ANDREW HEDLEY, DIRECTOR, HEDLEY CONSULTING

Merging Cultures

The principle drivers behind law firm mergers are fundamentally economics and sustainable competitive position, but at the core of their long-term success is the ability to create a unified culture and shared sense of purpose. Even in the most unbalanced of law firm marriages, it is a foolhardy managing partner that ignores levels of cultural fit and doesn't take action to resolve deep-seated cultural differences. Dealt with early, such idiosyncrasies can be resolved quickly and effectively. Left to fester, they become all pervasive and difficult to purge.

At an early stage of a strategy review, I will generally undertake a culture and values audit. Understanding the cultural traits of two merging entities is important for a number of reasons: assessing the gap between the firms on key cultural dimensions; understanding concerns that may not be apparent on the surface but which are driven by deeper cultural factors; creating an implementation plan that addresses these differences in a proactive way; and evaluating how management style and communications may need to be tweaked in order to fully engage people in both antecedent firms.

One of the first acts of a smart management team post-merger is to engage the whole business in understanding their current values and cultures before defining their future aspirations. To make these exercises real, there must also be a clear line of sight between these values and the way in which the business conducts itself, its relationship with its people, and the philosophy with which it works with its clients.

It is then through the embedding of cultural expectations and behaviours in the firm's reward and recognition systems that the somewhat ephemeral concept of culture becomes real and is given traction within the organisation. In some firms this will also raise the spectre of how to address the key player whose behaviour runs absolutely contrary to the desired culture of the new business. Best practice is unequivocal on this point – culture and values are sacrosanct and no individual can be allowed to gerrymander them for their own ends. The reality, regrettably, is far less straightforward, but such behaviour will need to be addressed. Firms not prepared to do this will find their culture being sub-divided into warring fiefdoms defined by geography, practice area or the personality of a partner.

Success will come from the leadership team being seen to be strong advocates and adherents to the firm's values and, where necessary, changing their own behaviour in order to benefit the business as a whole. Strong and successful mergers are founded on getting this cultural framework right and building strong cohesion across the firm. mp

– ANDREW.HEDLEY@HEDLEYCONSULTING.COM