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Breaking barriers
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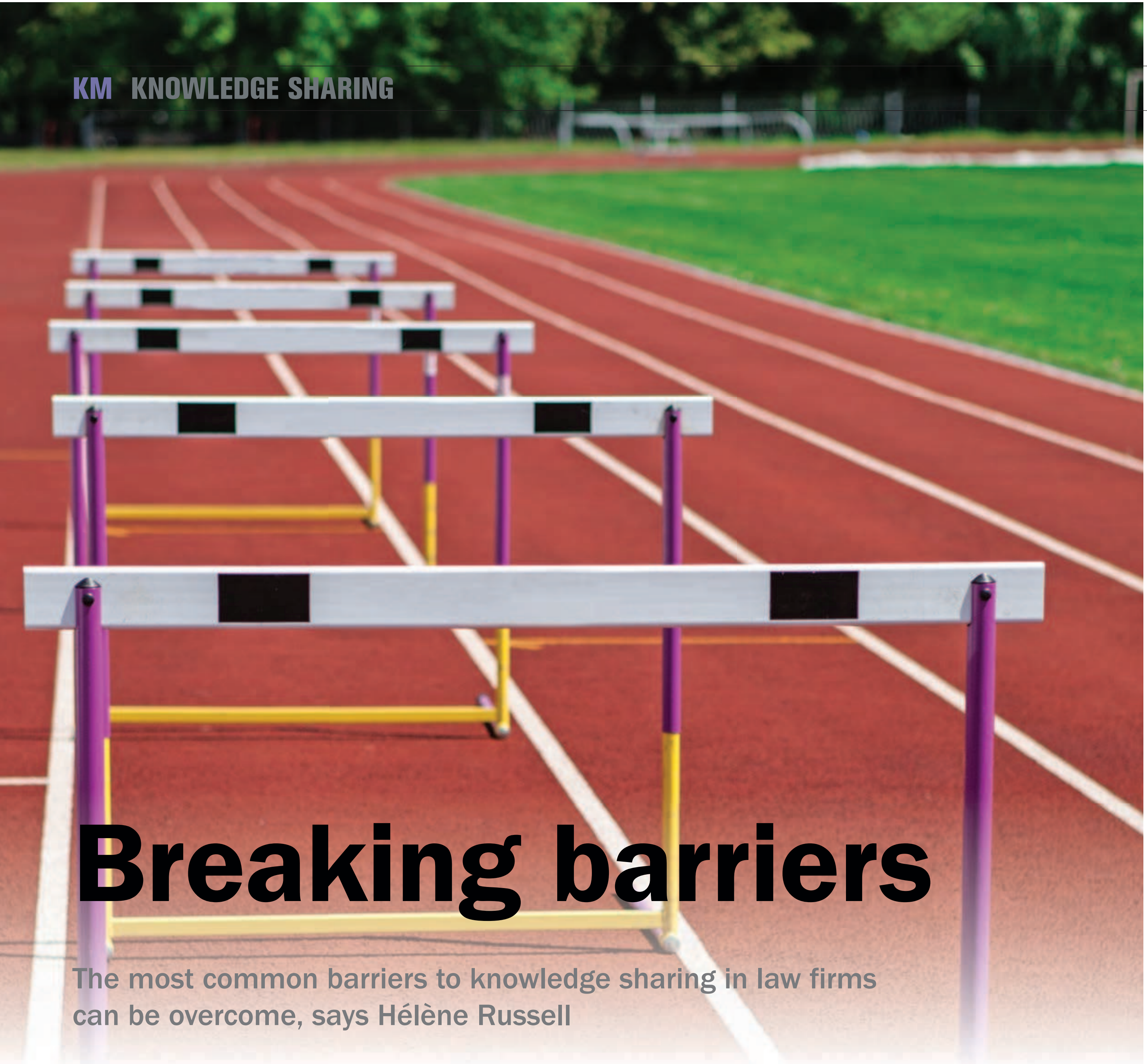

Breaking barriers

The most common barriers to knowledge sharing in law firms can be overcome, says Hélène Russell

As a knowledge-intensive firm (KIF), a law firm's knowledge – in terms of the unique combination of the individual tacit and explicit knowledge of its employees and the embedded organisational routines and relationships – is critical to its success.

