change, leadership, related individual roles and leadership development

within the firm. In seeking findings of an in-depth nature, the surface reality we see only partially reflects what goes on unseen and there are many things impossible to observe directly in the social world (Neuman 1994). Human behaviour includes unobservable phenomena such as emotions, perceptions, interpretations, values and beliefs, which cannot be understood without reference to the meanings and purposes attached by human actors to their activities (Guba & Lincoln 1994). Such unobservable phenomena constitute the qualitative data for this study in the attempt to provide answers to the research problem (Easterby-Smith, Thorpe & Lowe, et al. 1991). The task of the researcher is to understand the different constructions and meanings people place on their experience. The data by which such phenomena can be observed consist essentially of words and symbols which can provide rich insight into meanings and behaviour. In terms of the research problem, the fundamental need is to understand phenomena surrounding management, leadership and leadership development. In this context, qualitative research methods serve the investigation of management decision-making better than many other research methods (Carson et al. 2001; Fetterman 1989; Mintzberg 1979). In summary, the choice of the critical realism paradigm is justified for this study.

### **3.3 Justification for case study methodology**

This section justifies case study methodology for this study in that it is a method of rigorous scientific inquiry which provides in-depth understanding of complex phenomena such as those under investigation.

Case study methodology is defined as:

...a research method which focuses on a particular part of an organization or an industry within its context in order to rigorously explore and analyse contemporary real-life experiences in-depth, using a variety of evidence.

(Riege & Nair 1996, p. 142)

The methodology tends to address research problems within the interpretive, rather than the positivist, paradigm (Easterby-Smith, Thorpe & Lowe 1991). It is particularly appropriate when the problems require an understanding of managerial perceptions or culture where meanings are socially constructed, rather than being

value-free (Easterby-Smith, Thorpe & Lowe 1991). It is a research strategy that is focused on understanding the dynamics present within single settings such as that of the law firm in question (Yin 1994; Robson 1993; Eisenhardt 1989; Merriam 1988), provides guidance in exploring the dynamics present within their context (Yin 1994; Robson 1993; Eisenhardt 1989; Merriam 1988) analyses data in a more exploratory and descriptive manner than a prescriptive and normative manner (Bonoma 1985; Merriam 1988; Yin 1994).

Because of its rigour, case study is regarded as suitable in studying complex contemporary problems about which little research has been published (Perry 1998). It is useful for research areas where deduction from existing theory is likely to be difficult and accepted principles and constructs have not been established, or are inadequate. An entire organization may be studied in-depth with meticulous attention to detail, with in-depth interviews providing understanding of a complex situation, gaining insight and suggesting hypotheses for quantitative research (Zikmund 1997). Yin (1994, p. 8) suggests that:

...the case study's unique strength is its ability to deal with a full variety of evidence—documents, artefacts, interviews and observations—beyond what might be available in the conventional historical study.

Case study research may be summarised as scientific, empirical inquiry that:

- investigates a contemporary phenomenon within its real-life context; when
- boundaries between phenomenon and context are not clearly evident; and in which
- multiple sources of evidence are used;
- is descriptive in having richness and depth by being focused on contextual meaning
- is inductive in the hypotheses, relationships and understandings that emerge from the data
- is heuristic in that it illuminates and raises the possibility for new perceptions.

(Source: summarized from Carson et al. 2001; Gummesson 2000; Guba & Lincoln 1994; Yin 1994)

In Section 3.2 it was established that this inquiry is a qualitative research study seeking understanding of complex phenomena, that is, how a City law firm deals

with leadership development. The suitability of case study methodology is evident in that this investigation examines a contemporary phenomenon, leadership development, within its real life context—the City law firm—and where the boundaries between the firm and how it develops leadership are not clear. The study will consider multiple sources of evidence including prior theory, findings from three focus groups, convergent interviews and thirty in-depth interviews, thereby establishing further rigour through triangulation. The descriptive, inductive and heuristic features of case study methodology fit with what is required of the investigation.

Five possible research strategies and the conditions under which they are likely to suit the purposes of an inquiry are identified and summarized in see Table 3.2 (Yin 1994).

**Table 3.2 Application to this study of relevant conditions for different research strategies**

Strategy	Form of research question	Requires control over behavioural events?	Focuses on contemporary events?	Application in this study
<b>experiment</b>	how , why	yes	yes	not applicable as the study has no control over behavioural events
<b>survey</b>	who, what, where, how many, how much	no	yes	not applicable as none of these questions are being addressed by this study
<b>archival analysis</b>	who, what, where, how many, how much	no	yes/no	not applicable as none of these questions are being addressed by this study
<b>history</b>	how, why	no	no	not applicable because the study focuses on contemporary events
<b>case study</b>	how, why	no	yes	applicable for this study as the question being asked is 'how', the study has no control over behavioural events and focuses on contemporary events

(Summarized from Yin, 1994)

In selecting a research strategy, three conditions or criteria have been enumerated:

- (a) the type of research question posed
- (b) the extent of control the investigator has over actual behavioural events
- (c) the degree of focus on contemporary as opposed to historical events.

(Yin 1994)

The most important of these is the type of research problem posed. Case study methodology is preferred when the question is a 'how' question, the inquiry focuses on contemporary events, and the researcher has no control over the events being studied (Yin 1994). These three conditions are present in this inquiry. The question is, 'How does a City law firm deal with leadership development?' Events are not historical in that the inquiry will seek to generate contemporary descriptive data for analysis. Given that the data being sought are qualitative and involve the perceptions, interpretations, meanings, emotions and values of respondents, the researcher can have no control over the events being studied. In summary, a case study research strategy is justified for this empirical inquiry.

### **3.4 Criteria for judging the quality of case study design**

The dominance of the positivist paradigm in scientific research has given rise traditionally to three tests of quality: validity (does an instrument measure what it is supposed to measure?), reliability (will the measure yield the same results on different occasions?), and generalizability (to what extent is the sample representative of the wider population?) (Easterby-Smith, Thorpe & Lowe 1991). However, in discussing quality or reliability in interpretive research, the discussion must be based on the logic of the paradigm involved and should not be based on the inappropriate logic of the positivist paradigm (Carson et al. 2001; Gummesson 2000). Within the critical realism paradigm three tests of quality are contrasted with those in the positivist paradigm as outlined in Table 3.3.

**Table 3.3 Tests for quality in positivism and critical realism**

Paradigm	Test of Validity	Test of Reliability	Test of Generalizability
Positivism	Does the instrument measure what it is supposed to?	Will the results be the same on different occasions?	Statistical: How representative is the sample of the wider population?
Critical Realism	Does the theory really reflect the reality of respondents?	Would the theory hold for researchers using the same methodology in other regions or situations?	Analytic: To what extent can results be related to broader theory?
Application in this study	Use multiple sources of evidence Have key informants review draft study report	Develop case study protocol and database Study multiple cases or multiple embedded sub-cases	Carefully construct data analysis Provide full, descriptive evaluation and assessment

(Summarized from Carson et al. 2001; Easterby-Smith, Thorpe & Lowe 1994)

For this study, tests of validity were met by the use of multiple sources of evidence consisting of three focus groups, three convergent interviews and thirty in-depth interviewees with lawyers representative of the firm's five strategic business units referred to as 'divisions'. In addition, five key respondents were asked to critically examine the draft of the report on the findings to evaluate the extent to which they accurately represent the experiences described at interview. Tests of reliability were met by the development of a case study protocol and database, and by the use of multiple embedded sub-cases using literal and theoretical replication (see section 3.6). Tests for analytic generalization were met by a careful construction of data analysis in Chapter Four (see section 3.8) and the provision of a full and descriptive evaluation of findings and conclusions in Chapter Five which, it is hoped, are characterised by transparency (see section 3.8.1). In Chapter Five, these findings are also related to prior theory discussed in Chapter Two.

### 3.4.1 Qualitative research in relation to generalization

Because the issue of generalization in qualitative research is contentious for some researchers (Carson et al. 2001; Gummesson 2000; Tellis 1997) it is worth commenting on its significance for this study. Statistical generalizability is not an issue within qualitative research since qualitative research methodologies have been used precisely because of the need to gain meaning and in-depth understanding and this is difficult to achieve through any method that will also enable statistical

generalizability (Carson et al. 2001). There is no theory to be tested. Given that statistical generalization is not an aim of the study, respondents do not constitute a random sample, but rather a ‘purposive’ sample because of their relevance to the research problem and issues (see section 3.7.3 on selection criteria). There is no attempt within this study to generalize its findings to all or other City law firms. The limitations of the study are discussed in section 3.9.

Much of the value of qualitative research is precisely its context-based relevance and appropriateness. The relevance of findings of this study is related to the context of the firm and to prior theory (see section 3.5). Here, generalization extends within the range of respondents and not beyond it (Gummesson 2000; Tellis 1997). In addition, through the process of inductive reasoning (Zikmund 1997) a number of new propositions and interpretations are presented in Chapter Five. Generalization beyond the data will depend on subsequent research for statistical data later. In Chapter Five, possibilities for such subsequent research are suggested.

### **3.4.2 Tests of quality in case study methodology**

In addition to tests of quality for the critical realism paradigm, three tests of quality for descriptive or exploratory case studies are proposed, namely, construct validity, external validity and, reliability (Yin 1994) (see Table 3.4). In the interpretive paradigm, the discussion must be based on the logic of trustworthiness the quality of which requires the researcher to demonstrate transparency of findings (Carson et al. 2001; Gummesson 2000). Three tests establish this trustworthiness—those of credibility, dependability and conformability. Only sound and rigorous methodological progression within the case study can guarantee meeting all tests of quality. Three sets of activities taken together establish credibility, dependability and conformability (Carson et al. 2001). These are:

- Careful use, interpretation, examination and assessment of appropriate literature referencing prior theory, conceptual frameworks and empirical results.
- Careful justification of the qualitative research methodologies employed.

- Careful structuring of the data analysis to ensure full and descriptive evaluation and assessment, particularly in relation to data of key significance. This analysis is linked back to methodological frameworks, prior theory from the literature and prior theory pertaining to significant findings. Here the research issues will provide the headings for the data analysis and link findings with the prior theory.

Quality tests outlined by Yin (1994) also serve to establish trustworthiness for Carson et al. (2001). Table 3.4 summarises Yin's (1994) tests for quality, alongside those proposed by Carson et al. (2001) and outlines the methods used in this study to meet their criteria.

**Table 3.4 Tests for Quality in Case Study Methodology**

Tests	Case study method	Phase of research applicable	Methods in this study
Construct validity	Use multiple sources of evidence  Establish chain of evidence  Have key informants review draft case study	Data collection  Data collection Composition of report	<ol style="list-style-type: none"> <li>Multiple sources of evidence consisting of convergent and pilot unstructured interviews, multiple sub-cases with in-depth semi-structured interviews, archival materials</li> <li>Chain of evidence created through development of case-study database and case study protocol; linking of protocol content to research problem and issues</li> <li>Review of draft case study report by 5 key informants</li> </ol>
External validity	Use replication logic in multiple case studies	Research design	Choice of multiple embedded sub-cases using replication logic
Reliability	Use case study protocol  Develop case study data base	Data collection  Data collection	<ol style="list-style-type: none"> <li>Development of case study protocol to be used across all main cases</li> <li>Development of case study database consisting of case study notes, documents including interview transcripts</li> </ol>
Credibility  Dependability  Conformability	Literature Review  Research Design  Data Analysis  Implications and Conclusions		<ol style="list-style-type: none"> <li>Careful use, interpretation, examination and assessment of appropriate literature—established in Chapter Two</li> <li>Careful justification of the qualitative research methodologies employed established in Chapter 3, section 3.2</li> <li>Careful structuring of the data analysis to ensure full and descriptive evaluation and assessment—presented in Chapters Four and Five</li> <li>Analytic generalization of findings to prior theory—discussed in Chapter Five</li> </ol>

(Source: adapted from Carson et al. 2001; Yin 1994)

### **3.5 Role of prior theory and case study research**

Case study research, though clearly within the interpretive paradigm which is primarily inductive, is faced with the issue of how much theory building should occur and whether there is any place for deduction or theory testing (Perry 1998). This raises the issue of the role of prior theory within the research and is the focus of this section.

#### **3.5.1 Prior theory in qualitative research**

Proponents of pure induction or grounded theory see no role for prior theory in qualitative research because of the risk that researchers may tend to mould the facts that appear to match a given theory (Manaan 1989). In this view, the process by which grounded theory is developed is superior to theory that is developed by logical deduction from prior assumptions (Glaser & Strauss 1967). Even setting loose parameters at the start of qualitative research is regarded as problematic, because openness to the data and freedom from seeking confirmation of any sort is essential in theory building. Otherwise, it is argued, elements of theory testing creep in (Carson et al. 2001).

Other researchers, however, counter that, in reality, through the socialisation process, a great deal of common prior knowledge is gained and is bound to influence the researcher's formulation of hypotheses (Perry 1998; Manicas 1989). Whilst the researcher strives for objectivity by being aware of the need for a critique of prior knowledge thus appropriated, it is impractical to start from scratch with absolutely no theory whatsoever. In reality, both prior theory and theory emerging from the data are always involved, often simultaneously (Miles & Huberman 1994). Prior theory can have a pivotal function in the design of the case study and analysis of its data. It is argued that, in general, theory is a guide to practice (Carson et al. 2001; Perry 1998; Fetterman 1989;). From this perspective, pure induction risks preventing the researcher benefiting from existing theory (Perry 1998). In fact, the process of ongoing theory advancement requires continuous interplay between induction and existing theory (Perry 1998; Prakhe 1993). In this respect, prior theory can be viewed as some additional evidence that can be used to triangulate on the external reality of the case study. Prior theory can provide sensitizing concepts for the research, while

the data can provide indigenous concepts for analysis and comparison. This is the position taken by this researcher in that the literature on leadership, leadership development and the context review discussed in Chapter Two gave rise to a series of sensitizing concepts that have informed the formulation of the research issues. Chief among these were the concepts of the interplay of perceptions of the impact of change, of required leadership to deal with change and of how individual lawyers see their individual roles in relation to change and leadership. Without reference to prior theory, the framework of research issues would seem to be impossible. As Chapters Four and Five indicate, these sensitizing concepts have played a key role in generating the data and providing significant conclusions for this study.

### **3.5.2 A two-phase study**

Although prior theory provided the study with sensitizing concepts, it was established in Chapter Two that there is insufficient theory on leadership and leadership development in law firms for this study to provide a set of clear propositions for empirical testing. The preferred combination for this study, therefore, was that of a first exploratory phase consisting of three focus groups and three convergent interviews, followed by a subsequent confirmatory phase consisting of in-depth interviews across the firm's five divisions and constituting five embedded sub-cases (see section 3.6). The aims of the exploratory phase were to establish the perceived relevance of the research problem and research issues on the part of representatives of the firm in three focus groups and three industry experts, and to construct the interview protocol in preparation for use in subsequent interviews.

Three focus groups were created with each one consisting of associates, partners and positional leaders, thereby representing the three main classes of lawyers in the firm (Appendix A). The aims of these interviews were to collect information on the perceived relevance and comprehensiveness of the research question and research issues for each class. Additionally, the interviews sought to gain, through group interaction, an initial understanding of the degree of consensus on the importance of each of the research issues for that particular class of lawyer and, finally, to elicit ideas for probe questions to be used in the interview protocol. This was followed by the construction of a draft protocol for use in the convergent interviews.

The seven research issues identified in Chapter Two determined the nature and structure of the questions in the interview protocol (Appendix B). Precisely because of the theoretical gaps in leadership development in City law firms, further focus was added to these questions by a series of convergent interviews.

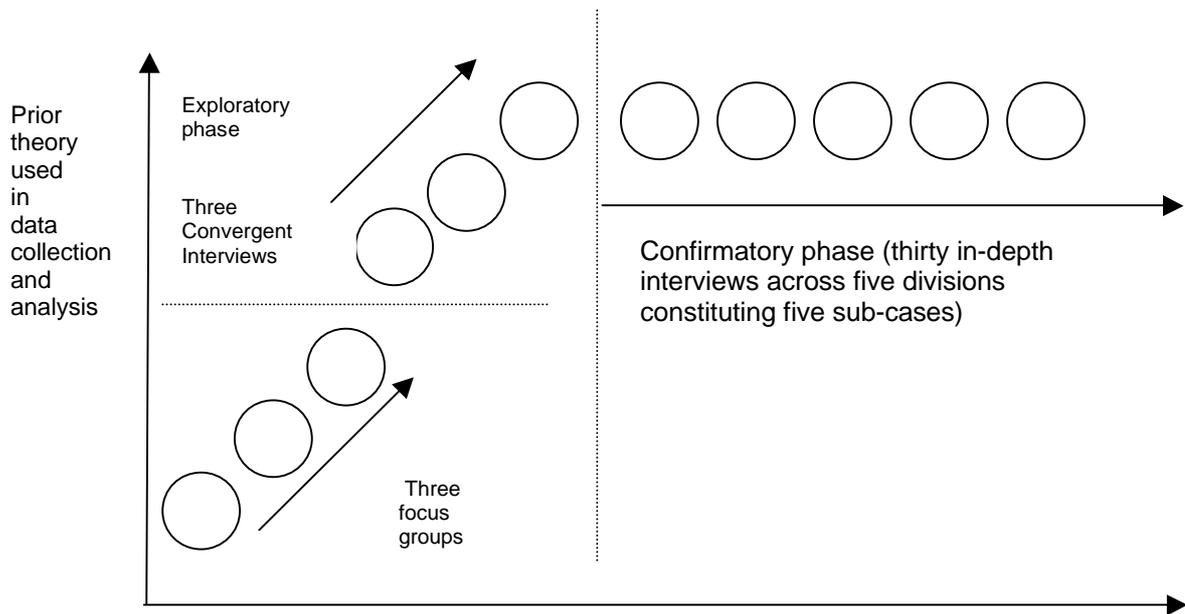
Convergent interviewing is a cyclic series of in-depth interviews with experts that allow the researcher to refine questions after each interview to converge on the issues in a topic area; it is a series of successive approximations (Dick 1990). It is a technique used for collecting, analysing, and interpreting qualitative information about attitudes, beliefs, knowledge and opinions with experts that converge on the most important issues within the area of investigation. It is a dialectical process where convergence and divergence of views are tested after each interview, while the researcher seeks to disprove his emerging explanations of the data (Carson et al. 2001). It is argued that through rigorous but flexible processes the researcher can refine the project's focus in its early stages by talking with knowledgeable people.

Heterogeneous participants were selected in a non-random sample, but chosen purposively for relevance for the research project. For this study, two former strategic business unit leaders and one legal industry consultant were interviewed initially. The combination of three focus groups, involving a total of 36 lawyers and three convergent interviews, resulted in reaching stability whereby, in the third interview, no new issues or questions emerged. The analysis of the focus group and convergent interview data helped to construct questions to elicit data related to the research issues. The interview protocol was then piloted with three lawyers who did not form part of the main data collection phase, one being a partner of ten years standing, one an associate of five years and the other an associate of two years. The piloting of the protocol confirmed the relevance and effectiveness of the probe questions and alerted the researcher to the need for using plain English and avoiding what was sometimes referred to as 'management speak'.

The confirmatory phase of the study involved sub-case studies, with the interview protocol used in all sub-cases to allow for cross-case analysis and some degree of theory testing thereby. This is illustrated in Figure 3.1. In this way, while prior theory is not allowed to dominate data collection, it can be seen as additional evidence to triangulate the data (Perry 1998). It also allows for analytic generalization, where

findings are generalized in Chapter Five, to the broader theory discussed in Chapter Two. The research issues are used as section headings in the data analysis (Chapter Four) and when discussing the findings and conclusions (Chapter Five).

**Figure 3.1 Illustration of case study research process for this investigation**



(Source: Adapted from Carson et al. 2001)

### 3.6 Criteria for selecting the one case study with multiple embedded sub-cases

#### 3.6.1 Challenge facing the one case study

Qualitative research in general, and case study methodology in particular, is faced with the challenge of overcoming what is a bias, particularly in the academic community in relation to what are regarded as appropriate outcomes for the interpretive paradigm (Carson et al. 2001; Gummesson 2000; Tellis 1997; Hunt 1983). The bias consists in assuming that the best scientific research produces statistical generalizations in the form of correlations and frequencies. In turn, this becomes a source of confusion between theory testing and theory building and is seen in misguided references to random sampling and statistical generalizations in qualitative research, as well as a misunderstanding of the kind of generalizations and outcomes appropriate for qualitative research (Carson et al. 2001; Gummesson 2000;

Tellis 1997; Yin 1994). The bias stems from the traditional dominance of the positivist paradigm in scientific inquiry (Gummesson 2000; Hunt 1983).

The proposal of a one case study, albeit with embedded sub-cases (Yin 1994), may risk falling foul of such bias and confusion. As Tellis (1997, p. 2) has aptly expressed it, ‘The inappropriate manner of generalizing assumes that some sample of cases has been drawn from a larger universe of cases. Thus, the incorrect terminology such as “small sample” arises, as though a single-case study were a single respondent.’ In this section, therefore, the kind of outcomes which underpin the choice of the single case study for this research will be clarified. The single case study with embedded sub-cases will be justified.

### **3.6.2 Justification criteria for the single case study**

Section 3.3 justified the choice of case study methodology for this investigation. It was suggested that the objective of a case study is not primarily to understand other cases, but rather to understand this one case (Zikmund 1997; Yin 1994; Sekaran 1992; ). As a result, conclusions from the case or cases are generalized to the theory and not to a population. In this context, research problems concerned with seeking a specific understanding usually seek this understanding about a small number or a single phenomenon (Carson et al. 2001) Typical examples are marketing or managing in a specific context:

Such circumstances require in-depth analysis of a single or specific case (group of people, company or industry) and the context in which that company operates. If the research is concerned with the way in which management or marketing happens or the processes behind what happens then it is likely that these can best be determined by focusing upon a single case or a small number of cases.

(Carson et al. 2001, p. 45).

Depth of understanding requires methodologies such as in-depth interviews and analysis of a few sources which will achieve the appropriate amount and type of data. In addition, if only one industry or company is chosen there must be a commitment to in-depth investigation (Patton 1990). Trade-offs between depth and width need to be recognised. Detailed observations entailed in the case study method are time-consuming, but enable the investigation of many different aspects of a process,

examine them in relation to each other, view the process within its total environment and utilise the researcher's capacity for understanding and insight. This is generally not possible with more than one or a very limited number of in-depth case studies (Gummesson 2000). The case study is based on the comprehensiveness of measurements which makes it possible to reach a fundamental understanding of the structure, process and driving forces, rather than a superficial establishment of correlation or cause-effect relationships (Gummesson 2000; Normann 1970). In order to provide this fundamental understanding, good descriptive or analytic language is necessary to grasp the interaction between various parts of a system, the important characteristics of a system and the possibilities to generalize to theory from very few cases, or even from one single case (Normann 1970).

In summary, a significant number of authors regard the single case study as a substantive, in-depth and valuable research methodology within the phenomenological paradigm and case study methodology. A review of the methodological literature identifies six criteria for justification:

1. Comprehensive, rigorous exploration (Yin 1994; Eisenhardt 1989; Merriam 1988; Bonoma 1985 )
2. Meticulous attention to detail (Tellis 1997; Zikmund 1997; Yin 1994)
3. In-depth analysis (Carson et al. 2001; Gummesson 2000; Patton 1990; Yin 1994;)
4. Results in in-depth understanding (Carson et al. 2001; Gummesson 2000; Zikmund 1997; Yin 1994; Patton 1990 )
5. Provide analytical generalization (Carson et al. 2001; Gummesson 2000; Yin 1994)
6. The researcher must be closely involved with the phenomena and have the capacity of for in-depth analysis and understanding and good descriptive and analytic language (Carson et al. 2001; Gummesson 2000; Yin 1994).

Clearly, whether the study consists of single or multiple cases is not a *primary* issue (Stake 1995).

In section 3.7, the data collection procedures for this study establish its comprehensiveness and meticulous attention to detail. The rigour of exploration has been outlined in section 3.4 where tests of quality for the study have been described. In section 3.8 the procedures for analysis and in-depth understanding are presented,

with the research issues providing a structure for analytic generalization. The background of the researcher includes extensive academic training resulting in three advanced honours degrees, as well as in-depth training in clinical psychotherapy whereby part of the core activity was relating phenomena to prior theory. With processes for commensurability in place, it is hoped that the capability for in-depth understanding and good descriptive and analytic generalization can be accepted. Therefore, it is the contention of the investigator that this study meets all six criteria described in the methodological literature so far, and establishes it as a substantive and valuable study.

Furthermore, Carson et al. (2001 p. 40) propose that comprehensiveness is characterized by:

- a) substantial and extensive consideration of prior research represented by appropriate literature;
- b) in-depth understanding based on researcher immersion in the phenomena to be studied; and
- c) the gathering of data which provide a detailed description of events, situations and interaction between people and things, providing depth and detail.

Chapter Two presented prior research and its appropriate literature. The position of the researcher is arguably unique in that he is immersed in the phenomena because of his role in the organization being studied. In section 3.7 the data collection procedures are described in great detail.

### **3.6.3 Yin's three criteria**

Yet further criteria for justification of the single case study are proposed by Yin (1994). He suggests that any one of three conditions justifies the choice of single case design. The first is the critical or extreme/unique case which provides an opportunity for testing a well-formulated theory, i.e. the theory has a clear set of propositions, as well as the circumstances within which the propositions are believed to be true. This is not applicable to this investigation. The second is that of the extreme or unique phenomenon. which occurs so rarely that an investigator has an

opportunity to observe and analyse a situation or event previously inaccessible to scientific investigation. This is not the situation in this study.

The third condition is that of the 'single revelatory case'. This occurs when an investigator has an opportunity to observe and analyse a phenomenon, not rare, but previously inaccessible to scientific investigation. This happens when few social scientists have had the opportunity to study the phenomenon closely and justifies the use of a single case study on the grounds of its revelatory nature. In this context, citing Yin (1994) and Carson et al. (2001, p. 103) offers the example:

'where access to his/her firm offers the researcher opportunities to see... the phenomena being investigated '...actually happening in the real world and with all the confidential information, power politics and human weaknesses that usually prevent academic researchers from finding the real story about it'.

This is precisely the situation in which this investigator finds himself. Chapter Two established the lack of research in this area, confirmed by academic experts specializing in the fields of organizational development and leadership development, with particular reference to law firms. The importance of the researcher being close to the phenomenon, in fact immersed in it (Carson et al. 2001), provides a rare opportunity to study a revelatory case. 'This closeness constitutes the quality of the research process that gives the richness and meaning to outcomes' (Carson et al. p. 218). Yin's third rationale clearly justifies the choice of the single case study for this investigation.

In summary, on every single criterion proposed by a wealth of authorities for the justification of a single case study, the methodology for this investigation is justified.

However, the study is not merely a single case, but one with the added richness of embedded sub-units. Yin (1994 p. 44) argues:

Within the single case may still be incorporated sub-units of analyses, so that a more complex-embedded-design is developed. The sub-units can often add significant opportunities for extensive analysis, enhancing the insights into the single case.

The unit of analysis for this study is that of the strategic business unit, known in the firm as a division, of which there are five. Within each unit an in-depth analysis will involve in-depth semi-structured interviews at six levels (see Section 3.7), thereby

providing thirty interviews and meeting the recommended number (Carson et al. 2001). In summary, the choice of a single case study for this investigation is justified.

### **3.6.4 Literal and theoretical replication**

The logic underlying the use of multiple-case studies requires that each case is selected because it either (a) predicts similar results, i.e. replication logic; or (b) produces contrasting results, but for predictable reasons, i.e. theoretical replication. Replication logic is analogous to that used in multiple experiments within the positivist paradigm (Yin 1994). With multiple case study design, multiple cases can be considered as multiple experiments. If similar results are obtained from all cases, replication is said to have taken place. Multiple embedded sub-cases provide this investigation with the robustness associated with multiple case design (Yin 1994). Each individual sub-case consists of a ‘whole’ study, in which convergent evidence is sought regarding the facts and conclusions for the sub-case. Each sub-case’s conclusions are then considered to be the information needing replication by other individual sub-cases. What patterns emerge across the sub-cases build an aggregate picture of the phenomena being investigated in the City law firm. This will be seen, in Chapter Four, to have resulted in an information-rich, in-depth investigation of five strategic business units, examined at six levels on seven research issues. The results are reported in terms of both sub-case analysis and composite analysis of the firm. Results are also reported in Chapter Four in terms of four classifications of interviewees: divisional managing partners, deputy divisional managing partners, partners, and associates. Table 3.5 reflects the purposive sampling for this study and provides a summary of the structure of this single case study with multiple embedded sub-cases.

**Table 3.5 Research design for single case study with embedded sub-cases for literal and theoretical replication**

Division	Multi-level Investigation	Total
Finance & Projects	SC (UVW X Y Z)	1 sub-case consisting of 6 interviews
Corporate	SC (UVW X Y Z)	1 sub-case consisting of 6 interviews
Property	SC (UVW X Y Z)	1 sub-case consisting of 6 interviews
Commercial	SC (UVW X Y Z)	1 sub-case consisting of 6 interviews
Litigation & Employment	SC (UVW X Y Z)	1 sub-case consisting of 6 interviews
Total		5 sub-cases 30 interviews

(Source: constructed for this study)

SC = One sub-case

U = Interview with Divisional Managing Partner (leader of the division)

V = Interview with Deputy Divisional Managing Partner

W = Interview with Partner of over five years or more partner experience

X = Interview with Partner with three or fewer years partner experience

Y = Interview with Associate qualified for at least five years

Z = Interview with an Associate qualified between three years or fewer

### 3.7 Data collection procedures

Preparation for collection of data began with a meeting of the investigator with all divisional leaders, i.e. the five divisional managing partners. Although the research project had already been approved by central management and discussed informally, at this consultation with leaders the formal objectives of the study and the importance of their roles—both as interviewees and supporters of the study—were discussed. All five leaders expressed enthusiasm for the study and their desire to participate in and support it.

#### 3.7.1 Case study protocol

A case study protocol is essential for reliability, particularly where multiple cases are concerned (Yin 1994). Even where only one investigator is involved, as is the situation for this study, reliability is increased when procedures and case study questions are formally documented in advance of data collection. Most protocols are expected to include the following sections:

- Overview, objectives, case study issues, relevant readings
- Field procedures, credentials and access to sites, general sources of information, procedural reminders
- Case study questions—the heart of the protocol consisting of a set of substantive questions reflecting the actual inquiry
- A guide for the case study report (outline, format for the narrative, and specification of any bibliographical information and other documentation).

How the case study questions constituting the interview protocol were developed has already been discussed in section 3.5.2. The use of the interview protocol in the confirmatory phase was essential in contributing to both construct validity and reliability. Field procedures are outlined in this chapter. Access to sites was not a problem for the investigation, given that the researcher is a member of the firm being studied. Case study questions are constituted by the research issues themselves. A guide to the case study report is provided by the format and content of this dissertation.

### **3.7.2 Selection criteria for interviewees**

This section explains and justifies the selection of interviewees for the study.

Divisional leaders (divisional managing partners) and their deputies (deputy divisional managing partners) were selected because of their unique perspectives within each division, and their ability to provide data on leading a group of lawyers. Partners selected from each group provide an important perspective in that, as is evident from the literature, the professional autonomy of the individual is seen as a source of significant challenges facing leadership and its development and, according to the literature, is strongly supported by the profession. This level of autonomy and their status as equity participants and owners of the firm suggests that the data partners can provide regarding leadership and its development is critical. In addition, all partners will have had substantial experience in leading transaction teams and of delegating substantial pieces of work to associates. Many partners will have had experience in more than one firm. Where this is the case, these partners will be

preferred given the information richness and variation they can provide. The decision to include two partners from each division, with varying length of experience, was guided by the desire to examine whether or not the experience and attitudes of younger partners contrasted with those of their more senior colleagues. Both perspectives were essential for this study.

The perspectives of those who are neither leaders nor partners are also essential. Associates who are qualified for more than four years will have had at least six years experience in working in a law firm. By this time they will have been members of many transaction teams and have experienced the leadership of a number of partners. They represent relatively senior lawyers who do not hold leadership positions. Some associates will have had experience in more than one law firm. Where they are available they will be preferred because of the rich information and variation they can provide. Those associates qualified for 1–4 years will provide the perspective of those who are regarded as the most junior. Their status argues for their inclusion in attempting a multi-level investigation of each sub-case.

### **3.7.3 Data collection**

Data was collected by means of in-depth interviews. Permission of interviewees to record the interview on tape was granted in every instance. It was essential to guarantee anonymity to interviewees. To provide this, even the name of the business unit was coded. All business units or divisions are referred to by a letter, e.g. A, B, C, D and E. Interviewees were assigned the letter from their business group and a letter indicating their status in the group. For example in Group A:

A = Division

AW = Divisional Managing Partner

AX = Deputy Divisional Managing Partner

AY1 = Partner of more than five years partner experience

AY2 = Partner of more less than three years partner experience

AZ1 = Associate qualified for more than 5 years

AZ2 = Associate qualified for 1–4 four years.

The identity codes remain exclusively with the researcher. On the transcripts of each interview only the code names of interviewees appear. This allowed others to review the raw data without fear of compromising confidentiality.

### **3.7.5 Interviews in the confirmatory phase**

Individual interviews began with an explanation of the objectives of the study. The interviews were semi-structured with individuals invited to tell of their experience of management and leadership in their profession. As a preamble, it was explained to each interviewee that, within the legal profession, terms like management and leadership are used interchangeably. Interviewees were asked whether or not they agree with this usage and to describe what these terms meant to them. This was an important step in understanding the constructs as used by individuals and in reinforcing construct validity. In keeping with the semi-structured nature of the interviews, the preference was to allow individuals to tell of their experiences without interruption in the hope that as many research issues as possible would be covered without probing from the investigator. Probe questions from the interview protocol were used where an interviewee had not discussed questions related to a particular research issue or issues.

## **3.8 Data analysis procedures**

Rigour is provided in case study research by its foundation on a review of relevant literature, careful selection of cases, and by careful analysis of data to build a new theory about complex issues (Perry 1998). Gaps from the literature have been expressed in the form of open research issues (Perry 1998). These research issues are used as headings in Chapters Four and Five.

After the quality of the cases selected, the validity, meaningfulness and insights generated from qualitative inquiry depend on the observational/analytical capabilities of the researcher (Patton 1990). Four principles guide analysis of the data in Chapter Four, namely:

- a) Illustration that the analysis relied on all relevant evidence
- b) Inclusion of all major rival interpretations
- c) Identification and discussion of the most significant aspect of the study
- d) Use of the researcher's prior expert knowledge to further the data.

(Yin 1994).

Given the nature of the data collected and the level of development of prior theory, a descriptive framework was developed to present and analyse the data, thereby allowing the data to be juxtaposed with descriptions, explanations, analysis and commentaries (Chenail 1995). The mapping of data onto the learning cycle in Chapter Four aims to position the data in the stages of the learning cycle and demonstrates how the data itself contributes to the solution of the research problem by progressing through the four learning cycles.

Thus, descriptions of concrete experience include the emotions, perceptions and sense experience of interviewees, followed by their reflections on this experience. How interviewees interpreted and attempted to give meaning to their experiences is then described, followed by descriptions of their suggestions for action.

As established above, the unit of analysis is the strategic business unit, that is, each of the five divisions in the firm. Each unit is analysed first, beginning with a brief description of the division. This is followed by a description of the data relating to each of the research issues for the particular sub-case. Cross sub-case analysis follows allowing the researcher to propose explanations of significant results with particular reference to prior theory. Cross-case analysis then results in a composite analysis of the firm, illustrating the extent to which the organization confirms or disconfirms elements of prior theory. In Chapter Five, explanations and reasons for the main findings are proposed, along with implications for further research and theory testing.

### **3.9 Limitations of case study research**

Because the study is that of a single case, scientific generalization is not possible. While scientific generalization is not an aim of the study, its absence points to a limitation in that what is discovered about this one firm cannot be generalized to all or most City law firms. In this sense, the study does not provide a test of theory. Theory testing may well be a further development of the findings of this research.

Case study research has frequently been accused of subjectivism or risk of bias (Stake 1995; Yin 1994;). The origin of this criticism can be traced to the dominance of the positivistic paradigm with its own illusion of objectivity (Andersson 1981). In this vein, Gummesson (2000, p. 181) and Molander (1983) pose the question, ‘Is it possible to determine "objectively" which is the best interpretation?’ The response must involve, firstly, an ability to reach agreement on interpretations that are the result of inter-subjective processes, depending ultimately on insight. Secondly, issues of reliability, validity and transparency must have been addressed in the methodology itself (Carson et al. 2001; Gummesson 2000; Yin 1994). How the research methodology for this investigation addresses these issues has been described comprehensively in section 3.4 above. In addition, section 3.4 indicated how the methodology meets criteria for trustworthiness, including the dimensions of credibility, dependability and conformability.

### **3.10 Ethical considerations**

Carson et al. (2001) and Zikmund (1997) summarize ethical considerations to include the right of interviewees to confidentiality, anonymity and privacy, and informed consent. The investigator ensured the security of data, the protection of the identity of all respondents and the maintenance of confidentiality and security of information, as described in section 3.7.4 above.

Respondents were assured of anonymity and privacy by means of the coding identified and represented in Table 3.5. Permission of each interviewee was sought to tape each interview and methods for the location of tapes and transcripts were explained. The fact that there is only one investigator simplifies the task of security of data. Tape recordings were retained by the investigator and an external

professional typist employed to transcribe the tapes. This avoided any possibility of identification of respondents through voice recognition and allowed the investigator to retain tapes and transcripts in his home.

### **3.12 Conclusion**

This chapter presented a justification of the scientific realism paradigm for this study and justified case study methodology as providing rigorous scientific inquiry for a qualitative investigation. How the study met tests of quality and criteria of justification for a one case study was also explained. As a two phase qualitative study, the role of prior theory was described in providing research issues and in helping prepare an interview protocol in conjunction with focus groups and convergent interviews. Procedures for data collection and analysis were then described. The chapter concluded by outlining limitations of the study and how ethical considerations were dealt with.

