

**Practical Strategies  
for Effective Law Firm  
Knowledge Management**



# Practical Strategies for Effective Law Firm Knowledge Management

*Edited by*  
**Martin Apistola**



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*Practical Strategies for Effective Law Firm Knowledge Management*

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# Introduction

*Martin Apistola*

An essential element of law firms is knowledge management (KM). Although law firms are not a trendsetter in the field of KM, working with Information Technology (IT) is daily business for lawyers. In what way KM and IT are used in law firms in and outside Europe is inventoried in this book. An overview of the current state of KM in some European countries is important, because lessons can be learned from both the successes and failures in surrounding countries. This book consists of various contributions that provide an overview of the current state of KM in The Netherlands, Sweden, Spain, the United Kingdom and the United States. The papers are written by delegates from the mentioned countries

The aim of this book is to open discussion on how law firms can best be supported by Knowledge Management. The chapters from the countries that were part of this research provide useful input for such a discussion. The importance of future discussion lies in the fact that law firms realize the need to use Knowledge Management, but do not know in what way KM can be used optimally. This book does not answer the question in full detail, but a first, important step is made.

In the first chapter, Martin Apistola (a Dutch researcher and teacher) addresses the way lawyers in a number of large Dutch law firms (> 60 lawyers) manage their knowledge. He summarizes the main results and conclusions of his Phd-research and provides some recommendations and suggestions for law practice and future research.

In the second chapter you will learn how the legal market is changing, the impact on law firms by new legal service providers and how knowledge management is of vital importance for the future survival of law firms. Two Swedish law firm consultants (Ann Björk & Helena Hallgarn) will provide insights on different knowledge management strategies and models to support the core business of each law firm, depending on the law firm's business focus, and how firms can achieve competitive advantages by the right use of technology in line with the chosen knowledge management strategy.

## Practical Strategies for Effective Law Firm KM

Additionally, they will examine organizational strategies to create a knowledge sharing culture and business support, as well as the consequences for the law firm structure depending on the adapted knowledge management approach.

Oz Benamram (leads the knowledge department of his law firm) and Sally Gonzalez (works for HBR Consulting) discuss in their chapter how developing a KM strategy tailored for your firm, can clearly articulate your firm's current and future KM priorities, articulate the expected business benefits and create plans of action for those priorities.

In the fourth chapter, Jon Beaumont (Head of Knowledge Management at Havey Ingram LLP and Chair of the Publications Committee for the British and Irish Association of Law Librarians), Victoria Jones (Professional support lawyer at the same law firm) and Helen Marshall (Information Officer at the same firm) provide a practical analysis of the past five years of KM at the law firm Harvey Ingram, focussing upon history, structure, strategy, implications of culture, KM systems, the effects of the merger on the Team, and future developments. In addition, they examine the theory behind their decisions, achievements and difficulties.

An essential part of a law firm KM strategy is the knowledge sharing process. In her chapter, Isabel Casas, Head of Knowledge Management and Information Services of a Spanish law firm, will look at the most common individual and collective challenges facing law firms and will put forward some ideas that, judging from her experience, may be of use.

Outside law firms, LinkedIn is very popular with regard to sharing knowledge. In the final chapter, Mike Nevin (an accomplished and much sought after international (KM) consultant and presenter) describes a LinkedIn consulting assignment carried out by Alliance Best Practice (ABP) with a UK legal firm called Withy King (WK).

# Lawyer and Knowledge Management

*Martin Apistola*

## 1.1 Knowledge Management in Dutch Law Firms

This chapter addresses the way lawyers in a number of large Dutch law firms (>60 lawyers) manage their knowledge. Knowledge management consists of various processes: employees can for example collect, develop, share, evaluate and apply knowledge. These processes are called knowledge processes. Tools such as databases and internet can support knowledge processes. Environmental factors, such as the goals of an organization and people within an organization, determine how knowledge processes are executed and how tools are being used. Knowledge management is about the management of knowledge, knowledge processes, tools and environmental factors and the connection between these elements. This chapter briefly describes the main results and conclusions of the research and provides some recommendations and suggestions for future research.

