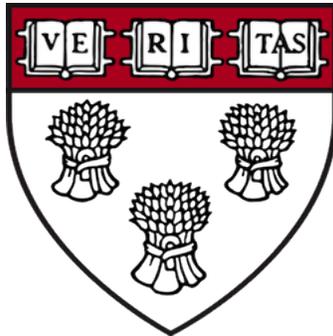


HARVARD LAW SCHOOL

Center on the Legal Profession

The Collaboration Imperative for Today's Law Firms: Leading High-Performance Teamwork for Maximum Benefit

Heidi K. Gardner, PhD
Harvard Law School



Authored by Heidi K. Gardner
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1. Introduction

The greatest asset in any knowledge-based organization, such as a professional service firm (PSF), is the expertise of its professionals. In recent decades, most top-tier PSFs have focused on expertise specialization, creating narrowly defined practice areas and rewarding professionals for developing reputations in ever more precise niches. The collective expertise in such firms has thus become distributed across people, places and practice groups.

Increasingly, however, the growing complexity and integrative nature of client issues demand that professionals collaborate with others throughout the firm (and often around the world) who have the complementary specialist expertise necessary to develop and serve clients. Further, the continuing globalization of business means that the clients of PSFs are demanding seamless, multinational service. Counsel must frequently collaborate across geographic and cultural boundaries with far-off partners to ensure that work is aligned with the client's global strategy and accounts for country-specific issues. For example, a patent dispute in China might require lawyers in the United Kingdom to collaborate with litigators in Shanghai who not only are highly qualified in subject-matter competence, but also have a deep understanding of the language, culture and political ramifications of identifying, maintaining and protecting trademarks and overall brand strategy in the region.

Many PSFs have therefore concluded that to gain or even maintain competitive advantage, accumulating star talent is no longer enough. Rather, in order to maximize the value and output of such individuals, their diverse and distributed knowledge must be integrated. By bringing together professionals with different bases of expertise, a collaborative approach to serving clients has the potential to develop more innovative outcomes that are customized to the specific needs of the client, thereby increasing satisfaction and repeat business. Moreover, as individuals in a firm bring together their distinct expertise and

knowledge to form innovative solutions, they may create entirely new types of services that can attract new clients.

Some of the very drivers that are forcing firms toward a more collaborative client-service approach, however, are the same factors that make collaboration increasingly difficult. Collaboration involves knowledge and expertise sharing, introducing colleagues to one's own clients, and working across structural and interpersonal barriers to pitch work and serve clients. Such collaboration requires trust – both a deep respect for a colleague's competence (“I trust you not to make a blunder”) and a belief in his integrity (“I trust you won't undermine my relationship with my client”). My research shows that when people face high performance pressure – the sort of high-stakes client situation where it is most vital to access and use the firm's best experts – collaboration becomes harder because professionals tend to become risk averse and may attempt to exert control by limiting access to their client. Ironically, collaboration suffers just when it should be most beneficial. Section 2 of this chapter explores the challenges of collaboration in today's legal environment.

By developing and leveraging a well-honed collaborative capability, PSFs can work efficiently and effectively across knowledge gaps, enabling them to perform the complex, multidisciplinary work that their clients increasingly demand. My research demonstrates how collaboration benefits not only the firm, but also the individual lawyers who work jointly with other partners to serve and develop clients. Section 3 of this chapter focuses on the outcomes of collaboration.

If the benefits of collaboration make it worthwhile to invest in overcoming the challenges, the question becomes, “How do we achieve greater collaboration?” My research has investigated not only best practices of firms with a long-standing tradition of collaboration, but also other firms' transitions from highly individualistic to more collaborative working. Section 4 of this chapter provides specific steps that law firms, their formal leaders and individual lawyers can take to lay foundations for enhanced collaboration.

2. CHALLENGES TO COLLABORATION

2.1 'Collaboration' defined

Collaboration occurs when a group of knowledge workers integrate their individual expertise in order to deliver high-quality outcomes on complex issues, typically extending over time and across discrete projects as they identify new approaches and initiate further engagements. In addition to offering up their expertise, these professionals must also help, advise, stimulate and counterbalance each other. In this way, 'collaboration' is different from mere 'assembly' (where experts simply contribute 'their piece' and someone pulls inputs together) or purely sequential, interdependent work (where a lawyer builds on others' prior work of others and hands his work over to the next partner). Although it may not involve face-to-face working, collaboration does require repeated or ongoing interactions, to allow the generative recombination of different people's information, perspectives and expertise. The outcome of collaboration is more than simply the sum of participating partners' unique knowledge.

