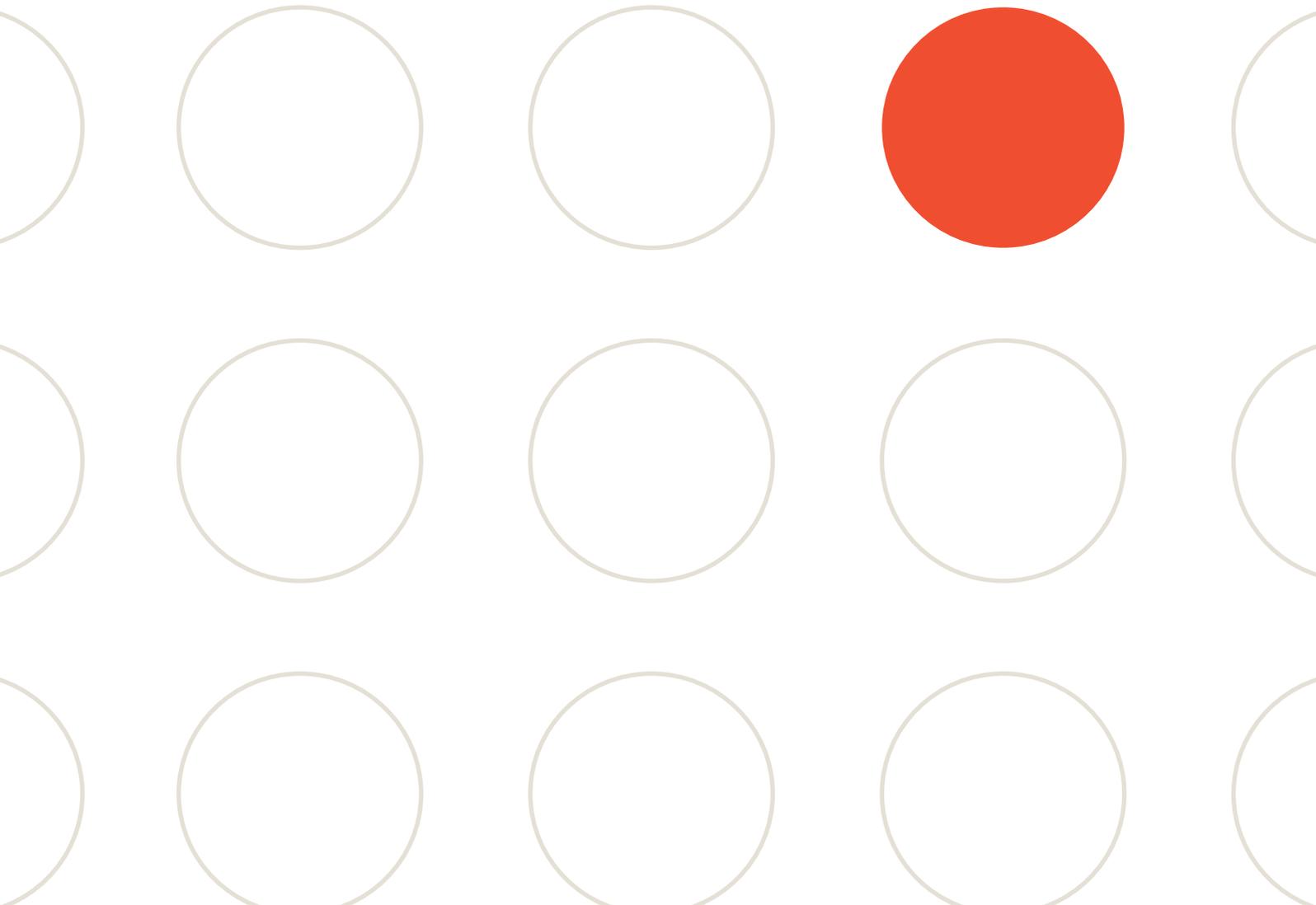




Meridian West



PAPER 4

Career pathways for senior leaders

Strategic Learning and Development in Professional Services

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Terminology and definitions

“The Professions”

Our focus is on professional service firms and partnership-based businesses, with the scope and depth of our research drawing especially on our work in the legal, accountancy and financial services sectors.

“Learning and Development” / “L&D”

For reasons of consistency and simplicity, throughout the series we use the phrase ‘Learning and Development’ (or ‘L&D’) as a defined term. This definition is intended to encompass any work carried out with the express purpose of developing the skills, capabilities, mind-sets and behaviours of those working in professional firms.

“Senior leader”

Our research for this paper has focused primarily on those who are fee earners in professional firms and their career pathways. Throughout the paper the term ‘senior leader’ is therefore used predominantly to refer to those within this group who have risen to take on leadership roles (still most often those defined as ‘Partner’). We also reference and discuss the roles of senior leaders in business services functions at specific points, another group who hold crucial senior leadership roles within firms.

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Introduction

In our Strategic Learning & Development (L&D) series, we have examined three ways in which professional firms can utilise their L&D teams to create competitive advantage in the increasingly fast-moving market environment. First, supporting leadership teams in evolving their businesses, building a sustainable and successful ‘firm of the future’. Second, guiding professionals on how they can lead the change needed in their businesses to create this chosen future model. And third, how firms can manage strategically the impact of market dynamics on those entering the professions, at the beginning of their careers. Within this overall context, we began to explore the development of what we have come to call the ‘poly-technic’ (or ‘many-skilled’) professional, whose skills extend far beyond core technical knowledge in their specialist field.

In this fourth paper, we continue our focus on the evolving career trajectories of professionals, specifically the changing nature of more senior career paths. Historically, these phases of professional careers – especially the very end of careers – have received less attention from a developmental perspective despite the fact that the individuals who form the senior cohort of a firm are critical from a number of perspectives. They set the tone and culture for their organisation, often hold significant leadership roles and financial responsibility for major parts of the business, and also usually own many of the key

client relationships driving the firm’s revenue generation.

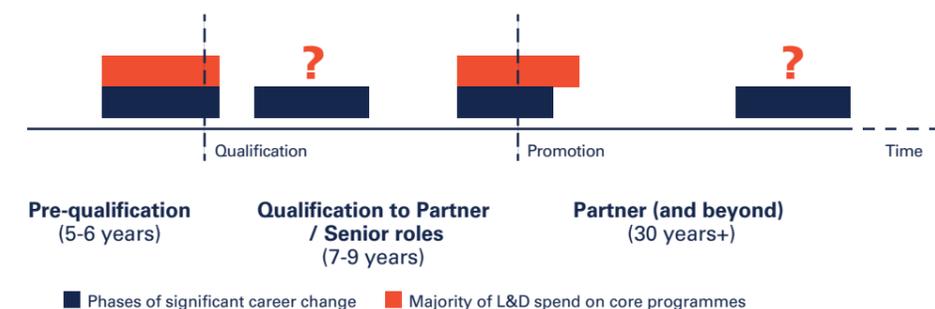
Given this context, L&D professionals, in conjunction with colleagues in HR and the firm’s management, should arguably invest as much effort in developing their senior leaders as they do in the knowledge and skills development of those at earlier stages of their careers. Our research indicates, however, that many firms appear to scale-down investment in personal development soon after promotion to partner and have not developed structured L&D support throughout the ‘senior leader life-cycle’ (as highlighted in the diagram below).

This level of investment needs to change for two reasons. First, the need for ongoing learning which we highlighted in Paper 3 for those beginning their careers is becoming ever more important for senior professionals as the market environment heightens the need for leadership agility. Second, the senior path is also becoming less linear as firms evolve and grow. As a result, it becomes increasingly important to help more senior professionals to negotiate an increasing number of role transitions in what is becoming their own ‘career lattice’, developing their capabilities across what may be a period of 20-30 years.

The lack of focus on the senior phase of careers risks negatively impacting a firm’s development in a number of ways.

One result can be to under-plan succession, which can impact not just a firm’s future leadership but also its client

Phases of significant career change mapped against the focus of most L&D spend



relationships. In addition, well-managed succession underpins competitive advantage by enabling firms to retain and maximise the talent of their next generation(s) of leaders; leaders which a firm has nurtured and worked hard to retain. On a very practical level, given the growing 'more for less' efficiency challenge driven by clients, firms will be unable to create space for this next generation of leaders in their financial model unless they actively engage with those coming to the end of their careers. In addition, the firm will not develop the capabilities needed to ensure effective leadership and management for the future, which requires application and practice over time, even for those aspiring leaders who have a natural aptitude.

Finally, a failure to invest in the development of individuals later in the career journey also fails to acknowledge and alleviate concerns over loss of identity and of their work, which has defined them professionally for many years.

This paper comprises three sections related to senior career paths:

- 1. Pathways towards leadership:** we explore the changing nature of pathways towards senior roles in professional firms – and how firms can maximise the choices available to the individual whilst, at the same time, creating benefits for the firm, a true 'win-win' for all
- 2. Pathways within leadership:** the definition and nature of leadership roles are changing, and we examine the options – and challenges – for firms in creating effective pathways for senior leaders over an extended period
- 3. Pathways beyond leadership:** we look at succession planning in the later career phase, together with how firms can effectively manage transitions of senior leaders from the firm to align the interests of the firm and of the leaders themselves.

Throughout the paper we again take the approach of blending our research across many different firms with the 'voices' of faculty and practitioners. We have deliberately devoted a significant proportion of the paper to the final section listed above (late career transitions, and succession planning). Our research shows both that it is an historically under-developed area in terms of a firm's strategic development focus, and that managing the ends of careers has become an urgent priority for many firms due to changing demographics.

Pathways towards leadership

We highlighted in Paper 3 the changes taking place in early career paths. However, Managing Partners and their leadership teams will also be very aware of changes which they are needing to manage further along the career pathway. As noted in the Introduction, these changes in the nature of senior roles for professionals have an immediate impact on the firm's business in a number of ways, ranging from the successful nurturing of key client relationships to the retention of the people possessing important tacit knowledge and experience.

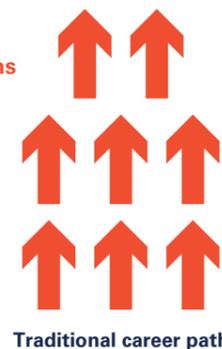
In this first section of the paper, we discuss themes from our research that touch on the development of new pathways towards senior roles, which can create greater career options for professionals. We also highlight how these changes have significant implications for a firm's strategic L&D agenda as it supports people through this career phase.

The changing 'shape' of professional firms

In Paper 3, we focused on the move from a linear career path to more of a 'career lattice' for professionals in their early career phase, with multiple points of career choice and transition, and the need for on-going skill building (illustrated below).

The changing nature of professionals' career paths

Former linear career paths (right) are becoming 'career lattices' (below), with multiple career entry points and complex, widening choices as careers progress.



As professionals move further into their careers, the market dynamics which we have highlighted already in the series (increasing competition, client demands, and pressure on profitability) are leading firms to reflect on the optimal 'shape' of their organisation and its leverage at a more senior level. Our research indicates that these pressures are impacting the nature of the senior roles which individuals can move into, as firms are continually reassessing how best to manage and structure this part of their business.

At these more senior levels, many firms now have a triple challenge:

1. There are fewer places available for promotion to partner for many of the market-related reasons referenced above
2. Firms are finding a decreasing proportion of people aspiring to partnership
3. The pathway towards partnership is becoming longer in most firms.

