

# Reluctant leaders and autonomous followers

## *Leadership Tactics in Professional Service Firms*

Second Report for Practitioners by

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This report for practitioners presents further analysis from the research study conducted by Professor Laura Empson entitled, 'Understanding Leadership Dynamics in Professional Service Firms.' The research was funded by the Economic and Social Research Council of Great Britain (RES-062-23-2269). It is based on a Cass Centre for Professional Service Firms Working Paper:

Alvehus, J. & Empson, L. (2014) 'Leading autonomous followers: Indirect, overt, and covert leadership in professional service firms.' (Working Paper CPSF-0012 2014).

A full overview of the findings will be published in Laura Empson's forthcoming book, *Leading Professionals*.

For details of academic papers arising from this research go to:  
[www.cass.city.ac.uk/experts/L.Empson](http://www.cass.city.ac.uk/experts/L.Empson)



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Who's in charge? Exploring Leadership Dynamics in Professional Service Firms (Empson, 2013).

*“For anyone with aspirations to lead a professional service firm, this report is essential reading.”* The Times

[WATCH THE VIDEO](#)



# 1. OVERVIEW

This is the second in a series of practitioner reports to be published from the ESRC-funded research study ‘Understanding Leadership Dynamics in Professional Service Firms’.

The research represents a ground-breaking study of leadership in three professional service firms in the accounting, consulting and legal sectors. Each firm is a global leader in its respective sector. The study is based on over 100 interviews conducted by Professor Laura Empson with senior professionals in 16 countries, supplemented by archival and observational analysis. The overall aim of this study has been to:

- Identify who the leaders of professional service firms really are
- Examine how they exert influence over their peers
- Analyse how they enact and resolve complex internal power dynamics

The first practitioner report focused on four distinctive themes emerging from the individual case studies:

- Ambiguous authority and hidden hierarchy
- When everyone and no one is a leader
- Leadership meltdown
- Leading without appearing to do so

It also identified the concept of the Leadership Constellation.

This report looks across all of the firms, conducting cross-sectional analysis to identify common leadership themes. The aim is to delve more deeply into how leaders in these firms actually “do” leadership and, in particular, how they establish their claim to be considered as a leader. In this type of organisation in which everyone is an expert and no one wants to believe that anyone has power over them, how do some individuals come to be accepted as first among equals? Once they have attained this position, how do they maintain it? And how do they actually get things done? In other words:

**In organisations characterised by *extensive individual autonomy* and *contingent managerial authority*, how do senior professionals exercise leadership?**

ORGANISATIONAL CONTEXT		
	EXTENSIVE INDIVIDUAL AUTONOMY	CONTINGENT MANAGERIAL AUTHORITY
<b>FIRM A</b>	Empson: Does anyone have power over you? Partner: Not as far as I'm concerned, no. Empson: Does anyone think they have power over you? Partner: I don't think so. (A8) <sup>1</sup>	The interesting thing in this role [of Senior Partner] is that you find that you can't achieve anything except through other people ... You can only make things happen by essentially working with this group [of key influencers] who in turn influence the wider group. (A7)
<b>FIRM B</b>	The CEO and Chairman, Board of Directors, Executive Committee etc. ... a lot of those positions are really coordinating or communicating, ... but definitely not controlling, not managing, not policing – no, not that kind of thing. (B29)	I think we recognise that anyone in a leadership position in the firm is in a servant leadership role. It's something the partners ask you to do ... I say to the partners – I'm your servant leader and frankly if you don't want me in this role I'm more than happy just to be a partner and focus on clients because that's what we all love to do best. (B8)
<b>FIRM C</b>	So it's not about following in that sense, it's about [leaders] enabling and directing, giving people outlets ... Because frankly nobody has to follow anyone. (C9)	My experience of authority is that it lasts about an hour if you stop refreshing it ... We've seen people get killed very quickly if their teams stop following them. (C1)

The study has identified three distinctive leadership tactics which are characteristic of the professional service firm environment of extensive individual autonomy and contingent managerial authority.

The first tactic is *indirect* and is a requirement for being accepted (and in some cases elected) as a leader by your peers: *gaining and retaining legitimacy to lead through market success*.

The second tactic is *overt*, recognised as coexisting in a dynamic tension within the partnership: *enabling autonomy whilst maintaining control*.

The third tactic is *covert*, denied or at least not acknowledged explicitly but understood intuitively by individuals identified by their peers as effective leaders: *interacting politically whilst appearing apolitical*.

This report begins with an overview of the leadership context in professional service firms and its implications, focusing on the concepts of power, plurality, and politics. It then briefly introduces the firms studied and describes how the research was conducted. Three separate sections analyse each leadership tactic in detail and introduce the phenomenon of the “reluctant leader”. The concluding discussion

1. Letter and number in brackets after each quotation denotes firm and interviewee number, respectively.

explores further the nature and impact of the leadership tactics and explains how these contribute to the distinctiveness of leadership in professional service firms. It indicates some of the challenges that individual leaders may face in using these tactics and highlights the qualities of an effective leader in this context.

## 2. LEADERSHIP CONTEXT: POWER, PLURALITY AND POLITICS

Empson: *Does anyone have power over you?*

Partner: *Not as far as I'm concerned, no.*

Empson: *Does anyone think they have power over you?*

Partner: *I don't think so. (A7)*

### POWER

Leaders, by definition, must have followers. In most studies of leadership, this statement is axiomatic. Most leadership studies assume that hierarchical relationships are relatively stable, and it is taken for granted that the most senior people in the organisation have the formal authority to lead it.

