The Challenge of Sharing Leadership

by Patrick J. McKenna

Here is a provocative scenario: You are in your early fifties, a successful practitioner and in the midst of your best revenue-generating years, when your partners ask you to take on being the firm's next managing partner. Your initial term is four-years, with an option to renew for additional terms; but you are going to have to give up a substantial portion of your practice to manage and lead your firm. What do you do?

In November 2010, I surveyed and heard from 92 law firms on this and other issues related to firm leadership. My research was a repeat of a survey I conducted six years earlier. The most striking difference between the two was the time dedicated to full-time management of the firm. In 2004, 24 percent reported managing their firms on a full-time basis. By late 2010, only 9 percent claimed that their management/leadership roles were full-time. All indications are that this decrease in full-time effort is one consequence of our protracted recessionary conditions. Today, even firm leaders are increasingly sensitive to their partners seeing them make a billable contribution.

My research also shows that firm leaders who relinquish their practices to assume management responsibility may be in a tough spot when their leadership role comes to its conclusion. Only 23 percent of firms have some form of 'parachute provision' or other compensation formulas to help lawyers ease-out of their management roles and back into full-time practice. Thus, following your retirement from a management role, you may find yourself having to work under a new compensation arrangement, contingent on your performance as a practitioner. And if there were any unhappy events (like your firm dissolved) that occurred during your leadership tenure, your career may be in real difficulty. Meanwhile, having passed your client load off to other partners in the firm, you now lack the traditional hefty book of business that makes you attractive to your, or any other firm.

What this seems to be stimulating is a growing trend towards a model of shared leadership – either by having co-managing partners, an Associate Managing Partner role, or a Chief Operating Officer who all continue to practice law, even while having firm leadership responsibilities. This allows each individual to keep his or her hand in the practice and maintain client relationships against that day when they may return to practice full time. Perhaps of equal importance in some firms, it provides a measure of credibility that may be needed in dealing with partners.

Now we face a different challenge!

The job of managing a law firm may certainly be demanding enough for two professionals; but the test is getting two people to share the role. Attempts to split the managing partner job can lead to clashing egos and crippling power struggles, especially if one of the two partners conceals an ambition for holding the position alone.

The most successful pairs often consist of firm co-founders or partners who started at the firm at the same time when it was smaller. And it is easier in those firms that truly have a 'team-oriented' culture. Despite some problems with sharing responsibilities numerous law firms have made it work. Here are the key components to focus on:

• Cultivate Self-Awareness.
(What are we each good at?)

One of the initial hurdles to sharing leadership responsibilities is that you do not usually get to choose your partner and this can obviously cause some frustration.

There are a few exceptions. Martin Fantozzi, co-managing partner of Goulston Storrs tells me, “our managing partners serve 3 year terms and are subject to review by a nominating committee at the end of each term. When we have decided to make a change, the nominating committee has spent a great deal of time looking for individuals with complementary skill sets who will function well as a team. We have never changed both managing directors at the same time so a significant part of the nominating committee’s charge has been to identify the strengths of the individual who is likely to continue in the role and to attempt to select another individual with a complementary skill set. In that process, we think a great deal about practice area diversity, age diversity, external vs. internal focus, etc.”

In the ideal situation, co-managing partners would have complimentary capabilities and different sets of experiences. Perhaps one of you is from the transactional side of the firm while the other a litigator. Or one is perceived as the more senior statesman while the other is recognized for their youthful entrepreneurial spirit. In other words, the best situation is where the two partners bring different skill sets and different talents to the table such that either of you would freely admit that you could not do the things that the other does. This allows different leadership styles and different competencies to be available to the benefit of your firm.

In beginning to understand each other, each of you has to be brutally honest— in understanding your respective strengths and weaknesses. It is advisable, early in your working relationship, to engage in some form of self-assessment to obtain a measure of your leadership strengths, personal work style and emotional disposition in order to have some hard data to examine and compare. It is valuable when two professionals who are set to co-lead and work closely together can examine their respective backgrounds, personalities, management styles and begin to appreciate where they are similar and where they are quite different.

One self-assessment tool that I have invested 15-minutes into doing on myself, is available at no charge and can be accessed at: http://personal.psu.edu/j5j/IPIP/ipipneo120.htm This assessment measures five domains of personality: extraversion, agreeableness, conscientiousness, emotional stability, and intellect. It provides you with an instantaneous written report of about 9 to 10 pages presenting a detailed description of your personality according to the six sub-facets that comprise each of the five main domains.

You might also consider asking for formal (or informal) 360-degree feedback to get an accurate sense of how others in your firm are viewing each of your respective attributes and shortcomings.

• Ensure There Is A Shared Commitment to the Firm.
(Can we agree to put the firm first?)

