

McKenna On Leading Change In Your Law Firm

How do you convert a process-driven change initiative into an experience that engages and enthuses the people impacted by the change?

Leading law firm strategy and practice management specialist Patrick McKenna says this is one of the more challenging change management issues, backed up by the many research findings over the years about the high failure rate of change programs.

He says those findings reflect the prevalence of the “command and control corporate entity”, where the CEO says “jump!” and everyone says “how high?” and there’s a general assumption from the top that directions will simply be put in place.

“I’ve worked in a public company and can remember the day the CEO walked in and said ‘if you know what happens to a memo when it leaves my office, you’re a better man than I’,” McKenna says.

He believes it’s critical to accurately diagnose the situation an organization is facing, before implementing any change. When working with law firms looking to train new managing partners, he asks them to identify which of five categories best describes their organization:

- *Successful* – the firm is performing well, and is perceived to be dominant player in its markets;
- *Complacent* – the firm is doing OK financially, the partners’ thinking is trapped by the prevailing success enjoyed in years gone by, but the times are changing;
- *Stagnating* – the firm is noticeably losing ground to the competition, it is going along aimlessly, and partners have deeply ingrained behaviour;
- *Distressed* – multiple partners are leaving every day, the firm is in a death spiral, there is some degree of stress because of the crisis; and
- *Unsettled* – the firm is change fatigued, it has been through so many mergers or other chaotic changes that there is a general internal frustration, and things are perceived to be in a mess.

The need for change can be very different, depending on where the organization fits among these descriptions.

“It might be identifying where the ‘power partners’ are, that ten per cent of partners who can magically go into a phone booth by themselves and emerge with a client,” McKenna explains. “If a firm is under stress, you need to focus change efforts on the people who wield some kind of power. In the case of an unsettled firm, the change might actually be getting rid of change. It’s all about determining your partners’ appetite for change.”

McKenna says many change efforts fail simply because the organization tries to initiate something, then moves straight on to the next topic. “Nothing fails like wondering if this was really something important or just the flavour of the week,” he says. “It isn’t enough to focus

some time on it. The organization needs to say, ‘if it’s our mandate, we are going to make damn sure we work long and hard on this’.

Ripe and unripe

Another key is identifying “ripe” and “unripe” issues in the organization. McKenna says a firm’s leader can strategically plan all they want, but they can only ever move to the outer edges of their partners’ appetite for change. For example, how prepared are they to move to new fee arrangements, or to introduce more transparency?

“Diagnosis is the first step to change,” he says. “I need to find out where my partners are at on particular issues. Some will be ripe for change, while other issues may be very critical and are unripe. My leadership challenge is to find ways to ripen those issues over a period of time, for example through bringing in outside speakers, analysing the market place, and generally finding some subtle ways to get them to slowly understand without throwing it in their face or getting them to harden their position.”

While the statistics on failure of change programs can be daunting, McKenna says there is hope but it has to do with how change is approached. He runs an exercise with legal partners to help them understand just how difficult change can be. Building on the often-cited saying, “you’ve got to change or die”, he asks his audience to imagine if that scenario were real; that change was actually a life and death matter: “Imagine for a moment you get these incredible pains in your chest and we rush you out to a cardiologist who has a look and says ‘oh you certainly have had a wonderful lifestyle, you’ve been eating rich foods and not exercising, we need to do coronary bypass, or – based on your history – you will die. The good news is that in the US, 1.5 million people go through bypass or angioplasty surgery every year. It’s not like it’s quite as bad as it used to be.’

“So we get you into the surgery and you see your physician afterwards. He says, ‘the good news is we’ve managed to look after the situation, but it’s not fixed. So, to prevent pain and avoid a repeat and prolong your life you’ve got to adopt a healthier lifestyle’.” McKenna then asks how many, knowing what they had to do, could give up the smoking, drinking, overeating and stress, and start exercising.

“Sorry, the statistics says you are all dead. According to Johns Hopkins figures, less than 3% of that 1.5 million annually actually survive for a period of five years because they cannot maintain the change.”