However, in professional service firms, such as law, consulting, or accounting firms, the distinction between “leaders” and “followers” is more difficult, as traditional hierarchies are replaced by more ambiguous and negotiated relationships amongst professional peers. As one senior partner in the current study observes:

*The interesting thing in this role [of Senior Partner] is that you find that you can't achieve anything except through other people... You can only make things happen by essentially working with this group [of key influencers] who in turn influence the wider group, so power has a different meaning I think to other organisations. (A7)*

Professional workers are notoriously difficult to lead because they expect to be able to exercise considerable individual autonomy. In theory at least, this autonomy is justified by the requirement for professionals to preserve the right to make choices about how best to apply their specialist technical expertise to the delivery of customised professional services. It is perpetuated by the fact that the

core value-creating resources of a professional service firm – technical knowledge and client relationships – are often proprietary to specific professionals.

The emphasis on individual autonomy is associated with contingent managerial authority. In professional service firms, authority is collegial and fragile and deemed to rest with the professional peer group rather than the individual. Senior executives in professional service firms are selected (and often elected in contested elections) by their peers to formal leadership roles for a fixed term of office and can be deposed if they fail to retain the support of their peers – that is, if they are no longer perceived to be serving the partnership's interests effectively. So although there may be a formal hierarchy, authority in a professional service firm cannot be assumed.

## PLURALITY

So what does this mean for leadership in professional service firms? To date very little leadership research has been conducted in the context of professional service firms and most conventional approaches to leadership simply do not apply. However, a developing area of leadership research has the potential to provide useful insights.

In recent years there has been growing interest among leadership scholars in what has variously been termed collective, distributed, or shared leadership. In this “plural” conceptualisation of leadership, leadership roles are shared amongst multiple actors, and authority relationships are ambiguous and potentially contested.

This approach to leadership research reflects contemporary developments in organisations more generally. As 21st-century organisations in developed economies become more “knowledge based”, conventional command and control leadership models become anachronistic and a different approach to leadership is required for knowledge workers.

Unlike most conventional leadership research, a plural model of leadership does not focus on the traits and behaviours of individual leaders. Instead it views leadership as a collective process, unfolding over time and arising from the actions and interactions of a group of individuals. **Leadership, in this sense, is not something that is done by people but something that happens between people seeking to influence each other.** As a result, it can be more temporary, more insecure, and more subject to negotiation than traditional individualised notions of leadership.



## LEADERSHIP CONSTELLATION

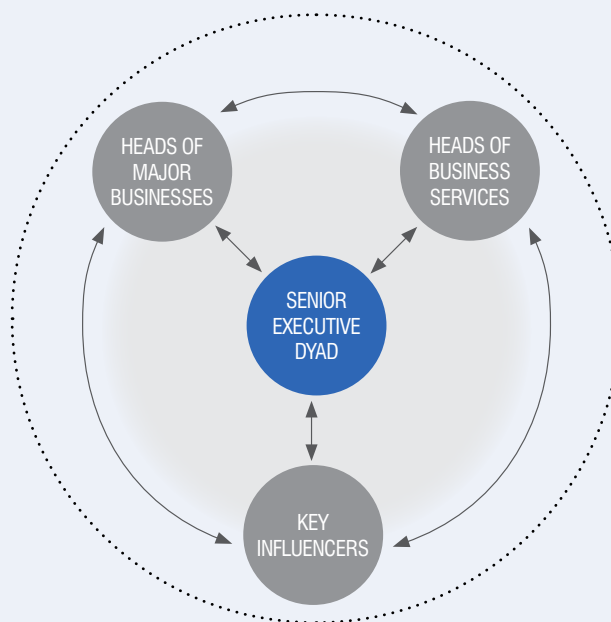
Rather than view leadership as a quality that an individual has, or something an individual does, the concept of the Leadership Constellation emphasises that leadership happens in the interactions between the key actors in a firm's leadership dynamics. For the purposes of the current study, in the context of a professional service firm, the potential members of the Leadership Constellation are identified as follows:

**Senior executive dyad** Typically a managing partner and senior partner, or chairman and chief executive

**Heads of major businesses** Lead major fee-earning areas such as specific practices, offices, and market-sector groupings

**Heads of business services** Responsible for support functions such as Finance and Human Resource Management

**Key influencers** May have no formal management role but have power from control of key client relationships, valuable expertise, or a strong reputation.



## LEADERSHIP CONSTELLATION

*Leadership is represented by the arrows that connect the members of the Leadership Constellation (i.e. the processes of influencing), as much as by the circles representing the people themselves.*

Members of the Leadership Constellation do not form a leadership team in any explicit sense. The organising hierarchy within the constellation is opaque, and roles and relationships are negotiated between members on an *ad hoc* basis.

Individuals within the firm may see themselves as leaders because they have important-sounding titles and serve on ExCom but may not be part of the Leadership Constellation because they are not accepted as leaders by their colleagues. The Leadership Constellation therefore expresses the informal power structure of the professional service firm.

Analysis of this kind of leadership focuses on what people, both leaders and followers, do – the practice of leadership – and the context in which they do it. It is based on an understanding that **leadership both shapes and is shaped by the organisational context**. So, while a leader's primary role is to help shape their organisation's context, at the same time their leadership actions are shaped by the context they work within.

## POLITICS

In most studies of leadership, the formal authority of leaders is taken for granted and the underlying power dynamics within the organisations largely neglected. When considering leadership in professional service firms, these assumptions are misleading. In this context, authority is granted to the formal leaders of the firm by their peers. In a partnership this is done formally by the partners' election of the senior leadership. In a corporation the leaders may be appointed by the Board but, if they want to get anything done, they can still only lead with the support of the senior professionals within the firm.

Authority must be continually negotiated and renegotiated. Power dynamics are ambiguous and shifting; and informal power structures may or may not correlate with the formal hierarchy of the firm.