My previous article in this series[1] set out the existing research relating to the benefits of knowledge sharing to innovation, effective practice and competitive advantage. It also discussed the antecedents to knowledge sharing already analysed, in particular the part that trust, motivations (intrinsic and extrinsic) and reward systems play in fee earners' knowledge-sharing decisions.

This article provides an overview of the results of my research on knowledge-sharing antecedents in UK law firms (see box). This is possibly the first study of this subset of KIFs.

> **"Extrinsic motivators can negatively affect knowledge sharing"**

Data results

Intrinsic v extrinsic, trust and affective commitment

While research to date has uncovered both intrinsic and extrinsic motivations along a continuum for knowledge sharing in general, data analysis of my research shows a high level of consistency in relation to the personal motivations of fee earners in UK law firms for the sharing of technical legal knowledge.

Data was collected on a 5-point Likert scale in relation to respondents' most recent knowledge-sharing event and general recollections over the past year. Potential answers available to respondents differentiated between pure intrinsic motivations and those linked with trust and affective commitment, and various extrinsic motivations. Quantitative data was analysed in a variety of ways and qualitative answers were analysed for common themes. Sub-groups within the samples were cross-compared.

From the answers to the relevant questions which focused on intrinsic and extrinsic motivations and affective commitment, it was clear that the fee earners in these samples self-reported intrinsic motivations to share their knowledge. They shared their knowledge because they gained personal satisfaction from doing so, rather than because of any external reward on offer.

"UK fee earners tend to be intrinsically motivated to share their knowledge"

The quantitative data was supported by qualitative comments, including the following, which were typical:

"I share knowledge through a personal philosophy of helping others and also to fulfil what I believe to be my duty as a professional to help more junior staff improve and learn. I do not require direction from bosses/appraisals for this."
"I like sharing my knowledge."
"I don't need a particular reason to do it."

Although affective commitment and team bonds were also important, they weren't respondents' primary motivation. Similarly, when those who shared knowledge infrequently were asked why this was, they did not attribute this to a lack of trust or weak team bonds.

Extrinsic motivators and knowledge-sharing targets

When looking at how knowledge-sharing targets and extrinsic rewards affected respondents, the situation was less clear cut.

On the one hand, extrinsic motivations were not reported to be a motivating factor. In fact, the majority of the sub-group of prolific knowledge sharers did not have knowledge-sharing targets.

On the other hand, those respondents who had extrinsic reward systems in place reported sharing knowledge more frequently than those without targets (this research did not measure knowledge sharing objectively). They reported sharing within their teams and close groups rather than more widely, whereas those without targets more often reported sharing knowledge with people they didn't know.

When asked what law firms could do to promote knowledge sharing within their firms, most respondents from both sample groups and all sub-groups recommended the adoption or improvement of extrinsic motivators, such as the inclusion of knowledge sharing within appraisals or making it chargeable.

This would appear to be somewhat paradoxical against the clear finding of intrinsic motivators for knowledge sharing. To try to understand these conflicts, these responses can be considered alongside the barriers to knowledge sharing that the respondents identified (below), the qualitative comments and the consistent responses about chargeable time targets.

A common theme within the qualitative comments about targets was that respondents believed a knowledge-sharing target would push knowledge sharing higher up the priorities of management, rather than act as a motivator in itself. Below are some examples.

"There is too much expectation that knowledge sharing can be done as an add-on to chargeable time and business development activities. This means there is never enough time and it is never a high enough priority to capture knowledge properly and the wheel is often repeated, wasting time and money."

RESEARCH QUESTIONS AND METHODOLOGY

Questions

This research was undertaken as part of a year-long MBA dissertation and aimed to understand:

- the extent to which trust, close team relationships and affective commitment affects the sharing of technical legal knowledge in UK law firms;
- whether fee earners tend to be intrinsically or extrinsically motivated to share their knowledge;
- if motivations tend to be intrinsic, if there is a typical prolific knowledge sharer;
- the effect of existing extrinsic motivation systems on knowledge-sharing behaviours;
- the barriers to knowledge sharing reported by fee earners, such as the nature of the knowledge, social structure and structural misfit;
- how employers can encourage knowledge sharing and, in particular:
  - maximise the numbers of prolific knowledge sharers in their organisation;
  - support existing knowledge sharers and reduce barriers to sharing;
  - design their reward systems to maximise knowledge sharing without affecting profitability; and
- whether the data from this subset of employees within KIFs matches previous research or whether they form a different or unusual subset.