## CHAPTER FOUR—FINDINGS AND DISCUSSION

### INTRODUCTION

Chapter Three described the research paradigm and case study methodology, as well as the method for data collection and analysis. The purpose of Chapter Four is to present and analyse the findings from the data that relate to the seven research issues presented in Chapter Two. Key findings, themes and patterns in the data are presented through cross case analyses and with the help of a series of matrices for each of the research issues. Summaries of findings for each research issue are mapped onto the Learning Cycle to demonstrate progress of findings through the four learning phases. Chapter Five will discuss these findings in relation to the literature review and their implications for theory, practice and further research.

The chapter is structured as follows:

**Section 4.1 Profile of the embedded sub-cases—law firm divisions.** This section presents information on the five divisions of the firm which formed the embedded sub-cases for the study and the first unit of analysis as described in Chapter Three.

**Section 4.2 Profile of interviewees—levels of lawyers.** This section provides information on the six levels of lawyers interviewed from each division, their range of experience as lawyers and a summary of additional work experience which will help to understand the varied perspectives from which they speak.

**Section 4.3 Data analysis of research issues 1–7.** This is the most substantial section which presents and discusses the findings for each research issue with the help of a series of matrices to summarise themes and their significance. For each research issue, summary findings are mapped onto the Learning Cycle, as discussed in Chapter Two.

**Section 4.4 Conclusions.** This section provides a summary of the main findings in the context of the Learning Cycle.

The research study was guided by seven research issues which, together with the research problem, are listed in Table 4.1 for ease of reference.

**Table 4.21 The research problem and research issues**

<b>Research Problem</b>	
<i>How does a City law firm deal with leadership development issues?</i>	
<b>Research Issues</b>	
<b>RI 1</b>	How do lawyers in a City law firm perceive the impact of change?
<b>RI 2</b>	How do lawyers in a City law firm regard leadership in their profession?
<b>RI 3</b>	How do lawyers in a City law firm understand their own role in relation to leadership?
<b>RI 4</b>	What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?
<b>RI 5</b>	How does a City law firm manage the development of its leaders and potential leaders?
<b>RI 6</b>	What issues does a City law firm face in relation to leadership development?
<b>RI 7</b>	What strategies are perceived as necessary to develop leaders for the future?

#### **4.1 Profile of the embedded sub-cases—law firm divisions**

This section presents the background to the five divisions used in the study. The divisions represent strategic business units for the firm and are each headed by a Divisional Managing Partner (DMP) assisted by a Deputy Divisional Managing Partner (DDMP). Within each division there are smaller practice specializations. For each division, annual financial targets are set which are cascaded to practice specializations and, in turn, to individual partners within these practice areas. The division is also the main unit of administration with a divisional business director, usually an accountant but not a lawyer, reporting to the DMP. His task is to assist the DMP in the administration and operations of the division.

### **4.1.1 Finance and projects**

This division is one of the leading banking practices in the UK market, incorporating particular expertise in Banking, Private Finance Initiatives, (PFI), Projects and Corporate Recovery. The division provides advice to many leading financial institutions. It is a market leader in the building society sector. Corporate Banking advises on Acquisition Finance for clients including housing corporations and banks. It also advises borrowers on commercial lending issues.

The division consists of 29 partners and 57 associates. The annual turnover of this division is approximately £20 million. Together with the Corporate division, it is seen as central to the capability of the firm as a City law firm having to compete for high value work such as mergers and acquisitions, disposals, and financing. Such work frequently ‘feeds’ other practice areas such as Employment, Intellectual Property and Commercial Contracts. Of course, all practice areas in all divisions additionally seek and secure their own instructions. However, the two divisions of Finance and Projects and Corporate have a particularly significant role in ‘cross-selling’ services across all divisions. The size of deals for which the Finance and Projects and Corporate divisions are instructed showcases the firm in the market and sends messages to potential clients regarding the capability and reliability of the City law firm. The legal press frequently reports on the comparative performance in these practice areas of City law firms, thereby adding pressure on the leadership and members of these divisions to outperform their competitors.

### **4.1.2 Corporate**

The Corporate Division has particular expertise in mergers and acquisitions, domestic flotations, corporate finance, buy-outs, private equity, tax, competition and regulation and company secretarial services. Additionally, divisional teams regularly manage and transact multi-jurisdictional deals. The institutional side of the practice combines the company, securities, compliance, commercial and tax expertise necessary to advise corporate finance clients. The firm has advised numerous sponsors of domestic flotations and underwriters of equity issues, both on the London Stock Exchange and AIM. It has significant experience of domestic and

international mergers and acquisitions, disposals, joint ventures, reconstructions, and other forms of equity and debt financing. The division consists of 39 partners and 67 associates. Together with support staff, the divisional total is 173. The annual turnover of this division is approximately £23 million. Much has already been said in the previous section about the significance of this division for the firm.

### **4.1.3 Property**

The Property Division includes the Private Client practice. It has the expertise and capacity to handle the largest and most complex transactions, acting for institutional investors and entrepreneurs, national property developers and large corporate organizations with extensive property portfolios. The Commercial Property teams have advised on many high profile office, retail, and leisure development and regeneration schemes throughout the UK. A key strength is the ability to provide all the relevant skills (mainstream property, corporate, structuring, tax, planning, construction, environment, property litigation) in one team. The partners of the Private Client Practice are trusted advisors to high net worth individuals and provide expertise on personal financial planning, trusts, tax and family disputes, making this one of the UK's largest private client teams.

The Property division is the largest division in the firm and, for administrative purposes, two business units, Trusts & Tax and Private Client, are under the Property division—though their respective practice specializations are not, of their nature, property based. Property per se has the highest annual turnover in the firm, approximately £37 million. Its focus is to assist corporate clients in all aspects of managing commercial property portfolios from planning, financing, re-financing, leasing contracts and litigation. The division has 43 partners and 121 associates who, together with support staff, make up a divisional total of 291 or 25% of the firm's total staff.

#### **4.1.4 Commercial**

The Commercial Division includes significant practices such as the Intellectual Property/Entertainment/Media group, Sport, Defamation, IT and Commercial Contracts, Brands & Designs and Competition, and Trade & Regulatory (CTR) groups. The Media and Entertainment expertise, in particular, is recognised as one of the leading practices in the world. Strong in Music, Film, Advertising and Publishing, Broadcasting and Sport, the Division also advises extensively on new media and information technology issues. Clients include high profile celebrities such as Catherine Zeta Jones and Michael Douglas, Mick Jagger, Leonardo Di Caprio and major content producers, as well as individuals taking their first steps in the industry.

The Competition Trade and Regulatory (CTR) group has extensive international experience in handling all types of contentious and non-contentious competition law matters. This group has developed a dedicated competition compliance service, called Competis®. This incorporates a comprehensive range of competition compliance services designed to prevent investigation by the competition authorities, treat the immediate effect of an investigation, and provide a cure to help with the long-term consequences of investigation.

The commercial division is comprised of the most diverse group of practice areas and includes 27 partners and 65 associates. Including support staff, it has a divisional total of 155. The annual turnover of the division is approximately £23 million. Including support staff, there are 155 members in the division.

#### **4.1.5 Employment and litigation**

This division consists of two separate practice groups, Employment and Litigation, but which have been joined for administrative purposes. The Employment group consists of 10 partners and 24 associates. The group provides a complete service covering all aspects of the employment relationship ‘from recruitment to retirement’ including Employment Contracts, Employee Benefits, Share Incentives, Redundancies, Outsourcing and Employment Training. It has a celebrated

innovative product called ‘The Employment Channel’ which provides clients with multimedia interactive legal updates and employment related training on their desktops, such as interviewing, disciplinary procedures and performance appraisals.

The Litigation practice is recognised by independent commentators as one of the leading litigation practices in England. In addition to general commercial litigation and dispute resolution, the group has specialists in Finance, IT, Media, IP, Property, Construction, Insurance, Reinsurance, Personal Injury, cross-border work and Tax and Pensions disputes. It consists of 19 partners and 48 associates. The two groups combined have a total of 191 people in the division. The annual turnover is approximately £23 million.

#### **4.2 Profile of the embedded interviewees—levels of lawyers**

This section presents the background of those interviewed, which included six levels of lawyers, Divisional Managing Partners (DMPs), Deputy Divisional Managing Partners (DDMPs), Partners with five years partnership experience or more, Partners with less than three years experience, Associates with five years experience or more and Associates with less than three years experience. In reporting results, both levels of partners were collapsed into one level ‘Partners’ and both levels of associates were collapsed into one level ‘Associates’. Identified originally as important for a purposive sample there was little, if any, difference in the data from the two levels of partners and, similarly, little difference from the two levels of associates. For purposes of reporting, this provides four levels, DMPs, DDMPs, Partners and Associates.

Table 4.2 presents a summary of information on the profile of interviewees. At the more senior levels, the number of male interviewees substantially outweighs that of female interviewees, whereas at associate level there is a more even mix. This reflects both the firm and the profession generally. For example, in the Corporate division of 38 partners, only one is female.

The five divisional managing partners have an average of 12 years partnership experience and an average of 18 years practice as lawyers. Their combined experiences ranges over seven law firms and three jurisdictions. Their views of leadership in the profession are likely to have been influenced by the fact that all five of them practised during a period when the legal industry experienced extensive change and City law firms underwent substantial growth, as discussed in Section 2.3 of Chapter Two. The deputy divisional managing partners average 9 years partnership experience, with two of the group being partners for just six years. Their average experience as lawyers is 12 years. The differences in age and experience may account for some of the variance in their perceptions of leadership and related issues compared with those of the divisional managing partners, as will be seen when discussing the findings for each research issue.

The range of interviewees' experience goes from 35 years as a lawyer to just one year. Four of the interviewees worked in corporate organizations for a substantial period of time which allowed them, through personal experience, to compare and contrast leadership and its development in both types of organization. This was reflected in their responses to some of the research issues. Where interviewees are quoted verbatim the source will be acknowledged by their number on Table 4.2, such as (I.2) to refer to interviewee number 2, (I.14) to refer to interviewee number 14 and so on through all those cited.

**Table 4.2 Profiles of interviewees**

Interviewee	Role	Years as partner	Years as lawyer including partner	Number of firms	Positions held (no. of years)	Other relevant experience	Gender
1.	DMP	15	22	3	Practice head (7)	In-house counsel in corporate organization	M
2.	DMP	15	21	3	Group leader (9)	Management Committee (1) 1 merger	M
3.	DMP	12	20	3		In-house counsel in corporate organization	M
4.	DMP	11	16	2	Practice head (5)	Management committee (3) 3 mergers 6 months secondment to French firm	M
5.	DMP	10	17	3	Group leader (1)	3 years in another jurisdiction	M
6.	DDMP	14	21	3	Management committee (3)	3 mergers	M
7.	DDMP	6	16	2	Management Committee (2)	Also qualified accountant	M
8.	DDMP	6	16	2			M
9.	DDMP	9	15	3	Board member (4) Practice head (5)	3 mergers	M
10.	DDMP	10	17	2	Practice head (3)		F
11.	Partner Practice specialist	35	30	3	Senior Partner in other firm 20 years	3 mergers	M
12.	Partner	21	23	6	Managing partner in other firm (5)	In-house head of legal in venture capital firm	M
13.	Partner Practice specialist	14	20	4			M
14.	Partner	8	17	4			F
15.	Partner Practice specialist	6	15	2	Practice head		M
16.	Partner	4	16	4	Management board (2) Practice head	In-house lawyer in top 4 accountancy firm	M

Interviewee	Role	Years as partner	Years as lawyer including partner	Number of firms	Positions held (no. of years)	Other relevant experience	Gender
17.	Partner Practice specialist	4	11	2	Practice head (3)	1 merger	M
18.	Partner	3	10	2	Governing board (1)	Strategy planning committee (2)	M
19.	Partner	2	15	3		2 US Firms	M
20.	Partner	1.5	10	1	Divisional team leader (1) Training partner		M
21.	Assoc	0	13	2	Lawyer	5 years in another jurisdiction	M
22.	Assoc	0	6	2	Lawyer		M
23.	Assoc	0	5	3	Lawyer	Barrister qualified	F
24.	Assoc	0	4	1	Lawyer	1 year secondment to corporate client	M
25.	Assoc	0	4	2	Lawyer		F
26.	Assoc	0	3	2	Lawyer		F
27.	Assoc	0	3	1	Trainee Qualified lawyer		M
28.	Assoc	0	2	1	Trainee Qualified lawyer		F
29.	Assoc	0	2	2	Lawyer	Secondment to corporate client	M
30.	Assoc	0	1	1	Trainee Qualified lawyer		M

(Source: Compiled for this study)

### 4.3 Data analysis

The analysis sought to identify thematic patterns in so far as:

- a) themes were common across all five divisions; and
- b) themes were common to all four levels of lawyers interviewed.

This approach also revealed the extent of differentiation, where present. For each research issue it became clear that some themes, concerns, issues and perceptions were common to all or most five divisions, as well as to all or most groups of lawyers. Such patterns are presented first in a series of matrices and treated as

dominant themes in subsequent analysis and discussion. This is not to attempt a statistical analysis. It is to suggest that where a theme occurs across all divisions and all levels of lawyers, it should be examined for the degree of emphasis and significance it may have for this study in comparison to themes which figure with less commonality. Analyses of dominant themes are followed by a discussion of patterns of themes featured in up to three divisions and up to three levels of lawyers. These are explored and analysed in terms of medium range significance. Finally, themes that are raised by only a few interviewees and feature in only a few divisions are discussed, particularly where they may shed further light on more dominant themes. Where their significance seems evident from a discussion of previous themes, a brief description is provided. Given the nature of qualitative research, such themes may have an important but less apparent significance, particularly where they are mentioned by only one group of lawyers such as associates or partners and may warrant further research, as will be discussed in Chapter Five. For ease of identification, italics are used to highlight themes referred to in the main body of the text where appropriate. A summary of the findings for each research issue will conclude each sub-section.

### **4.3.1 Research Issue 1**

*How do lawyers in a City law firm perceive the impact of change?*

In keeping with the organizational learning model described in Chapter Two, Figure 2.20 the first research issue sought to capture ‘the data of experience’ and to establish how lawyers perceive their external and internal environments with reference to the effects of change on both, especially over the last five years. In considering this research issue, the findings from the following probe questions from Appendix B were analyzed: 1.1, 1.2, 1.3, 1.4 and 1.5.

Across all five divisions and four levels, four themes emerged relating to the changing circumstances of a City law firm that have a significance for the role of leadership in the firm. These have been categorised in Table 4.3 as Technology, Client Attitudes, Industry and The Profession.

**Table 4.3 Themes on the impact of change**

Change Themes
Technology
Client Attitudes
Industry
The Profession

(Source: produced for this study)

Where themes were common to several categories they have been placed where they are deemed to contribute best to the analysis. The categories are presented in the order below because technology was perceived as playing a large part in driving change, particularly with respect to client expectations. Clients and their businesses, particularly those of the City law firm, were perceived to be the most significant force in driving industry changes which, in turn, affect the profession generally. Discussing the four themes in this order allows each antecedent theme to provide a context and explanation for the subsequent theme.

As will be seen below, the two issues about which interviewees felt most strongly were *changes in client attitudes* and *changes in the industry*. Changes in these two categories were perceived as driving up the level of competition and the consequent demands made by clients on lawyers and their firm. Changes in both of these categories were seen to have far reaching consequences for, and contributing significantly to, *changes in the profession*. These, in turn, led to the perception by many that *the role of leadership*, in contrast to former times, is now a critical business issue for law firms. Each category will now be discussed in turn.

#### 4.3.1.1 Technology

For the purposes of this study, technology is understood as referring to how an organization transfers its inputs into outputs. Within the context of the law firm under study it is understood by the law firm's IT Director as:

...the application and distribution of knowledge, using technology to meet commercial and personal objectives. It is a critical enabler of day-to-day business operations, be it through telecommunications, access to knowledge or the provision of tools which streamline business processes and operations. It is also a critical enabler of business strategy; an opportunity to change the way people work, how our clients use the firm and how we exploit third parties for the benefit of our clients.

It is thus seen to impact on working practices, client relationships and the implementation of business strategy. Table 4.4 identifies the particular aspects of technology that were raised as concerns across the five divisions and the four different levels of lawyer.

**Table 4.4 Technology as change factor**

Change Factor	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<ul style="list-style-type: none"> <li>Working practices becoming more flexible</li> </ul>	ü	ü	ü	ü		ü	ü	ü	
<ul style="list-style-type: none"> <li>Increased use of online tendering</li> </ul>		ü	ü	ü		ü		ü	
<ul style="list-style-type: none"> <li>Increased fee transparency through use of extranets</li> </ul>			ü	ü		ü		ü	
<ul style="list-style-type: none"> <li>Commoditisation</li> </ul>			ü				ü	ü	ü
<ul style="list-style-type: none"> <li>Volume of communications (email) overwhelming</li> </ul>				ü					ü

(Source: produced for this study)

Flexible working practices were identified in all divisions except E, and by all lawyer levels apart from Associates. It is most dominant aspects of technology because of its broad identification across divisions and levels.

The demand for *flexible working practices* enabled by lap-tops, mobile phones, PDAs and BlackBerries, while allowing people to work from home, had the downside of driving up client expectations of availability, demanding, for example, that lawyers work across time zones, at times suitable to clients in other jurisdictions. In effect, partners in particular, are required to provide 24/7 accessibility, even while on holidays. On balance, however, flexible working practices were perceived as beneficial in allowing people to work from home and having more extended time with their families. This contributed to modifying one of the perceived disadvantages that go with partner status, namely, long hours—either in the office or away from home—entertaining clients. Traditionally, these were accepted as part of the price to be paid in return for higher earnings and status. All levels welcomed a recent

initiative of their firm to provide the option of home working, subject to approval of one's supervisor. This was generally seen as compensation for those times when 'completing a deal demands you stay overnight if necessary to get the thing done, have a shower and turn up to work the following day no matter what' (I.9). Interviewees generally spoke with a sense of acceptance or resignation that technology was driving these changes and one had to work with them.

*Online tendering* involves tendering for work simultaneously with other law firms, using the Internet. In effect, the result is a kind of auctioning or bidding process where the client has invited a small number of firms in which confidence is high, to compete for work mostly on the basis of price. Those competing are able to view online where their tender stands in relation to those of competitors. Respondents described this as a relatively new phenomenon for City law firms. It emphasises the competitive market in which they operate and the concern of clients to drive down costs by pitting their legal advisors against each other. One recent experience of the firm with a large multinational client meant having to agree to charge out rates that represented a discount of between fifteen and twenty percent before the work was even undertaken. This, in turn, placed substantial pressure on partners leading such work to micro manage cost and to delegate work to the lowest acceptable levels. At the same time, partner supervision must 'guarantee' the quality of such work nevertheless. It was also felt that 'things are going to keep getting more and more competitive' (I.12). This aspect of change will be discussed in more detail in the next section on Client Attitudes. One partner could be regarded as having summed up the feelings of many in describing the process as 'utterly detestable' (I.15), while accepting as inevitable an increase in the frequency of the phenomenon.

*Client extranets* were viewed with mixed feelings in that, while they allowed clients access to documents online and were perceived by clients as an added value item, they also enabled clients to view 'who does what' in terms of chargeable hours. 'Room for uplift in fees is diminished with clients being able to question every chargeable item' (I.8). When taken together with the new emphasis clients place on the value of the results (outputs), rather than the number of hours on the clock (inputs), some partners felt constricted in maximising profitability. Several DMPs felt that, as leaders of their divisions, this results in greater pressure on winning

business, and is an additional pressure on partners to monitor the profitability of work. One DMP said that clients ‘frequently push for discounts between five and twenty percent with the result that competitiveness was forcing the firm to turn away work that would have previously been undertaken, on the grounds that clients can get it more cheaply elsewhere’ (I.12). *Commoditisation* was not discussed in detail by any interviewee. Those who referred to it regarded it as consisting of making available on the internet low value standardised documents such as tenancy agreements and contracts that were unlikely to affect the value of the work done for City clients.

Only one associate referred to the *pressure from the volume of communication* represented by client emails, which required immediate response. ‘I now have to reply to 60 or 70 emails a day compared to 10 letters before email was introduced’ (I.27). It is unlikely that he is alone in experiencing such pressure. Like his fellow lawyers at all levels, technology, while being an enabler of servicing clients more comprehensively and allowing people to work from home, was perceived as raising the bar of competition driven by client expectations. Client attitudes are the focus of the next section.

#### 4.3.1.2 Client attitudes

Client attitudes are understood as the approach taken by clients of a City law firm in seeking legal and business advice from their lawyers. Table 4.5 identifies the particular aspects of client attitudes that were raised across divisions and levels.

**Table 4.5 Client attitudes as change factors**

Change Factor	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
• Increasing client sophistication	Ü	Ü		Ü	Ü	Ü	Ü	Ü	Ü
• Focus on business value added by legal advisors	Ü		Ü	Ü	Ü	Ü		Ü	Ü
• Increased use of advisor panels		Ü	Ü	Ü		Ü		Ü	
• Increased price sensitivity			Ü	Ü	Ü			Ü	Ü
• Business is client driven	Ü				Ü	Ü	Ü	Ü	
• Clients expect lawyers to be business advisors		Ü		Ü				Ü	
• Growth of team-based service	Ü						Ü		

(Source: produced for this study)

Most interviewees referred in some way to change in client attitudes and perspectives, particularly with reference to increased competitiveness in securing new business. Much can be deduced about client attitudes from the previous section on the impact of technology. Under client attitudes, seven themes emerged, five of them strongly across divisions and levels of lawyers. These will now be discussed in turn.

*Increasing client sophistication* is the predominant concern for interviewees, having been identified in all divisions except C and across all levels of lawyers. It was regarded as marking the demise of traditional client loyalty. Replacing such loyalty is the sophistication that clients as buyers demonstrate in awareness of what services are available from different law firms, the relative value of each to their businesses and the practice of using different law firms for different types and value of work, ensuring that law firms compete with each other to drive down costs and add extra value for the client. Clients now make *frequent use of advisor panels*, which emerges as the third most significant concern raised by interviewees in three divisions, and by DMPs and partners. This was perceived by interviewees as putting pressure on law firms to beat competitors, less by the quality of technical legal advice available, which must be taken as a given, and more by the quality and extent of customer service and added value.

Clients were repeatedly described as being ‘much more sophisticated’ with their buying patterns, perceived as ‘shopping around for the best price’. This was expressed in terms of ‘even the high value work is now price competitive’. High value work generally refers to work such as advising on mergers, capital projects and financing deals where the value of what is at stake is usually in multiples of millions of pounds, sometimes in multiples of hundreds of millions. Traditionally, clients regarded so much at stake in these transactions that price was down the list of concerns. Now with so many providers in the market, even this work is becoming more price competitive. Clients frequently question the cost of work emphasising that what is of value should be measured by outcomes, rather than by inputs (chargeable hours), citing the example in manufacturing that outputs are where the value is. *Increased price sensitivity* is the fourth most significant concern for

interviewees being raised in three divisions by partners and associates. This is probably due to the fact that they are the people who are client facing and, therefore, on the receiving end of client pressure on price.

Linked with this is the *focus on business value added*, which is the second most significant concern raised in all divisions except B, and across all lawyer levels except DDMPs. One partner explained this phenomenon in terms of ‘clients expect an increasing share of the firm’s resources including legal training free of charge, the secondment of junior solicitors and standard contracts and agreements available online free of charge’ (I.15). Clients’ expectations are that lawyers will go beyond merely providing legal advice and become, in effect, *business advisors*. Partners in two divisions raised this issue. It requires lawyers to demonstrate an understanding of clients’ business strategy, helping them achieve that strategy in such varied ways as providing networks of contacts, shortening cycle times, increasing the efficiency of clients’ in-house legal teams, providing free training on legal issues to clients’ employees and seconding some lawyers from the firm to client organizations. These were just some of the ways in which clients were reported to expect their legal advisers to add extra value. ‘Reverse secondments’ were also deemed to becoming more frequent, whereby a lawyer from the client’s in-house legal department spends some time working with the law firm to acquire particular expertise. Interviewees accepted that, like most consumers, competition was good for the client.

Among the effects on the firm identified were increased demands for innovative solutions, requirement of constant accessibility by clients, identifying work to be turned away because it was no longer profitable, and more focused and intense marketing and business development initiatives. In addition, it was perceived that the model of doing business would have to change because no one lawyer could meet wide-ranging client needs. One interviewee believed that the firm would need to move to *team-based work*. ‘City clients are getting much more sophisticated and prefer to have a team of lawyers not just a sole practitioner. This will change our culture quite a bit by forcing work to be team-based. We’ll be more like a football team, for structures are changing and forcing other changes’ (I.8). While teams are led by a ‘client lead partner’ who is responsible for the client account and

relationship, the era of the sole practitioner was perceived to be fast disappearing, except in very narrow areas of expertise.

Table 4.5 portrays how the group of partners, in particular, were concerned with most aspects of change related to Client Attitudes. This may be due to the fact that it is they who are at the front line of business development and competing for work. This competitiveness was seen as having the effect of making partners more commercially oriented in evaluating work undertaken. This means that partners must first evaluate the potential fee income and profitability of work on offer, in contrast to former times where unprofitable work was undertaken on an 'entrepreneurial basis' in the hope of subsequently gaining more valuable work from the client. As one interviewee put it, 'A more rigorous assessment of potential work has resulted in Partners (are) becoming better business men and women' (I.13).

Across all divisions and levels a picture emerges of lawyers caught up in a wave of market changes driven by their clients. Competition is increasing. Doing business is getting tougher. Client loyalties are vanishing. With the multiplication of suppliers, the status of the City lawyer as having rarefied expertise is fast disappearing. Each lawyer and his or her firm are each just another one among many. Clients are spoiled for choice and the firms are perceived to be operating in a buyers' market. Skills that, traditionally, were perceived as having little to do with providing legal advice are now regarded as essential complements to legal expertise, skills such as client relationship management, business analysis, strategic planning, service quality and adding business value. Most interviewees agreed that during the past five years, doing business got tougher and law firms are forced to plan their business strategy as never before. What was happening in client businesses was perceived to be changing the industry itself. The next section analyses these industry related changes.

#### **4.3.1.3 Industry change factors**

As discussed in Chapter One, for the purposes of this study, the legal industry is understood as the traditional market for those law firms based in the City of London which have full service capability led by expertise in Finance and Banking, Corporate and Commercial law. It consists of those law firms that advise corporate

clients, celebrities and high net worth private clients. It consists of approximately one hundred law firms varying in size from approximately 2,700 lawyers and 630 partners to 50 lawyers and 16 partners (*The Lawyer* 2004). The firm being studied is placed in the top 20. Table 4.6 identifies change factors in the industry raised by interviewees across divisions and levels.

**Table 4.6 Industry change factors**

Change Factor	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
• Over supply increasing competition	Ü	Ü	Ü	Ü	Ü	Ü		Ü	Ü
• Trend toward consolidation	Ü	Ü		Ü	Ü	Ü		Ü	Ü
• Corporatisation of larger firms	Ü	Ü	Ü	Ü		Ü	Ü	Ü	
• Globalisation & Growth of US firms in UK & Europe	Ü	Ü				Ü			Ü
• Aggressive growth focus		Ü	Ü				Ü		
• Increased number of legislative changes create business		Ü					Ü		
• Concept of 'City' changing	Ü							Ü	

(Source: produced for this study)

Under industry changes three themes emerge as dominant: over-supply of law firms increasing competition, a trend towards consolidation, and the corporatisation of larger firms. As in the previous section, it is difficult to analyse some of these themes in isolation from each other given that they are interlinked.

*Oversupply increasing competition* was raised in all divisions and by all lawyer levels except DDMPs. In general, it was seen as the most significant threat in the external environment. This, in turn, influenced client attitudes causing them to 'shop around' and was regarded as the driver of the changing basis on which firms had to compete as discussed in the previous section and reinforces the sense of pressure under which so many respondents feel they are working.

The *trend towards consolidation* was raised in all divisions except C, and by all lawyer levels except DDMPs, and is the second most dominant concern of interviewees. This was seen to be driven by globalisation with the requirement of multinational clients for multi-jurisdictional capability that, in turn, requires size and

scale seen by one DMP as ‘driving the trend towards law firm mergers’ (I.3). This was seen to be exacerbated by the threat posed by large American firms entering the UK and European markets. Stark choices faced mid-size firms, either to consolidate and grow, or take a niche position and compete on price. A few interviewees saw consolidation as also driven, in some cases, by younger partners who were ambitious for growth and were less concerned about issues such as autonomy, collegiality and democracy.

Most partners referred to consolidation within the industry and related it, along with corporatisation, to the drive for growth. Many believed both were inevitable if their own firm was to be successful. Most, however, also identified negative consequences of such developments, including those in leadership positions becoming more inaccessible, with less partner involvement in decision making except in the most significant strategic decisions where, by law, a vote of the partnership is required. A more aggressive approach to the market was seen as resulting in pressure internally. One partner described the consequences as follows: ‘With size comes remoteness and lack of accessibility. We have delegated all but the most strategic decisions and practical autonomy has been surrendered’ (I.15). Another commented, ‘Individuals have less influence and personality is now less of an issue. The whole legal industry is going to change and associates need to be prepared for career structural changes. We will soon be like the American firm that issued share certificates to partners’ (I.14).

The *corporatisation of larger firms* is on a par with consolidation, having been raised in all divisions except E, and by all lawyer levels except Associates. It is understood as a sea change in the way in which such firms are managed. Interviewees described a trend whereby, in an increasing number of large firms a strong central management team is either elected or is the result of appointments made by those in a few key posts, such as a managing partner and senior partner, who themselves have been elected. The result is a strong governing and/or managing committee with either an indefinite term of office or a term of at least five years. An implication of this aspect of governance was seen to be the centralisation of decision-making. A significant corollary of this trend, seen as a substantial threat and resented by many of the partners interviewed, was the diminished decision-making role of partners in larger

firms and the reduced frequency with which they were consulted. Many spoke with a sense of resignation that corporatisation and the dilution of partner collegiality and democracy were the price of growth. One partner described a trade-off between ‘size and say’.

*Globalisation and the growth of US firms in UK & Europe* was raised in two divisions, and by DMPs and Associates. This has already been seen as increasing the level of competition in the industry. Several interviewees pointed out that Europe and the UK were traditionally regarded as the main markets for UK City law firms. The advent of American law firms in London and in many of the European capitals was regarded as raising the bar of competition in several areas. Firstly, work that would have come to UK City firms as ‘best friends’ of US-based firms was seen to have declined. The substantial financial resources of US firms allow them to offer larger financial rewards in recruiting ‘the brightest and best’, sometimes enticing top performing partners and their whole teams to join them. US firms were seen not only as competitors for multi-jurisdictional work but, more threateningly, as competing for work against UK companies.

Some interviewees saw aggressiveness as a feature of this growth and were concerned at the impact of such developments on their firm’s culture. This accounts for the *aggressive growth focus* referred to by two DDMPs in two divisions. More generally, most of the DMPs and DDMPs, that is, those in positional leadership, described themselves as ambitious to grow the firm and saw further mergers, rather than organic growth as the likely way forward. Many referred to the need for strong central leadership to achieve such growth. Two thought an eventual merger with an American law firm as probable. ‘I agree with strong leadership for this firm. A democratic approach will cause us to slow down and ultimately to fail. We need quick efficient decisions without fear of questions and being challenged constantly’ (I.3). In this context another DDMP said, ‘Lawyers have to be willing to surrender much of the traditional autonomy in order to grow as business organizations’ (I.7). Another suggested, ‘Law firms that have grown aggressively in the last ten years have had strong leadership. Increasing numbers of partners want to grow the firm quickly and realise the need to empower a central management team to lead a strategy of growing in jumps through a number of mergers’ (I.9).

The *increased number of legislative changes as a source of business* was referred to by only one DDMP in one sub-case. This was mentioned in reference to the recent expansion of the European Union and the increased influence of Brussels on UK law. One partner saw *the concept of the City changing*— firstly because some City firms were changing office location from the ‘square mile’ that traditionally defined the ‘City’. Secondly, a number of national firms were expanding their London offices and, finally, the presence of American firms doing City work was expanding, but with their headquarters in the US.

The trends towards consolidation, corporatisation and globalisation, including the globalisation of legal practice, present lawyers and their firms with a new challenge, namely, how are they to position themselves in an ever rapidly changing industry and market. The majority of interviewees identified these trends and their implications clearly. As will be seen in section 4.3.2.2, these are perceived as significant challenges for leadership. But they are also perceived as being drivers of change for the whole profession. Such change is now the concern of the next section.

#### **4.3.1.4 Change factors in the profession**

Change factors in the profession have a more internal focus than those in the industry in general. These factors refer to those changes that have a bearing on how firms and lawyers manage themselves, on what it means to be a City lawyer, a partner in a City law firm, and the nature of partnerships.

Eleven change factors were identified within the profession. Table 4.7 identifies these and the extent to which they were raised as concerns across divisions and levels.

**Table 4.7** Change factors in the profession

Change Factor	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Professionalisation of management	Ü	Ü	Ü		Ü	Ü	Ü	Ü	Ü
Devaluation of partner status with decrease in partner autonomy	Ü		Ü	Ü		Ü	Ü	Ü	
Demand for work/life balance		Ü	Ü			Ü	Ü	Ü	
Shrinking opportunities through retention of equity			Ü	Ü	Ü			Ü	
Opportunities for women restricted		Ü		Ü				Ü	Ü
Retention of top talent difficult	Ü		Ü			Ü	Ü		
New entrants less willing to put in long hours				Ü		Ü		Ü	
Unrealistic expectations to make partner					Ü		Ü	Ü	
Less job security	Ü								Ü
Working environment less pleasant			Ü						Ü
New entrants have less emphasis on money	Ü					Ü			

(Source: produced for this study)

Three themes dominated respondents' views. These are: the *professionalisation of management*, the *devaluation of partner status and concomitant decrease in partner autonomy* and, from more junior lawyers, an increasing *demand for a better work/life balance*. Some partners and associates saw opportunities for women as restricted, especially for promotion to partner. Other themes, mentioned less frequently, included difficulty in the retention of talent, less willingness on the part of new entrants to put in long hours at work, and unrealistic expectations on the part of some to make partner. One associate referred to what she perceived as less job security and another to a less pleasant working environment due to the increase in pressure and stress. Each of these will now be discussed in detail.

The *professionalisation of management* was raised in all divisions apart from D, and across all levels. Interviewees generally, but not always, welcomed this trend. Three aspects were seen as elements of this professionalisation. The first referred to lawyers who were in full-time positions of management such as managing partner, where incumbents were seen as 'less amateurish' than formerly and more willing to learn requisite business management skills. The second involved the recruitment of very experienced senior management professionals, especially in areas such as finance, marketing and human resources. Within this second aspect some

interviewees saw a multiplication of senior management roles to include, even in the one firm, a senior partner, a managing partner, a chief executive or chief operations officer, finance, marketing and human resources directors. The third aspect of professionalisation was the increased authority accorded to management roles. This links with corporatisation in the industry category, discussed in section 4.3.1.3. Some interviewees reported feeling surprised at a general trend in their own firm, but also in larger firms, whereby partners were being held accountable to non-lawyers. In no instance was this welcomed. While many were able to accept accountability to a fellow-lawyer in a management role, the prospect of being criticised or having to explain one's practices to a non-lawyer was resented. One partner described it as 'the tail wagging the dog' (I.14). At the same time there was substantial agreement among interviewees that professional leadership and management had become business critical.

The *devaluation of partner status with decrease in partner autonomy* was raised in three divisions, and by all levels apart from Associates. It may be worth noting that all interviewees raising this issue are partners. As noted in the previous section, the trend towards corporatisation, with its concomitant centralisation of decision making, was perceived as demanding the surrender of control of the business by partners and a reduction of their involvement in decision making. Alongside corporatisation, and perhaps as an aspect of it, the appointment, rather than the election of, people to leadership positions was perceived to be diminishing the sense of partner collegiality and the tradition of partnership democracy. However, in this context two partners expressed the belief that the concept of partnership was redundant and overrated. For one partner, 'In larger firms the reality is that technically, partners are registered as self-employed for the sake of tax advantages. That apart, they are just employees or glorified shareholders' (I.17). Another suggested, 'Law firms are suffering from an idealised notion of partnership' (I.19). An extension of this view by another partner was that partnerships would eventually become multidisciplinary practices to include professional services such as accountancy and, in time, would be floated on the stock exchange. 'This would mean the end of proprietorial rights for partners' (I.11). The trend towards corporatisation with its centralisation of decision-making, including decisions on strategy, was perceived by a number of partners to dilute their sense of

autonomy. One partner, referring to partners as ‘just employees’, proposed: ‘Any sense of professional autonomy has all but disappeared’ (I.12).

In two divisions, B and C, and in all levels except Associates, interviewees expressed concern at what they perceived as a change in the attitudes of new entrants to the profession. This was characterised as *seeking a greater work/life balance* where ‘rewards sought are more varied with *less emphasis on money*’ (I.23). Several saw this as ‘threatening the work ethic of partnership’. Perhaps this is not referred to by associates as it is they to whom respondents referred, and they may not see themselves in this perspective. Related to this factor, but raised only in one sub-case, D, and by two levels, DDMP and partners, is the issue of *unrealistic expectations to make partner* with one interviewee suggesting that ‘Fewer people are willing to pay the price of being a partner and want more time outside work’ (I.26). Another suggested, ‘People want to do less work while getting the rewards of partnership’ (I.24).

*Shrinking opportunities for making partner* was raised in three divisions, C, D and E, and only in one level, that of partners. It was believed that shrinking opportunities were the result of an oversupply of law firms, a lack of growth in a number of practice areas and a desire on the part of some firms to restrict equity participation. It was suggested that, given the extent of changes likely in the profession, the firm’s management should hold honest discussions with associates about the effects of changes on the nature of partnerships and the likely knock-on effect on their career prospects. Another interviewee was of the opinion that, at the very least, ‘there will be less automatic promotion to partnership because of the shrinking opportunities’ (I.11).

While many partners referred in some way to the increase in the number of women in the profession, only in two divisions, B and D, and at two levels, Partners and Associates, did people express the belief that *opportunities for women are restricted* and described the profession as getting more difficult for women. Some expressed the view that women were unwelcome if they were seeking to work part-time as partners. With the increase in competition between firms and an oversupply of lawyers in the UK some held the view that things would get more difficult for

women who want to be mothers. While they may become partners initially, one female partner suggested that ‘partnership is no longer for life for anyone and women seeking part-time partnerships are unlikely to retain their status’ (I.12). Part-time partnership for working mothers was seen as impracticable because of the unrealistic remuneration expectations when part-time working.

