Lawyer personality and resistance to change

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“Doing research can be very complex, but researchers should be able to explain their research outcomes to their mother.”

Marc Salomon
Executive summary

I was employed for over fifteen years in management positions at professional services firms, nine of which in a law firm, and I wanted to know more about the theory and practice around “resistance to change” in law firms, partly because I experienced in practice that there was always a lot resistance to change.

Examples of changes in law firms are, to make the partner group more client focused, to improve the coaching skills of partners, to cut costs, to expand the network of international offices, and last but not least: to improve quality.

My experience based presumption was, that the personality of lawyers is an important factor in resistance to change. In the context of this thesis, I wanted to know more about what the literature and experts in the field have to say about this topic. So, I decided to interview 25 managing partners, consultants to law firms, people that coach lawyers, and others with experience in the legal industry.

Among other questions, I asked them:

- *Why do law firms change, and what do they change?*
- *Which role does lawyer personality play at resistance to change?*
- *How could law firms deal with personality based resistance to change?*

While doing a literature study, I found interesting work by Larry Richard on
lawyer personality. Also, I became enthusiast about the work of Shaul Oreg. Oreg developed a model to split personality related and context related factors causing resistance to change. He showed empirically that both factors have a large and statistically significant influence on resistance to change.

Both the literature review and the interviews confirm the hypothesis that lawyer personality is an important factor in resistance to change. Also, the interviewers unanimously share the vision that increased awareness on personality – both self and other - could help to overcome part of the resistance to change.

I did not want to end the thesis just with the observation that the creation of awareness is important: I also wanted to think about how to create more awareness among lawyers. Inspired by the multi-party dynamics role play Saint George Triangle that was part of the Consulting and Coaching for Change program at INSEAD, I designed a small educational program for lawyers, which includes also a role play “To merge or not, that’s the question!”

I interviewed my class-mates to hear their opinion on role plays as a tool to create awareness and draw the conclusion that role plays could be an effective tool at creating awareness on one’s personality and one’s personality related behaviour. Also, most people like role plays as a learning tool.

Whether changes in law firms are very effective is another question that is briefly touched in this thesis. The first signals are that the legal industry does not perform better than the average over all other industries, which is 50 - 70 percent according to John Kotter. Good to remember for all law firm leaders
and anyone else considering to change law firms….

Summary of the main field work in this thesis

This thesis does contain novel data research on the effectiveness of change in the legal industry from an economic perspective. Furthermore, this thesis contains the results of two surveys. One with law firm leaders, people that coach lawyers, consultants to law firms and people that know the legal industry extensively. The second survey is on the effectiveness of role plays to create awareness on personality. The survey was held with the INSEAD students in wave 13 of the CCC program. Finally, this thesis contains a case study dedicated to change in the legal industry. The case has been developed as part of an education program which should create awareness on personality in law firms.
Attestation

I understand the nature of plagiarism, and I am aware of the University’s policy on this. I certify that this dissertation reports original work by me during my University project except for the following:

- Figure 3.1. It has been taken from Oreg (2006)
- Figures 4.1 – 4.4. These were taken from Richard (1993)
- Figures 4.5 – 4.9. These were taken from Richard (2012a)

Signature: [Signature]
Date: January 24, 2014
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• Larry Richard – Independent consultant and coach
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• Maarten van der Weijden – Managing Partner Loyens & Loeff

The thesis has been a fantastic opportunity for me to meet with a number of very prominent law firm leaders and consultants.

Also, I want to thank my INSEAD fellow students for their willingness to complete a survey on the effectiveness of simulation based learning.

Also, a specials thanks to Peter van der Meij for (almost) proofreading the thesis.

Last but not least, I wanted to thank Elizabeth Florent – Treacy for her helpful suggestions during the thesis writing process, and in particular for her idea, which is outlined in Chapter 5, page 65.
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1 Introduction

1.1 Law firms

This thesis is on changes in law firms, the role that personality of lawyers play at resistance to change, and some thoughts on how law firm leaders could deal with resistance to change.

Law firms are basically organizations formed by a group of very clever specialists which have graduated from law school (= the lawyers). They generate income because they have the commercial talent to attract and retain clients and to create an infra-structure which allows them to offer high quality legal services in an efficient and cost-effective way.

Depending on the jurisdiction lawyers have certain exclusivity rights on the provision of legal services, comparable to what medical doctors, chartered accountants or aircraft pilots have in their respective industries. Their education and experience allows them to become member of the Bar Association (= the professional body of lawyers). This membership usually offers privileges which are embedded in the (inter)national law of the country / jurisdiction(s), such as the exclusive rights to represent clients in lawsuits and/or the right of professional secrecy, which implies that nobody, including judges or police, could force them to disclose client specific or client sensitive information.

This thesis is particularly on “top tier” law firms. They distinguish themselves from other law firms in that they only recruit the brightest people and in that
they work for top management at the most prominent corporates – well known from the financial newspapers. Their services are very important to their clients because they protect (in litigation procedures) and/or accelerate (in e.g. M&A transactions) the career of the top management at the client, the market position of the client, and in many cases also the continuation and further existence of the client. For that reason, the legal fees that the top tier firms could charge are far less price sensitive than the fees that other law firms could charge. As a result, top tier firms are the most profitable in their jurisdiction. The profile and the complexity of their work in combination with the highest salaries in the industry is the main reason that they succeed in attracting and retaining the brightest people in the market. Although an exact definition of “top tier” law firms would be difficult to give, market research institutes such as Chambers (www.chambers.com) and Legal 500 (www.legal500.com) provide a segmentation per country / jurisdiction and per area of law in “tier one”, “tier two” and other firms. The segmentation is based on client feedback, peer review and some elements of self-assessment. According to my own observations, their segmentation shows a very high correlation with law firm profitability. In other words: the law firms categorised in tier one by Chambers and Legal 500 are the firms with the highest profitability in their jurisdiction.

One characteristic that makes law firms and other professional service firms different from corporates is their organization structure. Most of the time they are organised as partnerships. In a partnership, the partners own the firm and usually there are no other shareholders. Also, the partners are the main pro-
ducers: together with their associates, they earn all the income for the firm.

So, in a partnership the partners have two roles united in one person: the role of employer and the role of employee. At many decisions, these two roles conflict. For example, from an employer/shareholder point of view, cost cutting by having fewer secretaries would be quite acceptable. However, from an employee/producer point of view, fewer secretaries could be quite unfavorable for an individual partner practice. Partnerships always have to deal with these kind of dilemmas. And this kind of dilemmas contribute to the challenge of managing a professional service firm. Many “classical” books have appeared about these challenges, including Maister (1997) and Lorsch & Tierney (2002). Also, the course *Leading Professional Service Firms* at Harvard Business School each year attracts many law firm and other professional service firm leaders. They discuss in class a large number of case studies dealing with these kind of dilemmas, see for instance DeLong and Nanda (2002).

Another characteristic of most top tier law firms is, that they work with an apprenticeship model, often in combination with a “grow” or “go” policy: the firms primarily recruit trainees directly from law school. The trainees get a principal (usually a partner) assigned, who is responsible for coaching and further development of the trainee. From time to time it is evaluated whether their development is line with the principals’ expectations. If this is the case, the trainee will be promoted to associate and later on to senior associate, until partnership is reached. Usually, the road to partnership takes between 8 and 10 years in the top tier firms. If the development of the trainee stays behind
expectations, most of the time extra training opportunities are provided. However, if the development lag becomes structural, the trainee will be asked to leave the firm. In most top tier firms the “grow” or “go” model applies to all professionals, including partners.

The fact that the criteria for (under)performance are in most firms kept rather unclear and the personality of lawyers are in my opinion the main reason why many alumnæ (trainees, associates and partners) in hindsight say that the workplace is very unsafe and full of mutual distrust: partners, associates and support staff do not trust each other very much. Decisions on whether to ask a partner to leave the firm are often perceived as “very subjective” by many alumnæ.

To resolve this problem, law firms could decide to be very explicit about the “grow or go” rules. However, many alumnæ say that the majority of law firms have decided not to do so, because apart from that the definition of fair and insightful mechanic rules is very complex (for instance: what is a fair and insightful indicator for client satisfaction, commercial drive or technical excellence), it may also hurt the firm. Due to the mechanic rules it may occur from time to time that “the wrong” people need to leave the firm while the majority feels that they still have a positive contribution. On the other hand, from time to time people can stay because of the mechanic rules, while the majority in the firm feels that they should leave.

For these reasons partnerships like to keep the discretionary freedom to decide on who should leave / can stay. The flipside of the discretionary free-
dom is, that many professionals feel unsecure about their current and future position in the firm – an important contextual factor when studying change in law firms, as will appear also later in this thesis (Section 3.4).

1.2 Changes in law firms

According to Trotter (2012), there are a number of forces that drive change in the current legal industry. Although most of these drivers primarily rely to firms outside the top tier, also the top tier firms become more and more confronted with them:

- Supply of lawyers exceeds demand in many segments of the legal industry,
- As a result from the oversupply, pressure on prices occurs. In addition, price pressure occurs due to more competent purchasing departments and due to more transparency on legal fees resulting from the appearance of companies specialised in making legal fees more transparent, such as Serengeti and Tymetrix,
- Corporates chose to have more mature and competent in-house lawyers, which implies that less legal work needs to be outsourced to the law firms,
- Due to the technology, legal processes become more standardization and commoditizized. This is the central theme in Susskind’s (2010) book The End of Lawyers,
Although Trotter’s work mainly refers to the situation in the US, a strong case could be made that these forces are also present in other geographic regions. Peer Monitor (2012), Maister (1993) and Broderick (2010) add some other key drivers for change, the most important being:

- The economic crises,
- Globalization,
- The war for talent.