Methodology

As the subject of this research was in a hitherto unexplored area, analysing the extent to which previous research applied within a particular subset of KIFs, a wide sample was studied to provide indications on the validity of existing theories across different sizes and types of UK law firms, and indicate gaps in understanding and areas which would benefit from further in-depth research.

Research was undertaken by way of self-completed, remote, online surveys. A subjective, primarily quantitative approach was taken, with respondents self reporting their knowledge-sharing behaviours and motivations. Scope was given for qualitative comments.

No objective verification of actual knowledge-sharing behaviour was undertaken and trust levels were based on self reporting, rather than objective categorisation of organisations as high or low trust.

Two distinct groups were surveyed: a convenience, snowball sample of UK law firm employees (a nationwide group comprising mainly fee earners from law firms with 31 to 75 partners (47 per cent) and 70 to 200 partners (39 per cent) and a single anonymous firm sample ('firm B', a regional mid-sized firm).

By taking two distinct samples, results were obtained from both a general group including many different kinds of fee earner from different firms and also from a single firm with a single IT system, narrower culture and single KM maturity level.

In total, 238 surveys were started and nearly 70 per cent were completed, a surprisingly high level of return compared to survey norms.

"[Knowledge sharing] needs to be recognised like chargeable hours are or else it will always be the 'poor relation'."

"There are so many other non-chargeable activities to squeeze into a day that knowledge sharing probably comes fairly low down in the list. For example, if I never did my billing or my conflict checks or my client care meetings or my CPD training, then I would be sacked. If I never did any knowledge sharing, that wouldn't be the end of the world."

Where prolific knowledge sharers differed from others was in their understanding of how knowledge sharing supports competitive advantage and profitability. When considering how law firms could improve knowledge-sharing levels, prolific sharers were more likely than non-prolific sharers to recommend that law firms ensure all fee earners understand the importance of knowledge sharing.

Interestingly, since my research was completed, a new paper has been published[2] on the effect of time constraints on knowledge sharing. It demonstrates how perceived (rather than actual) time pressure negatively affects levels of knowledge sharing. The research found that competition alone does not affect levels of sharing, but competition for extrinsic reward does negatively affect knowledge sharing, perhaps by increasing the perception of time pressure.

Combining the quantitative evidence about knowledge-sharing targets, the qualitative comments and the data about barriers to knowledge sharing (below), it seems that law firms need to make space within the working day to free fee earners to engage in their natural knowledge-sharing behaviours. This can be done by reducing chargeable time targets or giving knowledge-sharing work a time code which has parity with chargeable time.

Obviously, many firms will be concerned that more time spent on knowledge sharing will negatively affect profitability, taking fee earners away from chargeable work.
It would appear self evident that, with only a set number of hours in the day, increased time spent on knowledge sharing ought to mean fewer hours spent on chargeable work.

But, within these research samples, overachievement of chargeable hour targets was not associated with low knowledge sharing. Those who exceeded their chargeable unit target by a significant amount also reported sharing knowledge more often and for longer periods per week on average than those who struggled with their chargeable unit target.

Barriers to knowledge sharing

The barriers to knowledge sharing and the reasons why some fee earners did not share more frequently also gave consistent results within these samples.

Popular reasons given for not sharing more often were:

- lack of reminders;
- failure to notice and reward knowledge sharing;
- high value placed on high billings; and
- lack of time and level of effort required to share.

While the reported reasons for lack of sharing differed, they all related to structural issues rather than the nature of knowledge or social structure/lack of trust. This is an encouraging result for law firms, suggesting that, with the right structures in place within a firm, the most commonly experienced barriers to knowledge sharing can be overcome.