Collaboration is often confused with cross-selling, but they are different. Pure cross-selling occurs when partner A introduces partner B to her own client, so that B can provide additional services. Although A may provide some level of oversight to ensure that her client is satisfied with B's work, she is unlikely to get deeply involved in the content. In contrast, collaboration involves specialists working substantively together to deliver a project, rather than experts working separately in their disciplinary silos.

Lawyers who spend much of their lives delivering client work through matter or deal teams might wonder what the fuss about collaboration is all about. This section explores four major challenges to effective collaboration in PSFs:

- establishing trust;
- managing dynamic collaborative arrangements;
- navigating the star-based system typical to many PSFs; and
- dealing with performance pressure.

2.2 Establishing trust

We have all heard horror stories about a decades-long client relationship jeopardized by one mistake. The risks of involving a new partner with one's own client are real, and taking the leap of faith to involve others requires two forms of trust: relational and competence trust. 'Relational trust' is the willingness to make oneself vulnerable to another person, such as the partner with whom one begins a new collaboration. It arises from the emotional bonds that connect co-workers and develops through shared experiences, reciprocal disclosure and demonstrations that individuals will not take advantage of each other. This trust gives professionals confidence that they can introduce colleagues into their most valued client relationships without concern that the collaborator will introduce friction, 'steal' their client or undermine the client relationship in some way.

'Competence-based trust' is the belief that another individual is competent, reliable, professional, well prepared and dedicated to his or her work. When professionals develop mutual competence trust, they are more likely to rely on and use each other's knowledge. The closer someone else's expertise is to one's own, the more easily and accurately competence can be judged and trust established. When lawyers from different practices work together, however, they may initially have to bridge dissimilar 'thought worlds' – for example, new jargon, differing assumptions or unfamiliar approaches – that make it harder to trust each other's competence.

Changes in the legal sector - including firms' rapid growth and internationalization, along with heightened individual mobility - make it more challenging than ever for lawyers to develop mutual trust, even within the same firm. For example, when firms grow through lateral hiring or mergers, it becomes difficult for partners to know, let alone trust, their colleagues. To the extent that new entrants come from firms with significantly different norms and cultures, trust may be even harder to establish. Although a lawyer will be applauded for bringing his book of business to a new firm, his new colleagues may think twice about introducing him to their key clients when they consider his deftness at transporting critical relationships. Research also shows that the more tightly intertwined a group of lawyers were in their legacy firm or practice – as measured by the amount of

business they referred to one another – the less integrated they are likely to become in a merged firm.¹

Internationalization also raises cross-cultural issues that pose challenges to collaboration and building trust. For example, legal training differs significantly across jurisdictions and lawyers develop different competencies based on their exposure to client work of varying sophistication. If a partner is unable to predict the capabilities of lawyers in another country, he will likely hesitate to bring them into his client work. Although partner-level capabilities may even out considerably as careers progress, other divisions based on different cultural norms can remain. Consider, for instance, the assumptions that a hard-charging New York lawyer might make about his Dubai-based colleague's perceived delay in responding to a possible client opportunity; and on the flipside, the Dubai lawyer's difficulties in trusting his impatient colleague who fails to appreciate the importance of building relationships before trying to sell additional work. Without deliberate interventions to foster relationships, integrate newcomers and build confidence in others' competence, partners may feel insufficient trust in their colleagues to engage in collaboration. Worse, failed attempts at collaboration may kill the desire to work together in the future.

2.3 Managing dynamic collaborative arrangements

Collaboration begins with finding the right expert who has both complementary knowledge and a willingness to engage in joint working –and both aspects become harder to find in firms that expand rapidly. As one partner in an international firm recounted: "I used to know enough about my partners' work that it would take me only one or perhaps two phone calls to locate even the most esoteric expertise I needed. Now [after a series of mergers], the firm has a lot more experts available, but finding them is exponentially trickier. Plus, people no longer feel the same personal accountability to each other that makes them interrupt their own agenda to help on another partner's client. I feel like I need to negotiate or incentivize, whereas before people would just do the right thing for each other."

1. Briscoe, F, and W Tsai. "Overcoming Relational Inertia How Organizational Members Respond to Acquisition Events in a Law Firm.," *Administrative Science Quarterly* 56.3 (2011): 408-440.

It becomes even more difficult once the relevant parties have committed to working together. Traditional teams formed to tackle a specific matter or deal typically have clear goals, a defined leader and a relatively clear hierarchy to facilitate smooth working. In contrast, collaboration increasingly happens among peers who are experts in their own domains and have their own sources of power and prestige. Even when the partner who 'owns' the client is nominally 'in charge' of the engagement, collaborators need to mutually establish task allocation and decision-making norms. Moreover, these working arrangements must be continually renegotiated, as partners who lead one engagement must defer to their former followers on the next. Reordering the status hierarchy may be simple in principle, but it is often a difficult, politically charged act. Lastly, integrating highly specialized expertise is cognitively complex and can generate competition and conflict when lawyers have even slightly misaligned objectives.