All these factors were also mentioned by the managing partners of the law firms during the interviews (Appendix A, Question 1).

Of course, many of these factors are highly interrelated. Due to the economic crises the amount of legal work has decreased in many geographic areas (particularly in the US and Europe) and in many practice areas (particularly in M&A), whereas also the efficiency has increased by the introduction of new technologies such as email, internet, document management, voice recognition, etc. The lower segments in the legal industry (characterised by a relatively low average profit per partner) suffer from commoditization and standardizations: many legal contracts can now be downloaded from the internet against low fixed fees and legal work with limited complexity can be outsourced to countries with moderate wages. These effects all together have resulted in price pressure in many geographic areas, client segments and practice areas.

In addition, it appears to be more difficult to attract and retain top talent. Life
time employment and partnership are no longer the number one objective for high performing “generation Y” or “generation Z” associates and an increasing number of them leaves the firm before reaching partnership. This movement drives-up the personnel costs and threatens the pyramidal leveraging, earning and apprenticeship models in law firms.

Also, the fact that an increasing number of the clients of the top law firms become multinationals and the fact that cross-border (M&A) transactions become more common, law firms are forced to review their international strategy and ask questions such as: “do we want offer legal services to our clients in all jurisdictions in which these clients are present?” and “how do we acquire inbound legal transaction work in the international market?”. Some firms stay “national” with the risk to lose global clients, others invest heavily in the expansion of their international networks by opening new offices or by building “best friends” networks, or by merging to a global firm, usually against substantial investment costs.

Due to these developments, many law firms are involved in change and restructuring projects. The urgency, importance and difficulty of the change projects depends on a large number of variables, including the type of clients that the firm want to serve (Fortune 500 vs. mid-market vs. small sized companies, corporates vs. government, international vs. local), the type of legal work they want to focus on (including the two extremes: beat-the-company work vs. run-of-the-mill work), the geographic areas in which the firm wants to be present, the size of the firm, the type of people in the firm, among many
other factors.

The majority of the change projects have (a combination of) the following objectives:

- **Quality improvement.** Examples are the introduction of an appraisal system and/or forced lay-offs for underperforming partners and associates,

- **Efficiency improvement,** such as outsourcing of low value work (e.g. due diligence or legal research) to low cost countries,

- **Becoming more commercial and client focused,** including sales training, account management programs and changing from a reactive to a proactive client approach,

- **Stimulating better coaching and training,** in particular improve the coaching and people development skills of partners and associates and the set-up of formal training programs,

- **Enlarging the international reach,** by opening new offices or building best friends networks to be able to serve multinational clients,

- **Cost cutting,** such as reducing the staff, changing to lower cost premises, reducing compensation packages, etc

### 1.3 Resistance to change

Section 1.2 discusses various type of change projects. According to the answers given by the law firm leaders and the law firm consultants (see the
Acknowledgements at page vii for a full list of names, including their position and affiliation) surveyed as part of this thesis (see Appendix A for the full list of questions) the changes which have a low impact on the way lawyers could run their day-to-day practice will face a relatively low resistance. Examples are cost-cutting operations primarily involving non-secretarial support staff, the opening of new offices, a new branding / house style, etc.

Changes that impact the freedom in the way lawyers do their day to day work – such as a more pro-active client approach, the introduction of an appraisal system, more financial transparency, or the requirement to spend more time and attention to the coaching of junior lawyers - will face significantly more resistance. Of course, resistance to these kind of changes is not exclusive to the legal industry, but the consultants in the survey say that lawyers and other professionals are more difficult to change than people in many other professions, mainly due to their personality.

This research will not focus on a cross-industry comparison of resistance to change – which would be a very interesting topic of research in itself – but it will merely focusses on the personality of lawyers in relation to resistance to change. Here, “personality” is defined as is a set of traits that define the way a person’s behaviour is perceived. In addition, this thesis wants to provide some directions for law firm leaders on how to deal with personality based resistance to change.
1.4 Key research questions

In this thesis, the main research questions are:

- Why do law firms change, and what do they want to change?
- Which role does lawyer personality play at resistance to change?
- How could law firms deal with personality based resistance to change in change processes?

1.5 Organization of this thesis

This thesis is further organised as follows:

In Chapter 2 we ask ourselves whether law firms that change more often outperform law firms that change less frequently. The analysis has been carried out from an economic and from an industry perspective. Although this topic is not covered by the main research questions listed in Section 1.4, I believe that it deserves a place in this thesis as it is an important question to law firm leaders considering major changes.

Chapter 3 introduces the vocabulary around personality and it provides an overview of the most commonly used thoughts and models in the literature of personality psychology. Also, it introduces a model that links personality and other (contextual) factors to resistance to change, showing that both are important factors in resistance to change.

Chapter 4 discusses the key personality traits of lawyers and how these traits have developed over time. Also, it focusses on some of the contextual
factors causing resistance to change.

In Chapter 5 it is empirically proven that awareness (self and other) on personality would make change in law firms easier. To create the self-awareness, a short educational program has been developed, including a role play.

Finally, Chapter 6 discusses some conclusions and directions for further research.

The thesis does not contain a separate chapter with a literature review. For ease of overview and to contain the storyline it has been decided to integrate the literature review in each of the separate chapters.

This thesis does contain novel data research on the effectiveness of change in the legal industry from an economic perspective (Chapter 2).

Furthermore, this thesis contains the results of two surveys. One with law firm leaders, people that coach lawyers, consultants to law firms and people that know the legal industry extensively. The names and affiliations of the participants are listed in the Acknowledgements section. The main result of this survey a quoted throughout the text in the chapters. The second survey is on the effectiveness of role plays to create awareness on personality. The survey has been held with the CCC Wave 13 participants at INSEAD. Survey results are shown in Chapter 5.

Finally, this thesis contains a case study dedicated to change in the legal industry (Appendix C). The case has been developed for educational purposes, see Chapter 5.
2 Economic perspective on law firm change

2.1 Introduction

For anyone considering law firm change it is interesting to know whether top tier law firms that have changed outperform law firms that are more averse to change. It is a difficult to research question, because:

- “better off" is a subjective measure
- Many changes – such as the change in culture - are difficult to observe from the outside

For obvious reasons, the quantitative research in this chapter had to be restricted to observable factors, i.e., the factors for which public data is available, such as size of the firm, leverage (number of associates per partner), number of countries in which the firm has offices, revenue and costs. Less easy to observe changes, such as culture changes, could not be researched quantitatively. However, they will be analysed more qualitatively in the other chapters of this thesis.

For this research the AM-100 dataset provided by ALM Legal Intelligence (www.almlegalintel.com) has been used for the period 2007 – 2012 (= six years, for each year a separate dataset). The dataset contains for each year information on the 100 law firms worldwide with the largest turn-over:

- Name of the firm
- Gross Revenue
• Profit
• Number of lawyers
• Number of partners
• Number of countries in which the firm has offices
• Percentage of lawyers outside the home country

For this research project the relations between the growth in the profit per partner (PPP) over the period 2007 – 2012 and the growth during the same period in the number of lawyers, the leverage, the costs / lawyer and the number of countries in which the firm has offices have been investigated. Also, the relation between the absolute profit per partner in 2012 and the growth in the profit per partner in the period 2007 – 2012 has been researched.

2.2 The effect of changes on profitability

2.2.1 Absolute profit and profit growth

One of the first questions is whether firms that do well (generate a high PPP in absolute terms) have also been able to generate a high profit growth.

Figure 2.1 shows that on average the very profitable firms succeeded in making a slightly higher profit jump during the period 2007 – 2012 than the less profitable firms. It might be interesting to further research why “the richer get richer” effect occurs. The current data set does not provide enough detail to do so. However, it should be noted carefully that the relation between the
2012 profit in absolute terms and profit growth is very weak, with a correlation of only 16% and a slowly increasing trend with a very small R².

![Graph showing correlation between 2012 profit vs. profit change (2007-2012).](image)

**Figure 2.1.** Absolute profit vs. profit growth.

### 2.2.2 Profit and staff size growth

Figure 2.2 shows that there is a negative relation between the growth in the number of lawyers and the profit per partner. So, it appears that some law firms have grown in staff size, but were unable to attract enough work to keep all lawyers busy. As a result, the salary costs of these lawyers became higher than their revenues. On the other hand, it appears that some law firms were able to increase profits by reducing the size of the professionals. It resulted in a higher overall utilization and higher profits. However, it should be noted that this relation is also a very weak one, with a correlation of 10% and a slowly
declining trend ($\beta = -6\%$). So, there is only limited guarantee that growth or shrinkage of the firm will result in a profit decrease or a profit increase.

![Graph showing the relation between staff size and profit growth (2007 – 2012)](image)

**Figure 2.2.** Relation between staff size and profit growth (2007 – 2012)

### 2.2.3 Profit and leverage growth

Figure 2.3 shows that the relation between the leverage growth (leverage = number of associate per partner) and profit growth is positive. It is in line with the traditional idea that increasing leverage would increase profits (given constant profit margin and revenue per lawyer), according to the formula:

$$\text{PPP} = \frac{\text{total profit}}{\# \text{partners}} =$$

$$= \frac{\text{total profit}}{\text{total revenues}} \times \frac{\text{total revenues}}{\# \text{lawyers}} \times \frac{\# \text{lawyers}}{\# \text{partners}} =$$

$$= \text{profit margin of the firm} \times (\text{revenues per lawyer}) \times (1 + \text{leverage})$$
It is not in line with the new idea that circulates in the market that clients ask for more senior (= partner) capacity and do not want to pay for junior (= associate) capacity.

However, like in the previous relations, the relation between profit and leverage growth is also very weak, with a correlation of 16% and a slowly increasing trend ($\beta = 11\%$) with a very low $R^2$.