Related to the first two challenges, we believe that firms could reflect on two points at a macro level. First, that the need to create more space at aspiring leader level could be addressed, at least in part, by a more proactive engagement with those in the firm towards the end of their careers – a topic we explore in detail in the third section of this paper. We see these latter two issues as being inextricably linked, because proactively creating more career options for the senior generation of leaders to explore roles outside the firm, and to gradually make their transitions, would help to create more space in the financial (and career) model of firms to retain those seeking leadership responsibility.

Second, to attract more of their valued associates or senior managers into leadership roles, in particular for succession planning purposes, we believe that firms could usefully (re-)consider the incentives, including the level of 'skin in the game', which they are willing to give to members of the firm, even before partnership. Recently, one UK firm announced the restructuring of its partnership into an 'employee ownership trust' for the very reason of succession; wishing to create a more binding sense of collective ownership throughout all members of the business, akin to the often-admired John Lewis model in the retail sector.¹

1. T. Alan, 'City criminal law firm HJA ushers in sweeping ownership changes amid succession problem' (Legal Business, 4 December 2018) [accessed online 7 December 2018]: <https://www.legalbusiness.co.uk/blogs/city-criminal-law-firm-hja-ushers-in-sweeping-ownership-changes-amid-succession-problem/>.

The evolving trajectory of the pathway towards leadership

The nature of the pathway towards leadership roles has been evolving across different professional firms for a number of years as firms have reviewed their shape and 'firm model'. The changes have not only included an increased plurality of pathways and career options, with new roles being created, but also a redefinition of some existing roles.² In particular, there have been changes to the linkage between the different pathways created, aiming to give professionals enhanced optionality not only in how they might reach partner (if that is their chosen destination), but also the timing at which they might take up their chosen senior role.

Increased plurality of senior roles

The structural change to create different roles and pathways has been an iterative journey which each firm has defined according to its own needs, and then evolved, due to changing demands either from clients or the staff they are seeking to retain. As an alternative to the direct pathway to partner, in the past some of the large advisory firms created the 'Director' role. This role was often used either for those with strong technical skills who were not seeking

a senior role with significant business development responsibilities, or those whose practice was not of sufficient scale to support a partner business case. Similar roles are now commonplace across a broad range of professional firms, often named 'Director', 'Technical Director' or 'Counsel', and usually created for similar purposes.

Another set of senior roles, which have grown significantly in the last 30 years, are those which have been defined more specifically around the need for internal specialists, either for training other fee earners or for maintaining a high level of technical knowledge in a group or department.³ Often these highly valued senior professionals sit in the practice group but belong organisationally to the Knowledge Management function (holding titles such as 'Knowledge Managers', 'Knowledge Consultants' or 'Professional Support Lawyers').

In terms of the benefits seen from the growth of such roles, these have included an enhancement to a firm's 'employee value proposition' (through greater career path options) and a consequent higher retention of experienced professionals. In addition, Managing Partners have seen an increase to their firm's innovation capacity from an interplay between fee earners holding a Counsel/Director position and the more knowledge-focused roles (see the faculty insight, page 7).

FACULTY INSIGHT

Creating competitive advantage with enhanced senior career pathways: achieving a 'win-win' of more plural career options whilst enhancing a firm's innovation capability

Dr Tim Morris and Dr Michael Smets, Saïd Business School, University of Oxford, working with their colleague Dr Namrata Malhotra, Imperial College London,⁴ have explored the changing nature of career paths as professionals move towards leadership roles, and how firms are creating competitive advantage from these changes.

Drs Morris and Smets explain:

"In our research in law firms, it has been interesting to look at the business impact of changes at the pre-partner career phase, in particular the growth of the Counsel role as an alternative to partnership, and the increasing use of senior Professional Support Lawyers (PSL) as another potential career path.

One interesting finding across a number of firms was that the creation of these more 'plural' career pathways, made initially to aid retention by giving greater optionality and increased work-life balance, also had a commercial upside of enhancing innovation capacity, helping firms to create competitive advantage.

Specifically, we found that the opportunity to retain these different team members, and to deploy them in client teams,

helped to leverage knowledge better which, in turn, supported different types of innovation. Innovation is often spoken about in quite binary terms of either 'exploiting' (the making of incremental operational 'tweaks') or 'exploring' (creating more transformative solutions).

What we found, however, was that the Counsel and PSL roles helped to create what we call a virtuous 'innovation loop' where one type of innovation was mutually supported by the other. For example, with Counsels and PSLs in teams, we found better sharing of knowledge so that more junior team members learnt from these experienced expert colleagues, drawing out key ideas from their current client work more effectively. Over time, this enhanced leverage and sharing of knowledge meant that there was greater momentum for, and mutual reinforcement of, innovations which began either as more 'exploit'-type nudges or more ground-breaking 'explorations'.

In contrast, where firms only offer the more linear career paths, what is traditionally called the 'up or out' model, the skill-sets and leverage which these more plural paths offer are more often lost. For L&D and HR colleagues, the research underlines the 'win-win' that not only does their evolving of the career paths enhance the firm's employee value proposition and retention of key people, but also that it impacts positively the bottom line of their firms through better innovation!"

2. In addition to creating new pathways, for retention reasons some firms are beginning to overtly redefine the point at which professionals can gain entry to senior roles – with the aim of shortening an otherwise increasingly long journey to partnership. See C. Simmons, 'Weil Gotshal shortens path to partnership in bid to retain associates' (New York Law Journal, 30 May 2018) [accessed online, 11 December 2018: <https://www.law.com/newyorklawjournal/2018/05/30/weil-gotshal-shortens-path-to-partnership-in-bid-to-retain-associates/>].

3. For the introduction of such a role in one law firm in 1988, see S. Hall, 'Do you need a professional support function?' (Thomson Reuters Practical Law, May 2002) [accessed online 8 December 2018: [https://uk.practicallaw.thomsonreuters.com/4-101-7149?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&comp=pluk&bhcp=1](https://uk.practicallaw.thomsonreuters.com/4-101-7149?transitionType=Default&contextData=(sc.Default)&firstPage=true&comp=pluk&bhcp=1)].

4. See N. Malhotra, M. Smets and T. Morris, 'Career pathing and innovation in professional service firms', *Academy of Management Perspectives* 30.4 (2016), 369-83.

Our research has identified three critical success factors for the successful implementation of such pathways:

- A flexibility in the definition of each role type
- The building out of fuller ‘alternative pathways’ in time from what might initially be a single role
- Ensuring that each respective pathway does not block the progression of those on other paths.

1. Flexibility

Firms reported that they found it helpful to set overall, broad parameters and definitions for these ‘alternative pathway’ roles (including not just the skill-sets, but also elements such as pay and bonus structures), but then to leave it to their individual practice groups or departments to define the precise nature of each position.

This flexibility proved important for a number of reasons:

- The different business lines within a single firm would have very different needs, dependent on their client base. For example, a pathway might be best developed in one group for internal knowledge creation, whilst in another department it might be important to focus the role on building technology-enabled client-facing tools, or for delivering internal training
- Given the different needs, roles would potentially require a very different skill-set to be performed well, meaning again that departments needed to be given the freedom to create job descriptions which would add most value
- International firms found that such roles are often best defined and ‘badged’ differently across their office network. This nuance might be important not only for the role to be successfully performed, but also for the ‘brand’ of the role, both internally with colleagues and externally with clients.⁵

5. A recent example of how an alternative path has been positioned in Europe is the implementation of the ‘YourLink’ career path in law firm Linklaters across Germany. Launched in May 2017, and designed to attract more lawyers to the firm in a competitive marketplace for talent, associates have been able to select a different career path, with a maximum 40-hour week, in return for a reduced salary and different future career options. The model has proved so successful that the firm is now considering how it could roll out the model to other countries. See R. Bennett, ‘A dozen Linklaters associates in Germany have opted for firm’s 40-hour week with reduced pay’ (The American Lawyer International, 20 November 2018) [accessed on 9 December 2018 at: <https://www.law.com/international/2018/11/20/more-linklaters-germany-associates-sign-up-to-40-hour-week-contract-396-9509/>].

6. This opportunity for those on these alternative pathway roles to progress, and the signposting of further career steps, is clear on websites advertising job opportunities, with either ‘Junior’, ‘Senior’ or ‘Head of’ titles being attached to many of the roles, and a differentiated level of experience being sought.

7. See Simmons (n. 2 above).

2. Building out fuller ‘plural pathways’

Many firms, especially larger ones, also spoke about how they had evolved the nature of different pathways, and the roles available on each route, as time progressed. Examples of this included:

- Creating more levels for the different routes, so that there might be junior or senior Knowledge Managers or ‘Professional Support Lawyers’, giving an opportunity for progression within the new trajectories⁶
- Offering further definition and options around roles such as Counsel. For example, one global law firm is currently creating two types of Counsel role to which associates can be promoted; one is a more ‘niche’ (technical) Counsel role into which associates without partner aspirations can move. However, there is also a second Counsel role from which associates can move up to partner in the following three years.⁷

3. Enabling progression along all pathways

Another learning point from many implementations of these new career paths was that firms had needed to ensure the additional routes did not block progression (along all paths) by undermining the ‘shape’ and profitability model of each department. Some firms experienced the latter problem if the total number of senior professionals (on all routes) began to make a department’s staffing model ‘top-heavy’.

The importance of linking the different career pathways as a senior ‘career lattice’

To help address the potential challenges of progression and retention, one significant change which our research highlighted is how firms have developed new pathways to create more agility and fluidity of progression, in effect creating a more senior ‘career lattice’ where people can move onto one route and then pivot back into their previous track (or a different pathway) in due course.

For example, it is less common now for a firm to promote a person to a role of Director or Counsel with the role

positioned as being the end-point of their career journey. Instead, firms have found it helpful to create a more nuanced career conversation with those who want to stay at the firm, gain progression, but might not necessarily aspire to partnership immediately (illustrated below, left).

The evolved model has therefore become one of increasing choice, where one can hold a role such as Counsel or Director for a few years, and then – dependent on performance and business case – can choose either to stay in that role, or to move through to a partner (or different) senior role. We also found examples of a true ‘senior lattice’ where professionals had qualified on the original trainee-associate path, then moved onto an alternative senior route (e.g. professional support), and then later became a Director (or partner) at their firm.

This last development of links between pathways helps to achieve true ‘dial-up, dial-down’ career flexibility, which was spoken about some years ago, and is increasingly sought by many professionals at different times of their career. For firms, being able to offer this greater choice is becoming a key retention tool.⁸

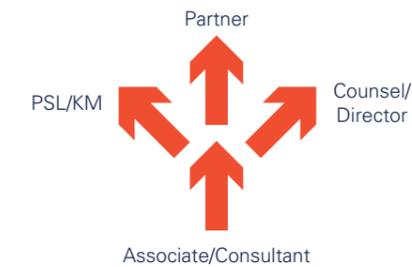
The strategic input of L&D to support more plural pathways for aspiring leaders

A number of firms which created greater optionality at the aspiring leadership career phase fed back how important it had been to create a mindset of ongoing development in aspiring leaders (see the faculty insight, page 10) and also to evolve the firm’s L&D strategies to support each of the new pathways. The developmental support enabled individuals and the firm not only to determine the most suitable pathway, but also to support effectively individuals who were navigating, often quite challenging, transitions into their subsequent roles.

