# Who's in charge?

Exploring Leadership Dynamics in Professional Service Firms

Initial Report for Practitioners by

Laura Empson

Professor in the Management of Professional Service Firms
Cass Business School – June, 2013

This initial report presents emerging themes from the research study conducted by Professor Laura Empson entitled, 'Understanding Leadership Dynamics in Professional Service Firms'. The research was funded by the Economic and Social Research Council of Great Britain (RES-062-23-2269).

Data collection and analysis is continuing. A full overview of the findings will be published in Laura Empson's forthcoming book, *Leading Professionals*.

This document represents an initial non-technical report for professionals. It draws on a series of academic articles, book chapters and conference presentations.

Empson, L. (2011). 'Dynamics of collective leadership: Acting decisively and maintaining alignment in professional service firms'. Presented at Academy of Management Meeting, San Antonio, USA.

Empson, L. (2012). 'When everyone and no one is a leader: Dynamics of distributed leadership in a professional service firm.' Presented at EGOS Colloquium, Helsinki, Finland.

Empson, L., Cleaver, I., & Allen, J. (2013). 'Managing partners and management professionals: Institutional work dyads in professional partnerships.' *Journal of Management Studies,* 50(5): 808–844.

Empson, L. & Jonsson, A. (2013). 'Cult(ures) in collaborative communities: Reconciling the logics of autonomy and control in elite professional service firms'. To be presented at EGOS Colloquium, Montreal, Canada.

Alvehuss, J. & Empson, L. (2013). 'Reluctant leaders and autonomous followers? Exploring leadership tactics in professional service firms'. To be presented at EGOS Colloquium, Montreal, Canada.

Empson, L., & Langley, A. (Forthcoming). 'Leading professionals'. To appear in *The Oxford Handbook of Professional Service Firms*. Edited by Laura Empson, Daniel Muzio, Joe Broschak, and Bob Hinings, Oxford: Oxford University Press.

CONTENTS

1. OVERVIEW

This research, which is funded by the Economic and Social Research Council of Great Britain, represents a ground-breaking, in-depth study into leadership dynamics in professional service firms. It aims to:

- Identify who the leaders of professional service firms really are

- Examine how they exert influence over their peers

- Analyse how they enact and resolve complex internal power dynamics

This initial report for practitioners presents emerging themes from the research – data collection and analysis are continuing.

Chapter 2, **Conceptualising leadership in professional service firms**, presents a new way of thinking about leadership in this context. It outlines the distinctive challenges of leading professionals, highlights the paucity of research in this area, and presents a framework for conceptualising leadership in professional service firms: the Leadership Constellation.

Chapter 3, **Research study**, presents a brief overview of the firms studied and describes how the research was conducted.

Chapter 4, **Ambiguous authority and hidden hierarchy**, explains how leaders of a professional service firm have been able to act decisively to restructure their partnership, in spite of lacking the formal authority to do so. In the process, a hidden hierarchy is revealed within the highly ambiguous authority structure.

Chapter 5, **When everyone and no one is a leader**, identifies how members of a professional service firm have developed strong social control mechanisms which enable them to act as if everyone is a leader, and to enjoy high levels of personal autonomy. But when faced with a cost-cutting crisis, the Chairman emerges as clearly 'in charge'.

Chapter 6, **Leadership meltdown**, explains how the distractions of integrating a series of international mergers put severe strain on leadership dynamics within a professional service firm. The Chairman and the CEO find their positions undermined by powerful practice heads. The Chairmanship election exacerbates but ultimately also resolves the leadership crisis.

Chapter 7, **Leading without appearing to do so**, shows how management professionals (e.g. CFO accountants) can become highly influential within the leadership of professional service firms, whilst remaining outside the partnership.

The concluding chapter, **Emerging themes,** focuses on three core themes emerging from the ongoing study:

POWER IN AMBIGUITY How ambiguous authority can be a source of power for those with the interpersonal and political skills to understand and exploit it.

SIGNIFICANCE OF SOCIAL EMBEDDEDNESS How the trust that develops among professionals can both help and hinder effective leadership dynamics – and how social control systems can 'manufacture' trust in the absence of social embeddedness.

PREVALENCE OF POLITICS How politics and political action are rife in professional service firms, though leaders need to maintain the illusion that they are apolitical – which is in itself the act of a highly skilled politician.

In conclusion the report identifies what makes an effective leader in a professional service firm and poses some questions to consider about leadership in your firm.

2. CONCEPTUALISING LEADERSHIP IN PROFESSIONAL SERVICE FIRMS

How can leaders persuade highly educated, relatively autonomous knowledge workers to collaborate with each other to serve the needs of their organisation? This is one of the most difficult questions at the heart of contemporary organisational life. Professional service firms, such as consulting, law and accounting firms, are pioneering organisational responses to this leadership challenge.

The professional services sector generates more than US$ 3 trillion in revenues globally. In the UK the sector employs almost 12% of the workforce and represents 8% of UK output. However, the importance of professional service firms to the global economy extends far beyond their scale. They play a significant role in developing human capital, creating innovative business services, and setting legal and accounting standards. They have taken a major role in reshaping government institutions and industries throughout the world, have defined and promulgated management 'best practice', and have helped establish and interpret the rules of financial markets.

The corporate scandals of recent years and the spate of banking collapses have raised serious questions about professional advisers' culpability in the context of their clients' business failures.

Errors of leadership in professional service firms, therefore, have potentially serious implications for the global economy. **Developing insight into effective (and ineffective) leadership processes in this context benefits not just professional service firms but society more generally**.

LEADERSHIP CHALLENGE

In the context of professional service firms, concepts such as 'leaders' and 'followers' are problematic. Traditional hierarchical power dynamics are replaced by more ambiguous and negotiated relationships amongst professional peers. The distinctive leadership challenge posed by professional service firms derives from two interrelated organisational characteristics: extensive individual autonomy and contingent managerial authority.

EXTENSIVE INDIVIDUAL AUTONOMY Experienced professionals need, or at least expect, extensive individual autonomy. This autonomy is justified by the requirement for professionals to preserve the right to make choices about how best to apply their specialist technical expertise to the delivery of customised professional services. It is perpetuated by the fact that the core value-creating resources of a professional service firm – technical knowledge and client relationships – are often proprietary to specific professionals.

CONTINGENT MANAGERIAL AUTHORITY The emphasis on individual autonomy is associated with contingent managerial authority. Professional service firms are often privately owned by the senior professionals who work within them. In a partnership, the prevailing form of governance within the established professions such as law and accounting, senior executives are typically elected by their peers to formal positions of leadership and can be deposed if they fail to retain the support of their fellow partners. This practice is also common in corporate professional service firms which often mimic the characteristics of professional partnership governance (see Empson, 2007,[1] for further details). As a result, the formal authority of senior executives in professional service firms is limited. They can only lead by consensus and need to be acutely aware of the implicit power structures and shifting networks of influence among their colleagues.

It is a particular irony that accepting a leadership position in a professional service firm potentially entails *losing* power. In organisations, as in most aspects of life, power comes from controlling access to key resources. In a professional service firm the most valuable resources are specialist professional expertise and lucrative client relationships. Professionals who take on major leadership roles necessarily reduce their fee-earning work. They relinquish much of the day-to-day management of their client relationships to colleagues and, by taking time away from front-line client work, will struggle to ensure their professional expertise remains 'cutting edge'. They risk exchanging their most valuable assets (their client relationships and professional expertise) for a title which brings with it very little formal authority but a great deal of responsibility.

---

1.   Chapter 2, Empson, L. 2007. *Managing the Modern Law Firm.* Oxford: Oxford University Press.

LIMITATIONS OF EXISTING RESEARCH

In spite of their distinctiveness, professional service firms have received almost no attention from leadership scholars, perhaps because of the difficulty of isolating notions of leadership and followership in settings where they tend to converge. As a result there has been very little rigorous, theoretically grounded and empirically based scholarly research into leadership in professional service firms.

Most studies of leadership are predicated on the assumption that leaders by definition must have followers. Previous studies have suggested that the most effective leaders are those who are able to build relationships with their followers that go beyond compliance to build commitment – this is the foundation of the concept of 'transformational' as opposed to 'transactional' leadership.

The ability to lead effectively in this way is typically attributed to the personal qualities of the individual leader.

Traditional 'trait-based' leadership research sought to identify the characteristics and competencies of effective leaders. In recent years this approach has morphed into a focus on leaders' emotional intelligence. Such individualised studies have encouraged the prevalence of the 'great man' theory of leadership, which seeks to identify 'heroic' leaders who have led their organisations to dramatic successes.

The image of the single heroic leader does not accord well with leadership dynamics in professional service firms. Even if the leader of a professional service firm fantasises about being portrayed as a hero by the business press, he should realise that such publicity will provoke a backlash among his professional peers whom he is seeking to lead. **The problem with portraying yourself as a leader in a professional service firm is that your most valuable colleagues are likely to resent being cast as your followers.**

WHAT EXACTLY IS LEADERSHIP?

This is a remarkably complex question and, after decades of research, leadership scholars still cannot agree on a definition. A useful starting point comes from Yukl[2] (1989: 253), who defines leadership as:

> *...influencing task objectives and strategies, influencing commitment and compliance in task behaviour to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organisation.*

This definition suggests that the activity of leadership permeates multiple aspects of work and multiple levels within a firm. Influence can be exercised at the individual and group level as well as at the organisational and strategic level. It can be exercised by people at the 'top' of the firm with formal management titles, and by people throughout the firm who do not have any titles at all.

LEADERSHIP CONSTELLATION

The current study defines leadership in professional service firms as both processural and plural.

While much conventional research on leadership is of limited value in the context of professional service firms, an emerging body of process-based leadership research has the potential to be highly relevant. From this perspective, **leadership is not necessarily something that an individual does or a quality that an individual possesses, but is a process of interaction among organisational members seeking to influence each other**.

The difficulty with this definition is that, as you try to explore processes of interaction, leadership itself tends to recede. If all the professionals within a firm are seeking to influence each other, does this mean that everyone is a leader, or that no one is? Because of the difficulty of isolating concepts of leadership and followership in professional service firms, **leadership almost inevitably becomes both processural and plural**.

---

2.   Yukl, G. 1989. Managerial leadership: A review of theory and research. *Journal of Management*, 15(2): 251–289.

This study therefore has adopted the concept of the Leadership Constellation[3] to help frame data collection and analysis. The Leadership Constellation is, by definition, a plural conceptualisation of leadership, which emphasises that leadership is something that happens in the interactions between the key actors in the firm's leadership dynamics.

WHO ARE THE KEY ACTORS?

For the purposes of the current study, in the context of a professional service firm, the potential members of the Leadership Constellation are identified as follows.

Senior executive dyad Typically a managing partner and senior partner, or chairman and chief executive.

Heads of major businesses Lead major fee-earning areas such as specific practices, offices, and market-sector groupings.

