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Organizational Culture in Wisconsin Large Law Firms

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ORGANIZATIONAL CULTURE IN WISCONSIN LARGE LAW FIRMS

by

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A Thesis submitted to the Faculty of the Graduate School,
Marquette University,
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ABSTRACT
ORGANIZATIONAL CULTURE IN WISCONSIN LARGE LAW FIRMS

Susan B. Spoerk, B.A., J.D.

Marquette University, 2011

Culture can be defined as the collective programming of the mind which distinguishes one group or category of people from another.   Organizational culture is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. There are many studies on Organizational Culture applied to corporations. There are very few studies of Organizational Culture applied to law firms. This is a study of Organizational Culture in Wisconsin Large Law Firms.   This study does not attempt to define specific cultural knowledge of large Wisconsin law firms but instead assesses whether an organizational culture is positive or negative.

The hypothesis of this study is as follows. The practice of law is now the business of law. Corporate clients are more sophisticated and in today's economy have more leverage when hiring large law firms. At the same time technology has flattened the playing field making law firms more similar than different. There is a convergence between large law firms and the output has been commoditized. Law firms with identifiable positive cultures will thrive, while those firms that have a negative culture are less likely to survive.

As law firms adapt to the "new normal" they are undergoing change. Studies show that organizations with a positive culture adapt to change better than organizations with a negative culture.   The Organizational Culture Inventory® (OCI®) is the most widely used and thorough researched tool for measuring organizational culture in the world.   The inventory presents a list of 120 statements which describe some of the behaviors that might be expected or implicitly required of members of organizations.   This quantitative survey was deployed to the 20 largest law firms in Wisconsin. Survey participants included law firm administrators, managing partners and practice group leaders. The results of the survey showed that the overall law firm culture in Wisconsin is positive.   Further study is suggested to understand organizational culture within individual law firms as well as law firms outside Wisconsin.

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Susan B. Spoerk, B.A., J.D.

Eternal thanks to my proofreader who has dotted my "i's" and crossed my "t's" since I learned to read and write. My mom has been by biggest source for learning and inspiration. She continues to serve as my moral compass though life. While I am humbled to have academic "initials" after my name, I am more proud of the life lessons I learned from my mom. Also, special thank you to Doctor Jay Caufield, who warmly welcomed me into the Leadership Program over five years ago. Dr. Jay held my hand during a difficult transition in my life and kept me going and led me to the finish line.   Also, thank you to Father Michael Class who lived up the promise of the "Jesuit Educator" and imparted his vast knowledge and compassion to me. My mom, Dr. Jay and Father Mike are leaders in learning and life and have taught me by example.

I would also like to thank my advisor for this project, Paul Katzman, J.D., Assistant Dean for the Career Planning Office at Marquette Law School.   Dean Katzman provided keen insight and guidance to my research. I value my Marquette Law degree and to this day continue to leverage the connections of being a Marquette Lawyer. While the law school building has changed since I attended twenty years ago, the mission has not and to this day I carry the values of Marquette University including excellence, faith, leadership and service and specifically the values of the law school of service to the community.   I hope my studies will help future law students be aware of cultural differences of the firms they interview with and find the right fit for their professional career, when graduating.

I am also thankful to my clients in Milwaukee that participated in this study. I have the honor of working with extremely fine clients and each firm in its own right is successful; however, as an outsider looking in, I could tell each firm was different. It is difficult to capture the essence of those differences but it is their unique cultures that make them who they are; my clients have always made me feel like a valued partner to their success rather than a vendor. I am often amazed that I get paid to do what I do and many times forget I am not working for them but for Thomson Reuters. My allegiance to my clients is due to the fact that our success is tied together and I am thankful my clients trust me as we reach our common goals.

And finally, it is with deep gratitude that I thank Thomson Reuters who underwrote my graduate degree in Leadership. I am proud to be a member of such a great organization that exemplifies every facet I learned about good leadership including transformational leadership, organizational culture, teaming, vision and good corporate citizenry. Thomson Reuters has invested in me not only though this Masters degree but since day one on the job my employer has enabled me to be my best through ongoing professional training programs. My career at Thomson Reuters has transcended my expectations beyond a paycheck and I am grateful to work for such a visionary company.

In return for the guidance of those who taught me in life, the classroom, the law libraries and law firm conference rooms, the hallowed halls of the old West Publishing in St. Paul, to the mammoth new Thomson Reuters building in Eagan it is with humility that I complete my Masters in Leadership program. I vow to lead with my Irish heart and to listen to my good sense German head and to always step up to the opportunity to lead (with kindness).

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Personal Perspective

The "old boys' club." Is that a positive or negative statement? This is the question that

motivated me to study and write on organizational culture in Wisconsin large law firms. My

view is not couched in feminism, although I am writing from a female's perspective. My

personal answer to the above question is that the reference to the "old boys' club" has a positive

connotation. To me, there is a certain collegiality and appeal to the statement. However,

through the years, the trend in the workplace and in our schools has been to embrace and

promote diversity and to value our differences. Yet as corporate America blends its workforce,

does this diminish the unique culture in the workplace? Is there a certain appeal to the male

dominated culture portrayed in the television hit series Mad Men, based on advertising

executives in the 1960's? The large law firms I studied have two or three names on their

letterhead representative of a different time and culture within the law firm. These white men

(and yes, they were all white men) have long since retired, but if they did walk the halls today no

doubt would be surprised at the diversity of the attorneys, the pace of the practice hastened by

technology, and the reliance on the non-lawyer professionals managing the day-to-day operations

of the law firm. Has the original culture of these law firms diminished though time, and, as a

follow up, does culture matter?

This paper is written for my professional project in satisfaction of the degree requirement

for my Masters in Leadership at Marquette University. However, while I have been trained in

my studies to rely on scholarly research which includes peer-reviewed articles, there is a certain

personal bias or perspective any writer brings forth when studying a sociological trend or pattern.

My educational and employment background supplements the current lessons I have learned

though my Masters degree program in Leadership. I received my undergraduate degree in Political Science from the University of Wisconsin-Madison. At that time university learning was primarily taking place in large lecture halls, and the college culture I experienced at Madison had more to do with the establishments on State Street and football games at Camp Randall than culture associated with the hallowed classrooms on Bascom Hill. My political science studies were supplemented by work experience, serving four years as a Senate Page at the State Capitol. I observed the Senate close up not only in the public floor sessions but behind closed doors in the caucus. I noticed a collegiality to the Senate, even between those on the other side of the aisle. There was even a "Senate Athletic Club" which included softball games though which members participated in along with the Senate Pages. Different legislators would come and go but I observed a strong organizational culture in that particular class of legislators.

After obtaining my undergraduate degree I attended Marquette Law School. Since my graduation in 1991, I have seen a change of the law school culture, it is no longer the old boy's club it once was, but instead has come a long way and has morphed into a strong community partner. Perhaps most representative of a change at Marquette is the new law school building, Eckstein Hall, that was designed to foster collegiality, encouraging interaction between students, faculty, administrators and support staff with gathering areas such as fireplaces, workout facilities and open areas and meeting spaces including a library without borders. The library is one of the most distinctive elements and was designed with the goal to foster interaction and collegiality. There is a new emphasis on public policy, an expansion of public service initiatives and frequent programming including forums and conferences open to the public featuring legal and political issues. Several key faculty appointments have included a former United States Senator, a former Supreme Court Justice, and noted journalists and news reporters from the

community. By contrast, at the time I was in law school, the biggest intangible asset of attending Marquette was that you became a "Marquette Lawyer." There was a certain appeal and commonality that was attached to being a Marquette Lawyer and this label was a door opener if you practiced law in Wisconsin. There was a cultural distinction a law degree from Marquette bestowed. This is not to say the changes are diluting that benefit, but there is a recognized difference between the culture of the past and present. Today's "Marquette Lawyer" is product of a different organizational culture, a culture with stronger emphasis on community service.

My law degree led me to a unique career as a representative of a legal publisher, managing law books and legal online information accounts for law firms. Through the 20 years I have served in this role I have had the opportunity to work with law firms up close and personal. I train the new hires that often have a fresh perspective on the culture of the law firm they just joined. I also work with senior partners who have seen a lot of change in their firms as well as non-lawyers who manage the information and contracts and budgets at the firm. While all the firms I service provide essentially the same legal services and excellence in the quality of their work, I have observed that each firm is unique in their own organizational culture. Even with significant turnover of lawyers and the leadership of law firms over the years, the culture of each firm tends to remain static. This begs the question, what is it that drives the culture of law firms?

The capstone on my formal education has been my Masters in Leadership at Marquette University. This paper will delve into the scholarly lessons I have learned regarding the impact of organizational culture in the workplace and apply these lessons to my study of Wisconsin large law firms. However, the knowledge I gleaned from my Masters program went beyond the textbooks and lectures. Many of my fellow students are full-time professionals representing corporations based here in Milwaukee. Our classroom discussions on transformational

leadership, leading change, team-building and organizational culture were enriched with the personal experiences of my peers. Students were protective of their employers' trade secrets and internal operations but shared best practices regarding what fosters success in their workplace. My student peers worked for corporations with strong cultures and I noticed by their comments there was to be a certain loyalty and allegiance to the employer that goes beyond the paycheck. Students would often boast "At my company, we do things this way."

During these discussions I realized that my classmates all represented companies that are unique with regard to the products or services they deliver (*e.g.,* motorcycles, mechanical controls, temporary staffing). In my job I also represent a unique product offering; law books in print and online. I work for a legal publisher that is founded on the legacy of one attorney whose name remains on the products we sell. This company has grown from a regional publisher into a global information solutions company that has adhered to its core values and exudes a distinct culture within the organization while maintaining ties to the overall mission of the new parent company. However, I started to think about the clients I serve, large Wisconsin law firms. What makes them different from one another? They are all selling the same product and service, so what makes them distinguishable to their clients? Is their organizational culture a differentiator?

Wisconsin Institutions Impacting Large Wisconsin Law Firms

Wisconsin is unique with respect to the schools that supply Wisconsin lawyers as well as the institution that regulates Wisconsin lawyers. Also, while not as unique, but certainly considered exceptional, are the Wisconsin trade associations that service Wisconsin law firms. Since the practice of law is primarily jurisdictional, (*i.e*. lawyers generally are permitted to

practice law only in those jurisdictions where they are admitted to the applicable bar), a brief overview of these institutions bears mentioning. Wisconsin is the only jurisdiction that has law schools that primarily feed their graduates into Wisconsin law firms and a regulating bar association for which membership is mandatory (Martin, 1989).

There are only two law schools in Wisconsin; Marquette Law School and the University of Wisconsin. Marquette is located in Milwaukee, where the majority of law firms are based, and UW is in Madison, where the next largest of law firms are based. The majority of Wisconsin's corporations and businesses are located in Milwaukee while Madison is the seat of Wisconsin's state government. Both schools tend to be the feeder schools for Wisconsin law firms. There are several reasons law firms hire from these local schools. One is that firms can hire students to work part-time during the school year which enables a firm to cultivate and assess a potential post-graduate hire. Another reason is law firms have learned that there is a greater retention rate when hiring local attorneys. There is a large investment made when training a new attorney with very little net return for the law firm and it makes good business sense to hire attorneys who have a commitment to the geographical location (Barker, 1999). Lastly, and most institutionally unique is Wisconsin's diploma privilege, which refers to the automatic admission bestowed upon the graduates of these law schools. Unlike law school graduates in every other state, graduates of Wisconsin law schools do not have to take the bar examination to be admitted to practice in the state. They simply need to satisfy the character and fitness requirements of the bar. This provides an edge for Wisconsin students since firms do not have to wait for the recent graduates to pass the bar examination before they can start practicing law (Moeser, 1991). More so, it provides an incentive for the law student to pursue employment

with a Wisconsin employer so they can avoid the arduous bar examination and start their career

and earn money sooner (Molvig, 2001).

Wisconsin also is unique in that membership in the state bar, the State Bar of Wisconsin,

is mandatory. Lawyers are mandated to belong to the state bar as dues paying members as well

as take a minimum requirement of Continuing Legal Education bi-annually to maintain their law

license. The constitutionality of the mandatory bar has been challenged but to date, it stands

(Martin, 1989). Since all lawyers belong to the same trade association there is a common source

for information sharing on issues important to Wisconsin lawyers. The monthly bar magazine

features not only articles on substantive areas of law but also the feature articles are reflective of

the culture of Wisconsin lawyers.

It is also worth noting that the voluntary trade associations that draw members from

Wisconsin law firms are exceptionally strong compared to their national chapters. The

Wisconsin Association of Legal Administrators (WALA) is a nationally recognized chapter for

its excellence. The mission of WALA includes: to improve the quality of management in legal

services operations, promote and enhance the competence and professionalism of legal

administrators and all members of the management team, and to represent professional legal

management and managers to the legal community and the community at large.