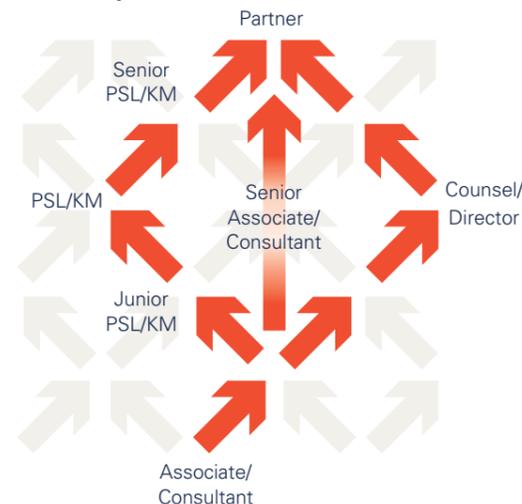
For example, strategically-timed ‘development centres’ have been used to give detailed feedback to individuals (in the form of 360 feedback or from practical role-play exercises) which enable them to understand more clearly their strengths and areas for development, and also the skills needed for different senior roles. In such L&D programmes (or even in discrete lunchtime ‘career panel’ sessions held in a firm), senior role models in the firm who were further along the different pathways were cited as key influences. Aspiring leaders regularly acknowledged the power of listening to those currently in different leadership roles describing the elements they might enjoy or find challenging, and also raising issues

The evolving nature of pre-partner career paths

Early phase



Evolved phase



KEY: PSL = Professional Support Lawyer
KM = Knowledge Manager

8. See C. Benko and A. Weisberg, Mass career customization: aligning the workplace with today’s non-traditional workforce (Harvard 2007).

FACULTY INSIGHT

The importance of maintaining a mind-set of ongoing development in aspiring leaders

Graham Wright, Associate Fellow at Saïd Business School, University of Oxford, and previously a partner in global professional service firms, now designs and leads programmes for professionals in leadership roles and those on the cusp of taking up such positions. He summarises how he believes firms can assist aspiring leaders to step up most effectively into senior roles.

"As career paths continue to evolve, experienced professionals are seeking more flexibility in their options – and no longer considering only the partner role. These less traditional pathways mean that individuals need to be increasingly agile and multi-skilled to succeed. So how can firms best support them?"

From experience of observing how professionals make successful transitions into senior leadership, and the pitfalls, I would pick out two related questions for Managing Partners to consider:

1. Do your firm's management systems and processes reinforce the importance of leaders maintaining an emphasis on personal development after appointment into a leadership role?
2. How do you measure and assess the effectiveness of your senior cohort's leadership performance and development?

In most firms, the process of partner admission involves an extended period of assessment against broad criteria, with an abundance of available feedback and testing that it has been understood and acted on. It can be over-bearing, and may not be sustainable at the same intensity, but it breeds a healthy interest in listening to feedback, taking it seriously, and changing behaviour – great habits to have and to keep.

The opportunity I see for firms is to ensure that aspiring leaders on all career paths are encouraged to maintain similar habits and momentum around personal development in the immediate aftermath of stepping up. No-one really believes they are the finished article on day 1 in a new role (if they do, their promotion was almost certainly a bad decision!) – but if the feedback and responsiveness stop on transition, it is easy to behave as if it were true. If a firm wants to start making a difference, they should do two things. First, engage this community of recent promotees to maintain their development 'muscle', as it is a recent and current habit. Second, for all senior roles, implement a truly balanced scorecard to focus the leaders regularly on this topic of ongoing development (and I do mean 'implement') – and show that the firm is serious about this through its decisions on all appointments, progression and reward."

which the aspiring leaders could usefully reflect on before taking their next career step.

A number of firms ensured that these 'senior voices' in their own development sessions deliberately came from both partners and from those holding 'alternative' senior roles. This choice was aimed at signposting not only the different skills and career options available but, above all, at validating the firm's strong support of individuals with different aspirations.

Best practice L&D approaches across a number of firms at the aspiring leader career phase also included creatively building opportunities for the 'practical learning experiments' we have spoken about previously – and Senior Leadership Teams have found that creating these hands-on opportunities has also been an opportunity to align L&D activity with their strategy implementation.

For example, one firm found such an approach drove particular benefits when the Board redefined the firm to create a new client-focused organisational structure. With timely L&D input, a mentoring system was implemented to support the new junior client management roles which had been created for associates, enabling them to 'learn by doing' under the guidance of those who had performed such roles for a number of years. The firm found that not only did this approach offer opportunities for individuals to explore different senior roles, developing and practising the relevant skills, but it also allowed the firm's leaders to assess the aptitude of individuals in these roles and to develop 'bench strength' in leadership and management. The firm was aware that, in due course, some would likely self-select out of such pathways, and that there was no point in forcing the fit. However, the learning method of experimentation worked well both for the firm and also to engage its aspiring leaders.

Finally, many firms reported that the increased plurality of pathways for aspiring leaders meant that they had created L&D programmes and activities tailored to each pathway, as the pathways matured and developed. Development opportunities – including activities such as annual retreats – have been run for the cadre of those holding senior knowledge or practice roles in a firm, with external experts and clients attending to ensure a mutual sharing of best practice and ideas for future development of these now well-established roles. In other words, what might have originally been an 'alternative' pathway grew into a fully-fledged area of practice in its own right.

KEY QUESTIONS TO ASK IN YOUR FIRM

- For your aspiring leaders, does the firm visibly advocate and endorse how it sees all possible career pathways adding value to the firm?
- Do you create a culture of feedback and opportunities for mentoring from those on the different pathways to which people might aspire – enabling individuals to match their skills and aspirations to the different routes?
- Are you creating agility in your aspiring leader pathways, by connecting the different routes available and enabling individuals to move between different 'tracks', allowing people to see opportunities 2-3 steps ahead? Successful firms have found this important as new pathways mature.
- As you develop more plural pathways for aspiring leaders in the firm, what L&D support will best enable individuals to make the right choices and to succeed on their chosen paths? Support could include greater levels of feedback, coaching, mentoring, or secondments to try out different roles.



Pathways within leadership

Following the 'aspiring leader' career phase, which now offers the increasingly diverse pathways outlined in the first section, the next step available for most professionals seeking a more senior role is the position of partner.⁹ Whilst this single role and title may initially seem a contrast to the varied pathways towards it highlighted in the previous section, our research indicates that the partner role encompasses at least as many, if not more, potential pathways. There are also usually a number of formal steps and career 'gateways', just as at the pre-partner career phase, comprising an initial promotion to 'junior equity', 'salaried partner' or 'fixed share partner', followed by a subsequent promotion to full equity partner.

The challenge of defining the partner role

The vast majority of firms do not formally distinguish the different stages of the partner role. For example, the 'junior' or 'fixed share' distinction is usually invisible both internally and externally (including on one's business card), and professionals usually retain the same 'Partner' title for the next 25-30 years unless one becomes a 'Managing Partner' or 'Senior Partner'.

Given this context, the immediate challenge – or opportunity – which partners face is that they enter a relatively opaque role which covers a significant period of their career, and it is largely up to them to define its shape, direction and the portfolio of activities. As noted in the Introduction to the paper, some guidance is usually given through inductions and new partner training, but development support beyond those initial 2-3 years in role has historically been extremely limited. The only 'guidance' which partners receive in many firms after this point tends to be messages from the metrics which the firm sets, often reviewed in an annual conversation (usually positioned as a partner appraisal). The challenge for partners, however, is that the focus of these conversations is most often on assessment of *performance*, rather than *development*, and has increasingly centred upon financial elements of performance as the market has become more challenging. When asked, partners regularly report that the strongest messages they hear – even when a firm has designed a 'balanced scorecard' – are ones related to client revenues in the financial quadrant. There is less focus on their contribution in other areas, and much less on their

long-term development and the potential leadership pathway they might define for themselves. Our research indicates that rebalancing the messages which partners hear from the firm is one area that Managing Partners could usefully focus upon if they want to develop, engage, and to create maximum value from, their most senior cohort.

Giving 'shape' and definition to the partner career

In our research, we found one example of a firm which had sought to address this challenge of defining partner careers more clearly as a basis of competitive advantage. The firm's strategic goals in providing clearer definition of the role had been twofold. First, to enable partners to create career pathways which would maximise their long-term value to the firm (and its clients) by allowing them to play to their strengths. Second, to develop a talent pool who would become the next generation of senior leaders: whether that be in client leadership roles or in firm management positions.

'We have expectations that people will assume people or line management roles by nature of their seniority. But how can we explore options which bring the best for the firm and its people, by using our leaders' strengths? Take, for example, those with a strong client engagement and BD focus, how can we use their capabilities to coach and develop others to grow our business? And at the same time, how can we enable those who show a strength for managing people's performance, well-being and development to take a lead role day-to-day? How do we draw on both of those great capabilities, but in different ways?'

Neridah Jarrett

Head of Reward, Performance, Learning & Operations at international law firm Eversheds Sutherland

To create this clarity, the firm signposted four long-term partner career paths, thereby defining the skill-sets it valued and, at the same time, explicitly endorsing all of the four options as being valid and valued career choices at partner level:

- 'Rainmaker' – winners of work and developers of client relationships
- 'Expert' – recognised for deep expertise in a narrow field
- 'Manager / Leader' – able to take on a senior management role in the firm in due course
- 'Sound generalist' – able to contribute across all the above categories.

In the firm, these pathways became defined as their professionals were on the cusp of partnership. Following promotion, partners then had ongoing development conversations to consider their strengths, mapped against the four pathways, making it possible for them to see how they matched up against the 'critical success factors' for each role. Such conversations allowed partners to speak with senior colleagues further along each pathway to gain an understanding of what each role looked like in practice. The firm also gave very clear guidance, for example that 'Experts' would not normally be expected to hold responsibility for client relationship management, and that 'Rainmakers' and 'Managers' would have a reduced billable hours target. 'Leaders' would have no billable hours target, but would be expected to take responsibility for senior client relationship management activities.

To ensure the alignment of its approach with the firm's business plan, the firm regularly reviewed its anticipated needs for each leadership 'persona' (which might be flexed slightly depending on a particular department). In general, around 75-85% of fee earners were

'Sound generalists', 5-10% 'Rainmakers' or 'Experts', and less than 5% 'Managers / Leaders'.

The firm found a number of benefits in its strategic talent planning from this approach:

1. First, its fee earners gained greater clarity around the senior pathways open to them, and understood that difference was valued, before taking on the roles. The firm found that the approach aided retention of its aspiring leaders by enabling them to envision their future, long-term fit in the firm, and also to make more clear how they could find a leadership role that they would enjoy and would play to their strengths
2. Second, it allowed the firm to craft some of the 'development experiments' we spoke about in Paper 3. The firm combined its definition of the paths with a shared responsibility across the firm to enable a 'learning by doing' approach. Fee earners were able to try out a junior role on one of the career streams, receive feedback, and consider their own best career pathway
3. Third, this clear definition allowed L&D support to be tailored to the firm's chosen career pathways. Mentoring could be aligned to an individual's choice of future path as they tried out one of the junior roles. Also, the L&D team gave strategic support with ongoing assessment of the aptitudes of individuals who expressed a preference for the non-generalist role. Such preferences could be expressed, and both development opportunities and workload adjusted accordingly. Honest and open feedback was an essential part of the development and selection process. For instance, not everyone who opted for management roles would secure them in the longer term.

When we discussed this model with other firms, many have said that they adopt a similar approach *informally*, allowing

Defining partner career pathways: a possible model



9. In this part of the paper we focus our discussion around the more senior career pathways for fee earners in firms, the vast majority of which culminate in partner roles. For those in Business Services roles (or fee earners who moved across onto such Business Services or Practice/Knowledge Management career paths), senior leadership positions often are defined as 'Director', 'Global Director' or 'Chief Officer'. In some cases there is progression available within these latter pathways, with firms building the paths out from initial single senior roles, as highlighted in the first section of our paper for aspiring leader roles.

their departments to 'flex' the skill-sets they seek in their next cohort of partner promotees or lateral hires. However, some Managing Partners acknowledged that there was a downside to this informal, less clearly communicated approach, namely that clarity on partner career paths depended on the management and communication skills of each particular departmental head. The result was that partners in different groups might be less clear about their long-term development options and which routes the firm would endorse.

