

## A New Definition of Leader

*How to create career paths that reward abilities beyond management.*

By PAMELA M. FAY

Almost every law department struggles with ways to create career paths where none exist. In the traditionally flat structure of a law department, there are simply not enough management appointments to go around.

One general counsel, Susan Lichtenstein at Baxter International, is working on a solution. "You can't have 75 of your people demoralized because they're in those [nonmanagement] jobs," says Lichtenstein. With only seven management

**IN-HOUSE COUNSEL** positions in the department in addition to her own, Baxter's GC relies on leadership opportunities to motivate the lawyers in her department. The difference between management and leadership can be subtle. Those in management have others reporting to them; those involved in leadership participate in activities that can have an influence on the actions of a group, such as heading a task force or contributing to the department's knowledge-management repository.

In the past many law departments have used titles and salaries to create career paths. The problem with this is that titles may have little to do with actual job responsibility. "All lawyers sit high on the pyramid in a corporation," says Lichtenstein. She believes that the hierarchy created through titles and salaries can cause people at the lower end to feel that they are insignificant, which is not, in fact, the reality.

So where management titles are scarce, some progressive law departments, including Baxter's, are finding ways to create an alternative nonmanagement career path that recognizes and rewards lawyers for leadership contribution. (Of course, management and leadership are not mutually exclusive, as managers can be leaders. But for the sake of discussing leadership outside of the traditional management ranks, they are treated separately here.)

### SIX FOR SUCCESS

Though what follows is not an exhaustive list, the six concepts below make the short-list of success factors for how management can foster leadership among its lawyers.

#### 1. Encourage lawyers to identify and target areas where leadership is needed.

Most corporations use teams and committees that work collaboratively across business units to solve problems or accomplish goals. Lawyers, who are typically seen as critical thinkers, are welcome to assume leadership roles on these teams, either formally or informally. There are opportunities internal to the law department, as well. A lawyer might, for example, organize a task force to study the department's efficiency.

Lawyers also can pursue speaking opportunities. Blue Cross Blue Shield general counsel Roger Wilson considers speaking engagements a good way to develop the high-potential lawyers in his department. For example, groups such as chief medical officers for the various Blue Cross Blue Shield plans have a continual need for informative speakers. "Lawyers usually love to do this type of thing," says Wilson. Lawyers speak to these groups on topics such as state-licensure requirements for registered nurses, or they deliver seminars on expectations for outside counsel.

Law department managers can encourage lawyers to identify leadership areas by supporting those who make an effort. Such support can be as simple as mentioning the lawyer's contribution at a staff meeting or giving an annual award, such as a gift certificate, to the lawyer who has demonstrated impressive leadership beyond normal job responsibilities. Of course, the responsibility for identifying and presenting leadership opportunities is not solely within the management domain. A key leadership trait is initiative; any lawyer who wants to gain leadership experience must demonstrate the initiative to find these opportunities.

#### 2. Gather information that helps law-department management make decisions about the future development of talent.

Bill Heming, deputy general counsel at Caterpillar Inc., uses the company's talent-management system. This computerized system allows employees to input information on background and interests. Supervisors also add observations and career-planning points. Although this is only his second year of using the system, Heming notes that the technology encourages the

department to regularly collect information about each lawyer's skills and capabilities. The data allows for a holistic view of all the lawyers and helps management put together strategies for the lawyers' future development in the company.

**3. Use windows of opportunity as the chance to promote a new generation of leaders.**

Frederick Kappel, past chairman of AT&T, coined the term "inbred management," which is management that clings to the old ways despite new circumstances and is complacent rather than venturesome. Further, management can be guilty of navel-gazing, those inward-looking activities that refuse to recognize the need to maintain relevancy. Leaders, despite their focus on the future, can be just as guilty of these behaviors. For example, territorial practice-group leaders can keep the various functions and units of a law department working independently even as the needs of the business demand greater collaboration. Altering the influence of an entrenched leader can be nearly impossible unless a significant change occurs in the organization.

A window of opportunity may occur, for instance, when a law department abandons titles. Although it may become more difficult for people to understand how they fit into the structure, this is a prime opportunity for management to renew the department, redefine the rules, and develop a new generation of leaders.

When Lichtenstein arrived at Baxter more than a year ago in the midst of a major restructuring, she used the opportunity presented by a newly consolidated department to promote greater visibility and real responsibility among all of her lawyers, not just those at the senior levels. One of the ways she did this was by encouraging less-experienced lawyers to identify special project opportunities (an emerging regulatory issue, for example) that would give them the chance to lead teams from different functional areas. Robert Parkinson Jr., who has been Baxter's chief executive officer since April 2004, supports her efforts to develop the next generation of leaders.

**4. Encourage lawyers to become embedded in the business.**

Lawyers are embedded in the business when they report to the business-unit head and when the legal spend (the total expenditure for inside and outside counsel services) flows through the business. Another approach involves the lawyer being intrinsically involved with and physically located in or near the business unit. The lawyer may have a dual-reporting relationship with the law department and the business-unit head.

For example, after a recent restructuring at the Teachers Insurance and Annuity Association-College Retirement Equities Fund, their newly implemented structure encourages accountability and responsibility. Deputy general counsel Bill Forgione says, "The lawyers work in concert with the business unit. It enhances the opportunity to become a strategic part-

ner," so leaders can focus on the legal solution to a business problem, providing a valuable service to the business. In taking responsibility for outcomes (such as the impact of a business decision on bottom-line profitability), whether good or bad, they demonstrate one of the most important characteristics of strong leadership.

Chris Johnson, general counsel of General Motors North America, also encourages his lawyers to become embedded in the business. "Understanding the complexity of GM is far more important than understanding substantive legal areas," he says. Deep legal expertise can be purchased from outside counsel; on the other hand, thorough knowledge of General Motors can only be gleaned internally. Lawyers who learn the business are highly regarded and well prepared to lead.

**5. Promote a culture that values expertise over number of years of experience.**

"If the CEO only wanted to talk to me, I would have fewer opportunities to give a satisfying experience to a junior lawyer," says Lichtenstein. The idea goes beyond fostering mere inclusiveness. "If you just say 'inclusive,' you are missing a key aspect. It's a culture of respect for . . . expertise." Lichtenstein says she wants the person who has the most experience to be involved in crucial decisions. And if that person does not have 20 years' experience, so be it.

**6. Evaluate lawyers by building leadership expectations into how they are rewarded and promoted.**

Although individuals can assume part of the responsibility for developing leadership skills, management plays a key role by recognizing leadership as a component of competency. The department should recognize and promote career paths that do not include traditional management tasks. This means developing roles, such as heading a strategic-initiatives task force, that encourage and reward leadership yet include no supervisory responsibilities. These roles might parallel the traditional management hierarchy and lead, for example, to a position within the business. The head of strategic initiatives could move to a similar position in the corporation.

Management establishes objectives for the organization and seeks to consistently produce tangible results. The questions it addresses are "How are we going to do it?" and "When?"

Leadership, on the other hand, is visionary. Frequently, leaders are idealists, seeking new opportunities that revitalize the organization. They head task forces and power through new initiatives. They influence the behaviors of others and provide an answer to the question, "What are we going to do?" The union of the two is a law department that is both relevant and viable.

---

*Pamela M. Fay is a Chicago-based consultant for Hildebrandt International in the company's law department practice group. She can be contacted at [pmfay@hildebrandt.com](mailto:pmfay@hildebrandt.com).*