## 1.2 Main Results

- Lawyers and defining knowledge and knowledge management: Like most people in daily practice, lawyers feel they have no need for clear definitions which distinguish classifications such as data, information and knowledge. Amongst lawyers a diversity of definitions of the term “knowledge management” exist.
- The use of tools by lawyers: Lawyers mostly use e-mail, Internet, intranet and databases, standard models, personal documenting and the library. They make less use of groupware and knowledge based systems, thesauri, hyperlinks and brainstorm, project teams and a personal development plan. The use of meetings and performance interviews differ strongly per office.
- Lawyers and knowledge processes: Lawyers mostly execute the following knowledge processes: collecting knowledge, devel-

oping knowledge, accessing knowledge, sharing knowledge within the department, applying knowledge and evaluating knowledge. Sharing knowledge outside their departments is not popular amongst lawyers.

- Environmental factors: Lawyers mostly experience mutual respect and trust, communication climate and involvement in the organization. They experience not so much openness, autonomy, clarity of organizational goals, stimulation, feedback, time pressure and involvement of the management in knowledge sharing.
- Differences in knowledge management: Knowledge management by lawyers in law firms differs for the greater part from knowledge management in other organizations in many aspects, but there are also relatively many similarities.

### **1.3 Recommendations to improve KM in law firms**

- Knowledge Management: Although there is little agreement in the literature with regard to the concept of “knowledge management”, most of the elements are more or less agreed upon. From those elements, law firms should choose the elements that specifically suit the wishes and requirements of the firm, thus making explicit choices for knowledge management.
- Knowledge management strategy: To optimize knowledge management in law firms, it should be part of the goals and strategies of the firms. Law firms can optimize knowledge management by choosing a clear knowledge management strategy. In the current situation, a recommendation to law firms for knowledge management could be to focus more, but sparingly, on a personalisation strategy in which managing personal, implicit knowledge is an important component. The codification strategy of law firms must support the personalisation strategy.
- Knowledge: If literature wants to contribute more to knowledge management in law firms, then it must be made clear why definitions and categories of knowledge are important and how those definitions and categories can be used in practice in a simple manner. Furthermore, to adapt more to the working method of lawyers, law firms can choose for a practical approach to map knowledge. This approach consists of a flexible approach

with respect to details. An overview of knowledge in a law firm could for example consist of ten different items which each can be worked out in sub-areas.

- Knowledge sharing: The knowledge process “knowledge sharing outside the department” is, in relation to the other examined knowledge processes, not popular amongst lawyers. A possibility to improve knowledge sharing is to increase the mutual dependency. Rewarding knowledge sharing in law firms could also improve this process. Especially job performance interviews offer an opportunity in this respect.
- Culture: In chapter two it is noticed that when joining the organization, lawyers bring their own standards into the organization. More attention could be paid to hiring lawyers who can stimulate and motivate colleagues, and do not have difficulties providing and receiving feedback. Furthermore, it is important that sufficient career opportunities are created. By means of job performance interviews a more open and knowledge friendly culture could be developed.
- Management: The management must explicitly, not only verbally, but also by behaviour, set an example for developing and deploying knowledge management. The management could show how they spend time on managing knowledge. Possibly, training the management in setting up and implementing knowledge management can contribute to optimising knowledge management in law firms.
- Tools: It was striking to find that the use of groupware and knowledge based systems by lawyers scored badly related to the other examined IT-applications. A reason for the limited use of groupware is that lawyers attach much value to personal, face-to-face contact. A possible reason for the limited use of knowledge-based systems is that there are not many knowledge based systems and that knowledge based systems are generally expensive. They also have little or no added value to lawyers. However, lawyers do use (alimony) calculating applications. These are simple tools with a clear purpose
- Techniques: It is preferable to embed (the use of) thesauri in law firms, for example by offering training in working with thesauri. Another option would be to have lawyers cooperate in the development of thesauri. Hyperlinks are often not used optimally in law firms. Additional possibilities for use include

incorporating files and related documents, images and video recordings. More attention from practice and research for techniques to (automatically) find the most relevant links, automatically introduce and verify links thus seems important.

- Remaining tools: Law firms wanting to put more emphasis on the personalisation strategy should consider the following studied tools: meetings, project teams, job performance interviews and the personal development plan. These tools give more support to personal contact and offer more opportunity to share implicit knowledge. The research shows that the use of meetings, job performance interviews and the personal development plan can be improved further. Law firms could pay more attention to the need, purpose, frequency and form of meetings, job performance interviews and personal development plans, so that they can contribute effectively to the functioning of the organization.
- Connection between environmental factors, knowledge processes and tools: More research is necessary to study whether there is indeed a connection between environmental factors, knowledge processes and tools, how the different variables can influence each other and if there are possibly other variables that influence the results.
- Difference in knowledge management: Conclusively, the research shows that knowledge management by lawyers in law firms indeed differs from knowledge management in other organizations, but we also see a lot of similarities. Briefly, it seems justified for literature and research to talk about “knowledge management in and for law firms” as a specific branch of research in knowledge management.