![Figure 2.3. Relation between leverage growth and profit growth.](image)

**2.2.4 Profit and cost changes**

Figure 2.4 shows that even the relation between the change in costs per lawyer and the change in profit per partner is a weak one, although a slightly negative one. To understand the weakness of the relation, it should be noted that the costs per lawyer consists of two components: salary costs and over-
head costs. Unfortunately, due to lack of data these two components could not be split in this analyses. If a split would have been possible, most likely a decrease in overhead costs would have led to an increase in PPP, whereas a decrease in salary costs would have led to a lower PPP, because lower salaried lawyers are less experienced and generate less than average revenues. The weakness of the relation most probably occurs due to that part of the cost decreases are due to overhead cost cutting, while the other part is due to salary cost decreases.

![Figure 2.4. Relation between costs per lawyer and profit.](image)

### 2.2.5 Profit and international expansion

As Figure 2.5 shows, the relation between the growth in the number of countries in which a firm is present and profit growth does hardly exist. So, the
idea that sometimes exists with law firm leaders that large international expansions would result in large profit increases must be considered with great care. Of course, the UK Magic Circle firm are almost all multinationals, but in many countries including the US “national champions” are exist which only have a limited number of foreign offices and perform very well.

![Figure 2.5. Relation between internationalization and profit growth.](image)

### 2.2.6 Change and profit

At a macro level, the influence of change in variables such as FTEs, Leverage, # foreign offices, costs / lawyer, and # of partners on profit change is small, as the last row with correlation in Table 2.1 shows.
Table 2.1. Cross correlations between change variables and profit.

<table>
<thead>
<tr>
<th></th>
<th>2012 PPP</th>
<th>Δ FTE</th>
<th>Δ Leverage</th>
<th>Δ Countries</th>
<th>Δ Costs / Lawyer</th>
<th>Δ Partners</th>
<th>Δ PPP</th>
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<td>100%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Δ Leverage</td>
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<td>8%</td>
<td>100%</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Δ Countries</td>
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<td>27%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δ Costs / Lawyer</td>
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<td>-21%</td>
<td>-21%</td>
<td>-8%</td>
<td>100%</td>
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<tr>
<td>Δ Partners</td>
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<tr>
<td>Δ PPP</td>
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<td>-9%</td>
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</tbody>
</table>

The outcomes presented here are a bit contrary to the findings in the HBS case by Nanda (2004). However, the HBR case of Nanda does not take the longitudinal effects properly into account. Although the conclusion here only holds at a macro level (a large set of law firms) and not a priori for individual law firms, the advice to law firm leaders is to disbelieve the ideas posed in many text books, that changes such as leverage increases or international expansion automatically lead to profit increases.

2.3 Conclusions

At a sector level and looking to financials only, it is difficult to say that law firms that change a lot outperform law firms that change only moderately. It does not imply that individual law firms should never change, but is does say that the probability that change would bring (profit) improvements will be around 50%. This relatively low effectiveness rate might be a very useful insight for any law firm leader considering change. To compare with, Kotter (1995) and a survey by McKinsey & Company in 2008 show that about 70% of change programs across all industries fail. Kotter says that change processes of which the sense of urgency is not clear to the employees have a high prob-
ability of failure. The law firm leaders that have been interviewed (see Appendix A, Question 12) infamously agree that the perceived sense of urgency in their firms is low, primarily because partner remunerations are very high: Figure 2.1 shows e.g. that the partner remunerations of the top firms range from $500,000 up to $2,500,000 and higher.
3 Personality and resistance to change

3.1 Introduction

If - despite the warning signals on the (economic) effectiveness of the change process, see Chapter 2 - law firm leaders decide to start a change process, they will most probably be confronted with resistance from the partner group, the associates and / or the support staff in their firm. Resistance can be weak, strong, and everything in between.

This chapter is devoted to the personality of lawyers and the role that personality and other factors (such as the absence of an adequate sense of urgency, see Chapter 2) play in resistance to organisational change. First, the lawyer personality will be analysed, both with respect to the traits themselves as with respect to the origination of the traits. Subsequently, it is tried to separate the resistance to change into a personality and a contextual factor, to proof that the on average influence of the personality factor is significant, which is important to know in the context of this thesis.

3.2 Personality psychology

The word "personality" originates from the Latin persona, which means “mask”. In the theatre of the ancient Latin-speaking world, the mask was not used as a plot device to disguise the identity of a character, but instead was a convention employed to represent or typify that character
Within the personality psychology, no consensus exists yet about the definition of “personality”. Ellis, Abrams and Abrams (2008) list in their textbook “Personalities theories: a critical perspective” a number of definitions:

- The collective perceptions, emotions, cognitions, motivations, and actions of the individual that interact with various environmental situations. (Patrick & Léon-Carrión, 2001)
- The psychological forces that make people uniquely themselves. (Friedman & Schustack, 2006)
- The various styles of behaviour that different organisms habitually reflect. (Rychlak, 1981)
- The visible aspect of one’s character as it impresses others. (Random House Webster’s College Dictionary, 1991)
- The characteristic manner in which one thinks, feels, behaves, and relates to others. (Widiger, Verheul and Van den Brink, 1999)

In personality psychology, Allport (1937) was one of the first to distinguish between the study of the behaviour of populations and the study of the behaviour of individuals. The behaviour of populations is often indicated as “Nomothetic psychology”, while the behaviour of individuals is often indicated as “Idiographic psychology”. In this thesis we primarily analyse the lawyer population, i.e. the nomothetic perspective.

In personality psychology, there exist many “schools”. The overview of Table
3.1 is taken from Ellis, Abrams and Abrams (2008) and summarizes the most well-known schedules, their founders and their particularities.

<table>
<thead>
<tr>
<th>School</th>
<th>Founder</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychoanalytic</td>
<td>Sigmund Freud</td>
<td>Psychoanalytic theorists believe that human behaviour is deterministic. It is governed by irrational forces, and the unconscious, as well instinctual and biological drives. Due to this deterministic nature, psychoanalytic theorists do not believe in free will.</td>
</tr>
</tbody>
</table>
| Neo-psychoanalytic      | Alfred Adler, Carl Jung, Karen Horney | Supporters of the Neo-Freudian way of thinking allow for the existence of an entity that Freud did not recognize—namely, an autonomous ego. Also, they disagreed to the following points of Freud:  
1. Freud's emphasis on sexual urges as a primary motivator  
2. Freud's negative view of human nature  
3. Freud's belief that personality is entirely shaped by early childhood experiences  
4. Freud's lack of emphasis on social and cultural influences on behaviour and personality |
| Humanistic              | Albert Ellis, Carl Rogers, Abraham Maslow | People are basically good and strive for maximum personal development and self-actualization.                                                                                                           |
| Behavioural             | John Watson, Burrhus Skinner      | Personality is the result of reinforcement.                                                                                                                                                             |
| Genetic/biological      | William Sheldon, Edmund Wilson, Hans Eysenck | Genes, hormones and neurochemicals in the brain regulate the greater portion of human personality.                                                                                                       |
| Trait                   | Raymond Cattell, Hans Eysenck     | Differences among people can be reduced to a limited number of distinct behavioural styles or traits.                                                                                                    |
| Cognitive               | Albert Bandura, Ulric Neisser, Albert Ellis | Personality results from the interplay of learned and innate                                                                                                                                            |

Table 3.1. Overview of the various schools in psychology and their thinking about personality. Source: Ellis, Abrams and Abrams (2008), last column modified.

Each of these “schools” have different views on fundamental questions.
These “controversies” are summarized by Engler (2008):

- *Freedom versus determinism.* This is the question whether humans have control over their own behaviour and understand the motives behind it or if their behaviour is causally determined by forces beyond their control. Behaviour is categorized as being either unconscious, environmental, or biological by various theories.

- *Heredity versus environment.* Personality is thought to be determined largely either by genetics and biology, or by environment and experiences. Contemporary research suggests that most personality traits are based on the joint influence of genetics and environment. One of the forerunners in this arena is C. Robert Cloninger, who pioneered the Temperament and Character model.

- *Uniqueness versus universality.* This question discusses the extent of each human's individuality (uniqueness) or similarity in nature (universality). Gordon Allport, Abraham Maslow, and Carl Rogers were all advocates of the uniqueness of individuals. Behaviourists and cognitive theorists, in contrast, emphasize the importance of universal principles, such as reinforcement and self-efficacy.

- *Active versus reactive.* This question explores whether humans primarily act through individual initiative (active) or through outside stimuli. Traditional behavioural theorists typically believed that humans are passively shaped by their environments, whereas humanistic and cog-
nitive theorists believe that humans are more active in their role. Most modern theorists agree that both are important, with aggregate behaviour being primarily determined by traits and situational factors being the primary predictor of behaviour in the short term.

- *Optimistic versus pessimistic.* Personality theories differ with regard to whether humans are integral in the changing of their own personalities. Theories that place a great deal of emphasis on learning are often more optimistic than those that do not.

Realising that the above controversies do exist in the field is important when studying personalities.

### 3.3 Measuring personality

Personality traits are important to describe and predict behaviour of others, although in addition to personality traits always situational aspects would play an important role in people’s behaviour as well. In Section 3.4 attention will be paid to a model that separates both.

Kline (2013) says that trait theorist views personality as the sum of an individual’s traits and these traits explain that person’s behaviour. The research questions, therefore, in trait psychology involve the number and nature of personality traits and their relations to behaviour.

