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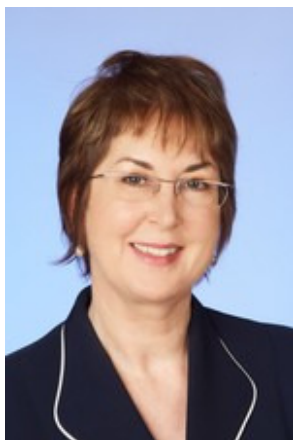
Regulars

August 08 National Newsletter

'BUILD IT AND THEY'LL COME': TALENT MANAGEMENT AND DIVERSITY IN LAW FIRMS

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[Meet Dr. Byrne](#)



For most law firms today, the engine driving strategic success and profitability is their talent – its depth and its quality. But in an era where unprecedented skill shortages face all sectors of the Australian economy, law firms now find themselves in the thick of what's been termed a 'war for talent' – how to attract it, how to build it and, most importantly, how to keep it. Law firms in all states are experiencing a painful truth: today talent is tougher to find and keep, and easier than ever to squander and lose. In this context, it's no surprise that how to manage talent well comes high on every firm's strategic agenda. Yet many still lean heavily on outdated ways of thinking that don't match current workplace realities and don't take into account today's demographic complexity.

In this article, I'll outline research evidence from studies conducted in Australia and internationally, including research specifically undertaken by UGM Consulting in several large Australian law firms. The article seeks to show a link between modern ways of thinking about diversity and talent. Managing diversity and managing talent become synonymous when the firm's talent no longer comes neatly packaged in a convenient, homogeneous style. Instead, these two are positioned as subsets of what is now widely described as 'human capital strategy': a strategic and business-outcomes approach to the old rhetoric of 'people are our best asset'.

In this approach, organizations in all sectors and markets challenge themselves to actually 'walk the talk' when it comes to the management of their talent. It means shifting from ways of thinking and acting that maximize the value of financial capital but take little account of the intangible assets which are the true sources of value in a knowledge economy – people. When we bring the same focus and rigour to thinking about our people that historically we have tended to bring to other aspects of the firm's management, then it takes us to the heart of the matter: how can we deeply engage and motivate our diverse talent so that the firm can become a magnet, drawing the best people to it? How can we build the kind of firm where people want to come and be part of what we've created?

The article also provides some background for my presentation to the ALPMA Conference in Sydney on 11 October, 2008, where the practical implications for action will be explored more deeply.

While the 'war for talent' is a genuine problem for all the organizations UGM Consulting assists,

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there's no doubt that law firms have special challenges different from other sectors and it is important to acknowledge these distinctions, if practical solutions are to be identified. For instance, in many other sectors in Australia, we have seen the recruitment net cast much more widely than in the past, in order to secure as much of the raw talent out there as possible. In programs we run, we always ask about the professional cultures individuals bring to their work with us, as these can have unconsciously held implications for how we think, communicate and behave. In most settings, there can be a surprising diversity of backgrounds. In a global IT company, for example, the most senior person turned out not to have an IT background at all. He was a socio-linguist who quite deliberately drew on his different perspective to give him an edge. In a retail eyewear chain, the CEO proved to have a Masters degree in biochemistry. A public sector organization, concerned with social security, was led by a speech therapist and a town planner.

But law firms need lawyers! It is a field where any talent won't do: the talent has to come in a specific configuration. Moreover, other fields, such as engineering, that might also claim to be a 'special case' still don't have the intensity of challenge facing law firms. Engineering companies can and do bring in increasing numbers of overseas-trained engineers to supplement local skills shortages. After all, a bridge is a bridge everywhere, and the same factors that cause it to stand or fall apply. But no 457 visas for law firms! Generally speaking, law firms need people who are trained in the Australian legal system – other sorts of talent simply won't cut it.

But the special issues facing law firms don't end there.

If a company is going to secure the advantages (and there are many) of diverse talent pools, then leaders and managers of people need to fine-tune their engagement skills. Multiple studies prove that engaged people contribute that holy grail of every organisation – discretionary effort. In other words, people who are engaged willingly go above and beyond what their job description requires. They are motivated, committed and aligned. There is a sense of energy and dynamism in a practice group where a tipping point of those present are fully engaged. Talented individuals are instinctively drawn to such cultures and deliver their best work in them. The firm's reputation then speaks more eloquently than any recruitment drive. A virtuous circle is created.

This is where diversity can complicate things. Our UGM research shows that it is easier for managers to engage and motivate people much like themselves. The rapport strategies employed by both sides tend to be similar and experienced as effective. The more 'points of difference' that are introduced, the greater the challenge to connect and engage. While personality differences have always been a factor in every workplace, we now have additional dimensions of diversity for managers to contend with. These include critical aspects of social identity such as gender, generation, carer/family responsibilities, ethnicity and faith. Diversity can create barriers and conflict when poorly understood or unskillfully managed. It is only a resource for innovation and problem solving when managed well. For law firms, there is no choice about becoming skillful. Talent is in short supply and those firms who can only attract and retain new blood that bears a remarkable similarity to those currently at the top are doomed to go the way of the dinosaurs!