In order for two professionals (you and your partner) to successfully lead one firm, you need to develop or come together on a shared ambition for where you would like to see the firm go and what you would like to see the firm achieve during your joint tenure.

Having examined a number of shared leadership arrangements, one factor is paramount – those partners involved have to be prepared to work together as a team for the good of the entire firm. This factor, more than any other, allows you to work through any differences and collaborate effectively. Each of you must be prepared to learn how to take a step back in the areas where the other is better equipped to take the lead. There can be no competition between you for power or accolades. A very specific problem arises when motives are suspect. If either of you is perceived to be pursuing a personal agenda – that is a clear red flag.

**• Develop A Working Relationship
(How do we manage our respective egos?)**

Being a co-managing partner is demanding in that it runs counter to the natural tendency of lawyers to strive for individual achievement. A lawyer's identity and self-worth is focused around what he or she accomplished as a practitioner and upon developing competencies that serve to distinguish them in meaningful ways.

There may be fewer opportunities for individual achievements when you share leadership. Indeed you must agree to share the responsibility – both the glory and the agony – as a team, not as individuals. Many achievements will be joint achievements. When some outcome is achieved primarily by one of the two co-leaders, your partners may assume that you worked together or feel that it is appropriate to recognize both leaders equally. The greatest challenge for you both to overcome will be to subordinate your respective egos. Are you comfortable with walking on stage and taking your bows together, even though you may feel that you did the lion's share of the work on the project that your partners thought deserved such kudos? Co-leadership can only work if each partner is prepared to share credit and . . . share blame, equally.

The co-managing partner of one accounting firm I know reported that their views of "working together seamlessly" are so strong that following his giving a professional journal an interview, he refused to have his picture taken for the article about his firm unless his counterpart was also included in the photo.

You need to sincerely want to see your co-leader be successful. Where that exists, conflict and criticism are easier to deal with professionally. It starts with having two managing partners who have the right attitude, in that they are ***always*** prepared to give the other the benefit of the doubt and trust that the other person is doing what is right for the benefit of the firm. You must also have a willingness to accept that someone else may disagree with your approach and actually have a better way of handling some situation.

Find out how your co-leader deals with conflict and stress and share how you tend to deal with difficult and stressful situations. Agree on how you will best work with one another if one or both of you find yourselves tired, stressed or finding that things are not going so smoothly.

Finally, there is s need to be honest about those areas where one is weak and agree to help fill any gaps by teaching each other. You will have strengths and competencies that your partner lacks, but you should compensate without undermining your colleagues' weaknesses.

• Clearly Define Roles
(Who is the better choice to provide leadership in specific areas?)

Agreeing to work together as co-managing partners always involves some upfront discussion about roles – and those roles must be carefully designed. One of the more common distinctions when dividing the workload is to have one individual dedicated to the external environment (strategic direction, client service and new business development) while the other takes responsibility for the internal environment (budgets, personnel and operations).

That said, you can divide the leadership duties in any number of ways. One might be responsible for the international offices, while the other focuses on the Americas. One might be in charge of technology and finance; while the other oversees marketing and partnership issues. One can have a task-orientation while the other is better with handing the intricacies of working with the people – partners and staff. Responsibilities can be divided by interests (strategy vs. operations), skills (innovation vs. implementation), or personality bent (being task-oriented vs. people oriented).

If a natural division of labor is not apparent, you may wish to start by conducting an inventory of the tasks, activities and responsibilities of the managing partner's role. (I did this a few years back and came up with a list of over 50 bullet-point activity items). Now choose which of these activities would best be performed by which partner, and which activities should be done together. At the conclusion of this exercise, you need to be absolutely clear amongst the two of you as to what activity should be performed by who (that individual who has the better knowledge, experience, or contacts) and you need to be absolutely transparent with your other partners on who has responsibility for what. Having distinct responsibilities helps mitigate one of the potential pitfalls of the co-managing partner arrangement: confusion among partners and staff as to who is responsible for what aspect of the firm's business and thereby helps to resolve communications and reporting problems.

You also need to be very clear concerning the degree of freedom each of you has around taking individual action. For example, will it become an eventual cause for conflict if one of you is constantly the source of media commentary and has their name in the papers representing the views of the firm? Or, while it may be unrealistic for both co-leaders to be present in all meetings and interactions with other partners, on which subjects do you have complete discretion to represent the other?

Finally, there needs to be a purposeful effort to ensure that no administrative professional (CFO, CMO, HR, etc.) ever reports to both co-leaders. It is conceivable to have the marketing and IT professionals reporting to Mr. External and the financial and personnel professionals reporting to Ms. Internal. It is important to avoid any potential for confusion. Fellow partners should not be seen "shopping" their pet projects around, and subordinates should not be allowed to play you off against one another by asking you for something after your co-leader has already said no.