Heads of business services Responsible for support functions such as Finance and Human Resource Management.

Key influencers May have no formal management role but have power derived from control of key client relationships, valuable expertise, or a strong internal and external reputation.
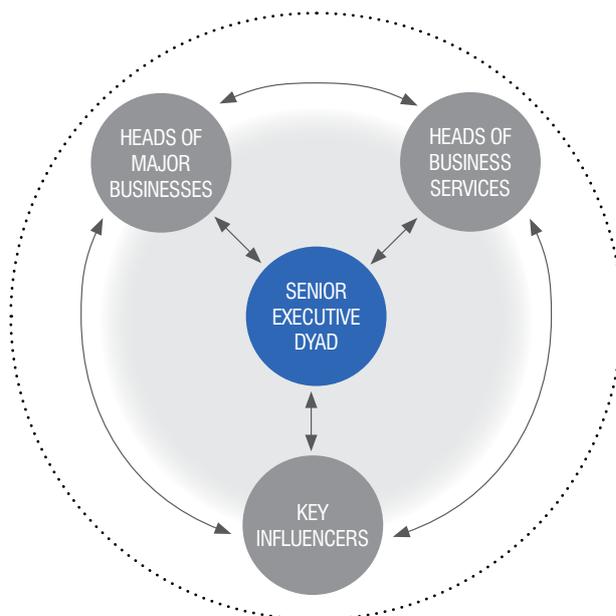
FIGURE 1: LEADERSHIP CONSTELLATION

Leadership is represented by the arrows that connect the members of the Leadership Constellation (i.e. the processes of influencing), as much as by the circles representing the people themselves.

---

3.   Denis, J.-L., Lamothe, L., & Langley, A. 2001. The dynamics of collective leadership and strategic change in pluralistic organizations. *Academy of Management Journal*, 44(4): 809–837.

Members of the Leadership Constellation do not form a leadership team in any explicit sense because the constellation as a whole has no formally defined boundaries or overt identity within the firm – it can overlap with and coexist alongside formal bodies such as the Executive Committee. The organising hierarchy within the constellation is opaque, and roles and relationships are negotiated between members on an *ad hoc* basis.

Individuals within the firm may see themselves as leaders because they have important-sounding titles but may not be part of the Leadership Constellation because they are not recognised or accepted as leaders by their colleagues. **The Leadership Constellation therefore expresses the informal power structure of the professional service firm.**

3. RESEARCH STUDY

This report is based on detailed empirical analysis of leadership dynamics in three elite professional service firms, supplemented by contextual analysis. Data collection is ongoing.

A condition for access being granted for this highly sensitive research was that the identities of the firms be fully disguised in any publications and presentations. This is normal practice in rigorous empirical studies of this sort. It enables the researcher to reflect freely (and sometimes critically) on the subjects of the study and also to frame findings in more generalisable conceptual terms.

RESEARCH FIRMS

The firms have been drawn from the consulting, accounting, and legal sectors, to offer a range of perspectives, from the traditional to the 'aspirant' professions. Each firm is ranked in the top four globally within its respective market sector. Two of the firms are partnerships and one is a corporation, which has distributed equity widely among senior professionals and which deliberately mimics aspects of partnership governance, for example by referring to shareholders as partners.

The firms range in size from more than 200 to less than 800 partners and generate revenue of more than £500 million and less than £2,000 million. The ages of the firms vary from 20 to 80 years and the number of offices from 20 to 60. Methods of partner compensation vary also: in one firm a substantial component of compensation is based on individual performance; another operates a modified lockstep system with country variations; a third maintains a pure lockstep system.

RESEARCH METHODS

The research has been conducted by Professor Laura Empson, based on a combination of interviews, archival analysis, and observation. A 'snowball' method of sampling has been used to identify interviewees, whereby each interviewee is asked to identify others whom they view as forming part of the leadership constellation of the firm. Individuals who have previously held senior leadership positions have also been interviewed, together with senior business services staff. 'Emerging' leaders have been interviewed alongside a limited number of ex-employees and competitors. The most senior leaders in each of the firms have been interviewed repeatedly.

Interviews have been conducted in 15 countries. Interviews have typically lasted 90 minutes, have been recorded and transcribed. Almost 100 interviews have been conducted so far. Data analysis is being performed using NVivo software.

Interviews have been supplemented by access to internal archival material such as: partnership agreements, minutes of board meetings, transcriptions of conference calls of the full partnership, and detailed reports of partner meetings about leadership elections. A limited amount of observational analysis has also been conducted during board meetings and partner conferences.

ADDITIONAL RESEARCH

In addition to the main ESRC-funded study of leadership dynamics, a parallel study has been conducted (by Laura Empson, Imogen Cleaver, and Jeremy Allen) that has focused on one specific part of the Leadership Constellation: the heads of business services (or 'management professionals') and their relationships with the managing partners and other partners in their firms. The research is based on over 40 interviews with managing partners and management professionals from nine out of the 'UK Top 10' firms, together with ten other firms in the 'Top 25', supplemented with selected US-based firms operating in the City of London. Over 700 archival sources have been consulted.

4. AMBIGUOUS AUTHORITY AND HIDDEN HIERARCHY

Empson: *Who is in charge here?*

Senior Partner: (Pause) *Well I suppose I am, I mean in a way, I mean I think, but it's difficult to answer that question.*

Empson: *Who is in charge here?*

Managing Partner: *Hmmm. You want one name or you want…?*

Empson: *I just want your view of what the truth is.*

Managing Partner: (Pause) *I think it's the two of us actually. We rarely disagree. It's instinctive.*

The combination of extensive individual autonomy and contingent authority inhibits decision-making in professional service firms. To avoid jeopardising a fragile consensus, leaders may avoid taking decisions altogether. To build a collective commitment to change amongst their fellow professionals, leaders must first engage in a protracted process of consultation and consensus-building. But sometimes there is no time for this.

In such circumstances can members of the leadership constellation achieve decisive action? If so, how can they maintain alignment within the senior leadership group and with their partners? To explore these questions, the research study has examined how the collective leadership group of a particular professional service firm (Firm A) responded to an organisational crisis.

CONSTRUCTING AMBIGUITY

The study identified a highly ambiguous authority structure within Firm A, which is manifested in four ways.

First, the roles of the senior and managing partners are not defined. As the Senior Partner explains:

> *As Senior Partner and Managing Partner, we have absolutely no constitutional power whatsoever...there is nothing in the Partnership Agreement which says you can do this or you have powers to do that...So we were elected to that post but there is no mention anywhere of what the role is, what powers we have, which is fine...So you govern by your mandate and your personal credibility and authority, not by virtue of some kind of constitutional power that's given to you.*

Second, the Board officially has oversight of the executive, but some of its members also perform executive roles. According to a practice head who is also a Board member:

> *None of it operates the way it's written down...The thinking had traditionally been that there should be a separation between the executive functions and the Board. Over the last couple of years we have really blurred that because we have people who are on the Board who are also sort of heads of the practices or otherwise heavily involved in managing their practices. Now, I don't think that matters, I don't see that that matters at all, because it's all a question of influencers and informal structures.*

Third, while the Partnership Agreement includes provision for an Executive Committee (ExCom), this has never been established formally. Instead an informal 'management team' exists. Up to 50 people, including partners in management roles and business services staff, are invited to management team meetings. The composition as well as the role of this group is fluid and ambiguous. As one senior business services staff member explains:

> *I think why we have this confusion around the management team, who's in it and who's really important, is because we can't quite bring ourselves to say, 'actually you're small fry in the general scheme of things', because he's my partner, he is my equal, and so that's where we fudge things and we have lots of distribution lists and then things go wrong and there's an embarrassment and everybody gets a bit cross.*

Fourth, each of the four major practice areas has two or three joint heads. They may have been elected by their fellow partners or have emerged as the 'natural choice'. Sometimes two rival candidates decide to collaborate and share the role. Sometimes no individual is deemed to have the full set of skills required so two are elected or selected. Sometimes the new practice head finds it politically advantageous to work closely with the supposedly 'retiring' incumbent, so a new role is created to enable that individual to remain involved. According to one joint practice head:

> *Essentially we shape the roles around the individuals available. It's our tradition...each practice has a different tradition...it is a fascinating process because there is no process.*

CELEBRATING AMBIGUITY

Such a highly ambiguous authority structure is not consistent with the advice offered in management text books, or taught in business schools. It is also inconsistent with conventional concepts of good governance. Yet Firm A is one of the most successful global firms in its sector and interviewees report that this approach is highly effective. As various interviewees explain:

> *The current model works particularly well.*

> *I do actually think it's one of our strengths.*

> *This is probably a much better way of doing it.*

Working closely with another colleague gives them someone to 'bounce ideas off', to double check their analysis of a situation, and to share responsibility for difficult decisions. This 'air cover' is particularly important in a partnership as individuals in leadership roles are subject to intense scrutiny and criticism from the other partners. As one practice head explains:

> *I do think that ambiguity...can perform a very, very useful role because it allows for gaps into which, sort of, pressure can dissipate. If you make everything too rigid, too formalised, too bureaucratised – 'did you have a mandate for this, did you get the right number of votes for that, is that your responsibility or my responsibility?' – You have to create so many*

hard lines that, well, it becomes unworkable and also quite destructive in the sense that people are always saying – 'I'm worried, am I supposed to be doing that or is somebody else supposed to be doing that?' – Things then either don't get done or get done in confusion because they're being done by two people, or more. And the other advantage of ambiguity is I don't have to decide, and nor does anybody else, who is the real leader of the practice. Some people might consider this to be slightly dishonest. It's not meant that way…It's just, you're not forced to decisions. As soon as you're forced to decisions – 'Who's the leader? Fred or Harry? Make your mind up' – you're having to sort of stake something which doesn't need to be staked.

Social embeddedness enables the professionals to function effectively within this profoundly ambiguous authority structure. Many partners have worked together for many years and built up close working (and in some cases personal) relationships. As two joint practice heads explain:

> *The reason it works for me and [Joint Practice Head] is that we've worked with each other for years and years and years. We like each other. We share the same values and we find the same things amusing by and large.*

> *It's a very easy relationship. We're on a very similar wavelength. We seem to be able to anticipate what each other will think on things. I don't know whether that is healthy or unhealthy, but it feels quite easy.*

In the process of working together over many years they have come to share a preference for conflict-avoidance and harmonious conflict-resolution, and have internalised an implicit but nevertheless strongly shared set of organisational values. As a partnership outsider, a head of business services, sees it:

> *There is a sort of gentlemanly approach to resolving conflict, there's a bit of 'let's not go there, we'll gradually sort it out and it will gradually get better'*

But what happens when there is no time to gradually sort things out or wait for things to get better?

NAVIGATING AMBIGUITY

Confronted with the fall-out of the global banking crisis the Senior and Managing Partners realised that the likely protracted decline in work volume meant that the partnership was probably not sustainable at its current size. However, they did not have any authority to ask partners to leave. The firm had never before instituted a large-scale partner 'restructuring' programme and any such action would require a full vote of the partnership.

