

# characteristics of **partners** in professional advisory firms

## What you want and don't want in a partner

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### Introduction

Considerable research has been conducted into identifying the personal qualities or competencies of managers in industry, particularly into the characteristics that single out those who make it to the top (Boyatzis, 1982). There has been, however, little substantive research into the characteristics that single out those who make it to the top in professional advisory firms, that is, partners. The majority of studies that have been conducted have concentrated on the selection of graduates (Harvey-Cook and Taffler, 2000) and the methods of selecting partners (Scholarios and Lockyer, 1999).

As part of our consulting work, we were afforded the opportunity to investigate the characteristics of partners in the fields of law and accountancy. We were particularly interested in investigating the notion that these characteristics might differ from those stereotypically associated with the successful lawyer or accountant. As practitioners, we were keen to use the insight gained from this investigation in the design of partner selection and development methodologies.

Over recent years, the professional advisory services market has become increasingly competitive; new firms have begun to emerge whilst existing ones continue to grow. Consequently, the need to maintain competitive advantage is placing different demands on partners. For example, where qualified professionals were once reactive to clients' demands for their services, today they are required to proactively develop business and market their firm. Where they once worked independently, today they are required to manage and build teams. These new demands warrant a different set of characteristics from those typically associated with lawyers and accountants.

In order to test the hypothesis that the characteristics of partners today differ from those traditionally associated with lawyers and accountants, we conducted a study. The findings are detailed in this paper.

### Research Objectives

The aim of our study was to identify the characteristics that distinguish partners from non-partners. We therefore set out to explore differences in the personality, thinking skills, business understanding and perceived capability of partners compared with all other qualified professionals in law and accountancy firms who are non-partners.

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## Method

We drew on our database of information on lawyers and accountants whom we have assessed at career development, recruitment and partner selection centres, and at individual assessments. Our sample consisted of 231 people drawn from two medium sized accountancy firms and a large law firm. The total sample comprised 97 lawyers and 134 accountants. In our assessment process, we used a battery of 6 psychometric tests of personality and thinking skills, a business Mind Set exercise and a 360 degree survey.

## Psychometric Measures

### NEO PI-R

A 240 item paper and pencil personality inventory based on the five factor model of traits and personality. The five domains measured are Neuroticism, Extraversion, Openness, Agreeableness and Conscientiousness.

### Myers Briggs Type Indicator (MBTI)

A measure of 'psychological type' which profiles people on 4 dimensions of personal preference; Extraversion-Introversion, Sensing-Intuition, Thinking-Feeling, Judging-Perception.

### FIRO-B

A measure which profiles the wanted and expressed levels of people's interpersonal needs in 3 areas; Inclusion, Control and Affection.

### GMA(A)

A measure of flexibility of thinking and the ability to identify patterns.

### Watson-Glaser Critical Thinking Ability (W-GCTA)

A test of analytical thinking skills which measures five aspects of critical thinking ability; Drawing Inferences, Recognising Assumptions, Deductive Reasoning, Logical Interpretation, Argument Evaluation.

### Consequences

A test of divergent thinking which measures the ability to generate creative alternatives in problem solving situations.

## Business Mind Sets

We used a standardised repertory grid interview procedure to evaluate the breadth and depth of the individuals' business Mind Sets, that is, their business understanding. The process evaluated 7 areas:

<i>Client:</i>	Identifying and responding to client needs
<i>Commercial:</i>	Understanding how products and services make money/profit
<i>Strategic:</i>	Defining future direction for the firm
<i>Management:</i>	Knowing how to get things done through others
<i>People:</i>	Understanding how to influence people
<i>Political:</i>	Knowing how to use the internal political system to achieve objectives
<i>Risk Management:</i>	Recognising when the organisation is exposed to risk

### 360 Degree Survey

The 360 degree feedback survey used comprised 50 items specifically designed to obtain behavioural feedback on 10 personal qualities identified by us as being key 'building blocks' for superior performance amongst professionals in law and accounting firms. For each of the 10 personal qualities there were 5 descriptive statements of behaviour. Respondents used a 5 point Likert scale to rate the individual on the extent to which they agreed or disagreed with the statements. Respondents comprised 4 partners, 4 colleagues and 4 clients. The 10 personal qualities are:

