Management: What It Really Takes

By David H. Maister

Portions of this article are based on my books **Practice What You Preach** *(2001) and* **First Among Equals** *(2002). The latter book was coauthored with Patrick McKenna, to whom thanks are due.*

I received a call from the partner in charge of practice development at a major New York–based professional firm. "We are trying to get more of our partners actively involved in marketing," he said. "Our question is how to motivate partners to do this."

"You motivate partners, like all human beings, one at a time." I said. "Someone needs to sit down, informally, with each partner to find out what kind of practice each individual wants to have, say, three years from now, and then actively help that person figure out how to bring that desired, personal future about, preferably by assisting them with first steps."

"Who in the firm should do that?" he asked. "Well," I replied, "the logical candidates would be the practice group leaders." "I'm not sure that they see that as their role right now," he said, "and I'm not sure they know how to do what you describe." "I'm not surprised," I replied. "Few practice group leaders do."

Management in professional firms suffers from (at least) five problems. First, the job of a practice manager (how he or she adds value and makes a difference) is ambiguous and not well understood. Second, firms frequently use the wrong criteria in selecting practice managers. Third, few professional firm managers (at any level) receive training in how to manage people. Fourth, practice managers are evaluated and rewarded based on the wrong set of behaviors, creating perverse incentives. Finally, and most important, management, if it is not to be arbitrary, requires the existence and acceptance of common standards. This vital commitment is often missing in professional firms.

Traditional Approaches

Professional firms tend to be very well administered. Administrative topics such as financial controls, cash-flow management, billable hour targets, receivables control and the like are in place almost everywhere and are deployed to great effect. However, all this is about managing money. Little or none of it is about managing people, who remain largely unmanaged at all levels of the firm.

Consider, for example, the way many (if not most) professional firms do go about motivating people to get involved in marketing, the topic about which I was asked. Typically, this motivation is accomplished simply by announcing that those who bring in business will be rewarded. And that's it! They just say, "Do it and we'll pay you!"

This is, at best, a somewhat limited view of human motivation, especially among bright, educated people. It mostly succeeds in rewarding those who were going to do it anyway and were already skilled at doing it. It does not do a good job of engaging people who start off weak at marketing, or who are scared of it or uninterested in it.

An alternate approach often taken is to hire an outside speaker or training firm to "convince" partners of the importance of practice development and to give them some techniques for doing it. One-on-one this might have some chance of success, but offered in the mass (as it so often is) rarely will it make a lasting impact.

Why People Don't Participate

The "give them a speech and training program" approach fails to recognize that before you can get someone to do something they are not doing, you first must understand why they (as individuals) are not doing it. Among the possible reasons why people don't get involved in marketing (or associate supervision or anything else the firm wants them to do) are the following:

1. The individual doesn't understand the action's importance.
2. The individuals see the action's importance to the firm, but don't see what's in it for them personally.
3. The individual doesn't know how to do the action or some aspect of the action.
4. The individual knows what to do but is just not very skilled at it.
5. The individual doesn't want to do it. They'd rather stick to their technical discipline.
6. The individual has lost his or her enthusiasm for innovation and are in an "I'll just do my job" mode.
7. The individual hasn't been given the support or tools to do the action.
8. The individual thinks the firm (in spite of its exhortations) really wants them to be billable only and not to engage in nonreimbursed activities.
9. The action is viewed as discretionary; the individual thinks that participation is optional.
10. The individual views the activity as a long-term investment, and they'd rather work on things that provide more immediate gratification.
11. The individual feels more accountability and pressure for other things; they intend to do or would like to do the action, but they feel that they don't have the time to do it.
12. The individuals feel that the action is not "valued" by their peers: the corporate culture doesn't reinforce the action.
13. The individual views the action as a personal choice and is not thinking of team-level impacts (or approaches).
14. The individual perceives the reward for the activity, but thinks it will only be given for high levels of performance—so why should a beginner even try?
15. Perhaps most important of all: When the individual doesn't do it, no one reacts (except perhaps once a year at performance evaluation time). Since there are no short-term consequences for noncompliance, why bother when there is so much else to do?

The list is incomplete, but the key point is clear: there are myriad reasons why people don't engage in various initiatives like client service and other aspects of client relations, knowledge management, associate training, teamwork, and a host of other supposedly strategic behaviors. Getting an individual to change and participate will require a sophisticated ability to engage in a nonthreatening conversation with each individual in order to uncover (and respond to) the true reasons for nonparticipation.