According to Kline, there exist a large number of traits. There are for instance the “ability traits”, the traits which are concerned with problem solving, such as intelligence. These have been shown to be separate from personality
traits in the sense that the correlations between traits in these different fields are generally low and non-significant (Cattell, 1959). However, there is a distinction to be drawn among personality traits themselves:

- Temperamental traits. They relate to how we do, what we do
- Dynamic traits. They relate to why we do what we do

Personality theorists often use a statistical technique known as factor analysis which was more or less “invented” by Charles Spearman around 1907 (Williams, Zimmerman, Zumbo, Ross, 2003) to identify the most important variables. The factor analysis questionnaires attempting to measure personality can usually be reduced to five factors, which means that much of the variance in personality is explicable in terms of five constructs. This would be the most important variables. Among the first to discover these the variables were Tupes and Christal (1961). Currently, the variables are described as (Atkinson et al., 2000):

1. Openness to experience: (inventive/curious vs. consistent/cautious). Appreciation for art, emotion, adventure, unusual ideas, curiosity, and variety of experience. Openness reflects the degree of intellectual curiosity, creativity and a preference for novelty and variety a person has. It is also described as the extent to which a person is imaginative or independent, and depicts a personal preference for a variety of activities over a strict routine. Some disagreement remains about how to interpret the openness factor, which is sometimes called "intellect" rather than
openness to experience.

2. *Conscientiousness*: (efficient/organized vs. easy-going/careless). A tendency to show self-discipline, act dutifully, and aim for achievement; planned rather than spontaneous behaviour; organized, and dependable.


4. *Agreeableness*: (friendly/compassionate vs. analytical/detached). A tendency to be compassionate and cooperative rather than suspicious and antagonistic towards others. It is also a measure of one's trusting and helpful nature, and whether a person is generally well tempered or not.

5. *Neuroticism*: (sensitive/nervous vs. secure/confident). The tendency to experience unpleasant emotions easily, such as anger, anxiety, depression, or vulnerability. Neuroticism also refers to the degree of emotional stability and impulse control and is sometimes referred to by its low pole, "emotional stability".

From a psychometric point of view, any valuable personality model should include these variables. In research on lawyer personality, to the best of my knowledge only the MBTI and Caliper models have been used, see Section 4.2 and 4.3, respectively. Although MBTI is very popular in practice, the out-
comes of this test should be considered with care, both from a psychometric as from a practical point of view, see also Section 4.2. The methodology behind Caliper has not been well described in the literature, See Section 4.3. So, also these results should be considered with care.

3.4 Resistance to change

Piderit (2000) defines “resistance to change” as:

“...a three dimensional (negative) attitude towards change, which includes affective, behavioural, and cognitive components.,”

with the three dimensions being:

1. **Affective** resistance. It describes how people feel about the change (e.g. angry, anxious).

2. **Cognitive** resistance. It describes what people thinks about the change. Is it necessary? Will it be beneficial?

3. **Behavioural** resistance. It describes the actions and intentions of people in response to change.

For this thesis, it would be interesting to know to which extent resistance to organizational change is caused by personality traits and to which extent it would be caused by external factors. Oreg (2003) has developed a framework to better understand the causes and the associated behaviours of resistance to organisational change. His framework contains three “building blocks”. The first block is about the two factors that cause the resistance to
change:

1. **Personality.** A number of studies found that openness to organizational change can be predicted by traits such as self-esteem, need for achievement, and the amount of control that people confronted with change have in a particular situation. Oreg found in empirical studies that a strong dispositional resistance to change resulting from personality characteristics often appears as affective resistance to change: an emotional reaction. Another significant relationship was found between personality and a behavioural reaction of people confronted with change.

2. **Context.** A large variety of contextual variables has been proposed as related to employee’s resistance to change. Some of them have to do with the perceived outcome of change, such as job losses, other focus on the process of change, such as the information that is provided to employees during the change process. For example, in a study executed by Oreg (2006) three variables related to the outcome of the process (power and prestige, job security and intrinsic rewards) and three variables related to the process itself (trust in management, the information provided and the reaction in the social network) turned out to be significant.

The second building block is about the three dimensions of resistance to
Figure 3.1. Resistance to change, with causalities. Source: Oreg (2006)
change brought up by Piderit (2000): affective, behavioural and cognitive. Finally, the third building block is about the work related behaviour and reactions that people may have to change. Oreg found in his study three important ones: (1) job satisfaction, (2) intention to quit and (3) commitment to change.

Oreg has surveyed people involved in a number of change processes. From the survey results the correlations between the causes of the resistance to change, the type of resistance (affective, behavioural and cognitive) and the consequences have been estimated (see Figure 3.1).

From these estimates it appears that the correlation between personality and resistance to change is statistically significant (at the .05 level), in particular the affective resistance ($\rho = .38$). The correlation between personality and behavioural resistance is statistically significant and equals .14. For this study it is important that the link between resistance to change and personality has been proven empirically. That is in line with the feedback that we received during the interviews (see Appendix A, Question 2).

However, it is also important to realise that other - context related - variables exist which might correlate stronger to resistance to change than personality (Oreg, 2006).
4 Lawyers, personality and change

4.1 Introduction

In this section we provide an overview of the lawyer personality, based on the two publications that exist in the literature. One of the publications discusses the lawyer personality using the MBTI instrument (Section 4.2), the other publication discusses the lawyer personality using the Caliper instrument (Section 4.3). We end this section on a discussion why lawyers are resistant to change, using also the input from the interviews (Section 4.4).

4.2 MBTI

MBTI (Briggs and Briggs Myers, 1944) is a psychometric instrument to measure personality (see Section 3.3). Personality is measured in terms of preference, along four dimensions:

1. How people direct their attention and energy. A preference for Extraversion (E) indicates that people prefer to focus to the external world. A preference for Introversion (I) indicates that people prefer to focus on the internal world. Extrovert people prefer face-to-face communication, time to talk what is going on, involvement to be heard and paid attention to, and action, to get on with it. Introvert people like written communication before meetings, time alone to reflect, to have their voice heard and time to assimilate changes before taking ac-
2. **How people prefer to take in information.** People with a preference for Sensing (S) want to have all data at a high level of detail before they can take a decision. People who prefer Intuition (N) want to have the overall picture and prefer to have options.

3. **How people make decisions.** People with a preference for Thinking (T) take decision based on logical reasoning. People with a preference for Feeling (F) take the decision more on their intuition, and take into account the effects on people.

4. **The different orientations people have to completing tasks and achieving goals.** People with a preference for Judging (J) work with a very detailed action plan with clear goals and timelines. People who prefer Perceiving (P) have open ended plans and are very flexible in dealing with changes.

There is a lot of debate on the use of MBTI. The scientific debate primarily focuses on the fact that the modern version of MBTI is a binary scale: it categorizes people for example as either Introvert or Extrovert, while in practice people have elements of both I and E. A continuous scale, like in the original version of MBTI, would make this also visible. Second, and linked to the first point, MBTI is not considered very robust: multiple tests carried out with the same person within a short period of time may show relatively large variances in the reported profile. Finally, not all “big five” variables (Section 3.3)
are included in MBTI (see McCrae and Costa, 1989), so in fact the instrument only provides a limited view on people’s personality from a psychometric view. Despite this critique, MBTI is still widely used. Many people consider it a valuable tool to start a discussion on personality, both with respect to self as with respect to a team or whole population.

In 1993 Larry Richard used MBTI in a large study to model lawyer personality (Richard, 1993). More than 3,000 lawyers – all members of the American Bar Association – has been asked to complete the *Myers-Briggs Type Indicator* (MBTI) survey.

### 4.2.1 Introversion vs. Extraversion

About half of the worldwide population is introvert, the other half extravert. With US lawyers, there is not much difference with the general population (see Figure 4.1).

![Figure 4.1. Introversion vs. Extraversion.](image)

There is not much literature that quantifies the relation between introversion / extroversion and resistance to change. There is however one exception: Vos
(2006) has shown is a small empirical study that people with a preference for introversion are more resistant to change than more extroverted people. Vos says that it is due to a more negative attitude that introvert people have in life.

4.2.2 Sensing vs. Intuition

Compared to the general public, US lawyers are far less sensing (see Figure 4.2). For Dutch lawyers this outcome does not coincide with the outcomes of the interviews (Appendix A, Question 5 and 6). The interviewees often indicate that Dutch lawyers have more eye for detail than for the bigger picture, although it is believed that this changes slightly with age/tenure. The difference between the Dutch and US lawyers may be caused by the difference in training and/or client expectation. The interviewees do not have an idea where it difference comes from.

![Figure 4.2. Sensing vs. intuition.](image)

Barger and Kirby argue that people with a preference for Sensing prefer to have all the data in very much detail, before they can take a decision.

Since in many change processes not all information is available at a de-
tailed level from the beginning on, it might be expected that people with a preference for Sensing will often be more resistant to change than people with a preference for iNtuition. People with a N preference are satisfied when they understand the bigger picture before the change process starts.

4.2.3 Thinking vs. Feeling

Lawyers are thinkers. Compared to the general population there are many more thinkers in the lawyer population: lawyers tend to be more task oriented than people oriented (see Figure 4.3).

![Figure 4.3. Thinking vs. Feeling](image)

According to Barger and Kirby, feelers are often resistant to change when changes would have large consequence for people. Since this will be often the case, it might be expected that Feelers have a larger resistance to change than thinkers. However, to the best of my knowledge there is no quantitative study available that underpins this.
4.2.4 Judging vs. perceiving

Lawyers have a slightly higher preference for judging than the general public: at the execution they require detailed plans and a lot of structure and they are less flexible. Since change processes often require a lot of flexibility and since detailed plans often do not exist from the beginning on in change processes, it might be guessed that people with a preference for judging show higher resistance to change than others. However, also here no quantitative analysis exists, to the best of my knowledge.