An important question for senior management teams to reflect on, therefore, is whether or not this dial of 'clear career signposting' is one that could be usefully turned up in their firm at partner level, and how formally they should define such pathways.

Transitions to and from senior management roles

In addition to the challenge of defining clearly the partner career path and ensuring effective signposting of the development routes open to leaders, another increasingly complex issue for senior management teams is how to manage leadership transitions in their firm. We explore the issue of succession planning and the latter phase of careers in the last section of this paper. We now focus on the challenge of transitions into and out of management roles in mid-career, and how L&D can be used strategically to support in this area.

Two findings from our research, consistent across firms of different scale throughout the sector, are that:

1. Senior management roles – in particular those with P&L responsibility at group, industry sector or firm-wide level – are increasingly hard to carry out effectively if leaders try to maintain an unaltered level of focus on client work. Firms are recognising that the roles are simply becoming too complex, especially with consolidation across the sector, and that those holding these positions (including those in mid-career) will lack the necessary bandwidth to perform both the client and management aspects of their role successfully
2. There is a trend for senior management roles to be taken up in earlier career phases.

The first finding emphasises the value of the method in the case study described above whereby a firm might not only identify the strengths of partners and develop the skills-sets they need for each partner 'pathway', but also enable their leaders to focus (and succeed) on their chosen pathway by flexing the metrics associated with each leadership role. Firms which flexed the nature of each role type to enable success along the different pathways regularly reported important 'cultural' benefits of the approach. For example, having excellent 'Rainmakers' holding leadership positions enabled very visible role modelling of great approaches to winning work and delivering client service. Above all, the key is for the Board to take a conscious, and very realistic, decision that there will be a financial impact on the firm because the partners who do excel in more than one area can never truly wear two 'hats' at the same time. If they are put in a position where they need to do so, our research indicated that these high performers will be much more likely to derail or burn out and will underperform in one of the roles they are juggling.

'Typically, after holding a mid-career group or office leadership role, there are three pathways. Often people who have been chairman or global managing partner for a fixed term will change firm afterwards, particularly if there's been a contested election that they've lost. And from what I've seen, they tend to move to equivalent firms as opposed to specialist boutique firms or smaller regional firms. A second route is where Managing Partners remain at their current firm, but don't go fully back into doing client work. Instead, some sort of bespoke role is carved out, like Senior Counsel or Director of Clients. Often, that's linked to a new firm initiative, such as meeting important clients for feedback. Lastly, others just change their career completely and do something else. I'm an example of that, although I'm still in the legal sector, I'm now in recruitment. I can think of others who have gone on to have careers in business outside of the legal sector. However, the easy option is to carry on at the same firm while you're being well paid for it. The choice to do something different requires a leap of faith.'

Scott Pearman

Managing Partner of legal consultancy London Bridge Partnership LLP

FACULTY INSIGHT

The benefit of using coaching strategically to support leaders through multiple career transitions

Professor Sue Dopson, Chair of the Saïd Business School Coaching Community, and an expert in the personal and organisational dimensions of leadership and change, describes the benefits she has seen for senior professionals who use coaching at times of leadership transitions:

"At Oxford, we work with a number of professional service firms, often with leaders who are going through transitions. At these times especially, we encourage them to be curious at three levels: about the nature of their challenge, about different ways to lead as their roles change, and also about the broader organisational context in which they lead. Over many years, we have found that it has significantly helped both the individual and the firm to include some 1:1 space for the leaders on programmes for this type of coaching support – and we use our unique Saïd Business School Coaching Community to support this work.

My overall observation would be that the firms who have gained most from the coaching approach it really strategically, considering the broader context – two examples stand out.

First, when firms work with their 'aspiring leaders' who are facing a change to move into senior roles, they also put in place some support for those who, at the same time, will be making a transition out of those leadership roles. In other words,

they consider the talent pipeline holistically, and coaching is incredibly valuable for both steps, especially because the issues and situation will usually have a very specific, individual aspect.

Second, the best firms always help their leaders to plan two steps ahead – and this planning can be best supported by coaching which is well set-up with a 'contracting' meeting, including the coachee's boss. For example, if you can have the leader sit together with their boss when discussing a potential transition, they can plan really strategically: not just for the imminent change and the role soon to begin, but it gives them a chance to consider what might happen when that next role comes to an end – especially important as many roles in firms are time-bound. The transition might range from a secondment to lead a different office to taking up a new role leading one of the firm's sector groups, but the principles are the same. With the coach, coachee and boss together, the goals can be openly and honestly discussed, and the coachee can express what they would like to do in the longer term. Will they move back to their former region? Would they prefer to stay in management or return to a full client-facing role - if they think the latter option is feasible? Or would they like to take up another senior role? None of these issues are easy to resolve, but I think that firms miss an opportunity if they only look as far as the next position for their leaders – and coaching can add enormous value by exploring steps even further ahead, beyond the next fork in their career pathway."

Combining these findings with the trend that partners are taking up senior management positions earlier in their careers, raises an equally challenging question. How can the firm assist these ‘mid-career leaders’ to plan for the period after their management role, given that these roles usually last between 2-5 years and, during this period, they will be unable to maintain the strength and currency of their own client portfolio?

Senior leaders indicated that there is no simple answer to this challenge. However, methods that had proved successful included clear signposting with a partner’s key clients of the new management role they were moving into and its implications for their ongoing, day-to-day involvement with the clients’ mandates. In fact, a consistent best practice identified was for senior leaders to discuss their potential promotion with key clients in advance to seek the clients’ views before taking on the role. Partners found that clients valued this openness highly and were often proud that ‘their partner’ was being considered for a senior role – reinforcing the quality of the adviser team with which the firm was providing them. In addition, such discussions opened up dialogues on succession planning, including the potential successor(s) for the duration of the partner’s move into the management role.

‘Another trend is the relative youth of current generation management. So in the older days, twenty-five years ago, the managing partner would probably be their last role before retiring. They would be at least fifty something. These days you’ve got plenty of people now who are managing partners in their mid-forties, which is interesting. They have to keep an eye what they do after the managing partner role. And if you look at people, there aren’t many managing partners who successfully step down and go back to being a practising lawyer again after eight years of having given up the client side of things.’

Nick Holt

Partner, SR Search

Effective strategic L&D methodologies to support transitions throughout a partner’s career

In terms of strategic use of L&D support at these times of transition, three approaches stood out from our research:

1. Attending a preparatory development programme

Many firms reported that they send candidates for senior management roles on some of the well-known open enrolment programmes for current and future leaders of professional service firms.¹⁰ Such programmes provide an excellent overview of the areas where senior leaders must focus, a very useful peer group and in-depth discussion of strategic issues. However, as time-bound, ‘set-piece’ programmes, they tend to focus more on building knowledge, rather than practising skill.

2. Coaching and mentoring programmes

At moments of transition, both into and out of senior leadership roles, many firms reported that individual development such as coaching and mentoring (see the faculty insight, page 15) is particularly successful. Such 1:1 support can be tailored to the precise needs of the prospective leader, whether that be the need to have the ‘air cover’ of a more experienced senior mentor to sense check ideas in their early months in role, or to have a coach from outside the firm to challenge thinking and bring fresh perspective.

3. Maintaining a long-term breadth of perspective and skill-set

Some firms we found take a particularly long-term and strategic perspective. They implement L&D strategies to create development opportunities, which maintain their partners’ breadth of focus for the long term (see the graphic, page 18). These opportunities might include holding external trustee or Board roles in charities or non-profit organisations, or taking up roles in external industry networks (see the case study, page 17).¹¹

10. Two of the best-known open enrolment programmes in the US are the long-established ‘Leading Professional Service Firms’ and ‘Leadership in Law Firms’ courses run at Harvard Business School and Harvard Law School respectively. In the UK, Judge Business School’s ‘The Law Firm Partner as Leader’ and the Møller Institute’s ‘Leading Lawyers in a Complex World’ are similar open enrolment programmes aimed at senior leaders specifically in law firms.

11. Organisations such as ‘BCKR’ (<https://bckr.com/>), which offer opportunities for legal sector partners to seek broader opportunities either in mid-career, or for late career transitions, have become increasingly utilised as external development options by L&D teams in recent years.

Case study: Maintaining breadth of focus and skill-set throughout a leader’s career

Liz Gray, Director of Partner Relations at EY in the UK, speaks about the firm’s approach to maintaining their partners’ breadth of focus throughout their careers as leaders in the firm, and the support offered for senior partners at their time of transitioning.

“Overall our philosophy at EY is to try to maintain our partners’ breadth of focus and networks throughout their careers, and we do this in different ways.

When partners are about six to seven years into their role and have settled into their leadership position, there is a ‘Step on Board’ programme which offers partners in Financial Services the opportunity to be placed on a charity trustee board where they are passionate about making a difference. The aim behind this initiative is to allow partners to build board-ready skills and further develop themselves by working in different industries, addressing various strategic challenges, whilst also enabling them to spend time with senior leaders in wider networks.

All partners are offered further career support through an independent career review with an EY senior leader every three to four years. During these sessions, a partner can explore and reflect on the most meaningful ways they can progress their career. It also serves to highlight their experience, expertise and the broader options that might be available to them. Again, the message from the firm is that we want you to be thinking beyond your own niche area and that we are actively supporting you in maintaining this broader perspective.

This philosophy runs through to the end of a leader’s career in the UK firm. We have spent a lot of time thinking about how best we can support people as they begin to plan what they might want to do next. For this later career phase, we try to align the interests of the individual and the firm, working to a timeline of the last five years when we anticipate that people might be at EY. During this period, we aim to support them in exploring options, building relevant networks and skill-sets so that they leave the firm with pride, loyalty and respect and, best of all, a plan they have developed with opportunities and connections already built.

One theme I see for the future is continuing the connection with our leaders beyond their time at the firm. For example, we are developing an EY ‘Ambassador Programme’ for the year after our leaders have formally left, where they will have opportunities to support the business in an area of their interest. They might become mentors of junior leaders in the firm, use their skills and experience in developing a new service or product, or help with coaching, pitch reviews or interview panels. In return for their time, we will offer additional leave in their final year in role to work on their transition plans. The individual may want to use these days to attend a course to add knowledge or skills related to their next role, or to spend time building the role they will move into. Overall, the message is that the options are broad and there is something there for everyone.”

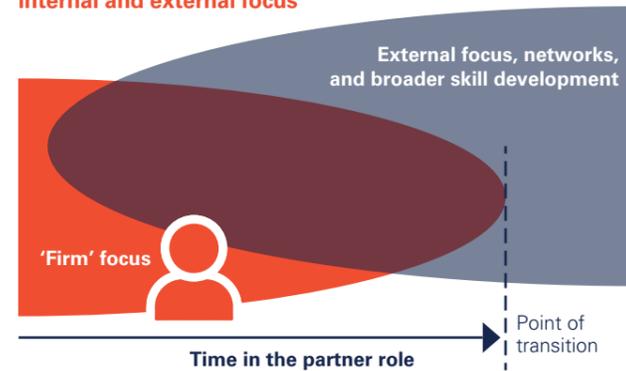


EY

Building a better
working world

The overall philosophy behind this approach is that breadth of skill-set and mind-set, and an ability to change, is a useful development 'muscle' to build as part of a professional's potential 25-30 year career as a partner (see the faculty insight, page 19). These firms consider it important, therefore, to enable partners to craft ongoing experiments to try out different identities and roles in broader networks. These opportunities are viewed as incredibly helpful not only for their careers within the firm, but also to help them build opportunities – and confidence – for transitioning at the end of their careers. It is this career phase, which we explore in the next section.