2.4 Star-based talent management and culture

As we know, the legal profession is filled with 'stars' – the lawyers who have cultivated a distinguished reputation for their extraordinary legal wisdom and client-handling prowess. Many firms, though certainly not all, have evolved to cater to these stars through their various structures and systems. The problem is that the individual hero is often at odds with a collaborative approach.

Lawyers tend to consider themselves a breed apart and some research does back up the idea that, in general, they have a set of personality traits that differ from the mainstream population.² For example, lawyers tend to be introverted and are skeptical and self-protecting, rather than trusting. On average, they show a stronger predisposition toward autonomy, rather than teamwork. Indeed, there is a degree of self-selection in the profession: people with these characteristics are attracted to it, and the characteristics are then reinforced through formal legal education and socialization into law firms where such personalities dominate.

These characteristics suggest that collaboration may not come naturally to the average lawyer. Research shows that for people who have strong autonomy preferences, group work can be constraining and frustrating, and may undermine their satisfaction with their work. They may avoid working collaboratively and concentrate on aspects of the task that

2. Richard, L and L Rohrer, "A Breed Apart?", *The American Lawyer* (2011): 43-46.

allow them to work alone, free of the obligations and constraints that come from working with others. Because they avoid collaboration, they tend not to build the kinds of skills and knowledge that enable smooth cross-practice working and thus continue to perceive the costs of collaboration as high.

Importantly, however, research also shows that individual preferences are malleable: as people gain experience of interdependence, they grow more accepting of it and even come to prefer it to solo working.³ In part, these preferences shift as people learn how to collaborate: it becomes less time-consuming or daunting and they begin to understand the benefits outlined below, such as the ability to do more sophisticated client work. The diffuse power structures typical of PSFs make collaboration difficult to foster and even harder to demand. Professionals' so-called 'star power' stems largely from their relationships with clients, which are vital to the firm. In general, clients tend to prefer working with specific individuals year after year, rather than holding strict allegiance to the PSF itself, and partners hold a much stronger bargaining position relative to their firm than is found in more centralized hierarchical models typical of corporations. Directive decision-making runs counter to the prevailing culture, so it is prohibitively difficult to mandate or push actions down the hierarchy.

Promotion systems that foster individualism and perhaps rivalry can also interfere with attempts to promote collaborative practices. Many law firms use an 'up-or-out' model, a 'tournament system' in which associates either meet certain production targets and move up or are encouraged to move out.⁴ Pitting professionals against each other for promotion makes it hard for them to see the immediate value in sharing knowledge and expertise; once these competitive values become ingrained as an associate, it is unsurprising that the winners find it counterintuitive to collaborate once they become partners.

Lastly, the compensation system in some firms is perceived as a barrier to collaboration. Too often, a firm espouses the desire for partners to collaborate, but then carries on remunerating people for individual results. Even the most altruistic partner is unlikely to sacrifice potential financial rewards indefinitely.

2.5 Performance pressure

In today's hyper-competitive marketplace, professional firms and their leaders face unprecedented pressure to deliver superior results. All lawyers would like to believe that

3. Wageman, R and F M Gordon. "As the twig is bent: How group values shape emergent task interdependence in groups", *Organization Science* 16.6 (2005): 687-700.

4. For an in-depth examination of these effects, see M Galanter and T Palay, *Tournament of Lawyers: The Transformation of the Big Law Firm* (Chicago: University of Chicago Press, 1991).

they use the challenges of a high-stakes client situation to shine, showing off their own and the firm's best talents. Paradoxically, however, my research shows that the pressure to perform exceedingly well drives people toward lower-risk options, with sub-optimal outcomes.⁵

"We were seriously feeling the heat ... it was a make-or-break project for us. We threw our best and brightest against the problem, but the more we rallied our team, the worse it got. I still don't know what went wrong," moaned one high-ranking partner in a 'Big Four' accounting firm that participated in my research. This - unfortunately widespread - effect shows how performance pressure can be a double-edged sword: although it motivates people to ramp up their efforts, they may also inadvertently react in ways that are ultimately counterproductive.

Performance pressure occurs when someone must deliver exceptionally high-quality performance. Because their projects are so important, those facing performance pressure generally have the time and resources needed to complete the work; the trouble is that they stop using these resources effectively. High stakes breed anxiety among team members, their clients and their bosses. Consequently, performance pressure leads people to become risk averse.

Rather than becoming more innovative and pursuing best solutions for their client, teams under pressure start thinking of their matter as something that cannot be allowed to fail. This failure-prevention mindset leads them to opt for solutions that can be easily justified and to use proven approaches that are focused on narrowly defined performance objectives. By definition, these outputs are less innovative because novel solutions seem risky. In addition, individuals facing performance pressure seek control, which lowers their desire to collaborate - it feels safer to complete the work oneself. Together, these insidious effects of performance pressure can greatly undermine the collaborative process.