*Less job security* was mentioned by one associate in one division, A, and a *working environment that is less pleasant* was mentioned by one associate in division C. The former was regarded to be the result of a glut of young lawyers and the latter the result of pressure of work.

One DMP referred to the fact that *new entrants have less emphasis on money*. He expressed surprise at this and thought it was part of the changing attitudes to work, to becoming partner and the pursuit of a better work/life balance. He believed that such people would find it difficult to make partner, but also thought that they were likely to leave for a career in an in-house legal department.

#### **4.3.1.5 A note on associates**

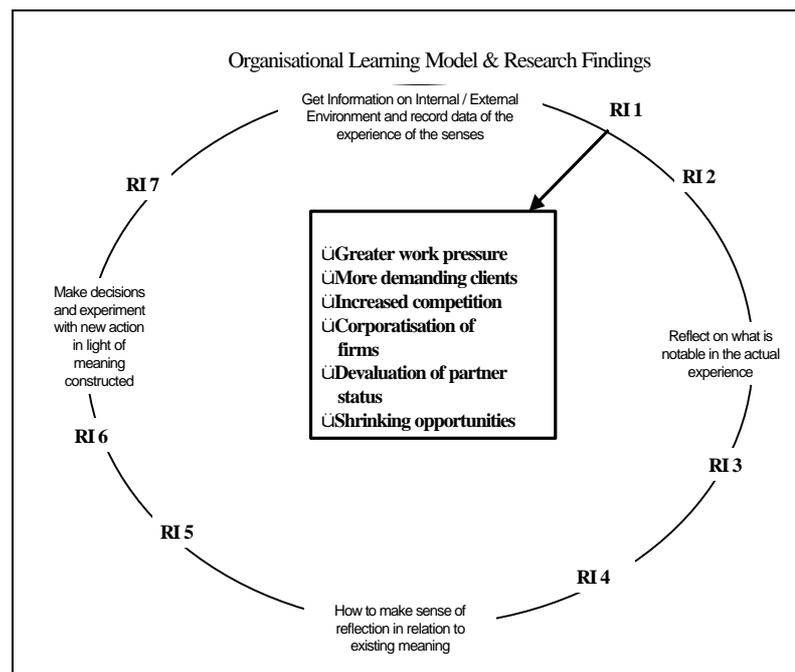
It is clear from that the foregoing that associates as a group were less concerned about changes in the industry or profession than their partner colleagues, but were concerned about the impact on legal practice of client expectations. One associate suggested that ‘...we are no longer a special case, just another service provider with more demanding clients. We are like interior decorators having to produce quotes for everything’ (I.28). It is striking that associates did not express concern about career development given the anticipated career implications of change in the status of partners and the shrinking opportunities to make partner referred to by partners. Only one associate referred to a decrease in job security due to the increase in the number of lawyers in the City. As relatively recent entrants to the profession, however, there was little reference to demands for work/life balance, which appeared so strongly in interviews of all other levels. This may well be due to a culture of not questioning long hours if one wishes to make partner. Nor was there any reference to the impact on career prospects of changes to the status of partnership. This may be due to interviewees associating change with such external factors as market forces, client demands and industry trends and not with changes within the profession itself.

Alternatively, it may be due to a lack of awareness on the part of interviewees as a result of their exclusion from information that has a bearing on partnerships, with a related unconcern about their own career prospects at this time. It may also be due to a failure on the part of the firm to communicate to associates changes to career prospects identified by the partners at all levels. Equally, it may be due to the reluctance of associates to honestly confront the implications for their careers of some changes in the profession. In general, it can be said that it was not due to a lack of awareness of change, as this group demonstrated an awareness of all other change factors and their impact on the firm. Some associates referred to the pressure of work and to the fact that the workplace was no longer a pleasant environment to work in given the pressure from clients, partners and the firm in general.

### Research Issue 1 Summary

A picture of City lawyers acutely aware of the impact of current and anticipated changes emerges from this research issue. Figure 4.1 presents a summary of the findings within the context of the Learning Cycle.

**Figure 4.1 Findings of research Issue 1 for organizational learning**



(Source: produced for this study)

Across all divisions and levels, the pressure to compete, together with the unprecedented concomitant demands of increased levels of responsiveness and

contribution to client businesses, are clearly evident. The long-term effects of change are anticipated, particularly by the partner groups whereby they see their business changing substantially from the traditional concept of partnership to a corporate entity run by shareholders, whether they are partners and/or others. Only associates seem less than fully aware of the implications of change that lie ahead.

Changes in the profession are perceived to strike at the very nature of partnership, the status of partners and a culture traditionally marked by collegiality, democracy and autonomy. The dramatic nature of these changes is exemplified by structural developments that see partners accountable to non-lawyers. Expectations of a better work/life balance, promotion and remuneration are perceived to be unrealistic. For associates, the cherished prize of being made a partner is becoming more elusive, as opportunities shrink and equity is restricted. In spite of technological developments, partner opportunities for women who wish to be mothers are not guaranteed. When considered together with changes in the industry and client attitudes, a picture emerges of very extensive change in how law is practised in the City law firm, how business is done, how firms compete and are managed, and how lawyers will progress their careers.

Given the far-reaching consequences of such change, implications for the role of leadership and leadership development are explored by this study in Chapter Five. In continuing with the organizational learning model through Research Issue 2, this study continued to gather information on the interviewee's experience of the external and internal environments by asking about their perceptions of leadership in the profession. This is the concern of the next section.

### **4.3.2 Research Issue 2**

*How do lawyers in a City law firm regard leadership in the profession?*

The aim of this research issue was to explore how respondents viewed the condition or state of leadership in their profession today, especially in dealing with the changes identified in Research Issue 1. In considering this research issue, the findings from

the following probe questions from Appendix B were analyzed: 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6.

Three themes dominated interviewees' perceptions across divisions and levels, as summarised in Table 4.8.

**Table 4.8 Leadership in the profession**

<b>Themes</b>
Leadership is in a state of transition
Leadership is still faced with traditional challenges
Traditional management exists, but is a function of size

(Source: produced for this study)

Firstly, leadership in the profession is perceived to be in a state of transition from traditional law firm management to a more transformationally oriented focus. Secondly, in dealing with change, leadership is faced with a number of traditional challenges arising from a transformational focus, the most significant of which are getting partner alignment, having few role models because of lawyers' ubiquitous experience of poor leadership, a lack of commitment to leadership training on the part of law firms, dealing with problem people and, lack of positional authority for those in leadership roles. Thirdly, traditional law firm management is still a characteristic of many small to medium size firms (10-70 partners) with those in management roles being elected and accountable to partners, the latter voting on most decisions that are not mere maintenance—with the result that such firms often lack strategic analysis and planning. In the views of respondents in this study, traditional management is closely associated with weak leadership.

Across the first three levels, DMPs, DDMPs and partners, many interviewees drew on their experiences across several firms and from what they had heard from peers in other firms, especially where they met lawyers from other firms representing the 'other side' in client transactions. Those in positional leadership roles were able to weave leadership concepts such as 'vision' and 'strategy' into their narratives and to speak about them with a sense of personal experience, while referring to both the profession generally and to their own firm in particular. Partners not in such

positions referred less easily to conceptualisations of leadership, referred less often to the profession as a whole, and emphasised more their personal perspectives within their own practice areas.

Associates in general seemed to have thought little about leadership, either in the profession or the firm. They seldom, if ever, referred to elements of a transformational focus such as vision, strategy and alignment. They viewed all partners as leaders in the firm with those in full time leadership positions as ‘not really leaders but managers’ (I.28). For associates, partner leadership was associated with growing the partners’ practice areas and bringing in more business. They agreed with many of the challenges identified by the other groups as facing those in full time roles, but more in terms of internal conflicts with a focus on the difficulties of getting partners to be accountable to other partners. Each of the themes will now be discussed in detail with the help of their respective matrices.

#### 4.3.2.1 Leadership in transition

This section analyses how leadership was perceived to be in a state of transition in the profession. Table 4.9 identifies elements of this transition referred to by interviewees.

**Table 4.9 Leadership in transition**

Characteristics	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>Leadership in transition</b> New focus away from traditional law firm management and towards:	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Anticipating the future	Ü	Ü	Ü	Ü		Ü	Ü	Ü	
• Creating vision	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Selling vision to partners	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Design and implementation of strategy	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Market analysis		Ü	Ü	Ü		Ü	Ü	Ü	
• Corporate style leadership necessary for aggressive growth		Ü	Ü	Ü			Ü		

(Source: produced for this study)

A new focus away from traditional management and towards elements of transformational leadership was identified in all divisions and all levels, apart from

Associates. For the most part, these elements, though distinct, featured with equal emphasis in respondents' perceptions and were generally referred to together. It seems appropriate, therefore, to discuss them together. Together, they are the most significant themes in this section. References included *Anticipating the future* in all divisions apart from E, and across all levels apart from Associates. In addition, in all divisions and across all levels apart from Associates, interviewees referred to the new leadership focus in the profession as including *creating a vision, selling that vision to peers* and *designing and implementing a strategy* to achieve the vision. In all divisions apart from A and E, and across all levels apart from Associates, respondents referred to the need for *market analysis* to understand what is going on and to be able to create a vision and strategy to deal with change in the market.

Although themes were common to all three levels apart from Associates, there was some degree of differentiation in how interviewees in each level spoke about the issues. It is, therefore, worth analysing separately how each level tended to view issues. It is also worth noting that many across these levels were emphatic about the fact that the traditional type of law firm management, with a focus on satisfying or pleasing partners and making decisions by majority vote, would impede growth and the ability of the firm to cope with the kind of change identified in Research Issue 1. The reason most often given for this was that such growth usually entailed having to make unpopular decisions that even the majority would not agree with.

#### **4.3.2.1.1 How DMPs view leadership in the profession**

These respondents believed that in firms similar in size to, or larger than, their own a new leadership focus was gaining ground. In this context, DMPs frequently differentiated leadership from management, with the latter understood as having a focus on maintenance, administration, operations, finance, personnel and facilities. It is also worth noting that several DMPs, most of whom are in full-time leadership positions, expressed a sense of anxiety about their own role in the context of new leadership and frequently referred to their belief that fellow partners still feel uneasy about such language as strategy, change and vision. Many referred to a sense of anxiety at having to speak about these issues at partner meetings. They feared cynicism, isolation and rejection by other partners whom they still regarded as their

peers. However, they remained convinced that the profession generally was already accepting that how a firm is led and managed has come to be perceived as a critical success factor.

#### 4.3.2.1.2 How DDMPs view leadership

The DDMPs varied little in their view of leadership in the profession from their DMP colleagues. However, all of them spoke more emphatically about the critical importance of leadership for those law firms that were anxious to grow. At one extreme, one interviewee expressed the view that ‘We must accept that a corporate style of leadership and structures are essential for firms that wish to grow. Law firms that have grown aggressively over the last ten years all had strong leadership. This enabled those firms to grow in jumps not just gradually’ (I.8). Growing in jumps referred to as many as three or four successive mergers of law firms, driven by a central leadership team able to convince the partnership that this was the only way to grow capability and get ahead of the competition. The fact that a number of younger partners also wanted to grow their firms aggressively meant there was a critical mass wanting strategic change. Four of the five DDMPs referred to a group of about seven to ten such firms now in the top fifteen law firms in the UK. One interviewee saw the change in the profession as ‘leadership is no longer a reward for time served but is an essential capability if we want to compete and grow in size (I.7). Another stated that ‘Good leadership is vital for business success and I’ve seen the difference good leadership made in my legacy firm prior to our recent merger’ (I.6). In the view of the DDMPs generally, effective leadership was related to aggressive growth, competition, corporatisation and was viewed as critical for business success.

As identified in Table 4.9, in three divisions, B, C and D, DDMPs alone among the levels referred to the necessity for a *corporate style leadership if the firm was to grow aggressively*. Compared to the DMPs there was a sense of urgency in how they spoke, a stronger energy in their expressions and a very clear desire for their firm to be among the top law firms in the UK. Speaking of their own role, they enjoyed being in a leadership position, two of them expressed the preference to have been appointed as DMP, and three of them were between ten and fifteen years younger than the DMP to whom they were reporting. These interviewees referred more

frequently than their DMP colleagues to what was happening in the legal market. This may be due to a more competitive orientation, including a hunger for growth, the fact that most of them do not yet have the same equity level as their older counterparts, and that they feel the need to prove themselves to their colleagues—including those in competitor firms.

While the DDMPs were conversant with how leadership was evolving in their industry, they still regarded the profession as unsympathetic to a corporate style leadership. ‘Leadership does not come naturally to lawyers and talk about visionary and charismatic leadership is regarded as American and rather comical’ (I.9). Another believed that ‘the structure of partnerships is essentially democratic with an emphasis on the consensual’ (I.7). A third interviewee stated, ‘the profession attracts highly intelligent people who wish to express their individuality and who are not attracted to playing by the rules. We are trained to challenge and think creatively and to look for what’s wrong. This doesn’t make it easy for those in leadership roles. Being a conformist is not part of our self-image’ (I.10). The researcher sensed that the interviewee was speaking about himself as much as about lawyers generally.

#### **4.3.2.1.3 How partners view leadership in the profession**

In speaking about leadership in the profession, few partners elaborated on what the new leadership focus involved, with little discussion on how each impacted a firm or its position in the industry. Moreover, there were fewer references to developments in the market place or industry and the competitive positioning of the firm. In discussing leadership, interviewees tended to list what they saw as characteristics. The style of response tended to be rather mechanical, almost as though interviewees were referring to something outside their experience. When telling the story of their experience many referred to the fact that they had little experience of anything worthwhile. ‘I’ve had a different experience with every firm I ever worked in and they were all characterised by a lack of anything like good corporate leadership’ (I.19). Another indicated, ‘We tended to pick big billers or, lousy lawyers who wanted out of fee-earning. Neither group were any good at leadership’ (I.13). A third referred to the fact that he worked in an American law firm ‘where everyone

was driven by the bottom line and leadership spent its time corralling a bunch of sole practitioners' (I.19). Another cited the fact that leadership and management have been 'lousy in law firms but the firms did well because the partners worked their socks off' (I.13). Where leadership style was seen as a function of size, one interviewee commented that 'the larger law firms are dictatorial with most partners having little say' (I.15). The lack of elaboration may be explained by a number of factors, including lack of perceived personal impact, reluctance to talk at length about the subject for fear of being perceived unknowledgeable about the area, lawyers' concern to respond to questions succinctly and/or the concern to minimise time and return to work after the interview.

However, there were three partners who spoke about the new leadership focus at length, expanding in detail on elements of creating and selling a compelling vision, designing and implementing strategy and the need for a rigorous market analysis to identify and manage change. All three partners had been members of an in-house legal department in a corporate type organization and, unlike all their other colleagues of all levels interviewed, all three had received extensive leadership training in those organizations.

#### **4.3.2.1.4 How associates view leadership in the profession**

Table 4.9 indicates that associates differed substantially to other interviewees in that they did not refer to the new leadership focus in the profession. They did not express views about how leadership was being exercised in other firms, or about leadership in the profession generally. This may be due to leadership outside the firm as not being perceived as a concern because their focus is on working with their partner-supervisors who are perceived as their actual leaders on a day-to-day basis. This may account for associates seeing leadership as something exercised by partners with regard to client teams, transactions and client relationships. In Research Issue 1 it was noted that some associates regarded partners as the real leaders of the firm, and those in positional leadership as 'only managers'. It may also be explained that some associates have experience of only one firm and have their focus on progression within that firm. What may be happening elsewhere may seem of little relevance.

### 4.3.2.2 Challenges facing leadership in the profession

This section discusses interviewees' perceptions of challenges facing leadership in the profession today. Some of these are regarded as traditional challenges facing authority in law firms, such as the autonomy of partners with the consequent difficulty of getting alignment. However, in discussing transition to a new leadership focus, some of these challenges, which in the past might have been possible to 'live with', were now perceived to be all the more significant in undermining progress and requiring to be dealt with more robustly. Table 4.10 identifies these challenges as they emerged across divisions and levels.

**Table 4.10 Leadership challenges in the profession**

Characteristics	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Challenges faced by leadership									
• Secure alignment of highly intelligent people	ü	ü	ü	ü	ü	ü	ü	ü	ü
• No leadership training	ü	ü	ü	ü	ü	ü	ü	ü	
• Few role models as a result of extensive experience of poor leadership in the profession		ü	ü		ü	ü	ü	ü	
• Deal with problem people		ü	ü		ü	ü	ü		
• Lack of role definition and positional authority		ü	ü	ü		ü	ü		
• Create real differentiation of the firm			ü	ü			ü		
• Partnership structure		ü							ü
• Partners' expectations		ü							ü
• Building trust			ü						ü
• Keeping open communications					ü				ü
• Power bases in one's own division	ü								ü

(Source: produced for this study)

The most significant challenge facing contemporary leadership in the profession was identified as that of *securing alignment of partners*. This was raised by interviewees in all divisions and across all levels. It was described in a variety of ways. One DMP said that leaders in the City law firm in particular, had to deal with 'very highly intelligent people, many of whom were academic high achievers, who felt entitled to

question everything, who were trained to spot flaws in arguments and to focus on their personal expertise and performance to the exclusion of wider departmental and firm wide issues (I.1). Another stated, 'I detest getting bogged down in constant sterile debate' (I.3). This composite phenomenon questioning, fault-finding and arguing was put forward as a possible reason why, traditionally, lawyers who became managers in law firms such as managing partners, took the line of least resistance, focused on administration and resigned themselves to the need to put everything of consequence to a vote of the partners. The emotional tone with which this particular challenge was described by interviewees suggested that, for some, this is a source of significant stress. One DMP described himself as 'feeling insecure standing up in front of a room of such bright people'. Another spoke of not being sure he 'would have credibility when talking about strategy without being able to guarantee that the proposed strategy is right' (I.5). A third said he was 'not sure that the role was really valued by fellow partners' (I.2).

Some DDMPs believed that one of the most substantial challenges facing leadership in any firm is the reluctance of partners to see themselves as accountable to people they themselves have elected. One DMP saw the issue of alignment somewhat at variance with both DMPs and fellow DDMPs. For him, the bigger challenge was that of securing 'dual alignment', the alignment of partners with the firm's strategy and the alignment of the firm's strategy with the goals of the individual. This latter concern involves what is perceived to be the onus on leadership not to exclude the practice specialism of an individual partner by the strategic direction of the firm.

Partners themselves emphasised the difficulty of *securing alignment* and the related issue of partner autonomy much more strongly than either of the previous groups. 'Managing extremely articulate people all of whom have their own views and over-estimate their own importance' (I.14) was how one interviewee described the problem. Other statements reflect the strength of feeling on this issue in the profession as a whole. 'Partners see themselves as owners of the business and as delegating upwards in appointing leaders. They feel entitled to constantly question the people they elect' (I.11). 'As partners we cling to the ideal of partnership as a consensual way to run a business where everyone is happy and all decisions are unanimous. This may be no longer true for some firms but we hold on to the

aspiration at least' (I.12). 'Managing people, especially partners, some of whom are a law unto themselves is definitely the most difficult aspect of leadership' (I.13).

Associates saw the difficulty of securing alignment as that of getting partners to accept accountability to other partners. In this context, partners were seen as 'having big egos', who as 'lawyers by nature and training, want to probe and question everything and require explanations and like to challenge assumptions'. 'Partners won't see themselves accountable to a divisional managing partner because they see him just as one of themselves. They've a much greater chance of being accountable to central management'.

The second most significant challenge referred to was that of *no leadership training*, referred to in all divisions and across all levels apart from Associates. For many, this was regarded as surprising in light of the changes taking place in the industry. All DMPs referred to the challenge of taking on the role with no training provided. This was described as typical of the profession still. One interviewee described an external training programme for which he signed up personally and described it as 'truly personally transforming', explaining that 'I got to know more about myself and face things I would never have been confronted with by anyone in the firm' (I.4). All DMPs had done a two-day strategy-training programme with a business school in England which was described as stimulating for the two days, but having no practical application subsequently. The lack of training in management and leadership in the profession was described as the reason for the increasing recruitment and 'tolerance' of professional managers. Most blamed the culture of law firms which was averse to training of any sort and the traditional attitude, up to now, that management was not of sufficient status to justify spending time on training for it. One DDMP commented 'A colleague of mine in a FTSE 250 company cannot believe our approach to appointing leaders and providing no training for them. He couldn't imagine that happening in their business for even section heads' (I.7). While the issue was raised by many interviewees, it was not discussed at length by any. This may be due to their having had no exposure to leadership development and what form it could take in a law firm.

*Few role models as a result of extensive experience of poor leadership in the profession* is the third most significant challenge identified in three divisions B, C and E, by all levels apart from Associates. It was seen to compound the effects of a lack of training. In talking about their experiences of leadership in the profession, all DMPs referred to an extended period of time when they worked in a firm which they regarded as having suffered from weak leadership and/or weak management. The time referred to was in the recent past—two or three years prior to being interviewed for this study. In describing how they saw leadership in the profession today, the recent past had a strong bearing on their views. Where they saw improvements in leadership practice in their current firm, they did not think this was representative of the profession as a whole and believed that there were still a number of mid-size to small practices which are characterised by traditionally poor management and leadership. Factors in their descriptions included: unwillingness to tackle difficult partners, poor implementation of decisions, management over-influenced by power cliques of long established wealthy partners, tension between senior and junior partners, non-lawyers, typically accountants, in positions such as CEO and lacking credibility, a culture of secrecy and lack of integrity, poor people management, failure to address issues involving strategy and the need for change, and an extreme of democratic decision-making by partners where the whole partnership votes on trivia such as the ‘colour of the wallpaper’, with the consequent disempowerment of people in positions of group leader and managing partner. If leadership in the profession was changing, it is from a baseline where some or many of these factors were still in play.

DDMPs descriptions of extensive and recent experience of weak leadership and management were similar to those of the DMPs. One interviewee said, however, ‘I experienced a really brutal management style at my last firm but if I had to choose between that brutal style and a slack, directionless style I would choose the brutal. At least that gets results’ (I.5). His comment was in relation to weak leadership that fails to make decisions and achieves very little as a result.

*Dealing with problem people* was identified as a challenge in divisions B, C and E and by DMPs and DDMPs, but not by partners and associates. It is the fourth most significant challenge. Interviewees described a particular twist to the challenge of

dealing with bright people as that which they believed is faced in every law firm—having to deal with top-billing partners who are stubbornly sole practitioners, who treat most people insensitively with the exception of their clients, and who remain impervious to any feedback about the effects of their behaviour. No one knew of any firm which had solved this problem. This was explained by the fact that maximizing financial performance is paramount for law firms and that few, if any, could countenance the prospect of ‘getting rid of a top biller’. There would be little partner support for such a decision, given that all partners would suffer in their earnings. Several interviewees believed that the culture in their present firm was changing to one whereby such behaviour would be challenged. But such a willingness to tackle difficult people was believed to be still the exception in the profession.

The *lack of role definition and positional authority* was identified in three divisions and by two levels, DMPs and DDMPs. It is, therefore, the next most significant challenge. It is a concern raised only by those in formal positions of leadership and for many of these interviewees had a bearing on a number of related issues. Firstly, without role definition and positional authority they saw their credibility as resting on their track record as a high fee-earning lawyer. Thus, the credibility at issue is not that associated with being a leader, but rather of being an excellent lawyer, having a reputation for a high value client following, and good at winning business measured by personal fee income. The phrase ‘role model’ was frequently used to refer to this kind of credibility. In this context, interviewees saw leaders in law firms as being without positional authority and, therefore, having to rely on their track record in fee earning to influence partners. DMPs were unanimous and emphatic in their belief that non-lawyers could not successfully lead a City law firm precisely because they would lack such credibility. Partners were unlikely to be able to see a non-lawyer as one of themselves. Talk about vision, strategy, change and the need to make tough decisions was unlikely to find a receptive audience coming from someone who was a non-lawyer and even more unlikely if the individual was coming from a corporate background. To raise strategic issues was seen as extremely challenging, even for lawyers in leadership positions, but they had the advantage of credibility which provides at least a common platform for what might be experienced as ‘threatening discussions’. It was also explained that lawyers generally feel ‘out of their depth’ when discussing such topics as vision, strategy and change and are inclined to

dismiss them as ‘management speak’, and are fearful of appearing unknowledgeable about anything. A fellow lawyer raising such issues would seem less threatening.

All DMPs had been offered a choice by the firm to work full time as a DMP, or part time along with working for clients. To sustain credibility however, all but one DMP felt it necessary to retain some fee-earning work in spite of the difficulty of balancing fee earning and their work as divisional leaders. One interviewee described the problem of ‘lacking credibility when talking about the importance of each partner’s personal financial targets when having none of my own’ (I.3). It was believed that, in the profession generally, only the largest firms could find a significant number of people who were both able leaders and willing to go into full time leadership positions. Additional reasons given for retaining client work were fear of losing technical competence as a lawyer, of losing long established clients and losing one’s market value as a result of losing one’s client following. One DDMP referred to the fact that he had asked for a role definition, but was told to discuss it with his DMP. He subsequently got the impression he was being asked to do those aspects of managing the division that were of no interest to his DMP. Because the profession, traditionally, does not value leadership or management training, those in positions of leadership tended to feel ill equipped. The lack of role definition means that people are not clear about expectations, both the expectations the firm has of appointed leaders and those of one’s fellow partners.

*Creating real differentiation for the firm* was identified as a significant leadership challenge by DDMPs in two divisions, B and C. They referred to the fact that amongst the top 25 firms just below the Magic Circle firms, there was such similarity of offering that to tell one from the other would be difficult, apart from brand name. It was suggested that most law firms have marketing messages on their websites and in their literature that tell clients they are different from every other law firm, usually by the level of expertise and the quality of client care. Because so many make this claim, ironically, these factors are seen to be what makes them all the same. Differentiation was seen to be an elusive quality at this level in the market.

Five challenges were each identified by associates alone, and each in only one division. However, they are deemed significant in providing perspectives of those

who do not share equity in the firm. The two issues of *partnership structure* and *partner expectations* were together regarded as posing a substantial challenge to leadership in any law firm because the structure is such that partners regard themselves as owners of the business and see others as their employees. They have expectations of those they elect to leadership to be loyal to those who elected them, and to manage affairs in such a way as not to interfere with their electors.

Partner expectations meant that building and sustaining trust would be a challenge in that in all practice groups there was rivalry and conflict. No matter who would be elected or appointed to a leadership position of a division, they would be faced with the suspicion of being partisan. This linked with the next challenge of *keeping open communications*—deemed by one associate as ‘virtually impossible’. The reason given was that most leaders are ‘bound to trust those of the practice area to which he belonged more than others and therefore confide in them more and to communicate with them more often’ (I.22) It was also suggested that these would be the people who would be more likely to be asked for honest feedback. The challenge of power bases within one’s own division referred to the likelihood that there would be partners there who would either have preferred to get the leadership job themselves, or would have preferred someone else to have got it. These would not be disposed to readily accept what leaders had to say. How associates saw the challenges facing leadership is clearly from the perspectives of the ‘sidelines’, observing what goes on at grass roots level. It mirrors some of the concerns felt by DMPs in particular regarding the anxiety they described in standing before partners, securing alignment, sustaining credibility and having their role valued.

#### **4.3.2.3 Traditional law firm management still a feature**

In all divisions apart from B, and across all levels except Associates, traditional law firm management was seen as a significant feature of leadership for many small to medium size firms as represented in Table 4.11 for ease of reference.

**Table 4.11 Traditional law firm management**

Characteristics	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Traditional law firm management									
Traditional management still characteristic of small to medium size firms	Ü		Ü	Ü		Ü	Ü	Ü	

(Source: produced for this study)

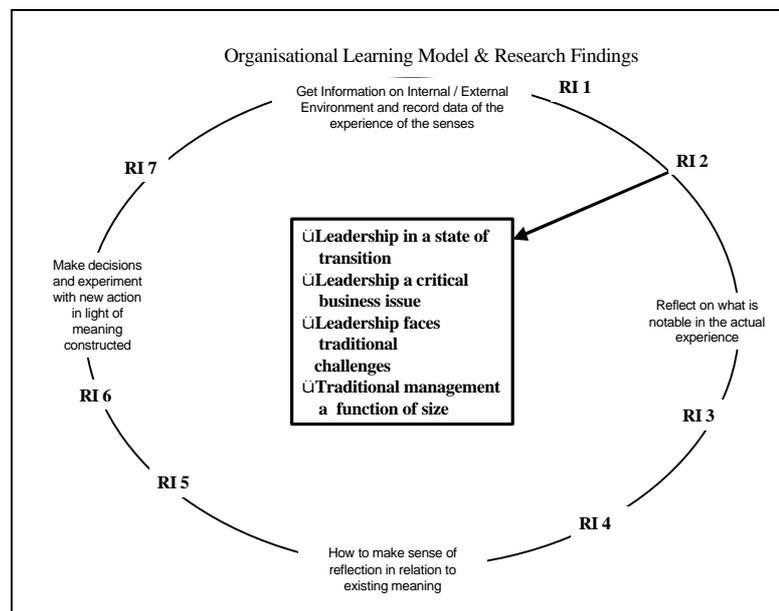
Above all, such management was seen as lacking a strategic focus consisting of the elements identified in transformational leadership in section 4.3.2.1. The defining characteristic of such management was seen to be the degree of control partners exercised in the running of the firm, whereby the managing partner and senior partners were held accountable to the group of partners. This was seen as sustaining the extreme of democratic decision-making and disempowerment of leadership associated above with traditional law firm management. Other characteristics mentioned included an unwillingness to tackle difficult partners, management over-influenced by power cliques, a culture of secrecy and poor people management. The fact that such firms often succeed financially was attributed to a culture of billable hours where all lawyers are expected to work extremely hard.

It is striking that many of the features associated with traditional management are also associated by interviewees with their experiences of weak leadership. In Research Issue 1 strong corporate type leadership was associated with strategic focus and aggressive growth. A diminished decision making role for partners and a reduction in their overall status seemed to be inevitable corollaries, unwelcome to all but a few. At the same time, Research Issue 2 indicates that most interviewees were relieved to see the end of traditional law firm management and governance because associated with weak leadership and especially, a lack of strategic focus. If faced with a trade-off between 'size and say', most seemed to opt for size representing growth.

#### 4.3.2.4 Summary of findings for Research Issue 2

The state of leadership in the profession is seen to be a function of firm size with the traditional view of law firm leadership no longer believed to hold true across the industry. Figure 4.2 summarises perceptions of this aspect of the external environment in the context of the Learning Cycle.

**Figure 4.2 Leadership in the profession**



(Source: produced for this study)

Interviewees in positional leadership roles (DMPs and DDMPs) view leadership in the firm as a critical success factor. It is perceived to involve analysing market trends, generating a future vision, designing and implementing strategy, working to secure alignment of partners with the vision and strategy, growing the business and dealing with difficult issues and people. While most see a distinction between leadership and management, they generally see themselves as doing both. When commenting on the state of leadership in the profession, most positional leaders see very substantial change taking place, with an acceptance by lawyers ambitious to grow that leadership, strategy and alignment are critical and demand robust commitment and resolve. The traditional view of law firms being led and managed by barely competent amateurs is changing rapidly.

The views of partners do not differ substantially from the views of those in positional leadership roles. While most partners conceptualised leadership in similar terms to the DMPs and DDMPs particularly in the context of change, some seemed less comfortable when discussing what was involved in terms like ‘vision’, ‘strategy’, ‘alignment’ and ‘implementation’. Leadership was seen as still confronting a substantial challenge of communication and securing buy-in in the face of the traditional autonomy of partners and their felt sense of ownership of the business. The state of leadership in the profession was regarded as a function of the size of the firm. The cultures of larger firms were regarded as being more corporate-like, with centralized leadership intent on aggressive growth. It was believed that within such cultures there was a concomitant dilution of the collegial influence of partners. Mid-size and smaller firms were generally regarded as still struggling with traditional issues of management and the democratic control of the partnership as a whole.

Associates viewed leadership as something remote and having little impact on them. Leaders, for them, are the individual partners to whom they report and for whom they work on client teams. They conceptualised leadership in terms of marketing and business development and saw their partners as the role models they seek to emulate on their own journey to partnership status. They did not immediately associate leadership with terms like ‘vision’, ‘strategy’, ‘alignment’, ‘anticipating the future’ or ‘external analysis’. Central management was seen as distant and of little consequence. They were conscious of many difficulties facing those in positions of leadership emphasising, like the partners, the difficulty of partner autonomy and partner status as owners of the business, as well as power struggles within and across divisions. They made almost no reference to the state of leadership within the profession.

The first and second research issues provided interviewees with an opportunity to reflect on change in the external and internal environments and the state of leadership in the profession in the midst of such change. In progressing round the Learning Cycle, the concern now is to ‘Reflect on what is notable in the actual experience’. Research issues 3 and 4 were designed to achieve this ‘reflection on experience’. Research Issue 3 invited participants to reflect on how they understood their own role

in relation to leadership. Research Issue 4 asked participants to reflect on what skills and abilities they perceive as essential for effective leadership in the context of change and the their own role. Research Issue 3 is the concern of the next section.

### 4.3.3 Research Issue 3

*How do the lawyers in the City law firm understand their own role in relation to leadership?*

Given the different roles interviewees held within the firm, this research issue sought to establish how each construed his or her own role in relation to change and leadership. In particular, for those not in formal leadership roles, it was hoped to identify how they saw themselves in relation to those who were. In considering this research issue, the findings from the following probe questions from Appendix B were analyzed: 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13 and 3.14. Across all divisions and levels three dominant themes were identified, as summarised in Table 4.12, namely, Development, Problem-solving and Supporting. Each of these will be discussed in turn with the help of respective matrices.

**Table 4.12 Roles in relation to leadership**

Themes
Development
Problem-solving
Supporting

(Source: produced for this study)

#### 4.3.3.1 The development role

In all divisions and across all levels other than Associates, *Grow the business and deliver financial results* was identified as the dominant concern. This also provided the context for other concerns. Table 4.13 represents issues identified by respondents in relation to this development role.

**Table 4.13 Development roles in relation to leadership**

Roles	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Development									
Grow the business and deliver financial results	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
Lead and develop my division / group/team	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
Supervise/ mentor/coach individuals		Ü	Ü	Ü	Ü	Ü	Ü		Ü
Ensure effective communication	Ü	Ü		Ü		Ü		Ü	Ü
Secure alignment		Ü		Ü		Ü	Ü	Ü	
Engender vision		Ü			Ü		Ü	Ü	
Implement change	Ü					Ü			
Give honest feedback	Ü	Ü			Ü				Ü
Making tough decisions					Ü		Ü		
A role model for associates				Ü				Ü	
Recruit top talent	Ü						Ü		

(Source: produced for this study)

Business growth was clearly expressed in terms of additional revenue generation in all divisions and across these three levels. The second most significant theme was closely aligned with this priority, namely, *Lead and develop my division/group/team*. This concern was again identified in all divisions and across all levels except Associates. Taken together, they reflect a particularly strong focus on financial deliverables, not only on the part of those in formal positions of leadership, but by all partners. DMPs and DDMPs perceived their development role in very similar terms and in the context of their leadership roles. Their perspectives will be discussed together in the next section to avoid unnecessary repetition. The perceptions of partners will be discussed separately, analysing their unexpected and striking emphasis on their own leadership role. Finally, the perceptions of associates on their development role will be explored. Issues in Table 4.9 will be referred to in the main body of the discussion and identified by the use of italics.

#### 4.3.3.1.1 The development role of DMPs and DDMPs in relation to leadership

In discussing how they saw their respective roles, both of these groups of interviewees spoke with enthusiasm and without an apparent need for much reflection on the questions. This indicated a degree of clarity about their roles and how they were attempting to position themselves in their respective divisions and

particularly in the minds of their fellow partners. Three of the DMPs in divisions, B, C and D, emphasised that they did not see themselves as ‘anyone’s boss’. This may well be due to a concern about how partners may perceive them and to avert any related resentment. In addition, it may be mixed with seeing avoidance of any suggestion of authoritarianism as necessary to succeed in the role. They discussed their development role very much in reference to the relationships they sought to create with the partners in their respective divisions and how they would like to be seen by them. What they had in common was a desire to be seen as honestly seeking to develop the business free of partisanship, to stimulate thinking and innovation, and to facilitate open discussion about how to grow revenue. For these three people, the ideal of service was high whereby they sought to assist partners in achieving financial goals. There seemed to be little concern with status attached to the role.

The other two DMPs, divisions A and E, believed that in order to grow the business competitively and achieve the espoused strategy of the firm, they would somehow have to be able to sell the need for change, especially the change from the model of one partner servicing clients to a team-based model of client care. Each sought to find a way of holding the change imperative in front of partners without compromise, but without drawing fire and aggression. The researcher was in no doubt that if aggression was regarded as inevitable, the determination of these leaders to uphold the change agenda would not weaken. One DMP suggested that he needed to ‘get across to my people that we are a commercial enterprise and to develop the business we must develop a marketing culture, ensure people understand how the business works and what the business expects of them’ (I.1). Another expressed his development agenda as follows: ‘I want to generate a vision for the division so that we can become one of the top five practices in the country. To achieve that I know I must get partner buy-in’ (I.5).

The DDMPs overall were equally concerned for the development of the business. For one, his role was to ‘grow the practice and get better deals and better clients in order to deliver financial targets’ (I.7). Another wanted to focus on ‘growing the division, running a successful business and delivering financial results’ (I.8). He described his division as having an excellent client list which he wished to exploit, but felt he was being ‘caught up in too much administration, management and being an agony aunt’

(I.8). For another, his role was seen as to ‘identify key business development initiatives and work with those to support partners involved’ (I.6). However, one DDMP stated, ‘I see the DMP as external facing and me as internal facing with a focus on developing our people while he (the DMP) develops the business’ (I.10). Both levels believed that to achieve their growth agenda it was essential to focus on the second issue in Table 4.13 *Lead and develop my division/group/team*. This was linked with issues such as the need to *Supervise/ mentor/and coach individuals* identified in four divisions and across all levels apart from partners—all regarded as essential in helping people achieve their financial targets. Of the remaining issues, only one was not identified by either DMPs or DDMPs, namely, *Give honest feedback*—an issue raised only by associates. While the remaining issues were identified in only one or two divisions and by only one level, together they form a picture of the level of resolve to develop the division’s business. To *Secure alignment* mentioned in two divisions, but by DMPs, DDMPs and partners, there was a need to *Ensure effective communication* raised across three divisions and three levels.