The Senior and Managing Partners, together with the COO, called together a group of six of their closest colleagues, i.e. certain practice heads and board members, to discuss how best to proceed. As a practice head explains:

> *The big concern was how you actually get this done, because there's no constitutional power to do this unless you go for a partnership vote. There was a strong view that we needed to avoid a vote because that would be divisive. It would involve the firm in a long period of navel gazing and you might lose the vote, in which case the firm would be in dire straits.*

They decided to proceed with a partnership restructuring but to keep deliberations confined to a select group of senior executives with the firm. In the process, a hidden hierarchy was revealed within the ambiguous authority structure – and the leadership constellation became manifest.

REPEATED CYCLING, SELECTIVE INTERVENTION, AND PROGRESSIVE CO-OPTION

Selected practice heads began the process of identifying which partners should be asked to leave or accept a reduction in equity. Over a five-month period of detailed and discreet deliberations they returned to the individual-level performance data again and again, **repeatedly cycling** through a process of **analysing**, **challenging**, **recommending**, and **rejecting** each other's recommendations. They struggled over many weeks to persuade each other to accept the lists of potential partners they had compiled. The number of people involved in these discussions progressively expanded to include all Board members and some senior heads of business services, with the Senior and Managing Partners co-opting an ever-increasing number of partners and management professionals into the secret process.

The Senior and Managing Partners were **delegating responsibility** for identifying partners to selected practice heads – at no point did they specify a target number of partners for restructuring. But at the same time they were **selectively intervening** to ensure their colleagues did not drift too far away from the unstated objectives.

[The Senior Partner] and [the Managing Partner] had one-on-one meetings with someone like me from each of the main practices...and sort of said, 'Well this is where you've got to,' and there was pressure put on us individually then as to whether or not we had gone far enough.

(Practice Head)

Within the meeting room we really had to push – 'Well this is not enough, this is not enough.' But as soon as we had an agreement, the next thing that happened was that the list got shorter – we had to go back to them several times and say, 'This is not enough'.

(Managing Partner)

After five months of **repeated cycling**, **selective intervention**, and **progressive co-option**, the small group of eight who had originally embarked on the restructuring process had expanded to 50. When it was finally time to tell the partners, the months of careful analysis and sustained interrogation of each other's interpretation of the data paid off. 15% of the partners were asked to leave or accept a reduction in their equity and all partners accepted the terms offered to them. The remaining 85% accepted that this decision had been made without any recourse to the partnership as a whole, in spite of the fact that the senior executive dyad had no constitutional authority to take such action under the terms of the Partnership Agreement. As the Senior Partner reflected:

After everything we had done to sort of pull this leadership group together... it was kind of the moment of truth that we arrived at...Can it work effectively in a crisis, in a very dangerous crisis? And I think the answer to that was yes.

REVEALING HIERARCHY

The restructuring process revealed a hidden hierarchy which belied the partnership's much-celebrated ambiguity (See Figure 2).

Prior to the restructuring, interviewees probably would have struggled to articulate this hidden hierarchy. After the restructuring, when asked to describe their firm's leadership constellation they invariably returned to the restructuring process and considered who had been involved and at what stage they had become involved. By mapping the restructuring process in detail it has been possible to uncover the hidden circles of influence with the firm.

FIGURE 2: MAPPING THE LEADERSHIP CONSTELLATION
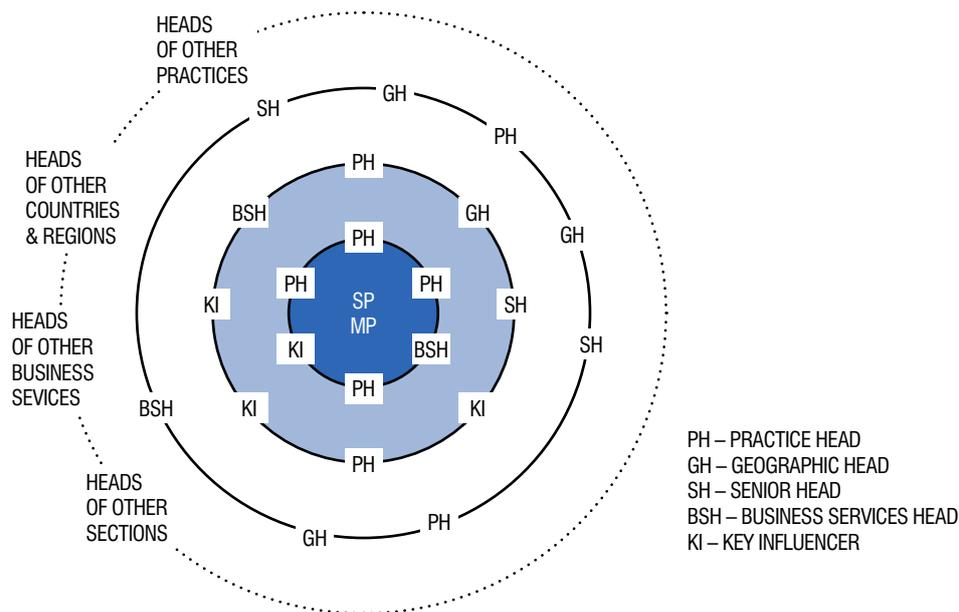
The first step was to identify where individuals placed themselves within the firm's formal governance structure and informal leadership dynamics relative to other members of the leadership constellation. Interviewees' statements were then cross-referenced against other interviewees' comments about their relative significance within the leadership constellation. The coded comments were repeatedly filtered until an informal 'inner circle' of individuals was identified whose members all recognised each other as of equivalent significance within the firm.

As the Senior Partner describes it:

> There's probably an inner core of leaders which is about fifteen, yes something like that, and then there's an outer core which is probably around ten or twelve people, something like that.

Other interviewees see the inner circle as no more than eight people. When pressed to explain how they arrive at this number, they explain that it comes from observing who gets invited by the Senior and Managing Partners to key meetings (and who is excluded) and whose opinion the Senior and Managing Partners appear to seek at the earliest stage about the most sensitive issues (and whom they consult at a later stage). As one practice head describes it:

> I would say there's sort of the inner group. There's one or two from [A] practice, me from [B] practice, one from [C] practice. This is quite sensitive; I wouldn't pass this on to anybody. I don't know whether this is accidental or on purpose but I think it's on purpose. There's [the Senior Partner], there's

[the Managing Partner], then probably two from [D] practice. The other head of [B] practice is not included...The group doesn't include the other head of [A] practice, and didn't include my predecessor in [B] practice.

IMPLICATIONS

PARADOX OF SOCIAL EMBEDDEDNESS

It might be assumed that the high levels of social embeddedness would make it particularly uncomfortable for the collective leadership group to contemplate large-scale restructuring affecting the lives of colleagues with whom they have worked for many years. However, the study found that social embeddedness in fact helped to contribute to the success of the restructuring process as the 'intuitive working relationships', developed over many years, facilitated concerted action within the collective leadership group.

Similarly, it could be thought that the preference for harmonious conflict resolution could lead to conflict-avoidance and, by implication, inaction. In fact, when confronted with an unambiguous problem, they were able to act decisively – though it is unclear how well they would have dealt with an ambiguous problem for which there was no clear set of specifiable solutions. The study has shown that this preference for preserving harmony can also create a supportive context in which individuals feel able to challenge and reject each other's proposals without jeopardising the cohesiveness of the leadership group. Because the members of the leadership constellation know they can trust each other to take collective responsibility for their decisions, they can assume power to act even though they do not formally have it.

CLOAK OF AMBIGUITY

The study also suggests that it is possible within a professional service firm for a leader with no constitutional authority to wield considerable power under the 'cloak of ambiguity'. Individuals with the interpersonal skills to understand and navigate the ambiguous authority structure can exercise considerable informal power. If they are among the few who *really* understand the leadership dynamics within the firm, then they are in a particularly strong position to influence them. It is perhaps not surprising, therefore, that individual leaders may actively construct and celebrate this ambiguous authority if they are skilled at navigating

it effectively. It may cause difficulties, however, for those outside the concentric circles of influence who may not understand what is required to become a 'player' in the firm's power dynamics.

RECOGNISING THE INDIVIDUAL IN THE PLURAL

The study demonstrates how the Senior and Managing Partners may have appeared uninvolved in the restructuring process for substantial periods of time; their skill lay in being able to read the dynamics among the practice heads with great precision, and to understand the dynamics within the partner group more broadly. This enabled them to judge when to remain silent and when to intervene, who to push and how hard to push them, who could safely be excluded, and at what stage they needed to be co-opted into the process. Such decisions require an acute political awareness and sophisticated political skills.

This study finds, somewhat ironically, that a *plural* model of leadership depends ultimately for its successful functioning on *individual* leaders. Though the individuals in the study would adamantly eschew the rhetoric of 'heroic' leadership, their colleagues are clear that the skills of these individuals were fundamental to the success of the initiative. As a Board member reflects:

> *[The Senior Partner] managed to bring a tricky group of people to unity over the course of two months. The way he executed the delivery was exemplary. **It was his finest hour**.*

5. WHEN EVERYONE AND NO ONE IS A LEADER

The firm is like a very, very big organism that moves in a particular direction and there's no real brain.

What happens in a professional service firm which is *not* built on career-long socialisation processes? Is it possible to create the same level of social embeddedness found in Firm A in an environment when professionals are typically recruited from senior positions in other sectors? And, in such a context, is something different required from the leaders of the firm? The second firm in the study, Firm B, helps to answer these questions.

RHETORIC OF COHESION

In Firm B, all 'pre-partners' have enjoyed successful careers in other sectors. Because they do not have a homogeneous background, they lack a collective professional socialisation and have internalised norms from a wide variety of other sectors and firms. This potential heterogeneity is compounded by the geographically dispersed nature of the firm, with a large number of international offices populated by relatively small teams of professionals.

In spite of these challenges, interviewees express a strong sense of cohesion.

We only have places in our ranks for zealous family members.

We are a self-motivating, self-correcting, self-reinforcing organism.

If you've ever watched Star Trek *there is a group called the Borg. The Borg is a collective. They are this mass of things that go forward. If bits drop off, like limbs and heads, it's completely replaced. And that's us.*

When I was going through the interview process I thought, this place seems like a cult. But now I have been here a while I think it is wonderful.

The metaphorical language interviewees use might appear somewhat disconcerting, or even oppressive, to an outsider, yet interviewees in the firm talk about having 'found their destiny', where they are able to live the life they have always wanted to live. As one explains:

> *Every one of us here will tell you 'I didn't join the firm to be part of a machine. I came to this firm because it allows freedom of expression and it gives me empowerment.'*

So how is it possible to create an organisation where individuals see themselves as acting autonomously yet are able to experience a strong sense of collaboration and collective commitment? And what is the role of the leadership in this process?