Fluid power dynamics give rise to political behaviours since political activity is triggered by conditions of uncertainty. Politics are particularly prevalent in organisations where there are multiple perspectives, conflicting needs or views, and a discrepancy in the power of different individuals or groups – in other words, in a typical professional service firm. In these situations, political behaviours, including negotiations and compromises between opposing parties, are essential in order to create consensus. **In a professional service firm political behaviour is not inherently bad – it is an organisational fact of life.**

As the current study demonstrates, the inevitability and prevalence of politics in professional service firms is not something that is normally acknowledged by the professionals who work within these firms, or indeed by the scholars who study them. The words “power” and “politics” are generally avoided. Such concepts seem somehow suspect and threatening to the sense of collegiality within the partnership. Yet ultimately these firms are rife with politics and can only survive as a result of a series of careful calculations about power dynamics. Such calculations require sophisticated political skills.

As research on political leadership has demonstrated, politically skilled individuals can read situations and adjust their behaviour whilst continuing to appear sincere and supportive.

They demonstrate social astuteness, interpersonal influence, and networking ability, whilst all the time appearing sincere. This inspires trust which enables them to influence others and subtly persuade them to do what they want. In the context of a professional service firm, this means also being able to convince their colleagues that they are acting in the interests of the partnership as a whole rather than pursuing their personal objectives.

**As this study demonstrates, many professionals, while denying any sense of themselves as political animals, are yet highly politicised.**

# 3. RESEARCH STUDY

The research is based on in-depth studies of three professional service firms in the accounting, consulting and legal sectors. Each firm is a global leader in its respective sector. The data consists of over 100 interviews conducted by Professor Laura Empson with senior professionals in 16 countries, supplemented by archival and observational analysis.

## FIRMS

A condition for access being granted for this highly sensitive research was that the identities of the firms be fully disguised in any publications and presentations. This is normal practice in rigorous empirical studies of this sort. It enables the researcher to reflect freely (and sometimes critically) on the subjects of the study and also to frame findings in more generalisable conceptual terms.

The firms (referred to hereafter as Firm A, B, and C) are drawn from the consulting, accounting, and legal sectors, from the traditional to the “aspirant” professions. Each firm is ranked in the top four globally within its respective market sector. Two of the firms are partnerships and one is a corporation, which has distributed equity widely among senior professionals and which deliberately mimics aspects of partnership governance, for example by referring to its owners as partners.

The firms range in size from more than 200 to fewer than 800 partners and generate revenue ranging from more than £500 million to less than £2,000 million. Their ages vary from 20 to 80 years and number of offices from 20 to 60. Methods of partner compensation vary also: in one firm a substantial component of compensation is based on individual performance; another operates a modified lockstep system with country variation; a third maintains a pure lockstep system.

## METHODS

The research is based on a combination of interviews, archival analysis, and observation. The most senior executives in each firm (i.e. senior partner, managing partner, chairman, CEO) were interviewed repeatedly, as well as heads of practice areas, geographic regions, and market sectors. Individuals who had previously held senior leadership positions were also interviewed, together with

senior business services staff, such as CFOs and Heads of HR. A limited number of “emerging” leaders, ex-employees and competitors were also interviewed. Interviews typically lasted 90 minutes, and were recorded and transcribed.

For the two smaller global firms (under 5,000 employees) interviews were conducted in multiple countries as the leadership dynamics operated on a globally integrated basis. By contrast, the largest global firm operated a highly federated structure and leadership dynamics were more self-contained, so interviews focused on a single country.

Interviews were supplemented by access to internal archival material such as: partnership agreements, minutes of board meetings, and detailed reports of partner meetings about leadership elections. A limited amount of observational analysis was also conducted during board meetings and partner conferences. Data analysis was performed using NVivo software.

## 4. FIRST TACTIC: GAINING AND RETAINING LEGITIMACY TO LEAD THROUGH MARKET SUCCESS

*In the end all that we do is ultimately directed towards clients. (A1)*

To be perceived as a potential leader in a professional service firm, a professional needs both visibility and influence. The study has found that the primary means by which individuals gain the legitimacy to lead is by winning the respect of their colleagues through their professional work. As one interviewee explains:

*You always generate respect if you are a “heavy hitter”. If you bring in lots of business you will always generate respect. (A13)*

In all of the cases, success in the marketplace – that is, bringing in work – is the fundamental requirement for gaining and retaining the legitimacy to lead. Market success is about “being strong performers in the market” (B2), and being “outstanding with clients” (C7): “everything else is icing on the cake” (A4).

The more “technical” aspects of professional work, such as quality of advice and ability to deliver exemplary service, are also important.

*Leadership in a firm that is based on professional values requires a lot of respect and you need to be credible vis-à-vis your co-partners. And in the long term, the only way you can be credible is if you are exercising the profession in a way that is respected by your partners. (B15)*

Yet, as the following table shows, it is market success that is chiefly seen as an indicator of fitness for leadership. Technical expertise is respected but it is most highly valued when it is translated into commercial success. This ability to monetise technical expertise by selling and delivering a large volume of work (ideally high-value and prestigious work) is seen as the ultimate measure of professional skill.