Roles such as *Engender vision, implement change* and *Make tough decisions*, although identified within relatively few divisions and across few levels, in the context of development were represented as difficult issues. For example, several interviewees saw that the focus on revenue generation and maximising profitability would ultimately lead to the necessity of making unpalatable decisions including ‘managing non-performing partners out’. One DMP went to some lengths to explain, ‘First of all you have to work through the logic of the decision and satisfy yourself that, in impartial business terms, this is the correct decision to make. Then you have to achieve sufficient consensus amongst the other people who are capable of being party to the decision. Once the decision has been made you must implement it with resolve’ (I.5). While others were less direct, using phrases like ‘must strip out the unprofitable work’ (I.3), ‘challenge people who threaten to bring down the business’ (I.2) and ‘confront difficult issues such as partner performance and unacceptable behaviour from partners’ (I.1), there was substantial consensus that financial results were the top priority. To achieve them, tough decisions sometimes would have to be made.

One DDMP saw as essential the need for his division to *Recruit top talent* if they were to be able to compete with the level of expertise available in his practice area in other firms. He also saw it a necessary to continue branding the firm as a destination firm for talented individuals.

#### **4.3.3.1.2 How partners see their development role in relation to leadership**

Like those in positional leadership, partners saw their primary role as to *Grow the business and deliver financial results*. Unlike the former, however, this was almost constantly expressed within or alongside *Team development* the second most significant role as identified in Table 4.13. For most partners, business development and team development were inextricably linked: ‘I see myself as responsible for my team, for growing the business with them and doing the business planning together’ (I.12). Another said, ‘Clients always come first in everything I do but of course I can’t separate that from also caring for my team’ (I.17). Others were concerned to grow their practice area, but indicated their awareness of how much their team formed part of that. Two interviewees, however, widened the perspective of business development going beyond their own practice area and expressing a concern for the business of the whole firm. This was expressed as ‘I try to represent the best interests of the firm at partner meetings and encourage people to transcend the silo mentality’. In this context, the silo mentality refers to either the sole practitioner mentality whereby one seeks to maximise his/her financial performance without concern to sell other services in the business, or the mentality of a group which is concerned only for the performance of its own practice area without reference to the performance of the firm as a whole.

The fact that the theme of team development was stronger in the group of partners than in their positional leadership colleagues may be due to the concerns of the partners to have highly effective client and transactional teams, and to their having a narrower remit than that of their leaders enabling them to have a narrower focus. However, the concern for their teams was not merely one for financial performance. Across this group, a personal concern was expressed for associates on their team. This was phrased as. ‘I would really like my team to feel excited about possibilities in the business’ (I.20), and ‘Just as the firm as a whole needs a vision, it really

means very little to associates unless they feel I have a vision for our team which they can buy into' (I.16). As indicated in Table 4.13 the concern to *Engender vision, secure alignment* and *Ensure effective communication* was as much a concern for partners in leading their teams, as it was for positional leaders responsible for divisions. Words such as 'vision', 'direction', 'morale', 'strategy', 'motivate', 'inspire' were used by most of these interviewees without describing themselves directly as leaders. There is little doubt that most of these partners saw themselves as both business and team leaders.

Partners were aware that associates saw them as representing that to which they aspired. This was interpreted by partners as a substantial responsibility. 'I see myself being a *role model for associates* (identified in division E) in demonstrating to them that the career ladder really works' (I.20). Another partner put it more forcefully: 'I also have priorities to make sure that the associates are developing their careers, that they are developing in a way that they should be and in the way that they want to be and to rectify things if I think they are not or if they are unhappy...and to ensure they are getting all the support they need and that everyone is working as a team and getting on with each other and working as efficiently as possible' (I.15). In expressing concern for associates, one partner felt it was his explicit responsibility to 'provide pastoral concern' for younger lawyers within his division and linked this with being aware of their concerns, ensuring they were getting the work experiences that would develop their competence, and bringing them together occasionally to discuss how they were doing. 'I want to listen a lot and act early on problems' (I.19). He linked this with the role of representing them at partner meetings.

The concern and sense of responsibility expressed for associates was most frequently in the context of their career development in terms of one day becoming a partner. This may be due to the fact that, generally speaking, the profession is structured to see partnership as a kind of career pinnacle and that other career options, such as that of remaining a senior associate or leaving the firm to go in-house for a corporate organization, do not represent the same degree of career success. In addition, partners may be aware that as former associates themselves associates see themselves as somehow 'outsiders', until they become a partner and member of the 'in group'.

Only one interviewee expressed a view at variance with that of colleagues. This was expressed forcefully as, 'I find it difficult to feel I have a leadership role as I am not on any body. I find it difficult to create a vision for my team, as I don't trust central management. I will not express my views or stick my head above the parapet. It just doesn't get you anywhere' (I.18). This view had much to do with the person feeling betrayed by someone in central management and a sense of the firm becoming increasingly impersonal as a result of increase in size following the recent merger.

With one exception, all partners see themselves as leaders in terms of role models, leading business initiatives and transactions, developing their own practice areas and motivating associates, particularly those working for them on client teams.

#### **4.3.3.1.3 How associates see their development role in relation to leadership**

In describing their roles in relation to leadership, associates made no reference to the issue of development within the wider perspective of the firm. The sense of belonging is to their division or practice area, and most strongly to the client teams on which they are selected to work under the leadership of a client partner. Only two associates described themselves as having a leadership role and that was in relation to 'acting as role models or leaders in delegating work to juniors and trainees and directing them on the best way to do things' (I.22). This was in reference to situations where more senior associates were delegated by partners to manage teams on particular matters. Where others referred to their relationship with more junior people, it was always in terms of having to *Supervise/mentor/coach individuals* as indicated in Table 4.13. When asked explicitly about leadership in this context, most rejected the word 'leadership' in favour of 'managing' or 'management'. Several indicated that nothing formal had been established, other than where some associate was appointed to 'supervise trainees and do their performance appraisal' (I.26). This refers to their role in fulfilling a requirement of the Law Society that trainees have experience of at least four practice areas over two years and are supervised in each area by a qualified solicitor who does a performance appraisal at the end of their time in that area.

### 4.3.3.2 A problem solving role in relation to leadership

The second dominant role identified across divisions and all levels except Associates, was that of problem solving. Table 4.14 illustrates the main components of a problem solving focus across divisions and levels.

**Table 4.14 Problem solving roles in relation to leadership**

Roles	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Facilitator		ü	ü		ü	ü	ü		
Resolving conflicts					ü		ü	ü	
Challenge those who threaten firm			ü		ü			ü	
Resolve disciplinary matters		ü					ü		
Reduce WIP & ensure timely billing			ü				ü		

(Source: produced for this study)

The overall emphasis in terms of problem solving in relation to leadership was the concern to ensure a business development strategy was implemented and that obstacles to achieving this were removed. Elements of this problem solving role included that of being a *Facilitator Resolving conflicts, challenging those who threaten the firm, resolving disciplinary matters and reducing WIP and getting bills sent out on time*. Table 4.14 identifies DDMPs as the group most concerned to ensure problems are solved having identified all elements apart from that of *Challenge those who threaten the firm*.

DMPs in divisions B and C described their role as that of a facilitator. One has already been referred to as expressing the view that he was not anyone's boss but '...a facilitator to clear the path for successfully implementing decisions' (I.2). A second DMP suggested that his role was to 'ask questions, challenge and push the thinking and try to achieve a balance between driving the business and human understanding' (I.5).

On the issue of facilitation one DDMP said, 'I want others to see me as available for problem solving for individuals and groups' (I.7), while another saw his role as that of creating 'a cooperative working environment' (I.8). Three DDMPs expressed the determination that where there were problems or difficult situations, especially

involving difficult people, they would deal with them directly. Most DDMPs saw the necessity to *Reduce WIP and ensure timely billing*. In particular, this involved encouraging partners to send out bills on time, to follow up bills and reduce their work-in-progress (WIP). Some partners were either careless about billing or felt awkward billing clients they knew well. The style with which this was to be done was very much one of encouragement to help meet divisional targets, rather than any resorting to sanctions. A sanction exists within the firm for those whose WIP is thought to be too high, namely, reduced drawings in the next month. Significantly, however, this sanction is imposed by central management rather than divisional leadership and, while used, is rarely so.

Partners were equally concerned to take a leadership role in dealing with problems in two areas, *Resolve conflicts* and *Challenge those who threaten the firm*. One partner described himself as a spokesperson for his group and for associates in general, and stated that it was important to ‘Listen and act early on problems’ (I.17). Another partner felt that when ensuring clients’ needs are satisfied and the reputation of the firm at stake he would ‘...deal with difficult team members who are failing to produce client solutions’ (I.13). Another expressed the desire that in his role as a team leader he wanted to ‘tackle the sole practitioner mentality and follow up on people who did not implement their business plans in his area’ (I.11). Several others referred to the need to ensure difficult situations and people were dealt with up front, unlike former times when problems were ignored and swept under the carpet.

Associates did not refer to their having a problem-solving role in relation to leadership. As will be seen in the next section, this may be due to seeing partners as the real leaders and their own role as implementing their decisions and collaborating with them.

The strength with which respondents saw the need and the desire to work to resolve problems as part of their role in relation to leadership reveals a concern for the firm beyond merely their own practice area. There was an overall concern to ensure the success of the firm, measured in financial terms.

### 4.3.3.3 Support role in relation to leadership

This section examines the concern of interviewees to act in a way that supported others. While the word support was used mostly with reference to business initiatives, it is used here to describe the overall thrust behind concerns, for example, to *Accept accountability*, where DDMPs and partners believed this would encourage and support those in positional leadership. Table 4.15 summarizes the key areas identified by interviewees in how they saw themselves providing support.

**Table 4.15 Support role in relation to leadership**

Roles	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>Supporting</b>			ü	ü	ü	ü	ü	ü	ü
Support partners in business development			ü	ü	ü	ü	ü	ü	ü
Accept accountability	ü		ü		ü		ü	ü	
Represent division and firm	ü	ü			ü	ü			
Listen / counsel				ü	ü				ü
Be available as a resource to be called upon					ü		ü	ü	
Support firm wide initiatives in own division	ü		ü		ü	ü			

(Source: produced for this study)

The support theme was the third dominant theme across all divisions and levels. This included those in leadership positions being concerned to be perceived as supportive, especially with regard to partner initiatives in business development. This emerged across three divisions, C, D and E, and across all levels. It reinforces the primary concern for most of developing the business. The concern of several DMPs to be perceived as facilitators and stimulating discussion included that of supporting partners in planning new business initiatives and helping them achieve their financial targets.

Table 4.15 identifies two further concerns of DMPs each across three divisions, to *represent their division and the firm* and to *support firm wide initiatives in own division*. These respondents saw they had a dual function. As members of the central management team they perceived a responsibility to maintain a firm wide perspective in their divisions and to ensure that members of their division saw how the division contributed to the overall goals of the firm and were aware of what was happening

elsewhere in the firm. The second aspect of this representative role was to act as a spokesperson for the division at central management level representing the needs, concerns and achievements of their group. This reflects a change on how the role of divisional heads was traditionally perceived, namely, to represent and fight for their division at central management without a concomitant concern to represent the wider firm. The third concern of DMPs reflects their dual representative role, namely, to *support firm wide initiatives in their own divisions*. This included initiatives such as a firm wide culture and climate survey, performance reviews across all levels, and implementing a percentage profit growth across all divisions.

DDMPs, in addition to *providing support for partners in business development*, referred to *accepting accountability* and *being a resource to be called upon*. One stated that he wished ‘...to sustain existing clients, fee earners and all staff and ensure people feel supported in their efforts’ (I.7). Another stated that he wanted to ‘...encourage partners but not impose on them and motivate associates by ensuring they get a variety of good quality work and feel they are valued’ (I.10).

All of the partners expressed an awareness of the need for collaboration with those in leadership positions. For many, this was expressed in terms of *accepting accountability*, identified in Table 4.15 as a concern across three divisions. Some identified their divisional managing partner as the one to whom they were primarily accountable, while others saw the whole group of partners as the body to which they felt accountable. As one put it, ‘I see myself as accountable to my fellow partners and must deliver financial results’ (I.18). For some partners, the notion of their being accountable to one another was a more difficult issue. Several described the difficulty of getting some partners, who worked with them on a client team they led, to be accountable to them while doing so. Most seemed to find dealing with partner members of their client teams more difficult than dealing with associates on their team. This can, of course, be explained by the difference in status between such team members. This was presented more as an ongoing problem to be worked with, rather than as one to which there could be a definitive solution. Whether the partners interviewed find it difficult to be accountable to another partner is not clear from the data. *Being available as a resource to be called upon* was expressed by several partners in the context of concern for the associates on their teams.

Associates had two main concerns: to *support partners in business development* and to *listen and counsel*. These were identified by associates alone in two divisions. In terms of supporting partners, interviewees frequently referred to a requirement of their role as giving partners respect, loyalty, trust, commitment, enthusiasm, dedication and honest feedback. One stated that ‘Partners trust me when delegating responsibility for the team to me. I then see my role as client management and managing, delegating and supervising juniors’ (I.23). Several associates identified the issues of trust, team management and onward delegation and supervision as concrete ways in which they provide support to partners. Some referred to the ease of communication between partners and associates, with one describing his practice area and main partner as ‘having an open door policy and frequent group meetings’ (I.28). Another referred to the need ‘to give them the opportunity to explain things understanding that they are going to see a bigger picture which is more complicated’ (I.29). With the team management role, some saw the need to *listen to and counsel* junior associates.

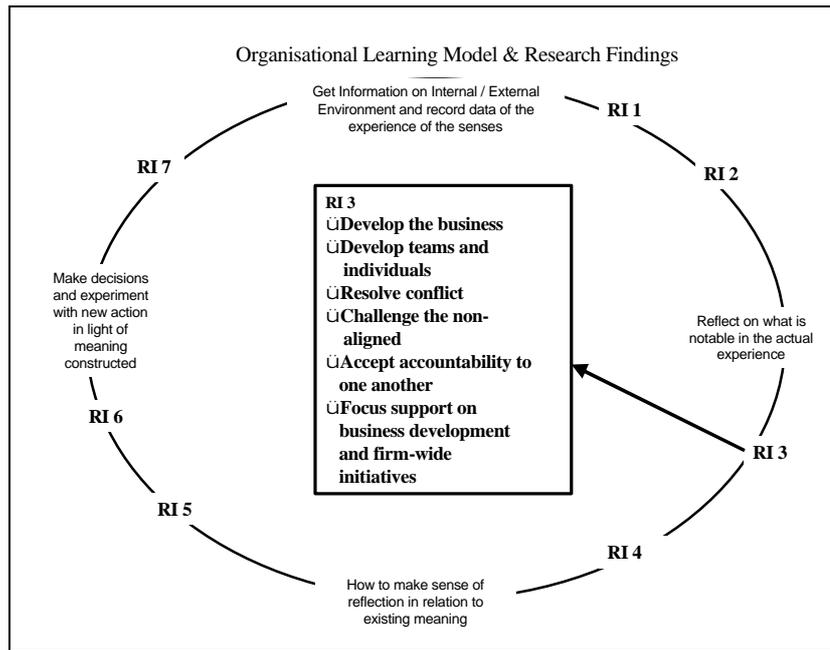
One associate, in expressing how she saw her role, nuanced it differently from her peers. One of the partners for whom she does a substantial amount of work was described as being perceived as a ‘bit of a maverick in the firm’ (I.23). While admiring the partner, one consequence for her was the fear that she might ‘be tainted by association’ and that her career prospects might suffer. She therefore saw the need to try to manage perceptions of her role and contribution by seeking to secure a sufficient amount of work from other partners. This was not made easy by the fact that she was perceived by the maverick partner as highly competent and, therefore, a preferred choice to work on transactions with him. Both worked in a very specialised area of law.

### **Summary of Research Issue 3**

In terms of how they perceived their role in relation to leadership, interviewees were invited to reflect on that role in the context of how they experienced change and leadership. The three themes of development, problem solving, and support are the

result of that reflection and create a picture of a strong culture of collaboration within the firm. Figure 4.3 represents these themes in the context of the Learning Cycle.

**Figure 4.3 Roles in relation to leadership**



(Source: produced for this study)

In only one case is there an expression of resentment of central management. Those in leadership positions are as concerned to have a collaborative way of working as those not in such positions. All but one partner see themselves as responsible for exercising leadership, particularly in terms of business development, developing associates and teams, and ensuring the firm achieves its goals. However, the accountability of partners to each other when working on one another's teams remains a thorny issue for some.

The organizational learning phase of reflection on what is notable in the experience of individuals and organizations is sustained by Research Issue 4. This is the concern of the next section.

#### 4.3.4 Research Issue 4

*What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?*

This research issue sought to identify what interviewees thought leaders must be able to do in order to be effective in a law firm. As discussed in section 2.2.6.4, what is at issue here are ‘aspects of individual capability’ (Hunt 1996, p. 146). In considering this research issue, the findings from the following probe questions from Appendix B were analyzed: 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7. In classifying responses, a number of typologies were considered. An adaptation of Hunt’s (1996) classifications was created for this issue, firstly, because Hunt differentiates between typologies used to focus on leadership effectiveness and those which sought merely to observe what leaders do without reference to effectiveness. The former is what is required here. Secondly, in Hunt’s classifications, terms are clearly defined, important for this study in that some interviewees would be asked to read the findings of this study to ensure validity and reliability as discussed in section 3.4. In addition, definition of terms is essential for lawyers who are trained to question the meaning and nuance of every word and are averse to what they perceive as ‘management speak’. Thirdly, as adapted for this study, three classifications from Hunt (1996) seemed to fit naturally with the data being analysed and summarised in Table 4.16 as Cognitive Ability, Transformational Orientation and Transactional Orientation. These definitions will be clarified in the next section.

**Table 4.16 Classification of skills and abilities**

<b>Skills and Abilities</b>
Cognitive ability
Transformational Orientation
Transactional Orientation

(Source: adapted from Hunt (1996) for this study)

#### **4.3.4.1 Definitions of classifications for Research Issue 4**

For the purposes of this research issue, skills and abilities are understood as defined by Hunt (1996, p.156) as ‘the ability to translate knowledge into action that results in desired performance’. Thus, in categorising themes in interviewees’ discussions, Hunt’s schema was adapted whereby three broad categories are defined as follows:

- a) cognitive power defined as ‘the raw mental power enabling a person to sustain increasingly complex decision making processes’ (Hunt 1996, p. 121);
- b) transactionally oriented skills which ‘focus on a narrow set of day-to-day activities’ with little or no emphasis on change-oriented leadership Hunt (1996, p.179), and are distinct from
- c) transformationally oriented skills which focus on ‘visionary and change leadership’ (Hunt 1996, p.215)

Table 4.17 identifies these classifications applied to the data across all divisions and levels. The table is first presented in full so that the reader may see at a glance the rich spectrum of skills envisaged by interviewees as essential for leadership in a City law firm. In discussing each classification the table will be broken down into smaller tables for each category. The classifications will now be discussed in turn.

**Table 4.17 Skills and abilities essential for effective law firm leadership**

Skills & Abilities	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>Cognitive ability</b>									
• Superior intelligence, rational analysis and sound judgement	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Demonstrates thought leadership	Ü					Ü			
<b>Transformational Orientation</b>									
• Analyse market and anticipate change	Ü	Ü		Ü	Ü	Ü	Ü	Ü	Ü
• Develop change strategies to achieve vision	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
• Develop future vision and direction	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Develop culture and capability to support the strategy		Ü	Ü	Ü				Ü	
• Can have the whole firm perspective				Ü	Ü		Ü		
<b>Securing alignment</b>									
• Build trust and inspire through credibility	Ü	Ü			Ü	Ü	Ü	Ü	Ü
• Communicate direction	Ü		Ü			Ü	Ü	Ü	Ü
• Sell vision, direction and strategy	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	
• Build consensus by consultation		Ü	Ü		Ü	Ü	Ü	Ü	
<b>Transactional Orientation</b>									
• Informing	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
• Motivating	Ü	Ü		Ü		Ü	Ü	Ü	Ü
• Consulting and delegating		Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
• Supporting and encouraging		Ü	Ü	Ü		Ü	Ü	Ü	
• Clarifying roles and objectives	Ü	Ü	Ü	Ü	Ü	Ü			
• Finance and business management	Ü	Ü				Ü	Ü	Ü	Ü
• Able to deal with difficult people	Ü	Ü			Ü	Ü	Ü	Ü	
• Develop people	Ü	Ü				Ü	Ü	Ü	Ü
• Managing conflict		Ü	Ü	Ü			Ü	Ü	
• Recognising/rewarding		Ü		Ü		Ü	Ü	Ü	
• Team building		Ü			Ü	Ü	Ü	Ü	
• Problem solving		Ü	Ü		Ü		Ü	Ü	
• Able to make tough and or unpopular decisions			Ü		Ü	Ü	Ü	Ü	
• Is personally resourceful and resilient		Ü		Ü	Ü	Ü		Ü	
• Can accept failure		Ü			Ü		Ü	Ü	
• Planning and organising		Ü		Ü			Ü	Ü	Ü
• Listening including active listening	Ü	Ü	Ü	Ü			Ü		
• Negotiating	Ü	Ü	Ü	Ü		Ü			
• Able to take criticism and deal with being challenged	Ü	Ü				Ü		Ü	
• Is innovative		Ü				Ü		Ü	
• Good communication including oral communication	Ü	Ü	Ü				Ü	Ü	
• Grow the business including marketing and representing	Ü		Ü				Ü	Ü	
• MBWA							Ü	Ü	

(Adapted from Yukl (1998) and Hunt (1996) for this study)

#### 4.3.4.2 Cognitive ability

This section examines how interviewees identified cognitive ability in relation to effective leadership as illustrated in Table 4.18.

**Table 4.18 Cognitive Ability for leadership**

Cognitive ability	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<ul style="list-style-type: none"> <li>Superior intelligence, rational analysis and sound judgement</li> </ul>	ü	ü	ü	ü	ü	ü	ü	ü	
<ul style="list-style-type: none"> <li>Demonstrates thought leadership</li> </ul>	ü					ü			

(Adapted from Hunt (1996) for this study)

Cognitive ability was described in terms of *Superior intelligence, rational analysis and sound judgement* and was identified in all divisions and across all levels except associates. It is, therefore, particularly significant. In descriptions by many interviewees, it was emphasised as having paramount importance if leaders were to have credibility in the eyes of other City lawyers who saw themselves as highly intelligent people. Aspects of superior intelligence identified by DMPs included ‘being able to command respect by being intellectually strong’ (I.1), ‘demonstrating thought leadership especially in terms of innovation in business strategy’ (I.3), and ‘having mature judgement and discernment so people have confidence in your leadership’ (I.2). One DMP suggested, ‘As a leader you are constantly tested by partners for intelligence and relevance’ (I.4). For DDMPs there was less explicit emphasis on intelligence, but it was expected to characterise the way in which problems and issues were articulated and aspects of change explained and sold.

For partners, superior intelligence was related to the ability to influence other bright people. ‘It is essential that leaders come across as reflective, analytical and able to make well planned decisions’ (I.14). For another it was essential to ‘Be able to envision alternatives and to explain what you are aiming at intelligently and convincingly’ (I.11). For a third, a leader ‘must be bright and a great communicator to be convincing’ (I.13). Associates did not refer to superior intelligence.

#### 4.3.4.3 Transformationally oriented skills

In discussing this set of skills, it would serve little purpose to go through each separate skill in terms of how many divisions and levels identified each. In expressing their ideas on this aspect of leadership ability, respondents were not attempting to identify every skill involved in this form of leadership. What was clear across divisions and levels is that lawyers saw a cluster of skills as essential in being able to provide the kind of leadership that could deal effectively with change and successfully develop the firm. It was clear to most respondents that this required being able to devise and implement a growth strategy.

Skills identified in all divisions and across all levels apart from Associates included the ability to *analyse the market and anticipate change*, to *develop future vision and direction* and to *develop change strategies to achieve the vision*. Associates did not refer to the ability to *develop change strategies to achieve the vision*. Two other abilities were mentioned as necessary for this kind of leadership: *to develop the culture and capability to achieve the strategy*, mentioned by partners in three divisions, and to be able to *have a whole firm perspective*, mentioned by DDMPs in two divisions. An additional skills cluster for *securing alignment* was also identified. These have been included as transformationally oriented because they focused particularly on getting partner buy-in to vision and strategy. For ease of reference, Table 4.19 portrays transformationally oriented skills.

**Table 4.19 Transformationally oriented skills**

Skills & Abilities	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>Transformational Orientation</b>									
• Analyse market and anticipate change	ü	ü	ü	ü	ü	ü	ü	ü	ü
• Develop change strategies to achieve vision	ü	ü	ü	ü	ü	ü	ü	ü	ü
• Develop future vision and direction	ü	ü	ü	ü	ü	ü	ü	ü	
• Develop culture and capability to support the strategy		ü	ü	ü				ü	
• Can have the whole firm perspective				ü	ü		ü		
<b>Securing alignment</b>									
• Build trust through credibility	ü	ü			ü	ü	ü	ü	ü
• Sell vision, direction and strategy	ü	ü	ü	ü	ü	ü	ü	ü	
• Build consensus by consultation		ü			ü	ü	ü	ü	

(Source: adapted from Yukl (1998) and Hunt (1996) for this study)

Several DMPs referred to the ability, as one put it, ‘to develop a vision and communicate a common goal and to devise a clear strategy that would win people’s confidence’ (I.1). Phrases from DDMPs included references to the ability ‘to articulate a vision convincingly’ (I.9), ‘to take the firm in new directions’ (I.8), while one suggested that ‘It is up to leaders to be able to direct and lead others forward’ (I.7), and ‘be able to set direction by a carefully planned strategy that is well thought through’ (I.7).

Partners were even more emphatic about the need for transformationally oriented skills. One proposed that ‘There is a need for strong charismatic individuals at a time of great change who have vision and can inspire vision in others’ (I.16). Four other partners referred to the need for ‘charisma’ in relation to vision and change. Another suggested that to be an effective leader one must ‘Be ambitious for the firm and be able to get buy in to the vision and develop strategy to get there and, while avoiding dilution of the vision, be able to consult constantly’ (I.20).

Associates saw leadership skills to include the ability to ‘help prepare for the future’ (I.30), ‘provide direction’ (I.21) and ‘instil confidence in associates that it is worth sticking with the firm because of the plans for the firm’ (I.23).

#### **4.3.4.3.1 Securing alignment**

Within the broader classification of transformational orientation, Hunt (1996) sees a sub-class, which he terms ‘securing alignment’. In the perceptions of interviewees, *Securing alignment* was seen to have such component skills as the ability to *build trust and inspire through credibility*, to *sell vision direction and strategy* and to *build consensus by consultation*. Table 4.19 indicates that to *build trust* was identified in all divisions apart from C and D and across all levels. It is, therefore, clearly a dominant concern. The ability to *sell the vision, strategy and direction* was identified in all divisions and across all levels apart from Associates, and the skill of *building consensus through consultation* was identified in divisions B and E and across all levels apart from Associates. The strength of concern in relation to securing alignment is reflected in the frequency to which this issue has been alluded. In

Research Issue 2, section 4.3.2.2, Table 4.9, it was seen as a significant challenge for leadership and there discussed in full. In Research Issue 3, section 4.3.3.1, Table 4.13 it was a concern in terms of respondents' development role in seeking to progress the firm in accordance with an agreed strategy.

As an essential leadership skill, one DMP believed securing alignment rested on being able to establish 'trust as a two-way thing where you allow partners to test your ideas without being over defensive' (I.3). To get that alignment, another saw it as essential to '...be able to maintain focused consulting of partners on all important issues from the start avoiding popping any surprises' (I.5). Similarly, another suggested, 'If you want to bring partners on board you must be able to build consensus through constant listening and explaining' (I.2). Another suggested, 'You are only able to build trust in so far as you are able to transcend personal issues for the big picture, otherwise you won't be able to get people on side' (I.5). In these statements, credibility was regarded as a quality attributed to leaders as a result of their personal openness and trusting of others.

For one DDMP, *building trust through credibility* was a question of being able to maintain very inclusive consulting and constant communication. Building trust was described as '... the first rung on the ladder of buy in' (I.9). The ability to build consensus was seen by another DDMP as necessary so that 'People must be able to see how objectives of the strategy are aligned so as to be able to align themselves with the strategy' (I.10). For partners, the issue of alignment was linked with extensive consultations and robust conversations. One suggested there must be '...enough trust to invite and welcome honesty from people' (I.18). Another stated that, 'As a leader in a law firm you only ever have a partial mandate by appointment. The rest you must win by building trust and credibility if you want partners to support your strategy' (I.11). One partner took a different view in which he was clearly alone. He suggested that in consulting partners, 'Leaders must be able to have robust conversations up front insisting on alignment with the strategy' (I.16). Associates saw the skill of securing alignment as involving partners, rather than themselves, as they were employees and had little choice.

In summary, interviewees identified a set of leadership skills that for them were related to such transformational issues as vision, strategy, change and alignment. When taken together with the findings in Research Issue 3 regarding the most significant aspect of how interviewees saw their own role in relation to leadership, the skills involved in transformation leadership must be understood in terms of growing the business with a predominant, but not exclusive, focus on revenue and profit growth. At the heart of transformational leadership stands the credibility of the individual, demonstrated through repeated consultation and openness. The next section focuses on how interviewees identified leadership skills that have been classified as transactionally oriented.

#### **4.3.4.4 Transactionally oriented skills**

This section discusses skills and abilities identified by interviewees as necessary in exercising leadership on a day-to-day basis where the focus is less on strategic issues and change management, and more on daily activities (Hunt 1996, p. 179). In defining each of these skills Hunt (1996, p. 167) recommends Yukl's typology '...as a useful base for tapping skills'. The revised version of Yukl's (1998, p. 60) typology and skills definitions were used in this study in classifying transactionally oriented skills and abilities identified by interviewees. In discussing these skills, as in the discussion of transformationally oriented skills, it is deemed more useful to identify skill clusters in terms of significance, rather than discussing each skill in turn and commenting on the number of divisions and levels which referred to it. Every interviewee identified a range of skills, but where skills are emphasised across a number of interviewees they are discussed below. Table 4.20 illustrates transactionally oriented skills.

**Table 4.20 Transactionally oriented leadership skills**

Skills & Abilities	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>Transactional Orientation</b>									
• Informing	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
• Motivating	Ü	Ü		Ü		Ü	Ü	Ü	Ü
• Consulting and delegating		Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
• Supporting and encouraging		Ü	Ü	Ü		Ü	Ü	Ü	
• Clarifying roles and objectives	Ü	Ü	Ü	Ü	Ü	Ü			
• Finance and business management	Ü	Ü				Ü	Ü	Ü	Ü
• Able to deal with difficult people	Ü	Ü			Ü	Ü	Ü	Ü	
• Develop people	Ü	Ü				Ü	Ü	Ü	Ü
• Managing conflict		Ü	Ü	Ü			Ü	Ü	
• Recognising/rewarding		Ü		Ü		Ü	Ü	Ü	
• Team building		Ü			Ü	Ü	Ü	Ü	
• Problem solving		Ü	Ü		Ü		Ü	Ü	
• Able to make tough and or unpopular decisions			Ü		Ü	Ü	Ü	Ü	
• Is personally resourceful and resilient		Ü		Ü	Ü	Ü		Ü	
• Can accept failure		Ü			Ü		Ü	Ü	
• Planning and organising		Ü		Ü			Ü	Ü	Ü
• Listening including active listening	Ü	Ü	Ü	Ü			Ü		
• Negotiating	Ü	Ü	Ü	Ü		Ü			
• Able to take criticism and deal with being challenged	Ü	Ü				Ü		Ü	
• Is innovative		Ü				Ü		Ü	
• Good communication including oral communication	Ü	Ü	Ü				Ü	Ü	
• Grow the business including marketing and representing	Ü		Ü				Ü	Ü	
• MBWA							Ü	Ü	

(Adapted from Yukl (1998) and Hunt (1996) for this study)

In terms of day-to-day activities, a cluster of eight skills were identified within three or more divisions and, across three or more levels. These are, therefore, regarded as the most significant. They include *informing and communicating, motivating, consulting and delegating, supporting and encouraging, clarifying roles and objectives, finance management, dealing with difficult people and developing people*.

The first four of these skills were seen by interviewees as particularly important in influencing others and creating ‘the right atmosphere’. In the views of respondents, lawyers, and particularly partners, they want to feel that they are included and know what is happening in their firm. The abilities to inform, communicate, consult and delegate were seen by respondents as essential in establishing the foundation of a sense of inclusion. ‘Motivating’, as used for classification for this research, emphasises ‘influencing to create enthusiasm for work, commitment to task

objectives, cooperation and setting an example of appropriate behaviour' (Yukl, 1998, p. 60). Delegation was seen by interviewees as evidence that they are trusted with important tasks and participate in the development of the firm. Supporting and encouraging included acting in a friendly and considerate way, being patient and helpful, showing sympathy and support, and listening to complaints and problems. Interviewees across most divisions and levels emphasised the essential nature of these skills if leaders were to be effective.

DMPs referred to the need for constant communication and consultation with the need to 'inform people, especially the partners explaining how issues will benefit the business' (I.5). One DMP emphasised that 'You must be able to delegate and trust people to do things and build a sense in others that they are being trusted' (I.4). Another suggested that 'We must find the most humane way of doing things so that when making decisions we are compassionate in seeing implications for people and reconcile the tension between this and being dispassionate and objective when making decisions' (I.3).

Among DDMPs there were concerns that leaders be able to 'empathise and hear what is not said' (I.7) and 'to praise people and understand their failure and encourage them to keep going' (I.10). In terms of motivating, one commented that 'In a law firm, leadership is like managing a football team filled with stars. You must be able to appreciate individual differences and talents and support each individual without making the mistake of trying to make everyone streamlined; be able to get each person to play to their strengths without suggesting they all have the same strengths' (I.6). One form of consulting recommended was the ability 'to identify and use sounding boards, people who are honest and reliable and not easily intimidated. That way you can do your homework and see how a decision will be received' (I.9).

For one partner, 'relationship building through communication and consulting is the key' (I.12). Another recommended, 'When consulting you'll build far greater trust if you invite honest feedback and show you mean it' (I.16). Another regarded it essential to be able to 'create an inclusive culture by involving people and trusting them to do things. That way you develop a sense of belonging to a community'

(I.17). Across the partner group there was constant reference to the need for leaders to be able to communicate, consult, involve and support.

One associate suggested that leaders must be able to ‘engender a sense of trust and involvement by the way they communicate and are open to feedback’ (I.27). For several in this group, trust, respect and credibility were all linked with communication and consultation.

The second set of transactionally oriented skills identified as significant are those of *clarifying roles and objectives*, *finance management*, *dealing with difficult people* and *developing people*. The first of these terms was used to include interviewees’ references to assigning tasks and providing direction in how to do the work and ensuring a clear understanding of objectives and performance expectation (Yukl, 1998, p. 60). What is meant by the other skills in the context of a law firm will be evident from their discussion below.

DMPs sought to build teams which would help in the management of the division, especially in clarifying roles and what was expected of people. A key element returned to was that of delegation, as discussed above. Two DMPs emphasised the need to be able to clarify that collaborative working was now an expectation in the firm, in contrast to the traditional sole practitioner way of working in the past.

Among DDMPs, the ability to clarify roles and expectations was linked with *dealing with difficult people* as it was thought essential that ‘unacceptable behaviour’ be identified as such, and related to expectations, particularly of partners. For another it was important to ‘...be able to design work so that it would be essentially team-based’ (I.8), a skill that was linked with developing people so that ‘most partners who don’t have team working skills can develop them as we are moving to a team based collaborative culture’ (I.8).

For one partner, *clarifying roles and objectives* would take the form of ‘...being able to design work so that people would find it stimulating and challenging’ (I.16). Another saw the ability to plan work and ensure everyone had a full workload as essential to ensuring profitability. For another partner, setting performance

expectations was an integral part of leaders ensuring that ‘robust performance reviews were in place’ (I.19).

The skills of finance and business management were raised as concerns in two divisions, A and B, and across all levels. In the context of this skill, several respondents referred to a weakness in law firms that so many partners do not really understand the issue of profitability and in some cases take on work that is not profitable. When questioned, they generally are unable to apply any metrics to assessing work in advance. For those in leadership positions such a poor grasp of the finances and business would be serious deficiencies and threaten the strength of the firm. When raised as a concern, this skill was discussed with substantial emphasis and generally with reference to the need to correct past, and in some cases present, deficiencies.

DMPs spoke in terms of general business management so that leaders must be able to ‘understand business management and finance’ (I.2), know how ‘to market the firm’ (I.5) and have a solid grasp of ‘finance management and business development’ (I.4). They must ‘understand the business and remain close to it’ (I.1). Remaining close to the business was understood as monitoring the flow of work and levels of profitability and being able to talk with partners about how client transactions were progressing in terms of profitability.

Two DDMPs emphasised monitoring Work in Progress, timely billing, chasing bills and levels of profitability for each major client as particularly important aspects of finance management.

Across the group of partners a combination of business management skills and finance management was envisaged. One partner suggested that leaders must ‘understand finance management and know what systems and processes to put in place to monitor progress’ (I.11). Another suggested it was up to leaders to be able ‘To develop the intellectual capital to support the strategy’ (I.17). What was at issue here was not just the recruitment of the right expertise, but the building of legal know-how to be able to take advantage of business opportunities. One partner saw it necessary for leaders to be able to ‘implement redundancies to maximise

profitability' (I.13). Other aspects of business management skills mentioned included being able 'to draft business plans', having an 'entrepreneurial spirit', having 'good business acumen', 'a strong foundation in finance management' and 'being a businessman and part accountant'.

Only one associate referred to this area of skills, suggesting leaders must be 'economically astute and understand the economics behind the firm' (I.22).