5. For more on the causes, consequences and handling of performance pressure, see Gardner, H K, "Coming Through When It Matters Most: How Great Teams Do Their Best Work Under Pressure", *Harvard Business Review* 90, No 4 (April 2012).

3. BENEFITS OF COLLABORATION

At this point, it would be unsurprising if the reader asked, “If collaboration is so difficult, why bother?” Indeed, this is the response I repeatedly hear in my interactions with some lawyers. In contrast, other lawyers contend that their success completely depends on collaborating.

I have initiated an extensive research program to investigate these differing effects, examining the outcomes of collaboration on both law firms and individual lawyers who engage in collaborative client work.⁶ The findings presented here are based primarily on empirical analysis of data from two law firms, chosen for their contrasts along key dimensions including size, breadth of global reach and growth process (mergers and acquisition versus mostly organic). Both are multi-practice, ‘big law’ firms, with partners in each exhibiting a wide range of collaborative behaviors - from those who work rarely with other partners to those who work almost exclusively in collaboration with others. Both firms have shared many years of archival data with me, on condition of anonymity. I have conducted further extensive studies of multiple additional professional service firms across a range of sectors and have tested the extent to which findings from the initial set of law firms can be generalized to other law firms and beyond.

In general, the research revealed that collaboration – while certainly not without its costs, risks or challenges – provides significant benefit for the firms and lawyers who participate. This section outlines how these benefits arise and some of the conditions under which collaboration becomes more beneficial for the different constituents. Although the results may corroborate what highly collaborative partners already believe, the evidence presented here provides the first empirical confirmation of the benefits of collaboration in professional firms.

6. To request updates on this ongoing research, please email the author: hgardner@hbs.edu.

3.1 Firm-wide benefits

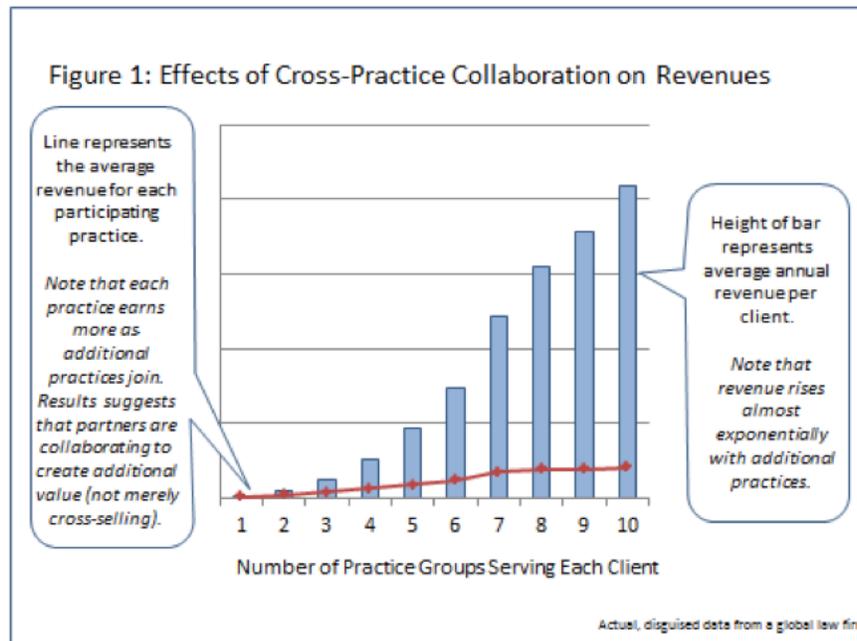


Figure 1 illustrates the effects of cross-practice collaboration on one firm's client revenues. Each bar on the chart represents a set of clients, defined by the number of practice groups (e.g., real estate, employment) that serve each client in the set. The height of the bar represents the average annual revenue that the firm gets from each client. The line shows how the average revenue per practice depends on the total number of practices that are involved in serving that client. What is clear from this pattern is that multi-practice client service brings in significantly more revenue than can be explained by mere cross-selling. The jump from, say, five to six practices involved with a client is greater than just one-fifth; this increase implies not only that additional work is being carried out within individual practice, but also that each additional practice changes the nature of the work itself. There are two possible reasons for this increase: higher-value work and increased retention of clients and professionals.