<b>GAINING AND RETAINING LEGITIMACY TO LEAD THROUGH MARKET SUCCESS</b>	
<b>FIRM A</b>	<p>One of the reasons I think why people were happy to have me as Senior Partner was because I was perceived to be a successful Banking partner ... I ran a lot of our key relationships and so on. (A7)</p> <p>I think a lot of the leadership in a firm is linked to your practice and the position in the market because those people have the credibility, those people are in the market, they actually know the client and so on and in the end all that we do is ultimately directed towards clients. (A1)</p>
<b>FIRM B</b>	<p>Leadership in this firm is a function of one's credibility as a professional, in what we do – I don't think I necessarily have been the best in our firm but I'm respected as a professional and particularly respected as a client relationship person – without that I cannot lead. (B11)</p> <p>You can't be a leader without having credibility as a practitioner in this firm. So if you're not seen by your colleagues as a successful client executor, I don't think your proposals carry as much weight. You have to have a demonstrated track record of having delivered, of being somebody who can not only propose but also dispose. (B27)</p>
<b>FIRM C</b>	<p>They earn the right to get into one of those positions through ... doing fantastic stuff with clients, through enhancing the value of the partnership because they've either developed a client relationship that we didn't have before, or won a major piece of work and done that consistently ... They have the respect of the partners because they're recognised for doing that. (C14)</p> <p>I've dealt with some of our most difficult clients. So I've been the partner on [major client] having won that. I'm also still currently the partner on [major client] and that's not the easiest one either. And, even now I've become head of the practice, I'm just going onto [major client]. ... So if I put my little ego hat on for a moment I was sort of, you know, seen to be a good partner. You know, one of the top partners, I suppose, and one that can get out there and win work. (C18)</p>

## FROM WINNING BUSINESS TO WINNING VOTES

Why is market success seen as such a significant indicator of fitness to lead? Ultimately why should being one of the best business generators in your firm qualify you to lead it? An analysis of the data suggests three important reasons.

### “MEASURING” THE AMBIGUOUS

The ambiguous nature of professional work means that it can be difficult even for professionals to judge the absolute quality of a colleague's work. Market success thus comes to symbolise professional proficiency – a tangible measure of the intangible. By succeeding in selling work, aspiring leaders demonstrate to their colleagues that they are more than just highly skilled technicians: they have a broader understanding of their clients' needs and, by implication, the commercial acumen to lead their fellow partners to commercial success. This inference (that understanding your clients' business means that you are qualified to lead your own) is of course no more than a good guess – a proxy for more direct evidence of leadership ability.

## FEEDING AND LEADING

The partners value an individual partner's commercial success because it will ultimately generate income for themselves. This is clearly most marked in lockstep firms but also applies in firms where remuneration is more directly linked to individual performance. A successful business generator creates a halo effect for his or her colleagues, whether indirectly in terms of the reputational benefits for the firm, or directly in terms of passing on additional work to their colleagues. Those who prove they can "feed" their partners are also deemed to be qualified to lead their partners.

## ROLE MODELLING

Leaving aside the financial considerations, being successful in the market has strong symbolic qualities. It demonstrates to colleagues that you know what it means to work hard. You have already made the personal sacrifices that you will be asking of your colleagues. Demonstrating that you can bear the "pain" is the ultimate demonstration of authenticity as a leader – you have pushed yourself to your limit as a professional and you have earned the right to ask your fellow partners to do the same. As one interviewee phrases it:

*I think that professional service practitioners... will accept almost unlimited decision making and authority from someone that they think understands the things they are going through. (C2)*

The leader has been through it all and has survived and thrived. But it is not enough to have done so in the past. Commercial success must be maintained, even after you have been accepted as a leader by your peers. One Firm A practice head contrasts his own experience with that of his less successful predecessor:

*I did more billable hours than any other practice group head ... I always find if you ask people to do something, you get a lot more respect if they think 'well he's doing it', so therefore they follow that. My predecessor, who's very, very good, made a classic mistake of cutting right back on his practice and becoming full-time management. And that doesn't work in a firm like ours. You do lose credibility doing that. You have to be able to show you can still cut it. (A11)*



## “IT’S SOMETHING THE PARTNERS ASK YOU TO DO”

Showing that you can “still cut it” and demonstrating your continual commitment to the firm is vital if your colleagues are to entrust you with formal authority to lead them. This perhaps accounts for the phenomenon of the “reluctant leader” identified in this study and discussed further in the conclusions. As one interviewee explains:

*It’s something the partners ask you to do. (B8)*

Or as an interviewee with a competitor of one of the firms in the study says:

*I decided to put myself forward to be elected as Head of Practice when I realised I was fed up with lying awake at night feeling angry with the guy who was running the practice. When he put himself up for re-election I realised I had to stand against him.*

Interviewees who have taken on senior leadership roles describe the conflict they experience between their desire to continue with their fee-earning work (the successful professional’s “first love”) and their desire to bring about change within their firm (a process which inevitably takes them away from spending time with clients). The Senior Partner of Firm A describes himself as a “deal junkie” when he was doing transaction work full-time and admits that part of him still misses the deals; a deal “reinforces the ego” while “nobody will tell you how great you are” as a senior partner (A7). Or as an office managing partner in Firm B says:

*I say to the partners – I’m your servant leader and frankly if you don’t want me in this role I’m more than happy just to be a partner and focus on clients because that’s what we all love to do best. (B8)*

However, market success is an imprecise proxy for leadership capability.

As a partner in Firm C expresses it:

*They may be the guys with the best industry capability, they may have a big client in the sector, but does it actually equate to leadership? That’s just credentials. (C9)*

# 5. SECOND TACTIC: ENABLING AUTONOMY WHILST MAINTAINING CONTROL

*Frankly nobody has to follow anyone. (C9).*

Partners generally seek to maximise their autonomy. Leaders acknowledge this and to some extent accommodate it within their own discourse.

Yet these firms are not haphazard anarchies: they are highly successful global professional service firms. The leaders do in fact exercise a degree of control but within certain constraints. “Control” focuses on ensuring that the activities of individual partners are aligned with the strategic goals and performance targets that have been agreed by the partnership as a whole. As illustrated in the following table, one of the most important leadership tactics within a professional service firm is to maintain control whilst encouraging your colleagues to believe they are exercising autonomy.

