

Shaping associates into equity partners

By So-Ang Park, Greig Schneider, Ângela Antonioli Pêgas and Hugo Nanninga



The journey to making equity partner in a law firm is both fraught with challenges and full of learning opportunities. For some, the transition can be a smooth, natural process. Others are left frustrated or so disillusioned that they decide to quit their firm altogether.

Traditionally, becoming equity partner was seen as a Darwinian process. “For years, equity partners at professional service firms considered the leap a matter of natural selection – an entirely acceptable test of survival of the fittest. They reasoned that they had made it over the crevasse themselves; those who couldn’t – well, they didn’t have the right stuff for the firm anyway,” writes **Herminia Ibarra**, a professor of business administration at Harvard Business school, in “Making Partner: A Mentor’s Guide to the Psychological Journey” in Harvard Business Review.

Today, as tech startups, corporates and law firms engage in the escalating fight for top prospects, the rules of the game are changing. Previously, a healthy supply of young professionals were prepared to put in years of hard labor and undergo multiple sacrifices to attain the holy grail of making equity partner. A new generation of lawyers is less enamored with the promise of riches or glory: they’re looking for something else. As a result, legal firms are suffering losses in the war for talent and suitable equity partnership candidates are growing scarce.

Forward looking firms have started to realize that in order to sustain or even grow a healthy pipeline of future equity partners, they have to expand their view on talent development. Solely relying on the Darwinian process won’t guarantee the next generation of high caliber equity partners and may in fact become a clear liability.

Central to this strategy is the mindset shift that the journey to becoming equity partner should not be a grind to be endured. Instead, it should be a development journey along which a firm guides lawyers so that they arrive at their end destination equipped (1) with the right competencies (capabilities) and potential traits (character traits) and (2) the right identity, to succeed at their new role of equity partner. This requires mentorship, coaching and support to build the skills and facilitate the personal development needed to thrive in what is a fundamentally different role. Law firms who support their lawyers in identifying blind spots in their competencies as well as guide and support them through the psychologically complex transformation involved in becoming an equity partner will therefore have a competitive advantage.

1. Competency and Potential

A competency is a characteristic or current capability that differentiates performance in a specific role, company, and/or culture. Through our work with law firms across the globe, Egon Zehnder has identified five core competencies important to the success of future equity partners. A best-in class candidate would be adept in the following areas:

Delivering results

Driving for improvement of business results and higher levels of performance

Building client value

Constantly thinking about serving the client and building strong and sustainable relationships

Influencing collaboratively

Working effectively with fellow equity partners and others who aren't in the immediate team

Leading teams

Focusing, aligning, and building effective groups in their remit

Developing talent

Developing the long-term capabilities of others and the organization, and finding satisfaction in influencing or even transforming someone's life or career

At the same time, solely looking at past performance and current capabilities doesn't guarantee success in the transformation from attorney to equity partner. It is also important to look at potential, encompassing four deep personal traits that enable growth towards great leadership. Potential isn't about what individuals have done or their current readiness for a promotion. It's about what individuals are energized by, and the concurrent capacity and speed with which they are able to develop competencies in the future commensurate with the more complex role of an equity partner:

Curiosity

Individuals with a high degree of curiosity are open to learning and change.

Insight

People who exhibit great insight enjoy making sense of a vast range of information.

Engagement

Those who score well on engagement enjoy connecting on an emotional and logical level with others.

Determination

Those who show potential here enjoy taking intelligent risks and overcoming challenging situations.

2. Identity shift

Becoming equity partner is about more than just building competencies. Rather, it's about undergoing a deep, personal transformation and evolving to a new equity partnership persona. For many, this identity shift is the most important step on this journey.

So, what does this look like? Whose identity are young professionals seeking to acquire and which attributes are they striving to emulate? Equity partners are company owners and decision makers with equal voting rights. These individuals must think beyond their own concerns and consider the remit of the firm as a whole. They need the solid technical expertise and client-facing skills required to represent the firm with clients at the highest level, across a range of different situations.

What's more, they must think about developing and cross-selling the business, while analyzing the competitive landscape. They must develop new leaders within the organization and improve the internal culture to create an environment that supports the firm's strategy. Their leadership and example helps to attract and nurture talent. As company shareholders they show strong stewardship.

Trying on possible selves for size

Making an identity shift isn't easy, and often aspiring equity partners look for examples to follow. When trying on the identity of a chosen role model, many young professionals initially emulate the person they're assigned to work with closely. However, rather than focusing on just one individual, it's more effective to experiment with a repertoire of personalities, styles and behaviors until they find one that fits.

Psychologist Hazel Markus talks about “**possible selves**” when referring to the possible range of identities that a person can assume. By exploring their possible selves, equity partner candidates can experiment with what works for them and what doesn't. Each experiment will bring them closer to their goal, while self-reflection will add maturity and help equity partner candidates recognize their authentic self.

Ideally, more senior partners should accompany and guide their junior associates through this major metamorphosis. In time, senior partners can also give them room to start trying out their newly evolved personality. For example, colleagues can try out new behaviors in internal meetings before meeting clients.

An often neglected but powerful means of guidance is mentorship. What do we mean by mentoring? It's a long-term, trust-based development process driven primarily by the mentee, involving regular, informal meetings tailored to meet their needs. Thanks to their additional experience and qualifications, the mentor can broaden the mentee's perspective and thought processes. This is one of the challenges facing many law firms – many possible mentors are still living within the “Darwinian” model. Firms will need to embrace development at all levels if they are to make it a competitive advantage.

Conclusion

In the war for talent, law firms have focused predominantly on increasing compensation to attract and retain talent. But this heavy investment might solve only the immediate competitive issues. A lack of strategic and structured development planning means they're failing to tap into the full potential of their equity partner candidates.

Supporting the identity shift junior colleagues need to undergo to become equity partner candidates and becoming aware of their competencies will make the partnership journey smoother and more enjoyable than it has been in the past. Such support could remove part of the pressure of becoming equity partner, which can otherwise be seen as founded on vague, abstract expectations.

Firms who successfully guide their talent on the road to becoming equity partner will be rewarded with lower employee turnover, greater loyalty and will develop precisely the next generation of equity partners that they want and need.

For more information, contact:



So-Ang Park
Berlin
so-ang.park@egonzehnder.com



Greig Schneider
Boston
greig.schneider@egonzehnder.com



Ângela Antonioli Pêgas
São Paulo
angela.pegas@egonzehnder.com



Hugo Nanninga
London
hugo.nanninga@egonzehnder.com

About Egon Zehnder

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