![Figure 4.4. Judging vs. Perceiving.](image)

<table>
<thead>
<tr>
<th></th>
<th>Judging</th>
<th>Perceiving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>General public</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

4.3 Caliper

In his later work, Larry Richard (2012a) used the Caliper test instead of the MBTI to describe lawyer personality. According to the website of the British Psychological Society, Caliper is a self-report questionnaire intended to measure job-related personality characteristics to evaluate the job fit and career potential of an individual. It is also intended for use in team building, conflict management, development and appraisal. It contains seven sub-tests, includ-
ing two short untimed intelligence tests. The scales measure intelligence (ab-
stract relationships and abstract reasoning), 20 personality traits, and three
‘derived’ factor scales. The 20 traits are Openness, Flexibility, Aggressiv-
ness, Self-Structure / Self-Discipline, External Structure, Anxiety, Urgency,
Risk Taking, Assertiveness, Level Headedness, Cautiousness, Idea Orienta-
tion, Energy, Gregariousness, Ego Strength/Resilience, Sociability /
Outgoingness, Accommodation, Scepticism, Thoroughness and Sensitivity.
The three derived factor scales are Ego Drive, Empathy and Confidence (CF).
There is not much theoretical background found about Caliper, except a brief
review of the British Psychological Society on their website.

The Caliper profile that Richard (2012a) found for lawyers is summarised in
the sections below.

4.3.1 Scepticism

Lawyers score high on scepticism (compared to the general public). People
with higher scores on this trait tend to be sceptical, judgemental, argumenta-
tive and somewhat self-protective. People with lower scores on this trait tend
to be more accepting of others, trusting, and giving others the benefit of the
doubt.

This is where lawyers that are better in law firm leadership differ from the
lawyers that are less good in it. The better ones have the ability to “switch off”
their scepticism when tasks require trust, collaboration and acceptance. Ex-
amples are in coaching and in law firm management, particularly at leading
Unfortunately, there is not much literature on why lawyers are sceptical, sometimes even cynical. An exception can be found in Larry Richard (2013). He says:

1. People with a high level of scepticism are more attracted by the law. Richards does not explain in detail why.

2. People that are not sceptical leave law school or law firm at an early stage, because scepticism is required to stand out during the lawyer study and during a lawyer career.

3. Scepticism increases over time if an individual works in a sceptical environment. Richards proceeds:

   “Every personality trait is partly dispositional (i.e., influenced by genes) and partly learned. Recent research suggests that genetics provide a larger contribution than previously suspected; however, Scepticism is an exception to that tendency—it is a trait that is signif-
icantly influenced by one’s environment. This means that the longer a lawyer works in a workplace in which the majority of his/her colleagues think and talk in Sceptical ways, the more Sceptical s/he will become over time.”

4.3.2 Urgency

Lawyers score high on urgency (compared to the general public). Everything must be completed “tomorrow”. It is because lawyers are very result oriented.

![Urgency Diagram]

Clients may like this for their M&A transactions or litigation cases, but it has also a negative side of it. Urgent people can be bad listeners, impatient and do not take the time for others. So, people that score high on urgency are often not the best coaches and it is probably also one of the reasons why lawyers are rarely chosen as “trusted advisors” of their clients’ board members.

Unfortunately, no literature has been found on why lawyers have a high sense of urgency. Most probably, it is due to self-selection: a high sense of ur-
gency is often closely related to a high level of client service, and only lawyers that cover offer a high level of client service will survive in the top quality law firms.

4.3.3 Sociability and empathy

Lawyers score low on sociability (compared to the general public). Sociability is defined as the desire to interact with others. It does not mean that people that score low at sociability are un-social, but more that they find it difficult to initiate new contacts. They rely on existing contacts where the “getting-to-know each other” work has already been done. They prefer to spend time on dealing with information, the intellect or interactions that emphasize the mind not the heart.

![Sociability Diagram](image)

**Figure 4.7. Sociability**

Low sociability scores have broad implications for many aspect of law firm management – mentoring, teamwork, client relations, working with support staff, etc.

Closely linked to sociability is empathy (although not the same).
Gallacher (2011) defines empathy as: “the power of projecting one’s personality into (and so fully comprehending) the object of contemplation”.

Daicoff (1997) writes about lawyer empathy:

“[Law students] appear to have various distinguishing characteristics as children and college students. They are highly focused on academics, have greater need for dominance, leadership, and attention and prefer initiating activity…. They may have experienced a greater emphasis on scholastic achievement, reading, self-discipline, and the channelling of impulses into expression in their families…. Their fathers were likely dominant and strong …. They may have had good social skills, but a lower interest in emotions or others’ feelings.”

Gallacher (2011) extensively discusses lawyer empathy along three lines:

1. Explanation of why empathy is important to lawyers
2. Claiming that current law school education systematically eliminates empathy from law students and why this is a mistake
3. Making suggestions on how the law school curriculum should be changed

He claims that empathy is very important to lawyers, because “… if a lawyer can project him or herself into the thoughts of another and understand how that person – it may be a client – is thinking, has the ability to calibrate language, posture, and gesture in a manner calculated to persuade the subject to believe whatever argument the lawyer is making. Conversely, a lawyer who
fails to make this emphatic connection with others will find it much more difficult to communicate effectively and persuasively, especially with non-lawyers”

Gallacher’s opinions that curricula at law schools are designed to learn students “to think like a lawyer”: very analytical, cool, unemotional, thereby eliminating empathy. His opinion was more recently supported by the Carnegie Report on Legal Education, a governmental report reviewing the curricula of law schools.

Finally, Gallacher concludes his paper with a brief description of various advices on how empathy could be stimulated before, during and after law school. It might be done by reading non-legal literature (novels), by paying attention to empathy in courses on “legal writing”, etc.

4.3.4 Resilience

Lawyers score low on resilience (compared to the general public). People that score low on this trait tend to be defensive, resist taking in feedback and can be hypersensitive to criticism.

According to Richard (1212b) low resilience is caused by a negative mindset. However, negative thinking is required to be a good lawyer:

“…negative thinking is quite necessary in order to do a good job in representing a client. That’s the problem–the people who are attracted into the legal profession think more negatively than the general public to begin with. Studies show that those with lower levels of negativity drop out of both law school and out of the profession, thus concentrating the more highly negative thinkers.”
That negativity gets further reinforced when you work every day in a negative climate where negative thinking is rewarded.”

4.3.5 Autonomy

Lawyers score high on autonomy (compared to the general public). It implies that lawyers often resist being managed. Also, they praise their freedom.

With respect to autonomy, there are two sides: the client side and the lawyers’ side. As pointed out by Richard (2012a) lawyers love their freedom and want to work autonomous. Heinz and Edward Laumann (1985) looked also at
the client side. They performed a major empirical study at the Chicago Bar which showed that lawyers that present individual’s client’s experience (enough) professional autonomy, while corporate lawyers do not.

They give as an argument that especially corporate lawyers are unlikely to disagree with their client, because of the fear of losing business. Gordon (1988) quoted Chief Justice Stone, who already in 1932 had the following opinion:

“…The successful lawyer of our day more often than not is the proprietor or general manager of a new type of factory, whose legal product is increasingly the result of mass production methods. More and more the amount of his income is the measure of professional success. More and more he must look for his rewards to the material satisfactions derived from profits as from a successfully conducted business…”

In 1984 the Torts and Insurance section of the American Bar Association essays on the lawyers’ professional independence:

“The causes of the decline of professional independence are many and complex but essentially reflect the attitudes and lack of vision of a significant group of American lawyers who view the practice of law principally as a source of revenue."

Based on the literature we might conclude that:

1. The dominant personality type of lawyers strives for a high level of autonomy.
2. Especially corporate lawyers cannot really act autonomous. They do not want to disagree with their clients because they fear to lose business.

3. The fear to lose business is primarily caused by the lawyers drive to generate large revenues, lose status, etc.

4.4 Lawyer resistance to change

In the empirical study carried out by Oreg (2006), both personality factors and contextual factors (see Figure 3.1) appeared (statistically) significant at explaining the causes of resistance to change. Here, we will discuss in which way the two of them appear in law firms change processes. We will start out with the personality traits:

- Scepticism. This has been found by Richard (2012a) and it has also been mentioned in almost all interviews with law firm leaders and consultants as the #1 personality trait from which they suffer the most during change processes (see Appendix A, Question 6). Some interviewees said that meetings in which change proposals were presented in law firms by e.g. managing partners started very energetic, but ended with a very low level of energy in the audience. According to the interviewees this has often been caused by an endless stream of sceptical questions and cynical remarks, primarily targeting on the destruction of creative and innovative ideas. It has also been observed that scepticism often works infectious to partners
in the partner group that were initially not sceptical or even supportive towards the plans. Observers saw scepticism spreading out like oil slick over the audience.

One of the law firm leaders said that, mainly due to this scepticism, he had decided to minimise the internal discussions on change proposals. Instead, he just implemented the change that he had in mind – often supported by a small and enthusiast group - and waited to see what happened. If the reactions in the partner group were positive, the change was made more permanent. If the reactions were negative, he was flexible enough to return to the old situation. The firm that this interviewee is leading has gone through an enormous process of modernisation and it is widely recognised that the firm is tremendously successful. However, the approach is completely contrary to the advices given by Kotter (1995). He advocates that upfront communication to the whole group is a critical success factor for change.

- **Autonomy.** The high will of being autonomous has been mentioned often by the law firm leaders and consultants (Appendix A, Question 6) as the #2 trait from which they suffer the most during change processes. As soon as the change processes would restrict a lawyer’s autonomy, a lot of resistance can be expected. It is the reason that many lawyers in the firm work with their associates in their own *silo’s* and ideas around e.g. cross-selling (trying to introduce another part-
ner at the client) or sharing associate capacity between partners tend to fail. Some law firms try to solve this, by proposing financial incentives on group performance to stimulate the “one firm” idea. However, very often these proposals are rejected by the partner group, and even if they are accepted they may lead to lots of trouble because of the technical difficulties to implement a system that puts the right incentives to break down the silo’s and create “one firm” on the one hand, but still rewarding individual performance on the other hand.