*Dealing with difficult people* was identified within divisions A, B and E and across all levels apart from associates. It has already been mentioned in the context of clarifying expectations. In section 4.3.2.2 it was also identified as a challenge in divisions B, C and E and by DMPs and DDMPs (see Table 4.9) and was discussed in detail. There, interviewees described as necessary the willingness to tackle difficult people, which was still believed to be the exception in the profession. In Research Issue 4, it is raised as an important leadership skill.

*Developing people* is the last skill in this cluster. It was identified in divisions A and B and across all levels. In Research Issue 3, section 4.3.3.1 as illustrated in Table 4.13, respondents within all divisions and across all levels apart from Associates saw the development of their division, group or team as a significant priority. In addition to the development role as discussed in that section, respondents saw the need for leaders to be able to develop people through coaching, mentoring and supervising. The ability to ensure people's development was seen as an essential retention strategy. It has also been seen earlier in this section in relation to developing the intellectual capital to support the strategy. Associates in particular, expected the firm, through its leaders, to consistently provide development opportunities throughout their careers.

Seven transactionally oriented skills are seen in Table 4.20 to have medium significance in that they were mentioned in two to three divisions and across two to three levels. *Self-awareness* was identified in two sub cases C and D and across all levels apart from Associates. One DMP suggested that leaders must be able to be aware of the impact they have on others. A partner suggested that the ability to be aware of one's feelings and able to motivate oneself, even when discouraged, was

essential. Another partner believed that inviting feedback on oneself from trusted others was essential if one wanted to be fully aware of oneself.

The issues involved in three of these skills, *managing conflict*, *team building* and *problem solving* have been discussed in section 4.3.3.2 when dealing with the findings in Research Issue 3. The skill of *recognising and rewarding* was not discussed in any detail by any interviewee. In general, reference was made to the need for leaders to recognise people's efforts especially 'where somebody has been working really hard and deserves recognition' (I.9).

The ability to *make tough and unpopular decisions*, because it was seen as a challenge in Research Issue 3 and as a defining quality in Research Issue 4, requires further comment. Examples of difficult decisions included making people, especially underperforming partners, redundant and referred to as an issue leaders in law firms tend to avoid. Another difficult decision cited was resolving to confront a difficult partner in 'trying to get them to own the problems they create and help them change their behaviours' (I.3). One associate suggested that, 'You must have the gravitas to make unpopular decisions and see them through to implementation' (I.21). *Planning and organising* was not discussed in detail by interviewees, but generally included being able to plan one's own time so as to devote time to planning and organising one's unit.

A final group of eight skills is mentioned within one or two divisions and across one or two levels. This is not to suggest they have little significance, nor is it to suggest that they are seen somehow as non-essential. They were not mentioned with the frequency with which skills discussed earlier were mentioned. Where identified by interviewees, they were regarded as particularly important for leaders in a City law firm. *Can accept failure* did not refer to failure on the part of leaders themselves. It was more a concern that leaders are able to deal with the inevitable failures to be found in people and groups. The requirements of empathy and support discussed earlier were seen as important in this context. The ability to *take criticism and deal with being challenged* was seen by several as part of the openness described earlier

in *honestly seeking feedback*. *Management By Walking Around (MBWA)* referred to leaders being able to maintain visibility and accessibility.

Throughout their discussions, interviewees referred also to personal qualities necessary for effective leadership. These included credibility both as a high earning lawyer and as someone who is trustworthy, displays integrity, humility, dedication of heart and mind, and openness to criticism, has charisma, is robust, has a strong character, is a team player, has drive, energy, enthusiasm, empathy, is approachable, courageous, inspirational and has ‘emotional intelligence’.

#### **4.3.4.5 A note on management versus leadership**

Although not a research issue, the responses across the first four research issues revealed that interviewees thought of management and leadership in somewhat different ways. For the sake of completeness in reporting the findings, this note is added.

Many interviewees believed that for leaders to be successful in the profession they had to be good managers, as well as good leaders. However, they believed that lawyers make better leaders than managers. Management was associated with administration, which was clearly regarded as burdensome and for which lawyers were thought ill suited. It was believed that lawyers, by nature, would have no interest in administrative details.

For one DDMP, talk about management versus leadership was regarded as unhelpful. He believed that in the profession, those in positions of leadership had to do both and that he was unlikely ever to ask himself the question, ‘In that situation was I displaying leadership or management?’ (I.7). In general, however, interviewees did differentiate between leadership and management while acknowledging that both are necessary for leaders in law firms. The DDMPs shared a view in common that managing the firm in terms of administration, finance management and reporting, IT, recruitment and personnel management was a job for professional managers and not something that lawyers should be doing, even if in full time leadership roles.

Lawyers were seen generally as particularly fit to be leaders and particularly unfit to be managers. The divide between management and leadership was expressed more strongly by the DDMPs than by the DMPs. One suggested that ‘leadership must be left to the partners’ (I.14) while another suggested that ‘In corporate organizations people aspire to become managers right from the start of their careers. It would not be fitting for a lawyer to want to become a manager unless he wanted to be a managing partner’ (I.13). In much the same vein, one interviewee suggested that ‘in corporate organizations management is peopled by those who are generally more intelligent than the rest of the workforce, whereas in law firms management tends to be less intelligent than those being managed’ (I.17). Another commented that ‘lawyers are involved more in leadership than in management. Lawyers should provide the big picture and know where their business is going’ (I.14).

One of the interviewees (I.7) described the difference between management and leadership in the profession in a way that was somewhat different from the others. For him, management was ‘inward facing’, ensuring that people worked efficiently, clients were billed on time, WIP was monitored and reduced and the division met its financial targets. Linked with these issues were people management, performance appraisal and conflict resolution. In contrast, leadership was regarded as necessarily ‘outward facing’ as City law firms had to be represented in the media, with clients, most of which were commercial organizations, many of them big corporations in the FTSE 350.

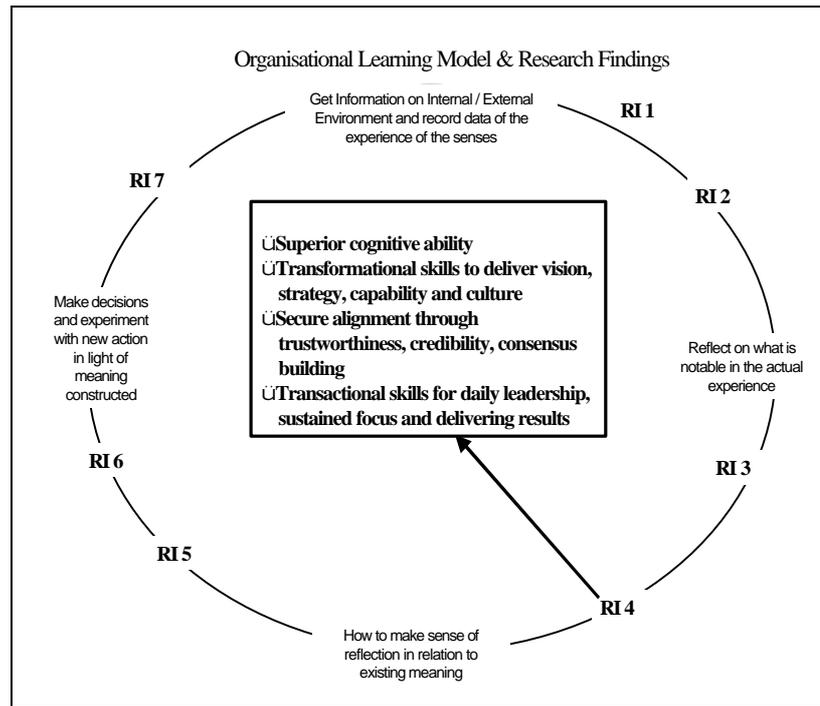
How firms are represented by their leadership externally does much to contribute to the reputation of the firm and its competitive stand in the market. The legal press frequently features articles on high profile heads of practice groups and managing partners, describing the significant deals won and enhancing the reputation of the firm. Ideally, lawyers should be able to do both inward and outward facing roles. This interviewee described how his DMP preferred the inward facing role and had delegated to him the more outward facing responsibility, which accorded with his personal preference.

It was clear that partners believed they had had a great deal more experience of management than leadership. This may be due not just to the fact they believed they

had little experience of good leadership, but because all of them held the view that the real leaders of a law firm are the partners. People like managing partners are delegated to manage the business. While some saw this as changing there was still a strong perception that partners, as owners of the business, are the real leaders of their firms. Phrases and words like ‘nuts and bolts’, ‘implement’, ‘maintenance’, ‘keep things ticking over’ and ‘administration’ were used frequently to differentiate management from leadership.

#### **Summary of Research Issue 4**

The composite picture of leadership skills and abilities that emerges from the data on this research issue is very comprehensive. Interviewees did make a distinction between the kind of leadership necessary for strategic review and planning on the one hand, and that necessary for the day-to-day running of the firm on the other. While no one in this group of lawyers used words like ‘transformational’ or ‘transactional’ leadership, neither did many think that the day-to-day running was simply a question of management. For most, leadership was exercised at two levels, the higher strategic level where the firm and leaders faced significant challenges, and the lower daily level, where leaders exercise their role in a kind of fidelity to the daily round of leadership tasks. Superior cognitive ability is necessary for both analysis and strategic planning, but also to sustain personal credibility in the eyes of those who regard themselves as having superior intelligence. Figure 4.4 summarises leadership skills regarded as essential in light of participants’ experiences and their reflections on that experience.

**Figure 4.4 Essential leadership skills and abilities**

(Source: produced for this study)

Following on from the findings for the skills and abilities required for effective leadership, this study next examines how a City law firm develops such skills.

The third phase of the Learning Cycle requires people and organizations to make sense of their reflections in relation to existing meaning. This required that interviewees be directed to look at existing leadership development in light of their considerations of the impact of change, leadership in the profession, their own roles and essential skills for effective leadership. Research issues 5 and 6 provided the findings for this next learning phase.

#### 4.3.5 Research Issue 5

*How does a City law firm manage the development of its leaders and potential leaders?*

This issue sought to uncover what kind of leadership development, if any, had taken place in the firm or of which interviewees had experience. In considering this research issue, the findings from the following probe questions from Appendix B were analyzed: 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6. Where courses or programmes were run, it was hoped to identify which lawyers were targeted and why. Table 21 illustrates the main findings across the divisions and levels

**Table 4.21 How does a City law firm develop its leaders and potential leaders?**

Strategy	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Have never seen in other law firms	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü
Nothing provided	Ü	Ü	Ü	Ü	Ü		Ü	Ü	Ü
One course	Ü		Ü			Ü			
Coaching	Ü					Ü			
Full leadership Programme		Ü	Ü					Ü	
Have seen elsewhere	Ü							Ü	
A leadership development programme is essential	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü	Ü

(Source: produced for this study)

The findings of this research issue are brief. The overall picture is of very little provided by way of leadership or management development, either in the firm or in firms generally. Within all divisions and across all levels no one had seen anything provided in other law firms in which they had been members. Given the range of firms and locations represented by the group of interviewees, this is a significant finding.

Only the DMPs reported having had experience of some kind of leadership development. This was described as a three-day course that had been organised for DMPs and the central management team, described as a kind of ‘Outward Bound’ course for team building. They did the Myers Briggs Types Inventory and shared with each other their profiles. Both regarded the course as good for team building, but of little relevance for leadership development.

The overwhelming majority of respondents had never personally experienced a leadership or management development programme, nor had they known of any in

the firm. Two partners said they had heard of a one-week training programme run by Harvard Business School for managing partners and knew of one managing partner who had participated on it. One of these partners expressed the view that the Harvard programme was of little benefit in that the managing partner returned from the programme and demonstrated little behavioural change. He resigned from the position after three years. It was suggested that such programmes contribute to the isolation of managing partners, given that no one else from the firm participates in similar programmes.

#### **4.3.5.1 Coaching**

One DMP spoke of having a personal coach, which he described as ‘extremely helpful’. In exploring what the interviewee found helpful, he indicated that feedback and ongoing appraisal raised his self-awareness and helped him implement some behavioural change which he came to realise, in the coaching process, undermined his credibility as a leader. He did not wish to elucidate on what the behaviour was, but described the greatest benefit as ‘learning to stand back from day to day involvement in things, get an impression of how others see me and then look at what I could do to correct the wrong signals I inadvertently send out. This has enhanced my chances of getting people to buy in to some things I suggested’ (I.4). He pointed out that, with the help of his coach, he was able to completely eliminate the behaviour, which resulted in turning around negative perceptions of his leadership on the part of some partners. Other DMPs and DDMPs were asked if they had a personal coach. All replied that they did not.

#### **4.3.5.2 One course**

Representatives of all partner groups referred to a two-day course which had been run by a UK business school. One partner described it as ‘interesting while we were on it but it didn’t have any practical application when we returned to work’ (I.11). Others who referred to the programme either regarded it as a waste of billable time, or as irrelevant for their positions.

### 4.3.5.3 Full leadership programme

Two partners spoke highly of leadership development programmes in which they had participated. One partner had been on the in-house legal team of a top four accountancy firm. The other had been head of an in-house legal department for a venture capital company. The model of leadership in both was clearly based on a corporate type programme. In the case of the accountancy firm, there were in excess of 7,000 partners worldwide. Leadership development was linked with partner development and run by a central team. Depending on partner roles, varying components were mandatory, some recommended, while the programme was delivered over three years and linked with performance objectives and reviews and involved a blend of on-the-job development and residential training for up to one week at a time. These were the only partners who had participated in a leadership development programme elsewhere. No one knew of any leadership development programme in any law firm. Others knew of such programmes being run in corporate organizations. In the words of one DDMP in this context, ‘Colleagues of mine in corporate organizations are aghast at the way we do things’ (I.8).

Table 4.21 illustrates the strength of the concern for leadership development in that it was raised in all divisions and across all levels. DMPs generally expressed regret that there was no training provided for them either prior or subsequent to their appointment. ‘We were expected to learn on the job apart from the one course on strategy run by the business school that had no practical application’ (I.4). However, while most acknowledged the need for leadership development, none of the DMPs were as adamant about the necessity as, for example, the other two partner groups. This may be due to the fact that they were in leadership positions already, believed that they were managing fairly well, and to acknowledge the need as urgent, might be seen to imply that they suffered from a skills deficit. It may also be due to the fact that in each division, a divisional business director had been appointed who, with an accountancy background, managed the operations of the division on a day-to-day basis. In addition, the DMPs are supported by the DDMPs and a divisional executive team so that any individual’s skills deficit may well be made up by others on the team.

The DDMPs generally regretted the lack of leadership development opportunities. One related it to the lack of a job description of the role. Another said, 'There is nothing similar to the career development of professional management in corporate organizations. Our career structure does not aspire towards management as in corporate entities' (I.6).

A number of partners saw leadership development as essential for all partners. One recorded, 'When I was made up to partner it was a baptism of fire because I had no training in business management and felt I was only playing at management' (I.17). Another suggested, 'Whatever business skills I have, I developed from our family business. There was nothing here to help me' (I.13). Someone who had recently been made partner proposed that 'Training in leadership and management needs to happen long before appointments and before anyone is made partner. We must train partners to have professional business leadership skills for running their own business' (I.20). In this context, one DDMP agreed stating that 'We are all equal in the partnership and all must manage and lead client teams to be profitable through leverage. All partners must be able to manage, lead, fire, show direction, develop the practice, not just for self but for others and ensure that when you leave there is something there for others that the business continues' (I.5).

Only one partner doubted the value of a leadership development programme. He expressed the belief that 'You can't be trained for leadership. This is something that others recognise in you and it's not up to yourself to decide whether you're a leader or not. You don't set out to develop leadership skills. People see you and attribute them to you because they recognise something in you and that you have credibility in their eyes. You have to wait for that recognition' (I.12).

Associates were equally adamant about the need for leadership development. One pointed out that 'This is a £120 million business and it is inconceivable that partners would be asked to manage it without training. At least the recent merger brought some progress in that' (I.25). He was referring to the increase in the number of professional managers who are not lawyers in the merged firm, compared to either of the legacy firms. One of his colleagues suggested that 'It's disgraceful that there's

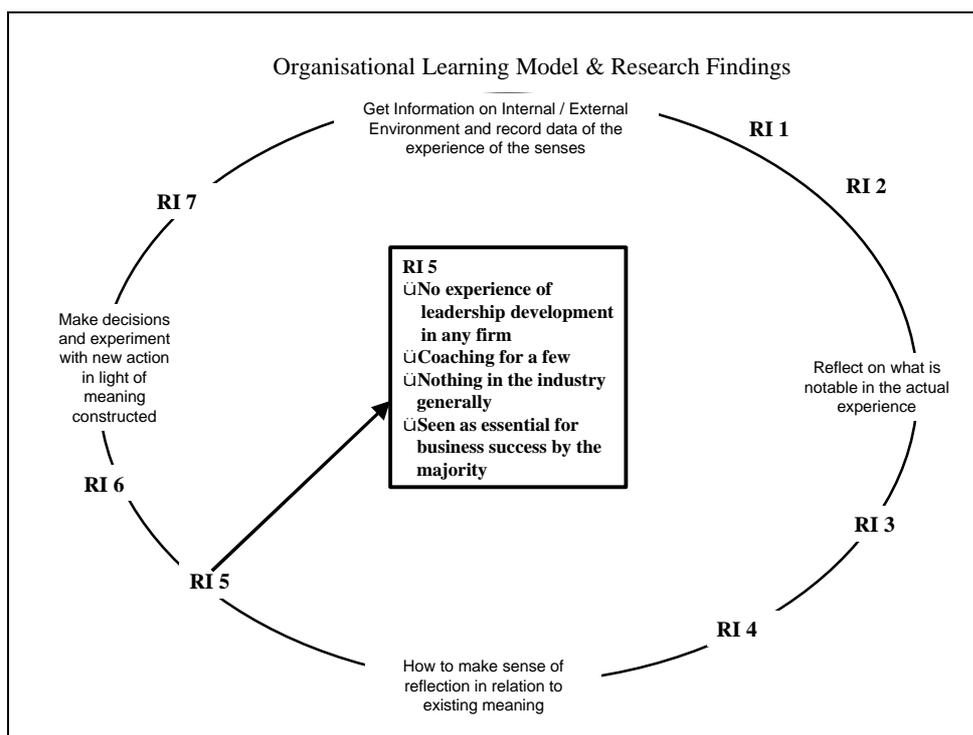
none. It wouldn't happen in Marks & Spencer or John Lewis. Look at their graduate fast track programmes and the management training their people get' (I.30).

### Summary of Research Issue 5

Most of the lawyers agree that very little has been provided to develop leadership skills in the firm. Many regarded as incongruous the fact that a business with a turnover in excess of £120 million had little or no leadership training for those tasked with growing the business. Many saw as startling that this situation applies even for those who are appointed to full time leadership positions in the firm. Of equal surprise was the fact that this was regarded as characteristic of most law firms. At the same time, almost no one doubted the need for leadership development which, in the views of some, should be made available to all partners.

Figure 4.5 summarizes the findings of Research Issue 5 in the context of organizational learning.

**Figure 4.5 The management of leadership development**



(Source: produced for this study)

The question now arises that given that larger firms are perceived to be undergoing a process of corporatisation, including their leadership styles (Research Issue 1); that interviewees perceived leadership as critical for business success (Research Issue 2); that interviewees understood their own roles in relation to leadership as emphasising personal leadership (Research Issue 3); and identified a comprehensive range of skills as essential for effective leadership (Research Issue 4), how is the absence of leadership development in the firm to be understood? Findings for the next research issue provide some answers which make sense of this phenomenon. This is the concern of the next section.

#### 4.3.6 Research Issue 6

*What issues does a City law firm face in relation to leadership development?*

Research Issue 6 sought to identify what were the issues likely to be faced by a City law firm in implementing a systematic leadership development programme. It also sought to establish the relative importance of such issues. In considering this research issue, findings from the following probe questions from Appendix B were analyzed: 6.1, 6.2, 6.3, 6.4 and 6.5. Four issues were identified as predominant, as represented in Table 4.22. A number of other issues were mentioned with less emphasis and are summarised in Table 4.23.

**Table 4.22 Predominant issues facing leadership development**

<b>Most significant issues</b>
Primacy of fee earning
Requirement of transparency of identification and selection
Role clarification
Need for future orientation and succession planning

(Source: produced for this study)

Issues listed in Table 4.22 are discussed in detail in the following sections, but deserve an introduction here because of the strength of feeling with which interviewees discussed them. The *primacy of fee earning* received a degree of

emphasis accorded to no other issue. Fee-earning was regarded by most as the life-blood of the firm, the most significant performance indicator for individuals, teams and divisions and the main determinant of the market value of any lawyer. The issue of *transparency of identification and selection* is linked to the nature of a partnership and its democratic and collegial culture. How people are identified and selected for leadership and who will be involved in that process has become all the more emotive with the centralisation of decision-making and the increasing corporatisation of the firm. The issue of *role clarification* has a history that was elaborated on by one very senior lawyer from whom a quotation is cited in full in this section because of the comprehensive summary it provides. The *need for future orientation and succession planning* was regarded as providing potential justification for leadership development.

Table 4.23 illustrates the overall concerns of interviewees and the extent to which they were raised within divisions and across levels.

**Table 4.23 Issues faced by a City law firm face in relation to leadership development?**

Issues	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
Primacy of fee earning	ü	ü	ü	ü	ü	ü	ü	ü	ü
Lawyers resist training of any sort	ü	ü	ü	ü	ü	ü	ü	ü	ü
No tradition of leadership development	ü	ü	ü	ü	ü	ü	ü		ü
Transparency of identification and selection	ü	ü	ü	ü	ü		ü	ü	ü
Need future orientation and succession planning	ü	ü		ü	ü	ü	ü	ü	
Difficult to sustain credibility as lawyer	ü	ü	ü	ü	ü	ü	ü		
Lack of role clarification and of what is meant by leadership and leadership development	ü		ü	ü		ü	ü	ü	
Market value threatened	ü			ü	ü	ü	ü	ü	
Lack of career structure beyond the individual		ü	ü	ü		ü	ü	ü	
Fear of resentment or suspicion	ü	ü	ü		ü		ü	ü	
Democratic tradition of partnerships	ü	ü					ü	ü	ü
Securing buy in of partnership		ü	ü				ü	ü	ü
Fear of isolation in full time role					ü	ü	ü	ü	
Remuneration not clear			ü		ü	ü	ü		
Perceived low status of professional management		ü					ü		ü
Lawyers' cynicism about management fads				ü	ü			ü	
Non-legal training resisted					ü	ü			ü
Potential divisiveness					ü			ü	ü
Lawyers trained to be cautious	ü						ü		
Methodological effectiveness		ü						ü	

(Source: produced for this study)

#### 4.3.6.1 The primacy of fee-earning

The overriding issue in the minds of interviewees confronting any proposed leadership development is the *primacy of fee-earning*. This emerges as the main concern across all divisions and across all levels in the firm. Fee-earning, still largely based on billable hours, is how law firms make money. Respondents were adamant that any activity which threatens to reduce billable hours would be fiercely resisted unless a very powerful business case could be made to justify it. For many, this issue lay at the root of several other issues faced by leadership development. For example, *the lack of a tradition of leadership development, lawyers' resistance to training of any sort* and the difficulty of *securing buy-in of the partnership* were each thought to be driven by the primacy of billable hours. One DMP related the issue of credibility as a leader to that of being a big biller. Findings in section 4.3.2.2, in describing how lawyers perceive leadership in the profession, has already emphasised the importance of this kind of credibility for leaders. This DMP added, 'This is the Catch 22, you must be a big biller to have credibility with other partners but then no one will want to release you for what is perceived as less important work' (I.2). While the comment relates to full time leadership positions it was made in the context of talking about leadership development. Another DMP commented that 'Sending people on courses builds resentment in others as they are perceived to be skiving off and leaving others to do the work' (I.1). One DDMP related the issue of fee-earning to both credibility with partners, and the need to keep up with developments in one's own practice area so as to be able to return to fee-earning from a full-time management role. In general, both DMPs and DDMPs believed it was necessary for the firm to release people for leadership development programmes and to make this commitment by reducing their billable targets. None doubted, however, the difficulty of the task of getting this kind of buy-in from partners.

Partners agreed with this view, both in terms of the necessity of making the commitment to release people and the difficulty of convincing people that this was in the interests of the firm. One partner described fee-earning as 'the treadmill which will deter the firm from releasing people and people from applying to be released' (I.11). Another partner suggested that 'Inspiring people, who themselves are excellent role-models, fee-earners, should not be burdened with management' (I.19).

Another believed that all partners could be trained in leadership so as to become leaders of their business area and that while many would welcome that, if it was seen as purely management, most would not be interested. Any leadership development would have to demonstrate how it can help to grow the business and especially increase revenue.

For associates, leadership development should be about training partners to be leaders of their businesses in order to attract work and keep associates busy with work brought in and delegated to them. People being identified for central leadership roles, such as managing partner or divisional managing partner, should, in the eyes of several associates, have a track record as a big biller. Clearly, for all levels, fee-earning not only is the life's blood of the business, but also is also what qualifies one to be a leader in the first place and to be considered for leadership development. The challenge is to convince the firm that time spent on leadership development is in the interests of the business, however costly in terms of fee-earning opportunities lost.

#### **4.3.6.2 Transparency of identification and selection**

Across all five divisions, there were interviewees at all levels, other than DMPs, who regarded how people would be identified and selected for leadership development as an issue to be faced. Many linked the issue of the 'democratic tradition of partnerships' with this issue. One DDMP stated that 'Lawyers prefer to elect their leaders so very much depends on how partners can be involved in identifying those with leadership potential. Any hint of imposition and you'll be in trouble. Also, anyone looking too ambitious and eager to be identified too early as having leadership potential will be suspect. He would risk isolation and derailing from the start' (I.6). For another, 'Grooming leaders is suspect given that a partnership structure is essentially democratic' (I.9). Linked with this concern, DDMPs and partners across four divisions identified 'Fear of suspicion and resentment' as an issue to be faced, as this would lead to a number not wishing to appear interested in leadership development.

One partner advised, 'If the firm was seen to be running a civil service type, fast-track promotion system those not selected would be dis-incentivised' (I.15) Another suggested, 'You need to be careful of failed lawyers wanting to get into management' (I.18). A third partner emphasised, 'You will need to convince people of objectivity and even-handedness avoiding suspicion of partisanship' (I.14). One associate suggested, 'Consulting about candidates for leadership development must be a well organised process and not just a quick check with partners who would mention just anyone who pops into their head that moment' (I.23). The concern for systematic planning and clear process was echoed by several other associates. Some explained that they had seen people selected for promotion to partnership simply on the whim of a partner, and this seemed to be behind their concern for transparency.

Given that the issue of transparency was such a strong concern for DDMPs, partners and associates the question arises why DMPs did not raise this. There may have been feelings of discomfort around the issue as all DMPs were appointed, not elected, following the recent merger. In each legacy firm, people in such positions were elected by the members of the practice group. Perhaps talking about how people could be identified and selected for leadership development was too sensitive for DMPs, all of whose positions would have been contested had the firm chosen the traditional method of election to fill them. One DMP stated, 'I'm aware that people who declare themselves keen on these roles are regarded as suspect by some partners' (I.4).

#### **4.3.6.3 Lack of role clarification and meaning**

Table 4.23 illustrates how, across four of the divisions, respondents saw the lack of clarity about leadership roles, and the concepts of leadership and leadership development as an issue to be faced. Table 4.23 also illustrates that this was a concern across all levels apart from Associates. Several pointed out that traditionally in law firms, terms such as 'management' and 'managing partner' were more common than 'leadership'. This was because partners generally did not see themselves as being led, but, as delegating managerial tasks to another partner to manage on their behalf, hence the term and role 'managing partner'. One partner, a former managing partner of another firm, went to considerable length to explain the

evolution of the role of managing partner in this context. It is included here at length because of the completeness of its historical summary.

Well, it's probably epitomised by the concept when it came in, we need to have a 'Managing Partner' and it seems to me that there were two totally contradictory reasons why different firms would appoint a Managing Partner. On the one hand, you have a firm who say this chap's a brilliant lawyer, very bright, very commercial, I think we should have him running the firm. Which means that all his brightness, commerciality, legal skills that he can sell to the buying public, as it were, went in the fridge whilst he did that Managing Partner's job. And I suspect, as a matter of fact I know, that there are other firms who said, we really want to have a Managing Partner; seems to be that most firms have a Managing Partner now. Why don't we take our least effective guy, who is not really earning very much by way of fees, who's in that practice area that isn't really the way the firm wants to go any longer, and make him Managing Partner...

....and I would've thought the second category is probably pretty fatal, because if he's not really a good lawyer, not really commercial and doesn't really attract clients, is he likely to have the business skills to run a business? But, in a way it could be said that the first choice also has its downside, because it is the guys who are the stars that you need out there, client-facing, so isn't the answer actually, why does a lawyer need to run a law firm?

(I.11).

This historical account casts some light on why the role of management, and what is meant by leadership, are problems for a City law firm. The role of managing partner evolved simply through the force of numbers of lawyers needing to be managed and accounts supervised. Someone dedicated for that purpose was required and, in order to have the trust of the partnership, had to be another owner of the firm, i.e. a partner. This was not a strategic decision. The evolution of managerial roles was not similar to that in corporate organizations, even though many see a change towards corporatisation for larger firms. One DMP stated that 'The responsibilities and expectations of leadership roles are not clarified in the firm' (I.3). One DDMP suggested that alongside the lack of clarity is the fact that such roles are not popular as lawyers do not identify with leaders, but rather with other high-performing lawyers. It was also suggested that different people will understand the role of management or leadership with slightly different expectations. For one DDMP, the fact that no DDMP received a job description did not help. So far as he knew, each DDMP had to work out his role in discussion with his DMP. He described having the impression that his job was to 'do the bits the DMP didn't want to do' (I.8).

Some partners tended to be unsure about what exactly those in leadership roles were to add to the business apart from managing the day-to-day running of the firm. Inspirational people tended not to be elected to leadership roles, while elections were often characterised by vested interest groups seeking their nominee's election. Those who were inspiring to one group, such as a corporate division, were unlikely to be inspiring to those in Employment and Litigation, for example. No partner had ever seen a job description for a managing partner or divisional managing partner until very recently. Associates did not refer to the lack of clarity about roles or meanings of leadership and its development as an issue. One associate suggested that 'As lawyers we see ourselves as in a profession and management is not something we should have to worry about' (I.14). Although not expressed as a concern for clarity, the statement perhaps reveals the lack of clarity to which partner groups referred. If the lack of role clarity is an issue facing leadership development, it is not surprising then that there may be a lack of clarity about what is meant by leadership and its development in the context of a City law firm.

#### **4.3.6.4 Future orientation and succession planning**

Across four divisions, respondents from all partner groups identified the need to develop leaders for the future and linked this with the lack of succession planning in the firm. The emphasis on future orientation expressed a concern that the firm should be anticipating the kind of leadership required in the future, for example, in five to ten years time, and should be identifying how to develop such skills now. One DMP felt that law firms, with their emphasis on immediate returns and lacking the long term view that shareholders have for publicly held companies, tend to think only of the immediate needs of maximising partner profits year on year, and fail to take a long term view of the development of the firm and its capability. As he put it, 'We tend to define the future in terms of the present' (I.1). For one of the DDMPs, 'Lawyers' horizons don't stretch much beyond their clients and their next drawings deadline' (I.9). Another made the point that 'Leadership development must address the issue that in ten years time the meaning of partnership will have changed substantially and so we need a model of partnership that will recognise and rewarded stars. Leaders will have to be custodians of this type of business' (I.6).

One of the partners pointed out that ‘We need to know where the firm is going before we know what kind of leadership is required’ (I.15). Another simply suggested, ‘Leadership development needs to be part of succession planning and in this firm we don’t have either’ (I.17). Associates did not refer to the issue of succession planning in the firm. Perhaps this may be due to a lack of awareness of the importance of the issue and/or to the fact that their future focus is on becoming a partner.

#### 4.3.6.5 Other issues

A number of other issues were raised, but did not have the degree of emphasis of those discussed above. Some respondents in all partner groups raised the issue of *loss of market-value*, where leadership entailed full-time positions requiring cessation of fee-earning. This would entail loss of client following undermining one’s fee-earning track record. Another implication listed as an issue is the *difficulty of sustaining credibility as a lawyer*. To counteract these consequences, it was suggested that in setting fee earning targets for those coming out of leadership positions, two years be allowed to help them build a client base again.

DMPS and DDMPs referred to the issue of *remuneration not being clear* for full time leadership roles and that this would be an issue for a leadership development programme. Interviewees were referring to a lack of clarity about what would happen when remuneration of the individual could no longer be linked to their fee earning performance in any one year. They were also concerned that, for those in part time leadership positions necessitating a substantial amount of time spent on managerial tasks, the firm had not made clear what allowance would be made in terms of fee earning targets. Members of these groups, and one partner, identified the *fear of isolation* as an issue given that those in leadership roles are seen as somehow apart from others and must sometimes deliver unwelcome and unpopular information.

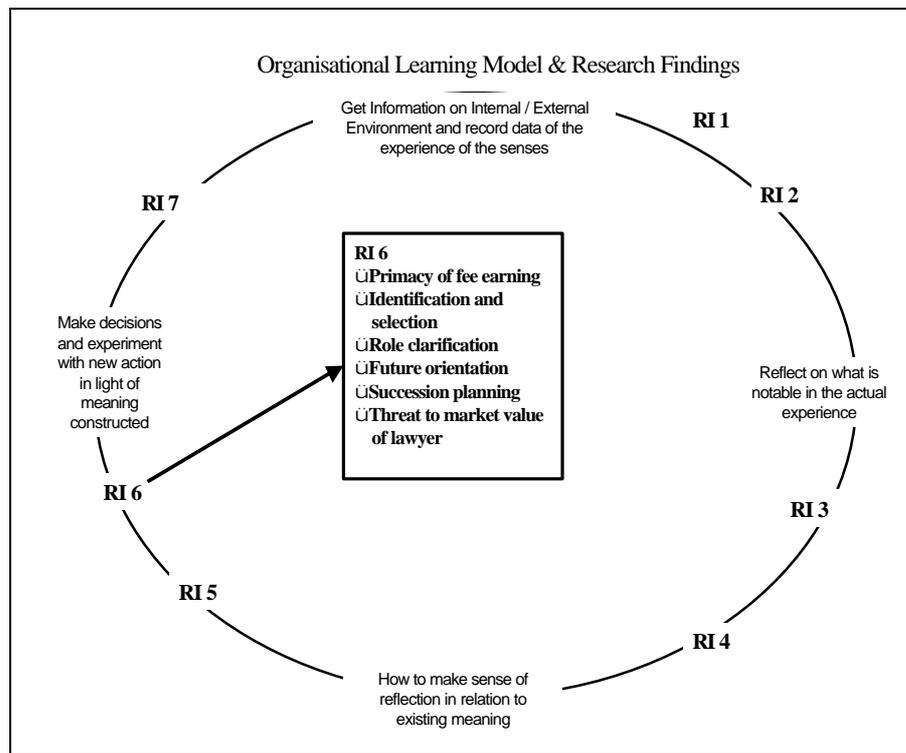
The remaining issues are regarded as almost self explanatory in light of preceding discussions on this and prior research issues. *Perceived low status of professional management* has already been alluded to in Research Issue 1 and was mentioned in

the context of non-legal personnel, irrespective of their roles, being perceived as ‘only’ support staff. *Lawyers’ cynicism about management fads* and *non-legal training resisted* were both perceived as additional barriers to be overcome. *Potential divisiveness* was linked with the issue of *transparency of identification and selection* required to avert resentment. *Lawyers trained to be cautious* was suggested as a reason why some people would be unwilling to volunteer for elements of a leadership development programme. The issue of *methodological effectiveness* was raised in relation to general cynicism about ‘soft’ skills training where clear outcomes are seldom measured.

### **Summary of Research Issue 6**

Most respondents seemed to associate leadership with a formal position, either full-time or having a substantial part-time role. It was frequently associated either with that of the firm’s managing partner, or with DMPs or DDMPs. Leadership development was understood then in terms of developing the requisite skills for such positions. Only one partner stated that he thought a leadership development programme should be made available at all levels throughout the firm. The issue of leadership and its development, however understood, clearly has strong emotive associations for many. At the heart of these is the central issue of how law firms make money, how lawyers create their own market value—billable hours, the primacy of fee-earning. Any business case being made for leadership development would have to demonstrate a cost-benefit analysis in terms of billable hours lost and business benefit gained. In spelling out the benefits of leadership development, the issue of lack of clarity was a concern, including what is involved in leadership roles, what is meant by leadership in this firm, and by leadership development. The processes of identification and selection would have to be utterly transparent so as to avoid any suspicion of politics and favouritism and to enable those interested, and with potential, to come forward. The roles of those selected for leadership development initiatives would need to be clearly explained across the firm.

Figure 4.6 presents the findings of Research Issue 6 in the context of the Learning Cycle.

**Figure 4.6 Issues facing leadership development**

(Source: produced for this study)

These findings provide potential answers to the question raised under Research Issue 5, namely, how to understand the absence of leadership development. The answers and implications will be explored in Chapter Five.

In exploring the Research Problem, *How does a City law firm deal with leadership development issues?* this study followed the organizational leaning cycle, firstly, with an examination of how the external and internal environments can be understood in relation to change and the state of leadership, research issues 1 and 2. It went on to the second phase of organizational learning to reflect on what is notable in the experience of change and leadership, namely, how lawyers understood their own roles in relation to and the skills necessary for effective leadership, research issues 3 and 4. The third phase required that this reflection consider the status quo or existing meaning in relation to the Research Problem, which resulted in the findings that little or nothing is provided with respect to leadership development and that a number of issues, some of which are substantial barriers, are faced in that regard.

The final phase of the Learning Cycle is that in which new decisions and new action is taken in light of what has been learned so far. In terms of the Research Problem new decisions and actions require an identification of what strategies are necessary to develop leaders. This was the concern raised by Research Issue 7 which is discussed in the next section.

#### **4.3.7 Research Issue 7**

*What strategies are perceived as necessary to develop leaders for the future?*

This research issue sought to identify how leaders could be developed in a City law firm given the issues faced, the leadership skills identified, and the importance of leadership to individuals and the success of the firm. It attempted to elicit key strategies for developing leaders for the future. In considering this research issue, the findings from the following probe questions in Appendix B were analyzed: 7.1, 7.2 and 7.3.