<i>Commitment</i>	Concern to do things better or more efficiently than they have been done previously or better than they are done elsewhere.
<i>Openness and Flexibility</i>	Ability to function in and enjoy situations of psychological uncertainty or change.
<i>Independence</i>	Willingness to proactively assert independent views and publicly express unpopular opinions.
<i>Self Direction</i>	Possession of a clear internal framework of principles and beliefs that guide the individual's judgement.
<i>Resilience</i>	Ability to cope with stress and adjust to unsatisfactory conditions. Ability to retain emotional balance when under pressure and to 'bounce back' after setbacks.
<i>Interpersonal Sensitivity</i>	Interest in and open attitude to other people's opinions, values perspective, behaviour and personality.
<i>Business Development</i>	Desire and ability to market the firm and sell its services and products by raising its profile and actively seeking new opportunities for it.
<i>Client Delivery</i>	Ability to take care of clients, and manage risk and finance. Understanding client needs, taking responsibility for quality of work and building long-term relationships.
<i>Internal Management</i>	Ability to work in a team and develop people through objective setting, delegation and the monitoring of performance.
<i>Technical Knowledge</i>	Technical ability, breadth of knowledge and quality of advice.

### Sample

For the study, we selected two groups from our database. The first group comprised partners. The second group comprised non-partners, that is, accountants and lawyers in the firms who were not partners. The group of non-partners was made up of senior managers, managers/supervisors and non-managers. The sample sizes were 87 partners and 144 non-partners. The gender split in the total sample was 15% women and 85% men. The total sample was 70% British with the remaining 30% comprising a range of different nationalities. 231 people completed the NEO and MBTI. The total number who completed the FIRO-B was 166, GMA(A) was 164, W-GCTA was 223, Consequences was 169 and 360 degree survey was 142.

## Results

See Tables 1, 2, 3 and 4 for results.

The results revealed that compared to non-partners, partners were significantly ( $p < 0.05$ ) higher on NEO facets Competence and Assertiveness, and 360 degree survey Self Direction and Independence, a pattern which indicates a higher level of self-confidence and self-belief. They also had significantly lower levels of Wanted Control in the FIRO-B, suggesting that they are more confident in taking control and responsibility. This may account for the finding that partners are also significantly more resilient; they were lower on NEO domain Neuroticism and NEO facet Vulnerability, and higher on 360 degree survey Resilience, suggesting that they are more emotionally stable and less susceptible to stress. Consistent with our hypothesis that partners need to be more business oriented, partners were found to have significantly broader Client and Commercial Mind Sets. As we predicted, partners were seen to be significantly stronger on Business Development in their 360 degree surveys. Consistent with past research relating conscientiousness to job performance (Barrick and Mount, 1991) partners were significantly higher on NEO domain Conscientiousness, particularly on NEO facets Achievement Striving and Dutifulness. They were also significantly higher on NEO facet Trust, and Internal Management and Client Delivery in their 360 degree surveys. This suggests that it is important for partners to have the people skills and capabilities necessary for building relationships and managing people. Whilst there were no significant differences in their thinking skills, partners were significantly higher on Technical Knowledge in their 360 degree surveys. The common perception that 'good' lawyers and accountants are objective, logical and task focused was confirmed in this study in that partners were significantly higher on MBTI Thinking scores and lower on Feeling scores, and significantly lower on the NEO facet Fantasy. Whilst there were no significant differences on NEO domain Extraversion, it is interesting to note that 66% of the partner group were MBTI Extraverts. This, together with their significantly higher NEO Extraversion facets Activity and Assertiveness, might suggest a preference towards Extraversion.