McKenna says through the example he tries to get lawyers to realise that the difficulty of change should not be underestimated. He asks them to think back to some important initiative, such as developing effective client teams, which did not turn out to be the roaring success that had been hoped. What were the primary obstacles faced? The overwhelming response, more than 90 per cent, involves changes that some lawyers were not personally motivated to make.

He asks them to think further, about the specific actions the firm took to try to progress the initiative. What was done to bring about the change? More than three quarters say that the change program involved multiple emails, memos, presentations and talking points about the need to change.

“We work with very intelligent people,” he says. “Typically, the management says ‘you know what we need to do folks, we need to make a change quickly’, and nothing happens.

We then turn up the volume, because we think ‘my partners either didn’t hear me or didn’t understand what I was conveying or I didn’t present it well enough.’ Unfortunately, just talking at them does not change behaviour. We’ve got to find different mechanisms.”

McKenna says the habitual approach is to inundate people with facts, fear or force:

- *Facts* – we think that “clearly you just don’t understand.” We think people are essentially rational so just need to give them information to make them change;
- *Fear* – “if we don’t get onto this, we’re going to have some bad news, lose business.” McKenna says much is written about the need to create some sense of urgency to bring about change. “I’m not saying you don’t, but what I’ve learned in the law environment about our natural human tendency is that if you turn it up too much, the cousin of urgency is fear, paralysis.”
- *Force* – creating a “burning platform”, imposing a new system and expecting everyone to fall in line when in reality it’s undermined at every level. “You’d be hard pressed to find a lawyer in North America or the UK who hasn’t been through the cycle of Total Quality Management or some other magical change initiative that everyone was going to embrace,” McKenna says. “There’s a natural scepticism among partners – ‘here comes another management change initiative.’ I’ve witnessed how a junior professional can go to a senior and ask ‘what this all about?’ and the senior will say ‘head down, billables up, this too will pass’. Management in firms have to understand the scepticism around anything they themselves initiative. Simply by spearheading the change, being the champion, don’t expect everyone to get on board and salute it.”

Managing resistance

McKenna says in his observations, the best leaders in a change process find ways to get the change out there subtly, listen to what the partners’ perspectives are and promote as much discussion as possible.

He urges organisational leaders to look on resistance to change as a gift rather than a problem. “You want to invite resistance, bring it to the surface, make it safe to express resistance,” he says. “You may not have thought this proposal through properly. The resistance may offer some suggestions about how to make change work even more effectively.”

McKenna encourages people to frame the resistance as, “how do we make this work?” rather than “give me the reasons why I shouldn’t even try.” He cites one CEO whose three key questions for change were: “How do I make this work? What’s the worst that could happen?” and “where the hell is my back door if the worst that could happen, happens?”

He says the first question is positive: “I invite resistance to the point of ‘please help me think this through to make it work.’ If you close off resistance, you’re saying ‘we’ve already made our decision, we’re not interested in hearing from you’. Often management is guilty of making a decision then feigning buy-in. That just does not work.”

Working with resistance is about being open to a different way, and getting a good sense of who may have some issues that need to be addressed. Some of that may involve one-on-one communication. “Keep in mind that every change usually represents a loss of some kind,” McKenna says. “At the most personal level, change equals loss. Who feels threatened that

they might be losing something? What is that, and is that threat genuine, or is it just a misperception on their part?"

The loss – real or perceived – might involve esteem, money, status, relationships or other factors. The change manager must get some sense of that loss. If it is real, it should be put on the table.

“Acknowledge there’s going to be a loss, keep nothing hidden,” he says. “You only get them on board to the extent that they see that going in the new direction is better than the status quo. You can try to persuade them until the cows come home, or subtly find ways to get them to come to that recognition of their own volition. Part of the change effort is a numbers game. You’re never going to get everyone on board. Abandon that thought right now. To the extent that you get enough of the significant partners on board, the rest will follow. Or, as one said, at some point you’ve said ‘no’ to enough of your partners that you realise that your tenure and office is slowly coming to an end.”

The pilot project

McKenna says launching a pilot project can be an effective leverage tool. Rather than trying to launch a full-blown change effort, start with something small and admit you don’t know if it is going to work or not.