The importance of balancing a leader's internal and external focus



Benefits

- Maintain breadth of networks
- Skill-set development for broader 'Board' conversations with clients, adding value to the firm's business
- Simultaneously preparing skills for roles beyond the firm
- Maintaining flexibility of 'identity' enabling greater change capability

'We encourage our lawyers to go and sit as Trustees or Governors on Boards and just get out there and actually see how the real world is operating.'

Joanna Worby

Managing Partner at law firm Brachers LLP

KEY QUESTIONS TO ASK IN YOUR FIRM

- Do you proactively signpost different pathways within partnership in your firm, helping your partners to play to their strengths throughout their partnership career and to contribute as broadly as possible?
- Have you implemented regular conversations with partners, which focus on their development, not just on their performance?
- Do you use coaching or mentoring support consistently at times of transition into or out of senior roles?
- Is there encouragement for partners to maintain breadth of perspective and to stay connected to wider networks outside the firm, holding roles (e.g. trustee positions), which will also build their Board-level skill-sets?

FACULTY INSIGHT

Building agility and resilience to change: a key attribute of successful senior leaders

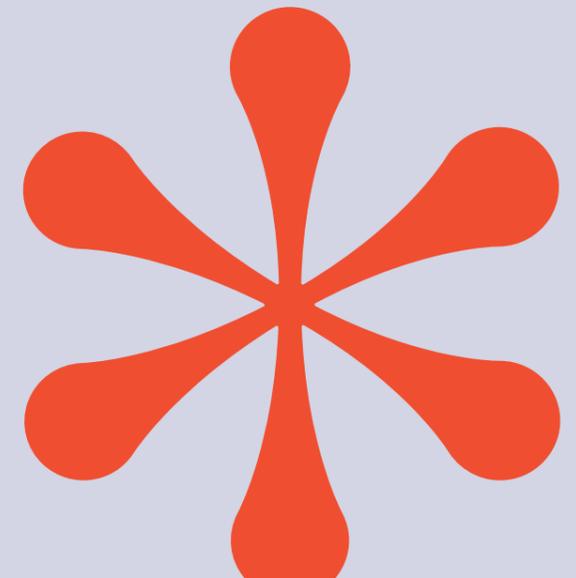
Roger Wyn-Jones, Associate Fellow at Said Business School, University of Oxford, and formerly a senior partner in global professional service firms, considers the importance of senior leaders maintaining a mind-set of ongoing development and openness to change during their careers.

"In the past professional service firm partners might have traded off the same core expertise that got them their partnership throughout most of their career. This model doesn't work anymore. To thrive and survive, partners now need to reinvent themselves two or three times in their career, overseeing the emergence of new fields of knowledge and expertise in others, as well as updating their own knowledge much more frequently and intensively than before. The agility and resilience to deal with this new reality must become both a key selection criteria and a capability which employing organisations invest in developing – and re-developing – over time. I rarely see firms focus well on this long-term, ongoing development of partners but, unless they do, their partners are going to become burnt out and see their expertise and contribution become outdated much faster.

To help partners to negotiate ongoing change, some firms have successfully run a development programme which gives them a strong insight into how to survive when being the target of a change (a merger, the loss of a major project, or a client

relationship). Consulting partners in some major firms may be experts in helping others to implement change, but these courses can get them to appreciate the critical difference in being the target of change, rather than the leader or advisor. Another strategy which works well to maintain the ongoing learning of senior leaders is to build connection across generations in a firm, so that there is mentoring in two directions. I have seen great programmes where the partner provides wisdom and insight into the ways of the firm and its markets, and the younger consultant has an equal role in ensuring that the partner is up to speed with specified fields of emerging and fast-moving knowledge or tools. These learning partnerships can be quite short term, but help to break down communication barriers within a firm and also generate more innovation.

My extensive research across firms has shown that these traits of openness to change and learning over the long-term are some of the best predictors of those who develop successful, long-term careers as leaders in firms – especially those who make it to Managing Partner / CEO. These individuals know that, if they are to progress up the ranks, their role is going to be changing, and to succeed they will need to learn in anticipation of each change. Therefore they must be an exceptional learner themselves and make time to do this over the course of their career. I have seen many upward trajectories run out soon after the personal discipline to invest in ongoing learning has ended."



Pathways beyond leadership

Succession and transition planning

As we have highlighted already in this paper, two interconnected key issues for the leaders of firms are how they plan succession, and also how they build effective transitioning pathways beyond the firm for their senior leader cohorts. Our research indicates that whilst succession is spoken about often, there are a number of barriers to its successful execution. On the related topic of transitioning, many professional firms (even large ones) have only begun to devote more detailed attention to this area quite recently, if at all. In addition, our findings are that significant benefits can be achieved throughout a more holistic and strategic approach to developing these senior talent pools, utilising L&D teams to provide important support.

For both succession and transition planning, it is clear that the issues surrounding these topics are complex for all stakeholders in the process. Approaches to these issues, and the level of openness with which they are discussed, can be affected by a multitude of factors, often very specific to each firm:

- The type of services offered and the nature of the client base, factors which lead to different types – and lengths – of client relationships
- The partnership structure and age-related definitions of tenure
- Approaches to remuneration and incentives
- The way in which key client accounts are managed, and how partners work together on them.

What is clear, however, is that those firms that do engage in detail with these issues create a significant, positive bottom-line impact because the retention of long-term client business reduces cost of sales, minimising the need to find new business, and enhances profitability. Our research clearly showed that these firms also retain more of their key future talent.

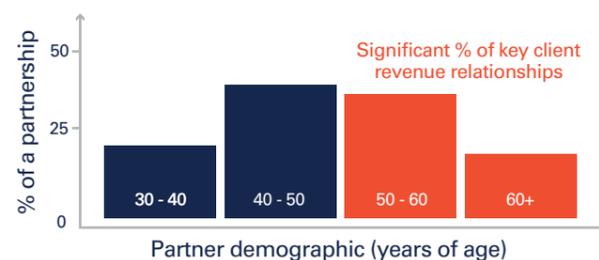
Supporting succession planning

An initial, effective exercise that we have seen L&D and HR teams carry out to bring focus to this discussion in their firms, is to work with their Managing Partner to map the demographic of their partnership. The mapping exercise can focus in particular on the senior end of the leadership group and firms have found it helpful to then work with the business/client development teams to overlay where the key client and revenue relationships are held.

An example is illustrated below, and often this enables the Managing Partner and the Board to prioritise where action is needed. The 'map' may show it is likely that those leading some relationships will be exiting the business in the immediate or near future or that there is a significant gap between the senior and more junior partners close to a particular client. Alternatively, the 'map' may show that there are potential successors for client relationships already in place, in which case the task is to engage these future relationship leaders with the opportunities which the firm sees for them on these key accounts – aiding retention of these future star performers.

Successful client succession planning will typically begin at least two years before a given partner is due to retire, although we have found examples where partners spoke of planning 10 years ahead, even considering how they would grow some junior associates into the client relationship networks and workstreams. Whatever the timeframe, key success factors are to allow sufficient transition time on both the firm's and the client's side. The retiring partner ideally takes responsibility for managing the process of handover and does so as a matter of personal pride in order to maximise their legacy value to the firm. Another factor, underpinning effective succession planning, is to facilitate an open discussion with the relevant clients; succession cannot be achieved by diktat without risking the loss of the relationship.

Mapping the demographic of a firm's partnership



'In their later careers, our senior leaders are often expected to combine several roles, encompassing acting as guardians of the firm's culture and holding both client relationship and advisory roles as well as running business units. This helps to foster knowledge transfer and succession planning in terms of both client relationships, organisational structure and corporate knowledge.'

C-Suite Executive

Multinational Professional Service Firm

Internal succession planning is equally important, whether that be related to client management roles or firm leadership positions. Many senior leaders we spoke with in firms (both partners and those in senior business services roles) indicated that conversations with colleagues around succession and the opportunities that might open up for those individuals were key factors in retaining these people. Consequently, the benefits of openness on this topic are clear from a talent retention perspective.

The other positive impact reported from such discussions was that those who might inherit such roles felt valued, learnt how the firm saw their strengths and gained a useful assessment of where they might need to grow their skills, knowledge or networks in preparation for taking on a future, more senior role. In other words, not only did such open discussion help to retain them within the firm but, crucially, it helped them to look forward, prepare themselves mentally for transitioning into a new role, consider the challenges and understand how they could develop.

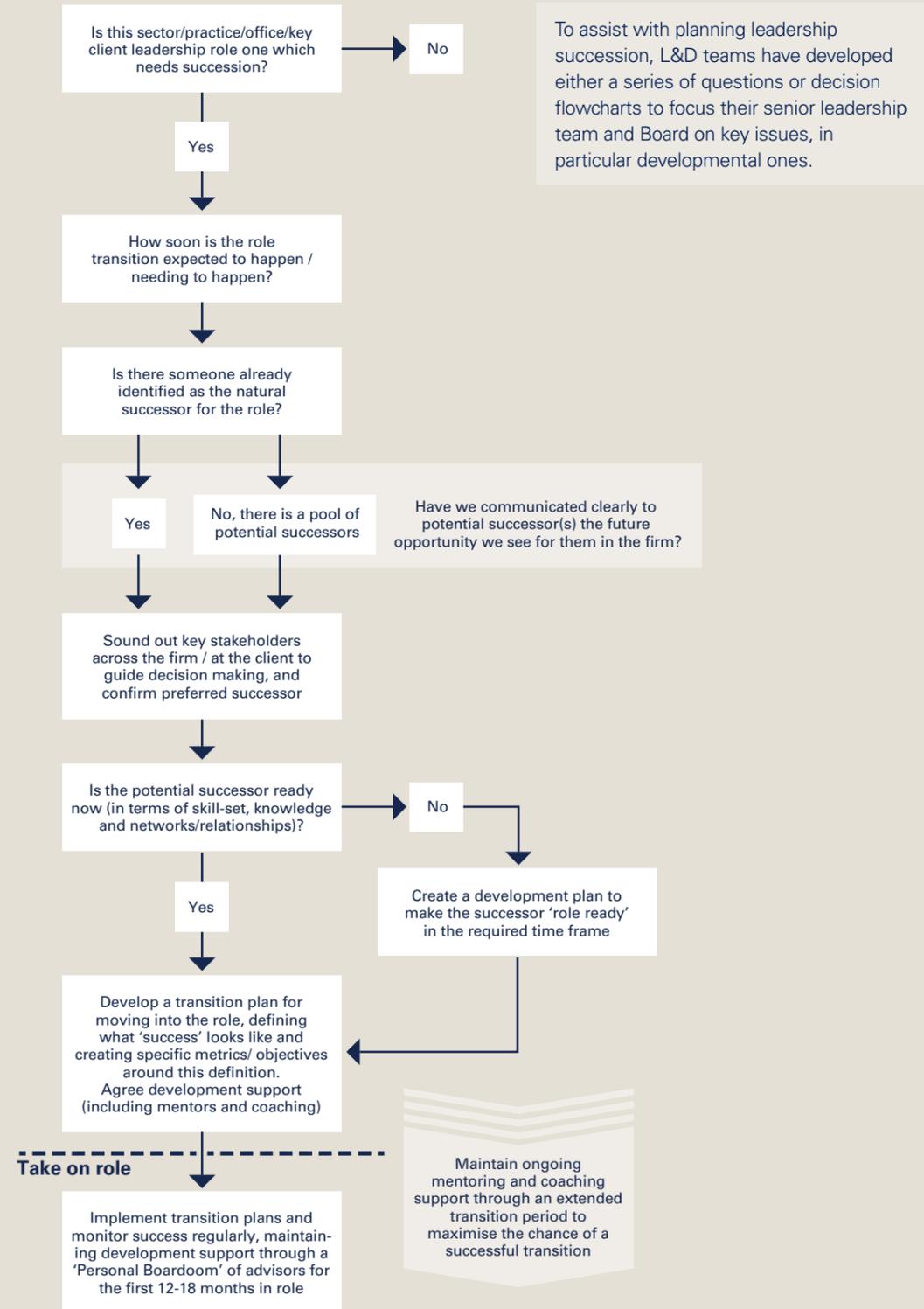
One area for firms to improve was highlighted across our research: the need for firms not to consider a transition as completed once someone takes up a role. Many reflected that their firm needed to have a stronger focus on ongoing support through the first 12-18 months in role, and one firm spoke of how they were working with their L&D team to support newly promoted leaders by creating a 'Personal Boardroom' of senior mentors who had held similar roles previously. Firms who had seen good outcomes in succession planning emphasised that their own reviews had highlighted this aspect of ongoing support as a key success factor.