## Conclusion

Overall, the study confirms that there certainly are characteristics that distinguish partners from non-partners. Some of these characteristics, such as the higher level of technical 'know-how' and conscientiousness, might be expected. However, there are also a different set of characteristics that we would not normally expect to find but that appear to be important to the role of a partner. Consistent with our hypothesis, the study revealed that personal qualities such as self-belief, resilience to stress, assertiveness, trust, commercial astuteness and client orientation enable partners to be strong at developing business, delivering client demands and managing people.

What is borne out in this study is that in addition to technical knowledge, partners also need to be able to think commercially, market and sell the firm, build relationships with clients, understand customer needs and manage people. As we hypothesised, these unexpected findings reflect the changing role of lawyers and accountants. The study shows that they need to have 'soft' people skills to 'tune in' to clients' emotional needs, forge long-term relationships with them, and to coach and lead their team. At the same time, they need to be reasonably extraverted, self-confident, energetic and resilient in order to be able to go out and network, compete for new business and 'bounce back' from setbacks.

Surprisingly, no significant differences were found in thinking skills. Typically, one might expect technical intelligence to be a key distinguishing factor of partners. Yet, the findings suggest that what distinguishes partners from non-partners are 'emotional intelligence' factors such as sensitivity to clients' feelings and psychological needs, and the ability to trust people and to 'pick up' on what motivates them as individuals. It is these factors that enable some, and not others, to make the transition into partnership.

We are keen to follow-up this study given that the findings are based on a highly select sample. For example, the sample is relatively medium in size and involves three firms only. In addition, it includes individuals who may eventually make it to partnership as well as those who have applied for partnership but who were unsuccessful. However, notwithstanding these methodological limitations, the study nevertheless reveals clear differences that distinguish partners from non-partners. Furthermore, these findings are consistent with our extensive experience of working with professional firms, and we would expect them to be replicated with larger sample sizes.

On the basis of what we have learned so far we are keen to explore this area of research further by looking at characteristics that distinguish partners from their counterparts in industry, such as Directors and Executives. From a practitioner's point of view the results are particularly useful to us when selecting partners and developing the careers of 'would-be' partners.

## References

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**Table 1: Significant differences between partners and non-partners on personality measures**

Personality Measures:	Partners: mean rank	Non-partners: (p<=0.05):	Difference (p<=0.05):
<i>NEO PI-R</i>			
Neuroticism	101.61	121.56	0.026
Conscientiousness	128.10	105.40	0.012
N6 Vulnerability	96.72	124.54	0.002
E3 Assertiveness	128.67	105.05	0.008
E4 Activity	130.94	103.67	0.002
O1 Fantasy	96.37	124.75	0.002
A1 Trust	125.37	107.06	0.041
C1 Competence	133.34	102.20	0.001
C3 Dutifulness	125.69	106.87	0.035
C4 Achievement Striving	134.62	101.43	0.000
<i>MBTI</i>			
Thinking	127.28	105.20	0.014
Feeling	101.03	121.02	0.001
<i>FIRO-B</i>			
Wanted Control	71.11	90.51	0.010

**Table 1: Significant differences between partners and non-partners on reasoning measures**

Thinking Skills Measures:	Partners: mean rank	Non-partners: mean rank	Difference (p<=0.05):
GMA (A)	76.43	86.91	0.161
W-GCTA	111.50	112.29	0.450
Consequences	88.96	83.38	0.501

**Table 2: Significant differences between partners and non-partners on business Mind Sets**

Business Mind Sets:	Partners: mean rank	Non-partners: mean rank	Difference (p<=0.05):
Client	89.92	67.66	0.001
Commercial	89.99	69.69	0.002

**Table 3: Significant differences between partners and non-partners on 360 degree survey**

360 Degree Survey Partners: Personal Qualities:	Partners: mean rank	Non-partners: mean rank	Difference (p<=0.05):
Self Direction	88.22	63.23	0.001
Independence	86.72	63.97	0.002
Resilience	86.93	63.87	0.002
Business Development	90.04	62.33	0.000
Internal Management	83.49	65.57	0.015
Client Delivery	87.36	63.65	0.001
Technical Knowledge	83.49	65.57	0.000