One DMP declared from the outset, ‘I honestly don’t know as I haven’t been exposed to anything against which I could benchmark something’ (I.2). Because of a lack of experience, he affirmed he had no ideas on the subject whatsoever. This seems like an entirely consistent position. In general, there was little discussion around this research issue as interviewees tended to introduce their suggestions by pointing out they had no experience of anything, but had heard of elements in corporate organizations. When asked to expand on different elements, they generally referred again to how little they knew. This is consistent with the findings of Research Issue 5, where the vast majority indicated they had little or no experience of leadership development. Citations from the data for this research issue, therefore, will tend to merely mention ideas without expanding on them. Yet the composite picture of leadership development strategies that emerges is strikingly comprehensive. The main themes identified across divisions and levels are identified in Table 4.24

**Table 4.24 Leadership development strategies**

<b>Strategies</b>
Ownership of the programme
Identification and selection
Learning strategies
Support strategies

(Source: produced for this study)

**4.3.7.1 Ownership of the programme**

While the implication was clear that leadership development would have to be an initiative bought into by the whole firm, one DMP and one associate believed that the human resources function should take responsibility for it. This is probably due to the fact that in law firms where there is a learning and development function, it is usually, but not always, located within the HR function. Table 4.25 illustrates issues concerning programme ownership and the identification and selection of candidates.

**Table 4.25 Ownership, identification and selection issues**

<b>Strategies</b>	<b>Cases</b>					<b>Levels</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>DMPs</b>	<b>DDMPs</b>	<b>Partners</b>	<b>Assocs</b>
<b>HR must take ownership for programme</b>		ü				ü			ü
<b>Identification &amp; Selection</b>									
• Transparency through full consultation when selecting participants	ü	ü	ü	ü	ü	ü	ü	ü	ü
• Psychometric instruments		ü	ü			ü		ü	
• Candidates to have reputation for being									
o good with clients		ü		ü	ü	ü			ü
o good on people management		ü			ü	ü			ü
o good on finance management		ü			ü	ü			
o adaptable		ü					ü		
o future oriented		ü					ü		
o dynamic		ü					ü		
o lack arrogance					ü			ü	
• Identify potential early in career		ü	ü				ü		
• Interview candidates					ü				ü
• Free up rainmakers and let techies do billable hours		ü				ü			

(Source: produced for this study)

#### 4.3.7.2 Identification and selection

Getting the right processes for identification and selection was seen as a critical success factor for any leadership development programme. Issues ranged from petty jealousies and politics, through cynicism and resentment, up to transparency and accountability to the whole partnership. Full consultation when selecting participants was raised in all divisions and across all levels, indicating this factor as having the highest significance. One DMP thought junior partners should be targeted and their supervisors consulted on their reputation for managing clients, people and finance. One DDMP suggested, 'There should be full consultation in identifying leadership talent' (I.8), while another emphasised, 'Leaders must be seen as coming through the mill and not from outside. There must be the fullest consultation possible when selecting people for these courses' (I.10).

Partners and associates were the most emphatic on the issue of transparency through full consultation in the selection process. People consulted should include 'HR as they have an overview of people's relative performances across the firm' (I.16) and, 'supervisors who have worked with potential candidates especially in terms of the quality of their work and relationships with clients' (I.13).

*Psychometric tests* were referred to in two divisions and across two levels, DMPs and partners. It was suggested they would be helpful in looking at candidates' aptitudes for leadership. Only one respondent knew, or had experience of, any particular instrument and that was the Myers Briggs Types Inventory.

Selection criteria should include a track record for a number of qualities. That which received most emphasis was *good with clients*, mentioned in three divisions and across two levels, DMPs and associates. *Good on people management* was mentioned in two divisions and across the levels of DMP and associates. *Good on finance management* was identified in two divisions by DMPs. *Adaptable, future oriented* and *dynamic* were each identified in one division by DDMPs only. While respondents were not attempting to give a comprehensive list of qualities for selection of candidates, it is clear that there is a concern that the selection process is

not only transparent, but also has established a number of performance criteria with reference to people's time in the firm.

Additional concerns suggested that *leadership potential should be identified early* in people's careers while they are still associates. This was raised in two divisions by DDMPs. Associates in one division believed that *candidates should be interviewed*, as the process would help people think about why they wished to put themselves forward. One DMP made the somewhat striking suggestion to *free up rainmakers and let techies do billable hours*. His concern was that rainmakers, who have a reputation for bringing in business, should not be subject to the constriction of billable target hours. These people were regarded as having the highest potential credibility for leadership and, therefore, should be freed to develop leadership skills.

#### 4.3.7.3 Learning strategies

Although interviewees indicated they had had little experience of leadership development their suggestions covered a wide range of methodological strategies as summarised in Table 4.26.

**Table 4.26 Learning strategies for leadership development**

Learning Strategies	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
<b>An extended development programme</b>	Ü	Ü					Ü	Ü	Ü
• Combination of mandatory and optional courses	Ü	Ü			Ü	Ü	Ü	Ü	
<b>Action Learning</b>	Ü		Ü					Ü	
• Shadow good role models	Ü	Ü	Ü	Ü	Ü	Ü		Ü	Ü
• Ongoing robust feedback	Ü	Ü	Ü		Ü	Ü		Ü	Ü
• On the job	Ü				Ü	Ü	Ü	Ü	
• Real business context and issues	Ü				Ü	Ü	Ü	Ü	
• Clear deliverables			Ü	Ü	Ü	Ü	Ü		
• Rotation of job roles and types	Ü		Ü	Ü			Ü	Ü	
• Include hardship	Ü				Ü			Ü	Ü
• Project work	Ü				Ü		Ü		Ü
• Work in other types of businesses				Ü				Ü	
• Opportunity to reflect on experience				Ü			Ü		
• Role plays	Ü							Ü	
• Case studies	Ü							Ü	

(Source: produced for this study)

In two divisions across three levels, DDMPs, Partners and Associates, people regarded an extended programme as essential. Within three divisions and across all levels apart from Associates, such programmes should consist of a combination of mandatory and optional courses. One DDMP suggested, ‘Develop people through defined project-based work over time, making sure people know what to deliver’ (I.8). Another advised, ‘Avoid generic programmes’ (I.9), confirmed by a DMP who alleged that ‘Generic courses are of no use whatsoever’ (I.3). One partner proposed, ‘We should have some courses mandatory, others recommended others optional so that skills sets can be developed over three years’ (I.15).

The range of specific training methodologies can best be described as ‘action learning’, given the emphasis placed on on-the-job learning, mentoring, coaching, shadowing role models and having real business issues to work on. *Shadow good role models, Ongoing robust feedback, On-the-job learning, Working within the real business context and issues, Having clear deliverables for the leadership development programme and Rotation of jobs and roles* all received strong emphases.

*Shadow role models* included references to coaching and mentoring and was identified in all divisions and across all levels apart from DDMPs. Interviewees seemed to be concerned to ensure the relevance and credibility of a leadership development programme and suggested that a role model-mentoring strategy would allow participants on the programme to see what worked. Interviewees used phrases such as ‘Good leaders as role models have the credibility’ (I.9); ‘Capture the knowledge of those how have done it successfully and let them be mentors and run master classes. They can discuss the issues that come up and give feedback on on-the-job experience’ (I.15); ‘Work alongside good role models to see best practice’ (I.11). ‘Have participants accompany leaders to events’(I.19); and ‘Shadow good leaders’ (I.14).

*Ongoing robust feedback* was identified in all divisions apart from D and across all levels apart from DDMPs. It was referred to by one partner as necessarily involving 360 degree feedback and regarded as essential in developing self-awareness. Another simply advised, ‘Use lots of active feedback’ (I.6)—again related to self awareness

and understanding the effect someone has on others. This included getting feedback from others on the programme on how they saw him or her.

*On-the-job* training and *real business context and issues* were identified in two divisions, A and E, and across all levels apart from Associates. Similar to advocating role models, these two methodologies were regarded as grounding the training in relevance and credibility. Suggestions included, ‘Bring people on gradually giving discreet projects to manage that are business critical such as targeting particular clients and sectors’ (I.27); ‘Involve people in leadership tasks much earlier in their career to avoid the overnight appointment syndrome’ (I.22); and ‘People could start by managing a small practice area and then grow to divisional and firm wide responsibilities. Build the skills gradually as happens in corporations’ (I.30).

DMPs and DDMPs in three divisions thought it essential to have clear deliverables for any leadership programme from the outset so that the programme would be able to demonstrate a return on investment and a measurable contribution to the growth of the firm.

*Include hardship* was identified in divisions A and E and by the two groups of partners and associates. One partner suggested that ‘Unless the programme is tough you won’t develop characters that have values without arrogance and who understand themselves and are willing to take feedback’ (I.15). Another suggested that there should be ‘personal development plans where people are held accountable for changing their behaviour’ (I.19). Another suggestion was to ‘link development to robust ongoing appraisal so the people are held accountable for their development and that that is linked to rewards’ (I.13). For another, ‘We need experience of difficulties and hostile responses in the face of difficult decisions. That’s the reality we have to deal with’ (I.17). An associate advised, ‘You need to be tough in giving feedback so people face their real issues’ (I.22). For this same individual, the programme would have credibility if it could be seen ‘to be intense, serious, rigorous and demanding’.

Other suggestion, raised in one or two divisions and across one or two levels, included project work as identified above to ensure practicality and work in other

types of businesses, such as giving people ‘secondment in a corporate type organization in a management learning role especially in finance and business development’ (I.21). *Opportunity to reflect on experience* was deemed essential to ‘...ensure what is learned sticks’ (I.14). Role plays and case studies were also regarded as useful.

#### 4.3.7.4 Support strategies

This final section for Research Issue 7 examines what support strategies should be in place in order to maximise the learning on leadership development programmes. Table 4.27 provides a summary of strategies identified.

**Table 4.27 Support strategies for leadership development**

Support Strategies	Cases					Levels			
	A	B	C	D	E	DMPs	DDMPs	Partners	Assocs
• Small mixed discipline groups	Ü	Ü			Ü	Ü		Ü	Ü
• Respect and accommodate differences		Ü					Ü	Ü	
• Residential -experiential	Ü	Ü				Ü		Ü	
• Provide secure, safe climate		Ü	Ü					Ü	
• Mix with other types of businesses	Ü								Ü
• Rigorously screen external providers		Ü			Ü			Ü	

(Source: produced for this study)

The most significant concern was that participants should be in *small mixed discipline groups*, identified in three divisions, A, B and E, and across all levels apart from DDMPs. This was not discussed at length, but was regarded as a way of building a leadership cadre in the firm and whose members would be aware of issues in other parts of the business. *Respect and accommodate differences* was raised as a concern in one division and across two levels, DDMPs and partners. One suggestion from a partner was to ‘Acknowledge that there are different roles according to personal strengths and aptitudes and life stages. Set objectives for people accordingly and let them develop along those lines’ (I.16). *Residential experiential* modules were regarded by DMPs and partners in two divisions as providing an out-of-office opportunity to engage in in-depth training that had a strong personal and experiential

element which required overnight accommodation and the removal of all distractions. However, these were not equated with residential generic programmes, which were to be avoided in the minds of those interviewees who referred to them.

*Provide a secure safe climate* was raised by partners in two divisions. Their concerns related to issues of personal disclosure and confidentiality with the suggestion that lawyers do not easily talk personally and are averse to getting feedback in any forum other than in one-to-one meetings. A secure, safe climate was deemed critical if real openness was to develop amongst participants and programme leaders. One associate thought that being on a generic programme with people from other types of businesses would have the advantage of enabling lawyers to see what were the concerns and issues in other types of organizations, and to learn from full time managers. Two partners in divisions B and E believed it essential to *rigorously screen external providers* ‘given the mediocre quality of what many provide’.

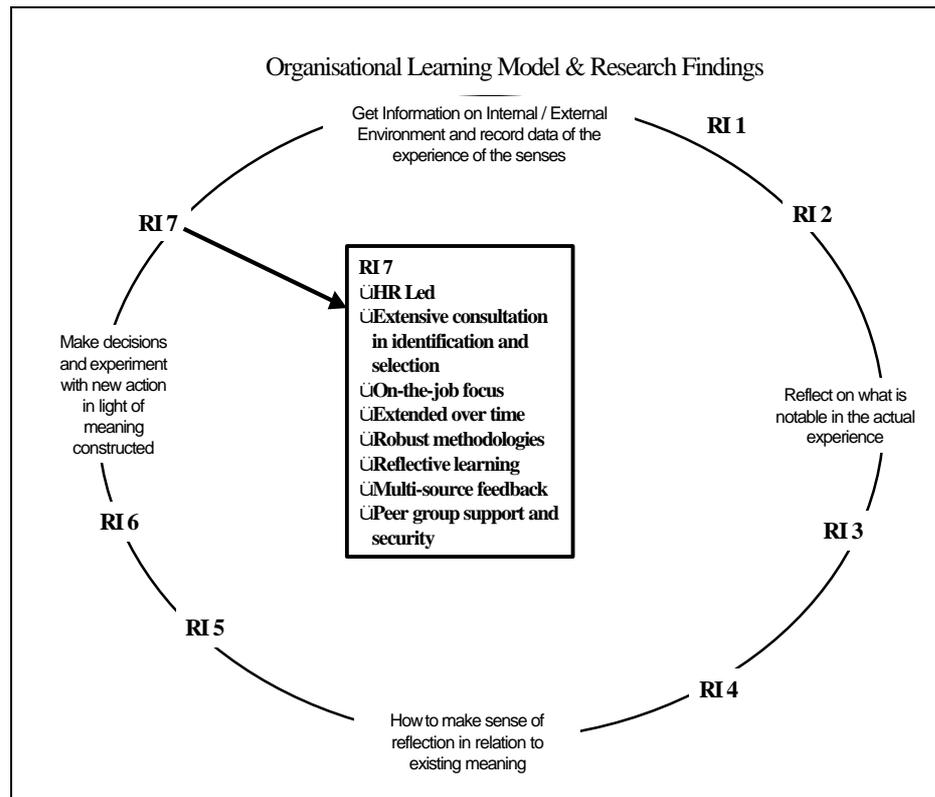
### **Summary of Research Issue 7**

Although interviewees frequently expressed their lack of experience in leadership development and consequent lack of ideas on development strategies, their combined ideas provide a comprehensive, composite picture of many features of best practice leadership development. These include critical success factors such as transparency and consultation in identification and selection, along with clear deliverables and measurable results. The issue of the primacy of fee earning identified in Research Issue 6, while tackled only indirectly, may be addressed by on-the-job training, shadowing role-models and project work. The model of a programme extended in time—three years is one suggestion—would allow a variety of work experience and job rotation. The call for a robust programme that does not avoid difficult issues, including feedback and accountability, indicates that interviewees regard such a programme as a substantive one and a far cry from generic courses delivered over a few days.

The adoption of such strategies would certainly constitute a new experiment for a City law firm. But such new experimentation is precisely the focus of the fourth

phase of the Learning Cycle. Figure 4.7 presents these strategies within the context of organizational learning.

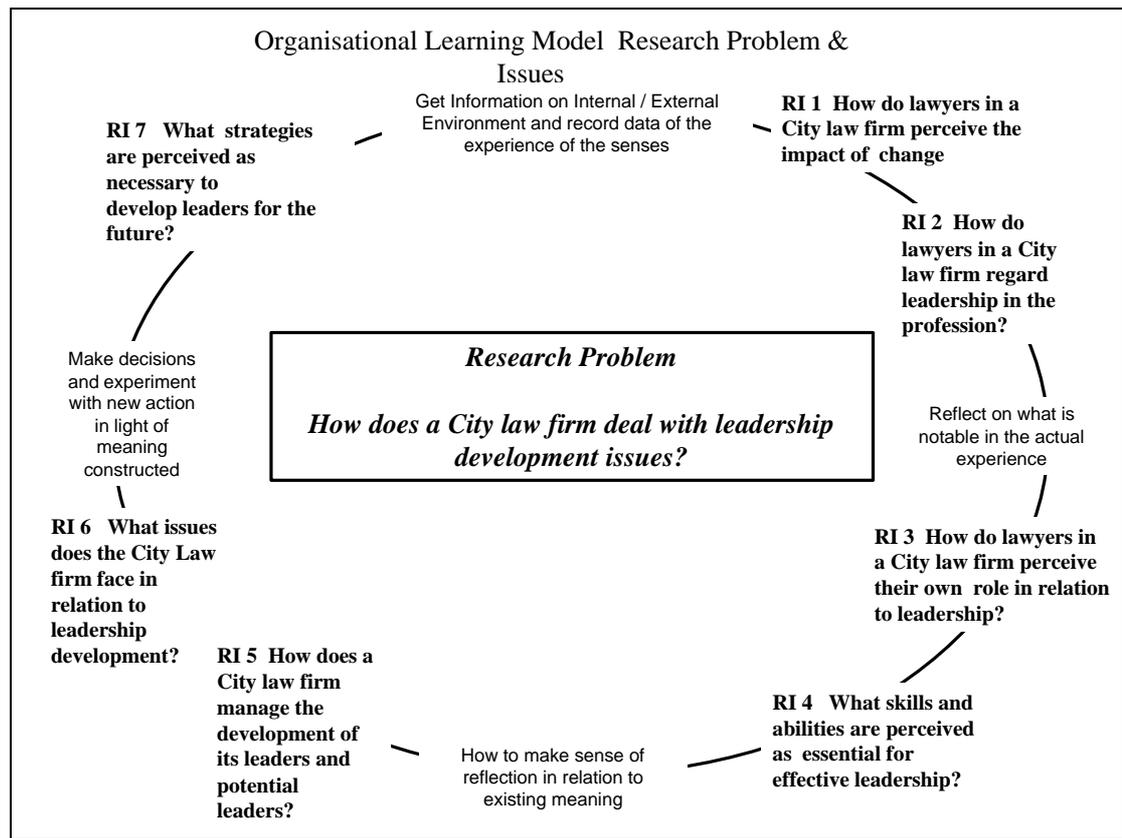
**Figure 4.7 Strategies for leadership development**



(Source: produced for this study)

#### 4.4 Conclusions

The data from this single case study, with multiple embedded sub-cases, provided answers to the seven research issues and enabled this study to progress across the four phases of the Learning Cycle as represented in Figure 4.8.

**Figure 4.8 Learning Cycle, Research Problem & Issues**

(Source: produced for this study)

Responses to Research Issue 1, *How do lawyers in a City law firm perceive the impact of change?* provided a picture of turbulent change in both external and internal environments. Working practices, clients, the industry and the profession were all seen to be undergoing substantial change. The impact of such change was seen to include increased competitiveness, more demanding clients, the corporatisation of firms, centralisation of decision making, reduced status of partners, dilution of collegiality, democracy and autonomy, reduced career opportunities for associates and women generally, and expectations of a better work life balance perceived as unrealistic. The overall impact was seen to consist in changing the very nature of partnership and how business is done.

In response to Research issue 2, *How do lawyers in a City law firm regard leadership in their profession?* leadership is seen to be in a state of transition. Firstly, it is regarded now as a critical business issue in bigger firms. It is becoming

more visionary, strategically focused and committed to driving and implementing change. Lawyers ambitious for the growth and competitive positioning of their firm welcomed such transition. The demand for alignment of partners would not be shirked by this new leadership. The traditional view of law firms being led and managed by barely competent amateurs is perceived to be changing rapidly. The state of leadership in law firms was regarded as a function of the size of the firm and the culture of each, with the larger firms having a more corporate style culture with leadership intent on aggressive growth. Mid-size and smaller firms were generally regarded as still struggling with traditional issues of management and the democratic control of the partnership as a whole.

The findings of phase one of the Learning Cycle indicate that both the internal and external environments were perceived as undergoing substantial change, while lawyers are seeking to adapt by attempting to change attitudes, practices and modes of governance

In response to Research Issue 3, *How do lawyers in a City law firm understand their own role in relation to leadership?*, three themes of development, problem solving and support created a picture of an emerging collaborative culture within the firm. Most of those who are partners in the firm saw themselves as having leadership responsibility, particularly in terms of business development, developing associates and teams and ensuring the firm achieves its goals. The vast majority take a firm wide view of their responsibilities and hold themselves accountable not only to those in positional leadership, but also to one another. Difficulties were acknowledged as partners struggle to face the challenge of accountability to each other, particularly on client teams.

Research Issue 4 asked *What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?* In response, the composite picture of leadership skills and abilities that emerges is comprehensive and includes skills for transformational leadership and securing alignment, as well as those for transactionally oriented leadership in the day-to-day running of the firm. For most interviewees, leadership needs to be exercised at two levels, the high strategic level

where the firm and leaders faced significant challenges, and the lower daily level, where leaders exercise their role in fidelity to the daily round of leadership tasks.

The findings of the second phase of the Learning Cycle, reflection on experience, revealed a group of lawyers keen to play a leadership role in the success of their firm in the light of the impact of change. They were clear about the kind of skills necessary to lead the firm to success and keen to develop these skills if given the opportunity.

The third phase of the Learning Cycle requires an attempt at making sense of reflection in relation to the status quo and for which Research Issues 5 and 6 provided important data. Research Issue 5 asked *How does a City law firm manage the development of its leaders and potential leaders?* Most of the lawyers agree that very little has been provided to develop leadership skills in the firm. Many regarded as incongruous the fact that a business with a turnover in excess of £120 million had little or no leadership training. No one doubted the need for leadership development—which some felt should be made available to all partners.

Research Issue 6 asked *What issues does a City law firm face in relation to leadership development?* A number of significant obstacles were seen to include the primacy of billable hours, aversion to training, lack of role clarity and the justification of the bases for the selection of individuals, with suspicion hanging over those who seemed unduly interested in taking an interest in leadership development.

This third phase of the Learning Cycle raised questions about the status quo and existing meaning and posed the problem, given the emphases on the critical nature of leadership and its development in the minds of interviewees, the absence of such development and the issues faced, what action could be taken. Through Research 7 the findings moved to the fourth phase of the learning cycle.

Research Issue 7 attempted to complete the final phase of the Learning Cycle by seeking what new decisions and actions might be possible in relation to leadership development in light of the findings and reflections of earlier learning phases and

research issues. It asked *What strategies are perceived as necessary to develop leaders for the future?* Responses suggested that HR must take ownership; the selection process must be characterised by extensive consultation of all stakeholders; critical success factors include transparency, and having clear deliverables and measurable results to track return on investment. The model of an extended ongoing programme with challenging developmental opportunities included a focus on action learning addressing real business issues by using a project based methodology and multiple source feedback. The importance of support through role models, mentoring, coaching was emphasised, as well as the provision of a safe environment of peer learning.

In Chapter Five the implications of these findings will be examined in relation to the literature review, in generalising the findings to theory, and in providing answers to the research problem. Directions for further research will be suggested.

## CHAPTER FIVE—CONCLUSIONS AND IMPLICATIONS

### 5.1 INTRODUCTION

This study was designed to address the research problem: *How does a City law firm deal with leadership development?* In Chapter One, the background to the research problem was presented with particular reference to the impact of change on law firms, the nature of the professional service organization, and related leadership and leadership development issues. It was also indicated that no scientific research had been carried out on leadership or its development in law firms.

In Chapter Two, the literature on leadership and leadership development was reviewed, gaps in the literature were identified and seven research issues were articulated. The chapter began with an overview of the nature and concept of leadership and proposed a definition for leadership in a City law firm. The literature on the nature and concept of leadership development was then reviewed and a definition for leadership development for a City law firm proposed that was in keeping with the definition of leadership and the nature of the professional service firm. Experiential learning was identified as a defining characteristic and critical success factor for leadership development. An iterative learning cycle was seen as a model for both individual and organizational learning, and this investigation was established as a study in experiential and organizational learning. For the purposes of this study, the iterative cycle, combining both experiential and organizational learning, was subsequently referred to as the Learning Cycle. The literature on leadership and its development in law firms and professional service firms was then reviewed. This included a review of the literature provided by management consultancy to PSFs and that of organizational development theorists with regard to change in PSFs. The chapter concluded by mapping the research issues onto the Learning Cycle.

In Chapter Three, the methodology for this study was described, indicating that this was an investigation employing case study methodology within the critical realism paradigm. The chapter presented justification of the realism paradigm and of case study methodology for this research. The role of prior theory was then discussed and the study was established as a two-phase investigation. Justification of the single case study was then presented. In phase one, the contribution of three focus groups and three convergent interviews was described in developing the interview protocol used in phase two, the semi-structured interviews across five strategic business units. This was followed by a description of the purposive selection of embedded sub-cases, data collection procedures and data analysis methodology. The chapter concluded with a discussion of the limitations of case study research and ethical considerations for this study.

In Chapter Four the findings for each research issue were discussed in detail, making extensive use of tables and matrices to display results. Findings for each research issue were summarised by reference to the experiential and organizational learning cycle which was used to demonstrate how the findings completed all four phases of the learning cycle.

Chapter Five now draws the conclusions and implications of this investigation. It begins by presenting, in section 5.2, a summary of the findings for each research issue and relating these to the literature reviewed in Chapter Two. The agreement and disagreement with the literature is identified. In section 5.3, implications for understanding the research problem are discussed and a number of propositions in answer to the research problem are outlined. In section 5.4, implications for theory are suggested and a number of new models are proposed. In section 5.5, implications for practice within the firm are outlined. Section 5.6 outlines five limitations of the study and indicates how these can be understood. The chapter concludes with section 5.7 by proposing further directions, both for quantitative and qualitative research.

## **5.2 Conclusions about research issues**

### **5.2.1 Research Issue 1**

*How do lawyers in a City law firm perceive the impact of change?*

The literature reviewed in relation to the impact of change in law firms consisted of that generated by management consultancy to PSFs (Maister & McKenna 2002; Hodgart 2002; Lorsch & Tierney 2002; Lowendahl 2000; Maister 1997; Mayson 1997) and that produced by Organisational Development (OD) researchers studying change in PSFs (Ackroyd & Muzio 2004; Malhotra et al. 2003; Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996; Greenwood, Hinings & Brown 1990 ). In dealing with change, the consultancy literature suggests that leadership in law firms faces substantial challenges not faced by corporate organisations, due largely to the nature of PSFs—particularly the traditional autonomy of professionals and the inherent tensions in the three-fold role of a partner as a producer, a manager and an owner of the business. Their preference for the client-facing role of producer was explained in that it is the source of their power and autonomy and value to the firm. This is regarded as providing lawyers with impunity from consequences of non-alignment.

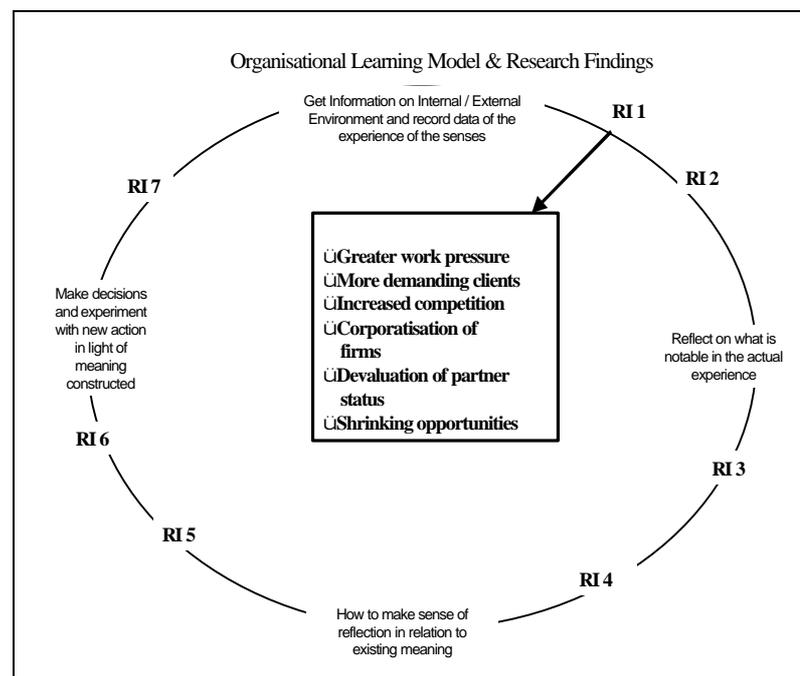
Through the review of the OD literature, it was possible to identify the source of the leadership challenges, described by the consultancy literature as the interpretive system of the P2 archetype. This system of values and beliefs was seen to reinforce the expertise and autonomy of the lawyer as being of central importance in the operations and overall success of a firm. When linked with strong individual, client-lawyer relationships, the system ensures that control and evaluation of individuals is exercised by peers, authority is widely distributed across the partners, and there is only a minimal hierarchy. As put succinctly by Ackroyd & Muzio (2004), how could substantial change be effected given the force of such values and beliefs across the whole partnership.

The findings for Research Issue 1 had varied results in relation to the literature generally and do not substantially confirm the positions taken by the consultancy literature. They confirm the findings of the proponents of archetypal change (Malhotra et al. 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996; Greenwood, Hinings & Brown 1990) and have mixed results in relation to the literature challenging such change (Ackroyd & Muzio 2004; Cohen, Wilkinson &

Arnold 2003; Pinnington & Morris 2003). This section will now explore these conclusions in more detail.

Four change themes emerged from the findings for Research Issue 1, namely, technology, client attitudes, the industry and, the profession. The findings were summarised in Figure 4.1, reproduced here for ease of reference.

**Figure 4.1 Findings of Research Issue 1**



(Source: produced for this study)

Because the consultancy and OD literature examines change in law firms from an external perspective and this study explored the impact of change from lawyers' perspectives within a City law firm, a number of change issues were revealed that were not addressed by the literature.

### 5.2.1.1 Technology

The lawyers interviewed see technology as a main driver of change, both in terms of the expectations of their clients for availability and accessibility, and in terms of the expectations of the firm regarding working practices. They believed that both clients and the firm expect, in essence, 24/7 availability to clients. Technology then is

perceived as a two-edged sword. While allowing people work from home and offsetting, to some extent, some of the disadvantages associated with being partner (outlined in section 4.3.1.1), it creates a demand for constant accessibility and, in turn, raises the competition on standards of service quality. It is striking that in their analyses of change in the industry and profession, Ackroyd and Muzio (2004) and Pinnington and Morris (2003) fail to address an issue that impacts so significantly on how lawyers work and relate to their clients. This is all the more surprising given the deployment of technological developments across the industry as a whole.

### 5.2.1.2 Client attitudes

The findings described in Section 4.3.1.2 illustrate how lawyers perceive client-driven change and its impact. This is summarised in Table 5.1

**Table 5.1 Client driven change**

<b>Client Attitudes</b>
Increasing client sophistication
Focus on business value added by legal advisers
Increased use of adviser panels
Increased price sensitivity
Business is client driven
Clients expect lawyers to be business advisers
Growth of team-based service

(Source: created for this study)

The consultancy literature addresses change from a management perspective in discussing what needs to happen in managing lawyers and implementing strategy in response to external change such as globalization, increased competition and consolidation (Hodgart 2002a; Lorsch & Tierney 2002; Maister & McKenna 2002; Lowendahl 2000). It fails to address the impact of change driven by developments in client attitudes. In effect, the literature fails to take account of one of the most significant aspects of change from the perspectives of lawyers themselves. In the OD literature, Pinnington & Morris (2003) identify elements of change such as a more

centralized and clearer marketing strategy, employing marketing specialists, however, Ackroyd & Muzio (2004), in describing the phenomena of dramatic growth and consolidation—as well as significant increases in profitability and productivity—only describe change from the perspectives of outsiders.

In contrast, this study reveals that in the minds of the lawyers interviewed, increased competition is not only due to growth in the size and capability of law firms, but the inroads being made by American firms on traditional markets of UK law firms. The study reveals that competition is increased by clients making increasing demands on their legal advisers that go well beyond their traditional domains of expertise. Many feel the necessity of acting as business advisers, attempting to assist clients in the implementation of strategy by leveraging lawyers' knowledge of the law, the wider industry and the client's own business. This is not the kind of business training law schools provide.

In describing business as client driven, lawyers perceived a shift in the locus of power from the lawyer as expert adviser whose expertise is rare, to the client who has a wide choice of many such advisers, most of whom have similar levels of technical expertise. In section 2.3.1.3, Lorsch & Tierney (2002) were seen to describe the professional's relationship with the client as having a pivotal role in the client's relationship with the firm and as the source of power and professional autonomy, allowing the lawyers to act, for the most part, as a sole practitioner. The findings of this study do not confirm this view, but indicate that lawyers interviewed feel under pressure to compete with many other suppliers of legal services and, to do so, no longer as sole practitioners but by providing the client with a dedicated team of lawyers from multiple disciplines to meet a broad range of client needs.

The pressure to compete to this extent provides a very different picture to that presented by the consultancy literature. Here are underlying market forces, revealed by this study but wholly missed by the literature. The study also reveals that the explanation provided by Ackroyd & Muzio (2004) of the lawyers' expertise as rare, and the source of 'enormous financial returns', is an inadequate and largely inaccurate explanation of law firm revenues. In fact, it is the clients' perceptions of business value contributed by their legal advisers that determines the level of fees

they are willing to pay in a market where clients have ever increasing choice. This reinforces the fact that the locus of power has shifted from the lawyers to their clients.

The study further reveals that it is in the service of their clients that lawyers see the domain of their leadership. Included in this role is their leading of teams to both meet clients expectations and the expectations of the firm. Leadership deliverables were clearly identified to include financial targets, client satisfaction, acting as role models for their team members, and ensuring the personal and professional development of all members of the team. Clients, lawyers and the firm in general see that the client-lawyer exchange has become the realm of leadership, implementation of strategy, and business success. This is a view wholly missed by the literature.

### 5.2.1.3 Industry change factors

The findings described in section 4.3.1.3 with regard to industry change factors are summarised in Table 5.2.

**Table 5.2 Industry change factors**

<b>Change Factor</b>
1. Over supply increasing competition
2. Trend toward consolidation
3. Corporatisation of larger firms
4. Globalisation & growth of US firms in UK & Europe
5. Aggressive growth focus
6. Increased number of legislative changes create business
7. Concept of 'City' changing

**(Source: produced for this study)**

These findings confirm much of the research literature on industry change, especially that discussed by Ackroyd & Muzio (2004) and Pinnington & Morris (2003) where these writers refer to consolidation, growth in size and increased competition. The writers were able to identify these changes from statistics of the Law Society, the industry press and by means of questionnaires distributed to managing partners in a number of firms. The impact of the advent of American law firms in London and

Europe and the requirement of multi-jurisdictional capability is seen by partners to force firms to face the reality that there are, in fact, only a small number of strategic options, including to grow organically through mergers, or settle for niche practices and remain small with revenues in proportion.

For most of those interviewed, the preferred option for their firm was to pursue growth, even though it was acknowledged that the downside of growth includes some degree of aggressiveness and change of culture, increased remoteness of those in leadership positions and more centralized decision making. The suggestion of Ackroyd & Muzio (2004) that growth in size is driven by partners themselves in the pursuit of high earnings is confirmed, to a large extent, where a number of partners described having seen other firms' growth as driven by partners eager for higher earnings and full equity. Factors 2 and 3 in Table 5.2, consolidation and corporatisation respectively, will be discussed in conjunction with others in the next section, where findings on changes in the structure and management of law firms are discussed in reference to the literature.

#### 5.2.1.4 Change factors in the profession

The findings for Research Issue 1 indicate that change factors in the industry and in the profession are interdependent. Section 4.3.1.4 identified eleven change factors, illustrated in Table 5.3.

**Table 5.3 Change factors in the profession**

Change Factor
1. Professionalisation of management
2. Devaluation of partner status with decrease in partner autonomy
3. Demand for work/life balance
4. Shrinking opportunities through retention of equity
5. Opportunities for women restricted
6. Retention of top talent difficult
7. New entrants less willing to put in long hours
8. Unrealistic expectations to make partner
9. Less job security
10. Working environment less pleasant
11. New entrants have less emphasis on money

(Source: produced for this study)

The first two of these, *professionalisation of management* and *devaluation of partner status and decrease in autonomy*, combined with two factors from the previous section, namely, *trend towards consolidation* and *corporatisation of larger firms* (as illustrated in Table 5.4), are perceived by the lawyers interviewed as producing significant change in the nature and structure of law firms.

**Table 5.4 Structural change**

<b>Change Factors</b>
Trend towards consolidation
Corporatisation of larger firms
Professionalisation of management
Devaluation of partner status and decrease in partner autonomy

(Source: produced for this study)

The findings in relation to the four change factors combined confirm much of the literature which suggests that elements in the P2 archetype are changing in the direction of the Managed Professional Business (MPB) archetype (Malhotra et al. 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996). In the views of the lawyers interviewed, what changes are taking place in their own firm are such that they are altering the very nature of the partnership. The study reveals that change in the firm is in fact towards the MPB archetype and that, in the views of the lawyers, the profession itself and the industry as a whole are changing in the direction of corporatisation, particularly with reference to larger firms. Table 2.15 summarised the main change factors in transitioning from a P2 archetype to an MPB. It is reproduced in Table 5.5 with an additional column indicating which MPB factors were attributed by interviewees to their firm.

**Table 5.5 Change factors from P2 to MPB archetypes and firm under study**

Element of change	P2	MPB	Firm under study
<b>Governance</b>	Fusion of ownership and control	Ownership retained but contingent on performance	Ü
	Revolving managerial tasks among the owners	Central management with 'Partners-in-charge'	Ü
	Widely distributed authority	Authority more centralized	Ü
<b>Strategy</b>	Aggregate of partners' interests	Centralized analysis, formal planning, marketing and growth strategies requiring alignment of partners and including setting performance targets in line with strategy	Ü
<b>Decision making</b>	Consensual	Centralized and directive with consultation only on most strategic issues such as merger	Ü
<b>Specialization</b>	Low with indivisibility of work	Partners-in-charge in full time roles	Ü
		Recruitment of non-lawyer experts as professional managers in HR, Marketing, IT	Ü
		Further specialization through growth of new practice areas	Ü
<b>Accountability</b>	For professional standards and billable hours	Professional standards, billable hours but also added value for client, client service quality, team management, productivity and efficiency	Ü
<b>Profit share (equity partners)</b>	Seniority and lockstep	Some degree of lockstep but combined with assessment of productivity and comparative contribution	Ü
<b>Operating control</b>	Professional standards and quality of service	Professional standards, quality of service, planning, marketing and compensation.	Ü
		External Quality Standards	Ü
<b>Recruitment</b>	Mostly internal; 'up-or-out' promotion	Some internal, but also external lateral hires for development of firm's competitive capability and rainmaking	Ü

(Source: adapted from Malhotra et al. (2003); Morris & Pinnington (2003) for this study)

It is clear from Table 5.5 that the firm is regarded as having all of the transitioning change factors in the direction of the MPB archetype.