'As a long-term client of professional services firms in the insurance sector, one aspect which has exercised my mind was whether or not there seemed to be involvement of a broad team of advisers. This didn't just impact on how knowledge was shared and the quality of the advice, but also it created a perception for me as a client of how the relationship was being managed for the long-term. In particular, my concerns were in relation to succession planning for senior members of their team. Advisers need to appreciate that clients want to have open discussions around succession; this is really important to them. Now, as a coach to professionals, it is an area which I often focus upon – I know that professionals find these discussions about succession and transitioning difficult; it can lead to a change in identity for them as they think about 'letting go'. But they shouldn't underestimate how much clients want to have their minds put at ease to know that there is robust long-term relationship planning in place.'

John McPhail

Executive Coach and former in-house lawyer

Strategic L&D methodology tip: develop a toolkit of key leadership succession questions to discuss with your firm's senior leadership team



PRACTITIONER INSIGHT

Enabling conversations for 'careers beyond the firm': smoothing transitions of identity and creating role models for future generations of leaders

Christina Blacklaws, President of The Law Society of England and Wales, considers the importance of enabling leaders in professional firms to plan ahead and build their next career phase.

"I think that the changes in the later stages of careers is a really interesting issue across the profession; from small firms to the very largest of firms. Things are changing a little bit in the City. A few years ago, if you were aged 50, people would start to look at you, and perhaps think; "Look at you, you're still here then." I think that's moving now and in general I see greater agility and a more flexible approach.

Of course it is really important that the high-performing people who are used to working extremely hard and who have a lot of their identity invested in their careers, have the next stage of their lives properly considered. I think it is right for law firms to be involved in this to support colleagues who are moving from a full-on role into less high-octane roles perhaps, whether that's within the profession or in other roles.

In the past, we used to see that on the Friday you were a high-powered leader, and on the Monday you weren't; I think that is, psychologically, very challenging for people. It also means that, as a business, you could be losing huge value for no particularly useful end. With that in mind, it seems to me that what Allen & Overy and other firms are doing with their alumni is really good; A&O's 'Peerpoint' model of enabling alumni to access high-quality work on a project basis is interesting and appropriate.

I think it is the time to have those sensible conversations (and indeed for the people to see the role models) at the point where they are perhaps entering their last five years of high-octane career and want to think about the next stage.

I think this is vital. If you can have those role models, you can build those career paths for the next phase. That gives a lot of reassurance to people who do not want to see themselves as falling off the edge of the cliff just because they got to 55 or 60 or even 70 or 80. There is a huge amount that those generations can give back into the world of work and it is, quite frankly, foolhardy not to leverage that advantage."

PRACTITIONER INSIGHT

The advantages of making transitioning 'Business as usual': an example from beyond professional services

Alistair Rogers, former Assistant Head of Army Training Capability and Development, explains the benefits he has seen of creating a mind-set where transitioning is accepted, openly discussed and planned.

"One of the areas in which the Services differ from civilian organisations is that we have retained a 'normal' retirement age. Officers normally leave active service by the age of 55 and discussion of retirement and succession is the norm. In a sense it is no different to planning how your role will be filled if you are taken out on operations, which we all do routinely.

Another significant difference is that the Services offer a structured programme for those approaching retirement, one which is openly discussed and keenly attended. That programme includes counselling on future career paths and help to translate military skills on the CV to language that is relevant for civilians. Officers are strongly encouraged to make use of this programme during their final two years of service so that they leave not only with a plan of what to do next but also have developed some practical skills that will be relevant in a civilian environment.

The benefit I have seen with this proactive raising of the transitioning issue is how it helps people at a fundamental point of change for them, both professionally and personally. What we are quite deliberately doing is giving people the organisation's permission, together with time and resources, to reflect on their skills and interests, and also to find opportunities to experiment, practising how they would apply these in a different context. Time and time again I have seen how important this is for people's confidence. Senior officers in particular find several areas challenging including the change in status and, to be frank, the change to their identity. It is a major change in who you are, and the programme is helping them to develop new opportunities – creating a confident reply to that classic dinner party question after one has transitioned, when the person sitting next to you says 'So, what do you do now?'"



Planning effective end of career transitions for senior leaders

Professionals tend to be defined by and invested in their work to a greater extent than many others in roles of equivalent seniority and expertise (such as banking and investment management). The end of a professional career and transition into retirement or a new stage can therefore be especially daunting, given the complex dynamic that one's ongoing credibility as a senior member of the firm is bound up usually in one's client relationships, revenue creation and capability to deliver value through technical expertise. Consciously letting go of these fundamentals of one's professional identity is hard.

In addition, there can be complications at an organisational level:

- A lack of a clear and openly discussed model of how compensation can be structured for those transitioning
- A lack of a relevant retirement provision in some Partnership Deeds
- A lack of knowledge of how other colleagues have transitioned previously.

Given these complex dynamics, it is unsurprising that many firms still struggle to make retirement or transitioning out of the firm 'an OK subject to talk about'.

This situation needs to change quickly, however, given the demographic patterns in many firms and the risks to the sustainability of a firm's business highlighted above in our succession planning section. In relation to the issue of transitioning, our research shows that some firms have begun to address the topic, but the complexity and sensitivity of the related issues has hindered many from developing strategic and holistic approaches – and ones that are openly discussed in the firm. We have only found relatively isolated examples of firms that have created such open and practical support mechanisms for those seeking to transition. What is clear, however, is that firms that do create such mechanisms for those close to transitioning have found there to be significant benefits of making this career phase much more 'business as usual'. As a result, the fast-approaching cliff-edge, which many senior leaders in firms foresee, is turned into a personal, tailored runway for further opportunities.

From all our research with firms of different scale and structure, we summarise below elements of an emerging best practice to act, we hope, as a practical tool-kit for Managing Partners, working with their L&D and HR teams.

A practical 'how to' guide for senior leader transitions: areas to consider and emerging best practice

1. Be clear on your firm's own strategic purpose and priority for the transitioning initiative

Each firm will have their own specific demographic and client profile, from which different leader transitioning priorities will arise. From our research, strategic priorities that firms identified as enabling the transitioning conversation to gain focus and traction at Board level – especially where no such programmes had existed historically in the firm – included:

- Avoiding the sudden, unplanned loss of key knowledge and experience from practice groups and business services teams
- Creating a cadre of strategically-placed ambassadors outside the firm
- Freeing up space in the business/financial model of the firm for the next generation, to improve retention of future stars
- Messaging clearly to key clients – and openly discussing with them – that the firm is planning for the long-term: a conversation that implicitly says to clients that the firm wants to plan how it works with them for the long-term!

2. Build engagement with the topic of transitioning amongst senior leaders and defining a transition programme

Where there is a clearly defined 'trigger' in the firm's governance structure for invitations to such programmes (e.g. a specified retirement age), firms indicated that it was easier to broach the subject of transitioning and build programmes for this generation of its leaders. In other firms where there was no such formal 'trigger', the firm's management has often found it helpful to start transition initiatives by building consensus amongst a group of senior leaders who could represent the first cohort attending such a programme, tailoring the programme around their needs.

In both situations, one piece of feedback from participants in transition programmes was that there was appreciation (and greater engagement with the initiative) if the introduction to the topic was done in an individual, personalised way. After agreement at Board level on the approach to the firm's transitioning programme, its purpose, and who would be invited, a number of firms described the following engagement approach as working well:

- Using a member of senior management holding a pastoral role (e.g. the Senior Partner), or the Head of L&D, to hold conversations with those who might become members of a transition programme to test levels of interest with the topic. Firms found that using senior members of the firm who were not the line managers of the transitioning leaders to be beneficial for these conversations, in particular because it emphasised that the firm saw the initiative as having a 'development' purpose rather than a 'performance management' one
- Such conversations were best carried out 1:1, initially with each senior leader approaching transition, perhaps followed by conversations in groups of 2-3 colleagues also potentially to be included in programmes
- To build engagement from those transitioning, and build trust in the process, 1:1 conversations were used, in part, to collect ideas from each transitioning partner of what they would like to see included in any such programme, asking what would add most value for them
- Many firms commented that they deliberately positioned these programmes as 'opt-in'. Some partners would say that they had plans for their transition clearly defined already and needed little assistance from the firm; although often even these partners chose to take up some elements of the firm's support.

Another issue that many global firms mentioned was the complication of running such programmes on an international basis, in particular given the very varied attitudes to transitioning, holding external roles, and retirement in different countries. Given these challenging cross-cultural dynamics, firms often consulted locally in each market where transition programmes were being contemplated; otherwise the risk was that they would conflict with the local business culture.

3. Manage the brand of the transitioning initiative in the firm

A number of firms highlighted how they had thought carefully about the brand of their transitioning initiative. Especially in the early stages of setting it up, the brand was key to creating the 'pull energy' in the senior leader group to want to participate.

Firms found that one positive way of branding the initiatives was to communicate clearly that the foundational purpose was to 'align the interests of the transitioning senior leaders with those of the firm'. In other words, communications about the programme emphasised the objective of supporting the next career phase of the senior leaders, and of creating opportunities for them, rather than having a more transactional purpose of partners handing over key clients to the next generation before departing the firm. Firms found that the latter goal was much more successfully achieved by first removing the anxiety related to the approaching 'retirement cliff-edge' and creating instead a mind-set in transitioning partners of future opportunities that the firm was keen to help them develop. Transitioning partners were then much more open, as part of their programme, to include the succession planning and handing over of client responsibilities as part of their forward planning discussions.

Many firms commented that the brand of the initiative was also positively impacted through the choice of who was invited to take part. Firms which reported successful programmes made it clear to all their senior leaders that everybody at a specific career phase was invited to receive the transitioning support of the firm – including the highest performers and those already in senior leadership roles. Again, this removed any doubt in the minds of transitioning partners regarding the purpose of the initiative and, when they looked around the room in an initial meeting, made attendees comfortable with the question of 'Why have we been invited to this, and who else is here?'