(a) Higher-value work

An obvious benefit of getting more practices - and therefore more partners - involved with a particular client is greater availability of intelligence (sleuthing, as well as brainpower): with more touch points, partners should be able to better understand client issues, be

proactive in spotting opportunities and ultimately deliver greater value. Collaborating with lawyers from another practice also improves one's perspective of issues such that even highly experienced partners can see their clients' problems through a new lens. As one partner explained, "Although I was generally aware of what my colleagues in the employment practice did, it never occurred to me how much value they could add to my own clients until I had the chance to engage on a joint matter [that a third practice pulled them both onto]. After that, I began to see opportunities where their expertise could make a significant impact, and that's how I started a really productive cross-practice collaboration."

Because cross-practice collaboration can result in higher value and more sophisticated work that is less likely to become commoditized, it commands higher prices. Moreover, a collaborative approach to client service has the potential to develop innovative outcomes that are customized to the specific needs of the client, increasing satisfaction and repeat business. As input from multiple experts allows a firm to take on more challenging and complex work for clients, partners can create a virtuous cycle of generating more sophisticated, bespoke and rewarding work from their clients.

(b) Increased retention of clients and professionals

Collaboration institutionalizes client relationships. In general, when there are more lawyers serving a client, the risk of any single individual absconding with the client if he leaves the firm decreases. Yet even when multiple professionals serve a client, it is no guarantee that they cannot leave en masse and take the client relationship to their next firm. This phenomenon of leaving with an intact team is known as a 'lift-out'. Lift-outs occur when a firm hires a high-functioning group of colleagues, who are often successful in taking many of their clients with them to the new firm.⁷ Lift-outs, however, are generally constrained to individuals working within a single unit. This reasoning suggests that there is stronger retention of clients who are served by a team of cross-practice professionals, as opposed to those served by either sole partners or groups of partners from within the same organizational unit.

Additionally, collaboration may reduce professional turnover. The more that a professional works in teams, the more he comes to identify with the firm and the less he sees himself as 'lone wolf' or 'franchisee' (terms that professionals in highly individualistic firms used to describe themselves in interviews). Stronger organizational identification means that professionals are more likely not only to stay at their firm but also to engage in pro-social,

7. Groysberg, B and R Abrahams. "Lift outs: how to acquire a high-functioning team", *Harvard Business Review* 84.12 (2006): 133-140.

firm-building activities such as mentoring junior lawyers. These activities, in turn, enhance the desirable retention of high-performing associates.

3.2 Benefits for individuals

Even if collaboration benefits the firm, however, it will be nearly impossible to implement if lawyers are not convinced of the benefit to them personally. Analyzing nearly a decade's worth of timesheet records and a host of other archival data has allowed me to begin answering the "What's in it for me?" question. The findings are organized below according to whether the focal lawyer is on the receiving side of work (i.e., being asked to collaborate on a project for another partner's client) or the originating side (and must therefore decide whether to involve others or do the work alone). While most partners will, of course, do some of each, my research suggests that the way in which each sort of collaboration benefits a lawyer may be different; therefore, they are analyzed and discussed separately.

(a) Collaborating on projects for others' clients – 'receiving work'

My results show that collaborating with a wider group of partners on their projects boosts a lawyer's amount of billed revenues in the subsequent year, even when other factors that we would expect to affect individual billings – for example, one's office, practice group, organizational tenure and present-year revenues – remain constant. Detailed discussions and interviews with hundreds of practicing lawyers show that these effects stem primarily from the trust that develops through collaboration. Trust in colleagues is the key ingredient that enables knowledge sharing and collaboration. When partners work together, they form bonds of trust that allow them to work more effectively to produce high-quality outcomes. Collaboration gives them the opportunity to observe and understand each other's capabilities and specific areas of expertise. This first-hand experience of each other's work increases competence trust, which is essential for facilitating collaboration.

Cross-practice collaboration (i.e., participating in work originated by partners in a different practice) is especially valuable. Usually, professionals are likely to know the reputation of those who work in their own specialty area or practice group, but may be unfamiliar with an outsider's areas of expertise or quality of work. Collaborating with them can be the most reliable way to learn about each other's reputation. This reasoning explains why cross-practice collaboration is more beneficial than within-practice collaboration.

Statistics further demonstrate that the main benefits of collaboration stem from the focal lawyer's ability to attract more work in subsequent years – not only from those with whom he has worked directly (either on theirs or others' projects), but also from partners in the firm with whom he has had no prior working relationship. In general, reputations spread either through first-hand experience or through third-party information. My data suggests that both avenues are viable channels in law firms.

The benefits of collaboration in securing additional work from both prior collaborators and unfamiliar partners are especially visible for lateral hires during their first three years. Once lateral hires join a new firm, they must establish their own reputation in terms of both character (relational trustworthiness) and ability (competence trustworthiness). This is the case even in firms that carefully vet lateral candidates and where existing partners have a say in hiring decisions. My findings suggest that working on others' matters is a valuable way for a recent lateral hire to develop his reputation and thereby attract increasing amounts of work.

