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WHAT CAN LAW FIRMS LEARN FROM THE PSYCHOLOGY OF CHANGE MANAGEMENT?

By Lucia Sandin

Abstract: Lucia Sandin, a Senior Marketer for Thomson Reuters Europe and Psychology MSc, delves into how law firms need to understand the psychology of change management and how deeply it can impact the success or failure of any new innovative or technical system adoption. She describes four principles that are vital to the success of any change management strategy.

Law firms who wish to future-proof their services are transforming, with no option but to embrace change and innovation in order to stay competitive. It won't be news to anyone that change across an organization doesn't just happen; it needs a strategic approach and buy-in from stakeholders – this has been proven decisively in real-world case studies. The psychology of how people respond to change can offer insight which will help innovation projects to succeed.

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Much has been written about the need for organizations to innovate, change and adapt to stay competitive. What is often lacking, however, is a closer look at the practical realities of these changes. Increasingly, organizations are focusing on the human side of the change, and this is where the psychology of change management can offer some valuable insights.

The need for change can result in industry-leading innovation, but in practice it is not always welcome internally. It often means people have to modify their ways of thinking and their ingrained habits. Change management as a formal process has traditionally been applied in the corporate sector, but in any sector, change is a complex process which warrants careful handling.

In the case of law firms, we see that with an increasing number of alternative legal services providers hot on their heels and the traditional hourly billing model weakening, market conditions have changed. Clients are no longer an unlimited pot, and the old model doesn't encourage the efficiency or transparency which clients now demand.

Lawyers know that they need to adapt their way of thinking to new models, and law firm culture seems to be transforming from the traditional internal focus on lawyers' skills to an external focus on the client. In order for a law firm to move with the times, change in mind-set at an individual level across the firm is therefore required. One of the ways firms are transforming their business model is through document automation, for example. Successful implementation of this (or any other revolutionizing technology) is dependent on change management. Professional change management consultants advise that four principles are essential to consider for successful change management:

1. **If employees see the point of the change and agree with it, they are more likely to get on board** – Central to this advice is the realization that change in behavior starts from within the individual, not from management or the individual's department or team. If the individual does not believe in the overall purpose of the change, the employee will suffer from *cognitive dissonance* where a mismatch in a person's beliefs and actions leads to conflict and immobility. If the organization's goals surrounding the change are made explicit and reinforced, the individual's beliefs are more likely to align with those of the organization, and behavior will start to match. People must also understand the role of their actions and believe that it is worthwhile for them to play a part.
2. **The new behavior requested of the employees needs to be accompanied by relevant recognition and reward systems** – It shouldn't be surprising that alongside any major change, adequate reward and recognition systems must be in place. The "stick" from the classic "carrot and stick" approach seems to be the most common initial solution and may lead to a short-term change in behavior, but it will not lead to the change in mind-set that is essential for the long-term effectiveness and receptiveness of any future change. If the law firm focuses on the "carrot" by making explicit the change's rewards and personal benefits for individuals – such as new skills and a chance for advancement and participation in strategic goals – and if the recognition system highlights the opportunities of development and benefits specific to each individual, employees will be more likely to work toward applying a change in behavior.

KEY TAKEAWAYS

- **Create a vision:** For example, cut drafting pain, manage risk and improve staff retention.
- **Gather a team:** Obtain support from the top and compile a team across the business. Smart and enthusiastic staff who can work with PSLs to re-engineer your precedents.
- **Pick some easy wins:** Start with the most commonly used documents, particularly any which require repetitive changes, to gain traction and learn while working on more complex projects.
- **Involve fee-earners in testing:** You will obtain important user feedback and buy-in.
- **Train:** Engage with users one-to-one, if necessary, and get them to try it for themselves – human nature is to default to old working practices unless they have practiced using something new.

"Most importantly, jump in and keep the faith."

3. **The skills employees need to adapt to the change need to be prioritized** – Part of successful change management is ensuring that employees are given the opportunity and adequate time to gain the knowledge that will facilitate the change. If the organization invests enough time and resources into training employees and makes this visible across the organization, it demonstrates its commitment to this change. UK law firm Mishcon de Reya was aware of this and offered "one-to-one (training), if necessary, and getting [users] to try if for themselves – human nature is to default to old working practices unless they have practiced using something new." Training needs to be broken down into phases: i) instruction and listening; ii) absorbing the information; iii) experimenting with it; and iv) integrating it with existing knowledge. So often organizations stop at Step 1. Using this cycle and considering employees' feedback for potential improvement have many benefits; they increase bi-directional communication that is essential for the change to be successful and enhance the feeling of ownership in the process. Sarah Wilson, a Head of Product Services at Pinsent Masons, said that "feedback and requests for change quickly allow fee-earners to see continual improvement and gain confidence and trust in the product."
4. **Role models within the organization also need to display the new behavior** – The adoption of this change needs to be demonstrated by all necessary people, including role models – in other words, the people in the business who are enthusiastic and can act as change-champions to drive uptake. It isn't enough to ensure that people at the top are in line with the new ways of working; role models at every level must "walk the talk." Mishcon de Reya was aware of this when adopting Thomson Reuters document automation software Contract Express®: "We chose our partner carefully, obtained support from the top and compiled a team across the business. Smart and enthusiastic staff in our information services team were trained to become specialists in using the software and worked with PSLs [TK] to re-engineer our precedents," says Kate Higgins, Legal Director at the firm. Individuals also match their behavior with groups they identify with – if lawyers see that their fellow peers in the legal field are enjoying the successes of this change, they will be more likely to move toward deploying it themselves.

In conclusion, a law firm – just as any other organization going through significant changes – can learn a lot from the psychology of change management and apply the principles above to successfully drive change. While the firm's business strategy needs to reflect its external focus, it can't afford to forget the internal structures required to support both its strategy and its employees.

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Sarah Wilson
Head of Product Services at Pinsent Masons

"Our experience has shown us that the best way of introducing change is to let the fee-earners see the product in action (live demos rather than slides) and to ensure that there is involvement from the lawyers in developing and tweaking the product. Ensuring that there is buy-in at a very senior level is also very important so that a clear message can be delivered as to the objectives of the firm and how the new tool will meet those.

"It is vitally important to ensure that commercial language is used – for example, 'to improve the gross margin' – and that there is a message that will resonate with clients (that lawyers can sell to clients). It always comes back to what the clients want and expect us to be doing.

"Finally, responding to feedback and requests for change quickly allows fee-earners to see continual improvement and gain confidence and trust in the product."

ABOUT THE AUTHOR
Lucia Sandin is a Senior Marketer at Thomson Reuters Europe and holds a Psychology MSc from University of London. She has spent the last five years working in the legal technology industry, focusing on automation and work-flow technologies.

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