### **1.4 Future**

Future knowledge management research may be more focused on the distinguishing points of attention brought forward in the thesis. Chapter five presents some suggestions for future research:

- More respondents to compare the results in this thesis with new results,
- More in-depth research of knowledge sharing between departments in law firms,

- More in-depth research of the use and development of groupware and knowledge based systems in law firms,
- More in-depth research of the role of environmental factors such as openness, stimulation, autonomy, feedback and clarity of goals and strategies,
- More research of environmental factors that were not part of this study but may influence knowledge management in law firms.

The thesis showed that the opinions concerning the success of management in law firms differ. Some believe that law firms still have little or no success with knowledge management or that in most of the firms knowledge management programmes do not have additional value. Others observe that knowledge management initiatives in law firms do have sufficient additional value. The results of the thesis seem to particularly support this second view.

### **1.5 Knowledge Sharing**

Apistola's (2006) study shows that lawyers mainly share knowledge within their legal section. When lawyers have learned something new, they generally make sure that their colleagues within their legal department or section can also learn this. Lawyers also stated that they share their knowledge and skills in time with colleagues in their legal department or section. The study also showed another side of knowledge sharing in law firms. Lawyers are not good at sharing knowledge outside their section when they have learned something new. Furthermore, lawyers are not so good at telling colleagues from other departments what they know and what they can when requested. Interviews show that knowledge sharing by lawyers is not always optimal (Apistola 2006):

- One lawyer often works with colleagues. When choosing someone to collaborate with, he considers whether the person has sufficient knowledge and experience and also considers his personal preferences.
- For discussions and questions that need answers quickly, another lawyer consults first consults his colleagues.
- Sharing information and knowledge found in the firm of another lawyer is mainly done with colleagues. If he cooperates, he may

not share all his ideas as to avoid a “tunnel vision”. In complex cases he does work with less experienced colleagues. This takes time, but he finds it important that less experienced colleagues accumulate more knowledge.

- An important starting point for knowledge management within one law firm is the fact that knowledge is no longer seen as power, but that the sharing of knowledge provides the firm more power.
- One lawyer does not use others’ opinions. Although he really knows that this is not always the case, he finds it to be much more interesting to tailor his legal advice to the specific case of his client. According to this lawyer the disadvantage of looking at opinions of others is that you're less engrossed in the topic and therefore you may be less able to defend yourself when clients ask questions.
- According to another lawyer the colleagues in his firm are not really motivated to share knowledge. Yet, the management of the firm indicates that it is desirable to share knowledge within the organization. But there are no bonuses for sharing knowledge and there is no extra time to share knowledge with other colleagues, or to store knowledge on the intranet. Trust in each other is very important, as one lawyer said: “You must have first had a drink at the bar and get to know colleagues before real knowledge exchange takes place.”
- One lawyer notes that due to the growth of the firm it is not possible to organize face-to-face meetings amongst all colleagues. Lawyers in the firm are quite individualistic because of the industry in which they work and are not always willing to share their knowledge. Rewards for knowledge sharing are not given but the attitude towards knowledge sharing will be discussed during individual reviews.
- According to another lawyer his firm encourages knowledge sharing, but this is not made explicit in reward systems.
- One lawyer notes that in his section insights are shared, especially by face-to-face contacts. It also happens between departments or sections, but that is more for personal interest.
- Another lawyer notes that many face-to-face knowledge sharing takes place and that most knowledge is shared within the so-called function groups.

- One lawyer mentioned that major cases also require information from outside the practice group. For smaller matters his own practice group is sufficient.

An outcome of Apistola's (2006) interviews is that knowledge sharing through personal contact plays an important role amongst lawyers. Knowledge sharing takes place, mainly with immediate colleagues, often within their own department.