(b) Collaboration and rainmakers – 'sending work'

Collaboration can also enhance one's ability to originate work. My research shows that for work that a partner originates, the more of this she shares with others, the greater her book of business grows in subsequent years (again, controlling for other factors that are likely to affect individual billings, such as one's office, practice group, organizational tenure and present-year origination level). Specifically, subsequent-year revenues from a rainmaker's existing clients increase the more she involves partners from her own, and other, practices. Additionally, inviting own-practice and other-practice partners to collaborate is a strong predictor of revenue growth from new clients (i.e., those which the firm has not served for at least a decade, if ever), although cross-practice collaboration is a significantly stronger predictor of new client revenues.

The ways that collaboration affects rainmaking are likely to be different, depending on whom one collaborates with. For example, sending work to other partners in the same practice can be considered a substitution effect: as the expertise of partners within the same practice is arguably fungible, involving them simply frees up the rainmaker's time either to deepen existing client relationships or to seek out new clients.

8. For more information on professional development in 'big law', see Gardner, H K and P Andrews, "Professional Development at DLA Piper – Building the Strength of Global Legal Talent", Harvard Business School Case 413-001 (2012) and the related instructor's note.

In contrast, involving partners from other practices has multiple consequences. First, it allows a partner to learn how to do complex, multi-disciplinary client work and develop an external reputation for this sophisticated sort of client service. Additionally, collaborating across practices allows partners to develop a cadre of trusted professionals who can help deliver sophisticated, high-quality and high-value work. Knowing he can rely on a trusted team gives a partner the confidence to pitch additional multi-disciplinary work to new or existing clients.

4. HOW TO ACHIEVE GREATER COLLABORATION

This chapter has addressed the challenges of collaborating in today's PSFs, including establishing trust, navigating the star-based system typical to many firms and handling the interpersonal challenges of working within dynamic collaborative arrangements, especially when facing performance pressure. The following section suggests ways that law firms, their leaders, and individual lawyers can address these challenges and lay the foundation for enhanced collaboration.

4.1 Building trust through talent management processes

Professional development leads to competence-based trust by creating transparency about the expertise and capabilities of lawyers at any given level.⁸ Ideally, formal professional development should be based on principles of active learning – in the form of case studies, simulations and role playing - and involve significant interaction with partners, rather than being conducted solely by external providers. Giving partners a chance to engage with associates and each other allows them to learn what others know and establish competence trust.

Informal professional development in the form of on-the-job learning remains the most important way for junior lawyers to develop their capabilities and demonstrate their trustworthiness. A partner who invests time in coaching and giving real-time feedback will not only enhance the technical skills of the recipient but also foster the junior lawyer's ability and willingness to provide further feedback to those with whom he works.

A comprehensive development plan for associates should also include assessments that measure their performance against competency benchmarks. Transparency about abilities at any given tenure or level is especially crucial as firms expand globally. Given the heterogeneous nature of legal training across jurisdictions, it is up to each firm to develop a robust internal system to allow lawyers to understand what they can reasonably be expected to know and how they can demonstrate their increasing capabilities.

Performance against these assessments should be linked to a merit-based promotion system. In firms that implement an alternative, non-partnership track (e.g., counsel), it is especially important to set and communicate standards and a progression

8. For more information on professional development in 'big law', see Gardner, H K and P Andrews, "Professional Development at DLA Piper – Building the Strength of Global Legal Talent", Harvard Business School Case 413-001 (2012) and the related instructor's note.

path commensurate with these professionals' increasing abilities. This sort of talent management system gives professionals within the firm reliable indicators of what can be expected from lawyers at any given level and thus fosters competence trust.

International secondments - temporary transfers to another office within the same firm - are another important way to build interpersonal familiarity and relational trust, standardize skills across jurisdictions and increase lawyers' awareness of, and competence in, others' trust. For example, one global firm saw cross-jurisdiction referrals increase threefold in participating offices in the first year following the implementation of a secondment program for associates.

4.2 Modifying the star-based system

(a) Shifting desire for autonomy toward preference for collaboration

Strong preferences for autonomy act as a deterrent to joint work, but overcoming this obstacle can lead to the benefits associated with collaboration. As previously mentioned above, lawyers generally have personality traits, such as skepticism and low sociability, that make collaboration seem less appealing, if not outright distasteful. Research demonstrates, however, that individual preferences for strict autonomy begin to fade as people gain experience with interdependent work. As they collaborate more, lawyers can learn communication and interpersonal skills that enable smooth interchanges of work with other partners, which poses different challenges than merely delegating work to junior lawyers. In addition, with increased collaboration, they build knowledge that is essential for cross-disciplinary work, such as familiarity with the technical jargon used in other lawyers' practices.

