

TOUGH TOPICS CHALLENGING OFFICE CONVERSATIONS

## Thinking About De-equitizing a Partner? Consider This First

*Dealing with underperforming partners is one of those topics firm leaders avoid. It's an uncomfortable but often necessary conversation: Altman Weil reports in their 2019 Law Firms in Transition Survey that 84.2% of firm leaders say they have "chronically underperforming lawyers."*



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The firm may turn to you to have "the talk" with the underperformer. But where should you start?

Firms think of the underperformer as affecting the bottom line, which is true, but there are other costs to consider. Think of how clients are impacted. If a partner is failing to provide the quality of service your firm is known for, client confidence declines and work will begin to disappear.

Thinking internally, a poor performer impacts inter-partner relationships as well. When a partner sees another partner drawing income from the firm but not doing their share, tension begins to build. If allowed to continue unaddressed, partners will begin to resent the firm leaders for not managing the situation.

Many firms handle the underperformer in a punitive fashion. The Law Firms in Transition Survey points out that 90% of firms will reduce compensation; 39% will de-equitize the partner to address the issue. Further, the survey reports that 61% of firms end up removing the partner from the firm in the end.

But there is another way to address this issue which is where you can take the lead.

## DO YOUR HOMEWORK

Start with identifying what makes the firm think this partner is underperforming. Are they billing less than expected hours at their level of the partnership? Are they failing to manage engagements that are profitable? You must start with examining your firm's expectations of a partner. Do all the partners know what it means to be a partner in your firm? How do they know?

It's hard to hold partners accountable to an intangible idea of what it means to be a partner if it's not written down. Your firm might or might not have written expectations around these categories:

- Hours
- Business development
- Case/matter/team management
- Practice/department/office leader
- Firm leadership roles
- Civic/association involvement
- Collegiality

It would be wise to research the percentage of partners who meet the expectations before speaking to the underperformer. It will put you in a bind if an underperformer points to another partner with the same issue who has not been addressed as an underperformer.

## BE A COACH

There is a lot of talk about coaching in the workplace and this is one of the circumstances that it is a best practice. If the firm has asked you to get involved, then you can coach the partner instead of executing the punishment. The firm may still want to reduce compensation, but you will be offering a solution — a way back on track that might lead to their compensation eventually being restored.

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Begin with gathering information from the partner's colleagues, direct reports and, if appropriate, clients. Obtaining financial data is next, followed by learning about any prior communications the partner may have received about performance. Be sure you know and understand the firm's expectations, so you can speak authoritatively about what needs to be achieved. Finally, identify resources that you will be able to offer giving the partner support in making improvements.

Once you have a dossier, the coaching can begin. The first step is to take personal feelings and emotions out of the equation. The partner might be someone you have known a long time and have a personal relationship with, so this task will be uncomfortable. But stay focused on the goal and remember you are helping the partner. That will keep emotions in check.

Ask the partner to share issues and concerns they are having at work. There might be some simple solutions like training or tools that can help them. It is possible that there are circumstances outside of work that are affecting their performance that they have not shared with the firm. If you approach the conversation with success in mind, the attorney will be more open to sharing.

Embracing the philosophy around the old adage that says "If you teach a man to fish ...," ask the partner to determine their own course of action to improve performance. You can offer resources once they have stated what they need to do to repair the situation. And finally, you will need to hold the partner accountable for their commitment to change.

It can be stressful to coach your own partners, but it can also be rewarding. Once a partner has successfully turned around their practice, they will be invigorated. You might see them begin to excel and have more energy to put back into the firm. This is how to move an underperforming partner to a productive one.

## About the Author

**Sharon Meit Abrahams, EdD**, is a legal talent expert who has coached hundreds of attorneys over the past 25 years some of which used to be underperformers. She coaches firm administrators on how to coach their own attorneys.

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