INTEGRATING MECHANISMS

Because the firm does not have the luxury of many years of socialising young recruits, its most explicit socialisation happens during the recruitment process. Senior recruits for 'pre-partner' positions are given up to 40 interviews by partners. These interviews focus on explaining what qualities makes the firm distinctive, ensuring that the candidate is likely to appreciate these qualities, and deciding whether they are capable of embodying these qualities.

> *I think that during this time you're kind of getting brainwashed...What really impressed me was that I truly felt this was a firm whose values resonated with me, this was a firm where I could see myself for the next 25 years...I think in the process, I just got sucked in and then it all became an emotional decision rather than a rational decision.*

Once the individual joins the firm, the socialisation process continues. It is, as interviewees explain, an 'incredibly feedback-intensive environment.'

> *We tend to be nice to each other and we tend to avoid conflict. And because that is so, we tend to give each other feedback on a daily basis. There is a lot of walking around. There is a lot of listening – 'is everything OK here?'... There is a lot of confirmation, mutual reconfirmation...That happens in a very friendly and constructive way.*

A colleague the other day walked into my office and he said 'I can feel you are, at times, a little bit critical about me'...because once, I actually spoke out of emotion...I became a bit angry because he was criticising the firm, which hurt me, and I said 'it hurts me'. And we had a very good conversation and I gave him very honest feedback in a much broader sense about some behavioural things, how he should handle and approach people.

During the interview process, one of the key distinctions that is explained to candidates is the remuneration system, which operates on a pure lockstep model throughout the partnership, regardless of individual performance. This is intended to ensure that professionals collaborate openly and without constraints. Any candidate who expresses discomfort about the fairness of this remuneration system is deemed to be too individualistic for the firm.

If the selection and feedback processes are working effectively, can individuals simply be trusted to do the right thing for the firm and does this obviate the need for much explicit leadership?

WHO ARE THE LEADERS OF THE FIRM

EVERYONE ↑ ↓ NO ONE	*The partners of the firm.*
	About 200 would be leaders and of them 150 would be partners.
	Three quarters of the partners are leaders.
	About 70 people, including office leaders and practice group leaders... If you add key influencers that's about another 30, so 100 in total.
	40–80 but in the end maybe 10–15 people.
	More than 15 but less than 40.
	The Chairman and ExCom members.
	The Chairman.
	I don't think anyone has led me. I am my own boss.

Table 1: Who are the leaders of the firm?

Unlike Firm A, it has not been possible to identify the leadership constellation in Firm B. Interviewees' responses to the question 'who are the leaders of the firm?' vary from 'all the partners' to 'no one'. Some interviewees find the question *very* difficult to answer.

So who are the real leaders? Good question, I like the question. So one is obviously [the Chairman] because of his role and because of the way he fills out his role, these are two important things. So one's [the Chairman]. Let me think... If I would think of other leaders, I would quickly arrive at the people with whom I'm working and the way I think they behave in an extraordinary way, for example, regarding client work or regarding how they are able to develop and drive ideas in the firm...But if you would ask somebody from another part of the world he would probably name five different people...If you ask who are the ten most important leaders, I would guess there would always be overlap with [the Chairman] but for the other eight or nine people, there would not be many overlaps. I'm just guessing that, that's just my feeling.

Organisational members repeatedly state that every partner in the firm either is, or should be, a leader.

Empson: *Would you consider yourself a leader in the context of [the firm]?*

Interviewee: *In general terms – including my colleagues and the people in my practice – I would say everyone should be a leader in this firm.*

Empson: *If I said I need to talk to the leaders of [the firm] how would you answer that question?*

Interviewee: *Well I guess it's very difficult, I mean essentially you need to talk to the whole partnership.*

However, they are generally very reluctant to define themselves as a leader.

Empson: *Would you describe yourself as a leader of this firm?*

Interviewee: *That's the most difficult question you've asked for a while...let me dwell on that for a minute.*

Empson: *Would you describe yourself as a leader of this firm?*

Interviewee: *Well people think of me as a leader. I don't think of me as a leader. Is that the right answer?*

This confusion arises partly because leadership roles are widely distributed, partly because organisational members have a very broad interpretation of the word 'leader', to include client-facing as well as firm-focused leadership, and partly because a sense of equality is very important to them. This is, in fact, another form of ambiguity – not ambiguous authority as in Firm A, but ambiguity about the meaning of leadership.

With everyone and no one being a leader, and considerable ambiguity surrounding the concept of what leadership is in the context of the firm, how does this firm manage to operate effectively? Like Firm A, it is one of the four most successful firms in its sector.

In addition to the strong social control systems and the formal control systems, the Chairman plays a fundamental role in ensuring the underlying leadership dynamics of the firm operate effectively. As he explains:

> *I spend 80% of my time talking to my colleagues – my life is spent on the phone or face-to-face with colleagues, often with clients – but that's how I spend my life – getting here at eight in the morning, leaving at eight or nine and I'm on the phone all day working time zones. That is about listening rather than pushing agendas – primarily listening, staying close to people, building trust so that when problems do occur I get the call from the key influencer and we can work it out...I would feel I have failed if I was surprised by any one of those individuals in our firm.*

In this globally dispersed organisation, the Chairman acts like a glue. Most of his leadership activities are conducted on a one-to-one basis and are directed towards supporting and enabling his colleagues. This process of 'listening, staying close to people, building trust' makes it possible for him perpetually and subtly to reinforce the organisational narrative and social controls.

If Firm B is like 'the Borg', as one interviewee states, the Chairman is performing the role of 'the Borg Queen'. The Borg Queen is an expression of the Borg Collective's overall intelligence, not a controller but the avatar of the entire Collective as an individual. The Chairman's primary leadership role in this context is to embody the firm, and to ensure that all his colleagues are equally effective embodiments of the firm. As he explains:

> *The vast majority of our offices I feel are so aligned with the firm's core model, I am totally comfortable that they're not making any mistakes. I know the decisions they're making are the right decisions. This model is incredibly self-correcting, self-motivating, self-reinforcing. The peer group pressure in an office – when you've got very senior partners or very mature partners who are well aligned and well adjusted – they will correct internally. If the leader plays up or does the wrong thing, they will correct. I don't need to be there. But if the correction doesn't happen I hear about it.*

ACTING COLLECTIVELY IN A CRISIS

These complex and subtle leadership dynamics within an exceptionally large collective leadership group might be expected to crumble when faced with a crisis situation. But this is not the case, the reasons for which are hinted at in the following exchange.

Empson: *Who is actually in charge of [the firm]?*

Interviewee: *The partner group.*

Empson: *Does anyone run [the firm]?*

Interviewee: *I would still say it's the partner group.*

Empson: *Alright here's a very specific question then. You were the leader of [...]. You're no longer the leader of [...]. Who had the conversation with you about that?*

Interviewee: *The Chairman is clearly in charge.*

As the Chairman explains:

> *We're all leaders...that's the narrative, that's part of the story and that's exactly what I say and that's what I expect them to say. But when we went through the global financial crisis, guess what, there was no argument. When the pressure's on, they expect me to lead.*

Firm B went through a stringent cost-cutting exercise in the wake of the global recession but, unlike Firm A, did not undertake a partnership restructuring. The process was initiated and driven by the Chairman and another senior colleague. A detailed sensitivity analysis was performed centrally and shared with office heads. The Chairman asked office heads to identify cost savings in their offices – but did not set targets.

The office heads consulted colleagues to agree cuts. Perhaps because of the strong rhetoric of family values, the members of each office were keen to be seen by the other offices to be 'doing their bit'. The proposed cuts were agreed with the Chairman, who challenged specific points but generally accepted the office heads' recommendations. As the Chairman explains:

> *The analysis...that was done by us in the back room...but the process that everyone felt and saw and experienced was a dialogue – we got on the*

> *phone to offices and we basically talked through their situation and we asked them to come back to us with their recommendations. What they didn't realise was that we had very clear objectives but we let them come round to those objectives without them feeling like they were led.*

Again, as in Case A, the most senior executive (the Chairman) had a target in mind but did not verbalise it to his colleagues. Instead he encouraged them to come up with the 'right' figure and steered them discreetly if he felt they were veering too far away from it. The office heads were clear that they themselves had offered to make the cuts and that the cuts had not been imposed on them, as explained below.

> *So I think it was a combination of bottom up and top down, [the Chairman] and [senior colleague] in particular would have conference calls with each of the offices...outlining some ideas...basically asking the question 'where can we reduce costs?'...relying on the local office leaders to decide and agree on what we were going to do and come back to them...I can't recall any specific metrics that [the Chairman] laid out...there was a strong push to draft some cost reductions but again there wasn't anything that I remember feeling was mandated. It was just what we collectively came up with.*

IMPLICATIONS

PERFORMANCE OF PLURALITY?

As in Firm A, the crisis in Firm B reveals an implicit power hierarchy which raises questions about the performance of plurality in non-crisis situations. Again it demonstrates how an individual with the interpersonal skills to understand and navigate the ambiguous leadership group can exercise informal power under the cloak of ambiguity. Is this another situation where a plural model of leadership depends for its successful functioning on individual leaders? Yes, but, it is also more complex than that. Such an argument is based on the assumption that, in the crisis, only one type of leadership behaviour is being exhibited, i.e. taking the initiative.

LEADING GENTLY

In Firm B the Chairman took the initiative, which is what you would expect a 'heroic' leader to do. But it was the combination of his habitually

discreet leadership behaviours (listening, enabling, and 'gluing') and the family feeling of commitment throughout the firm that made it possible for a globally distributed assortment of leaders to act decisively in a crisis. Meanwhile, the office heads were also talking and listening to their colleagues nearer to home in order to identify recommended cuts. The relatively smooth resolution of the potential crisis reflected the fact that the leaders throughout the firm went to great lengths to treat each other well in good times, so had built up robust relationships which withstood the strain in bad times.

LEADER AS AN AVATAR OF SOCIAL CONTROL

The belief in equality is important to the partners of this firm and contributes to the explicit internal narrative that all the partners are leaders. They act autonomously, although their actions are influenced by strong social controls. They do what they want, but they have been carefully selected and 'groomed' to want only what is good for the collective. The Chairman's interactions, which are mostly one-to-one, on the telephone or face-to-face, play a dual role in enabling autonomous action but also exerting subtle control. It is a much overused cliché to refer to leading professionals as 'like herding cats'. In Firm B the Chairman is, in effect, helping the cats to construct their own cages. But the cats do not feel constrained because they are very pleasant cages which provide just the right amount of room to roam around in.