<p align="center">**Law Firms Studied**</p>

The focus of the study is on large Wisconsin law firms, or firms with 30 or more

attorneys that are headquartered in Wisconsin. The *Wisconsin Law Journal* produces an annual

special section on Wisconsin's largest law firms. The 2010 survey identifies law firm ranking by

size and the list shows there are 20 law firms that have 30 or more attorneys. The majority of the

law firms studied are based in Milwaukee, the largest city and metropolitan area in Wisconsin, or

Madison, the home of the state capitol. Several of the larger Milwaukee firms have satellite

offices in Madison. A few firms have branches in the Fox River Valley and in the outskirts of

Milwaukee including Racine and Waukesha. A few have offices outside the State of Wisconsin

including branches in Chicago, and in the states of Arizona and Florida. Often it is the

expanding client base that dictates the location of branch offices for a law firm. Not included in

this study is the state's largest law firm since that firm generally is considered more of a national

firm than a Wisconsin firm. Also excluded from this study are law firms over 30 attorneys that

are specialized in only one practice area such as personal injury.   The firms in the study have

similar practice areas and specialties.

The demographics of the law firms included in this study are fairly consistent among the

firms. The majority of the firms tend to be top-heavy with white male partners and an equal

gender mix with associates, but again, primarily Caucasian**.**   In addition, majority of the

attorneys with these firms received their law degrees from Wisconsin Law School or Marquette

Law School. This is principally due to the fact the schools are the only law schools in the state

and the diploma privilege encourages new law graduates to practice in Wisconsin (Molvig,

2001). As is the case with most large law firm, most of the firms have professional management

teams to manage the firms (Zemlicka, 2009). The management teams at these law firms include

not only managing partners but according to the Wisconsin Association of Legal Administrators

website (www.wi-ala.org), non-lawyers such as directors of technology, marketing, finance and

records management. The members of the management team are often given the title or status of

a director or a C-level position such as Chief Information Officer or Chief Financial Officer.

The clients these law firms represent are primarily Wisconsin corporations, governments, non-profits and family foundations. Like many cities with emerging trends, Milwaukee has turned from an industrial based economy to more of a knowledge-based economy. Past clients included breweries, manufacturing and heavy industry. The new client base is representative of health care, banking and high tech companies. Law firms have also been impacted by corporate mergers where the headquarters are no longer based in Milwaukee, often finding they are servicing national clients they rarely interface with as they would when their client was based in the same city (Romell, 2010).

Wisconsin law firms have been impacted by the economy as corporate clients have downsized during the recession that began in December 2007 and ended in June 2009 (Zemlicka, 2009). These clients have imposed cost restraints on law firms asking for efficiencies and lower fees with the threat that if a law firm cannot oblige, they will commoditize the service and hire another law firm down the street. Legal services have become a buyer's market (Sloan, 2011). These pressures have forced law firms to cut back on personnel, internal programs including professional development and team building activities and also change compensation models. At the same time, law firms are facing greater costs with new technologies that are necessary investments such as hand-held computing devices and internal infrastructure in technology (Cohen, 2010). And as law firms invest dollars in new technologies that provide greater efficiencies, at the same time they find they are eroding their revenue source of the "billable hour." Most attorneys generate revenue by billing their client by the hour for their professional services where partners charge more than associates. There is also a demand by corporate clients for law firms to negotiate rates and consider alternative fee arrangements (Maleske, 2010). These law firms today look and perform very differently than when the named partners founded

the firms, yet those named partners are the very men who were the genesis of the culture of the firms.

Hypothesis

The practice of law is now the business of law. Corporate clients are more sophisticated and, in today's economy, have more leverage when hiring large law firms. At the same time, technology has flattened the playing field making law firms more similar than different. There is a convergence between large law firms, they are more alike than different, and the output, the billable hour, has been commoditized. Law firms with identifiable positive cultures will thrive, while those firms that have a negative culture are less likely to survive.

Scope of Study

This study does not attempt to define specific cultural knowledge of large Wisconsin law firms but instead assesses whether an organizational culture is positive or negative by looking at the set of assumptions and values that are shared by a group of people and that guide the group of people's interaction with each other (Hofstede, 1991). In this study, culture can be defined as the collective programming of the mind which distinguishes one group or category of people from another (Hofstede, 1991). Studies show that a positive culture is more apt to embrace change (Cooke, 1993). Research, both academic and practical, demonstrates the paradigm shift from the practice of law to the business of law (Bartlett, 1982 and Zemlicka, 2009). The study begins with an overview of organizational culture. The study will then review law firms as organizations describing what makes them unique, especially in light of the recent changes in the economy, technology and globalization.   The paper ends with a review of the findings of a quantitative survey and assessment of the organizational culture of large law firms in Wisconsin.

The goal of this study is to advance knowledge that will assist law schools with career planning for law students and graduates and law firm administrators with firm management.   The paper will also help to fill the void of academic research on the application of leadership studies, such as organizational culture, to law firms.

Chapter II – Culture

What is Culture?

Culture is a term that can elicit many meanings. General culture knowledge is an understanding of how culture works and how to observe and gain insights about the effect of culture in different settings (Lane, 2009). Specific cultural knowledge is the set of facts and information about a particular culture, such as a particular country or a particular club or like-minded people (Lane, 2009). Culture is the set of assumptions and values that are shared by a group of people and that guide the group of people's interactions with each other. Geert Hofstede, a famous anthropologist, defines culture as "The collective programming of the mind which distinguishes one group or category of people from another" (Hofstede, 1980).   Since culture is a set of shared, deep-level assumptions and values that influence thoughts and behaviors and come from the social environment or contexts in which people are raised, different contexts create different assumptions and value systems that influence people to perceive the same situation differently; interpret what they notice differently, evaluate the situation differently, and take different actions (Lane, 2009).

There are different categories of cultures and this paper will focus on organizational culture. It is important to distinguish the other areas of culture to provide context to the nature of this study on organizational culture applied to large law firms in Wisconsin.

Table 1 Categories of Culture (Schein, 2010)

Culture	Category

Macroculture	Nations, ethnic and religious groups, occupations that exist globally.
Organizational culture	Private, public, nonprofit government organizations
Microculture	Occupational groups within organizations
Subcultures	Microsystems within or outside organizations

The culture of macro systems such as societies is more stable and ordered because of the length of time they have existed. Organizational cultures will vary in strength and stability as a function of the length and emotional intensity of their actual history from the moment they were founded. Occupational cultures will vary from highly structured ones such as medicine to relatively fluid ones such as management. Microcultures are the most variable and the most dynamic and, therefore, provide special opportunities to study culture formation and evolution (Schein, 2010).

What is Organizational Culture?

Understanding how context influences organizations requires understanding how the organizations of which we are a part (families, peer groups, institutions, companies) are influenced by their context (Hofstede, 1980). The "father" of organizational culture and leadership is Edgar H. Schein. Schein was educated at the University of Chicago, at Stanford University, where he earned a master's degree in psychology in 1949, and at Harvard University where he received a Ph.D. in social psychology in 1952. Schein wrote one of the most influential management books of all time, *Organizational Culture and Leadership*. The book focuses on complex business realities and draws on a wide range of contemporary research to demonstrate the crucial role of leaders in applying the principles of culture to achieve

organizational goals (Schein, 2010).   Schein explores how leadership and culture are

fundamentally intertwined, revealing key findings about leadership. Schein determined that

leaders are entrepreneurs and the main architects of culture. He also concluded that once

cultures are formed, they influence what kind of leadership is possible. If elements of culture

become dysfunctional, it is the leader's responsibility to do something to speed up culture change

(Schein, 2010).

Schein admits organizational culture and leadership have both become very complicated

topics. Yet he asserts it is important to study organizational culture because the very entities that

embrace culture impact all of us on a daily basis. For instance, doctors value autonomy and this

makes certain kinds of reforms in health care more difficult. The "executive culture" values

returns for the stockholders, which creates problems of social responsibility. The culture of

science values exploration and innovation even into ethically dangerous areas such as genetically

engineering or cloning humans (Schein, 2010). Schein's in-depth studies on organizational

culture conducted over decades include defining culture, analyzing culture, the relationship of

leadership and culture, and managing and shifting culture. Schein has authored many books on

this subject ranging from class room texts for the academic to gain a greater insight to

organizational culture and also books for the practitioner such as the *Corporate Culture Survival*

Guide.

Culture is to a group what personality or character is to an individual (Schein, 2010). We

can see the behavior that results, but we often cannot see the forces underneath that cause certain

kinds of behavior. Yet, just as personality and character guide and constrain our behavior, so

does culture guide and constrain the behavior of a group through shared norms that are held in

groups (Schein, 2010). The models of culture that Schein refers to include:

- Observed behavioral regularities when people interact: The language they use, the customs and traditions that evolve and the rituals they employ in a wide variety of situations

- Group norms: The implicit standards and values that evolve in working groups

- Espoused values: The articulated publicly announced principles and values that the group claims to be trying to achieve

- Formal philosophy: The broad policies and ideological principles that guide a group's actions towards stockholders, employees, customers, and other stakeholders

- Rules of the game: The implicit, unwritten rules for getting along in the organization

- Climate: The feeling that is conveyed in a group by the physical layout and the way in which members of the organization interact with each other, with customers, or with outsiders

- Embedded skills: The special competencies displayed by group members in accomplishing certain tasks, the ability to make certain things that get passed on from generation to generation without necessarily being articulated in writing.

- Habits of thinking mental models, and/or linguistic paradigms: The shared cognitive frames that guide the perceptions, thought, and language used by the members of a group and are taught to new members in the early socialization process

- Shared meanings: The emergent understandings that are created by group members as they interact with each other.

- Root metaphors or integrating symbols: The ways that groups evolve to characterize themselves, which may or may not be appreciated consciously, but that get embodied in buildings, office layouts, and other material artifacts of the group.

- Formal rituals and celebrations: The ways in which a group celebrates key events that reflect important values or important passages by members such as promotion, completion of important projects, and milestones.

This study will adopt Schien's formal definition of culture: "The culture of a group can be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered

valid, and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems." Culture formation, by definition, is striving towards patterning and integration (Schein, 2010).

Another famous study on organizational culture was conducted by Geert Hofstede, a Dutch psychologist and anthropologist. He studied IBM in the 1970's. He used a model called "The Invisible Layer" that included:

- Power Distance Index focuses on the degree of equality, or inequality between people in power or wealth

- Individualism focuses on the degree the organization reinforces individual or collective achievement and interpersonal relationships

- Masculinity focuses on the degree the organization reinforces, or does not reinforce the traditional masculine work role model of male achievement, control and power

- Uncertainly Avoidance Index focuses on the level of tolerance for uncertainty and ambiguity within the organization, i.e. unstructured situations

- Long Term Orientation focuses on the degree the organization embraces, or does not embrace, long-term devotion to traditions of forward thinking values

Another significant study on corporate culture was conducted in the 1980's by Terrence Deal and Allan Kennedy. Deal was an academic and Kennedy was a businessman. They asserted that organizations, by their very nature, are social enterprises, with tribal habits, well-defined cultural roles for individuals, and various strategies for determining including reinforcing identity, and adapting to change. Their primer on cultural management inspired companies on how to manage their cultures. Their book chapters included titles such as Heroes, Rites and Rituals and Tribes. The goal is to heighten awareness of culture, to think about the workplace in its role as a mediator of behavior and to show the positive effects of culture-building. The authors conclude, in culture there is strength (Deal & Kennedy, 2000).

Adaptive versus Unadaptive Organizational Cultures

Schein's studies were followed up by John P. Kotter and James L. Heskett, both at Harvard Business School.   Kotter and Heskett provide in their studies a comprehensive critical analysis of how the "culture" of a corporation powerfully influences its economic performance, for better or for worse. Through studying over 200 companies, the authors describe how shared values and unwritten rules can profoundly enhance economic success or, conversely, lead to failure to adapt to changing markets and environments (Kotter & Heskett, 1992). With firms that have experiences in success, healthy cultures emerge. However, strong corporate cultures do not always create strong business performance. Shared values and institutionalized practices can promote good performance in some instances, yet these cultures can also be characterized by arrogance, inward focus, and bureaucracy – features that undermine an organization's ability to adapt to change (Kotter & Heskett, 1992). The authors also show that even "contextually or strategically appropriate" cultures – ones that fit a firm's strategy and business context – will not promote excellent performance over long periods of time unless they facilitate the adoption of strategies and practices that continuously respond to changing markets and new competitive environments. Fundamental to the process of reversing unhealthy cultures and making them more adaptive, the authors assert, is effective leadership to create a more externally focused and responsive culture (Kotter & Heskett, 1992).

Kotter's and Heskett's goal was to determine whether a relationship exists between corporate culture and long term economic performance, to clarify the nature of and the reasons for such a relationship, and to discover whether and how that relationship can be exploited to enhance a firm's performance. Their findings include the following:

- Corporate culture can have a significant impact on a firm's long-term economic performance

- Corporate culture will probably be even more important a factor in determining the success or failure of firms in the next decade

- Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.

