INCONSISTENT MANAGEMENT NORMS

A large law firm in San Francisco faced the prospect of declining performance and increasing competition in its major practice areas. Our firm was asked to help. Our situation analysis revealed that the firm lacked a **consistent management philosophy**. The major practice areas – intellectual property, real estate, probate, and corporate – each behaved like independent corporations. They had different compensation policies and different policies for managing employee workloads and billings. “You have four different cultures operating under the same roof,” we told the managing partner.

From a systems perspective, this problem is known as *inconsistent management norms*. Inconsistent management norms can cause an organization to develop “bubble cultures” beneath the skin of the overall culture and a decline in performance. Each partner within the firm managed according to his or her own ad hoc standards of communication, expectation-setting, and performance accountability. Performance was inconsistent, which led to many conflicts within the organization. Though they would complain to each other about it, it essentially caused the partners to focus on their individual silos even more. People in the firm grew disenchanted with management, which then affected the firm’s ability to attract and retain top-notch talent, which further fueled the decline in performance and propelled the cycle of management inconsistency.

The solution, of course, was to be clear about **performance expectations** across the firm. Norms needed to be aligned in order to ensure the health of the whole. That was our assignment when we were asked to help. Fortunately, the managing partner saw the importance of consistent management norms, and over a period of six months we were able to help instill them.

Many managers fail to address inconsistent norms because they perceive it as being too difficult, or an admission of their failings as a manager, or as overly taxing on people’s freedom. In fact, the opposite is true. Tackling the issue head-on, and developing a consistent set of management norms, is one of the best ways to reduce friction and build a high-performing organization. Those norms should be deeply connected to the core values of the organization.

I have an interesting story about inconsistent management norms. When the founder of a large engineering firm decided to retire, it triggered a cycle of fear and paralysis among the three remaining partners. Though he was a top producer for the firm, they admitted that none of them knew what the retiring partner actually did. They all feared that the company would go under. Rather than grappling with the gap in leadership, they each retreated deeper into their own silos.

I was asked to help. It was only by using systems thinking that I could understand what was actually going on. After conducting a number of interviews, I helped them see how the history of their firm led them to this point. They saw how the firm had inadvertently made decisions over time that isolated each partner and created four separate companies under one roof.

For example, the CFO prepared financial reports for each partner that analyzed the profitability of each partner's group, rather than the firm as a whole. The cure was to make the firm whole again. The remaining principals had to learn how to fully assume the vacuum the founder had left. The creation of a new strategic focus and strategic plan, coupled with executive coaching, enabled them to get there.

LRI's expert consultants can guide you through practices and processes that will result in effective performance management. Please call us for a free consultation at 800-598-7662 or email info@leadingresources.com.