

Knowing the Performaholics in your firm

By Nick Jarrett-Kerr

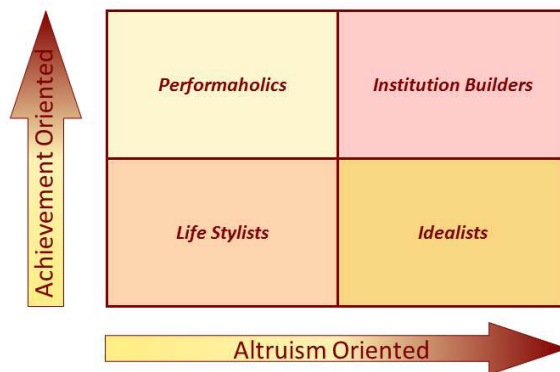
An important feature of law firm leadership is to try to understand what it is that inspires and interests your people. There are many ways of looking at personality types and the hot and cold buttons for attracting their attention.

Thomas Delong, John Gabarro and Robert Lees recently considered the unique characteristics of professional service firms and those who are attracted to enter them ¹. Using the three motivational drivers first classified by David McClelland and his colleagues ² - the needs for achievement, affiliation and power - they concluded that the people

who are attracted to professions such as the law prominently display a high need to achieve. Hence, the need to have challenging tasks, to compete, and to have independence are all clearly important to the majority of law firm partners. But, despite their

high need to achieve, law firm partners are not all driven by the same motivating factors. One model which I have found useful is to place partners in one of four categories. The Table shows how this can be formed into a grid onto two axes comparing performance orientation against an orientation towards altruism.

Knowing and Engaging Partners



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Performaholics

First there are the Performaholics. These are ones for whom the need for high achievement is paramount. In law firms they often seem to be turned on by financial considerations and financial rewards. They are the firms 'cash kings'. They are keen on short-term profit and easy to direct in any task from which they will see an early financial benefit. Performaholics are usually extremely competitive and often favour maintaining a tight equity structure. They are extremely critical of any partners who in

their view are not pulling weight. They are the partners who actively seek performance related compensation. In short, they are the ones who are highly driven by results, especially financial results.

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They are often

extremely selfish, "looking after number one", and they can therefore easily become prima donna types and lone wolves. These partners are comparatively easy to manage

¹ Thomas Delong, John Gabarro and Robert Lees (2007) "When Professionals have to Lead" Harvard Business School Press at page 147
² David C McClelland (1983) Human Motivation Scott Foresman



in the short term, but it's sometimes hard to interest them in longer term investment, and they are cynical about any partnership criteria which are not directly financially related. Equally, they desire the firm's overall objectives to be measurable. The firm's financial performance is a leading critical success factor in their eyes. Thus training and any efforts to manage people or to improve human capital will tend to take a low priority for them unless they can be shown a direct line to profit from those activities. Equally, the extreme 'lone wolf' performaholic will not really value management time or effort and will not usually perceive the importance of professionalising the management team, unless absolutely convinced that this will lead to better performance and greater profit.

Institution Builders

Second we have a category which I call the Institution Builders. These types are also keen on financial reward but are especially focused on the task of building the firm or their part of it. At their most altruistic, they are the professionals who see themselves as being trustees of the firm for the time being and want to hand on something better than they inherited. They want to leave a legacy. They are also usually the partners who are driven by a pronounced sense of responsibility and duty. They get a kick out of helping people to develop and learn. At their least altruistic, they are empire builders, seeking glory from their own efforts; for some of these partners, the danger can be that their department and team

can take priority over the firm. They can be somewhat over-protective of those whom they regard as their protégés. For many Institution Builders, a lockstep system of reward accompanied by true partnership may be an ideal scenario, but they are usually happy to see performance related compensation as well if convinced that efforts in such areas as team-building are likely to be adequately rewarded. They are conversely acutely demotivated if they perceive other partners are being unfairly favoured and rewarded higher than themselves.

They are keener on longer term investment than short-term profit and are keen to build and develop their teams. They are often keen to be famous for some technical area of work, and are happy to put significant effort into improving technical knowledge and skill. These are also partners who are prepared to put a lot of discretionary time into long-term business building and rain-making and are prepared to enlist the help of others to do so. They tend therefore to be more unselfish than performaholics and more motivated to collaborate. These types of partner can at times prove difficult to get focused on day to day financial disciplines; there are often many more important things to do in their eyes than collecting their bills and invoices. Institution Builders will use language like "the firm is more important than the individual" and "targets and rewards should be based on teams rather than individuals". The vision that the Institution Builders often have for their firm is focused on pre-eminence and an outstanding reputation, as well as being seen as a caring organisation.