- Although tough to change, corporate cultures can be made more performance enhancing.

Kotter and Heskett's study challenged notions that a strong culture is always the best culture and instead looked to the benefits of cultures that are adaptive (Kotter & Heskett, 1992).

Table 2 - Adaptive vs. Unadaptive Corporate Cultures

	Adaptive Corporate Culture	**Unadaptive Corporate Culture**
Core Values	Most managers care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (e.g. leadership up and down the management hierarchy)	Most managers care mainly about themselves, their immediate work group, or some product (or technology) associated with that work group. They value the orderly and risk-reducing management process much more highly than leadership initiatives.
Common Behavior	Managers pay close attention to all their constituencies, especially customers and initiate change when needed to serve their legitimate interests, even if that entails taking some risk.	Managers tend to behave somewhat insularly, politically, and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantage of change in their business environment.

Why is Understanding Organizational Culture Important?

Most of us in our roles as students, employees, managers, researchers, or consultants work in and have to deal with groups and organizations of all kinds. Yet we continue to find it amazingly difficult to understand and justify much of what we observe and experience in our

organizational life. Too much becomes "bureaucratic," "political," or just plain "irrational" (Schein, 2010). If we understand the dynamics of culture, we will be less likely to be puzzled, irritated, and anxious when we encounter the unfamiliar and seemingly irrational behavior of people in organizations, and we will have a deeper understanding of not only of why various groups of people or organizations can be so different but also why it is so hard to change them (Schein, 2010). The most important reason to understand organizational culture is that if leaders do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is essential to leaders if they are to lead (Schein, 2010). Culture matters because it is a powerful, tacit, and often unconscious set of forces that determines both our individual and collective behavior, ways of perceiving, thought patterns, and values. Organizational culture in particular matters because cultural elements determine strategy, goals and modes of operating (Schein, 2010).

Culture implies some level of structural stability in the group. Culture is something that survives even when some of the members of the organization depart (Schein, 2010). Culture also covers all of a group's functioning. It is pervasive and influences all aspects of how an organization deals with its primary task, its various environments, and its internal operations. Finally, culture lends comfort. Disorder or senselessness makes us anxious, so we work to reduce that anxiety by developing a more consistent and predictable view of how things are and how they should be. Thus organizational cultures, like other cultures, develop as groups of people struggling to make sense of and cope with their worlds (Schein, 2010).

Studies on organizational culture continue to be popular. Most organizational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations (Cameron & Quinn, 2006). Studying

organizational culture is important not only to enhance organizational performance, but also the impact of organizational culture on individuals (employee morale, commitment, productivity, physical health, emotional well being) per academics Kim Cameron and Robert Quinn. These authors validate previous studies that an organization cannot change, unless it understands its current culture. The dialogue continues, for instance, Harvard University hosts symposiums on business trends. The series is designed to bring today's managers and professionals the fundamental information they need to stay competitive in this fast-moving world. In 2000 The Harvard Business Review on Culture and Change was published with the goal to demonstrate how passive aversion to cultural problems affects company performance, and provide an actionable framework for transforming corporate culture.

Prior to the survey conducted for the current study, a thorough literature review on organizational culture was conducted though the use of Marquette's vast library and also a personal appointment with a professional reference librarian to assure completeness of the research. Also, one "modern" tool was consulted, Wikipedia. The author of this study felt it would be remiss not to acknowledge changes in information technology and the accessibility of fast and free information since the internet is a game-changer in how research is conducted in 2011. While Wikipedia is not an academic tool, it did validate the references relied upon in this current study including Hofstede, Schein, Deal & Kennedy, Cooke, Quinn and Cameron. While many studies were conducted on organizational culture, there is a dearth of research applying organizational culture to law firms. During the writing of this paper, one study was released by Elizabeth Chambliss. Her study is discussed later in this paper. Prior to a discussion of organizational culture applied to law firms, the paper will first explain what is meant by "large law firm" and how a law firm might be unique from other organizations previously studied such

as large corporations. After the tutorial on large law firms, the paper will apply the theory of organizational culture to large law firms followed up by a specific study of organizational culture on Wisconsin large law firms.

Chapter III – Large Law Firms

The Organizational Structure of Large Law Firms

According to the Bureau of Labor Statistics, Occupational Handbook for 2010-2011 lists that lawyers held about 759,200 jobs in 2008. Approximately 26 percent of lawyers were self-employed, practicing either as partners in law firms or in solo practices. Most salaried lawyers held positions in government, in law firms or other corporations, or in nonprofit organizations. Out of the 759,200 lawyers, less than 20 percent work at the top largest 250 law firms. The largest firms reported by the *National Law Journal* in its annual survey of the top 250 law firms show that there are around 3,500 lawyers at the largest firm and the small end of the scale is around 260 lawyers (Jones, 2010). According to the *Wisconsin Law Journal's Special Section on 2010 Largest Law Firms,* the top 20 law firms in Wisconsin have 30 or more attorneys. What defines "large" will vary by state, and the focus of this study will be the largest 20 law firms in Wisconsin which include firms with 30 or more attorneys.

Most firms in the large law category have turned to non-lawyer managers to help them run the law practice. With firms looking to be more efficient, there is a growing need for leaders who are business savvy professionals (Zemlicka, 2009). Law firm administrators play a key role -- making sure the firm functions at optimum levels, with the right people in place to make sure the jobs get done. As the business of law has evolved, many small and mid-size firms in the state of Wisconsin have turned to law firm administrators or office managers to execute complex and routine tasks (Zemlicka, 2008). Professional law firm administrators allow the lawyers to be out there lawyering and billing; this makes sense since lawyers are not trained to be business managers (Richmond, 2007).

Another similarity of large law firms is they often have branch or satellite offices.   Valid business reasons for the proliferation of branches included the need to bring services nearer to clients and potential clients and in today's global marketplace, a U.S.-based corporation may ask its U.S. law firm to open a European or Asian office to assist with its expanding business overseas (Altman, 1991). In Wisconsin, branches of Milwaukee law firms with satellite offices in Madison are popular since Milwaukee is the commerce center but Madison is the seat of the state's government. Firms have also opened up branches in Waukesha County and the Fox River Valley in response to high population growth and opportunity (Pribek, 2003). Branches are another way for a firm to offer value-added services to their clients. In today's market, with many larger markets saturated and with clients consolidating their number of outside counsel, firms have to distinguish themselves in terms of service quality and service quality comes from having visibility in a community (Kerlow, 1994).

Another common attribute of the large law firms is the segmentation of practice areas, known as practice groups. Practice groups are the Strategic Business Units of law firms. The strategic factors and issues facing a banking practice group will differ sharply from those facing an environmental, intellectual property, or products liability practice group. The fact that practice groups are constructed around specific industries or legal specialties makes it possible to identify the most relevant industry trends, market factors, customer requirements, and competitive dynamics pertaining to each different practice area--and to determine the appropriate strategic ramifications in terms of pricing, staffing, marketing, and practice development (Coborn, 1995). Large firms in Wisconsin have also taken this approach with establishing practice groups across their branches (Zemlicka, 2009). Large law firms in Wisconsin recognize

that clients are demanding greater efficiency and greater value, and that cannot be achieved if firms replicate their practices in each office (Zemlicka, 2009).

Lastly, a common denominator of large law firms, is the two-tier structure of consisting of paid employees called associates and shareholders who have a partnership interest in the firm. Associates work hard and strive to become partners although there are recent trends that some associates accept a non-equity partnership status (Galanter & Henderson, 2008). Most associates recruited by large law firms tend to be in the top tier of their law schools and they work at the law at the firm for seven to eight years with the hopes of being named a shareholder or partner in the firm. Not all make the esteemed ranks; some leave on their own and some simply do not make the cut. Often the numbers of associates and partners in a firm are split fairly equally. The National Law Journal in 2010 reported the associate to partner ratios were on the decline. In 2010, firms registered .56 percent associates per partner. That is the lowest level in 25 years— and last year's number represented the biggest single-year decline since the 1990s. The reduced ratio signals layoffs of associates and deferrals of starting dates of new hires at many firms surveyed. According to the Wisconsin Law Journal, the average first year salary for an associate at a large law firm in Wisconsin is $115,000. The annual American Law Survey shows profits per partner at the largest Wisconsin firm to be on average $840,000.

The Business of Law

Lawyers are governed by national standards including the American Bar Association's Model Rules and the American Law Institute's Restatement of the Law Governing Lawyers. These models provide the template for most state law that will dictate the rules of ethics a lawyer must follow in a given jurisdiction (Martyn, 2010). However, while the law is a profession, it is

also a business**.** Modern lawyers often yearn for the "old days" when they could simply practice

law and not worry about the bottom line. However, treating the legal profession as a business

was even on the minds of the lawyers in the mid-1800's.

The tension between the practice of law and the business of law was summed up by

Oliver Wendell Holmes, Jr., who was an American jurist who served as an Associate Justice of

the Supreme Court of the United States from 1902 to 1932. His thoughts about law as a way to

make a living and law as a profession for thinkers and people of action are characterized by a

mixture of wit, resignation, and philosophy that rings true a century later, reported by Thomas

Balmer in an article on "Holmes on Law as A Business and a Profession." Balmer notes that

Holmes's awareness of the hard reality of private practice – the need to find a client and earn a

fee – began with his first day on the job. He wrote in his diary, "My first day as a lawyer, the

rush of clients postponed on account of the weather." Holmes refused to resign himself to the

view that law is nothing more than a business, with the drudgery of practice alleviated only by

the possibility of financial reward. But he also rejected the notion that the practice of law is the

detached pursuit of the good or social justice. Holmes' is quoted in a lecture to his fellow

members of the Boston Bar Association stating, "The Profession of Law; How can the laborious

study of a dry and technical system, the greedy watch for clients and the practice of shopkeeper's

arts, the mannerless conflicts over often sordid interests, make out a life?" (Balmer, 1992).

Fast forward a hundred years and the dialogue continues regarding the tension between

the practice and the business of law. Attorney Joseph Bartlett was a partner at a Boston law firm

and wrote a book in the early 1980's called "*The Law Business*." Bartlett called for reforms for

increasing efficiency of the operations of large, individual law firms and cutting costs to clients.

He also suggested changes in hiring practices and changes in compensation. Bartlett discussed

the concept of a legal monopoly which results in excessive fees for legal services. He makes this assertion because entry to the profession is limited by educational requirements and bar examinations. He also argued that elite law firms constitute an oligopoly which sets the prices of legal services artificially high. He states the oligopolistic features have led to excessive fees, much of the fault lies with the sophistication on the part of clients, which generally are large corporate enterprises (Bartlett, 1982).

The author speaks of increasing the efficiency of the operations at large and suggests ways that individual law firms could cut costs to clients. This book was written in the depressed economy of the 1980's and is parallel to the pressures law firms face today in the aftermath of the recent recession that started in 2007. Bartlett suggests, "If the elite firms want to maintain their special position, ultimately they will have to curtail their fees and enhance the value of client services." (Bartlett, 1982). Bartlett's observation of the sophistication of clients is true today even more than in was in 1982. However, between the time he wrote his book and the recession of 2007, there was a boom time for law firms.

Following Bartlett's observations that law firms should change to be more efficient and control costs, law firm growth in the 1990's was unprecedented and client demand was up along with law firm rates. In 1991, Galanter and Palay published *Tournament of Lawyers: The Transformation of the Big Law Firm.* This book documented the regular and relentless growth of the large U.S. law firm. The underlying growth in the total number of lawyers was driven by increases in the demand of legal services, while at the same time the law firm marketplace was facing a significant structural transformation. In earlier years, large corporate law firms competed primarily on a regional basis and relied upon networks of out-of-town firms to oversee their clients' legal needs in other markets. With the proliferation of branch offices, a large

number of national and international law firms are capable of competing for work that originates in a specific regional market (Galanter, 2008).   However, the economic crisis that started in 2007 stifled the growth in large law firms.

Impact of Economy on Large Law Firms

In the 2007 the U.S. economy had it worst downturn since the Great Depression. Much has been written on this subject and while economists tell us the recession is over, the aftermath of the recession lives on, especially in high unemployment. Gary Giroux in *What Went Wrong*? *Accounting Fraud and Lessons from the Recent Scandals,* chronicles the 21st century business scandals that caused the demise of the economy. For instance, Enron was a case of sophisticated fraud over an extended period, specifically to manipulate quarterly earnings to maintain the vast compensation of key executives. WorldCom was a big company with a case of simple fraud (capitalizing operating expenses), with the same result: bankruptcy. Following up on Enron and WorldCom were the investment bank problems with deceptive stock analysis and other broker related problems resulting in over a $2 billion fine to banks such as Merrill Lynch, J.P. Morgan and others. On the heels of that scandal was the demise of AIG and finally the subprime loan market with huge losses taken to major financial institutions due to a massive number of mortgage loans to subprime borrowers, then repackaged and sold as bonds (Giroux, 2008). The economy indeed impacts large law firms, not in the profession of law, but the business of law.