ENABLING AUTONOMY WHILST MAINTAINING CONTROL		
	ENABLING AUTONOMY	MAINTAINING CONTROL
<b>FIRM A</b>	You can't really tell people what to do. You can say what you're going to do and then hope people will agree with it ... and the people you can least tell what to do are those who are most important for the success of the business. Because they are the ones who control the client relationships. (A17)	Because we are the size we are now, we have to have a more regulated set of rules. ... You can't just simply go off and do what you want. So there have to be checks and balances and I think that stops a bit of entrepreneurialism. (A9)
<b>FIRM B</b>	[The Chairman's] classic line is 'I don't want management in this firm' ... And I think he's right. If I look at my last three years, I've tried to do some management stuff in [country] and it's not worked. (B17)	We're all leaders ... that's the narrative, that's part of the story and that's exactly what I say and that's what I expect them to say. But when we went through the global financial crisis, guess what, there was no argument. When the pressure's on, they expect me to lead. (B33)
<b>FIRM C</b>	You take as much responsibility as you want. And people will allow it. But they don't offer it to you ... And I think an important aspect of leadership is to make sure that we mine to the fullest possible extent the capabilities of the people in the organisation because what else have we got? (C6)	Even though all the partners are peers, there do need to be decisions made. There do need to be tough things done ... knowing when you have to step in and say no, yes. (C14)

## “TOO TIGHT ... TOO LOOSE”

This balancing act, between enabling autonomy and maintaining control within an environment of contingent managerial authority, is summarised by the Senior Partner in Firm C.

*Partners say “you’re too tight” and they say “get looser”. So you get looser and they say “it’s chaotic, get tighter”. If the money is going up, you can do what you like. If the money is going down, you can’t do anything. But the money going up or down isn’t within control of the Senior Partner. (C1)*

The Chairman of Firm B describes the need to enable autonomy whilst maintaining control as like:

*... walking a tightrope of helping my partners feel like owners, helping them feel involved, helping them be engaged, not dominating them, not getting out in front, not having a huge ego which makes them feel like the Chairman’s kind of off on his own trip. At the same time as being strong and providing them with a sense of confidence that we’re going somewhere. (B32)*

As a result, formal management is minimised. Instead, just as they were mentored during their training process, younger partners look to the more experienced partners that they particularly respect. In this way constraints on individual autonomy (i.e. managerial discipline) occur within the informal hierarchy, with partners accepting a degree of control in the interests of the partnership as a whole. Sometimes there are formal constraints, but the most powerful and effective controls are the desire to win and retain the respect of senior colleagues you respect by conforming to the norms of professional behaviour that they advocate and exemplify. In other words, professionals look to their chosen role models and attempt to act accordingly.

## LEADERSHIP “SORT OF HAPPENS”

To someone on a low level of the pyramid, all partners probably appear equally exalted. However, within the partnership it is clear that there is an informal ranking based on experience:

*I think the younger partners want you to spend more time (than them) thinking about what the firm as a whole is doing and ... to provide thought*

*leadership which they will either follow or not, because it's not telling them what to do; it's actually just coming up with the prompts and ideas to maximise the business and get the best out of people. I think that's what they expect some of the more senior partners to do. So it sort of happens.*  
(A8)

Leadership “sort of happens”, yet when interviewees are explicitly asked about leadership, many present a more conventional view of the role of leadership within these firms. They refer to concepts such as “vision” and “direction”. This is not surprising as these are common themes in popular studies of leadership in general (and concepts the partners will have learnt about if they have attended leadership courses at business school). As this comment from Firm C demonstrates, some interviewees’ statements are very generic and could apply in any organisational context.

*I think leadership here is about a number of things. I think it is about providing a sense of direction, vision, ambition, purpose that resonates with the other partners and people. It's about trying to articulate what is different about our firm, why would we be better than the other firms? Why is it that you as a client or partner would want to work with us?*  
(C14)

Talk of “setting the right tone, setting a vision, [and] strategic direction” (C8) is vague and abstract; so are other commonly referenced terms such as “ambition,” “inspiration” and “strategy”. Thus, while professionals can certainly talk the leadership talk, what this actually means in practice is not particularly clear. As a result, some interviewees state that more leadership is needed in their firms:

*Lots of people here are crying out for leadership, you know, they just don't realise it. But they are. They do what they do but if somebody could inspire them and show them there was a better way of doing it, they'd follow that.*  
(C9)

But such overt leadership activity runs the risk of being perceived by partners as interfering with their autonomy and is likely to be met with resistance or disdain. Control of a partnership is maintained in more nuanced and less obtrusive ways – and, accordingly, requires subtle political skills.

## 6. THIRD TACTIC: INTERACTING POLITICALLY WHILST APPEARING APOLITICAL

*The Senior Partner doesn't necessarily always understand how influential he is ... He is not himself a player in that way at all ... it's simply because his own motivations in this world are so, I think, very genuine and clean. (A19)*

The last of the three tactics identified is the subtlest. In order to be accepted by their peers as leaders, professionals must appear to be apolitical (according to their somewhat naïve notions of political behaviour). When decrying political behaviour interviewees seem to understand it simplistically as Machiavellian duplicity and unscrupulousness. Yet to be successful within these firms professionals need to be highly politically skilled.