4. Structure the transitioning programme to create a development-focused 'club' for transitioning leaders

In structuring their transition programmes, firms reported different approaches, with one critical success factor being to carefully align the timing, structure and content with the purpose they had defined (see (1) above). To build momentum, firms reported two different approaches. One was a more structured and programmatic feel to the initiative, with longer initial sessions (over a whole day, or an afternoon, followed by dinner), covering the majority of relevant topics, with a limited number of follow-up sessions. Another approach, especially where firms had less history of running such programmes or where the leadership group felt that it would create greater buy-in if attendees defined the agenda, was to adopt a more iterative structure. An initial group 'contracting' meeting was held with potential attendees (who had been spoken to 1:1 in advance) to confirm not only their desire to attend, but also to gain input from the whole group on what content they would most value.

Another theme from successful programmes was that topics should be tailored to the context of the group attending. For example, in some initiatives where the spouse of the transitioning partner is invited to sessions, topics must be relevant to and targeted towards both attendees.

From firms with whom we spoke, development sessions that transitioning leaders value highly include:

- **Role models further along their 'transition journey'** – Round-table discussions with exemplars, who have been senior leaders in firms and have already made a transition over the last 4-5 years, are highly valued by those currently wanting to understand how they might approach their own journey
- **Identifying interests and networks** – Leaders find valuable an element of a programme whereby they can reflect not just on where their interests might lie but then, crucially, the strength of their networks in these sectors – and where they might need to spend time developing these connections more fully
- **Recruiters who regularly interview senior professionals for broader roles** – Workshops with head-hunters on how senior professionals can best present themselves to emphasise their transferable skills, and even role-playing an 'elevator pitch' conversation about the broader value one can add, are always seen to be extremely valuable
- **Well-being** – An area often overlooked, but an extremely important element of transitioning, is to raise awareness of health and well-being strategies at a time when there can be a sudden change of pace – and programmes have usefully included this element as a core topic
- **Specific skills programmes and activities aligning the needs of the firm and the interests of those transitioning** – In many firms, a popular part of a transitioning programme is where a cohort (or a sub-group of a cohort) is allowed to select a topic where they would like to build their skills or knowledge. These streams of activities could then be run in coordination with the L&D team and focus around an area that would also align with a strategic firm need (e.g. mentoring or coaching skills to share knowledge with junior leaders, or preparation for conducting client feedback interviews).



PRACTITIONER INSIGHT

The importance of thinking ahead when planning career transitions

Nick Blandford, Client Director at Saïd Business School, University of Oxford, summarises how long-term planning is key for senior professionals to transition effectively, and highlights useful areas of focus for transition coaching.

“My experience of working with partners transitioning out of a firm is that they fell into one of three categories:

1. Those who were leaving the organisation within the next six months
2. Those leaving within the next 12 to 24 months
3. Those taking a much longer-term view to their transition, with typically two years or more left in role.

Over many years, we found that those who started to think earlier about their transition out of the organisation had better outcomes – and also that succession planning worked best when there could be open and candid discussions between the transitioning partner and their practice group leader.

Partners also found specialist transition coaching incredibly helpful, as it enabled them to think through a number of issues that were very specific to them. Some common themes from this coaching form a useful ‘agenda’ for partners at this career phase:

- What legacy do I want to leave in the firm?
- How can I help more junior partners take over my key client relationships?
- What are the financial implications of moving out of the firm going to be for me?
- How should I market myself for the next phase of my career?
- What is the impact of my transition going to be on my family members (and should the coaching include time with my spouse)?
- How should I plan to cope with the ‘loss’ of no longer coming to the office?
- What preparation do I need to do for interviews?
- What are my overriding hopes and fears about the future that I need to work through?

As you can imagine, these issues are quite complex and, hence, individuals who left the coaching to just a few months before they were due to leave often found themselves at a disadvantage. Those who had at least a year before transition felt more prepared and relaxed when the time came. And those rare individuals who had started thinking about this several years before transitioning were in the best place of all as their transition felt much more like a fully-formed and planned progression into the next phase of their career.”

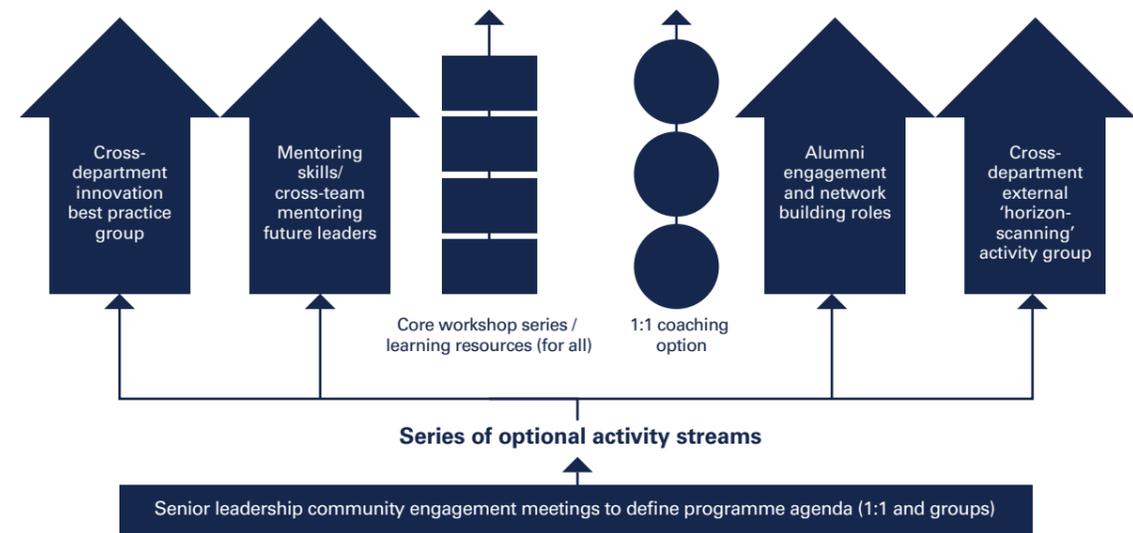
In addition to group sessions on the above topics, an important element that many firms mentioned was the need to offer, offline from the main group sessions, 1:1 career coaching (ideally with an external coach) so that individual leaders could develop their own ideas, express their concerns, and also discuss individual aspects of their transition plan (see the practitioner insight, page 28).

Overall, the atmosphere and ‘feel’ to the transitioning initiative which firms said was well-received by attendees was as if it was an open-ended ‘club’ to which these senior leaders could belong for the medium-long term (even after they had formally left the firm), with options for them at each stage, and with a community of peers.

By way of a single example, we illustrate below how an initiative could be structured, with initial discussions to engage potential attendees, a core series of workshops (which could be focused around some of the areas mentioned above) and the opportunity for 1:1 discussions in parallel to these workshops. In addition, built around these elements, a series of activity ‘opportunities’ created for the transitioning leaders to join (e.g. enhancing their coaching or mentoring skills or developing the firm’s alumni programme). These activities can simultaneously align with the firm’s priorities and deliver value for the firm, whilst building the skills and networks for individuals with future roles and careers in mind.

Developing a transition programme for your senior leadership community

Optional activity streams and 1:1 coaching built around a core workshop series



Remuneration during transitioning

A final important element about which firms often spoke as being ‘the elephant in the room’ for those transitioning was pay, and the financial arrangements and options open to individuals in their last years in the firm. Achieving clarity on this topic is critical for enabling leaders to be open about their ambitions and to plan, whilst allowing the firm to manage its long-term financial commitments. Approaches will need to vary depending on the remuneration and partnership models of each firm (e.g. lockstep or merit-based, as one fundamental difference). This is an area where L&D will need to work closely with HR, the Managing Partner and remuneration committee to create practical and workable options.

On this point, creative approaches, which we found in some firms, included making a sum of money available to partners for transitioning at a specific career point (which might taper down over a specified time period), or linking remuneration over a transition period to meeting agreed transition-related goals. As an example of this latter method, a firm and the transitioning partner could agree a specific time horizon for their transition (e.g. three years) and the annual remuneration levels for this period if, in each year, specific transition targets were met. These targets might include the smooth handover of firm leadership roles or specific client relationships. The benefits of this approach are not only to create better, and more focused, transition goals, but also to generate more accountability for achieving the goals in those transitioning. Finally, many firms found it helpful to co-sponsor development activities in a leader’s last years at a firm as another method to ensure that both the individual transitioning and the firm were invested in making the transition plans come to fruition.

KEY QUESTIONS TO ASK IN YOUR FIRM

- How can you make transitioning out of the firm an open topic of conversation in your firm?
- Do you ask your department or office heads to make succession planning ‘business as usual’ for their part of the business, enabling the firm to manage client relationship or leadership changes proactively?
- What development opportunities would your senior leaders value as they approach the end of their time in the firm, to align their longer-term interests with those of the firm?
- Can you utilise senior alumni to build a message of successful transitioning, acting as ‘succession role models’ for your current senior leaders?

FACULTY INSIGHT

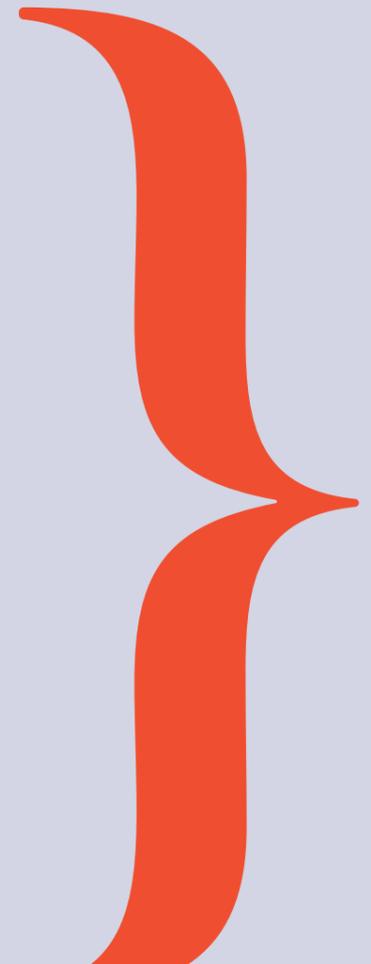
Building your ‘leadership brand’ for career transitioning

Allyson Stewart-Allen, Associate Fellow at Saïd Business School, University of Oxford, has found that one of the biggest challenges facing senior professional service leaders transitioning to life outside their firms is clarity on what their leadership brand or identity should be that inspires and engages others.

“Over my 25 years of helping Managing Partners and other senior executives to define and articulate what they stand for – what they want to be famous for – one focus has been refining the narrative about who they are, their story, their brand. Some top tips to help with this articulation include:

1. Define what you want to be famous for. Is it your creative problem-solving skills, your tenacity, your ability to stay calm under pressure, your reliability? Once you’re clear on this, then you can articulate these qualities with confidence and consistency and ask others to describe you in the same terms. Think of your brand beyond being an outstanding ‘technician’ or ‘expert’ as these are the table stakes that got you to where you are today. You might do this by seeking feedback from others you respect (colleagues/clients – even your partner/spouse). What do they see as your strengths? What broader skills and capabilities have they always valued in you? You may be surprised that they see an even broader range of skills than you do – perhaps things you have taken for granted
2. Consider some leaders you really admire, and why you think they’re exemplary. What is it about their style, their decisions, their image and reputation that attracts you? Which elements would you want to replicate in your own brand platform?
3. Decide if your reputation should vary depending on which stakeholder group you’re looking to influence. You may conclude that you are the same person in all settings and therefore wouldn’t want to be perceived differently across them, or perhaps you have one persona when working as an advisor or Board NED and another distinct one when working in other realms.