- **Judging and “eye for detail” (Sensing).** Richard (2008) found that US lawyers are more “big picture” focused than “detail focused”. During the interviews, many Dutch law firm leaders indicated that they did not agree. In their opinion, the majority of the Dutch lawyers were very detail focussed and spend only limited time to “the bigger picture”, although they also say that the focus on the bigger picture increases with tenure / age.

According to some interviewees, the difference between the US and the Dutch lawyers may be caused by the education systems. The education system in the US with colleges may provide students a broader view to the world, not just a view on law.

Being judgemental in combination with being very detail focused implies that most lawyers would expect a very detailed change plan upfront. If this is not be provided, much resistance can be expected.
Many law firm leaders deal with this by preparing very detailed change plans upfront, instead of just sketching the broader idea.

- **Resilience.** Lawyers have a much lower level of resilience than the general public, as turns out from research carried out by Richard (2012a). The relatively low resilience of lawyers has often been mentioned by the law firm leaders as a complicating factor, especially during the execution of change processes: when the actual execution is different from the (initial) plan, lawyers have difficulties in being flexible and accepting changes from the plan. Some law firm leaders deal with this, by providing frequently and very detailed progress updates to the partners, such that when changes from the plan occur, they become less unexpected.

- **Sociability, empathy and feeling.** Lawyers score relatively low on sociability and on “feeling”: they are very much task oriented and less people oriented. The interviewees have split opinions on what this would imply for change processes. Some say that task orientation is an advantage for successful change processes, because task oriented people make sure that the task will be done, some say that it is a disadvantage because lawyers are less good in “selling” the change proposal to others, as they can replace themselves less good in others’ feelings.

Also, the following contextual factors were often mentioned during the interviews as “complicating” with respect to changes in law firms:
• **The low sense of urgency.** As explained in Section 2.3, the sense of urgency for change in the top tier law firms is relatively low. Remunerations are roughly between $500,000 and $2,500,000 (see Figure 2.1). Deriving scenarios on what could happen in the future is not what lawyers and law firms tend to do very much. Many interviewees agreed on this view.

• **The knowledge that many change processes fail.** Failure - in the sense that the initial objectives are not reached - is very common for change processes in general, as Kotter pointed out (see Section 2.3). Our own research has shown – at least at a macro / industry level - that also in the legal industry change is not a guarantee for profit increase (see Section 2.2), whereas profit increase is usually the initial promise that is made by law firm leaders to justify the start of a change process. Many lawyers, especially those in corporate law and in litigation, have observed the Kotter outcomes themselves in their own (M&A) practice, and they are for that reason quite hesitant to execute substantial change process in their own working environment. This has been mentioned by some law firm leaders as a very complicating factor for change.

• **The relatively low level of trust in “the others” within the firm.** Top tier law firms are – as many other top tier professional service firms – often experienced as dangerous places to be in, according to the feedback from a number of interviewees, primarily the ones that
coach lawyers. There are several reasons why people experience this. At first, lawyers within the same firm are to a certain extend competitors of each other in acquiring work and generating revenues. And it is well known that people will not survive in the top tier law firms if their revenues stay over a longer period of time behind firm average. Secondly, firms are often not so transparent on the other (=non-financial) criteria that they apply when they appraise people’s performance. This uncleanness makes that there is often a fear "to be kicked out". This distrust does not help managing partners to sell their ideas about change to the professionals and to the staff in the firm. People often start asking “what is the hidden agenda behind this change process?” and “how would it effect my position?”

- **The low number of alternative occupations for lawyers.** All interviewees agree that lawyers have a strong fear of losing intellectual status among peers. Whether lawyers also have a strong fear of losing financial status is controversial. Many consultants supported this view during the interviews, but there were some managing partners which did not. They said that the main driver for partners still is the intellectual challenge of each project, while that the fear to lose profitability is only a relative one, linked to quality: partners would not care much if all top firms experience a profit decrease of about the same magnitude, but if their firm would have a larger profit de-
crease than market average, they would care because they would see this as a sign of quality loss recognised by the market.

However, many people do not believe this view. They say that lawyers are very much money driven, resulting in risk averse behaviour, doing everything to keep the status quo. According to some interviewees that risk averse behaviour can be very strong, because lawyers do not have many alternative occupations that provide them the same level of remuneration.

- There is little diversity within law firms. Most people think the same, and if they think differently, they would be hesitant to express their thoughts, because they fear to become excluded from the group. This view was very much shared by most of the interviewees.
5 Personality, self-awareness and change

5.1 Self-awareness and resistance to change

Many interviewees say that a lot of resistance to change exists within law firms, and that it is caused by the personality of lawyers as well as other (contextual) factors. One of the questions in the thesis is: given this observation, what could be done to help law firm leaders and others to better facilitate change processes in law firms?

One idea that frequently came up in the interviews was, to make lawyers and the other firm members more aware of their own and others’ personality traits, in particular the behaviour that is linked to these traits. By doing so, many interviewees would expect an increased openness to change (Appendix A, Questions 12 and 13).

Expert opinion on the expected presence of a relation between self-awareness and openness to organisational change in law firms provides some evidence that the relation exists. However, the scientific literature that quantifies the relation is limited. One of the few exceptions is a recent paper by Galleno and Lescano (2013), who empirically show that a positive correlation exists between the two.

Two managing partners of large law firms reported that they have run programs to increase the awareness on self and others’ personality traits (Appendix A, Questions 14 and 15). Both firms involved all staff in their pro-
grams: partners, associates, secretaries and support. Their program design in the two firms was more or less similar:

**Program P1**

- An introduction of the program by the firm’s managing partner;
- A (non-obligatory) MBTI test;
- A discussion on the MBTI outcomes, held in the teams in which the participants work on a daily basis. The discussion was led by an external facilitator specialised in group MBTI. Objective of the discussion was to get to know self and others’ personality better, to create better teams and ultimately, to create a better firm.

Initially, in both firms some resistance existed against the program. According to the managing partners, the resistance was primarily of the type “why should we put our expensive time into this program?” In the end, almost all firm members participated, mainly because the managing partners of both firms strongly supported the program.

Both managing partners told me that the feedback that they received from other firm members – both professionals and support staff - was very positive. One managing partner reported an increase in employee satisfaction according to the employee satisfaction survey that the firm runs periodically, and had the strong impression that the increase was linked to the program.
5.2 Creating self-awareness by role plays

Stimulated by the positive feedback on Program P1, both managing partners were considering to design a follow-up program. However, they did not know how.

Inspired by the Saint George Triangle multi-party dynamics role play (Kets de Vries et al., 2006) and triggered by the question from the managing partners, I decided to investigate the effectiveness of role plays at the creation of awareness on personality (self and others). I researched the literature (see Section 5.2.1) and I did an electronic survey with my fellow-students in the CCC Wave 13 group (see Section 5.2.2).

5.2.1 Literature review

To the best of my knowledge, there does not exist much literature devoted to the relation between role-play, personality and self-awareness, even not in well-known journals such as Simulation & Gaming. One of the very few exceptions is a book by Sara Lynne Bowman (2010): The Functions of Role-Playing Games -- How Participants Create Community, Solve Problems and Explore Identity. Bowman indicates three “functions” of role play games (RPG):

- Role-playing lends to a heightened sense of community among players, encouraging interaction between people who might not normally socialize with one another. The practice of adopting an alternate persona, identity alteration, establishes a "theory of mind" within players. Role-played personas offer players the opportunity to shift paradigms
and increase various interpersonal skills, from empathy to group co-operation. RPGs reflect a form of ritual performance in which group cohesion is established and maintained through the enactment of powerful archetypes and narratives.

- Role-playing games encourage higher-level mental processing abilities, including scenario building and problem solving. Gaming provides the opportunity for participants to acquire personal, interpersonal, cultural, cognitive, and professional skills. RPGs establish an elaborate structure that encourages gamers to evaluate the world in terms of a set of rules. These games offer extensive scenarios that require puzzle-solving, as well as tactical and social manoeuvring.

Far from simply offering "mindless entertainment," role-playing games actually encourage the development and expansion of mental abilities. The process of enacting a role involves, on some level, the creation of an alternate sense of self. While some RPGs encourage character development more than others, for a game to be considered "role-playing," I believe that some sort of suspension of one's primary identity and immersion into an alternate mental framework should transpire. This alteration of identity occurs while co-creating shared worlds and narratives in a structured environment. These practices arise from early forms of imaginative play, including the creation of paracosms, Imaginary Friends, and other forms of pretend play. As adults, people must enact a variety of different roles in
order to succeed in daily life. Contained within each of us exists a multiplicity of identities, rather than a unitary ego-identity. The content of these identities often arises from cultural symbols and inherent psychological archetypes. Thus, we socially "role-play" on a daily basis, though this behaviour remains largely unconscious and reflexive.

- Role-playing games draw attention to the process of role development and enactment and often heighten the player’s sense of self-awareness. Role-playing characters exist in a complicated relationship with the player’s primary sense of self. The character concept is "born" and develops through various character-building activities, including back story writing, costuming, and co-creation with other players. In a theory arising from the responses of my participants and from my own experiences as a role-player, I establish nine types of role-playing characters; these character types relate less to the initial archetypal inspiration and more to the player’s feeling of "sameness" or "difference" between their primary sense of ego-identity and the alternate persona. These characters often remain active mental formulations after the conclusion of game play, offering players experiences and personality traits that remain useful in "real world" situations. Thus, though role-players "escape" to a fantasy world, they return to their lives with a variety of useful skills and a stronger sense of self-awareness.
So, according to Bowman (2010), role plays can very well help to create “a stronger sense of self-awareness”.