Research into political leadership identifies four key types of political skills:

- Social astuteness
- Interpersonal influence
- Networking ability
- Apparent sincerity

The subtle nature of this third leadership tactic becomes clearer if presented as three distinct but intertwined sets of beliefs and behaviours:

- Professed abhorrence of political behaviour
- Adoption of political language and tactics
- Professed belief that effective leaders are “above politics”

## “HATING” POLITICS

### INTERACTING POLITICALLY WHILST APPEARING APOLITICAL (I): PROFESSED ABHORRENCE OF POLITICAL BEHAVIOUR

There are people who are clearly very ambitious in the firm who will say from quite an early age to you, particularly over a beer or over a meal or over a chat [slams hand on table], ‘Do you think I’m in the frame to be Managing Partner or Senior Partner? What is it I need to do along the way?’... And they’re regarded as quite pushy, will be more political in their views in terms of what they think people will want to hear and what they think people will want to vote for. (A2)

I think the people who choose to join us are fundamentally of strong character and they don’t have the need to measure themselves against others ... They’re not in the business of politics generally, there may be some but overall the kind of people who join us are pretty comfortable with themselves and really what they’re on about is just doing good work and excelling and growing as individuals. (B32)

I suppose I’m not naïve in thinking there’s an amount of manipulation, manoeuvring, etc. involved in leading this firm, but if, underneath all of that, there’s no authenticity about why we’re doing it, then people get found out. And that’s what I mean by political. And I think sometimes that “political” tag is unfairly ascribed. A very good friend of mine was unjustly perceived to be too political, and suffered as a result ... I think he does genuinely care about the firm. But unfortunately, sometimes he gives off that political vibe. (C32)

Interviewees expressed, unprompted, a loathing of apparent political behaviour – “I hate politics” (B12) – and explained that an individual’s reputation can be damaged if he or she is seen to be acting politically.

*If somebody has a political score to settle and that agenda becomes transparent, that person is diminished within the firm. (B1)*

By “politics”, interviewees typically seem to mean self-serving behaviour or acting to advance individual interests rather than the interests of the partnership as a whole:

*To me politics smacks of alliance-building in the corridors, in offices behind the scenes. It smacks of people engineering agendas, which creep up on the firm and deliver a fait accompli in a way that become disruptive. Or politics could manifest as someone undermining another person. I would like to think we don’t have those behaviours. (B11)*

This aversion to politics is particularly remarkable because professional partnerships resemble political parties and, as the study demonstrates, their leaders therefore need a high degree of political skill.

## USING POLITICAL LANGUAGE AND PROCESSES

### INTERACTING POLITICALLY WHILST APPEARING APOLITICAL (II): ADOPTION OF POLITICAL LANGUAGE AND PROCESSES

The role involves us being seen as acting as the servants of the partners. We have our constituents; when they email us or call us we have to call back and we have to help them, be seen to be helpful. (A34)

There was a time at a partner conference when I thought somebody was getting lynched. We were having a formal vote and discussion about electing someone to partner... There were two or three people with a personal agenda, a particular dislike for an individual and they were trying to scuttle this person ... It was fighting in public. I mean the way this firm operates it should all be resolved before you ever go in the room. (B1)

The previous election for Senior Partner there was a bit of a power struggle between two individuals who were dominant characters within the organisation and [person] held sway on the basis of support from a number of the more senior partners, including the outgoing Senior Partner who had quite a lot of influence ... It was all closed doors – smoke-filled rooms – lots of politicking etc. etc. etc. – a variety of promises being made to various senior people to get them to support [person]. (C6)

In professional service firms, as in political parties, leadership elections are held, requiring the issuing of manifestos, giving speeches at candidates' debates, and talk of "the electorate", "constituents", "campaign managers" and "mandates". As with infighting in political parties, the study reveals examples of supporters of a particular candidate briefing against the opposition. This behaviour tends to backfire against the candidate even if they themselves have not sanctioned it, as it gives the impression that they are too "hungry" for the job.

In addition, as with a politician, a leader within a professional service firm needs to build and sustain consensus among his or her colleagues, to make trade-offs between competing interest groups, and to offer incentives to individuals to lend him or her their support.

The more reflective interviewees perceive that there is something distinctive about the nature of organisational politics within professional partnerships, reflecting the distributed nature of power as well as ownership. As one interviewee in Firm C expresses it:

*I think the level of politics and personality here is different because you have a sort of cadre of highly paid [partners] ... people who own the client relationships. So there is something about needing to keep several hundred partners happy which brings a level of politics, which you wouldn't get if we were an engineering company or a pharmaceuticals company. (C5)*

This apparent paradox (of denigrating political behaviour whilst creating structures which privilege skilful politicians) can be reconciled by recognising that the more adroit leaders persuade their peers that they are not personally ambitious or “pushy” (A2), even while they are climbing to the top of their organisations. These individuals appear to be ambitious for the partnership as a whole rather than for themselves (though, of course, the two are not mutually exclusive). Their peers are willing to cast themselves in the role of followers because they trust these individuals sufficiently to allow them a degree of formal authority over them.

*The partnership as a whole trusts our leader, that he’s going to resolve it for the best – for the good of the partnership. As long as they believe that and trust that, then there’s no reason to put any other kind of hold on him. (B23)*

So, according to professionals, appearing reluctant to step into a leadership role is one of the qualities that qualifies you to perform it. A strong illustration of this comes from a senior partner at a competitor firm. He describes how he was pressurised by the incumbent senior partner to put himself forward for nomination.

*I was adamant that I did not want to stand. After a lengthy discussion in my office he came round behind my desk, nudged me aside, and typed an email from me to all the partners which said I was putting my name forward as a candidate. And then he pressed “send”.*

## BELIEVING LEADERS SHOULD BE “ABOVE POLITICS”

### **INTERACTING POLITICALLY WHILST APPEARING APOLITICAL (III): PROFESSED BELIEF THAT EFFECTIVE LEADERS ARE “ABOVE POLITICS”**

Sometimes my sense would be [Senior Partner] doesn’t necessarily always understand how influential he is. He’s very modest about it, quite self-effacing, and he himself doesn’t attach such great importance to some of those things that might be under the heading of “creeping”, as in slightly sinister. He is not himself a player in that way at all. ... it’s simply because his own motivations in this world are so, I think, very genuine and clean. (A19)

[Before we elected him Chairman] he didn’t say a lot at partner conferences. But on some key discussions he was the compelling speaker. I’d say once a year on a particular issue, he would come in on his white horse and say, “Well, this is what I think” and, do it very well and with a good ability to sort of link the discussion that had been happening to some prime principle of the firm. (B5)

It’s typical of the partners who’ve been in the firm for quite a long time, that they’re actually trying to do the right thing. And so they don’t get involved in politics. But they are aware of stuff going on. (C12)



To win the trust of their peers, leaders must be seen as “genuine and clean” (A19) rather than “creeping” and “slightly sinister” (A19) – which is how political behaviour is typically characterised within these firms.