Not only will you be clearer and more comfortable with your success story, you will have changed your narrative to something that’s more engaging, confident and inspiring.”



Conclusion

From our research, three themes stand out for the leaders of professional firms to reflect upon as they seek to manage the careers of their senior professionals.

First, as the market evolves rapidly, creating a mind-set of ongoing development in senior leaders – and then working strategically with the L&D team to create developmental offerings at each career phase – will become an increasing source of competitive advantage.

Second, firms need to consider how they make the long leadership career phase less opaque and signpost more clearly the plural career options and pathways open to their senior leaders. As part of this work, they should consider how the firm will communicate its endorsement of all possible routes, highlighting how a range of leadership skill-sets adds significant value to the firm.

Third, Managing Partners should review critically their approach to how they manage the career transitions of their most senior colleagues, aligning the long-term interests of this group with those of the firm.

We have given examples throughout the paper of how important a role we feel that L&D can play in all these areas,

aligning their work closely with that of their firm's Board. Skills development does not end with promotion to Partner or equivalent. Indeed, one might argue that it has barely started at that point and that the phases (illustrated below) need to be considered on an ongoing basis.

The value of Managing Partners working closely with their L&D leaders in considering and putting forward answers to all of these questions cannot be overestimated. As noted in the Introduction, this joint work will require a rebalancing of L&D budgets to support areas of the career path that historically have received less focus from a developmental perspective. Nevertheless, our view is that there will be significant benefits, including top-line growth and profitability improvements, where firms invest as much time, effort and money to these issues as to the development of younger professionals at the start of their careers. Above all, continuing to invest in professionals' learning and development as they progress throughout their career will help Managing Partners and L&D leaders to embed behavioural change and new skills in senior leaders who will be key to their effective strategy implementation.

Postscript

Our purpose at the beginning of this series was to explore how firms could create competitive advantage at a time of unprecedented change in the professional service firm sector through a strategic use of L&D. Above all, through our own experience and new research across the sector, we wanted to set out some practical guidance for how this can be achieved. The aim was to assist Senior and Managing Partners, and their HR and L&D teams, not only to identify where an increased focus on development may bring the greatest return, but also to provide tips and strategies on how this could be effected, breaking down some of the big issues such as 'change', 'millennial careers' or 'senior leader transitions' into more tangible, actionable approaches.

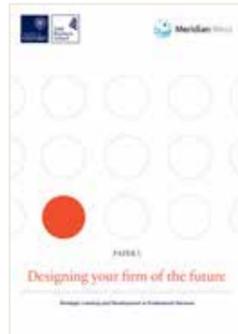
Throughout our research we have seen a number of consistent themes, which we highlight as a proposed, final set of questions which the leaders of firms can usefully reflect upon as they plan how to create their successful and sustainable 'firm of the future':

1. How can you maintain the closest possible alignment between the firm's business strategy and its L&D strategy, ensuring that there a regular, two-way flow of ideas and communication between those leading the implementation of each element?
2. How is the firm evolving its L&D strategy to support individuals moving through multiple career transitions, negotiating what is becoming a more complex, 'lattice' of pathways from qualification to retirement?
3. How closely is your L&D team linked to stakeholders which will best guide its future agenda: those gaining client feedback for the firm, and areas of the firm focusing on the 'far future', such as innovation teams?
4. What proportion of your firm's development activity is focused on creating ongoing 'learning by doing' opportunities which will not only engage, but also will build the agile mind-sets and skill-sets needed to lead change and to create a successful and sustainable business for the long-term?
5. What could your firm do to manage succession more effectively, developing the senior leadership cohort throughout their time at the firm?

Managing the careers of senior leaders: elements of an ongoing strategic plan



Our Strategic L&D series



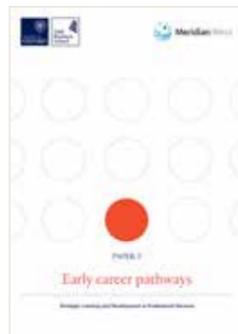
Paper 1: Designing your firm of the future

We examine how to future-proof your business, sharing examples of how L&D approaches will help firms to explore future business models. We also consider how best to align L&D's work with the firm's business strategy, maintaining a future-focused curriculum and creating capabilities to meet changing client expectations.



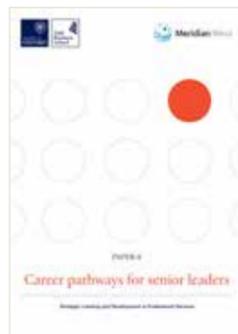
Paper 2: Leading strategic change

We examine the practical delivery of firm-level change projects and the value that can be delivered by the strategic involvement and application of L&D expertise at all stages.



Paper 3: Early career pathways

We explore how professionals can gain the commercial understanding of business that clients now expect at an early stage in their careers. We highlight innovative models that firms are using to smooth the transition between the world of education and the workplace.



Paper 4: Career pathways for senior leaders

We look at the contribution L&D can make to support professionals in senior leadership roles, and how best to prepare individuals with the attitudes and aptitudes to be successful leaders and managers of the future.

About us

Saïd Business School, University of Oxford

Saïd Business School blends the best of new and old. We are a vibrant and innovative business school, but yet deeply embedded in an 800 year old world-class university which aims to lead the world in research and education for the benefit of society both in the UK and globally. We create programmes and ideas that have global impact and educate people for successful business careers; as a community we seek to tackle world-scale problems.

We deliver cutting-edge programmes, including the highly regarded MBA, Executive MBA, a number of specialist MScs, a portfolio of custom solutions and open programmes, and accredited diplomas for executives. The School undertakes ground-breaking research that transforms individuals, organisations, business practice, and society.

We are an international and outward looking School with our programme participants coming from more than 50 countries.

Corporate Executive Education at Saïd Business School

Our corporate education solutions are designed to effect change by creating a critical mass of new capability within an organisation. Our clients and future clients are seeking a partner who can work with them at scale, over distributed locations around the world, and who can help them to anticipate and meet the challenges and opportunities posed by emergent 'big questions' and issues such as digitisation, networked economies, global leadership, purpose, values and ethics, transparency, and adaptive leadership challenges.

To deliver to these needs requires not only the right content, but agile and responsive learning designs and processes that deliver value to our clients, and have impact at the level of the individual, team, organisation, and broader 'ecosystem'. Our solutions draw on an increasingly diverse set of capabilities – from research-based insight and practitioner expertise, to effective and engaging in-person, virtual and blended delivery, to learning architectures that can support transformational change.

Meridian West

Meridian West helps professional firms to design and implement client-focused strategies.

We are uniquely positioned to support professional firms to gather the insight needed to understand their client relationships better, to provide the evidence necessary to make informed strategic decisions, and to transform how their people work with each other and with their clients.

Professional firms choose to partner with Meridian West because:

We have a deep understanding of the strategic and operational challenges on their agenda. For the last two decades Meridian West has been one of the 'go-to' advisers to professional firms, ranging from boutique practices through to global giants. Our team comprises former professionals as well as coaches and consultants with a strong track record advising professional firms.

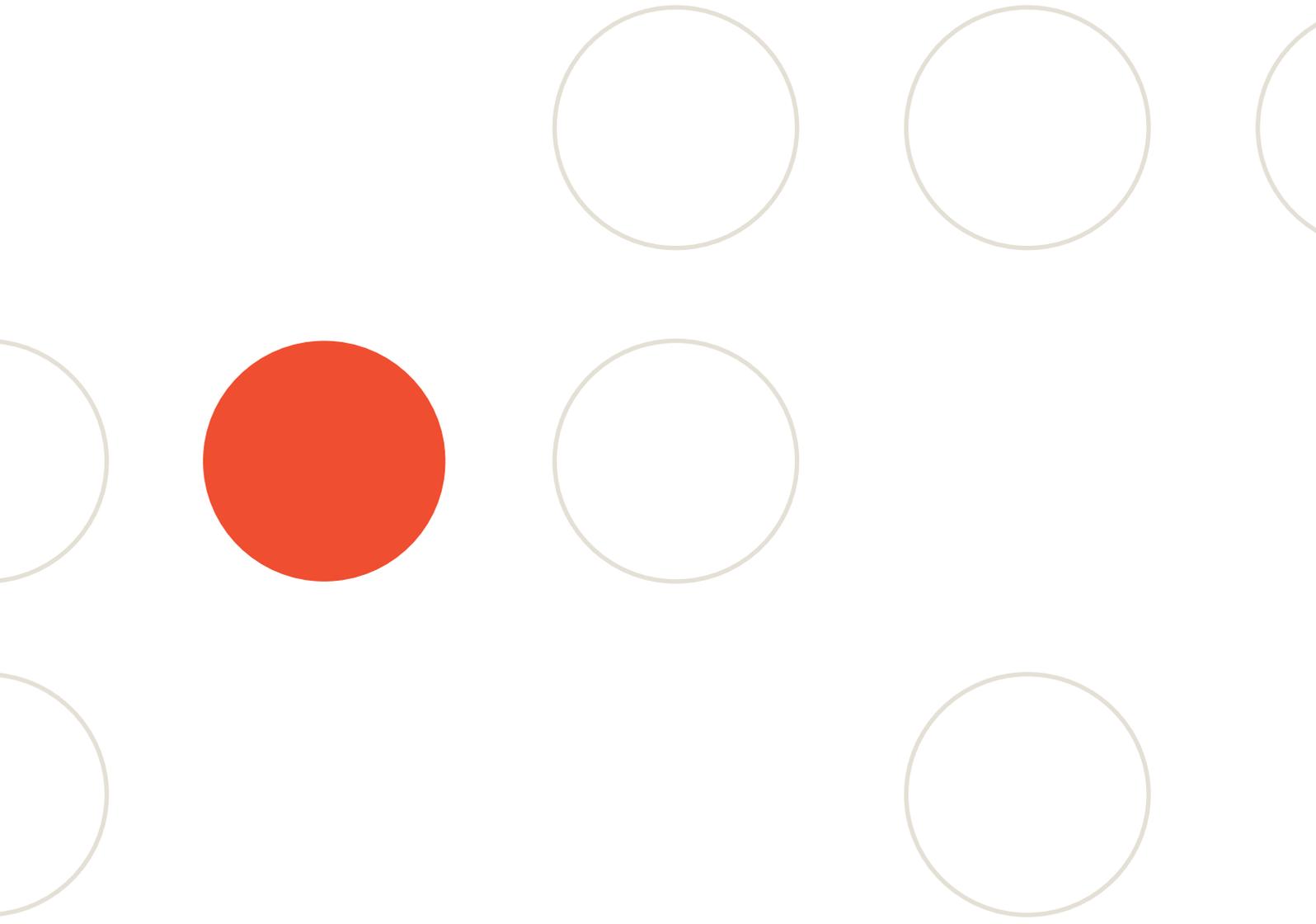
Innovation is in our DNA. Our in-depth understanding of the industry is matched only by our desire to innovate. We adopt innovative techniques that combine the voice of the client with financial data, segmentation analysis and behavioural science to uncover fresh insights. We choose to collaborate only with the most forward-thinking third parties – be they executive coaches, software providers or digital agencies – to provide a seamless service to our clients.

We support the client management journey from strategy to implementation. Our range of services and expertise enable us to support all elements of the client management experience, from collecting insight through to delivering lasting organisational change.

We work with, not against, the professional mind-set. Our team of experienced coaches and skills development practitioners are attuned to the professional's mind-set. This means we understand the most effective ways to work with professionals to create genuine, client-focused behavioural change.



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