How to Influence People

If enthusiastic participation in these various endeavors is to be obtained even from the weakest and most reluctant, what will be needed is a process that has the following characteristics:

a) It will involve informal, confidential meetings between each individual and someone they trust (ideally, the practice group leader). It will be essential that the group leader be perceived by the individual as trying to help him, not, as is all too common, acting as a representative of upper management, policing the individual. ("Why did you miss your billable hour target?")

b) Whatever behavior the group leader wants the individual to exhibit, the group leader must be able to convincingly convey why it is in the individual's interests to pursue it. (The leader must answer the question "What's in it for me?") Appeals to do things because they help the firm (i.e., exhortations to citizenship) are notoriously ineffective in getting people to change.

c) The proposed change in behavior must be incremental, with small and definite target accomplishments and specific, short-term deadlines. ("How about committing to writing one article in the next three months? Do you think you could do that?") People participate in change if they can see a realistic chance for an early success. Large, transformational targets ("You need to generate $1 million of business") tend to demotivate, not encourage. (The employee concludes "There's no way I can do that. It's just not me.") Naturally, each first challenge must be customized to the talents and enthusiasms of each individual, not arbitrarily imposed on all group members.

d) The practice group leader must drop by to visit each individual to help with any roadblocks and to provide further encouragement. The group leader needs to convey the seriousness of meeting the commitments made ("You must keep your word. Don't attempt or promise things you are unsure about completing. It's better to deliver on something smaller than to fail to deliver on a bigger promise.").

There is nothing magical about this process. It is based on fundamental truths about helping another human being improve, and applies to parenting, weight loss, sports team coaching or any other human endeavor.

The Managed Professional Firm

Let's try and imagine what a professional firm that applied these principles might look like. Imagine a firm where the following statements were true:

1. Group members receive effective coaching to help them succeed, not just demands that they do so (or rewards if they can figure out how to do so).
2. Practice groups function effectively as well-coordinated teams, helping each other.
3. Members of practice groups have a clear understanding of their rights and obligations as group members and how they are expected to function together.
4. Members of the group know why their group exists, where it is going, what it is trying to accomplish and what its core priorities are.
5. Group members honor their commitments to each other and can rely on other group members to do what they said they would do.
6. Group members share their collective wins and losses with each other, honoring and recognizing each other's efforts and contributions.
7. Group members help each other succeed and grow, and then share in the excitement of each other's accomplishments.
8. Group members hold each other to high standards of performance and provide each other with honest feedback, coaching and compassion.
9. Group members believe they are recognized for contributing to the team purpose, and act accordingly.
10. Group leaders have high levels of interpersonal skill in coaching, influencing and motivating others.
11. Group leaders are trained in how to be effective coaches (or managers or leaders).
12. In evaluating and rewarding group leaders, the performance of their group carries more weight than individual, personal performance.

It should be self-evident that, in such an environment, more would be accomplished. Individuals would fulfill more of their potential, and true collaboration and teamwork would lead to greater accomplishment than the sum of individual efforts. It should also be clear that, except for the most individualistic of partners, this would be a more pleasant and harmonious work environment. Why, then, do so many firms fail to achieve this state?

Basic Agreements Needed

In the typical professional firm, the barriers to attaining this environment are not trivial. They do not involve mechanics, but fundamental philosophies. A managed professional firm requires firm wide agreement among the partners on some key principles:

a) Partners need to agree to be coached and to give up some degree of their autonomy; they cannot behave only as they see fit.

b) There must be an agreement, up front, as to what shared values and standards of behavior the practice group leader is empowered to coach on the basis of. (If the firm does not put into place certain standards and communicate certain values that are expected of the entire firm, a practice group leader will probably fail to get individual partners to espouse them.)

c) Partners must agree to function as team members, accepting the discipline and obligations that come as a part of team membership.

d) Practice group leaders must accept responsibility for the group's performance, and must be willing to devote whatever time becomes necessary to help the individuals within the team and the team as a whole.

e) Partners and the firm's executive and compensation committees must agree, in advance, that a practice group leader's evaluation will be based primarily on the group results and not on that individual's personal statistics.

f) Finally, the executive and compensation committees must, through their decisions, reinforce the requirement for team collaboration by partners.

These are significant firmwide agreements that will not be obtained lightly. They must be discussed, debated and formally made part of the firm's constitution before a managed firm can function effectively.

Take one example: Suppose the firm has concluded that greater success can be achieved by living to a standard of excellence in associate supervision. Imagine further that this has been left at the level of a "strategic initiative" rather than as a requirement affecting all partners. The group leader sees that someone is "competent" in this area but is not pursuing excellence.

The group leader decides to visit the individual to help. If there is not consensus in advance that excellence is a firmwide standard, she can (and probably will) reply, "I'm not messing up in this area; leave me alone. I've got more important things to worry about!" At this point, the group leader can do nothing. It is too late to debate the principle.

If, on the other hand, the partner accepts the principle and responds with "Yeah, you're right, it's important. But I'm having difficulty getting it done," then the group leader can switch into help mode. The rule is simple: If the standards are agreed to, the group leader can deal with performance issues in a nurturing fashion. If the standards are not agreed to, the group leader cannot function. So, how clear are the standards of behavior that partners must adhere to in your firm?

Essential to the functioning of any group is agreement in three areas:

1. **Mutual accountability**. All group members must hold one another accountable for individual and group performance.
2. **Shared contribution**. All group members must have an opportunity and the obligation to contribute.
3. **Shared values.** All group members must adhere strictly to the values, principles and standards established by the group.