6. LEADERSHIP MELTDOWN

I sat at my first ExCom meeting congratulating myself for having made it to the top table and then by the second meeting I had people coming up to me saying 'Isn't this ****?' (Executive Committee member)

In Firm A, high levels of social embeddedness enabled the leadership constellation to 'pull together' in a crisis and take decisive action, even though they lacked the authority to do so. In Firm B, sophisticated systems of social control ensured highly collaborative behaviours in bad times as well as in good. In Firm C, high levels of social embeddedness and a culture of consideration towards colleagues did not prevent prolonged and painful in-fighting amongst the leaders of the firm which culminated in the entire Executive Committee being replaced.

In professional service firms, why do good leaders go bad? What happens when members of the leadership constellation turn against each other? As the partners lose faith in their leadership, what can be done to win back credibility?

STRATEGIC ORIGINS OF CRISIS

Firm C was a market leader and highly respected for its standards of professionalism. In an intensely demanding environment, the partners had a reputation for being 'nice' – to each other, their teams, and their clients. As one partner explains:

> *I think niceness is an innate default behaviour in [Firm C] because everyone's pretty nice. I mean, if you go across the firm, it's a pretty nice bunch of people, you know, mostly. And I think that's something that we revel in, our niceness, a bit too much.*

Like Firm A, Firm C was characterised by high levels of social embeddedness as many of the partners had been with the firm their entire careers, though partners in some of the newer and more rapidly growing practices had joined the firm more recently.

Firm C embarked on a series of international mergers which brought about a fundamental reconfiguration of the governance of the firm. This laid the foundations of the crisis. The Chairman and CEO were deeply immersed in the intricate and time-consuming task of attempting to integrate the complex

combination of merged firms. The UK partners in Firm C resented this, particularly as they were not experiencing any direct benefits from the series of international mergers. As one explains:

> *It was really hard to be able to talk to your partners in the UK and say what benefits has this brought anyone...people were trying to see how we could make this work and not much was bloody happening in terms of any benefit to anyone.*

In Firm A, the Senior and Managing Partners shared the responsibilities of leadership equally, without clearly delineated roles. By contrast, in Firm C, the Chairman delegated much of the day-to-day management of the UK firm to the CEO while he focused on integrating the international mergers. As the recession hit, this division of responsibilities proved problematic.

CHALLENGE OF ORGANISATIONAL AMBIGUITY

The problems confronting Firm C would be familiar to any professional service firm engaged in a complex international merger. However, organisation-specific factors exacerbated the problem for Firm C. The UK governance structure was inadequate to deal with the strategic challenges confronting the leadership of the firm. Following the mergers, ExCom in the UK had been reformulated and there was considerable ambiguity about its role in relation to the international firm. Many ExCom members were relatively inexperienced, as many of the most experienced leaders had been reassigned to international positions and there was no effective oversight body to ensure that ExCom was functioning effectively. As two members of ExCom explain:

> *It wasn't really very clear what ExCom was for. Were you there to represent your practice and get the best deal for your practice in terms of how much people get paid or how many get made up and all that kind of thing? Or were you there as one of a small handful of leaders for the firm, making decisions for the firm as a whole? And I don't think that question was ever really answered.*

> *ExCom was hugely dysfunctional. Hugely. It wasn't set up as a team effort. It was the right representation and actually the people on it were all good people. But it wasn't set up as a group who had a shared objective, a shared mission and actually felt a sense of responsibility for one another's success.*

At the same time, there was ambiguity about the formal authority of the Chairman. He did in fact have considerable authority (for example, unlike the Senior Partner in Firm A, he was able to dismiss members of ExCom from the firm and was ultimately responsible for setting levels of partner pay) but there was a general expectation that he should not need to use it. As everyone could be relied upon to be 'nice' and to act in the best interests of the firm, there had been relatively little need in the past for the Chairman to exercise his constitutionally enshrined power.

In an attempt to resolve some of the problems in ExCom, the CEO sought to reduce the size of the group but was undermined in his attempts by ExCom members appealing directly to the Chairman. The senior executive dyad was not functioning effectively.

> *[The CEO] made a decision that the ExCom was too big...So it was going to be slimmed down...And the next ExCom meeting actually consisted of the slimmed down version, so it's only, you know, six or seven people or whatever. In fact I think we might have had two meetings like that. And then the third ExCom meeting, suddenly everybody's there again. And of course what's happened is that all the people who've been thrown off ExCom have gone to the Chairman and CEO and said 'This is completely unacceptable. We're not doing this'. And so the decision has been reversed.*

WHEN GOOD PARTNERS GO BAD

The dysfunctional leadership dynamics, which had their origins in the strategic and organisational context, became manifest in the personal and interpersonal problems of the senior executive dyad (Chairman and CEO) and other members of ExCom. As one member of ExCom explains:

> *You were in the meeting room and knew that things weren't being said that were being thought. The conversations were very superficial. You were being expected to take collective decisions but it all felt like playacting.*

Describing the behaviour of his colleagues in ExCom meetings, one partner recalls:

> *[The Head of X Practice] – his approach to getting his own way was to hurl his toys out of his pram at a moment's notice. And [Head of Y Practice] – I mean he's just like a sort of giant baby. [X and Y] they'd both sit there in ExCom in their nappies throwing rattles and toys around the place.*

> *[The Head of Z Practice] was an angry young man, not that young but he was an angry man. I think he was very, very angry with people like [the CEO]. And he was very angry that he wasn't paid more.*

When the current Chairman's term of office came to an end, several partners put their names forward for election to the Chairmanship, including some members of ExCom. Leadership dynamics deteriorated further.

> *The candidates wanted to be seen by their own groups as putting their point across in ExCom. And if their point didn't prevail, they wouldn't accept it because their partners would not respect them if they did.*

> *Most of us in the meeting would agree. But the others would say 'I don't agree' and then go out of the meeting and tell their partners 'We discussed this but I totally disagreed.' So nothing actually happened and ExCom became neutered.*

Individuals who had previously argued forcefully to advance the interests of their own practices now began campaigning openly, and they did this by publicly criticising the leadership group, of which they were themselves members. Tempers frayed.

> *[The CEO] would lose his temper in ExCom on a reasonably regular basis. And some ExCom members would deliberately rile him to make him do it.*

While a few members of ExCom did behave aggressively, the passivity of many ExCom members further contributed to the dysfunctional dynamics.

> *You know, we have a reputation for being nice people. And the flip side of that is that we find it difficult to challenge. We find it difficult to have difficult conversations. We're kind of very polite, you know, people will try and sugar-coat a message. So that is endemic through the culture.*

When interviewees were asked about why they had not done more to try to change the leadership group dynamics, they generally side-stepped the question. Their answers were vague, not particularly coherent, and quickly wandered away from the point. As two responded:

> *I tried to calm down some of the things that were going on in ExCom but you know, it didn't – well, we didn't manage that.*

I think those of us who were very definitely not going for the leadership role, which was most of us, were struggling in those ExCom meetings...you found yourself hoping that certain people were not going to turn up.

ELECTION AS RENEWAL

The UK Chairmanship election brought tensions within ExCom to a head but ultimately also resolved the problem.

Given the large number of candidates and recognising the complexities and significance of this particular election, a group of senior partners took responsibility for creating a process to manage it effectively. They led a series of meetings for all partners to debate the following questions:

- What skills and attributes are required of the Chairman?
- What should the Chairman's roles and responsibilities be?
- What is the appropriate management and governance structure?
- What strategic direction should the Chairman follow?
- Should the Chairman be elected by a formal vote?

Most partners participated in the consultation process which enabled 'nice' people to say difficult things in public and helped them to reaffirm their commitment to the firm and to each other.

Ultimately the winner of the election was an 'outsider' who had never been involved in ExCom. In the run-up to the election he had held one-to-one and small group discussions with the majority of the firm's partners. In the process he had managed to build their trust.

IMPLICATIONS

HEALING POWER OF PARTNERSHIP

Ultimately the leadership meltdown was resolved by the partners themselves. Senior partners, unassociated with ExCom, took responsibility for organising the election process and created a format which enabled the partners as a whole to engage in an intensive process of introspection about what they required of the leadership of the firm. Ultimately the partners made the 'right' choice for the firm going forward. This is the positive side of

partnership dynamics. Senior executives may bemoan the difficulty of leading autonomous followers in a professional service firm but such professionals, when they choose to engage, have the expertise and the insight to resolve leadership problems. At times like these, professionals collectively take responsibility for the leadership of their own firm.

WHEN SOCIAL EMBEDDEDNESS BREAKS DOWN

Firm C, like Firm A, was characterised by high levels of social embeddedness. For Firm A this helped the leaders unite when confronted with a crisis. In contrast, the leaders of Firm C engaged in protracted, aggressive, and ultimately destructive political behaviour. Why were the outcomes so different? The explanation lies in part in the very different causes of the problem. Firm C's crisis was essentially of the leadership's own making. They could not blame 'the economy', as the leaders of Firm A were able to do, but they could blame each other.

LEADERS ARE ONLY HUMAN

This study has been determined to move beyond a reductivist focus on leaders as individuals. However the 'human' qualities of the individual leaders in this study are an essential part of understanding the crisis that played out. It is not right simply to say they were the wrong people for these roles (i.e. a conventional individualised conceptualisation of leadership) as these people were shaped by their organisational experiences and chosen by colleagues who knew them very well to fulfill these roles. The general sense emerging from interviews is of hard-working individuals, passionately committed to their firm, determined to do what they believe to be right, but exhausted from overwork and in some cases consumed with a personal agenda which overwhelms their judgement about what is right for the firm. Rather than judge these leaders as ineffective or dysfunctional it is better to ask: could this happen in my organisation?

7. LEADING WITHOUT APPEARING TO DO SO

You've got an awful lot of partners who may not appear in a management structure but you can't just give instructions to them. You have to get them to do what you want through different means and you have to...spend a lot more time persuading them. (Management Professional)

The partnership have grown up sort of man and boy at this firm and many go back to university together. As a head of business services you have to be able to come in and work out where the flows are, the very make-up of the partnership, before you can start to really get traction, and start to influence the outcome of the discussions...to bring to bear the full effect of your leadership skills. (Management Professional)

This final empirical chapter focuses on one particular component of the Leadership Constellation – the heads of business services or management professionals, such as the COOs, CFOs and Heads of HRM.

Many of the fee-earning professionals in Firms A, B, and C appeared puzzled when asked to reflect on the role of the management professionals in their firms, dismissing them as 'functionaries' enacting the instructions of the partnership. Yet some management professionals have acquired significant informal power within professional service firms and have a considerable degree of influence over the working lives of partners. Demonstrating an acute and sophisticated understanding of the power dynamics within their firms, they have become an integral and highly influential part of their firm's leadership constellation. As the 'hidden persuaders', they have learnt how to lead without appearing to do so.