As stated previously, less than 20 percent of lawyers work at large law firms. The National Law Journal (NLJ) ranks the largest 250 law firms in American each year and the NLJ 250 firms employed 126,299 lawyers in 2010. Out of those 126,299 attorneys about half or 60,782 are associates, the rest are partners or shareholders. The NLJ 250 has declined for the

second year in a row. There was a drop off of 1.1 percent or over 1,402 lawyers in 2010. The

year prior, the headcount fell by four percent. Taken together, this is the biggest two-year

decline in the 33-year history of the survey. This is only the second time that the NLJ 250

headcount has dropped in two consecutive years.   The first time, during 1992 and 1993, the

number of lawyers fell 1 percent and 0.9 percent respectively (Jones, 2010).

The economic crisis indeed impacted and continues to impact how large law firms do

business. An insightful article was written by Attorney Erin Cox, *An Economic Crisis is a*

Terrible Thing to Waste: Reforming the Business of Law for a Sustainable and Competitive

Future, published by the University of California Law Review in 2009. The current economic

crisis has infected nearly every industry, and even law firms have lost their fabled immunity to

recession (Cox, 2009). After years of unprecedented growth, the vast majority of large law firms

are now paring their ranks, and a few venerable firms have collapsed completely (Cox, 2009).

As the recession became more aggressive, so too did the measures to trim fat: large firms

imposed pay freezes and salary cuts, deferred start dates for incoming associates programs, fired

scores of highly compensated associates, cut underperforming practices and partners, and slashed

annual payouts to the partners that remained (Cox, 2009).

Cox states the downturn exposed many liabilities masked by the flush times, when law

firms successfully raised per-partner earnings by increasing billable rates and adopting a highly

leveraged structure, in terms of both debt and human capital. However, many of those recent

failings of law firms can be traced, in part, to those highly leverage debt positions. Firms that

find they are teetering on a financial precipice as a result of aggressive leverage positions are

easily nudged over by an unprecedented exodus of key partners. The crisis revealed the

vulnerabilities of the conventional business model for large law firms and unraveled confidence

in the future of this system. As it becomes clear that the economic crisis will be extended, law firms are scrutinizing their business models and experimenting with ways to build a more secure capital base (Cox, 2009).

Cox recognizes that law firms are trapped in a failing business model due to the ethical prohibitions for rising outside investments.   She proposes a system in which law firms can access an outside pool of capital as publically traded partnerships, while adopting more formal ethical structures that protect professional standards and prevent possible conflicts of interests. Currently this is prohibited by the Model Rules of Ethics governing attorneys (Wallace, 1995). The model Cox suggests would allow American law firms to compete on a level playing field with the law firms in the United Kingdom. She asserts that cut off from investor capital, law firms are forced to rely on perilous amounts of debt and inefficient business practices in order to simply survive. Without access to modern capital structures, U.S. law firms are handicapped in building transnational legal presences and remain trapped in a failing business model. She concludes the U.S. legal profession should take advantage of the ongoing paradigm shift to emerge from the crisis with liberalized business structures that allow firms to build sustainable, competitive practices that deliver more efficient services to their clients (Cox, 2009).

Regulatory reform, internally from the governing bodies of the American Bar Association, must take place before law firms can look to outside investors or establish multidisciplinary law practices. Until that occurs, there are steps law firms are taking now to be competitive in the new economy. Changes include restricting compensation models; entertaining new fee arrangements with clients and investing in efficiency (Cox, 2009).   Galanter and Henderson followed up their 1991 study "*The Tournament of Lawyers: The Transformation of the Big* Law *Firm*", with an updated article in 2008, "*The Elastic Tournament: A Second*

Transformation of the Big Law Firm."   The book, published in 1999, advanced several structural

and historical factors to explain the patterns of growth in large law firms and studying the

economics structure internally of law firms between the dynamics of associates on the

partnership track (Galanter & Henderson, 1991). The updated study acknowledges systemic

changes in the marketplace for corporate legal services and presents an updated account of the

modern law firm including a study of the recent trend of nonequity partners. The article

concludes law firms as commodity are fundamentally stable, yet the recent changes and

economic pressures raise several philosophical and practical issues regarding lawyer

independence and the long-term viability of professional self-regulation (Galanter & Henderson,

2008).

Wisconsin law firms were not immune to the recession. *The Wisconsin Law Journal* has

reported on lays offs in large law firms and downsized recruiting classes. Some firms deferred

start dates promised to new hires (Zemlicka, 2009). Wisconsin law firms are facing pressures

from clients to cut costs. Many clients are asking for flat fee services, to provide predictably in

this ongoing recession (Zemlicka, 2009). Attorneys are freezing their hourly rate and being more

flexible with their billing habits to accommodate clients struggling with the economy (Zemlicka,

2009). As reported in 2009, "As the economy continues to lag, law firms have struggled to

stabilize their bottom lines," noted Milwaukee Bar Association executive director James Temmer

in an article in the *Wisconsin Law Journal.*

Impact of Technology on Large Law Firms

At the same time the economy has collapsed there has been an unprecedented growth in technology available to large law firms. There have also been changes to the global economy further putting pressures on large law firms. In an era dominated by technology, it should come as no surprise that the practice of law has become increasingly dependent on computers, the Internet, mobile phones, faxes, scanners, photocopiers, personal digital assistants and automated systems. Information or knowledge management invokes the concept of leveraged information, most often by incorporating technology into the lawyer or law firm management base. From computerized legal research to substantive practice tools to administrative support, lawyers must be able to use technology in order to practice competently (Munneke, 2001).

Law offices no longer need bricks and mortar in a Class A building to attract clients, or a law library stacked with books. With lawyers and clients connected electronically, and legal information, including client files, accessible from anywhere, lawyers will practice law more in virtual offices and less in physical space (Muuneke, 2001). Instead all that is needed for the practitioner is wireless access to the internet. Client communications are now primarily through email and legal research is conducted online. Depositions can be taken remotely with real-time software. Millions of pages of transcript testimony can be reviewed in seconds via deposition software tools. Client meetings can be done via a streaming video on the internet. Internal work products can be searched instantly. Munneke surmises that it is no wonder the billable hour has come under attack since clients want lawyers to leverage technology to provide legal services (Munneke, 2001). Clients no longer want to pay for the process; they want to pay for the result.

Kristin Stark maintains that despite over a decade of widespread discussion of innovation with the corporate environment, innovation within law firms remains a relatively unfamiliar topic. The meaning of the word "innovation" (often defined as "the act of introducing something

new") remains foreign within the context of law firm services, processes, and operations. Very few law firms recognize the opportunities associated with innovation or the market and competitive pressures that will ultimately drive successful firms toward this important business concept. In many ways, innovation represents an untapped opportunity for law firms – the next great frontier for firms looking to expand their business and improve their competitive positions (Stark, 2008).

As with most technology, it is often an individual who sparks change in an organization. The attorney who gets the Kindle for Christmas will demand the law librarian purchase ebooks, the attorney who purchases his own iPhone demands the law firm deliver his documents to his smartphone and the clients who hire these attorneys have the same expectation for delivery of their services. Not only are law firms slow to change, but law schools lag behind the trends in technology. The idea of incorporating professional skills into the law curriculum has arisen slowly over the past decade. There are professors who are advocating for more law office management training beyond what is offered in clinical programs but law schools are slow to change. Professor Debra Moss Curtis, Associate Professor of Law at Nova Southeastern University of Law , argues law schools must take some responsibility as the "gatekeeper" of the profession to teach skills fundamental to "activities undertaken by lawyers" and has proposed a law school curriculum on the Business of Law (Curtis, 2008).

Technology has also impacted lawyer mobility from one law firm to another. In the 1960's, the prosperity of major firms was primarily the result of close and longstanding ties with major corporate clients. With high profit margins and negligible international competition, corporations had little incentive to forget the benefits of an established relationship with an outside law firm in search of comparable services at a lower price. As U.S. corporations grew in

size and geographic reach, and regulatory compliance and civil litigation became large and

perennial expenses, company lawyers were given greater latitude to scrutinize the fees of outside

counsel and, if cost justified, to hire additional lawyers to perform the work in-house. With the

growing prominence of corporate general counsel, who had company mandates to control costs

and the sophistication to assess and prioritize the company's legal needs, hiring outside counsel

was increasingly limited to matters requiring expertise. Moreover, when looking for this

expertise, the search became more focused on the best lawyer than the best firm. The 1977

Supreme Court ruling, Bates v. State Bar of Arizona, against the ban on lawyer advertising also

changed the landscape (Smolla, 2006). With the advent of technology, a simple Google search

for counsel on areas of expertise via blogs and other web hits can float an attorney's name to the

top of the list of search results from an internet search. As clients and lawyers became more

mobile, long-term retainer relationships gave way and the lifetime commitment of lawyers to

firms became threatened by lateral movement of lawyers (Galanter & Henderson, 2008).

       Technology also has sped up the pace of the practice of law. As one chair of one large

law firm observes: "Today, because of the rapid pace of the business world and the demands of

technology, we have a substantial amount of pressure to provide instantaneous responses. From

our desks, we summon the powers of technology to help us meet our clients' demands for

instantaneous responses. That has reduced somewhat the opportunity for collegiality and

collaboration, as well as the chance to be thoughtful and reflective, that we once enjoyed. To

some extent we have traded contemplation and collaboration for efficiency." (McLean, 2001).

Wisconsin large law firms leverage technolgy as touted by their websites. Also representative

of the impact of technology on law firms are the subject matters of Continuing Legal Education

classes offered by the State Bar of Wisconsin and the Milwaukee Bar Association which often deal with technology.

Impact of Globalization on Large Law Firms

Globalization recently has been described by Thomas Friedman as "flattening" the world though a combination of technology and "geo-economics," resulting in a shift in the way work is accomplished and enabling new collaboration and competition (Friedman, 2007). Technology enables the proliferation of information, and facilitates the division and distribution of tasks to those able to most efficiently accomplish them regardless of their location. As a result individuals and organizations from less developed countries such as India and China are able to participate in highly sophisticated work without leaving their home countries, while previously they would have had to relocate for the same opportunities (Daly, 2008). There is now offshore outsourcing of legal and law-related services as the newest twist in the international market for legal services. Attention has recently shifted from outsourcing back-office, administrative and support functions for law firms and legal departments to outsourcing legal and law-related services themselves (Daly, 2008).

Globalization has also recently impacted the practice, or in this case, the business of law for large law firms. There have been three trends in legal outsourcing. The first involves American corporations outsourcing their legal work to their subsidiaries to establish an in-house legal department in India, a practice which began in 2001. The second way that legal outsourcing has developed involves American business directly hiring Indian law firms. The third method of outsourcing legal work to India is third party niche vendors. Often referred to as legal processing outsourcing (LPO) companies, these third-party vendors serve as intermediaries

between the American corporation or American law firm looking to outsource and the Indies'

eagerness to do the work (Krishnan, 2007).

Additionally, the global economy has accelerated the growth of large law firms. This

market has grown exponentially in the past 25 years. By the 21st century, global law firms were

present in 105 cities worldwide. The growth of large law firms illustrates a shift from profession

to business. Large law firms were and are considerably more commercially orientated and

entrepreneurial than law firms in the past, with less of a focus on tradition professional virtues

(Whelen, 2008). Corporations based in American are now more than ever engaging in business

oversees. American law firms are opening up branches to serve law firms abroad in emerging

economies such as China and India and Dubai. There are many ethical issues that arise under the

Code of Professional Responsibility lawyers operate under as law firms practice globally. This

paper will not address those issues since market forces will create the demand that the rules of

ethics will eventually need to be reevaluated and changed to keep up with the global economy.

The term "transnational" law firm started appearing in literature in the past few years

recognizing this new type of law firm (Faulconbridge, 2008).

Competition for the global dollars includes law firms based in New York and in London.

Now large law firms in America are not just competing against one another for corporate clients

but against London firms. The regulatory framework for lawyers is different in both countries.

Yet corporate clients will go to the firm that can get the job done and American law firms need

to realize that global corporate clients have choices. The United Kingdom has recently

undergone major legal service reform (Petzold, 2009). The Legal Services Act, passed in 2007

has three main objectives: to create a new regulatory regime based on a set of regulatory

objectives; to strengthen the machinery for dealing with complaints; and to facilitate the creation

of new structures of legal practice. At the heart of reform are these themes: consumer focus, independence, increased competitiveness and increased choice for consumers. Perhaps the most striking change was the removal of certain restrictions on the practice of law and its potential sources for funding. The new entity of Legal Disciplinary Practices allows firms to be owned and managed by lawyers and non-lawyers (Whelan, 2008). These firms will allow for multidisciplinary practices. Not only will lawyers be able to share management and control of the firm with non-lawyers, but also be able to provide any type of legal services as well as other related services such as insurance, surveying or, in other words, a "one-stop-shop" for prospective consumers of legal services.