In my own research, I frequently hear that lawyers need to take a 'leap of faith' in starting collaborative working - for example, introducing another partner to their client. After some initial growing pains, collaboration often starts to build momentum as lawyers learn how to collaborate efficiently and effectively, and begin reaping rewards in terms of client satisfaction and the 'fun' or 'thrill' of doing increasingly sophisticated work. One implication for individual lawyers is that they must overcome their negative perceptions of joint working in order to get involved and invest in learning to collaborate effectively; finding

One implication for firms is that they need to create structured opportunities for people to become familiar with partners from other practice areas, so that they develop an appreciation for what those lawyers might bring to their own clients. Some firms, for example, devote part of their annual partners' retreat to a series of 20-minute 'road show' presentations, where partners highlight the work that they do and explicitly focus on potential growth opportunities for lawyers in other practices. In short, although many lawyers' initial preferences might predispose them toward solo working, the evidence shows that 'seeing is believing'. Once familiar with collaboration and its benefits – through their own experience and perhaps aided by the firm's efforts – lawyers will generally come to a better appreciation of collaborating.

(b) Compensation

So far, my research has explored collaboration in a range of professional service firms where compensation systems span from highly individualistic 'eat what you kill' approaches to those with more balanced weighting for origination and execution credits to modified lockstep systems. Each has its challenges and it is beyond the scope of this chapter to explore them in detail. But a few principles are essential to keep in mind. The first two are based on the concept that people care not only about how much people are rewarded in comparison to each other, but also about the way in which compensation decisions are made (i.e., distributive and procedural justice, respectively).⁹

First, people's behavior is strongly affected by their beliefs about distribution of rewards. Ultimately, collaboration depends most of all on trust. If firms espouse the value of team-based client service and collaboration, partners expect to be rewarded for demonstrating this behavior. When people perceive that their firm's compensation system unjustly rewards lawyers who hoard work, for example, collaboration suffers. By contrast, in a lockstep system where pay is based on seniority rather than performance, they may not be motivated to undertake the complexities and risks of collaboration unless they are convinced that others are also making equal efforts at collaborating. Lockstep systems tend to work best either in smaller firms where personal relationships provide such assurances or in firms where sophisticated systems coupled with a strong culture provide transparency about collaboration efforts and thus maintain a sense of fairness.¹⁰

9. For a discussion of the intersection between collaboration and compensation in professional service firms, see Gardner, H K and K Herman, "Marshall & Gordon: Designing an Effective Compensation System (A)", Harvard Business School Case 411-038 (2011) and the related Instructor's Note.

10. Allen & Overy is one firm that attempts to foster global collaboration through transparency and related means. See Gardner, H K, M Chen and D Lau, "Leading Global Collaboration: Allen & Overy Opens in Vietnam," Harvard Business School Case 414-018 (2013) and the related Instructor's Note.

Second, the way that a firm implements any given compensation system will affect people's perceptions of fairness, in turn shaping their willingness to collaborate. Professionals must understand what actions are rewarded and how they are measured; communication is especially critical when a firm changes any aspects of its compensation system. Professionals must also believe that their firm has reliable ways to capture the performance metrics on which compensation is based.¹¹ They must also have faith in those who make the compensation decisions. The decision makers must be seen as competent and unbiased, with enough information to make accurate decisions, no vested interests in outcomes and as little susceptibility to internal politics as possible.

Third, it is crucial to remember that compensation takes on exaggerated importance in people's minds when it is their main way of figuring out how much the firm values them. In contrast, the best firms provide abundant psycho-social rewards, such as recognition for excellent client work or firm-building initiatives, formal and informal feedback (even for partners), opportunities to represent the firm or practice at prestigious external events, high-integrity colleagues, increasingly challenging and interesting client work and a brand name that people are proud to identify with. In these firms, compensation still matters, but people pay far less attention to it than in places where 'the number' is their only signal of their worth.

Lastly, a well-designed compensation system can help to foster joint working only when it is paired with other collaboration-enhancing approaches (e.g., hiring lateral partners with a demonstrated track record of successfully working across practices) and a broader reward system that emphasizes interdependence, rather than competition. No 'silver bullet' compensation scheme determines collaboration; rather, a holistic approach that aligns compensation, culture, other talent management practices and leadership is necessary. alone, but the perceived costs of collaborating can be reduced if people take steps to improve coordination efficiencies and reduce interpersonal conflicts.

11. For an in-depth examination of one firm's system of measuring and communicating performance metrics, see Gardner, H K and A Lobb, "Collaborating for Growth: Duane Morris in a Turbulent Legal Sector", Harvard Business School Case 413-110 (2013) and the related Instructor's Note.