If the firm has not established these agreements, it is mandatory that the group leader take his or her partners through a discussion that establishes them for the group. Only when points of consensus are established can the group leader hope to have influence.

Characteristics of an Effective Manager

The job of a manager is to help the people in his or her group achieve more than they would if left on their own. The manager must cajole, nurture, challenge and inspire each group member to stretch for achievement. Beyond this (and what is much harder), the manager must get the individuals to function as a team.

What is often overlooked, especially in professional firms that prize intellect, is that the job of management has almost nothing to do with intelligence, rationality, logic or IQ. The job is almost entirely about the ability to influence other people's emotions: to create energy, excitement, enthusiasm, passion and engagement. The key requirement for the job is not the knowledge of what to do but the ability to get others to do it, to participate willingly and enthusiastically.

Unfortunately, this is not the basis on which managers are usually chosen in professional firms. People are promoted to department head, office head or higher firm management based on their technical skills, business development abilities or financial orientation. While it is critical that a firm possess significant amounts of these talents, none of them is a qualification for effective management.

Management As A Social Skill

Management is inherently a social skill, an interpersonal ability and one requiring large amounts of what today is called "emotional intelligence." The job of a manager is to get *others* turned on. Note that this requires that the manager have his or her ego under control: he or she must be content to focus on helping others do the work and receive the glory. A manager who needs to do everything herself may be a great practitioner, but will be an ineffective manager.

In my book ***Practice What You Preach***, I was able to demonstrate that managers achieving higher financial returns showed certain characteristics: They were seen by their people as being:

- Even-keeled and even-tempered.
- Genuine.
- Good at reading people's characters and skill levels.
- Sensitive to personal issues.
- Someone of high integrity.
- Apolitical.
- Sincere.
- A good listener.
- Accessible.
- Comfortable with allowing other people to get (and take) credit.
- Disciplined about standards, though open to reasons why they may not be met.
- Enthusiastic.
- Studied and precise in conversations.
- Thoughtful.

How many managers at any level are today chosen based on how well they embody these characteristics?

What a Good Manager Does

The only management worthy of the name is one-on-one. Everything else is window dressing. You don't excite people by giving speeches or posting mission statements on the wall. Again, Practice What You Preach provided some statistically-validated answers. To achieve superior financial returns, managers must

- Act as if not trying is the only sin.
- Act as if they want everyone to succeed.
- Actively help people with their personal development.
- Always do what they say they are going to do.
- Believe in, and keep the faith with, what they are doing.
- Do what is right, over the long term, for clients and for their people.
- Facilitate, not dictate.
- Give credit where credit is due.
- Manage people in the way that works for each individual, not just in they way they want to manage. Good managers don't have to be chameleons, just adaptable.
- Deliver bad news in a nonthreatening, nonupsetting way.
- Remember what people tell them.
- Understand what drives individual people.
- Respect confidences.
- Show enthusiasm and drive.
- Take work seriously—not themselves seriously.
- Walk the halls and know all the people.
- Let people know them as human beings, not just as managers.

A common reply I hear to lists like this is: "But they didn't teach us this in professional school!" No, they didn't, and—perhaps surprisingly—they don't teach it in business school either. But that's no excuse, for any of us, for not working at developing these skills.

Managers in professional firms, like managers everywhere, are almost entirely untrained in managing. They may receive training in business, but that's a different subject. Whether in a small firm or large, how many professional firm managers know how to stop a prima donna from demotivating the rest of the team?

How many know how to get people to stretch for excellence and not settle for competence? How many know how to suppress turf battles and get different partners to function like real teams because "that's how we do it around here"?

The answer, of course, is that there are some true "naturals" as managers out there. They can pull all that off and more. But if you're not a natural, there's nothing the firm provides to help you learn it.

Getting the Incentives Right

Finally, evaluation and reward systems for managers in professional firms are often dysfunctional. There's one logical way to evaluate and reward managers: since their job is to promote the success of their group, they should be evaluated and rewarded on whether their group has raised its performance. Unfortunately, it is still true in many firms that group heads are given individual, personal targets for utilization and/or business generation.

Accordingly, whenever there's a trade-off between meeting their personal targets and helping the group (and, of course, given the limited number of hours in a day, there's always a trade-off), those managers worry about their personal numbers first and the group performance second.

It's not difficult to see that this is the wrong choice. Fewer personal billed hours by the group leader is a loss, but it's miniscule compared to the benefit of raising the group's performance by even a small amount. The group contains many people (let's say ten for illustration), and raising their contribution by, say, 10 percent each would represent a 100 percent improvement. The group leader could only make an equivalent individual improvement by doubling his or her own performance. Why not manage instead?

Have no doubt about it: if you do not manage your professional firm, individuals will achieve less of their potential, your teams will function less well and your strategic initiatives will be implemented only sporadically. Again, why not manage?

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