The new firms in London will be able to raise capital by listing on the stock exchange in order to float their shares and be publically traded. The Legal Services Act in the United Kingdom recognizes law as a business. The goal of the reforms was to provide UK firms with an "unprecedented global competitive advantage in the legal marketplace." These English firms with multidisciplinary practice may have a competitive advantage over law firms in the United States, where MDP's have been for the most part rejected (Whelan, 2008). Australia already allows non-lawyer equity investment in law firms. The prospect of major UK firms raising capital in the equity markets has the potential to produce seismic shifts in the global market for legal services (MacEwen, 2008).

Only two Wisconsin law firms at this time have branches abroad. As reported by *The Wisconsin Law Journal,* Wisconsin lawyers have not yet embraced outsourcing (Zemlicka, 2009). But while some Wisconsin lawyers and businesses have tested service providers in India and abroad, many say cost is secondary to quality. Those interviewed stated outsourcing makes sense only if you have a very high volume of work, with correspondingly large cost savings. An

example might be high volume, repetitive, and routine work such as like document review.

However, as pressures from clients on costs continue this trend might change. A large global

company in Wisconsin relies on outsourcing patent work to attorneys in India at a lower cost as

reported by *The Wisconsin Law Journal* (Zemlicka, 2009).

The Risks of Convergence with Large Law Firms

Most law firms look incredibly similar. Research conducted by Stark (2008) indicates

that clients view many large commercial firms as highly comparable across a range of service

characteristics: pricing, geography, types of services – even quality. This is not a real surprise

given that law firms are constantly measuring, benchmarking and managing their performance

based on what other law firms do. Patrick J. Schlitz, in an article *On Being A Happy, Healthy,*

and Ethical Member of an Unhappy, Unhealthy, and Unethical Profession, argued that large law

firms are all alike. The isomorphism that large law firm practices converge ultimately in

similarity is his principal claim. He paints a picture of the convergence model suggesting there

is much to be gained by thinking of these organizations as businesses that may be profitable to

their owners but have serious long term problems. He states that law schools have not thought

much about these issues, but cites to relevant writings, both scholarly and practical, such as

Collins and Porras in the bestselling book, *Built to Last* (Schlitz, 1999). In this book Collins

compares successful and unsuccessful companies in a wide variety of industries over a number

of decades and argues that the strong, more successful firms build a core mission and ideology

that transcends financial performance (Collins, 1994).

Does Culture Matter in Large Law Firms?

Galanter & Henderson's 2008 study suggested the sheer size and geographic dispersion of the present-day large law firms makes it more difficult to create and sustain firm-wide cultural norms, such as collegiality, cooperation, and risk sharing. They further suggest the large firms have remarkably little autonomy to pursue noneconomic objectives, such as racial and gender diversity or the training and mentoring of the next generation of lawyers. They fear that the mediating influence of firm culture is likely to be eroded by the sheer size of the modern law firm. For the vast majority of modern large law firms, economics rather than culture are the glue that holds the firm together (Galanter & Henderson, 2008).

Galanter and Henderson argue the distinguishing feature of the elastic tournament is a constant focus on the real or imagined marginal product of each lawyer at the firm and although this system is remarkably effective at maximizing the financial return on human capital, it simultaneously undermines or hinders other values cherished by the profession. Galanter and Henderson also state from their detailed examination of market trends that large law firms are on the brink of becoming something different. No longer are they the ordinary firm providing legal services, but just bigger. Instead, large firms are giving up the ideal of employee-ownership/autonomy for most of their members, the firm becomes paradoxically more "corporate" (in the sense of control by a bureaucratic hierarchy unaccountable to subordinates) for most of the employee lawyers, but less corporate (in the sense of set apart and unified by loyalty) for the owner partners. The thinner firm culture produced by sheer firm size and geographical dispersion cannot contain the centripetal dynamic of internal competition supercharged by the constant threat of mobility. Accordingly, money becomes the glue holding the firm together – an outcome that flows from the structural features of the modern legal

marketplace and that serves to attenuate the professional ideals of most lawyers (Galanter & Henderson, 2008).

The result of technology, outsourcing and more sophisticated clients with tighter budgets has caused law firms to be more alike than dissimilar. Clients are more apt to email their attorney than to call him or her so there is less reliance on the personal relationship and more reliance on the output of legal services. Clients now choose their trusted advisors via a website biography rather than through a personal reference or connection. What then distinguishes one law firm from another? And with less loyalty and more lateral movements between associates and partners, what keeps attorneys and clients loyal to the firm? As law firms continue the trend of convergence, if they are all the same do they risk becoming a commodity where price is the only driver for choosing their services? If it is true that only economics and not culture is holding a law firm together, does culture matter?

Chapter IV - Organizational Culture in Large Law Firms

Studies on Law Firm Cultural Trends

Since the major studies on organizational culture were published from Schein, Kotter, Hofstede, Deal & Kennedy, much has been written and followed up on organizational culture

applied to corporations. Yet, a review of the academic literature, utilizing Marquette's vast print

and online library found very little scholarly writing applying organizational culture studies to

law firms. A Google search retrieved law firm consultant sites that have touted the value of

culture in a law firm, but there is a dearth of research in the scholarly databases. Validating the

conclusions of this researcher was a recent study on law firm culture published in the Fall of

2010 by Professor Elizabeth Chambliss from New York Law School. Chambliss conducted a

thorough literature review on the subject and found that law firm organizational culture is an area

ripe for study (Chambliss, 2010).

The Chambliss article is timely and helpful to the current study. In her article called,

Measuring Law Firm Culture, she asks, "What is the significance of organizational culture,

relative to that of professional networks and subgroups? To what extent does organizational

membership shape lawyer's understanding about how things are done? Second: how is

organizational culture sustained? What are the mechanisms of cultural integration in volatile,

multi-office firms?" Her study includes a pilot of law firm culture in one 500-lawyer firm. She

suggests understanding law firm culture, and its effect on individual lawyers, requires

comparative research on firms, based on robust ethnographic and mixed method design. Such

research would contribute to both legal ethics and organizational theory (Chambliss, 2010). She

concludes that the problems with the empirical research are not simply one of method. There is

also a need for theoretical development. The legal ethics literature, like the trade press, lacks a

systematic approach to law firm culture as an object of analysis (Chambliss, 2010).

Chambliss also confirms findings of this researcher that previous studies on law firm

culture did not focus on the concept of organizational culture but instead focused on certain

elements of a law practice such as how a firm faces challenges of ethical standards, or diversity

initiatives. There are many studies on law firms and their ethical cultures, yet these articles focus

on one variable, the ethical culture and not the overall organizational culture of law firms. Such

research treats law firm culture as homogenous, independent variable and tends to rely on limited

data about individual firms (Chambliss, 2010).   In 2007, Milton Regan, a law professor at

Georgetown University wrote an article on law firms titled "Moral Institutions and

Organizational Culture." Regan's article discusses that research on moral institutions might

inform our understanding of the possibilities and limits on efforts to foster an ethical

organizational culture. In his article he portrayed organizational culture as a relatively

monolithic phenomenon. He suggested a relative unity of purpose that distinguished one

organization from another (Regan, 2007). There are several articles to be found dealing with

creating ethical cultures in law firms, but a dearth of research on organizational culture of law

firms (Banks, 2009).

  There are also articles on the economic pressures in law firms creating a negative or

pressure-filled culture. For instance, the effects of increased billable hour expectations and

related study findings reveal how the pressure to bill more hours has transformed law firm

culture and economics, adversely impacting individual attorneys, firms and the legal profession,

and the consuming public (Fortney, 2002). To gauge actual effects, Fortney, a professor at

Texas Tech University School of Law, conducted an empirical study in 1999-2000 focusing on

the effects of billable hours, expectations and firm culture. The study findings revealed that

billable hour pressure is transforming law firm culture and economics, impacting individual

attorneys and their firms, as well as the legal professional and consumers (Fortney, 2002).

  Fortney has written much on law firms and the impact of the economy on law firm

culture. She notes a recent disconnect between partners and associates. Many associates do not

feel connected to their firms and partners do not feel connected to associates. The lack of commitment and loyalty is a by-product of the transformation in the economics, structure, and organization of large law firms. These changes include changes to compensation plans within a law firm that that has moved away from a profit sharing type partnership to an every-man-for-himself situation. As a result of compensation based on business individually generated, partners are less inclined to devote time to firm-wide initiatives, such as mentoring or training of associates. Another structural change relates to shifts in lawyer positions in firms. Many firms now include ranks of permanent and staff lawyers who are not on the partnership track. While on these tracks, these lawyers have no prospect of acquiring equity status in their firms. As a result, these associates may not feel like they have a long-term stake in their firms. In addition many associates work in law firms now where the likelihood of making partner is very low. Because these lawyers do not want to climb the ranks to partnership, they may not feel much of a sense of loyalty to their firms (Fortney, 2010).

The economic downturn has aggravated these problems. The manner in which some firms have responded to the recession has damaged morale and undermined loyalty (Fortney, 2008). Typically, law firms fall somewhere in between the two ends of a continuum. On the one end is the purely profit-driven culture. This firm operates in business mode. It values those things which are directly tied to profits, such as billable hours, rainmaking and premium billing. Those with significant books of business are the power brokers and change agents in the firm. Associates are viewed as profit centers, and are added or terminated based on the volume of client work at any given time. The environment tends to be a "sink or swim" for attorneys (Freedman, 2007).

On the other end of the continuum is the firm which is purely service-driven culture. This firm operates in the professional mode. Value is placed on the perceived value of hours worked for a client perspective, the quality of the product produced, client service, and client satisfaction. Associates are valued as future partners and a good deal of energy and investment is spent developing skills of those attorneys, with a confidence that the investment will ultimately be rewarded for the firm by production of superior work product. These firms develop strong mentoring relationships, and seek candidates who present excellent academic credentials and individual qualities. Firm administration is an important part of firm citizenship. Maintaining client relationships is as important as originating them. Moreover, partners at firms are evaluated and compensated based not just on fee generation and rainmaking, but also on their leadership and management, mentoring, and bar association activities (Freedman, 2005).

Acknowledging Organizational Sub Cultures in Large Law Firms

While there are studies that purport to assess culture of law firms though the lens of ethical or economic concerns but are not spot on for organizational culture studies, there are also studies that identify subgroups of culture in law firms. For instance, much has been written on women lawyers, minority lawyers, and millennium lawyers (Gabriel, 2010). Culture in these studies is more focused on identifying cultural differences or subunits within a law firm. As an example, there are studies on generational norms. Generation Xers, those who were born from 1965 to the late 1970's, value flexibility in the work environment, expect significant recognition and rewards, but are willing to take significantly reduced compensation in return for a more balanced lifestyle. Accordingly, a firm that offers flextime, telecommuting, generous vacation time, extended maternity leave, paternity leave, and early exposure to clients likely will be

considered a good place to work by Generation Xers. For Generation Yers (people born in the early 1980's to the late 1990's), a greater emphasis on teamwork, personal interaction, mentoring, autonomy, lifestyle balance, and assistance with student loans will make a firm more attractive. (Freeman, 2005).

Lastly, large law firms have subgroups which exude different cultures. Law firms have different practice groups to represent different client's interests. For instance, Intellectual Property lawyers are often engineers or scientists by training and they will have a different cultural subgroup than perhaps the litigation practice group. Similarly, the corporate or bond lawyer in a firm might have a different subculture than the attorneys in the environmental law practice area. Another source of differences in law firm culture can be found in the difference between the main office and satellite offices. Firms often have shied away from the term "branch" office since they want those attorneys to feel the same inclusion as those in the main office. For instance, in the large Wisconsin law firms in this study group, Madison branch offices of Milwaukee based firms tend to be more casual in their dress code than their peers in Milwaukee. This study acknowledges subcultures exist in a law firm but the aim of the study is to assess the organizational culture of law firms holistically.

Organizational Culture in Large Law Firms

A law firm is a group of people working together to make the firm stronger and more valuable than the individual members who comprise the pieces. The attorney members of law firms put the power of the institution ahead of themselves. A law firm is dynamic and growing, and the management committee takes calculated risks to manage growth. A firm is not an office where lawyers work next to each other and split the overhead. It is not a hotel for lawyers

(Peters, 2006). It is quite common for members of a firm to fail to realize their firm is not really the same firm anymore as individual attorneys come and go through the years. Typically 50 percent of the shareholders of mid-sized and larger firms are laterals, where an attorney leaves one firm to join another, and the firm's culture is already an amalgam of several other cultures (Peters, 2006).