This chapter asks: why have these individuals risen to such positions of prominence, how have they been able to do so, and what impact have they had? It is based on research[4] conducted in 21 of the leading international law firms operating in the City of London. It focuses on the most senior management

---

4.   This study is based on over 40 interviews with managing partners and management professionals from 9 out of the 'UK Top 10' firms, together with 10 other firms in the 'Top 25', supplemented with selected US-based firms operating in the City of London competing directly with the 'Top 25'. It has been supplemented by a review of over 700 archival sources. See Empson, L., Cleaver, I., & Allen, J. (2013). 'Managing partners and management professionals: Institutional work dyads in professional partnerships.' *Journal of Management Studies,* 50(5): 808-844.

professionals (typically the COOs or CFOs) in these firms and their relationship with their managing partners and the rest of the partnership.

THE WAY THINGS WERE

In the early 1990s very few law firms employed anyone with management expertise. Management was often undertaken by a committee of partners, typically chaired by the managing partner. Partners as a whole had considerable autonomy to make *ad hoc* individual decisions about management-related issues. As one management professional explains:

> *We had 300 partners, we had 300 marketing directors, we had 285 HR directors and we had 250 finance directors, and we had one IT director because they [the partners] didn't understand IT so they left that alone.*

The lawyers who served on management committees also continued with fee-earning activities. Lacking management expertise, and with limited time to develop it, they relied on non-lawyers to manage day-to-day operations. As interviewees explain, the non-lawyers were 'pure operational managers, not thinking managers' who 'did the bidding' of the partners to whom they reported. People in support roles 'were told what to do rather than thought up things to do...it was more a sort of master-servant type relationship'. As one managing partner describes it:

> *If partners wanted to use a different phone to everybody else or they wanted their PC configured in a different way, generally the support services ran around and tried to make that happen for them.*

A management professional refers to this behaviour as 'partner pleasing'. These support staff sought, in effect, to enhance their social position by affiliating themselves with individual partners.

THE WAY THINGS ARE

The increasing scale and complexity of the management task in large international law firms has created the need for more professionalised management. More and more management professionals have been brought in from outside the legal sector over the past two decades. They have experience of running substantial HRM or marketing functions in FTSE 100 companies, or of working as partners in leading accounting or strategy consulting firms. Some

of these management professionals now serve on law firms' boards or executive/ management committees and take a leading role in strategy development. They have access to information not available to most partners. Some have the right to vote as partners and share in profits, earning more than £1 million per annum, equivalent to, or more than, most of the partners they are employed by. In the process they have helped to transform the firms in which they work, as one managing partner explains:

> *[There has been] quite a significant shift in firm culture from a position where management is there to run the partnership for the benefit of existing partners of the firm, where a lot of people were 15 years ago, to a situation where management is running the business...as a business.*

These management professionals have engineered major changes within a historically change-resistant sector. They have introduced these changes, in many cases, to partners who did not understand what was being done to them or accept that change is needed. And they have managed to negotiate these changes as outsiders, infiltrating essentially closed communities, characterised by high levels of social embeddedness and an equally strong professional identity. Whilst they might not be recognised as leaders by the partners within their own firms they have, in effect, pulled off one of the greatest leadership challenges: to persuade people to accept change by getting them to believe it was their idea in the first place. Two factors are fundamental to their success: the relationship between the managing partner and management professional, and the management professionals' ability to deploy their covert leadership skills.

MANAGING PARTNERS AND MANAGEMENT PROFESSIONALS

Typically, it was a relatively far-sighted managing partner who recognised the changing nature of the market for international legal services and sought out the management professional. However, at the time, they may not have fully understood the implications of their intention to 'professionalise' the management of their firm, as one management professional explains.

> *It's frustrating because you want to perform to the best of your ability in these roles but you're prevented from doing so, in a way, by the structure that says – 'yes we want professional management in our firm but we want the right to veto what you suggest'.*

To effect change, the managing partner needed access to the management professional's specialist management expertise, which had been gained outside the firm, and outside the legal sector. One of the key roles of the management professional, therefore, is to educate the managing partner about what their respective roles might reasonably entail. As one management professional tells the story:

> *When they went into a recession I demanded that they had really got to understand where they made money and where they didn't. And that was very controversial initially. I remember taking a list to the managing partner showing how much each of the partners had billed and him [asking me] whether he should have that information.*

The managing partner needs access to the management professional's specialist management expertise but the management professional needs access to the managing partner's social capital, built up over many years of working within the partnership and signified by his election by the partnership to the managing partner role. Sometimes, the managing partner uses the management professional to help him in difficult conversations with his colleagues. As one management professional recalls:

> *As we went into the meeting, the Senior Partner said to me 'we are going to play this as good cop, bad cop.' I was supposed to be the bad cop.*

Some management professionals report how they have been used by their managing partners to take the lead in introducing management initiatives, enabling the managing partner to protect himself somewhat from the anticipated backlash from his partners (and forcing the management professional to 'spend' his social capital rather than risk the managing partner's own). The following describes an extreme case of this 'fall guy' phenomenon.

> *We introduced partnership assessment centres four or five years ago but it was a little bit like Alice in Wonderland...No one was actually failed...So I said, 'This can't be right, you have got to fail a number of people on this'. The Senior Partner and Managing Partner said, 'Yes, we agree.' So we failed 10%, a very small percentage of candidates, and all hell breaks loose, from the senior people whose candidates have failed...and this battle raged for two to three weeks until finally it died down a bit and the Senior Partner and Managing Partner then put their heads back above the parapet and said, 'Yes we agree with this and have agreed all the way along'.*

The relationship is reciprocal: on occasion the management professional may call upon the managing partner to champion his or her own initiative. More generally, the managing partner engages in intense advocacy among the partnership group on behalf of the management professional. One managing partner explained that he had been 'working very hard' on the partners to persuade them to 'respect the skills of the very highly trained non-lawyers that we have'. As the relationship matures the management professional is able to challenge the managing partner directly, whilst recognising the need to do so in private 'so that people's dignity is maintained' (Management Professional) and so that the conflict does not become apparent to the partnership. Table 2 shows how this relationship develops over time.

	MANAGING PARTNER	MANAGEMENT PROFESSIONAL
CREATING RELATIONSHIP	Recognises changing market conditions and need for 'professionalisation of management'. Recruits management professional.	Recognises opportunity to bring external management expertise to relatively undeveloped sector.
DEVELOPING RELATIONSHIP	Delegates limited operational autonomy to management professional. Gradually develops relationship with management professional and recognises scope of his/her expertise.	Initiates specific changes within his/her direct remit. Seeks to define and expand his/her role.
MATURING RELATIONSHIP		
COLLABORATING/CHALLENGING WITHIN RELATIONSHIP	Share tasks previously performed by managing partner alone. Work closely together to develop strategy and initiate higher-level, broader-ranging strategic changes. Challenge and critique each other's ideas and approaches.	
EXPLOITING RELATIONSHIP	Protects own social capital by using management professional as shield.	
EXPANDING BEYOND RELATIONSHIP		Gradually develops relationships with other partners to extend influence.

Table 2: How the relationship develops

COVERT LEADERSHIP

Meanwhile, with the support of the managing partners, the management professionals have been independently and gradually building influence within the partnership at large. Usually they start by initiating specific changes within their direct areas of responsibility. They often seek to gain greater control over the business service areas, so that all business services staff report to them in a centralised business services function as well as to the heads of their local offices. In the process, the management professionals build cohesion within the business services area by giving them a strong sense of their own identity as professionals in their own right, and add to their own social capital amongst the partners.

It is important for the management professionals to manage their role, and perceptions of their role, to build support within the larger partner group. As one managing partner explains, management professionals will fail 'if they are just basically seen as management's Rottweiler.' A long-serving management professional, who has worked with his firm's previous five managing partners, explains that it is not a good idea to appear to be too closely aligned to a specific managing partner:

> *I have always been apolitical which is why I think I have survived so long.*

These processes – of creating and managing relationships, of giving careful thought to how those relationships are perceived, of knowing when to challenge and when to keep quiet, of unobtrusively building respect amongst partners without actively blowing your own trumpet – take considerable social and political skill. The management professionals have to interpret and navigate the power dynamics of the partnership which the partners understand intuitively. As one management professional explains:

> *It took me years to work out but actually it's vital that you have a sense of the mood of the partnership because it doesn't matter how right you are, how good your idea is, the partnership will spit it out...The loyalties – I've never had a sense about them. The partners think [about each other] 'I might have been your trainee and I might have done a really good piece of work for you when you were in trouble as a junior associate', and they remember that 30 years later...Or there are partners in offices next to one another who don't speak to each other...because of something that happened 20 years ago.*

Successful management professionals understand implicitly the nature of the leadership constellation and how to use it when attempting to make changes outside their direct remit. They are able to build a coalition among the key partners and to marginalise or neutralise other partners' ability to undermine their initiatives. One interviewee explains how he has been able to bring about a change with far-reaching consequences for how partners deliver legal services to clients, by slowly and steadily building support among the firm's key influencers:

> *Take the off-shoring project. That was quite a radical change for us...How did I go about that? Well first of all, I worked out that it really was a good idea and there was a proper business case for doing it. I then went to the management group and... got reactions and adjusted things that I thought were necessary to get it approved. Having got management approval for*

doing something that was likely to be somewhat contentious within [the practice areas], I then went and talked to [the practice areas].

In time, a long-serving management professional may be able to develop social capital within the partnership to behave 'as if' he or she is an embedded actor whilst remaining external to the partnership. But it does take time. Some of the people interviewed as part of the study had been in these firms for more than 20 years, and have worked with a series of managing partners. But still they encounter resistance. As one partner explains:

The heads of business services are functionaries…They have a function to fulfil – they do it very well on the whole. Their views are interesting but only interesting. I wouldn't say that they are influential…That's not to denigrate the individuals because they are very talented …but culturally we have a snobbery about lawyers being superior…We are very sceptical about non-lawyers frankly.

IMPLICATIONS

Ultimately the management professional and managing partner are able to bring about far-reaching change within the partnership by developing a strong and highly productive working relationship which enables them to utilise each other's relative social positions (see Table 3 below).

	MANAGING PARTNER	MANAGEMENT PROFESSIONAL
FORMAL AUTHORITY	Extensive (at least notionally). But entirely contingent on ongoing support of partnership.	**Amongst partnership**: Limited. Contingent on ongoing support of managing partner. **Within business services area**: Potentially extensive.
SPECIALIST EXPERTISE IN MANAGEMENT	Limited. Typically no experience outside legal sector.	Extensive.
SOCIAL CAPITAL	Extensive. Built up over many years within partnership. Evidenced by election to partnership and subsequently to managing partner.	**Amongst partnership**: Develops gradually and partially. A result of their own initiatives in relationship-building and successful track record. Also through association with social capital of managing partner and other influential partners. **Within business services area**: Develops over time.

Table 3: Management professionals' and managing partners' relative social positions

MAKING THE PERIPHERAL CENTRAL

While the management professional has no formal authority among the partner group, through careful restructuring and repositioning of the business services areas, they are able to enhance their own formal authority and ensure that this area becomes central to the effective functioning of the firm.