> **"Understand your own fee earners' particular knowledge-sharing motivators and your firm's culture"**

Action points

Many law firms that wish to improve levels of knowledge sharing for improved competitive advantage and profitability instinctively plan to institute targets and extrinsic motivators for knowledge sharing, such as including it within fee earners' appraisals; many fee earners recommended this change to improve levels of knowledge sharing. But, while this may improve the priority given to knowledge sharing, the research suggests that it isn't necessarily the most effective way forward.

UK fee earners tend to be intrinsically motivated to share their knowledge, sharing because of the personal satisfaction it gives them. Extrinsic rewards were associated within this research with higher reported levels of knowledge sharing, but fee earners did not ascribe their sharing to extrinsic rewards.

Prolific knowledge sharers tended not to have knowledge-sharing targets. In fact, existing research suggests that extrinsic motivators can negatively affect knowledge sharing.

Instead of automatically instituting targets, law firms should consider making the following three changes, which are set out in order of cost/ease.

1. Awareness through training

The simplest change law firms could make is to ensure that all fee earners, particularly supervisors and managers, understand the beneficial effects to the firm as a whole of improved knowledge sharing.

These benefits include:

- reductions in production costs and enhanced team performance;
- faster development of new products and greater innovation capabilities;
- enhanced performance through lessons learned; and
- reduced wasted resources spent on re-working and fire fighting.

Prolific knowledge sharers and overachievers of chargeable time targets understood these benefits better than average fee earners in this research group and recommended this training.

The benefits of knowledge sharing to KIFs and the research this is based upon are set out in detail in my previous article, which can be used as a template for a training event.

2. Recruitment and selection

Law firms could include consideration of innate knowledge-sharing motivators in their recruitment and selection processes. This will ensure that new staff members are selected who already understand the benefits of knowledge sharing and fit with the knowledge-sharing culture the firm aspires to, creating a virtuous circle of improving knowledge-sharing culture.

In analysing the personal data of

prolific knowledge sharers, there were no identifiable common personal attributes save that, as expected, they tended to have a higher PQE. So, there are no shortcuts available to firms – they will have to include relevant analysis about knowledge sharing within the selection process.

For law firms without experienced HR departments to assist them, this could be as simple as including questions about recent knowledge-sharing events and motivations within a structured interview.

3. Motivators and firm culture

Law firms that are serious about improving their competitive advantage and profitability through knowledge sharing need to begin by understanding in depth their own fee earners' particular knowledge-sharing motivators and their firms' culture. They should then change internal practices and procedures accordingly to maximise results for their firms.

For accurate results, they will need to:

- understand the existing research relating to antecedents to knowledge sharing within KIFs and clarify the objectives of their research;
- identify objective measurements of existing knowledge-sharing behaviours and understand what 'success' will look like to them;
- begin with surveying staff, perhaps as part of an annual knowledge survey, then move to in-depth staff interviews and/or diary methods, including both quantitative and qualitative elements within their research and benchmarking against existing research;
- have a thorough understanding of their fee earners' particular knowledge-sharing motivators and their firm's culture;
- instigate a controlled pilot group, taking a holistic approach to changing reward systems, targets and appraisal requirements, and the nature of time recording of knowledge-sharing activity, perhaps giving it parity with chargeable work;
- analyse results, measuring changes in knowledge-sharing activity and also use a wide measurement of success, such as through a balanced scorecard; and
- adapt changes and review, or roll out changes across the firm.

Holistic approach

Many fee earners reported chargeable unit targets as a barrier to knowledge sharing. Recent research confirms that perceived time pressure impacts negatively on knowledge sharing.

Where a focus on high billings negatively affects fee earners' innate motivations to share their knowledge, it stands in the way of the many benefits that knowledge sharing gives to organisations, such as:

- reductions in production costs and enhanced team performance;
- faster development of new products and greater innovation capabilities;
- enhanced performance through lessons learned; and
- reduced wasted resources spent on re-working and fire fighting.