We want to manage our firms so that as many different sorts of people as possible feel motivated and engaged. To the extent that we can do this, we'll be competitive and successful. So let's take a closer look at just what engagement is. It seems it has several components. The first concerns certain traits such as conscientiousness and a positive outlook. Firms really can't influence someone's basic personality traits and what they believe in. So the firm's ability to be clear about who they are and what they stand for will be helpful in selecting people who will be more likely to align themselves comfortably with the firm's vision. The area where firms can have more impact concern fostering the conditions that support engaged states and engaged behaviours. This is what delivers the magic of 'discretionary effort'.

There are, of course, fundamental drives shared by all humans irrespective of their individual personalities or social identities. When we understand these, we can more successfully influence and persuade our talented people to give of their best and feel so connected to the firm that they wish to stay. How these drives are nuanced in practice can vary somewhat across groups but their fundamentals are stable. First there is the drive to acquire. This is not just about money but includes intangible acquisitions such as status, esteem and well-being. For instance, people want reward systems that differentiate on the basis of performance. The second drive is to belong or bond. People want to feel proud of where they work and be part of a group they care about. The third drive is to comprehend. This centers on learning and being challenged. People want meaningful roles with genuine contribution. The fourth drive is to defend and express our values. Put in organizational terms, people want to see clear goals with fair, transparent systems and resource allocation.

Recent Harvard research on these motivational drives shows two fascinating things every manager of people needs to know. Firstly, they function together. One or two cannot be



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**RETURN TO THE
NEWSLETTER
HOME PAGE**

emphasized at the expense of the others: a holistic approach is needed. Secondly, an individual manager's ability to meet their team's motivational needs can make a positive difference, even in a mediocre firm – and the reverse. A poor manager who lacks the skills to engage can lead to the departure of talented people, even in a firm with an otherwise great culture. It seems the old saying has been proved correct: people leave managers, not organizations. These new insights into motivation and engagement profoundly matter when it comes to our most talented people because it has been shown they are most at risk when things go wrong. In other words, those who care most become the most demoralized when circumstances prevent them from doing their best. They seek jobs elsewhere, leaving behind the ones who care less.

Does all this pose particular challenges for law firms? The answer is 'yes'. Research here, in Europe and the US suggests that those who are attracted to law as a profession may share certain attributes which can be further emphasised through their socialisation into what's been termed the 'culture of the law'. Each attribute is a source of strength but also has a potential shadow.

Lawyers, perhaps unsurprisingly, emerge as much more skeptical than other professions studied. They are great at questioning and probing. But they may also be cynical and judgmental. What makes someone a terrific litigator might not equip them to coach and mentor the firm's young talent. Urgency also appears as a strong characteristic of many lawyers, enabling them to be results focused, efficient and determined. But it can also be associated with a brusque, impatient manner and being a poor listener. Lawyers were found to be more comfortable with logic, information and the intellect than with nurturing relationships. An interesting finding was that many lawyers among the thousand studied had a strong, confident persona but were actually quite sensitive to criticism and negative feedback. Finally, almost all of those surveyed scored high on autonomy. It seems lawyers are independent and resist being 'managed'. They prefer to be persuaded and want to know the reasons behind decisions.

From these data we can see two things. Junior, talented lawyers are likely to be even more responsive than other professional groups to a leadership and management style based on influencing and engaging. They won't follow readily and will be quick to spot any lack of consistency between what a firm says and what it actually does. Those who manage lawyers will need to have finely honed engagement and influencing skills if they are to attract and keep this particular brand of talent! However, there is evidence that many lawyers don't make particularly good leaders of others in their own profession. They can be judgmental, impatient, non-intuitive, defensive managers who set the bar high and won't tolerate failure. With this mix, no wonder Beyondblue found that lawyers have higher scores on both pessimism and perfectionism than other professions, and a greater tendency towards depression as a result. So does this mean, we need to bring in outsiders from other professions to lead law firms? Well, it seems that's no solution. Lawyers will only follow other lawyers who have demonstrated credibility in the profession.

So, if you're a lawyer concerned about attracting and keeping talent, it seems you need to develop high level engagement and influencing skills. This will enable you to connect powerfully with your good people, many of whom will be different from you in terms of personality, gender or generation. Moreover, although firms seem to agree that finding and developing the right talent is a top priority, few succeed in bringing this to life. If your firm can succeed where others flounder, then you'll draw in those discerning, diverse and talented lawyers currently looking for the right place to belong.

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