• Establish Working Protocols
(How are we going to coordinate so we don't step on each other's toes?)

In discussing with co-managing partners, the nature of their relationships, the first thoughts offered on what makes for an effective relationship are terms like "good chemistry, trust, mutual respect, and confidence." These broad descriptions convey a general feel of the relationship, but what are the specifics that make these relationships work? What are the elements that make up this "good chemistry"— and can they be replicated? When you probe deeper, there are two essential ingredients that must be in place:

DECISION MAKING

There is a fundamental dilemma involved in having two people sharing leadership responsibilities: If you strongly disagree with your co-leader on some course of action, now what do you do?

Co-managing partners report that having some pre-agreed process, protocol or ground rules (you choose the term you favor) in place that allows for open debate and true decision-making is important. The process is required to help co-leader determine how, specifically, they will deal with any disagreements that may arise between them.

In effect, you and your partner should create a decision-making model wherein you attempt to identify the decisions (or types of decisions) that will need to be made. You can then collaborate on determining which decisions can be made by either of you alone (with one simply informing the other), and which decisions require agreement of both co-leaders.

In some situation, the easiest approach is simply to defer to the individual who would appear to have the most experience with the particular issue at hand. In other instances, I have seen two co-leaders agree that they will be prepared to defer to that individual who expresses the strongest feeling about a particular decision. So, if the situation were such that my colleague felt strongly about something, I would have agreed to back off and defer to my colleague on that particular topic.

And, in those instances where both of you may have equal expertise or strong feelings about the subject, you need to resolve any disagreement by choosing some trusted advisor(s) to serve as arbitrator and help you both reach a satisfactory decision. Your capacity to reach a compromise in cases of divergent views is the glue that builds your relationship.

Leadership watching is a great spectator sport among many of your fellow partners and even the most inconsequential differences can be perceived as indications of a rift between you. Like good parents that try never to fight in front of their children, it is important to have a rule whereby you will hash out any issues of discord in private.

COMMUNICATIONS

Most co-managing partners report that they make it a habit to communicate regularly, at least a couple times a week with their counterpart, and far more frequently at the onset of the relationship. Your communications should include formal and informal venues, be open, respectful, and accommodating of your partner's communication preferences – be they by e-mail, phone conversations, texts or in-person.

Many note that they make an intentional effort to stay in touch by setting aside dedicated time to work with their counterpart. Make face time a priority. For one co-leader that meant flying to the opposite coast and working there for a few days of each month. For another, it meant scheduling a regular monthly luncheon with a pre-agreed upon agenda to share thoughts, debate issues, develop common positions and plan their work. The important lesson is to specifically make time to meet and communicate – don't leave it to chance.

Again, Martin Fantozzi reports, "In terms of the functioning of the relationship, it is really akin to the give and take in a good marriage. My co-managing partner, Doug Husid, and I try to connect either in person or by email / phone almost every day and we meet weekly in pre-assigned times. One of the challenges is figuring out how to bring some efficiency to the various tasks at hand by assigning one of us to a primary role. There are other issues that really require us both to be deeply involved. Given our tradition and culture, we really have not worried about the notion of one person aspiring for sole control.

The "staying in touch" process creates the context – it allows each of you to keep your fingers on the pulse of the firm, to be sensitive to opinions and issues that need attention. Ultimately, each of you as the firm's co-leaders, must be able to speak for his or her partner so that the communication comes across with 'a single voice.'

One important element of your communications protocol is that you should never be 'surprised' by news; particularly bad news. It must be the desire of both to keep the other fully informed of issues and potential issues that relate to your firm's performance and leadership.

Embracing Shared Leadership

Co-leadership Can Work Well When:
- You both put the firm first
- You would like to divide the workload
- You have complementary strengths / experiences
- You value the other's perspective
- You are both willing to compromise
- Neither of you demands all the credit
- You want to help each other grow
- You are both good listeners
- You respect and like each other
- You both work equally hard

When one thinks of having co-managing partners, the favored analogy is riding a tandem bicycle. Riding a bike with two seats, two sets of pedals and powered by two individuals, who may at any second decide they would like to go in different directions, can be a challenge. Attempting to steer a firm of traditionally autonomous professionals in tandem requires a delicate balancing act.

The good news is that it can be accomplished with some thoughtful preparation. If your firm has potential office or firm leaders who would be great in the role but are reluctant to give up their client responsibilities, the notion of having co-leaders may be an attractive alternative. The 'power of two' can give your firm the extra managerial bandwidth needed to cope with a complex, fast-changing, competitive environment and foster an internal dynamic where both leaders challenge each other to higher levels of performance.

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