To be successful, law firms will have to be prepared to step back from a traditional focus on measurement of output (i.e. chargeable hours and billings) and look at profitability and competitive advantage holistically. mp

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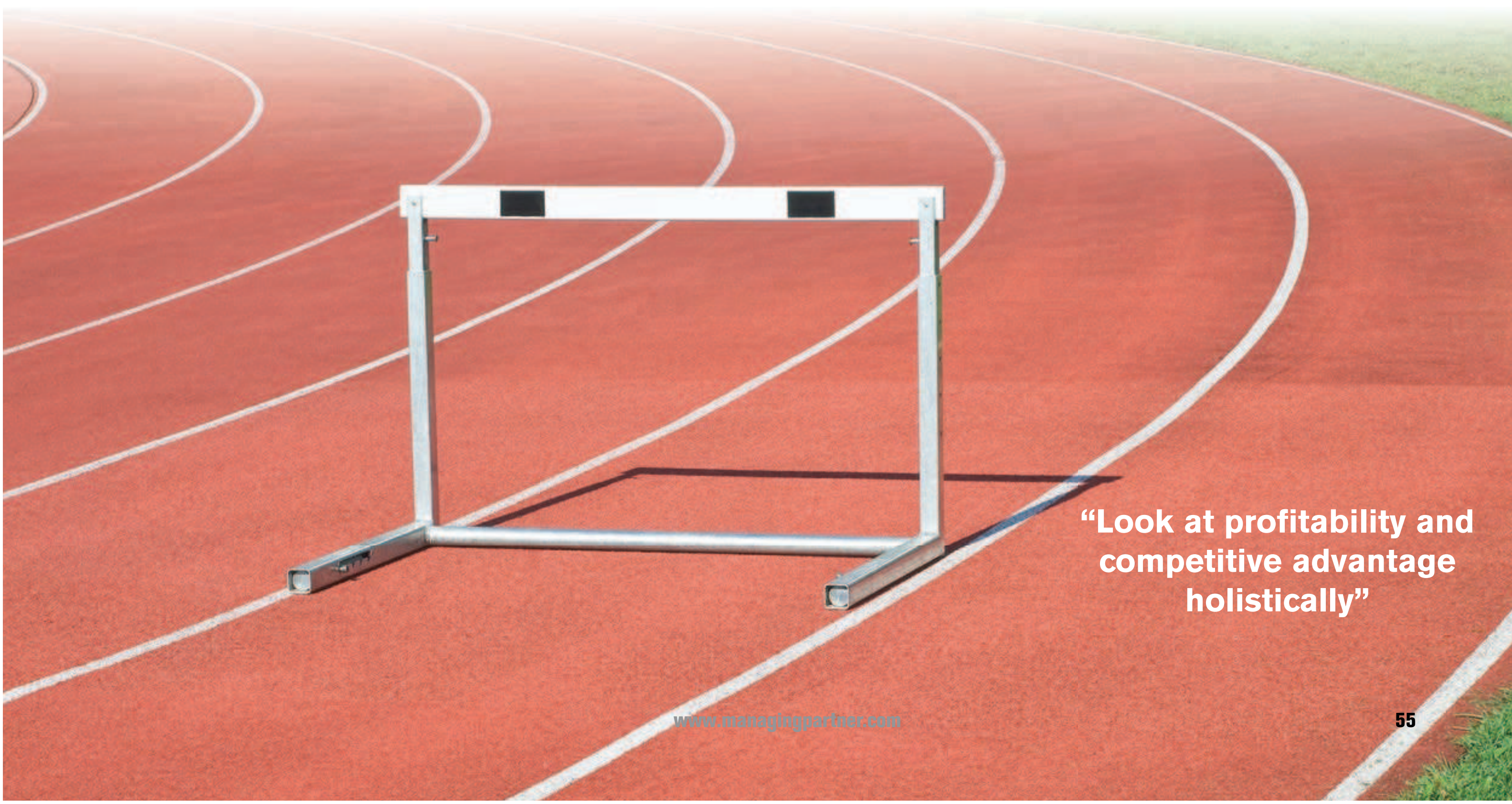
Endnotes

1. See 'Intrinsic vs. extrinsic', Hélène Russell, *Managing Partner*, Vol. 16 Issue 7, April 2014
2. See 'I'm busy (and competitive)! Antecedents of knowledge sharing under pressure', C.E. Connelly et al, *Knowledge Management Research and Practice*, Vol. 12, 2014



"Look at profitability and competitive advantage holistically"