*We have people in leadership positions who don't appear to be having to work politically to keep their position ... The one who does [leadership] more naturally, partners will recognise that, and [he or she] is more likely to sustain the role. And the others are more likely to crash and burn. (C4)*

**Yet individuals operating in a highly politicised environment who do not appear to have to work politically to keep their position are almost certainly deploying highly sophisticated political skills** – whether utilising them consciously or not, and whether using them to fulfil their personal ambitions or their ambitions for the firm. The following profile of a leader in Firm C sheds more light on how an individual can use their skills in the process of gaining a senior leadership role with the firm.

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Roger came from a highly profitable but relatively small part of the firm and was not known by most of the partners. He stood for election to Chairman against seven other candidates, several of whom had been members of the firm-wide management committee. In the early stages of the election he engaged in intensive networking and tried to meet each of the several hundred partners one-to-one, “to have a coffee with them” (C28), in order to influence them to support his candidature. At these meetings he listened to the partners to find out more about their concerns and outlined some of the solutions he envisaged.

*I think I did run a good campaign. Unlike some of the other candidates, I admitted to working hard at it. (C28)*

In other words, he did not pretend to be a “reluctant” leader.

Each candidate was also asked to produce a manifesto and a video. In both the one-to-one meetings and in his recorded communications, interviewees report that Roger impressed partners with his modest demeanour and his strong convictions about the firm i.e. with his “apparent sincerity” (a core political skill):

*He is very softly spoken, but he's got a sense of purpose and direction and I think that got across to the partners at large. (C30)*

*He'd written a good manifesto, he clearly touched people, and some of the messages had been framed in a way that I think people felt like he really understands what's going on inside the partnership, and he's clearly thought about it. (C32)*

The front runners (including Roger) went through to the final stage of the election: a public meeting where all partners had an opportunity to question the candidates. Their manifestos were very similar and the partners' vote was ultimately based on the performance of the candidates on the day.

*Compared to the others, Roger wasn't faultless, absolutely not, in the Q & A, but somehow he got people on his side. And then the candidates were interviewed together by a top journalist and Roger just had more humour, more empathy. You could feel the audience connecting with him in a way that they weren't connecting with the others. (C32)*

Roger therefore displayed a combination of social astuteness (by being able to understand the dynamics at play with the partnership), interpersonal influence (by winning the electorate round to his candidacy having started as an outsider), networking ability (by rapidly becoming widely known within the firm and building alliances with partners outside his immediate group of followers), and apparent sincerity (by appearing to be genuine in his commitment to promoting the interests of the partners whilst achieving his own advancement). This enabled him to win a highly contested election from the starting position of rank outsider. He displayed sophisticated political skills without being seen to be behaving politically by the constituents he was wishing to influence.

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An interviewee in Firm A (the Global Head of Human Resources, who is not herself a partner) reconciles the apparent paradox of denigrating political behaviour whilst rewarding political skill within these firms.

*It is important to distinguish between the sort of political ego, which doesn't work, and political savvy, which is absolutely essential. And that savvy is born out of empathy and the ability to see and absorb and understand what is spoken and unspoken, and what goes on sort of implicitly. I think is critical in this organisation ... Without it you are in real trouble because if you don't have it you can't have influence. (A19)*

# 7. CONCLUSIONS

The study has sought to identify the distinctive leadership tactics associated with extensive individual autonomy and contingent managerial authority which characterise professional service firms. As the following table summarises, these tactics also have important implications for power dynamics and for the firm more generally.

THREE LEADERSHIP TACTICS IN PROFESSIONAL SERVICE FIRMS			
TACTIC	MANIFESTATION	IMPLICATIONS FOR POWER DYNAMICS	IMPLICATIONS FOR THE FIRM
<b>1. GAINING AND RETAINING LEGITIMACY TO LEAD THROUGH MARKET SUCCESS</b>	Indirect	Market success establishes status difference. Partners acknowledge superior abilities of selected peers who become accepted as leaders.	Market success of individual helps ensure increased profits for firm (and help secure employment and income for colleagues).
<b>2. ENABLING AUTONOMY WHILST MAINTAINING CONTROL</b>	Overt	Partners accept constraints on autonomy by leaders if they perceive these will ultimately ensure increased profits for the firm.	Leaders seek to deliver on election mandates by interpreting and implementing partners' objectives for firm.
<b>3. INTERACTING POLITICALLY WHILST APPEARING APOLITICAL</b>	Covert	Leaders build coalitions and marginalise opponents, whilst being seen by partners as acting in best interests of partnership.	Leaders successfully implement controversial change initiatives whilst persuading partners these are in their best interests.

## INDIRECT, OVERT, AND COVERT LEADERSHIP

The first leadership tactic, **gaining and retaining legitimacy to lead through market success**, is an **indirect manifestation rather than direct evidence of leadership ability**. This study demonstrates that a professional must be successful in the market place if peers are to accept him or her as worthy to lead them. It is in effect a proxy for leadership ability: it is seen to have a positive impact on the organisational context because the individual is modelling behaviours likely to lead to increased profits for the partnership. An individual who has understood the way that the business operates and the nuances of professional work is less likely to interfere inappropriately in colleagues' work and is therefore less threatening to partner autonomy. In this way, individuals with limited formal authority gain legitimacy to exercise influence over their peers.