The consultancy literature (Lorsch & Tierney 2002; Maister & McKenna 2002; Lowendahl 2000; Mayson 1997) omits any treatment of this kind of change taking place in law firms as discussed by academic researchers (Muzio & Ackroyd 2004; Malhotra et al. 2003; Pinnington & Morris 2003; Cohen, Wilkinson & Arnold 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996; ). The failure by this body of literature to address the nature of change in law firms may be due to the lack of scientific research on law firms, especially qualitative research. It seems an inevitable conclusion that changes in the interpretive system of the firm, as illustrated in Table 5.6, question the applicability of much of the management consultancy literature to this firm. In the views of the lawyers interviewed, their firm was no exception, with similar changes taking place in some firms of a comparable or larger size.

**Table 5.6 P2 and MPB interpretive systems**

P2	MPB
<p><b>Partnership and Professionalism</b></p> <p><b>5 Key beliefs</b></p> <ol style="list-style-type: none"> <li>1. Professional knowledge is central</li> <li>2. Control and evaluation is exercised by peers</li> <li>3. Authority is widely distributed across partners</li> <li>4. Work responsibility is indivisible strong links with clients</li> <li>5. Minimal hierarchy</li> </ol>	<p><b>Partnership &amp; Professionalism</b></p> <p><b>3 Key beliefs</b></p> <ol style="list-style-type: none"> <li>1 Partnership involves being a team player</li> <li>2 Professionalism involves business- like behaviour</li> <li>3 Being business like requires efficiency, competitiveness and client responsiveness</li> </ol>

(Source: produced for this study)

As discussed in section 2.3.1, many of the challenges described as arising out of the nature of professional service firms either do not apply in this firm, or have already been addressed. Three sets of challenges were identified, namely:

- producers in the context of autonomy and ownership
- managers in the context of accountability
- owners in the context of business strategy and alignment.

Table 5.7 summarizes the challenges discussed in sections 2.3.1.1–2.3.1.3 inclusive.

**Table 5.7 Summary of challenges**

<b>Producers &amp; Autonomy &amp; Ownership</b>	<b>Managers &amp; Accountability</b>	<b>Owners &amp; Alignment</b>
Establishing accountability for performance	Empowerment of leaders	Analysing market dynamics and market perceptions of the firm's identity
Developing and maintaining a culture of collaboration	Development of managerial expertise	Leading change and adaptation in response to market dynamics
Aligning business development initiatives with central strategy	Building collaboration	Developing and maintaining a sense of shared identity, purpose, values and goals
Client retention and positioning of clients as belonging to the firm	Developing group cohesion	Distribution of leadership
Quality control	Dissemination of leadership capability throughout the group	Responsibility throughout the firm
	Development of employees	

(Source: produced for this study)

Most of the challenges discussed by the consultancy literature are based on the traditional P2 archetype. The literature, however, does not account for the extent and nature of change that has taken place, at least in this firm and, in the views of its lawyers, in many of the larger firms. This suggests that for the firm, and perhaps others, the very management consultancy literature that seeks to address management issues in law firms is already dated and has rapidly decreasing relevance. In particular, challenges associated with Owners & Alignment, such as *analysis and strategy*, *leading change* and *distribution of leadership*, seem to be in the process of being addressed according to those in positional leadership (DMPs and DDMPs) and the partners generally. Section 4.3.2.2 identified *securing alignment* as one of the most significant challenges facing leaders (Lorsch & Tierney 2002; Maister & McKenna 2002), but interviewees indicated that leaders and partners alike were intent on achieving this alignment for the growth of the firm by selling the vision of the firm, by establishing the trustworthiness and credibility of those in positional leadership, and by the willingness of most partners to challenge those who threaten

the success of the firm, as indicated in sections 4.3.3 and 4.3.4 where the findings in response to Research Issues 3 and 4 are discussed respectively.

Under ‘Managers & Accountability’, the *empowerment of leaders, development of cohesion and collaboration* is being addressed in that DMPs and DDMPs are appointed, rather than elected, and seem to have the support of the partners who expect their leaders to exercise transformational leadership skills, as identified in section 4.3.4.3 under Research Issue 4. The extent to which leadership capability is disseminated throughout the firm is not clear from the data. However, there is no doubt that the body of partners see their individual role as one of leadership. To date, the firm has not addressed the issue of identifying and systematically developing a custom, firm-specific form of distributed leadership to achieve its strategy. All partners, and some associates, clearly identified the task of developing others as an essential element of their roles. Partners did describe management as more professional.

Under ‘Producers, & Autonomy & Ownership’, *accountability* has been clearly established, even the extent to which lawyers are now accountable to non-lawyers, as discussed in section 4.3.1.4, and which, although seen as contributing to the devaluing of partner status and unwelcome for many lawyers, is accepted as an inevitable consequence of structural change. The *alignment of business development with central strategy* and, in effect, *centralised decision making* were also aspects of change discussed in the context of devaluation of partner status and decrease in partner autonomy. The fact that some partners regarded the notion of partnership as ‘redundant’, ‘idealised’ and ‘overrated’ raises the question of to what extent this view may be gaining currency. *Team-based service of clients*, accepted by partners as essential for competitiveness, questions the extent to which positioning clients as belonging to the firm is now relevant for this firm.

In summary, the findings of Research Issue 1 question the relevance and applicability of current management consultancy literature for PSFs for this firm. They indicate that, in the views of interviewees, the firm has moved from a traditional P2 archetype to the MPB archetype and is in the process of resolving most of the challenges described by the consultancy literature. This raises the question of how many other

law firms of comparable size or larger have experienced similar change. It is beyond the scope of this study to provide an answer.

The literature challenging the applicability of archetype theory and the interpretation of change it provides, and its claims regarding the extent and nature of change in law firms (Ackroyd & Muzio 2004; Cohen, Wilkinson & Arnold 2003; Pinnington & Morris 2003), discussed in section 2.3.2.4, is not substantially confirmed by the findings for Research Issue 1. Elements of continuity identified by Pinnington & Morris (2003) and illustrated in Table 2.16 are not supported by the findings. On the contrary, the findings indicate that the interpretive system in this firm has already substantially changed—strategy is developed centrally and then followed by extensive consultation and explanation to partners. In addition, non-lawyer professionals are in executive roles, not merely those of support.

The rejection of the applicability of the archetype model for understanding change is not supported by the data. In fact, the descriptions provided by proponents of archetype theory (Malhotra et al. 2003; Hinings, Brown & Greenwood 1999; Cooper et al. 1996) help to illustrate and explain the nature and impact of change experienced in this firm. This is probably due to the fact that, apart from the very small and mixed sample of Cohen, Wilkinson & Arnold (2003), research was either statistically based on metrics from the Law Society (Ackroyd & Muzio 2004), or on returns of questionnaires by only one person from law firms in the sample (Pinnington & Morris 2003). This points to the risk posed by drawing inappropriate conclusions from quantitative research and without the balancing in-depth perspective provided by qualitative research. It also confirms the effectiveness of what Yin (1994) describes as the single revelatory case.

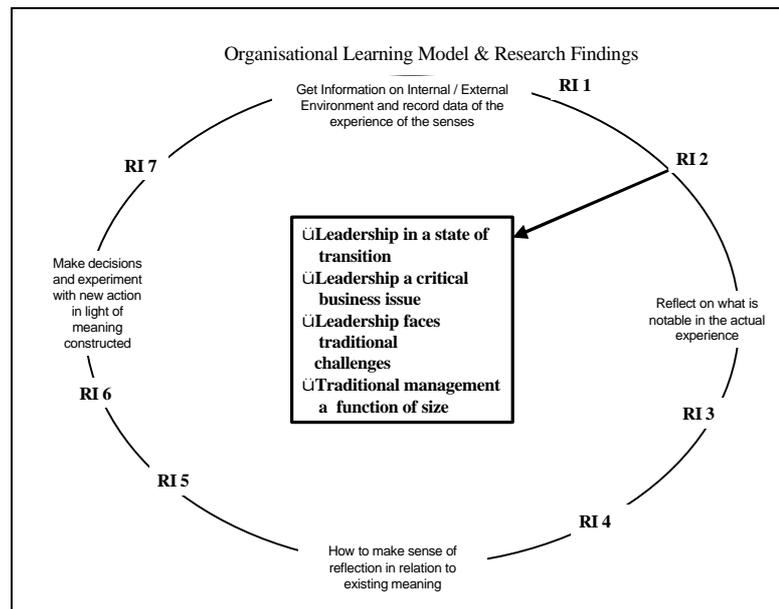
The findings confirm a suggestion made by Ackroyd & Muzio (2004), discussed in section 2.3.2.7.4, that equity partners are restricting equity in order to maximize profits for themselves. Linked to this was the perception of changes to the career structure of lawyers described by these authors and supported by the data. But an extension of this in the minds of the associates is that of less job security, where it was perceived there are many people looking for fewer jobs.

### 5.2.2 Research Issue 2

*How do lawyers in a City law firm regard leadership in the profession?*

The findings for this research issue were discussed in section 4.3.2 and summarised in Figure 4.2 reproduced here for ease of reference.

**Figure 4.2 Leadership in the profession**



(Source: produced for this study)

The findings indicate that most of the lawyers interviewed had had extensive experience of poor quality leadership because of the traditional nature of law firms and attitudes of lawyers. Interviewees also regarded smaller law firms as still struggling with many of the traditional issues identified in the consultancy literature. This provides some degree of confirmation for this body of literature, but questions the extent of its applicability across the legal industry. At the same time, most expressed the view that leadership in the profession, particularly in larger firms, was moving away from traditional law firm management to a more transformational focus. Nowhere is this transitional view represented in the literature. It is a significant gap if the views of interviewees accurately reflect an extensive change in large law firms. Neither does the literature reflect the belief among those interviewed that lawyers now regard effective leadership as critical for business success. Some expressed the view that this opinion was gaining momentum. This is in contrast to

the traditional scepticism of lawyers towards professional management and related training described in the literature.

At the same time, the findings confirm some of the views expressed in the consultancy literature that some traditional challenges face leadership in law firms, as discussed in sections 2.3.1.1-2.3.1.3. Those in positional leadership reported feeling anxious facing such challenges because they had received no training and feared some lawyers still look sceptically on such training. The data does not provide evidence of whether their fears were grounded in fact. It was clear, however, that in the case of this firm, a willingness to exercise leadership with a transformational focus existed on the part of DMPs and DDMPs and that many partners accepted this as important for business success. This, discussed in section 2.3.1, represents a development in lawyers' attitudes not recorded in the literature. The views expressed in the consultancy literature tend to rely on the personal experience of authors which, however relevant, requires validation by scientific research. In this context, the research reported by Lorsch & Tierney (2002) seems already dated in respect of this firm and, in the views of those interviewed, some of the larger law firms in the UK.

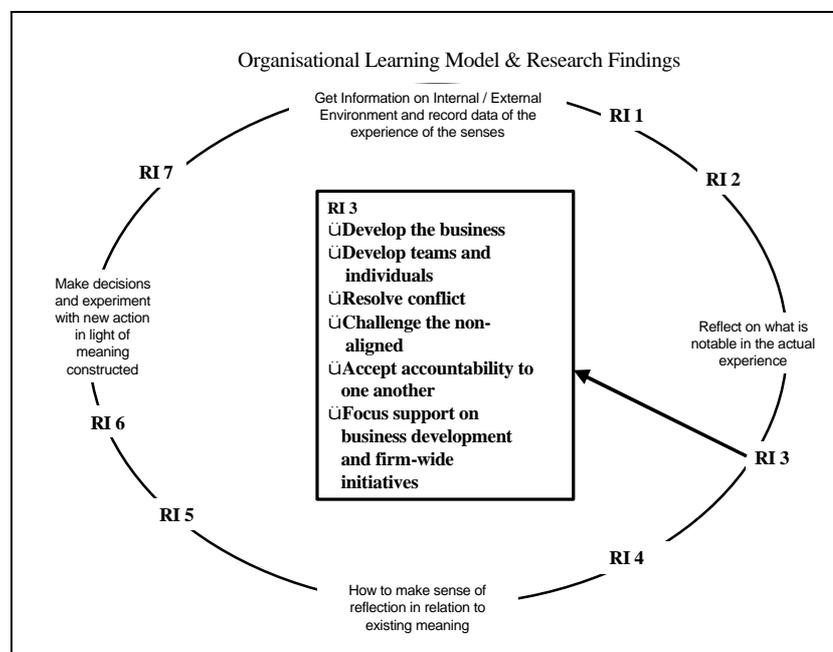
Where interviewees believed that traditional law firm management was still a feature of smaller firms, challenges such as *securing alignment*, *lack of leadership training*, *dealing with problem people* and *lack of role definition and positional authority*, were all mentioned across most divisions and levels, thus confirming the literature addressing the topic of traditional law firm management (Hodgart 2002a; Lorsch & Tierney 2002; Maister & McKenna 2002). The findings for Research Issue 2 suggest that, in writing about issues in management and leadership in law firms, it is now important to make distinctions according to size, change status and the readiness, of at least some lawyers, to embrace the development of leadership competencies in their own firms.

### 5.2.3 Research Issue 3

*How do the lawyers in the City law firm understand their own role in relation to leadership?*

The findings for this research issue were discussed in section 4.3.3 and summarised in Figure 4.3, reproduced here for ease of reference.

**Figure 4.3 Roles in relation to leadership**



(Source: produced for this study)

The findings only partly support the literature, discussed in 2.3.1 with particular reference to the issue of mutual accountability between partners. In the literature, the traditional professional autonomy of the individual lawyer and the nature of a professional service firm were regarded as factors in creating difficulties in partners accepting personal accountability to each other and to those in positions of leadership (Malhotra et al. 2003; Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997). In section 4.3.3.3 the findings illustrate that partners experience some difficulty in getting other partners to accept accountability to them when leading

client teams. That apart, the findings challenge the traditional views of law firms represented in the literature.

The findings provide contradictory evidence on every point cited by Mayson (1997) including:

- Clients seen as personal property
- Individual partners preferring to do their own thing
- A lack of strong leader or culture
- A disregard for the needs of fee earners and support staff.

The findings indicate that clients are increasingly served by teams and perceived as belonging to the firm. Individual partners repeatedly referred to their concern to develop the business and seldom spoke of developing merely their own practice areas, except when talking about achieving financial targets. Leaders preferred to act as facilitators, but it was clear that most partners saw themselves accountable to the DMP and that the DMPs and DDMPs were ready to exercise strong leadership in resolving conflict and dealing with people perceived as threatening the firm. The notion that the ownership mentality allowed for a great deal of dissent (Lorsch & Tierney 2002) was not supported in the findings.

Similarly in section 2.3.1.2 issues facing leadership in law firms identified by Maister and Tierney (2002, pp. 11-14) were cited as:

- Group leaders frequently do not have real authority
- The role of the group head is generally and primarily administrative not managerial
- Freedom to act as group leader is severely circumscribed in that no extra time is allowed for managerial responsibilities and group leaders often have the same billable targets as other fee-earners
- There is often no job description for group leaders and they are often unsure of what is expected of them
- Professional groups are generally difficult to run because of a lack of ground rules under which they will operate
- The conditions for the group leader to do what is asked are often missing
- There is no expectation and often no apparent requirement that members act collectively and make joint decisions with mutual responsibility to each other on such things as practice development, development of junior staff and building tools and templates for everyone in the group to use.

The findings provided no support for any of these, although it was clear that most partners experienced a time in the recent past where most of these statements would have been applicable. Notwithstanding the fact that those in positional leadership

indicated they had not been given clear job descriptions, all partner level interviewees expressed substantial role clarity.

Similarly, in section 2.3.1.3 in dealing with difficulties facing strategy and alignment identified by Malhotra et al. (2003) with reference to the P2 archetype, and by Lorsch & Tierney (2002) with reference to the nature of PSFs, challenges and issues were summarized as follows:

- The existence of tension between the firm's strategy and the individual strategy whereby partners pursue individual opportunities that make sense to them
- Firms rely on high performing producers to implement strategy on an individual basis but who characteristically tend to do whatever they want regardless of the wishes of leadership
- Firms are frequently forced into a balancing act between getting individuals to implement strategy while retaining non-conforming, high performing producers
- There is frequently substantial difference in interpretations of market dynamics and changes
- Issues of ownership and compensation create resistance to considerations of strategic alternatives
- Follow-through on strategic decisions is often haphazard due to the decentralised nature of firms with different practice areas
- Many partners prefer the producer role which allows them to be involved in traditional client work rather than do the hard and deep thinking about strategy required of their roles as owners and managers
- PSFs tend to consider the issue of strategy only in times of economic downturn creating strategic task forces that often lead to nothing.

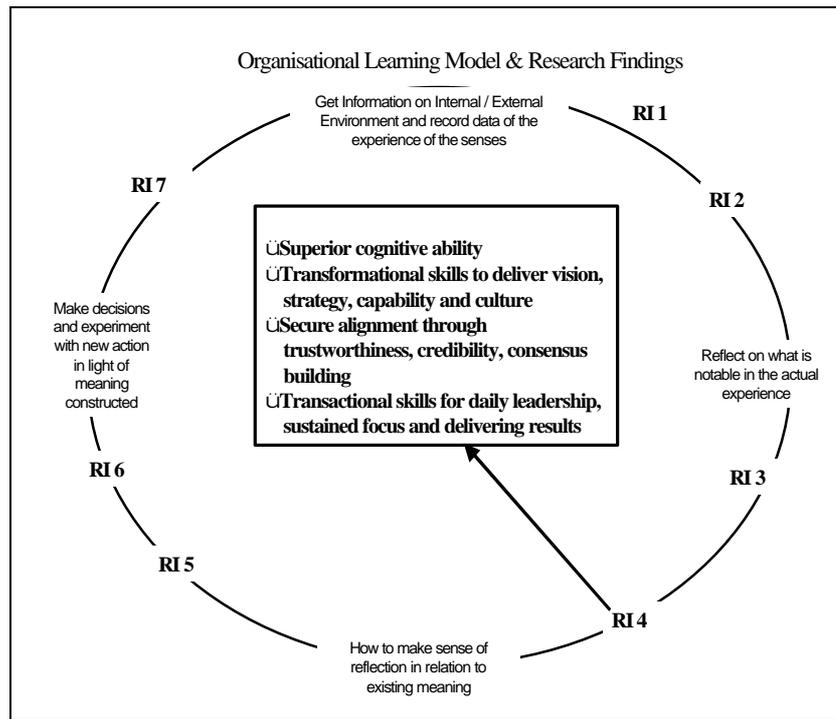
Yet the findings do not indicate that these conditions currently prevail in the firm. In fact, the overall concern of the partners was for the development of the firm as a whole. DMPs and DDMPs were determined to resolve conflict and deal with problem individuals and to challenge the non-aligned. The collaborative culture that emerged from the findings was very much in contrast to that regarded as typically lacking by the literature. This would seem to imply that many of the traditional challenges facing law firms have been, or are being, addressed substantially in this law firm.

#### **5.2.4 Research Issue 4**

*What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?*

The findings for this research issue were discussed in section 4.3.4 and summarised in Figure 4.4, reproduced here for ease of reference.

**Figure 4.4 Essential leadership skills and abilities**



(Source: produced for this study)

The overall thrust of the literature discussed in section 2.3.1 suggests that in law firms there is little experience of the kind of effective leadership associated with corporate organizations. Moreover, it is argued that law firms look down on professional management (Mayson 1997) and are reluctant to commit resources to its development (Lorsch & Tierney 2002; Maister & McKenna 2002; Mayson 1997). The OD literature reviewed in section 2.3.2.1 suggests that in the P2 organisation leadership elements such as central strategic analysis, planning and implementation are absent, with strategy being composed of the aggregate strategy of individual professionals (Malhotra et al. 2003). It is surprising then to find that across all divisions and levels there is such clarity about what essential leadership skills are, that these skills so readily match well established taxonomies, as discussed in section 2.2.6, and that there are clear distinctions in the minds of the lawyers between

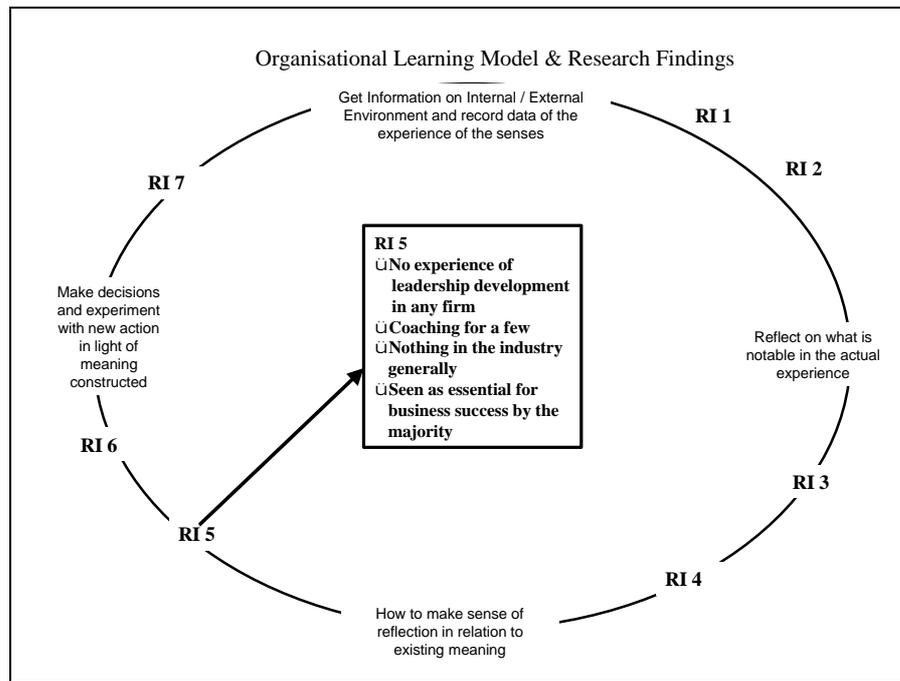
transformationally oriented and transactionally oriented skills (Hunt 1996), as discussed in section 4.3.4.1 and illustrated in Table 4.17. In addition, a clear picture emerges of central strategic analysis, planning and implementation in the firm.

The findings, taken together with those for Research Issues 2 and 3, directly contradict the imputations of Maister and McKenna (2002), Lorsch and Tierney (2002) and Maister (1997) that lawyers do not understand what leadership is or what it involves. In reality, interviewees had very clear ideas about the importance of superior cognitive ability, the necessity of delivering vision, strategy, building capability and a required culture. In contrast to concerns expressed by Lorsch & Tierney (2002) regarding the difficulty in securing alignment, lawyers were clear on how such alignment would be secured chiefly through leaders demonstrating trustworthiness and credibility and by consensus building, as well as, from Research Issue 3, the willingness to challenge those who undermined it. The transactional skills for daily leadership spelled out what was necessary to sustain focus and deliver results. In summary, here was a group of lawyers most of whom understood what leadership means, what its distinctions are and what is necessary to achieve the goals of their organization.

### **5.2.5 Research Issue 5**

*How does a City law firm manage the development of its leaders and potential leaders?*

The findings for this research issue were discussed in section 4.3.5 and summarized in Figure 4.5, reproduced here for ease of reference.

**Figure 4.5 The management of leadership development**

(Source: produced for this study)

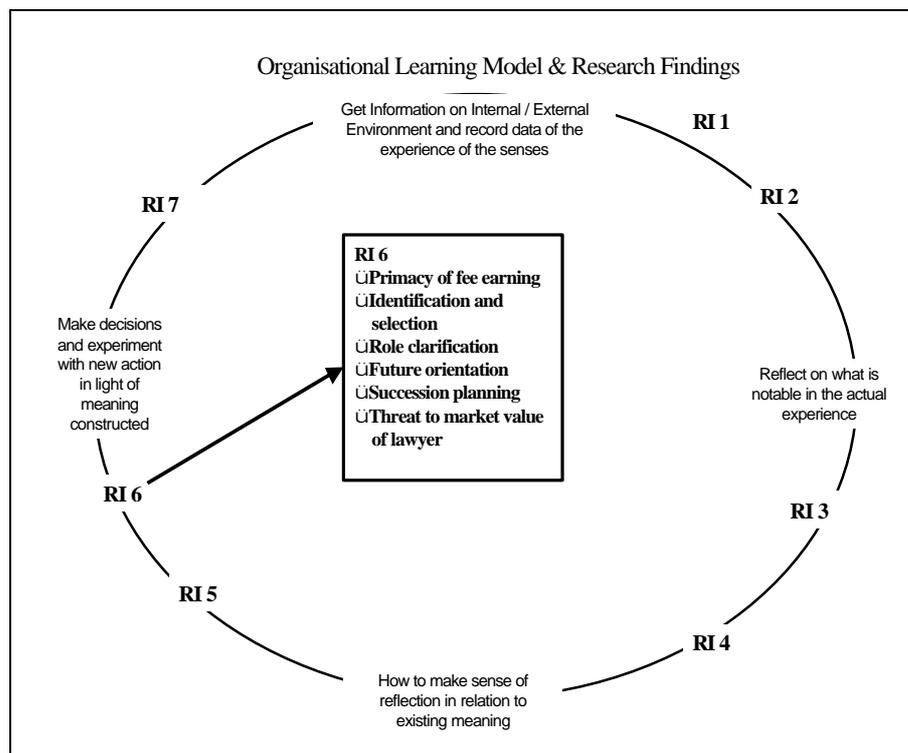
The findings are easily summarized. For most people interviewed, nothing of any value has been provided in terms of leadership development. This wholly supports the view reflected in the literature that lawyers have not traditionally committed resources to developing managerial leadership capability and are sceptical about such programmes (Lorsch & Tierney 2002; Mayson 1997). It raises the question of how lawyers know so much about what leadership skills are essential for business success, while acknowledging they have only recently had experience of good leadership. It may be that the experience of effective leadership in their own firm in recent times, coupled with general awareness of leadership issues in the media, has raised awareness and insight in this group. At the same time, it is notable that, in some isolated instances, those who have been able to avail of elements of leadership development (such as coaching, a full leadership programme elsewhere and, in one case, a transforming experience) all referred to these as extremely worthwhile and worth recommending to others. In so far as those interviewed highly value such training, the consultancy literature is disconfirmed.

### 5.2.6 Research Issue 6

*What issues does a City law firm face in relation to leadership development?*

The findings for this issue were discussed in section 4.3.6 and summarized in Figure 4.6, reproduced here for ease of reference.

**Figure 4.6 Issues facing leadership development**



(Source: produced for this study)

The findings support the literature in discussing the traditional blocks to leadership development in law firms. The primacy of fee earning is referred to by Lorsch and Tierney (2002), Maister and McKenna (2002), and Mayson (1997). Both the literature and the findings indicate that this is the most significant challenge facing leadership development. Beyond the primacy of fee earning and a reference to scepticism in lawyers about such programmes, there is little reference in the literature to any additional issues. This study, however, identified eighteen other issues—illustrated in Table 4.23 in section 4.3.6. Table 5.8 reproduces the list of issues ranked in order of significance. Issues numbered 1 to 14 were felt strongly across divisions and levels of lawyers and provide important new information on what those

interviewed saw as challenges facing the implementation of a leadership development programme. Their implications for theory and practice will be discussed in sections 5.3 and 5.4 respectively.

**Table 5.8 Issues faced in relation to leadership development**

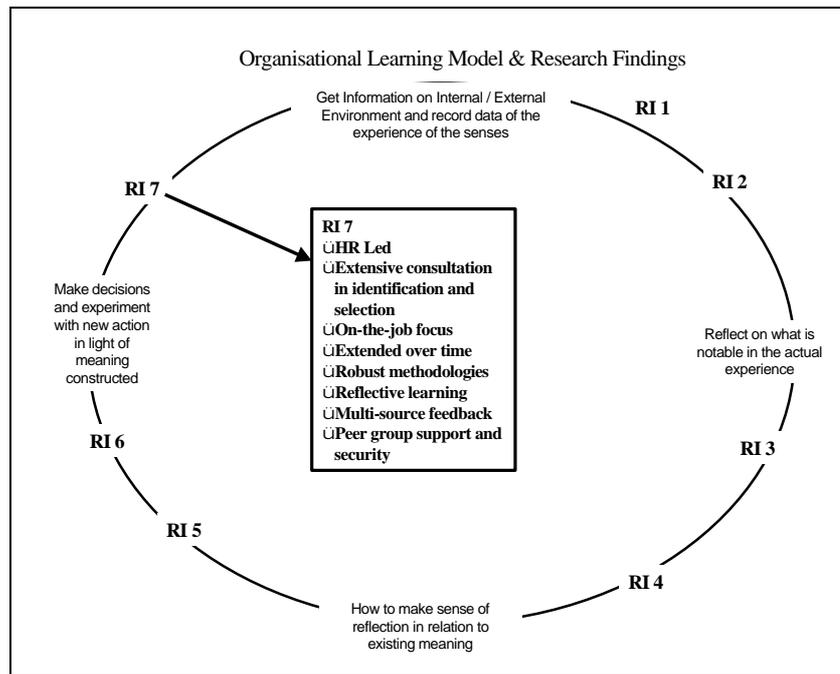
No.	Issues
1.	Primacy of fee earning
2.	Lawyers resist training of any sort
3.	No tradition of leadership development
4.	Transparency of identification and selection
5.	Need future orientation and succession planning
6.	Difficult to sustain credibility as lawyer
7.	Lack of role clarification and of what is meant by leadership and leadership development
8.	Market value threatened
9.	Lack of career structure beyond the individual
10.	Fear of resentment or suspicion
11.	Democratic tradition of partnerships
12.	Securing buy in of partnership
13.	Fear of isolation in full time role
14.	Remuneration not clear
15.	Perceived low status of professional management
16.	Lawyers' cynicism about management fads
17.	Non-legal training resisted
18.	Potential divisiveness
19.	Lawyers trained to be cautious
20.	Methodological effectiveness

(Source: produced for this study)

### 5.2.7 Research Issue 7

*What strategies are perceived as necessary to develop leaders for the future?*

The findings for this research issue were discussed in section 4.3.7 and summarised in Figure 4.7, reproduced here for ease of reference.

**Figure 4.7 Strategies for leadership development**

(Source: produced for this study)

The composite picture of leadership development strategies that emerges from the findings closely reflects best practice, including the distinction between traditional management development and leadership development. Given the issues facing the development of leadership in a City law firm and the traditional antipathy to such programmes discussed by the literature, it again seems surprising that the lawyers interviewed identified so many development strategies, as discussed in section 2.2.3. Table 5.9 reproduces Table 2.3 Characteristics of Leadership Development but, in addition, indicates all were identified in aggregate by interviewees. This is particularly striking as there is nothing in the management consultancy or OD literature that would have anticipated such insights.

**Table 5.9** Characteristics of leadership development identified by lawyers

Characteristics	Identified by interviewees
Strategic orientation	Ü
Focus on business needs	Ü
Action learning methodology	Ü
Extended process	Ü
Collaborative enterprise	Ü
Focus on individual in relation to others	Ü

(Source: created for this study)

It is striking that the model of leadership developed envisaged by the interviewees emphasises the importance of project-based action learning, as discussed in section 4.3.7.3. DMPs, DDMPs and partners in two divisions were particularly emphatic that learning strategies would involve addressing real business issues. Taken together with *ongoing robust feedback* across four divisions and the levels DMPs, Partner and Associates, a model of experiential learning and personal development emerges. This confirms the literature on the perceived effectiveness of best practice leadership development discussed in section 2.2. Given the culture traditionally associated with law firms in the consultancy literature, discussed in section 2.3.1, and the structure of P2 organizations, discussed in section 2.3.2, the findings must be regarded as disconfirming both sets of literature.

### 5.2.8 Summary

The findings of this single case study raise substantial doubts about the applicability of much of the consultancy literature on law firm management—to the firm under study in the first instance, and potentially to a number of larger law firms in the UK. What emerges from the findings is a picture of a law firm that has undergone substantial change and is a departure from the P2 organization. The extent to which it has most the characteristics of the MPB archetype suggests that it is moving towards becoming a more corporatised organization, with significant implications for

the nature of the partnership and the role of partners within it. In turn, there are implications for how leadership is understood and exercised by people in different roles, not least those who are the partners. The findings confirm the literature on leadership skills and abilities and how these can be developed through best practice leadership development. They identify a number of issues to be addressed by the firm if such development is to be successful—issues missed by the literature for the most part.

Finally, the findings point to the limitations of a number of quantitative studies on change in law firms, particularly the ability of researchers to draw accurate qualitative conclusions from statistical results. More generally, they point to the need for both qualitative and quantitative research to provide a balance for each other in terms of generalization. While the findings disconfirm much of the literature reviewed in the case of this firm and suggest that there may be a number of large law firms undergoing similar change, quantitative study is required to test if this is the case.

### **5.3 Conclusions about the research problem**

#### *How does a City law firm deal with leadership development?*

The study reveals that, from the perspectives of those interviewed, the consultancy literature on management in law firms is substantially inapplicable. In particular, this literature is questionable where it tends to generalise and impute that lawyers are inimical to leadership, and such training initiatives as leadership development. The lawyers interviewed regard effective leadership as critical to the success of their business, partners regard their own role as one of leadership, and regret that, for the most part, they have received nothing of substance in terms of leadership development. Far from being hostile to such a programme, most of those interviewed would welcome it in so far as the firm, at the same time, would address the issues that would enable the programme to succeed. They see the ownership of the programme as resting with Human Resources, though needing the full support of central management. They believe that such a programme should be project-based in

order to deal with real business issues faced by the firm. During the programme, participants would be given ongoing robust feedback to encourage personal development and leadership effectiveness.

The findings do not provide information on why the firm has not initiated a leadership development programme. However, the firm under study is the result of a merger in 2003, so it is reasonable to assume that the process of post-merger integration is still a major focus and it may be too soon to initiate a programme of leadership development. Neither of the legacy firms had implemented a leadership development programme. Some partners from each legacy firm described having had an experience of poor leadership at some point in the past in reference to their previous firms. They described leadership in their merged firm as representing a significant improvement in spite of difficulties and the perceived decrease in autonomy and status. It may now be important for the firm to realise that the conditions traditionally associated with law firms in relation to leadership and its development may no longer pertain and that there may be an opportunity to develop a distributed leadership capability that will enable the firm to achieve its strategic goals very effectively.

In providing answers to the research problem, a series of propositions can now be developed that highlight the contribution of this study and that may provide a guide to the firm in exploring the implementation of a leadership development programme. It must be remembered that these are based on the perceptions of only thirty interviewees. However, in expressing their views most referred to what they believed were the experiences of their colleagues in their own firm and those in other firms of comparable size or larger. Nevertheless, the following propositions cannot be generalised beyond those interviewed. They pose particularly interesting hypotheses for testing in a quantitative study of lawyers in the firm and in the industry. They are contributions made by this study in so far as they provide perspectives of lawyers themselves which are wholly absent in the literature. Secondly, they are contributions in so far as they challenge accepted assumptions about management in law firms and how lawyers perceive issues in management and their relationship with the firm. They raise the question that, if thirty lawyers across five divisions in one firm have views that are at such variance with those expressed in the consultancy literature,

how many other lawyers in this firm and in the wider industry think similarly. The propositions are:

1. Lawyers no longer see themselves as sole practitioners mediating the firm to the client and the client to the firm, but as one supplier among many team-based suppliers of legal advice. The traditional base of their power has shifted from the lawyer to the client.
2. Lawyers accept that technical skills alone are insufficient for competing effectively and believe they require the skills of business advisers.
3. The impact of change is such that, in the minds of the lawyers interviewed, developing leadership capability is essential for the success of the firm.
4. Lawyers accept that centralized decision making, including that involved in the design and implementation of strategy, is essential for the success of the firm and accept that this includes a decrease in their autonomy and decision making power.
5. Lawyers acknowledge that all partners must be accountable to the firm for their performance and are willing to challenge those who refuse to be aligned with the strategic direction of the firm.
6. Lawyers accept that the strategic direction of the firm sometimes entails making tough decisions about those whose expertise does not enable the achievement of that strategy.
7. Lawyers regard leadership in the profession as in a state of transition moving away from the inept management of the past to a more effective corporate style leadership regarded as essential for success.
8. Lawyers see themselves as leaders, especially team leaders, and the domain of their leadership as that of team-based, business relationships with clients.
9. Lawyers see their leadership role as that of developing the firm, their own practice areas, their team members for whom they act as role models, achieving financial results, supporting one another and central management and dealing robustly with dissenting individuals who threaten to undermine the success of the firm.
10. Lawyers understand what are the requisite skills for leadership and make distinctions between the skills of transformationally oriented leadership and those required for transactionally oriented leadership
11. Lawyers regret that most of them have never received leadership development and some regard it as scandalous given the size of their enterprise and the extent of competition.
12. Lawyers readily identify issues that must be addressed in order to implement a leadership development programme in their firm.
13. Lawyers are aware of many of the strategies, principles and processes of best practice leadership development and prefer project-based, action learning that addresses real business issues.

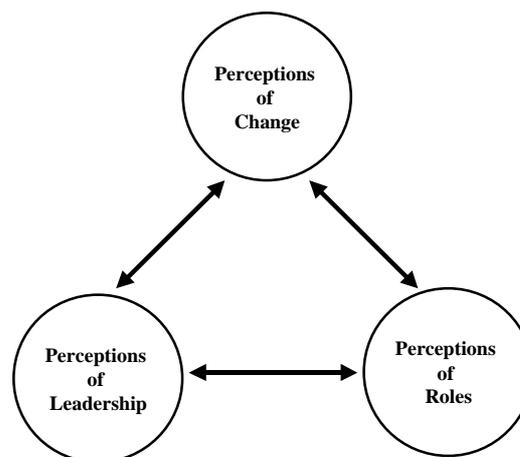
## 5.4 Implications for theory

The findings of this study have implications for the theory of leadership, leadership development and the theory of change in law firms in relation to the application of organizational archetypes.