Law firm organizational culture defies definition. For those who have worked at more than one large law firm in the same geographic area, they know there is a difference between the cultures, yet it is hard to describe. The "it" is an attitude or the philosophical approach to the practice and the people. Culture is the foundation upon which rests the interrelationships among the lawyers, the working environment, firm governance, business management, practice movement, profitability, and ultimately, success or failure (Malone, 1988). Some argue that culture is "the way we do things around here." Others say it is what is left after everything else has been taken away, that it is a core belief or value. More comprehensively culture is a set of shared expressed or implicit values, norms, beliefs and behaviors and basic assumptions used to address the challenges of continuity and change (Asser, 2009). If culture is a product of joint learning leading to shared assumptions about how to perform and relate internally, then we can see clearly that many occupations do evolve cultures. There is a strong socialization during the legal education and training periods and the beliefs and values learned during this time remain stable as taken-for-granted assumptions even though the person may not be in a group of occupational peers. Consequently, these occupations clearly have cultures. American lawyers are trained in the same way to the same skill set and values (Schlitz, 1999).

Applying the definition of culture to the law firm organization, Paul Winders, in *Law Firm Culture – It's Importance and How to Overcome It* describes culture to include the firm's

stated values, its perceived values, the values it actually rewards as embodied in its compensation system, its management system, its problem solving systems, the ability and method of its members and employees to communicate, its methods of dealing with bad news, its ability to recognize good news, the degree to which it recognizes exemptions from its rules, the method if any, of assuming that new members of the organization know that the organization has a culture and what it is, and a method of adopting changes to the culture when necessary (Winders, 2004). Culture defines how people work together and interact with each other. It determines what is rewarded, merely tolerated, and actively discouraged. Yet, despite general acknowledgements of the core strategic importance of culture, when lawyers are asked to describe their culture, they refer to the euphemisms and the social aspects. Furthermore, as with most large law firms, the prevailing rainmaker also makes the rules (Pol, 2007).

As large law firms embrace business models they often turn to consultants to help with internal assessments. Yet no matter how brilliant the strategic plan, it can fall flat during the implementation phase if the strategy is not supported, and may actually be sabotaged, by the organizational culture. Culture, it turns out, is a critically powerful element in the process of strategy implementation and change management (Pol, 2007). Modern law firm consultants rely on proven academic models as they help law firms define their culture. For example, a consultant from Hildebrandt has applied the Invisible Layer Model from the academic Hofstede to assess culture at a firm, which is comprised of the following:

- Power Distance Index – How hierarchical is the firm; centralized or decentralized, how broadly is information disseminated to lawyers at various levels.

- Individuals – Is there an attitude of "we are all in this together" or "each person to himself//herself." Is teamwork and cross-department cooperation valued – or silos with internal competition

- Masculinity – Tough or modest, assertive or tender, focus on material success or on people, focus on achievement or concern with relationships, focus on control or concern with harmony, focus on power or concerned with quality of life?

- Uncertainty Avoidance – Is there a low tolerance for uncertainty, ambiguity, unstructured situations, lots of rules, procedures, controls and forms and right way of doing things or is there less concern regarding ambiguity and uncertainly and more tolerance for a wide variety of opinions, and more readily accepts change and takes more risks.

- Long term orientation – Does the department value long term commitments and respect for tradition, strong work ethic where long-term rewards are expected as a result of today's' hard work. (Hildebrandt)

Success of a law firm's growth depends on the level of fear and greed, as well as on the power of key leaders to push ahead. It is a function of that fear of cultural change that can be more powerful than the actual change itself. When specific changes are proposed and the future is not yet clearly defined, one is likely to question the efficacy of the proposal. This is particularly true when there are personally significant, negative short-term consequences (Peters, 2006).

The best of strategies succeed only when accompanied by profound and intense culture change or adjustment programs that support and align with the strategy (Asser, 2009). Lawyers who are underproductive, complacent or lazy oppose change on the basis that the ambitious partners are "greedy". Older lawyers oppose change because they fear that their compensation will be cut or their status reduced. Many other members are generally supportive of the change but are concerned that the opponents will become angry and leave the firm. And they begin to ask: "If we need to change the culture to save the firm, and some members become angry and leave the firm, have we saved the firm or destroyed it?" (Peters, 2006).

A firm's culture may be its greatest strength for determining and achieving its immediate and longer-term objectives. However, the culture may be its greatest weakness if is it bound to

(1) outdated traditions ("because we have always done it this way"), (2) management styles that are dysfunctional and inconsistent with the desires and expectations of a majority of the partners with the needs and priorities of the firm, or (3) outdated philosophies of senior or even departed partners that are inconsistent with the marketing and compensation programs required to compete aggressively with other financially successful, proactive law firms (Rose, 2005).

Most firms fall somewhere in between the two extremes on the continuum. What creates the firm culture initially is the belief system of the firm's founders (Richmond, 2007). The firm's founders normally share a vision of the type of firm they wish to create and work in. They also usually share common values. The "right" culture creates an atmosphere they find most rewarding (Freedman, 2005). Firm culture is not stagnant. It has a tendency to change over time. New generational leaders in a firm can cause a shift in the value system and culture. For example, the number of women attorneys joining firms has already had a significant impact on the acceptance of alternative work agreements, and a lessening of the "up or out" expectations. New categories of non-equity partnerships have emerged strongly in the past decade not so much as an interim purgatory, but as a legitimate alternative career path for those whose career interests are less traditional (Freedman, 2005).

Sometimes a cultural change is made purposely based on a marketing strategy. For example, a firm seeking to establish itself as cutting edge may focus on and reward innovation in terms of use of technology, creation of new "products" for client markets, or establishment of new practice groups to provide a strategic marketing advantage. Many times clients can affect the culture of the firm, based on their own cultures and expectations. One has only to look at the atmosphere in a firm that represents large institutions, such an insurance defense firm or banking firm, as compared to a litigation boutique, or an intellectual property firm concentrating on

domestic manufactures or biomed companies, compared to one which services Asian technology

clients almost exclusively (Freedman, 2005).

Negative Cultures in Large Law Firms

Sometimes firms are formed without a clear vision, or with differing visions among the

principals. This can-and often does lead to internal strife at the firm. Subcultures develop which

clash with other cultures within the firm, or with the firm itself. Eventually this leads to

individuals, or even whole departments, leaving for another firm, or establishing their own firm,

with values more in sync with their own (Freedman, 2005). Typically firms which suffer an

internal clash of cultures and lack common vision exhibit systems such as: poor internal

communications, inability to reach consensus on change, lack of support for and/or confidence in

firm leaders, lack of accountability, power struggles, defections, increased turnovers and

decreased profitability (Freedman, 2005). Organizations often craft brilliant strategic plans,

only to have them fall flat during the implement phase. All too often the reason is simple: The

strategy is not supported -- and may actually be sabotaged-- by the organizational culture.

Culture, it turns out, is a critically powerful element in the process of strategy implementation

and change management (Pol, 2007).

Positive Cultures in Large Law Firms

An effective way to create a positive organizational culture is to reduce uncertainty and

build trust in the organization while increasing collaboration. Eliminating silos and fostering

open and clean communication is critical. Firms should set clear goals, and establish clear roles

to make sure individuals know what is expected of them. In sum, they should articulate a clear,

well communicated strategy (Hildebrandt, 2009).

These six components of an organizational culture affect organizational success.

- Flexibility – The extent to which employees feel free to innovate versus a perception of being constrained to use their own judgment

- Responsibility – The extent to which employees feel responsible to the organization

- Standards – How high are the standards that employees set for themselves

- Feedback/Rewards – The extent to which employees feel that the feedback they receive from leaders is accurate and that the rewards from the organization are appropriate

- Clarity – The extent to which employees understand the mission, vision and values of the organization

- Commitment – How committed employees are to the common goal. (Primal leadership, Realizing the power of emotional intelligence, D. Goleman R. boyatzis a mckeee 2002 Boston, Harvard Business School Press

The consensus is that law firms live or die based on their ability to create a positive culture.

Impact of Culture on Law Firm Attorney Recruiting and Retention

What significance does all this have for firm management, or for those seeking employment at a firm? Simply put, a firm must know its culture and what it values first and foremost. The firm must then attract people to the firm who are a good match in terms of their own value systems. Doing so will create the best work environment and enhance the financial bottom line (Freedman, 2005). A firm should know itself, and portray itself consistently and honestly to candidates (Freedman, 2005). There is also an onus on the candidates to be sophisticated and experienced enough to understand their own cultural preferences and ask insightful questions of the interviewer regarding the firm's culture. Yet there is the concern that an interviewee will not be sincere in the process especially in a tight economy with few jobs available (Freedman, 2005).

Recruiting and retaining top-quality rainmakers and the myriad influential attorneys who possess critical expertise in today's "hot" practice areas are two of the most critical challenges confronting managing partners and executive committees in today's competitive environment. In light of the numerous opportunities for such powerful and productive lawyers to join competing law firms, the need to be cognizant of whether the firm's culture, its management practices, and the presence or absence of appropriate strategic planning and marketing activities may finally drive lateral candidates to seek more lucrative and professionally rewarding opportunities elsewhere (Rose, 2005).

Attorney attrition is costly to large law firms. Experts estimate that the actual cost of attrition is equivalent to between 100-150 percent of an individual's annual salary (Freedman, 2005). Retention of attorneys, on the other hand, can reduce costs and increase productivity for firms, leading to greater profitability. Since culture is unique and will differ from firm to firm, there will be people who thrive in it, and people who do not. The challenge is not only to create a culture which will support the type of work and client the firm wants, but which also has the ability to attract and retain the type of and quantity of people the firm wants; who will derive the most satisfaction from the firm's unique environment (Freedman, 2005).

Lawyer mobility changed in the 1980's, as did the culture of the legal profession. In the late 1980s, Chief Justice William Rehnquist of the United States Supreme Court commented, "Institutional loyalty appears to be in decline. Partners in law firms have become increasingly mobile, feeling much freer than they formerly did and having much greater opportunity than they formerly did, to shift from one firm to another and take revenue producing clients with them" (Hillman, 2001). Lateral mobility has become an accepted part of the culture of the American legal profession. Lawyer mobility has substantially reduced expectations of partners' long-term

loyalties to their firms. The turnover associated with partner withdrawals makes long-term

planning more difficult for law firms. When an entire practice group may disappear tomorrow,

decisions concerning an office lease or hiring targets for associates create uncertainties and risks

not present in the past. Lawyer mobility, in short, increases the risks and variables associated

with mid- and long-term planning (Hillman, 2001).

Impact of Culture on Law Firm Mergers

As law firms consider merger or acquisition opportunities, it is important that the law

firms involved have compatible cultures (Onen, 2004). Everything can seem ripe for a

successful merger. The businesses are sound, the practice mixes are complementary, and the

geographic distribution of offices is good and the merged entity will create a more full-service

firm. Only one issue remains: Will the two camps from the merging firms get along? A clash

between the two cultures is the biggest practical obstacle to making a law firm merger work

(English, 2001). While most organizations thoroughly research the business aspects of a

potential merger, they rarely delve into the cultural aspects. Many fail to research anything

substantive about the people issues, *e.g.,* the beliefs, practices, rituals, accepted norms and values

that make each firm's workforce unique. Once the deal is done, firms typically do little in any

formal sense to help integrate the different cultures. The key is to underscore the importance of

cultural concerns throughout the merger process. More than anything, the firm's culture is an

attitude—the philosophical approach to the practice and to people. It is the sum of the

interrelationships between and among the lawyers, the working environment, firm governance,

business management, practice management, profitability and, ultimately, success or failure

(English, 2005). Gerry Malone, a law firm consultant, suggests several areas must be compared

and contrasted before they are blended together including:

Working Environment: Does the culture create the environment or does the environment create the culture? How the partners interrelate, how they treat associates, paralegals and support staff and how hard they work, how they treat clients, which values they share and consider important – all these things influence whether people in the firm enjoy coming to work and how productive they are.

Communication Practices: A culture which encourages open and frank communication among partners and others in the firm can be a firm's greatest strength. On the other hand, a culture which revolves around secretiveness and mystery creates suspicion and mistrust.

Work Ethic: Quality of life is an important issue to discuss. More and more professionals in high stress environments are looking for alternatives that allow them to earn less and enjoy more time off. This trend comes at a time in the legal profession when lawyers are working harder than ever. Is the goal to bill 1800 or 2500 billable hours in a year?

Leadership: Leadership styles vary, and when merging two firms, there must be a consistent vision.

Firm Governance and Management: The partnership agreement comes first and it will dictate which management decisions will be reserved to the partners, and which will be delegated to a managing partner or management group.

Business management and practice management: One impacts the other but they are inseparable. A firm's practice management philosophy plays a major role in profitability.

Planning and Marketing: Who is the client base, and who are the future clients the firm expects to attract or target?

Compensation: The compensation system must support the culture the firm wants to develop and maintain (Malone, 1988)

One of the biggest issues impacting the success of a merger is the cultural fit between the two

law firms. Cleary if a merger is to be ultimately successful a new culture must emerge from the

combination of the two distinct organizations. When considering a merger it is critical to

understand the core cultural views that each organization brings to the table and to deal with the

potential conflicts that may exist (Werner, 2005).