5.2.2 Survey

I also wanted to know how my fellow students experienced the Saint George Triangle role play and whether they found role plays a valuable tool for creating awareness of self and others.

For this purpose I designed an electronic survey. The model that I used in the survey to evaluate the experience with simulation as a learning tool is based on Schumann et al. (2001). They modified a generic model that has been developed by Kirkpatrick and Kirkpatrick (1994) to evaluate learning experiences to measure learning experiences with role plays. The model uses four categories of questions:

Q1. How do you feel about the learning experience?

Q2. What did you learn?

Q3. Have you changed your behaviour outside the learning environment?

Q4. Did you (already) realize results due to the changes?

I received feedback from 24 of the 36 fellow students. In the context of this thesis I was primarily interested in questions Q1 and Q2. From the responses as depicted in Figure 5.1 and Figure 5.2, the following conclusions can be drawn:

- Participants seem to like role play games
• Role play games strongly contribute to the creation of awareness, both on self and on others.

Figure 5.1. Simulation games and participant excitement.

Figure 5.2. Role plays and participant awareness, openness and acceptance
The answers to the other questions are summarised in Appendix B.

5.3 A learning experience for lawyers

The role play that has been designed (see Appendix C) contains the following key elements.

**Learning objectives**

**L1.** To provide the participants insight into their own behaviour,

**L2.** To provide participants insights into the influence of their own behaviour on others,

**L3.** To provide the participants insights into the behaviour of others,

**L4.** To give the participants some experience in dealing with law firm merger situations,

**L5.** To get some experience in dealing with publicly traded law firms, i.e., law firms not owned by partners but by shareholders (since recently this is allowed in Australia and in the UK) including valuation aspects (see also Esty and Mayfield, 2012).

**Type of game:** multi-party multi-objective simulation

**Theme:** merger of law firms from different cultures
Participating groups (5 – 6 participants per group):

G1. Shareholders in a listed UK law firm

G2. Management of the listed UK law firm

G3. Board of an Italian “family partnership” (Target I)

G4. German branch of an involved law firm (Target IIa)

G5. French branch of the same involved law firm (Target IIb)

Goal of the simulation/role-play:

- To achieve a win-win solution for all parties involved

The role play / simulation could be added to Program P1 in two different ways:

- **Program P2a = Program P1 + role play/simulation**

- **Program P2b = Program P1 + role play/simulation, but the participants play a MBTI-type different from their own (e.g. an ENTJ plays an ISFP). Actually, this was a wonderful idea of Elizabeth Florent from INSEAD to let people experience how it is to be/play another personality.**

An extensive debriefing – targeted to awareness (self and others) on personality - should be added to the program, similar to the debrief in the *Saint George Traingle*. 
6 Conclusions and directions for further research

6.1 Conclusions

The main conclusions of this thesis are summarised in Figure 6.1:

1. **Role plays help to create awareness on personality** (self and others) and people that have played role plays in the past seem to like them as an effective tool for learning;

2. **More awareness on personality** (self and others) and more awareness on contextual factors **helps to reduce resistance to change**, also in law firms;

3. Key personality traits which may be correlated to resistance to change in law firms include scepticism, a strong desire for autonomy, and a low level of resilience. Contextual factors include the low sense of urgency for change in top tier law firms, and the limited historical success rate of changes. These personality and contextual factors should be understood well by managing partners, before they consider change.

4. Not many law firms have put the topic “awareness on personality” on their agenda. However, there are a few exceptions. The managing partners of the firms that did start a firmwide programs around the topic are positive about it. They say that it has led to a better under-
standing of self and others. One firm made the link to a higher employee satisfaction rate after the completion of the program.

6.2 Directions for further research

Unfortunately, due to the limited time and resources, not everything could be researched in this thesis. For the future, the following topics may be interesting to further research:

- Deeper understanding of contextual factors (see also Section 3.4) in addition to the personality factors responsible for resistance to change in law firms,

- Testing of the Oreg (2006) model in law firms,

- Real-life testing of the role play case with lawyers and receiving their feedback on how the game contributes to awareness (self and others) and to other performance and/or (job satisfaction indicators)
Figure 6.1. Summary of the main conclusions of this thesis.

- **Role play / multi-party dynamics (Appendix C)**
- **Survey 2 + Bowman (2010) in Chapter 5**
- **Galleno & Lescano (2013) + Survey 1 in Chapter 5**
- **Resistance to change**

**Contextual factors (Survey 1):**
- Lacking sense of urgency
- Knowledge that many change initiatives fail
- Low level of trust in the firm
- Not many alternative occupations with same remuneration and status
- Not much diversity in the firm

**Personality (Chapter 4):**
- MBTI (Richard, 1993)
- Caliper (Richard, 2012)
  - Scepticism
  - Empathy and sociability
  - Urgency
  - Resilience
  - Autonomy

**Oreg (2006) in Chapter 3 + Survey 1 in Chapter 4**
References


Richard, L. (2012a). Herding cats: the lawyer personality reviewed. Legalbrain LLC (see the Internet for downloads)


Appendix A

Below are the questions of the survey. These survey questions have been asked to all people listed in the Acknowledgements during face-to-face interviews.

1. Can you say a few words about the change processes in which you were involved with law firms? In which areas did you work (strategy, HR, business development, etc)?

2. How did you experience these change processes?

3. What have you learned?

4. How did the lawyers experience/view you?

5. What are for you the typical personality traits of a lawyer?

6. Of which attributes did you benefit and suffer most during the change processes?

7. What are your own personal characteristics?

8. Which of your own attributes helped you most which were you most in the way?

9. What are typical features of the partners as a group (in which way is it different from partners as individuals)?

10. Which of these characteristics help at change and which are blocking change?
11. Based on your experience, would you do change programs differently now? In which way?

12. One of my hypothesis is that a large number of change projects at law firms do not work, because:

- Firms are very profitable, the "sense of urgency" is limited
- The dominant personality in law firms is not much in favour of change (unless there is great need to it)
- There is little diversity (not too many in the law firm think differently from the majority)
- There is only little awareness about the own personality and the influence of own behaviour on the group

To which extent do you agree with this hypothesis?

13. Would it be helpful if lawyers had some more self-knowledge about their personality?

14. Have you ever done something with law firms on self-knowledge about personality (for example, MBTI)?

15. If so, what were the experiences?
Appendix B

More detailed results on the *Saint George Triangle* survey (background information).

**Figure B-1.** Simulation and behavior change.

**Figure B-2.** Results from behaviour change.
MANY DIFFERENT KEY LEARNINGS WERE INDICATED: SOME PEOPLE WERE SURPRISED ABOUT HOW QUICKLY A SIMULATION COULD CHANGE THE BEHAVIOR OF FELLOW STUDENTS (1/2)

Q: Please indicate with a few words your key learnings from the simulation.

How important it is to learn to know each other well before stepping into a simulation game. To avoid missing the bigger picture.

Interesting to see: some going for the content (like MBAs), others going for the process and individual feelings (CCC learnings).

Figure B-3. Learnings from simulation.

MANY DIFFERENT KEY LEARNINGS WERE INDICATED: SOME PEOPLE WERE SURPRISED ABOUT HOW QUICKLY A SIMULATION COULD CHANGE THE BEHAVIOR OF FELLOW STUDENTS (2/2)

Q: Please indicate with a few words your key learnings from the simulation.

How easily people adopt new roles and "fiction" becomes "reality". Second: how essential communication is to avoid misunderstandings.

I'm not sure if the right word is "trust", but I learnt a great deal about my own vulnerabilities in negotiations, and the futility of holding out too hard.

Rediscovering personal tendencies in big groups, the great element of shame and denial involving the want of personal gain and how the denial negatively affects negotiations and group development.

Sensitivity to feedback, dealing with strategic complexities, unpredictability, conflict avoidance.

Behaviors caused by stress and the unknown. Own and other's contributions in small and larger teams. How people may change due to taking on a role.

In how far, although it is a simulation, we all show parts of our true selves, and get emotionally invested. It gives one an indication of how much is at stake (professionally and personally) in real life situations. It re-confirmed that the importance of this is not to be underestimated in professional life and organizations.

Figure B-4. Learnings from simulation (continued).
MOST “RESULTS” OF THE BEHAVIOR CHANGES ARE AROUND SELF-AWARENESS, MORE CONFIDENCE AND LESS FRUSTRATION

Q: Please indicate with a few keywords the most important results

Patience and listening skills. There is less frustrating stress as a result. Am better able to listen in stressful situations. I shut down less and am therefore more effective.

Goals: Taking more time to reflect, saying less but trying to make it count more.

That I was sharing my observations a lot openly than before

None yet

Basically I feel confirmed in my self-confidence and understanding about when being a singleton and when I want to be team member

People in my work environment perceive me now to be more listening, less judgmental.

They had positive result and I was surprised how easy it was to “manipulate”.

A more positive interaction and not being upset when people act in a non transparent way

I believe we have more open conversations, and I feel more comfortable to initiate those.

Basically I feel confirmed in my self-confidence and understanding about when being a singleton and when I want to be team member

Figure B-5. Most important results from the simulation.

VARIOUS ADDITIONAL COMMENTS WERE MADE, INCLUDING THOSE ABOUT A MORE EXTENSIVE DEBRIEF

Q: If you would have any further remarks or suggestions regarding simulation as a learning tool and/or about this survey, please feel free to add them below.