5. Micro-dynamics of collaboration: effectiveness under pressure

One of the best ways to facilitate and increase collaboration is to make it a positive experience. In order for people to understand that the benefits of collaboration outweigh the costs, the process has to be both productive and relatively frictionless. When people have an opportunity to contribute, they have to believe that their individual expertise and knowledge are valued and used by the team. Working jointly is never as simple as working alone, but the perceived costs of collaborating can be reduced if people take steps to improve coordination efficiencies and reduce interpersonal conflicts.

As discussed in section 2 of this chapter, performance pressure can undermine the collaborative experience because team processes often become dysfunctional when people are 'under the gun' to deliver exceptional outcomes. When stakes are highest, teams often become risk averse, defer unnecessarily to status or authority (rather than actual expertise) and value shared knowledge more than unique expertise. If teams are able to spot the onset of performance pressure, however, they can take steps to mitigate these adverse effects and even turn the situation into one where they are highly motivated to shine in the face of their challenge. Below are several approaches that can help to ensure that collaboration enhances, rather than undermines, productivity.

First, every team needs a kick-off meeting. Even if a group has been working together extensively, taking the time to have an explicit conversation about who is best able to contribute in which ways to the group's goal can help to mitigate unhelpful conflict and ensure that each member's expertise is fully leveraged. Unfortunately, my research shows that when team members are highly familiar with one another, they are most likely to skip this step but are also more likely to jump to conclusions about who has what sort of expertise. They often rely on outdated information and fail to see how each person can optimally participate. An effective kick-off discussion – sometimes needing as little investment as 15 minutes – unearths and acknowledges relevant expertise, and opens up possibilities for a more creative or customized solution that delights clients, rather than merely satisfies them. These kick-offs may also highlight knowledge gaps, so that team leaders understand where additional resources may be required.

Once the team has the right resources and understands each person's potential contribution, the key is making sure that they use this knowledge optimally. Under performance pressure, teams often default to relying on knowledge that feels safe - that is, knowledge that is easily justified or commonly held - rather than on unique expertise built through individuals' idiosyncratic experiences. Too often, stressed teams will also prematurely shut down debate, because contributions that challenge their emerging consensus feel like unnerving distractions. The best leaders will periodically interrupt the team's natural progression to ask whether each person has contributed at least as much as was initially expected, and then redirect the team if anyone's answer is 'no'. Actively listening to inputs, inviting less senior members' opinions and acting as role models to encourage openness to dissent or challenge are all ways that team leaders can create an environment of psychological safety in which the team welcomes innovative ideas.

The partner leading the collaborative effort is responsible for ensuring not only that each expert contributes his unique knowledge, but also that such knowledge gets incorporated into the output. Effective partners often deputize a senior associate to help monitor the team's knowledge flows; the partner can intervene when necessary to highlight any important knowledge that was inadvertently left out. This approach avoids wasting valuable expertise and encourages team members to pay greater attention to more novel inputs. When team members listen to and integrate their collaboration partners' unique knowledge, it leads to more sophisticated outcomes that provide greater value to the client and to a more productive, meaningful experience that motivates people to engage in future collaboration.

6. CONCLUSION

Collaboration is increasingly essential in today's law firms. The complex, international and integrative nature of legal work requires professionals to combine their specialized expertise in order to successfully serve the most attractive clients. Partners who collaborate realize the benefit of generating more sophisticated, innovative and lucrative work.

While collaboration undoubtedly entails risks and coordination costs, these challenges can be mitigated by implementing appropriate measures. Lawyers who develop their own collaboration capabilities and network are likely to reap both intellectual and financial benefits.

ABOUT HEIDI K. GARDNER



Heidi K. Gardner, Ph.D., is a Distinguished Fellow at Harvard Law School's Center on the Legal Profession, a Harvard Lecturer on Law, and Faculty Chair of the HLS executive education Accelerated Leadership Program for Law Firm Partners. Her research focuses on leadership, collaboration and management in professional service firms, and she is currently writing a book on the topic. Previously she served on the Organizational Behavior faculty of Harvard Business School. Her research was awarded the Academy of Management's Prize for Outstanding Practical Implications for Management. She has published articles in the *Academy of Management Journal*, *Administrative Science Quarterly*, *Journal of Organizational Behavior*, and *Harvard Business Review*, as well as numerous book chapters and practitioner-focused articles. She has lived and worked on four continents, including as a management consultant for McKinsey & Co. and a Fulbright Fellow. She earned a BA in Japanese Studies from the University of Pennsylvania (*summa cum laude, Phi Beta Kappa*), a Masters from the London School of Economics (with honors), and a Doctorate from London Business School.



HARVARD LAW SCHOOL
Center on the Legal Profession

Center on the Legal Profession
Harvard Law School
1585 Massachusetts Avenue, Suite 5018
Cambridge, MA 02138
Tel: +1-617-496-6232
Web: CLP.law.harvard.edu | Email: CLP@law.harvard.edu