The importance of culture has become more widely recognized by the legal community

in recent years. Even so, culture typically receives much less attention, within individual law

firms as well as in mergers, than strategy or finance. As successful mergers demonstrate, the

cultures of two law firms can be sufficiently aligned or can be complementary, making the

merged entity culturally stronger than either antecedent firm. But mergers can fail due to

cultural incompatibility. In fact, some mergers have failed almost solely due to culture, despite

the strategic, financial, and other fundamental added-value gains for both sides. At the same

time, cultural problems can diminish those strategic and financial gains if people do not work

together well, understand, or appreciate each other (Olsen, 2004).

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Culture Matters in Large Law Firms

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When life was simpler and the practice of law was a profession and not a business, little

attention to law firm culture and philosophical approaches to the practice; lawyers had

tremendous autonomy which they guarded jealousy. The founders of the firms set the tone and

there was usually not much incentive to change. Today all that is changing. The dynamics of

the legal industry require that close attention be paid to culture (Malone, 1988). However,

developing a firm culture that promotes the firm and a working environment where all people in

the firm are satisfied professionally and economically is no easy task in today's legal

environment (Malone, 1988). Law firms must either embrace strong cultures to differentiate

themselves from other firms, or adopt an adaptive culture so they can be nimble to change to

remain competitive.

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Organizational Culture Identified by Large Law Firms in Wisconsin

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A review of the law firms' websites in the current study demonstrated that organizational

culture is recognized by these firms. Listed below are excerpts from the websites.

At _____, we maintain and nurture a unique Firm culture focused upon the success of our clients.....Our culture is anchored upon certain non-negotiables shared by all employees....Trust. At _____, we nurture a Firm culture that demands that we trust each other to serve all the varied needs of all of our clients.....At _____, our culture is our competitive advantage.

What makes _____, such a great place to work? Culture. Doors are open and communication is too at _____ — we are professional, personable and enjoy working together. We spend time together in and out of the office enjoying many firm-sponsored social events from wellness activities to charitable fundraising (view our Community Involvement page). And if you're looking for an employer that respects your family and life balance, this is the place....Our culture. We are personable, professional and enjoy working together to understand our clients' needs and provide unparalleled service in meeting their expectations.

_____ firm culture fosters a collegial atmosphere which, in turn, enhances the practice of law. We offer a friendly work environment and encourage team approach where attorneys work together on various client projects. The firm is proud of our "open door" policy. We encourage associates to feel comfortable seeking peer advice. We also understand the importance of life outside of the office. The firm offers various social activities, including firm-sponsored sports teams, social events and activities that foster relationships among partners, associates, staff and families.

Our firm founders were much more than a group of attorneys that shared space, support services and a common firm name. The hallmark of _____ has been the character and culture of its people - a character emanating from an underlying shared set of principles. This collective of values is what distinguishes us from other law firms and forms the identity and soul of our firm.

While the term "culture" is bantered about loosely in law firms, we truly have a unique and wonderful culture, especially for a firm of our size....Our Culture—Common Ground, Uncommon Vision At _____, we pride ourselves on our diversity, creativity, and the varied experiences that illuminate our collective ability to serve our clients.... We work as a team and we know that every team needs players skilled at different positions. We are not a checklist, cookie-cutter kind of place, but we are united by our dedication to our clients and our professional development. We have always valued personal freedom and individuality, which are at the core of the_____ management philosophy.

Culture of Independence....Our entrepreneurial client base inspires a culture of independence at _____..... This culture encourages associates to take charge of their own career. You have the ability to become a recognized expert in a chosen area or niche and develop your own client base... Culture of Support....As our firm history demonstrates, we understand the importance of supporting and informing associates about firm goals and expectations beginning early in their careers. So we've established organized means for facilitating communication across all levels within the firm. For example, our CEO hosts regular town hall meetings, an open forum for associates to raise questions and discuss issues facing the firm. Town hall meetings are just one way in which the firm is able to engage associates and understand what's important to them. The meetings help associates develop relationships even at the firm leadership level. _____ supportive culture reaches beyond organized meetings—it happens on a daily basis, as well. From something as small as a New Year's Eve afternoon champagne toast led by the CEO or a firm-wide lunch served by the Board of Directors to something as important as shareholders and associates working side by side in all stages of a client marketing program, _____ creates a

sociable community for associates. This atmosphere results in a workplace that doesn't overemphasize hierarchy. We take a team approach to working projects and give you as much responsibility as you can handle. Through constant, day-to-day interaction, shareholders and associates develop natural mentoring relationships that offer an associate great job satisfaction. Frankly, we enjoy working together as a team.

Now that some large law firms in Wisconsin are differentiating themselves by their organizational culture, is it enough to have a strong culture without more? As revealed by the studies applied to corporations, a strong culture alone is not a recipe for success. The organizational culture must be positive to advance the goals of the organization.

Chapter V - Survey Method

Qualitative versus Quantitative Approach

Not surprisingly, there is not a plenitude of research on organizational culture in law firms, since there was a dearth of empirical research on lawyering prior to 2004. In recent years, law schools have fostered empirical legal research studies (ELS), including the emergence of the *Journal for Empirical Legal Studies*, the Conference on Empirical Legal Studies, the Society for Empirical Legal Studies and the ELS blog. In addition, the number of law review articles reporting and referencing empirical research has grown, and the top law schools are establishing special centers for empirical research. Concomitantly with the general growth of the ELS movement, scholars increasingly used empirical methods to study the legal professional and legal ethics concerns (Fortney, 2009).

Although some researchers who have studied the legal profession have used questionnaires and quantitative analyses, a number of studies have relied on ethnographic methodologies. Some scholars reject the characterization of this work as "empirical," maintaining that the work is not systematic and subject to replication. Regardless of the methodology used, all empirical researchers face common challenges when studying the legal profession. Factors contributing to what makes empirical research more difficult than traditional types of scholarly endeavors include lack of funding, a limited number of legal academics qualified to conduct empirical research, and a "disinclination" of lawyers to disclose information to researchers (Fortney, 2009).

The last factor, "the disinclination" of lawyers to disclose information to researchers, is the primary rationale for using a quantitative approach for this study instead of a qualitative

approach. A qualitative approach not only would create potential reluctance for lawyers to participate due to legal ethics and concerns related to disclosing information related to client or firm confidences, but participation might be negatively impacted by lawyers wanting to cast their firms into a negative light. While there are tools to protect confidentiality of the research participant, the limited pool of law firms eligible for this study would make it difficult to promise confidentiality on the survey since the researcher has an in-depth familiarity of the subjects included and likely could determine which firms based on the feedback. There could also be distrust among the survey participants who might harbor concerns that the primary investigator would be using the information gathered for commercial purposes and not merely the academic pursuit of studying organizational culture in large law firms. For these reasons, the quantitative survey tool was chosen to assess whether culture is negative or positive the firm.

Survey Instrument Chosen

Finding the correct quantitative assessment tool was a challenge. Collaboration was sought with other academic researchers on this subject, but it appears to date only qualitative approaches have been used including ethnographical studies of law firms. A Google search uncovered surveys via consultants who specialize in working with law firms. Three appeared promising and were responsive to my initial inquiries; however, they did not have a valid academic measurement tool. The consultants showed interest in my area of study, further confirming that there is now interest in this topic, but that there is very little out there in academic literature applied to organizational culture of law firms.

In the Chambliss article "Measuring Law Firm Culture," Chambliss reviews several attempts to study law firm culture via qualitative analysis including ethnographic and mixed

method designs. However, the author does not proffer a quantitative tool for studying law firm culture. Chambliss acknowledges the problem stemming from the demands of qualitative research is not simply one of method. She states there is also a need for theoretical development. The legal ethics literature, like the trade press, lacks a systematic approach to law firm culture, as an object of analysis per Chambliss (Chambliss, 2010). She concedes that empirical research on cultural dynamics is inherently difficult (Chambliss, 2010). After inquires with law firm consultants and scholars on the appropriateness of a survey tool, the researcher in this study narrowed down to two survey instruments to measure culture.

A cultural inventory is a tool that helps provide a meaningful measure of an organization's culture according to key "bottom line" criteria, which impact directly on organizational success. Typically, it will probe key indicators relating to empowerment, team orientation, capability development, core values, customer focus, organizational learning and more. A cultural inventory provides a powerful and easily understood description of organizational culture and a foundation to align it with strategy across a range of areas, such as enhancing diversity programs, interoffice standards, and motivated legal teams. It can particularly help identify opportunities to improve working relationships, internally and with key providers such as law firms (Pol, 2007).

There are two survey tools that are widely recognized by academics as effective for studying organizational culture. One is the Organizational Culture Assessment® (OCA®) Instrument by Robert Quinn and Kim Cameron and the other is the Organizational Culture Inventory® (OCI®) by Human Synergistics. The Quinn Cameron survey distinguishes four culture types: clan, adhocracy, market or hierarchy culture (Quinn & Cameron, 2005). Cooke's OCI measures behavioral norms grouping into three types of culture: Constructive,

Passive/Defensive or Aggressive/Defensive (Cooke & Szumal, 1993). I chose the OCI over the

OCA realizing the law firms I am studying tend to be similar to one another and the goal of the

OCA is to distinguish cultural types. The OCI was of interest to me since my belief is that law

firms have similar cultures. At a time when law firms are facing pressures to reinvent

themselves, it is important that they be mindful of their own culture and understand that before

they can implement change, they should be cognizant of whether they have a positive

(constructive) or negative (defensive) culture. Organizations often craft brilliant strategic plans

only to have them fall flat during the implementation phase because the strategy is not supported

by the organizational culture (Pol, 2007).

Organizational Culture Inventory

The OCI is the most widely used and thoroughly research tool for measuring

organizational culture. Developed by Drs. Robert A. Cooke and J. Clayton Lafferty, the OCI

provides an assessment of the operating cultures in terms of the behaviors that members believe

are required to "fit in and meet expectations" within their organization (Cooke, 1993). The OCI

was designed for organizational change and development program for use by trainers and

consultants. However, the OCI is one of the relatively few valid and reliable instruments

available for the quantitative assessment of culture and therefore frequently is used by university

faculty members and graduate students for organizational research purposes. Four of the

behavioral norms measured by the OCI are "Constructive," facilitating problem solving and

decision making, teamwork, productivity, and long-term effectiveness. Eight of the behavioral

norms are "Defensive" and detract from effective performance. The OCI helps to explain why

some organizations and their units are more effective than others (Cooke, 1993).

The OCI can be administered in a group setting or on an individual basis. Results are plotted on the Human Synergistic Circumflex and reveal a person's individual normative beliefs (where the perspective of only one person is plotted) or the shared behavioral expectations that operate within the organization (when the perspectives of different people are combined). The OCI takes approximately 20 minutes to complete. Surveys can be self scored or scored by Human Synergistic International. The tool is licensed and the price of the tool is $10.00 per person.

The OCI measures 12 behavioral norms that are grouped into three general types of cultures:

- Constructive Cultures, in which members are encouraged to interact with people and approach tasks in ways that help them meet their higher-order satisfaction needs

- Passive/Defensive Cultures, in which members believe they must interact with people in ways that will not threaten their own security.

- Aggressive/Defensive Cultures, in which members are expected to approach tasks in forceful ways to protect their status and security.

Inquires regarding the survey tool via the OCI website returned a quick response from the OCI Director of Research. There was an exchange on the goals of the research and a dialogue to verify if the OCI would be the proper tool. Once there was agreement on the survey instrument, I gathered the necessary permissions from the OCI to license the tool. Requirements of the license included the permissible uses under the copyright and trademark laws and also the assurance the tool would advance the research field.

The next steps included submission of the Institutional Review Board (IRB) Protocol form, a form that is required by all universities who have students conducting research on human subjects. This process started with the compliance requirements for the National Institute of

Health (NIH) Training, to gain knowledge on the process and certification for research on human subjects (see phrp.nihtraining.com/users/login.php). After my project advisor and I completed the IRB Tutorial designed by the NIH and achieved certification, the Training Certificates were forwarded to the Marquette University Office of Research Compliance. Though this process, the principal investigator and project advisor agreed to accept primary responsibility for the scientific and ethical conduct of this project. After IRB approval, the survey began.