SPECIALIST EXPERTISE AS A SOURCE OF POWER

In the land of the blind the one-eyed man is king. In a law firm a little specialist management expertise can go a long way. For management professionals their functional management expertise is important but just as important are their social and political skills which enable them to apply that expertise effectively.

NEED TO DEVELOP SOCIAL CAPITAL

While the management professionals may never become insiders within the partnership, there is potential value in becoming 'inside-outsiders'. In time the most effective management professionals develop a fine-tuned insight into the power dynamics within the firm so that they are able to become an integral part of the leadership constellation – and to lead without appearing to do so.

8. EMERGING THEMES

This study took as its starting point a new way of looking at leadership in professional service firms. It argued that leadership is not necessarily something that an individual does or a quality that an individual possesses, but is a process of interaction among organisational members seeking to influence each other. It emphasised that, in professional service firms, leadership almost inevitably becomes both processural and plural.

It identified the most significant actors in the leadership dynamics within professional service firms: the senior executive dyad, the heads of major businesses and business services, and the key influencers. It presented the concept of the Leadership Constellation as a means of expressing the informal power dynamics within a professional service firm.

Data collection and analysis is continuing. Conclusions will be published in Laura Empson's forthcoming book, *Leading Professionals*. At this stage in the research study a number of distinctive issues and overarching themes are emerging, which are outlined below.

DISTINCTIVE ISSUES

Although the cases were selected at random, very different leadership dynamics were observed in each of the firms studied. The following issues emerged as distinctive to each of the firms.

Firm A: 'Ambiguous authority and hidden hierarchy'

PARADOX OF SOCIAL EMBEDDEDNESS Strong personal relationships among the partners make it easier rather than harder to restructure the partnership.

CLOAK OF AMBIGUITY The highly ambiguous authority structure represents a source of power to the leadership dyad, enabling them to exercise power under the cloak of ambiguity.

RECOGNISING THE INDIVIDUAL IN THE PLURAL A leadership dynamic which emphasises plurality ultimately depends for its successful functioning on the political skills of individual leaders.

Firm B: 'When everyone and no one is a leader'

PERFORMANCE OF PLURALITY? Ultimately the widespread rhetoric in the firm that everyone and no one is a leader is called into question by the strong and decisive action of the Chairman.

LEADING GENTLY The leaders throughout the firm go to great lengths to treat each other well in good times, so have built up robust relationships which withstand the strain in bad times.

LEADER AS AN AVATAR OF SOCIAL CONTROL The Chairman's interactions play a dual role in enabling autonomous action but also exerting subtle social control.

Firm C: 'Leadership meltdown'

HEALING POWER OF PARTNERSHIP Ultimately the leadership meltdown is resolved by the partners themselves, taking responsibility for organising the partnership 'catharsis' and election process.

SOCIAL EMBEDDEDNESS BREAKDOWN High levels of social embeddedness may help professionals unite against an external crisis, but may exacerbate conflict in an internally-created crisis.

LEADERS ARE ONLY HUMAN Recognising the individual 'human' quality of the leaders in this study is essential to understanding the dynamics of the crisis.

Management professionals: 'Leading without appearing to do so'

MAKING THE PERIPHERAL CENTRAL By restructuring and repositioning the business services areas management professionals are able to ensure that they become central to the effective functioning of the partnership.

SPECIALIST EXPERTISE AS A SOURCE OF POWER Management expertise is important, but just as important are the social and political skills which enable them to apply that expertise effectively.

NEED TO DEVELOP SOCIAL CAPITAL In time, and with political skill, they develop the social capital they need to become an integral part of the firm's leadership constellation.

OVERARCHING THEMES

This initial report presents insights emerging from the continuing analysis. In spite of the different leadership dynamics identified in all of the firms studied, certain issues have emerged as consistently significant, albeit in different manifestations.

POWER IN AMBIGUITY Business schools teach leaders to think clearly about complex issues – to create organisational structures with clearly defined roles and responsibilities, to design business plans with clear targets and measurable results, and at all times to have a clear vision of where you are going and how you will get there. But in professional service firms, there is value in ambiguity. There is even power in ambiguity.

In Firm C, the senior executives had formal authority but were unable to exercise it effectively. In Firm A, the ambiguous authority structure enabled members of the leadership constellation to behave 'as if' they had formal authority, even when they clearly lacked it. The cloak of ambiguity, like a cloak of invisibility, enabled them to spend five months planning the restructuring of the partnership unbeknownst to the partnership as a whole – to which they were reporting on a regular basis. It is perhaps not surprising, therefore, that they deliberately constructed and actively celebrated this ambiguity. Without it, would they have been able to act effectively?

In Firm B, the ambiguity lay principally around the meaning of leadership. It is only possible to state (and to believe fervently) that all the partners in the firm are leaders if the concept of leadership is so vague that every partner must at some point be doing something which looks a bit like leadership. Yet individuals who asserted that everyone was a leader were also reluctant to identify themselves as leaders. The internal cost-cutting exercise cut through their rhetoric to reveal the authority of the Chairman, whilst allowing the rest of the partners to preserve their collective leadership 'fantasy'. The management professionals studied in the legal sector used similar tactics, allowing the partners to believe that they were in charge, whilst subtly and systematically establishing their own basis of authority.

It is important to emphasise that in all of these cases there is no evidence that the leaders were deliberately seeking to dupe their colleagues for their own advantage. They were doing what they thought they needed to do to make things happen within the complex and subtle power dynamics of professional service firms.

SIGNIFICANCE OF SOCIAL EMBEDDEDNESS In an organisation with high levels of social embeddedness, dense networks of individuals develop close working and sometimes personal relationships. These give rise to relatively high levels of trust because colleagues understand the kind of behaviours expected of each other and know they will by and large conform to those expectations. Professional partnerships are often characterised by high levels of social embeddedness. The majority of partners have often worked at the same firm for many years and, even if they don't have a personal relationship on which to base their trust, will trust the processes that have led to their colleagues being elected partner. When the going gets tough, this trust becomes essential to the effective functioning of the leadership dynamics.

In Firm A social embeddedness (and the concomitant trust) was fundamental to the success of the restructuring process. The many members of the leadership constellation knew each other well, trusted each other fundamentally, and sometimes even liked each other a lot. They could therefore band together to make some very painful decisions, challenging each other constantly, holding each other to account, but presenting a unified front to the rest of the partnership.

By contrast, Firm C showed how bad things can get when trust breaks down among the leaders of the firm. In that context, the long-standing preference for resolving issues amicably or avoiding conflict altogether meant that the leaders of the firm had no resources to fall back on once certain individuals chose to break the implicit contract of 'niceness'.

In Firm B there was no social embeddedness. Individuals joined the firm after building successful careers in other settings, were widely dispersed throughout the world, and had very little opportunity to work closely together over sustained periods of time. Instead they relied upon subtle social controls which enabled them to mimic the effects of social embeddedness – to, in effect, manufacture trust. So when the Chairman called upon his fellow leaders to make sacrifices for the sake of the firm, they were willing to 'do their bit'.

The management professionals in the final study were outsiders entering highly socially embedded environments. They could not become part of the partnership (either legally or culturally). As social embeddedness was not an option, they embedded themselves with the managing partner and used his social capital as a foundation for advancing their own leadership position. Conversely the managing partner benefited from the management professional's lack of social embeddedness. In an environment when the leader only knows how to play 'good cop' with his colleagues, he needs an outsider to play 'bad cop' with him.

PREVALENCE OF POLITICS The partners of professional service firms may like to present themselves as apolitical. Partners are supposed to act collectively in the interests of the firm and not independently in their own interests. Politics is associated with 'climbing the greasy pole' of the corporate world. Certainly there is considerable evidence in all the cases that the individuals elected to the most senior positions are perceived by their 'electorate' as apolitical.

It is perhaps ironic, therefore, that the most effective leaders in these firms displayed highly sophisticated political skills – but they were able to persuade their colleagues that they were acting in the interests of the partnership rather than pursuing their own self-interest. The political skills to do either are very much the same, regardless of the underlying motivation. Highly skilled politicians, almost by definition, should be able to convince those around them that they are acting in other people's best interests.

The political manoeuvring was most apparent in Case C, as certain individuals sought to advance their campaigns to be elected Chairman by undermining other candidates. But the Chairmanship election merely brought to the surface political manoeuvring which had long been present when heads of practices had sought to defend their own practices at the expense of the 'rival' practices. As far as they were concerned, they *were* acting on behalf of the partners – *their* partners.

Politics and political action are in fact rife *in all of the firms* studied, though interviewees in Firms A and B vehemently denied any suggestion of internal politics. This suggests a somewhat naïve conceptualisation of politics. Professional service firms are led by consensus and the act of building consensus inevitably involves negotiation, trade-offs, and politically expedient compromises. Professional service firms would grind to a halt without the effective deployment of political skills.

WHAT MAKES AN EFFECTIVE PROFESSIONAL SERVICE FIRM LEADER

So what sort of leader can effectively negotiate their way through the subtleties and complexities of a professional service firm? Looking across all of the firms studied, the most effective leaders shared ten particular qualities.

- Highly respected for their skills as a professional
- Do not appear to be seeking power
- Able to inspire loyalty and commitment
- Strong personal vision – able to communicate it
- Able to build consensus and act decisively
- Transfer responsibility but intervene selectively
- Comfortable with ambiguity and conflict
- Spend a lot of time "massaging egos"
- But do not expect to have their own ego massaged
- **And above all, able to identify and navigate the leadership constellation.**

KEEPING LEADERSHIP IN PERSPECTIVE

Leaders of professional service firms like to think they are doing a good and worthwhile job. At the same time there is a strong appetite within the business press to construct images of heroic leaders. Furthermore business schools have a vested financial interest in convincing leaders that what they do *really matters* – and for a fee the business schools can help them to do it even better. But professional service firms are a little bit peculiar. They consist of a sometimes clumsy combination of reluctant leaders and autonomous followers. In this context, ultimately, how much does leadership really matter?

For much of the time leadership in a professional service firms happens discreetly and remains unacknowledged. While professionals may be quick to decry bad leadership, good leadership is rarely recognised or praised. Any professional service firm leader harbouring heroic fantasies should remember the following comment from an interviewee in this study:

Most of our partners come to the office in the morning, do their work, go and see their clients, do what they're paid to do and actually don't mind too much about the leadership. And yeah, occasionally, somebody comes along who is genuinely inspiring and that gives the organisation a lift. And people like that. But if the person genuinely isn't that inspiring, equally people just shrug their shoulders and say – 'well there'll be a change in a few years.'

YOU AND YOUR FIRM: QUESTIONS TO PONDER

LEADERSHIP CONSTELLATION

Can you map your firm's leadership constellation?

Do you know who the key influencers are?

Are you further from the inner circle than you think?

POWER IN AMBIGUITY

What are the major sources of ambiguity in your firm?

How can they be used to your advantage?

When is ambiguity potentially harmful?