### 5.4.1 Application of a perceptions model

In reviewing the concept and nature of leadership in section 2.1 it was proposed that, for the success of business organizations, the interplay of individuals' perceptions of change, required leadership and individual roles influence substantially what part individuals play in the development of the organization. This model is an original contribution to leadership theory and was developed by this study. The interplay of perceptions was illustrated in Figure 2.1, reproduced here for ease of reference.

**Figure 2.1 Interplay of perceptions**

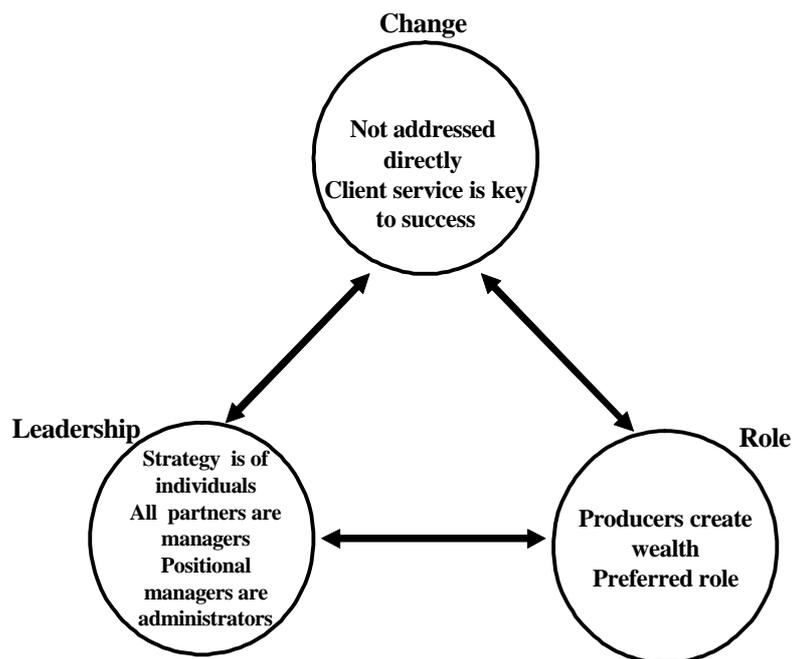


(Source: created for this study)

This study went on to apply this model to the traditional conceptualization of management of law firms in section 2.3.1.4. In this section, as a result of the review of the consultancy literature regarding the challenges posed to traditional law firms in relation to change, it was argued that such firms were unlikely to have the leadership capabilities to deal effectively with change and the development of their

firms. The interplay of perceptions was used to portray how such management can be seen as preventing the development of effective leadership. These were illustrated in Figure 2.16, reproduced below.

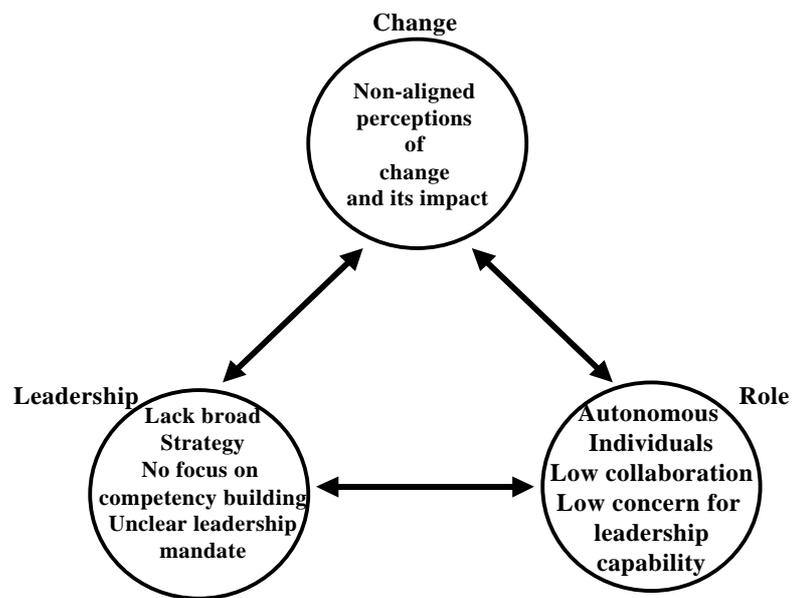
**Figure 2.16 Perceptions in traditional law firms**



(Source: created for this study)

The application of this model makes a modest contribution to understanding the problems and implications posed by the interplay of traditional perceptions, particularly with regard to potential blocks to the development of a firm.

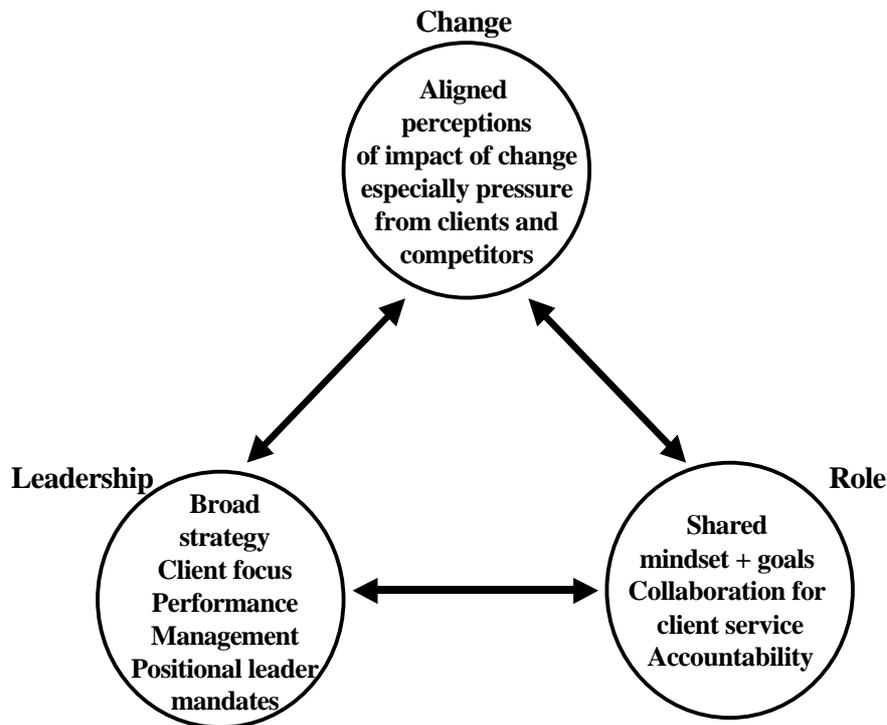
Similarly, in section 2.3.2.2, the review of the OD literature in relation to the P2 archetype suggested that the characteristic configuration of elements questioned the capability of a law firm of this type in dealing with conditions of turbulent change and heightened competition. But this literature did not include any reference to how firms managed change, exercised leadership or how individual professionals deal with such issues. By applying the perceptions model to the P2 organization, the elements that threaten to undermine the development of a firm are highlighted. This was illustrated in Figure 2.17, reproduced below.

**Figure 2.17 Interplay of factors on P2 Organization**

(Source: created for this study)

This application of the perceptions model suggests the usefulness of the model in understanding potential blocks to the development of a law firm posed by traditional law firm perspectives and management.

In section 2.3.2.3, the review of the literature on the MPB archetype concluded with the application of the perspectives model to this archetype where the interplay of perceptions are markedly different from those in the P2. There were illustrated in Figure 2.18, reproduced below.

**Figure 2.18 Alignment in the MPB archetype**

(Source: created for this study)

By comparing Figures 2.16, 2.17 and 2.18, the contrast between the two organizational archetypes in terms of dealing with change, leadership and individual roles can be highlighted. This is not represented in the discussion on organizational archetypes and related change in the literature. The comparison allows researchers and practitioners to identify constitutive elements of what must be addressed in those firms seeking to deal more effectively with change, develop the requisite leadership skills and align partners to play their role in achieving the success of the firm. It also provides archetype theory with a model to explore the internal leadership dynamics of change. This is an additional modest contribution to theory.

The study also established that, from the perspectives of those interviewed, the conditions prevalent in the P2 organization and also described in the consultancy literature are not prevalent in the firm studied. In fact, it was established in section 5.2.1.4 above that the characteristics of the MPB organization are present to a large extent in the firm. The interplay of perspectives that apply to the MPB indicates that if the views of the lawyers interviewed accurately reflect the conditions in the firm,

these conditions are favourable to the development of the leadership capability required for success. This confirms the usefulness of applying the model to understand effective leadership in law firms.

It is proposed then that the interplay of perspectives model is a useful way of illustrating the need for addressing multiple, but related, perspectives at the same time and that only when these perspectives are aligned, and interplay effectively, can the PSF progress. Thus members of a firm, especially partners, must seek to analyse change and gain a consensus of perceptions on how this change impacts the firm. Secondly, it is then necessary to devise and implement a broad strategy in response to change that will seek competitive advantage for the firm. Thirdly, members must then address the issue of what leadership skills and abilities are essential to develop the firm and achieve success. Fourthly, they must identify and gain consensus on what are the roles of individuals, especially the partners, in relation to change and leadership. The study thereby makes a contribution to understanding law firm leadership and organizational development. It also provides an analytical model in conjunction with archetype theory to enable a law firm to identify to what extent it is characterised by the traditional P2 archetype, the weaknesses this may imply in the context of turbulent change and heightened competitiveness, and suggests a number of issues that should be addressed.

The study makes a modest contribution to archetype theory in providing models to represent the significance of the interplay of perspectives in relation to change, leadership and individual roles in different archetypes and how these perspectives may be studied in terms of the transition from one archetype to another.

#### **5.4.2 Role of partners**

The study makes a modest contribution to the theory of the partner role in law firms discussed particularly by Lorsch and Tierney (2002), and Maister and McKenna (2002). The consultancy literature (Hodgart 2002a; Hodgart 2002b; Maister & McKenna 2002; Lohendahl 2000; Mayson 1997) suggested inherent tensions in the three-fold role of producer, manager and owner with the producer role preferred as

being the source of the individual's power, as illustrated in Figure 2.15 and reproduced here.

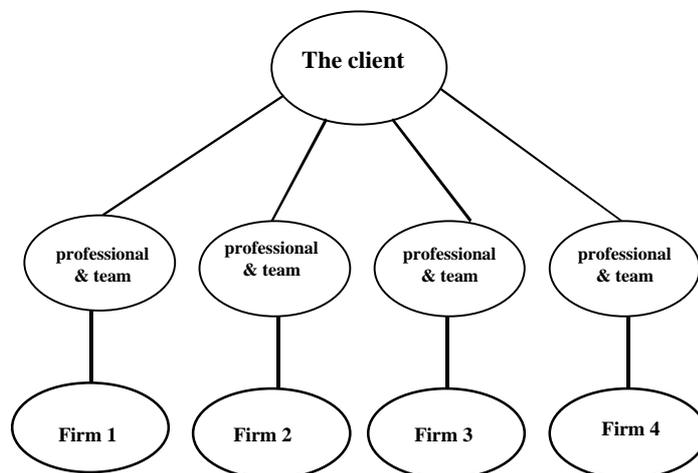
**Figure 2.15 The pivotal role of the individual professional**



(Source: Adapted from Lorsch & Tierney 2002)

The findings of this study indicate, however, that the partners interviewed no longer see themselves, or their colleagues in the firm or elsewhere, in this light. This is because of the shifting of the locus of power to the client, the client's requirement for team-based service and the approach of clients in having and playing multiple legal advisers against each other to secure best value. This study suggests that the role of the professional is less pivotal and that clients are no longer seen as belonging to the individual, as illustrated in Figure 5.1

**Figure 5.1 The new role of the professional**



(Source: produced for this study)

The findings indicate that lawyers see themselves as one of many providers to their clients, as leaders of a client-dedicated team, and as representatives of the firm. One of the implications of this structure is that should the team leader leave the firm, it is unlikely the client will wish to follow and start again with a new team—unless the whole team leaves, which happens only occasionally in the industry. In general, however, the study suggests that the theory of the partner role requires modification in terms of influence, status and transferability to other firms. The individual partner is no longer in a pivotal position.

### 5.4.3 Defining leadership

In section 2.1.2 the study proposed a definition of leadership that would be appropriate for a law firm given the emphasis on shared responsibility of the partners, the appointment of varying group members to leader roles and building a capability throughout the firm of establishing direction and aligning partners with strategy. The definition is reproduced as follows:

Leadership is a dynamic, mutual relationship effecting compromises between group members, intending change, appointing varying group members to leader roles as appropriate, seeking to identify shared purposes and values, finding organizational direction, and developing a systemic capability diffused throughout the organization, of responsiveness to the environment, and the maintenance of internal integrity of purpose.

This definition may provide an appropriate conceptual framework for understanding leadership in a City law firm in circumstances of dealing with turbulent change and heightened competitiveness. The interchange between partners and between partners and DMPs and DDMPs clearly reflects the *dynamic mutuality of relationships* in the attempt to implement change. The *effecting of compromises* is indicated in the acceptance by partners of the inevitability of decrease of autonomy and, to some extent, the decrease in partner status seen as necessary for the growth of the firm. The *appointment of varying group members* marks a departure from the traditional election of leaders reflected in the consultancy literature. In the firm studied, no leaders in the divisions were elected. Perhaps here is an important element in

enabling change in that the fact of appointment seems to have provided DMPs and DDMPs with the authority that is required by positional leaders, as indicated by Lorsch and Tierney (2002).

*A systemic capability diffused throughout the organization* is present in so far as the partners see themselves as leaders not only developing their own practice areas, but conscious of being responsible for developing the firm as a whole. The *responsiveness to the external environment* is reflected in the awareness of multiple aspects of change, its sources and impact and the readiness of interviewees to adapt in order to develop the firm. *Internal integrity of purpose* was reflected in respondents' concern for dissemination of the vision of the firm, to develop its members and to provide support for each other. It was also reflected in the willingness on the part of many to challenge those who threatened to undermine the success of the firm and its strategic purpose. This study then can be deemed to contribute a definition of leadership in law firms that may act as a heuristic model. In doing so, it addresses the lack of definition in the consultancy literature.

#### **5.4.4 Leadership Development**

In section 2.2.2, the study proposed a definition of leadership development that would be appropriate for the firm. This is represented as follows:

Leadership development consists in the development of the individual, including personal development, involving the expansion of one's knowledge, skills and abilities so as to be effective in leadership roles and processes. Leadership roles and processes are those that enable groups of people to work together in productive and meaningful ways so as to achieve the aims of the organization.

The contribution of this definition is not in terms of describing what is involved in leadership development. It is rather that the definition encapsulates not only what the lawyers interviewed understood as leadership development but, more significantly, that it represents the extent to which they saw the need for the firm to address issues that would block such development. It also indicates the extent to which the lawyers themselves desired leadership development. The theory of law firm management

suggests that, traditionally, lawyers look with scepticism on such development programmes and that the primacy of fee earning presents a substantial barrier to its implementation. On the other hand, this study suggests that while these problems are acknowledged there is an appetite on the part of many interviewees to benefit from a programme that would allow them address real business issues and provide them with the skills and abilities to be effective in leadership roles and processes to achieve the aims of the organization. Implied, is the expectation that the firm should address this issue. At the very least, it is no longer possible for theorists to generalize that law firms and lawyers look with suspicion on talk about leadership and its development.

## **5.5 Implications for policy and practice**

This study arose from the desire of central management to initiate a leadership development programme in a City law firm. The findings of the study have a number of important practical implications that can be acted on in the near future.

### **5.5.1 An exceptional opportunity**

The findings indicate that amongst the lawyers interviewed, effective leadership is perceived as critical to the success of the firm and that there is a desire and a readiness for leadership development that is substantive and practically focused. Such desire and readiness may be partly as a result of the merger, the awareness of market conditions and the need to compete, and the example of instances of effective leadership experienced by some lawyers recently. It may also be partly due to the fact that the isolated training session on strategy, provided by an external body and not highly regarded by most partners because of its lack of practical application, may have served to raise awareness of the role of the importance of strategy at least. What is hardly in doubt is that central management now has an exceptional opportunity that may be rare in the industry.

To seize this opportunity, central management should now report the results of this study to the firm. The study can be represented as a substantial in-depth investigation

into how the firm could develop the leadership capability that would provide competitive advantage. The partnership can be advised of the extensive investigation by being informed that the study consisted of three focus groups, all DMPs, all DDMPs, ten partners and ten associates across the firm's five divisions. Members of the firm could then be informed that a questionnaire will be sent to each one with the intention of establishing their level of interest in leadership development and their opinions on a number of issues raised by the study.

A questionnaire should be sent by the Human Resources Directorate initially to all partners and with the assistance of this author, exploring all relevant issues related to participation in a leadership development programme. These issues would include (but no confined to):

How participants rate the significance of the issues identified in Research Issue 6.

How participants propose the firm should deal with the most significant of these, e.g. the primacy of fee earning.

The extent to which participants would be willing to undertake a firm wide or division-wide business project and not just one based on their own practice area, such as projects related to client development, capability development, people management, succession planning, amongst others

The extent to which participants would be willing to participate in an initial extended assessment, such as an assessment centre, to establish their readiness for a pilot phase of a leadership development initiative

Based on the findings of this study, central management should decide to implement a pilot leadership development initiative involving up to thirty partners with a view to establishing the equivalent of a Leadership Institute, combining mandatory and optional programmes according to level and role in the firm. Amongst appropriate projects for the pilot, post-merger issues requiring resolution could be included.

### **5.5.2 Distributed leadership**

The findings suggest that the firm's development is in the direction of the MPB archetype and that partners perceive the importance of centralized decision-making and an inevitable decrease in their autonomy. At the same time, it is clear that

partners see themselves as leaders in the firm. The firm, through its central and divisional management, must find a way of reconciling the need for centralized decision making while retaining the commitment and motivation of highly talented partners. The firm should address the issue of role-appropriate participation in leadership. The definition of leadership by this study, encapsulating a model of distributed leadership, provides a suitable model for the firm, as outlined in section 5.4.3. The definition can be further developed in the pilot phase of the leadership development programme proposed in section 5.5.1. It can also serve as a basis for participants to devise a model for the firm, in keeping with best practice leadership development. This model would address the two dimensions of leadership *of* the firm and leadership *in* the firm, i.e. role and level-appropriate facets.

The findings indicate that almost all partners see themselves as leaders. If the proposed questionnaire referred to above confirms that this is the view of most partners, the firm may wish to develop the concept of domains of leadership for partners. The partners themselves viewed relationships with their clients as the key domain of their leadership and the second as that of team and individual development. This suggests that elements in the firm's leadership development programme would include Client Leadership, People Leadership, Financial Leadership, Strategic and Change Leadership, amongst others.

### **5.5.3 The development of associates**

The findings reveal that associates for the most part do not see themselves as leaders in the firm. Only two associates referred to having a leadership role, when delegated by a partner to manage a team on a client transaction as discussed in 4.3.3.1.3. Yet many of the associates have clear views on what are the essential skills for effective leadership, what issues leadership development would face and how leadership development should be implemented. Nevertheless, the impression created from their responses is that leadership is for partners and their role is to support the partners generally, while not feeling they have a leadership role themselves. Given the structure of the firm, perhaps it is inevitable that their perspectives are coloured by seeing partnership as the aim of their career and that their role in the meantime is to

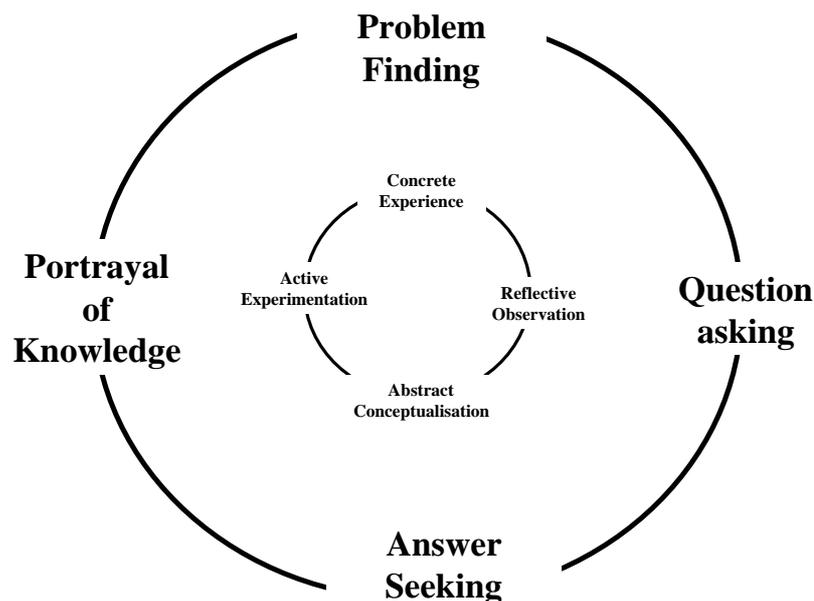
do all that may further their career. Leadership is not perceived as an element in advancing careers.

A leadership development programme that is designed according to role and level in the firm could address this issue. The path to partnership takes typically seven years or more. The firm could explore, for example, how elements of Client Leadership, People Leadership or Financial Leadership or other suitable modules could be developed over time to include the three years prior to when people would expect to be considered for partnership. This would provide associates with a fuller sense of involvement in the development of the firm and help prepare them for taking on partner responsibility when, and if appropriate.

#### 5.5.4 A study in experiential and organizational learning

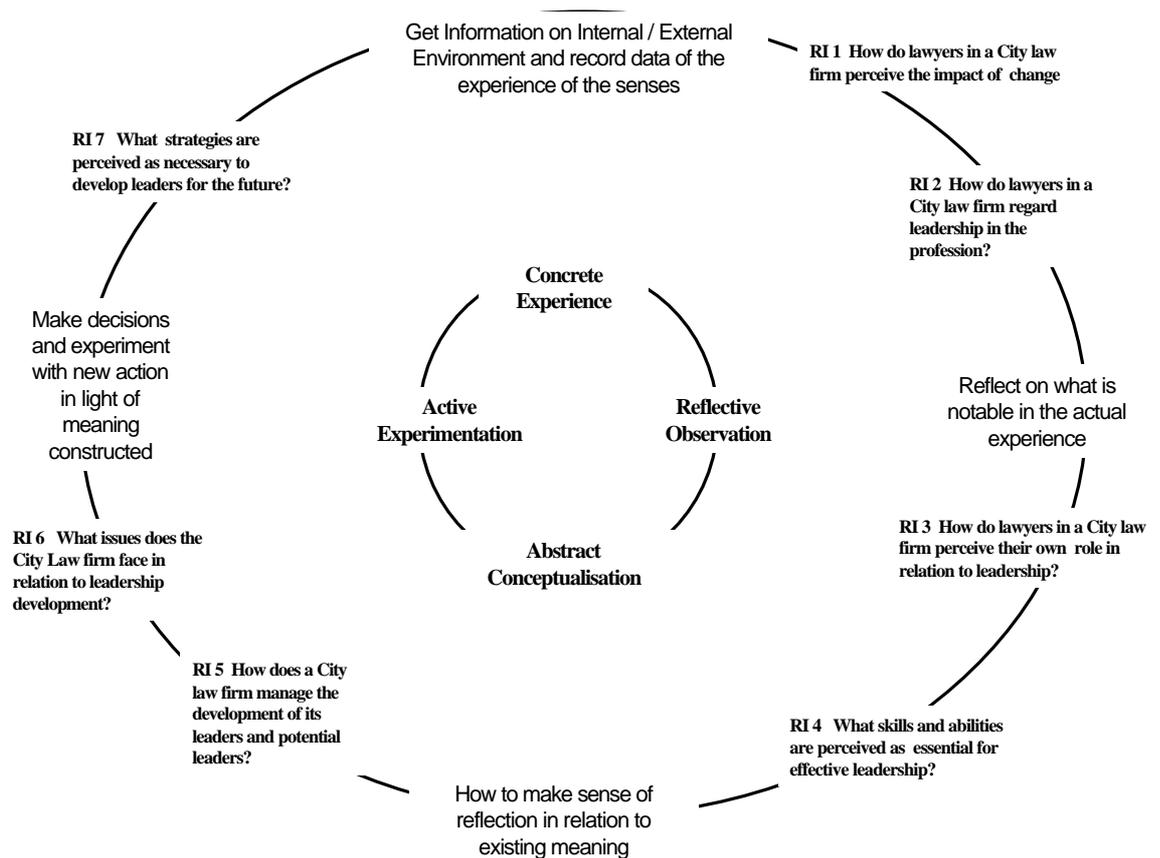
In section 2.2.5.1 a review of the concept of experiential learning indicated that scientific inquiry can be understood as an investigation using an experiential learning framework. This was illustrated by Figure 2.7, reproduced here for ease of reference.

**Figure 2.7 An Experiential Learning perspective of scientific inquiry with Kolb's ELC inset**



(Source: Adapted for this study from Isaacs & Senge (1994) and Kolb (1984))

The Experiential Learning Cycle can now be seen to have provided a useful framework for the study. The investigation began with the Research Problem: **How does a City law firm deal with leadership development?** Problem finding (Phase One) took the form of investigating the situation in which the firm finds itself, that is, the concrete experience of the firm and its lawyers, described in the background to the research and its justification in Chapter One. Solutions to the Research Problem were sought by a review (reflective observation) of the literature on leadership, leadership development and leadership development in law firms, presented in Chapter Two. However, this, in turn, gave rise to a series of questions (Phase Two) to which the literature was unable to provide answers. These questions were confirmed as seven research issues. Answer seeking (Phase Three) was prepared for by developing the most appropriate methodology for research, described in Chapter Three, and creating an interview protocol that would provide a framework of questions by which the research issues could be explored. This was followed by interviewing 30 lawyers in seeking answers that would provide a basis for abstract conceptualisation. Through the interview protocol, the lawyers themselves were guided round the Learning Cycle and the findings portrayed in Chapter Four by reference to their position on it. This was the first element in the portrayal of knowledge (Phase Four). The Learning Cycle was useful in portraying results across the seven research issues in Chapter Four, as illustrated in the summary diagram for the findings of each research issue. This assisted in presenting the progress of the study through four learning phases, as illustrated in Figure 2.19 and represented here for ease of reference.

**Figure 2.19 The Learning Cycle**

(Source: adapted for this study from Kolb 1984; Dixon 1999)

Chapter Five presented the second element in the portrayal of knowledge by this study by discussing implications and conclusions of the findings presented in Chapter Four. By presenting this investigation within the framework of the Learning Cycle, the study may be deemed to make a modest contribution to research methodology combining, as it does, the phases of individual experiential learning, organizational learning and scientific research.

## 5.6 Limitations of the study

The delimitations of the scope of this research were outlined and justified in section 1.7. The first limitation is that this was designed as a qualitative study in one

firm, given the lack of research on leadership in law firms. This means that the findings cannot be generalised to other law firms.

Secondly, although units of analysis composed a purposive sample across the firm, the findings cannot be generalised to the whole firm. The views expressed are those of the interviewees and cannot be regarded as representative of all, or most, partners or associates. Again, quantitative research would be required to establish to what extent the findings are representative of the firm as whole.

Thirdly, central management as such was not included in the study. All DMPs are on the central management committee. But this body also includes non-lawyers such as the Chief Financial Officer, The Business Development Director and The Human Resources Director. The study represents a unique investigation into the perspectives of lawyers on leadership and its development. The study was originally undertaken arising out of the concern of central management to initiate a leadership development programme and, for which it is essential to ascertain the perspectives of the lawyers themselves who would be the participants of such a programme. These views are now provided by this report.

Fourthly, the study did not include the perspectives of approximately four hundred staff in the firm who are not lawyers. Their perspectives on every research issue would provide interesting comparisons and perhaps, in some cases, contrasts to the views of the lawyers. Their omission from the study could create the erroneous impression that none of them have a leadership role in the firm. The scope of the study was determined by the concern of central management to identify issues from the lawyers' perspectives and by the gaps in the literature regarding the nature of professional service firms. This did not refer to support staff as playing a leadership role in professional service firms.

Fifthly, the investigation was based on case study research methodology and so the findings reflect the interpretations of only one researcher. Although these findings have been validated by a number of interviewees who have read the report, what may appear to be a question of lack of objectivity must be acknowledged as a limitation of the study.

In brief, however, these limitations did not represent severe restrictions on the significance of the findings. The next section suggests directions for future research.

### **5.7 Directions for future research**

Because the research employed case study methodology and relied primarily on an inductive approach to obtain data for analytical generalization, it is recommended that further research could test the findings of this study, particularly the thirteen propositions described in section 5.3. Such a study could be based in the firm itself, or consist of a number of UK City firms. Similarly, quantitative research could be extended to non-City firms in the UK. Similar studies could be made in Australia where some work has already been done using the model of archetypal change in PSFs, especially law firms. Similar research on US firms with offices in London would also provide interesting comparisons.

Further research on the applicability of organizational archetypes and the extent of archetypal change would make a valuable contribution to understanding the nature and extent of change in large law firms. Similar research could be undertaken in mid-size firms with regard to organizational development and managerial leadership. Similar studies in Australia and the US would provide interesting comparisons.

Research on the perspectives of non-lawyers with regard to leadership and its development in mid-size and large law firms in the UK, Australia and the US would provide interesting comparisons within and across firms, and within and across jurisdictions.

Given the executive role of non-lawyers revealed by this study, research on the remit of these executives and the extent to which lawyers are accountable to non-lawyers in law firms would provide useful information on both archetypal change and developments within the profession.

## **5.8 Conclusion**

This chapter concluded the study by comparing the findings of the seven research issues with the literature in three parent disciplines. Conclusions about the research problem were presented and summarised in the form of thirteen propositions in providing an answer to the research problem. The chapter then went on to outline implications for theory where a number of modest contributions were suggested. Implications for practice within the firm were then discussed. The chapter concluded by suggesting limitations of the study and proposing directions for further research.

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## **APPENDIX A: FOCUS GROUP PROTOCOL**

### **Total Time 90 mins**

#### **Introduction ( 5 mins)**

1. Present the purpose of the meeting as:
  - To explain the Research Problem and the importance for the research of asking ALL RELEVANT QUESTIONS
  - To identify critical issues involved in leadership development in the city law firm
  - To assess the extent to which the Research Issues 1–7 cover the critical issues
2. Inform each group of the three groups involved in this survey, group leaders, partners and associates.
3. Request permission to record on audio-tape
4. Ensure confidentiality
5. Explain that a transcript will be created for my research purposes in which no speaker will be identified
6. Explain my role at the meeting
  - To facilitate the discussion so as to elicit views on specific topics and issues
  - To provide questions to prompt discussion
  - To listen but not influence opinions expressed
7. Offer the following guidelines for this type of discussion:
  - Each participant is asked to remember that each speaks only for himself / herself
  - Respect the wealth of experience in the room ranging across a number of law firms
  - If your experience is only within this firm, please do not refer to the fact in order to allow you to express your views frankly
  - There is no need to contradict or prove someone else right or wrong as each person speaks only from his / her experience
  - Remember this is a sharing of views

## **Exercises**

### **Exercise 1 - (20 mins) Leadership in the legal industry**

#### **Brainstorm (5 mins)**

Instruct participants to jot down on a piece of paper all the words that occur to them when they think of the phrase 'Leadership in law firms'. Suggest that they not censor any association from the list.

Ask participants to volunteer what they have written and list on a flip chart.

#### **Discussion (15 mins)**

Subsequently facilitate a discussion on the contents of the flip chart exploring relevant issues and seeking clarification of meanings and terms. Note in particular any issues that have not been included in the Research Issues and seek clarification of same.

### **Exercise 2 - (15 mins) Leadership Challenges**

Ask participants to imagine they are each the leader of a practice group. Ask them to name any challenges they would face as group leader. List these on the flip chart. Subsequently facilitate a discussion as for Exercise 1.

### **Exercise 3 – (15 mins) Leadership skills in the City law firm**

Ask participants to list on a piece of paper the skills and abilities required for leadership in a City law firm. Subsequently ask participants to express these and list on the flip chart. Facilitate a discussion as for exercises 2 and 3.

### **Exercise 4 – (20 mins) How to develop leadership capability in the City law firm**

#### **Brainstorm (5 mins)**

Ask participants to brainstorm on different ways of developing leadership skills and abilities in the City law firm. List on a flip chart.

#### **Group discussion (10 mins)**

Divide participants into two groups with the group task being to prioritise the most important skills and abilities with their development strategies. Nominate a reporter in each group.

#### **Reports (5 mins)**

Take reports and use flip chart to note emphases.

### **Exercise 5 - (15 mins) The Research Issues**

Distribute Handout.

Ask participants to read Research Issues (10 mins)

Ask participants to read the list of Research Issues.

**Evaluation (10 mins)**

Ask participants to comment critically on the extent to which the research issues cover concerns and issues raised in the previous discussions. Ask if any seem superfluous.

**Conclusion**

Thank participants for their co-operation

**Individual Handout**

<b>Research Problem</b>	
<i>How does a City law firm deal with leadership development issues?</i>	
<b>Research Issues</b>	
<b>RI 1</b>	How do lawyers in a City law firm perceive the impact of change?
<b>RI 2</b>	How do lawyers in a City law firm regard leadership in their profession?
<b>RI 3</b>	How do lawyers in a City law firm understand their own role in relation to leadership?
<b>RI 4</b>	What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?
<b>RI 5</b>	How does a City law firm manage the development of its leaders and potential leaders?
<b>RI 6</b>	What issues does a City law firm face in relation to leadership development?
<b>RI 7</b>	What strategies are perceived as necessary to develop leaders for the future?

**APPENDIX B: INTERVIEW PROTOCOL**

	<b>Introduction</b>
	<p><b>Say:</b></p> <p>Many thanks for agreeing to meet me and to share your views on leadership and how it can be developed in the firm.</p> <p>I would very much like to record what you say and guarantee anonymity and confidentiality in reporting my results. A word processing specialist outside the firm will transcribe the tape and of course should you wish to have a copy of the transcript I will be very happy to send you one.</p> <p>Altogether the interview will take about 45 minutes to an hour.</p> <p>I'd like to reassure you that we are not looking for any "correct" answers but seeking to hear your experience of leadership in law firms including this one and how you think it could be developed and what are the kinds of issues the firm would have to address.</p> <p>But first I need to get a few factual details if you don't mind.</p> <p><b>(Start tape)</b></p>
	<b>Name</b>
	<b>Current position in the firm</b>
	<b>Number of years in position</b>
	<b>Division</b>
	<b>Practice specialism</b>
	<b>Number of years qualified</b>
	<b>Number of years as partner</b>
	<b>Number of firms worked in</b>
	<b>Number of jurisdictions worked in</b>
	<b>Additional experience:</b> eg, positions held in this firm or in other firms, experience of mergers, in-house in corporate organizations

	<b>Bridging statement to introduce discussion of research issues:</b>
	Say: "We are now going to get into the actual interview".
<b>RI 1</b>	<b>How do lawyers in a City law firm perceive the impact of change?</b>
	<b>Probe questions:</b>
1.1	It's commonplace to talk about change and the pace of change in business today.  What do you think have been the main effects of change on the legal profession over the last five years?
1.2	Looking at the effects of change on the firm what role do you think leadership has in dealing with change?
1.3	How do you think the legal profession will change over the next 10 years?
1.4	What should we be doing now to prepare for that?
1.5	What should the leaders in the firm be doing now to prepare for that?
<b>RI 2</b>	<b>How do lawyers in a City law firm regard leadership in their profession?</b>
	<b>Probe questions:</b>
2.1	Can you tell me about <i>your</i> experience of leadership and management in law firms over the course of your career? In thinking about this please include your experience in other law firms since you first began to work as a lawyer.
2.2	Do you see any difference between management and leadership?
2.3	How do you view leadership and management in the legal profession nowadays?
2.4	Are there any particular difficulties, challenges, problems with leadership and management in the legal profession?
2.5	Do you think non-lawyers can ever successfully lead a law firm? Please explain
2.6	Have you noticed any changes in the way law firms are managed now?
<b>RI 3</b>	<b>How do lawyers a City law firm understand their own role in relation to leadership?</b>

	<b>Probe questions:</b>
3.1	How would you describe your role in the firm?
3.2	How do you feel about your role?
3.3	What do you see as the most important aspects of your role?
3.4	What are your priorities in your role
3.5	How do you see your role vis-à-vis DMPs, DDMPs, other partners, central management?
3.6	How do you think partners see your role?
3.7	What are the key outcomes or results you want to achieve in your division / practice area?
3.8	What fee-earning targets do you have?
3.9	What issues are the most difficult to deal with?
3.10	Do you see the person to whom you are reporting as a leader in the firm in any sense?
3.11	How has your role been explained to you and by whom?
3.12	Do you ever see yourself in a leadership role?
3.13	What do you expect from leaders in the firm?
3.14	What do you think leaders in the firm should expect from you?
<b>RI 4</b>	<b>What skills and abilities are perceived by lawyers in a City law firm as essential for effective leadership?</b>
	<b>Probe questions:</b>
4.1	To be an effective leader in a law firm what do you recommend leaders should do?
4.2	What are the most important skills in order to be able to do those things?
4.3	What challenges or difficulties if any, do lawyers face in developing these skills?
4.4	Are there particular skills necessary
4.5	Do you foresee any difficulties or challenges in their being able to do those things?
4.6	What about associates? What choices do they have?
4.7	What do they need to be able to do?

<b>RI 5</b>	<b>How does a City law firm manage the development of its leaders and potential leaders?</b>
	<b>Probe questions:</b>
5.1	In your experience have you seen any strategies for developing leadership skills in a law firm?
5.2	What has happened in the past to help leaders in this firm acquire the necessary skills?
5.3	When did these start?
5.4	How effective were they?
5.5	Were programmes or initiatives evaluated in any way?
5.6	Have there been initiatives to identify and develop potential future leaders?
<b>RI 6</b>	<b>What issues does a city law firm face in relation to leadership development?</b>
	<b>Probe questions:</b>
6.1	If the firm were to implement a leadership development programme what kind of issues would it have to deal with?
6.2	Is remuneration an issue?
6.3	Are chargeable target hours an issue?
6.4	In what way if any is client work an issue?
6.5	What other issues do you consider as important and why?
<b>RI 7</b>	<b>What strategies are perceived as necessary to develop leaders for the future?</b>
	<b>Probe questions:</b>
7.1	Given all that you've been saying about leadership, the abilities and skills required and the issues the firm would face in running a leadership development programme, how should the firm go about it?
7.2	Who should be targeted?
7.3	What are the kinds of strategies you think would be most successful in developing leaders?