Process of Conducting the Survey

The process of conducting the survey was relatively straight forward. First, the large law firms in Wisconsin were identified. For the purpose of this study, large law firms were identified as those with 30 or more attorneys in the Wisconsin office. Twenty firms fit that criterion. Note that "large law" as defined by this study in Wisconsin would be very different than "large law" in larger metropolitan markets such as Chicago, Boston or New York where the threshold might be 100 attorneys (Richmond, 2007). Once the law firms were identified, the law firm administrator or managing partner was contacted via telephone by me with a follow up face-to-face meeting to explain the study and to introduce the Organizational Consent form (see Appendix). Once those forms were signed by the authorized person (usually a law firm administrator), the survey participants were contacted though a telephone call and in some instances through face-to-face meeting for the purpose of further explaining the study and to secure their Informed Consent forms. To allay any concerns of the participants regarding their

participating in the study, the methodology was reviewed to assure the anonymity of the survey results. The principal investigator also educated the participants on the role of the Institutional Review Board, which reviews and approves the survey protocol, including safeguards for guarding the anonymity of the responses. Survey participants were also informed that they could request a final copy of the paper including access to articles used in the bibliography. Ideally the survey participants will be able to use the research findings to assist in evaluating conduct as well as the organizational dynamics and culture in their own firms (Fortney, 2009).

Survey Findings

The appendix includes the OCI® Standard Report prepared for this study on

Organizational Culture in Wisconsin Large Law Firms.   The survey identified the primary style

as "achievement" where people are expected to: pursue a standard of excellence, know the

business and work for the sense of accomplishment. Per Human Synergistics® an achievement

culture characterizes organizations that do things well and value members who set and

accomplish their own goals. Members of these organizations establish challenging but realistic

goals, develop plans to reach these goals, and pursue them with enthusiasm. Achievement

organizations are effective; problems are solved appropriately, clients and customers are served

well, and the orientation of members (as well as the organization itself) is healthy.

The secondary style was identified as "perfectionist" where people are expected to appear

competent and independent, persist and endure and keep on top of everything. Human

Synergistics identifies a perfectionist culture as a culture that characterizes organizations in

which perfectionism, persistence, and hard work are valued. Members feel they must avoid all

mistakes, keep track of everything, and work long hours to attain narrowly-defined objectives.

While some amount of this orientation might be useful, too much emphasis on perfectionism can

lead members to lose sight of the goal, get lost in details, and develop symptoms of strain.

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Chapter V – Conclusion
Conclusion and Final Thoughts

Perhaps most rewarding during the study was the genuine interest survey subjects

demonstrated in the concept of organizational culture. Law firms are struggling to survive and

prosper in these tough economic times, yet they do not want to be driven purely by billable hours

and revenues; they want the names on letterhead to mean something special and to differentiate

themselves in the market. They know it is the sum of the parts, or in this case their lawyers that

makes them unique. The firms want to package and brand that commodity, the challenge is how

to accomplish that goal. Most of my subjects asked for a copy of the paper and also asked if I

would be willing to return to their firms to share my findings on organizational culture. It will be

a pleasure to share the conclusions that overall law firm culture in large Wisconsin law firms

appears to be positive – thus positioning the subjects in my study for growth.

Need for Further Study

I also reached out to law firm consultants for the purposes of this study. Many of them

had worked with law firms for years on the issue of "culture" but none of them had a survey tool

which they felt was foolproof. These consultants showed interest in the survey I used in this

study and these consultants expressed interest in learning how it might be customized for law

firm clients. I also noted that there was a lot of trade press on the topic of law firm culture but

very few academic articles. I contacted the author of the study referenced earlier in this paper,

Elizabeth Chambliss, who wrote on measuring organizational culture. Coincidently, Chambliss

attended the University of Wisconsin for her graduate degree and has ties to the Badger State.

She also asked if I would share my work and my assessment of the survey tool used. Professor Chambliss is continuing her studies in organizational culture in New York law firms.

It is my sincere hope that my clients will benefit from my research as they ponder their organizational cultures and determine how they can maximize their strengths in creating a positive culture. I also hope that my paper will help the Marquette Career Planning Center in educating students on the importance of law firm culture to professional success and satisfaction. Although there is a clear need for further research on organizational culture applied to law firms, the ball has been moved forward.

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MARQUETTE UNIVERSITY
Organizational Approval Form for Graduate Professional Project
Measuring Organizational Culture in Wisconsin Large Law Firms
Susan Spoerk, Principal Investigator
College of Professional Studies, Masters of Leadership

Name of Organization: _____

Address: _____

Primary Contact Person: _____

Phone/Email: _____

Leadership 6998- Integrative Professional Project

Organizational Culture in Wisconsin Large Law Firms

As a Masters of Leadership student at Marquette University my student peers represented Milwaukee corporations and they shared their stories of leadership and corporate culture from their perspectives. I realized that while I work for a company based outside of Milwaukee, I am fortunate to be part of an organization that has a strong mission, values and corporate culture. I truly feel I know my sense of purpose at my workplace and that is what motivates me beyond my paycheck.

I also observed during the five years I was in the Masters program, how the tightening economy can wreak havoc on these corporations. The companies with strong leadership and corporate cultures will be the most likely to survive and to emerge from the economic downturn stronger

and better. My clients are law firms and they rely on corporate clients for their revenue. My leadership studies taught me that corporations have been mindful of and embrace concepts such as "corporate culture" and "transformational leadership". I began to wonder if my law firm clients have looked inward into their organizational culture.

In the new economy, technology is a flattener for law firms. Small boutique law firms can compete with larger firms. Corporate clients are more sophisticated and have higher expectations than ever on efficiency since they have had to make cut backs on their end; they expect the same from their service partners. Technology has also changed the nature of the relationship, with electronic communications there is more emphasis on results and less emphasis on the relationship with the attorney handling the case or matter. Law firms can adapt to new technologies, compete by offering alternative fee arrangements and the more they adapt to technology, the more they become indistinguishable to their clients.

In the past a firm would rely on a few "rainmakers" to attract and retain their client base. This model is also changing with corporate clients using Request for Proposals and relying less on the strength of the personal relationship. There are also more lateral partner moves in this market so it is not always the personal relationship that keeps a client at a firm.

As law firms adapt to the "new normal" they are undergoing change. Studies show that organizations with a positive culture adapt to change better than organizations with a negative culture.

The Organizational Culture Inventory (OCI) is the most widely used and thorough researched tool for measuring organizational culture in the world. Developed by Drs. Robert A. Cooke and J. Clayton Lafferty, the OCI provides an assessment of the operating culture in terms of the behaviors that members believe are required to "fit in and meet expectations" within their organization. Four of the behavioral norms measured by the OCI are Constructive and facilitate problem solving and decision making, teamwork, productivity, and long-term effectiveness. Eight of the behavior norms are Defensive and detract from effective performance.

Every organization has its own culture and set of expectations for its members. For example, some organizations are "competitive" and members feel they must out-perform one another; other organizations are "cooperative" and members are more likely to feel they should work together as a team. The inventory presents a list of 120 statements which describe some of the behaviors that might be expected or implicitly required of members of organizations. The survey employs a scale of 1-5 from a range of "not at all" to "to a very great extent". Sample questions include "point out flaws", "show concern for the needs of others", "involve others in decisions affecting them." The survey takes about 20 minutes to complete.

I will employ quantitative surveying through the law firm administrator and/or managing partner identified as the primary contact below. The contact below will identify up to four participants at the firm with the ideal candidates being the law firm administrator, the managing partner or a practice group leader. The survey participants must have been with the firm for a minimum of three years. The quantitative is a scannable survey tool completed by the law firm managing partner(s) and the law firm administrator(s) and returned to Human Synergistics for scoring. The participating law firm is welcome to request a copy of my paper which will include results of the survey and bibliography of scholarly research. My study group will include Wisconsin law firms with 30 or more attorneys.

There will be complete confidentiality as to the survey. All survey instruments are identical with no identifiable markings. The survey is completed by penciling in the "bubble" that best answers

the question. There is an optional demographics section on the survey but the survey participants in this study are being told not to complete that section.   To ensure confidentiality a 9x12 outer envelope will be provided with a mailing label and return address to Human Synergistics.   All envelopes will be exactly the same. The survey results will be computer scored, combined with the responses of the other participants and summarized in group profiles. No individual responses will be reported.

Surveys will be distributed on or after February 15th, 2011 and survey responses should be completed and mailed by March 15th, 2011.

A copy of the "individual consent" each survey participant will receive and sign prior to participating in the survey is attached.

Student: Susan Spoerk, 414.649.0440 or susan.spoerk@marquette.edu

Signature/Date: _____

Primary Contact Name and Title at Organization: _____

Signature/Date: _____

MARQUETTE UNIVERSITY
AGREEMENT OF CONSENT FOR RESEARCH PARTICIPANTS
Measuring Organizational Culture in Wisconsin Large Law Firms
Susan Spoerk, Principal Investigator
College of Professional Studies, Masters of Leadership

You have been invited to participate in this research study. Before you agree to participate, it is important that you read and understand the following information. Participation is completely voluntary. Please ask questions about anything you do not understand before deciding whether or not to participate.

PURPOSE: The purpose of this research study is to measure organizational culture in Wisconsin large law firms. You will be one of approximately 30 participants in the research study. This study is part of a professional project that is required by the Marquette College of Professional studies to graduate with a Masters in Leadership. Susan Spoerk is a student in this program and is conducting the study.

PROCEDURES:

Fifteen Wisconsin law firms were chosen based on their attorney count of 30 or more attorneys. At each firm up to four representatives have been chosen; targeting law firm administrators and a managing partners. The survey is in paper format and includes a list of 120 statements which describe some of the behaviors that might be expected or implicitly required of members of

organizations. You will be asked to read each statement and indicate the extent to which the behavior described helps people to "fit in" and meet expectations of your organization. Once you have completed the survey, you will mail it to Human Synergistics in the preprinted envelope provided, where the data will be analyzed. The answers are confidential. They will combined with the responses of the other survey participants, and summarized in group profiles to be used exclusively for purposes of the Thesis paper for Susan Spoerk on Organizational Culture in Large Wisconsin Law firms.

DURATION: Your participation will consist of one paper survey and will take about 20 minutes to complete. It will take less than 5 minutes to enter the survey in the self-enclosed envelope and mail the survey.

RISKS: There are no known risks to participating in this survey.

BENEFITS: There are no direct benefits to participating in this survey. Indirect benefits include a benefit to society, providing a better understanding of organizational culture, specifically applied to law firms.

CONFIDENTIALITY: There will be complete confidentiality as to the survey. The survey is completely anonymous. No names or personal information will be associated with the survey. To ensure confidentiality a 9x12 return envelope will be provided with a mailing label and return address to Human Syngeristics. All envelopes will be exactly the same. The survey will have no reference to the law firm and will be scored by a representative at Human Syngeristics. The paper surveys will be destroyed on or around seven days after being received. The electronic data will be destroyed per written request of the Principal Investigator to Human Syngeristics on or around three years after the study date.

Voluntary Nature of Participation: Participating in this study is completely voluntary and you may withdraw from the study and stop participating at any time without penalty or loss of benefits to which you are otherwise entitled. The participant may choose to withdraw at any time including up to the last question on the Organizational Cultural Inventory survey. However, please do not skip questions, if you skip a question the survey will not be used in the study and will be destroyed

Contact Information: If you have any questions about this research project, you can contact Susan Spoerk, Principal Investigator at 414.649.0440 or susan.spoerk@marquette.edu or project advisor Paul Katzman, Assistant Dean of the Career Placement at Marquette Law School at 414.288-5236 or paul.katzman@marquette.edu. If you have questions or concerns about your rights as a research participant, you can contact Marquette University's Office of Research Compliance at (414) 288-7570.

I HAVE HAD THE OPPORTUNITY TO READ THIS CONSENT FORM, ASK QUESTIONS ABOUT THE RESEARCH PROJECT AND AM PREPARED TO PARTICIPATE IN THIS PROJECT.

_____
             Participant's Signature/Date

_____
             Participant's Name

_____

Researcher's Signature/Date

INSTRUCTIONS – PLEASE READ FIRST!

Organizational Culture Inventory® (OCI®) is a survey designed to assess the culture of organizations in terms of behavioral norms and expectations. More specifically, the OCI is used to identify the behaviors and personal styles that help people to "fit in" and "meet expectations" in their work group or department. **Please take a moment to read these general instructions before completing the surveys.**

- Make sure you have read, understood and signed the Individual Consent Form.

- Make sure there is a signed Organizational Consent form for your law firm.

- Please have a No. 2 pencil, not ink or ballpoint pens.

- Fill in your answer "bubble completely" to the 120 questions posed in the Organizational Culture Inventory (OCI).

- Erase completely any answers you wish to change.

- Do not mark any other part of the answer sheet.

- Mark only one response per question.

- Do NOT complete the Supplementary Questions on page 3.

- Do NOT complete the Demographic Questions on page 4.

- Last, place your completed survey in the provided first-classed stamped envelope, addressed to Human Synergistics, and mail the envelope no later than March 15th. Do NOT put a return address on the envelope or any other markings.

The surveys are being scored by an independent company, Human Synergistics. Your responses will be combined with those of others to generate a composite cultural profile. Your individual responses will be kept confidential and will not be reported in any form. Please do not put your name on either survey or the return envelope.
If you have questions, please contact me at 414.649.0440, email: susan.spoerk@marquette.edu.
Thank you for your participation.