He has seen this work in a number of firms trying to introduce business development training. “They say, ‘we would like you to come and help us assess if this is going to work. We will run a couple of pilot projects, sample sessions, and we need you to sit in wearing two caps; a participant and someone who will critique this for us.’”

“When you give people that kind of power and respect, they take it seriously. You can then say, ‘the session didn’t work, but you like the idea. How can we do it differently so it will work?’ Now you’re not talking about whether we’ll do the training, you’ve gravitated to how we’ll do the training. That’s a huge step.”

He says there are numerous levers the leadership can use. Levers that do not work include the dictatorial approach or trying to convince people with facts.

Attitude versus behaviour

McKenna says that in the debate over which element comes first; attitude or behaviour, he is a firm believer that behaviour changes attitude. “You can’t change attitude, but if people are exposed to the right thing, that will slowly have their attitude get congruent with their behaviour,” he says. Initiatives can include doing an internal survey, benchmarking, sending people out to educational events, or developing awards.

McKenna cites an example from what happened at one US law firm. “When you walk into their reception area they have this huge lion, known as the Shaw Lion. At one point there was a need within the firm to get people to be more collaborative. Collaborative, by their definition, was that if someone needed help with something, the help given was genuine and not just because they got to bill their time to some client. That was a change. They did it by creating miniature Shaw’s Lions, about the size of your fist, made out of pewter.”

“Once a year all the equity partners would vote on the lawyer in the firm who made the greatest contribution to helping them personally and their practice, and they awarded that lawyer the Shaw’s Lion. I can tell you - from having one of those people in a room and

discussing the highlight of their professional practice – I witnessed a lawyer in his early fifties relate to his colleagues about receiving this award with tears in his eyes. Talk about emotion driving change and the idea of what you reward! Unfortunately, too many people take that to mean ‘if we throw money at the issue people’s behaviours will change.’ If you celebrate people’s contributions in a public way, that changes behaviour.”

Change in a highly professional work environment

McKenna acknowledges that in the professional work environment of a legal firm, “ego discomfort” [1] is a reality. The discomfort created by performing poorly when doing something new, becomes amplified as people get older or stuck in their way of doing things. “Asking any professional to go from being competent to incompetent is a very unappealing suggestion,” he points out.

A risk in a professional environment is that people may quickly take up a position opposing the change because the idea has not been nurtured or ripened. “The problem with intelligent people is that if they put out publicly that they think something is a dumb idea, no matter how intelligent you make it, it’s tough for them to back down,” McKenna says.

In his experience, nearly every successful change in such an environment has come about because it has been a more subtle process, with an issue introduced and stakeholders given time to think about it.

He relates the story of one managing partner who very early into his tenure organised a partner’s lunch at least once a month. Some participants took part through audio or video conferencing. He invited a speaker, for example the managing partner of an accounting firm, an academic doing some relevant research, or an important client. Speakers were deliberately chosen for their provocative content. “It was clear, if you followed where he was going, that he was trying to educate his partners about the world and what was going on out there,” McKenna says. The managing partner likened his colleagues to racehorses with blinders on, focused on the next client file that hit their desk. “Every so often I nudge them or give them a swift kick to look out the window and see what’s going on in the world,” he said. Within a short time, word was getting around the firm about these lunches, and there was much discussion about the latest speaker and the issues that speaker raised.

“That was his way of ripening particular issues, so pretty soon his partners were coming to him and enunciating those issues,” McKenna explains. “But for him to have led that charge, he would have been doomed. So, I think the change initiative has to be subtle, almost like political grass roots movements, nurturing and educating people and using the tools that are available.”

McKenna says while some firm leaders have natural interpersonal skills that will help during change, others can at least be sensitised. He outlines to them the various approaches to bring about change, and asks which they think would work most effectively on them.

“We always take a different approach when we start to think about ‘what would work on me; somebody harping at me, or somebody who leads me to start thinking about an issue in a way that’s in my own best interests?’ That can then be used to influence the way they lead change in the organization,” he says.

1. McKenna, P., 'Leading Change: Adaptive Approaches To Implementing Your Best Intentions', 2010, www.patrickmckenna.com

From an interview conducted by Nerly East, MA, PhD,
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