But once they have gained this legitimacy, the leaders need consistently to reinforce their informal authority through demonstrating ongoing success with clients. When moving away from fee-earning work, the leaders need to remain in the “front line” with clients through high-level external networking and involvement in marketing and sales pitches. They must not become submerged in management. Senior leaders who remain close to clients, who are not dependent on their partners to tell them what clients are thinking, will continue to be able to exploit the legitimacy that clients confer.

**The second leadership tactic, enabling autonomy whilst maintaining control, is overt.** It is also subtle. As this study demonstrates, partners recognise that a delicate balance needs to be maintained between enabling partner autonomy and maintaining control over the partnership. Partners will only co-operate with overt attempts to lead them if they perceive that these will ultimately ensure commercial success and are not bureaucratic incursions or excessive “management”. This is the essence of the contingent nature of authority in such organisations. Leaders in effect have a temporary mandate from their partners to interpret and implement partners’ objectives for the firm.

It is important that leaders should not try to work alone in maintaining this balance. They are acting on behalf of the partnership and should not allow themselves to become portrayed as acting in opposition to it. It is easy for leaders in this situation to become isolated. Instead they need to enlist the support of their colleagues within the leadership constellation and beyond. They also need to do all they can to ensure that the partner appraisal and compensation systems are working effectively to help maintain the balance between individual autonomy and managerial control.

**The third leadership tactic, interacting politically whilst appearing apolitical, is covert.** In order to be accepted by their peers as leaders, professionals must appear to be apolitical, at least according to the partners’ somewhat simplistic conceptualisation of what this means. Yet this study emphasises that successful leaders in professional service firms are in fact constantly engaged in highly political behaviour – the more so because it is not apparent. This enables them effectively to implement controversial change initiatives, and thus shape the organisational context.

So professionals abhor political behaviour, yet create highly political environments. Leaders need continuously to reinforce authority but must seem apolitical while so doing. It can be argued, therefore, that the simplistic way in which political behaviour is understood within these firms actually serves to downplay their political nature. Behaviour that does not fall within the partners’ perception of “political” can still in fact be very political. Consequently ideas

of professionalism and meritocracy, which form the basis of leader legitimacy, are not threatened within these firms. Quite the contrary: by downplaying the political character of certain behaviours and by denigrating blatant political efforts, professionals maintain an image of professionalism.

## RELUCTANT LEADERSHIP

Taken together the three tactics help to explain the phenomenon of the reluctant leader identified in this study.

According to the first tactic they must be, or at least appear to be, reluctant to move away from their “first love” of day-to-day client work. Only once they have exemplified all that is best about being a fee-earning professional (i.e. can act as an idealised role model) do their colleagues allow them to step back from fee-earning to take on a leadership role.

According to the second tactic, the reluctance may also stem from an understandable unwillingness to take on a very challenging role. Leaders are required to maintain control whilst enabling autonomy. They are made responsible for the success of the firm, accountable to their partners for delivering that success, but lack the formal authority they need to deliver it.

According to the third tactic, however, some of this reluctance may be professed rather than genuine. After all, the most senior leaders need to put themselves forward for election in the first place and in some cases fight a very tough campaign to be elected. Even with lower level unelected leadership roles, individuals will be sending signals that they are interested in leadership issues, which will encourage their colleagues to see them as future leaders.

## QUALITIES OF AN EFFECTIVE PROFESSIONAL SERVICE FIRM LEADER

If leading a professional service firm can be reduced to three tactics, perhaps it is quite simple after all? Emphatically not!

To achieve market success professionals must have mastered their technical professional work and be highly effective at winning and developing profitable client relationships. And they need to continue to demonstrate their professional skills whilst taking on a demanding leadership role. To enable autonomy whilst maintaining control they must perpetually perform a delicate

balancing act between being “too tight” and “too loose”. And to act politically whilst appearing apolitical, they must be able to demonstrate social astuteness, interpersonal influence, and networking ability, whilst all the time appearing sincere.

To achieve all this, to put in the hours required and not become discouraged by the scale and complexity of the role, requires very high levels of physical energy and emotional stamina.

In a firm where your colleagues are highly driven and high-achieving, you need to remain just ahead of them to ensure they are “achieving” in the right direction. In a firm where your colleagues are not as highly driven and high-achieving as you believe they should be, you need to remind them continually of the goal you are supposed to be collectively striving towards. And you must not lose faith in yourself or your colleagues when progress seems too slow.

So what kind of person can do all this? As the previous report summarised, this research study has identified ten key qualities of an effective leader.

## WHAT MAKES AN EFFECTIVE PROFESSIONAL SERVICE FIRM LEADER

What sort of leader can effectively negotiate their way through the subtleties and complexities of a professional service firm? Looking across all of the firms studied, the most effective leaders share ten particular qualities:

- Highly respected for their skills as a professional
- Do not appear to be seeking power
- Able to inspire loyalty and commitment
- Strong personal vision – able to communicate it
- Able to build consensus and act decisively
- Transfer responsibility but intervene selectively
- Comfortable with ambiguity and conflict
- Spend a lot of time “massaging egos”
- But do not expect to have their own ego massaged
- And above all, able to identify and navigate the leadership constellation



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Professor Laura Empson has spent the past two decades dedicated to researching professionals and professional service firms.

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She is an Independent Non-Executive of KPMG LLP (Member of Public Interest Committee). She acts as an adviser to many of the world's leading professional service firms in areas such as: accounting, law, investment banking, actuarial and management consulting. Through her consultancy work she translates her scholarly research into actionable insights into a range of issues that challenge leaders in professional service firms, including leadership and governance, succession planning, organisational and cultural change, mergers and acquisitions, knowledge transfer, and partner evaluation and reward systems.

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At Cass Business School, as well as being Director of the Centre for Professional Service Firms, she teaches the MBA elective 'Managing Professional Service Firms' and the core MBA module on Organisational Behaviour.

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