Idealists

Thirdly we have the Idealists. Many professionals became lawyers or doctors or ac-



countants because of their praise-worthy desire to help people. Hence many professionals gain pleasure and fulfilment out of helping society and people. They are the most interested in pro bono work, and activities directed at corporate social responsibility. They derive a terrific personal sense of achievement out of work which contains elements of societal need. Indeed, Idealists tend to be social worriers - obsessive about their social corporate responsibilities. They are only interested in money to a limited extent – money is necessary for them to be able to live but it is not their highest need. Their main driver is how they can do some good in society. A compensation system which is heavily driven by financial performance is not attractive to Idealists, and indeed they tend not to fit in well to firms the culture of which is aggressive and hard-nosed. This group also contains the cerebral lawyers who want nothing more than to produce the best and most closely argued legal work – whatever the cost. They can therefore be relatively uncommercial, losing sight of cost-effectiveness in their pursuit of perfection.

Life Stylists

I call the fourth category the Life Stylists. At their extreme these are the lazy uncommitted professionals for whom there is no place in most well managed firms. At more moderate levels, however, Life Stylists merely believe that work is not necessarily the most important issue in their life. These are the people who work to live rather than live to work. They are not particularly money orientated and sometimes they can be quite selfish, although many value the social side of work and their need for relationships, and 'affiliation' is strong. They can be laid back and they are often focused on their

own priorities rather than those of the firm. They are normally great fun, and amongst the firm's most social animals, as they are often good at networking. They are often attracted to compensation or rewards systems whether there are grades or tiers of partners and are likely to settle for the achievement of a moderate or middle ranking tier where their expected effort and contribution will match their own ambitions and levels of comfort. They are the partners who will take their full holiday entitlement (and more if records are not properly kept). They tend to be great social networkers but their networks tend not to produce much client work.

Danger Areas

Partners with a low altruism orientation and a high performance orientation tend to be the firm's lone wolves. They have no particular need for affiliation. They exhibit distrust of anybody else's abilities and do not like rules and disciplines except their own. They can be intensely private people and they can easily become control freaks. When busy (which they almost always are) they tend to get easily frustrated if they feel they are being held up by distractions and impediments. They abhor any partner who they feel is under-performing in commercial terms.

At the other extreme, partners with high altruism and low achievement orientation tend to be the firm's nit-pickers, insisting on lengthy partnership debates and slowing up decision –making to a crawl. They are the



partners who have problems with low time-recording, fee-discounting and low realisations. They can be reactionary rather than proactive, inert rather than driven.

Summary

Here is the point of all this. Very few partners in a law firm will be an extreme example of any of these somewhat superficial types. Firms will often contain a huge variety of different personalities with different needs, attitudes and motivators. It is, however, much easier for a firm to be successful and for the leaders to manage where most of the partners are driven by the same needs and orientations. It is also much easier to design systems for progression, compensation and reward if most or all partners are focused on the same goals and have the same interests. In any firm, however, those who are in any leadership position should take great care to understand what hot buttons he or she should be hitting with each of his or her partners (and what cold buttons to avoid). What might appeal to inspire a Performaholic could be a complete turn off to an Idealist. What is important to an Institution Builder may be of no interest at all to Life Stylists. The successful law firm leader must seek to find a variety of methods of appeal which will cater to his entire audience. As an example, I had a partner once who was only interested in improving his own compensation and reward to a limited extent, although he was concerned on his profit-sharing position in comparison to others. He was also keen on building a team and I therefore discovered

The logo consists of the letters 'NJK' in a bold, sans-serif font. The 'N' and 'K' are dark red, while the 'J' is a bright blue. The letters are closely spaced and have a slight shadow effect.

that some profitability performance drivers resonated with him - he wanted to see the firm more profitable so that he could recruit excellent people and pay them top money.

In the context of progression, compensation and rewards, Performaholics are the easiest to deal with in the short term. They are often task driven and need to achieve challenging tasks. A set of propositions and objectives which appeal for action with a focus on greater short term profitability is straight forward for them. Performaholics will however find the softer criteria difficult to cope with. They will see the point in focussing on business development and client relationship management but it will sometime be difficult to persuade to devote real effort to Human Capital development.

Institution Builders also benefit from a deeper understanding of financial issues but in their case it is often good to help them to understand what makes up a law firm's intellectual capital (human capital, structural capital and relational capital). With the Institution Builders, it can also be important to appeal to their sense of team building, their sense of professional pride, the benefits of getting better quality work and the achieving of technical excellence. Some Institution Builders are also motivated by the needs for power and influence.

It is often fruitful to draw the attention of Idealists to the benefits of progressive practices for Human Capital. Profit can come into the equation for Idealists by emphasizing the extent to which the more profitable the firm is, the more it can allow partners to spend time on pro bono activities and charitable work. It is also important to emphasize also the causal links which have been proved between quality of work on the one hand

and practice profitability on the other.

Life Stylists are the most difficult to handle. Very often this is where the stick rather than carrot needs to be introduced. Life stylists need to understand exactly where the minimum acceptable standards lie and need to know that they have to surpass those to survive. Life stylists can also be moved out of their comfort zones by nudging them towards the other three quadrants of the cash kings, the institution builders and the idealists. Any of the issues which are “hot buttons” for the other three categories can sometimes be turned into hot buttons for the life stylists.