I believe that spending 2 whole days in this exercise is quite some precious time given that it occupied almost the entire module. Moreover if we had a chance to debrief our behaviors in the small group with the External coach, would be more valuable.

I would have appreciated a bit more theory linked to aftermath of the simulation.

Not sure there is any real life “carry away” from the simulation.

I would change two things: give us more time and include some video analysis of town hall meetings in the debrief

it was not as much fun as I expected because it created clear tensions

Debrief could have been more extensive/better.

“A debriefing at the end with a skilled, professional facilitator that has experience in observing and interpreting behaviors is key.

Finding a way to create a so called ‘safe/holding environment’ as we have with our group might be tricky. I would consider how you could at least partly achieve this when setting up the game with PSF participants.”

My suggestion is to focus more on the group experience and less on the personal experience and the application in day to day business

lively atmosphere and a good case as well as a realistic scenario are the base for success of a simulation

Figure B-6. Further suggestions on the simulation.
Appendix C

The case study below has been developed as part of educational program P2 (see Chapter 5) to create more awareness with lawyers on their own personality and others’ personality.

Case Study*:

To merge or not, that’s the question!

Ferguson is one of the leading law firms worldwide. Their headquarters are in London, but they have branches in more than 25 countries in all continents of the world.

A weak spot of the firm has always been their presence in France, Germany and Italy. In these countries they had no own offices. Instead, they had an alliance with Francois Muller, a combined German and French firm and with Studio Legale Menotti & Associes in Italy. Although the alliance firms were top notch in their jurisdictions -- Ferguson clients were complaining about the lack of clarity of the service model in the three countries. Also, there were reputation issues. The lack of clarity was caused by the

* Copyright © Marc Salomon, 2014.
fact that all firms involved had their own financial objective: profit maximization within their own firm. The reputation issues had to do with the fact that Francois Muller and Menotti are no worldwide known brands, contrary to Ferguson.

A few examples:

- A German client of Francois Muller wanted to acquire a company in the UK. Francois Muller did the legal work in Germany and contact for the legal work in the UK their alliance partner Ferguson. During the project, it was unclear which firm was “in the lead” for this project: Ferguson or Francois Muller. It led to many miscommunications and other inefficiencies which were very visible for the client. Also, the client received separate bills from both Ferguson and Francois Muller, although they were promised to get one bill. However, the financial systems of the firms involved could not comply with this promise.

- A Ferguson client in the UK wanted to open a plant in Italy. Ferguson tried to do most of the work themselves in order to maximise their revenues and they involved Menotti too late for advice on the Italian administrative procedures. The client could start the Italian operation only six months later than planned due to administrative errors. Ferguson lost the client.

- Many multinational clients of Ferguson do not want to work with Francois Muller or Menotti, because their brands are not worldwide
known. A London based CEO of a big multinational player in the financial sector once said: “I don’t know Francois Muller neither Menotti, but that is only a minor issue. The bigger issue is that our shareholders don’t know them. So, if a problem occurs, I have to explain them why we have used a law firm which is not worldwide known. I don’t want to take that risk and I instructed my legal department to work in those countries were Ferguson does not have a presence with one of the big brands that do have offices there”. For Ferguson this is a risky situation, because if it happens too often they might lose the whole account to one of their competitors. And this CEO is not an exception, as turns out from recent client research.

Because of the above examples and many other situations, the shareholders counsel of Ferguson had asked the board of directors to open merger discussions with Francois Muller and with Menotti and if they would not work out, to start own offices in France, Germany and Italy.

**About Ferguson**

Ferguson has been founded over 100 years ago by Peter Ferguson. The firm had grown very fast and has now over 500 partners and 2,000 associates. Including staff, the firm employs over 4,500 people.

About four years ago the firm decided - as one of the first firms worldwide - to go public. Partners in the former partnership remained to have 50
percent of the shares, the other part of the shares was publicly traded. Ferguson used the capital that they earned with the IPO mainly to finance their international expansion plans.

Ferguson has a very clear strategy: delivering top quality in all major economic centers worldwide. In general, the firm has a great reputation and serves about 30 percent of the Fortune 500, which the highest percentage in the market.

The firm has a clear set of values and financial targets. Partners and associates that do not comply with the values or do not achieve these targets are assumed to leave the firm, and Ferguson has always managed that they really do.

The firm is organised and led in a very hierarchical way, which certainly limits the freedom of individual partners and associates. However, employee satisfaction surveys show that people like to work at Ferguson. The yearly turn-over of the firm is €1.5 billion, which is €3 million per partner. The profit margin is 40 percent, so the average Profit Per Partner (PPP) is €1.2 million, which is among the highest in the market worldwide (only some US firms realise higher PPP). Fifty percent of the partner remuneration is lock-step (salary increases with tenure), the other 50 percent is performance based.

Remuneration packages for associates are among the best in the market. Moreover, the firm offers young associates the possibility to work at the
most interesting matters and to learn from the best people in the field. Due to the reputation of the firm, people that have worked a few years with Ferguson are among the most wanted in the labour market.

On behalf of Ferguson, two teams are at the negotiation table. One team represents the partners at Ferguson and one team represents the Ferguson shareholders. Since the partners at Ferguson are still 50 percent shareholder, the interests of both teams partly overlap. However, there are also conflicting interests, such as partner targets, partner remuneration, etc.

**About Francois Muller**

Francois Muller is in fact the brand name of two separate firms: Muller and Francois. *Victor Muller* founded his firm the firm in 1950 in Hamburg. From the beginning on, Mr Muller served the big German companies. That was also one of the reasons he was the first firm in Germany to open offices outside his own Bundesland. He did so in Frankfurt, Stuttgart, Munich, Dusseldorf and Berlin.

In 1970 Victor met in Paris *Jerome Francois* at a conference. Mr Francois was the founder of what is now the largest Parisian law firm and the best known in France. First, the relation between Victor Muller and Jerome Francois was business oriented only, but later they became close friends. Their business plan was to become the number one firm with respect to quality at the European mainland, starting in the number two and three.
economies in Europe and from there moving on to other countries. Once they had covered the most important economies in mainland Europe, they wanted to take-over a reputable UK firm. From there, they wanted to expand to the US and Asia.

The international strategy was a great idea on paper, but in reality they never came much further than rebranding the two firms into Francois Muller. Many people thought that Francois Muller was one firm. However, although the two firms try to engage each other at cross-border work and share some infrastructure, it remained two separate partnerships with separate P&Ls, their own governance structures, their own clients and their own way of working.

The merger that Victor and Jerome had planned never worked out because the culture in the German partnership is totally different from the culture in the French partnership. Also, Germany is larger and the profitability much better than in France: German partners earn about twice as much as the French partners.

Different from Ferguson, both firms have a pure lock-step system for partner’s remuneration, so no performance based pay.

Some partners say that when the alliance with Ferguson – which they joint in 2005 - would not have existed, the two firms would have been totally separated. There is only one thing that the Germans and the French share: the fear to lose their leading positions in their respective home markets to
one of the global players. They both experience that an increasing number of clients is asking for international capabilities and they lose more and more inbound M&A work from the US and Asia to the big global players in their markets. That's why they finally agreed to enter the alliance with Ferguson.

Muller | Francois has two teams that negotiate. One team consisting of a delegation of German partners and one team consisting of a delegation of French partners.

About Menotti

Menotti has been founded by Cesar Menotti in Rome in 1920. Up to 2004, only family members of the Menotti’s could become partner and shareholder. However, in 2004 Pablo Morales, a very talented senior associate left the firm to start a local branch of a high reputation UK firm in Milan. He took 30 of the best corporate associates with him and a few very important clients. This was a very black day in the history of the Menotti firm.

Leo Menotti – at that time managing partner – immediately took three decisions, which were supported by the twelve other Menotti family members in the firm:

- The firm would open an office in Milan, to compete with the international firms in Milan
- The firm would look for an international partner to compete with the
UK firm that Morales joint. They joint in 2007 the alliance between Ferguson and Francois Muller.

- Non family members could also become partner and shareholder, although the family could still block any decision

Mainly due an excellent client portfolio and a very high leverage, Menotti is very profitable (see Case Appendix). Partner remuneration is lock-step, similar to Francois Muller but differently from Ferguson.

The Menotti negotiation team consists of Rocardo Menotti, currently the managing partner of the firm, two partners which are also family members and two other partners.
### Case Appendix

<table>
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<tr>
<th>Firm</th>
<th>Type of firm</th>
<th>Revenues (M €)</th>
<th>Partners (#)</th>
<th>Other lawyers (#)</th>
<th># Total</th>
<th>Leverage</th>
<th>Profits</th>
<th>Profit Per Partner</th>
<th>Offices</th>
<th>Partner remuneration system</th>
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<td>Ferguson</td>
<td>Publicly traded firm, with 50% of the shares with the partners</td>
<td>1.500</td>
<td>500</td>
<td>2000</td>
<td>2500</td>
<td>4</td>
<td>600</td>
<td>1.200.000</td>
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<td>50% lock-step, 50% performance based</td>
</tr>
<tr>
<td>Francois Muller (Germany)</td>
<td>Partnership</td>
<td>180</td>
<td>60</td>
<td>180</td>
<td>240</td>
<td>3</td>
<td>120</td>
<td>2.000.000</td>
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<td>Lock-step</td>
</tr>
<tr>
<td>Francois Muller (France)</td>
<td>Partnership</td>
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<td>60</td>
<td>120</td>
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<td>Paris</td>
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<td>Menotti</td>
<td>Partnership with decision power at the founding family</td>
<td>80</td>
<td>20</td>
<td>160</td>
<td>180</td>
<td>8</td>
<td>60</td>
<td>3.000.000</td>
<td>Milan and Rome</td>
<td>Lock-step</td>
</tr>
</tbody>
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