SIGNIFICANCE OF SOCIAL EMBEDDEDNESS

Is your firm characterised by high levels of social embeddedness?

If not, how can you mimic its effects?

Does it help or hinder effective leadership dynamics?

PREVALENCE OF POLITICS

How politically aware are you?

Who among your leadership group is most effective at interacting politically?

Are they acting in the best interests of the firm?

LEADERSHIP QUALITIES

Which of the ten qualities of effective leadership do you possess?

Which do you lack?

How can your colleagues in the leadership constellation compensate for your limitations?

9. APPENDIX

49

LEADERS DISCUSSING LEADERSHIP AT THE CASS CENTRE FOR PROFESSIONAL SERVICE FIRMS

To accompany the research Professor Laura Empson hosted a series of evening discussion forums where senior leaders[5] of professional service firms discussed the challenges they faced (see overleaf). Full reports of the events can be found at:

www.cass.city.ac.uk/research-and-faculty/centres/cpsf

---

5.   Titles relate to positions held at the time of the Cass Discussion Forum

CHRISTOPHER HORNE
– CREDIT SUISSE

When dealing with smart people with sizeable egos, being a good leader is having the intellectual horse power, the stamina and patience to get them to come round to your point of view rather than saying 'get on and do it', because they won't do that even if they say they will.

(Global Chief Operating Officer for Investment Banking Division)
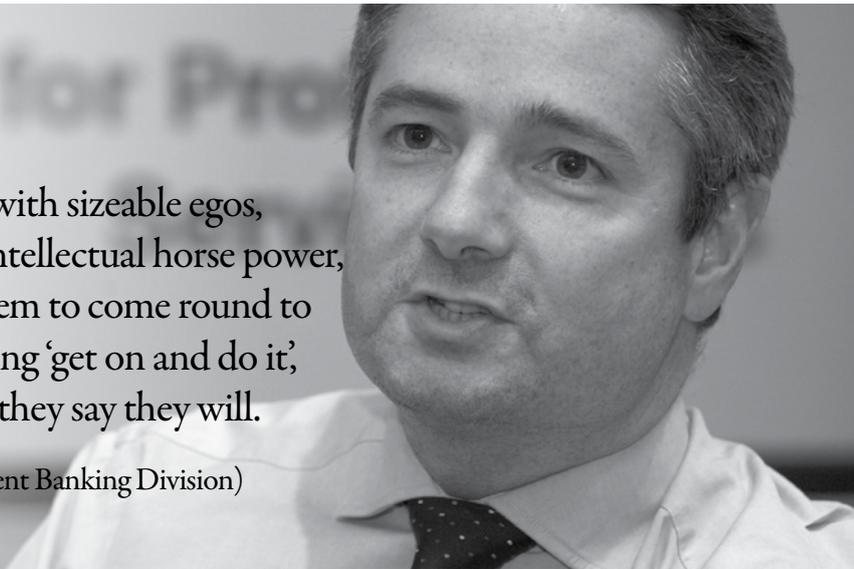
RUTH CARNELL CBE
– NHS LONDON

You need resilience, so that people feel safe with you, and you need an ability to absorb uncertainty, risk, and ambiguity for yourself.

(Chief Executive)

TONY ANGEL
– STANDARD & POOR'S

We need to look beyond the characteristics that may or may not make a single individual a good leader. We need instead to reflect on how multiple leaders come together to create an effective leadership team.

(Executive Managing Director, EMEA)

DAMIEN O'BRIEN
– EGON ZEHNDER

Leadership is about making sure we stay true to our values; encouraging dissent and debate; having a view of where the firm should be going and being very clear about that. My role is to create an environment in which my colleagues want to do their best and can do their best.

(Chairman and CEO)

JOHN GRIFFITH-JONES
– KPMG

When I took on the role I looked forward to getting my hands on the levers of power. But when I moved into my new office I realised there were no levers – just a desk.

(Senior Partner, EMA Region)

CHRIS SAUL –
SLAUGHTER AND MAY

You need to be decisive and to be able to come to your own views; and you need to be persuasive, because you are selling to some big egos. You need to have the respect of your partners – that is at the heart of having an election process. And finally you can't afford to have too much ego: you have to be able to suppress it. It has to be biggish, but it can't be huge.

(Senior Partner)
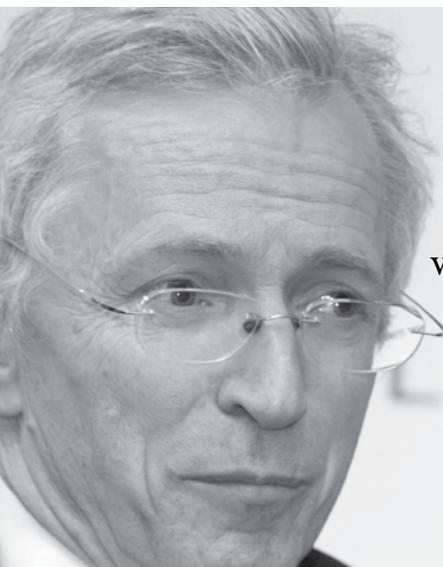
RICHARD MURLEY – ROTHSCHILD

As a leader in a professional service firm, it is key to have your colleagues feel that the organisation's issues are their issues – they cannot just focus entirely on their clients and ignore the wider picture if the firm is to prosper.

(Managing Director and Co-Head of UK Investment Banking)
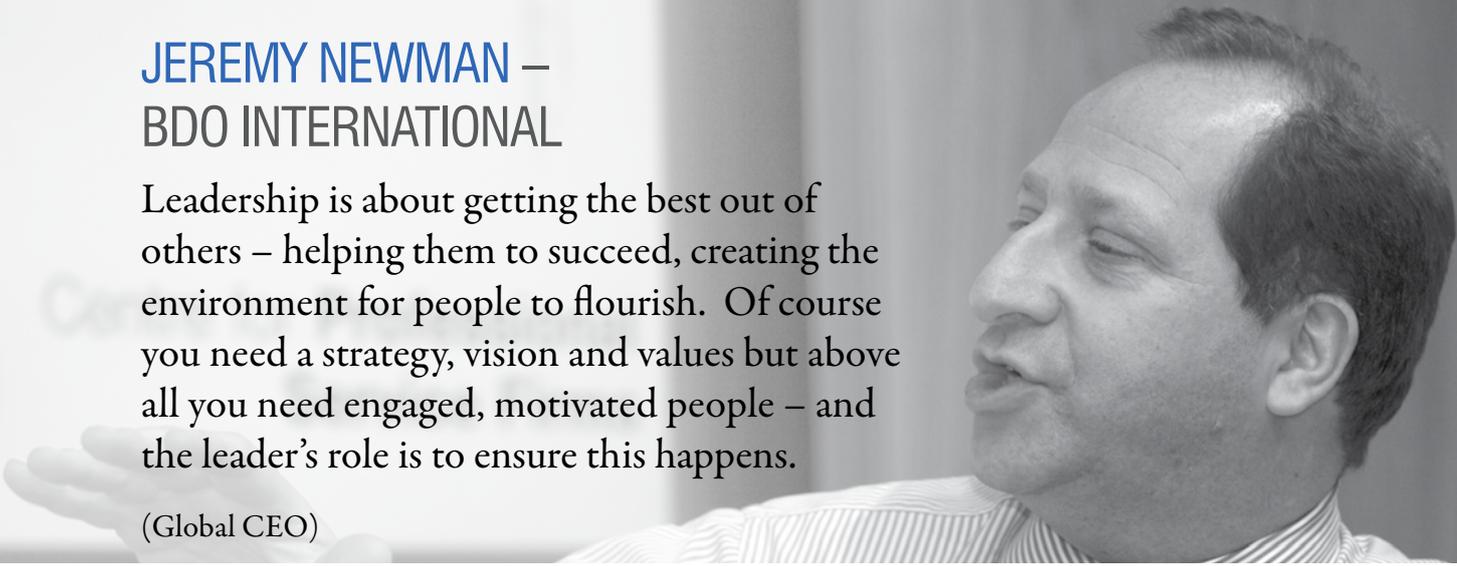
JEREMY NEWMAN – BDO INTERNATIONAL

Leadership is about getting the best out of others – helping them to succeed, creating the environment for people to flourish. Of course you need a strategy, vision and values but above all you need engaged, motivated people – and the leader's role is to ensure this happens.

(Global CEO)

DAVID MORLEY – ALLEN & OVERY

Your ego is constantly reinforced when you're doing a deal but in the role of Senior Partner you can't expect anyone to thank you or tell you how great you are. And the only power you've got is to influence and persuade, to get things done through other people.

(Senior Partner)

PROFESSOR LAURA EMPSON

PROFESSOR IN THE MANAGEMENT OF PROFESSIONAL SERVICE FIRMS, CASS BUSINESS SCHOOL

Professor Laura Empson has spent the past two decades dedicated to researching professionals and professional service firms.

She is deeply committed to translating her research for practitioner audiences and to working with practitioners to apply her research to resolving the problems they face. Her research is frequently featured in the *Financial Times* and *The Times* and she is a regular speaker at practitioner conferences.

She acts as an adviser to many of the world's leading professional service firms in areas such as: accounting, law, investment banking, actuarial and management consulting. Through her consultancy work she translates her scholarly research into actionable insights into a range of issues that challenge leaders in professional service firms, including leadership and governance, succession planning, organisational and cultural change, mergers and acquisitions, knowledge transfer, and partner evaluation and reward systems.

Her current research study focuses on leadership dynamics in professional service firms and is funded by a major grant from the Economic and Social Research Council of Great Britain. Her previous ESRC-funded study explored the survival of the partnership 'ethos' within alternative governance structures and alongside more rigorous methods of performance management. Her research into professional service firms has also covered themes such as: mergers and acquisitions, the professionalisation of management, organisational and identity change, knowledge management, and diversity management.

At Cass Business School, as well as being Director of the Centre for Professional Service Firms, she teaches the MBA elective 'Managing Professional Service Firms' and the core MBA module on Organisational Behaviour.

She has published numerous articles in leading international academic journals, as well as translating her research for a practitioner audience, most notably in her 2007 book, *Managing the Modern Law Firm* (Oxford University Press) which was described by *The Times* as marking a 'seminal moment in the development of management theory in this sector'. She is currently editing the forthcoming *Oxford Handbook of Professional Service Firms* (Oxford University Press).

She is a Member of the Editorial Boards of the *Journal of Management Studies, Organization Studies,* and the *Journal of Professional Organizations*. She is also a Member of the ESRC's Peer Review College. She is External Examiner for London Business School's Masters Programmes.

She was previously Associate Professor (Reader) at the University of Oxford's Saïd Business School and remains a Supernumerary Fellow of St Anne's College, Oxford.

Before becoming an academic, Laura worked as an investment banker and strategy consultant. She has a PhD and MBA from London Business School and a BSc(Econ) from University College, London.

ACKNOWLEDGEMENTS