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Do Millennials Mean Law Firms Need New Leadership?

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Law firms increasingly ask whether new management structures and/or more representatives are needed to satisfy Millennial demands for better communication and involvement.

But is this an issue about new management structures, or a commentary on the mediocre quality of leadership exhibited in some law firms? Why do some firms that use small, traditional management structures enjoy extraordinary morale and engagement among their Millennials, with low turnover while experiencing significant financial success?

Recently, Blane Prescott, the Managing Shareholder of MesaFive, responded to a series of questions at a conference about some of the common questions arising about evolving management structures and Millennials:

Question: Do law firms reserve positions on their Executive or Management Committee for partners from specific age groups? Is reserving positions by age group a mechanism that leads to better management, morale and/or financial success?

- The answer to the first question is yes, some firms use a management structure that dictates various constituency groups must be directly represented in management. The most common examples are positions reserved for various age groups, or representatives from specific offices or regions, from various practices, or increasingly by gender.
- The answer to the second question is no. The actual results from firms that use this reserved position structure show as many failures as successes. The reason why is that the source of a management position is not the determining factor in a leader's success – it is the quality of their leadership skills.
- Consider that only 2-4% of the lawyer population has great leadership skills, so limiting a pool to a specific age group (or office, or practice) increases the odds that a firm will pick people based on some criteria other than leadership. But this isn't a problem unique to law firms: Many organizations opt for quick, superficial solutions in choosing managers, because oftentimes great leaders aren't readily apparent or don't want to be involved in management.

Question: Does this really matter? Can't law firms just train people to be great leaders?

- It is rare to take an average person and turn them into a great leader. [Most people – especially lawyers – hate hearing that, as they tend to think they can master any skill or topic if allowed to just study it long enough.]
- But how many times have you seen someone with only average leadership skills transform themselves into great, successful leaders? Leadership skills are a lot like cars:

You can polish all of them to look better but transforming average ones into great ones is rare (and cars are much easier to transform than people).

Question: What if a firm is suffering from age gap or generational problems? Or what if a firm is ignoring various constituency groups within its ranks? Doesn't it then make sense to create a position to represent the firm's lawyers in those disaffected groups?

- Law firms are notorious for reacting to the *symptoms* of problems by creating rules and structure, rather than solving the underlying problem itself. If a firm has severe communication or generational problems, it likely has severe leadership problems (e.g., the wrong leader, or leaders).
- Just adding more people to a managing body rarely fixes bad leadership problems, and more often, just makes those problems worse through the dilution of leadership skills.
- Example: Leaders selected primarily due to their demographic group often end up thinking it is their duty to represent the interests of that constituency, regardless of whether those interests are consistent with the best interests of the firm. Quickly, other disaffected groups within the firm come to believe they need their own leaders, and the result is a large, balkanized and siloed management structure that is rarely effective at anything other than just meeting.

Question: Wouldn't it be a good idea to have a special representative of the younger partners on the governing committee, so their views are heard?

- The end goal is correct, to ensure that every viewpoint is heard and considered, but the method described has a low success rate.
- Great leaders have great communication skills – that means both the ability to speak *and* to listen effectively. Great leaders intrinsically understand they should solicit and act upon great ideas, regardless of the source. As a matter of fact, one of the characteristics that make people into great leaders is their ever-present curiosity to learn from others, regardless of how those people may be perceived in some quarters.
- Great leaders routinely bridge generational gaps, reach out to otherwise untapped or overlooked sources of knowledge, demand and enforce real communication, and enhance morale because they engage with everyone – regardless of age, location, practice.
- Great leaders are often mercenary-like in approach – they could care less where a great idea comes from, they just want to find and implement them.

Question: Are there any firms that specifically reserve or place young partners on their Executive or Management Committees?

- Yes. Some of the most successful firms in North America have put partners on their primary governing bodies who were in their mid-30's, meaning people who had often just entered the partnership.
- But the interesting lesson here is that successful firms do so not just because of their age, but because those young partners demonstrated great leadership skills from the moment they walked into the firm. What makes these successful firms different is that they

recognized those great leadership skills early on and were not afraid to utilize them in someone who is at a non-traditional age for a leader. Leadership skills are not age, or practice, or location, or gender, or (fill-in-the-blank) contingent. The challenge most law firms run into is in not recognizing great leaders who arise outside of their historic expectations.

- Law firms often misunderstand what great leadership is (too often confusing it with rainmaking skills, or someone with a lot of opinions, or someone that no one objects to), or because they convince themselves great leaders must be old and very similar to the last generation of great leaders.

Law firms tend to lag behind other professional service firms in their efforts to identify and develop leaders, and too often just add more representatives to management rather than admit and fix their leadership ills. As a result, the average law firm creates more management positions than they have great leaders to fill them.

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