Reasons why knowledge sharing outside the department or section scores low is that some lawyers consider their knowledge as power (Apistola 2006). According to knowledge management literature, giving away your power is one of the obstacles for knowledge sharing. Huysman and De Wit (2000) describe this as follows: If knowledge is power, then sharing accumulated knowledge is giving away power. For some law firms the knowledge that a lawyer has is important when deciding whether or not to appoint the lawyer as partner. However, sharing that knowledge with colleagues, makes this lawyer less unique. Another reason that emerged from the interviews with lawyers is that the sharing knowledge is difficult, especially with colleagues who are not close (Apistola 2006). Lawyers find it also difficult to share their specialized knowledge with others. It is not always clear to lawyers whether their knowledge is too specialized to share. Trust also plays a role. Huysman and de Wit (2000) note that literature often refers to the lack of mutual trust as a barrier to knowledge sharing. They note that employees do not just share knowledge. They need to feel confident that their knowledge is in good hands. Mutual distrust makes knowledge sharing quite impossible. In theory and literature we find that the degree of autonomy of lawyers could contribute to the fact that knowledge is less shared or not shared outside the legal department. Huysman and De Wit (2000) note in this regard that knowledge sharing is hampered by geographic coverage, professionalism or a lack of mutual and organizational commitment. Another possible reason for the lack of knowledge sharing between departments is that departments within law firms consider themselves to be departments within a law firm, or want to become self-employed in the firm. Departments actually compete with each other. This is encouraged by the rewarding method in many law firms that is only focused on individuals.

### *Knowledge Sharing Problems*

In this section a number of knowledge sharing problems in law firms are summarized and new ones identified.

- Too much individuality: Mintzberg notices that the professional such as a lawyer is rather independent from colleagues in his work (Mintzberg 1992). By nature, law firms tend to foster a culture of individual practices (Kabene et al. 2006). The individuality of lawyers complicates knowledge sharing. Lawyers and their departments within a law firm generally consider themselves - or want to consider themselves - as self-employed (Apistola 2006). In fact, departments compete with each other. Lawyers are not typically recognized for a team-based approach to legal work (Terrett 1998). Gottschalk (1999) observes that individuality is encouraged in most law firms; lawyers are not noted for their team-based approaches to legal work or for their willingness to share their expertise. This individuality is encouraged as partner compensation models reward the individual, not the firm (Rusanow 2003). Rusanow (2003) notices for example that there is limited interaction between practice groups in law firms. Individuality is according to her also characterized by a 'knowledge is power' culture in law firms. Lawyers for example feel that their work is unique and is of no value to others. Individuality may, according to Rusanow also be encouraged by a decentralized culture and a limited training and mentoring of junior lawyers in law firms (Rusanow 2003). Individuality of lawyers may also be encouraged as lawyers can only be managed to the extent they consent to be managed (Parsons 2004). Individuality also expresses itself in law firms as lawyers as professionals have specialized knowledge and have been trained as an elite. Some practice groups within law firms may have such specialized practices that their knowledge would be of interest primarily to only them (Ijaden 2007). This is another example of the individuality of lawyers as it creates an "information silos" problem to the extent that information is not being shared firm wide.
- Few incentives and rewards: The way employees in a law firm are rewarded strongly influences the attitude with regard to the sharing of knowledge (Forstenlechner 2005). Yet, in law firms

few financial incentives for lawyers exist to share knowledge with colleagues (Kabene et al. 2006). Lawyers are not typically rewarded for sharing their expertise.

- Too much power: Mintzberg (1992) notices that amongst professionals, power is part of their skills: knowledge and skills offer the lawyer power. A lot of power remains at the bottom of the hierarchy, with the lawyers themselves. This way, sharing knowledge could mean to lawyers that they have to share their power. And often that power in the form of knowledge is needed, for example to become partner within the firm. Some lawyers see their knowledge as part of their power (Apistola 2006). By not sharing their knowledge they feel they can keep this power. The culture of informal exchange of experiences is not strong in all law firms (Terrett 1998). Sometimes there is a “knowledge-is-power” culture in law firms (Tjaden, 2007; Rusanow, 2003). Many lawyers feel that their career depends on their skill to develop a unique set of knowledge and might hoard their knowledge. Knowledge can be used to take action and to enforce spheres of influence (Disterer 2003). To pass knowledge to colleagues might grant some of these potentials. Those who do not have this knowledge are deprived of the capacity to act or to influence respectively. According to Tjaden (2007) some practice groups may have such specialized practices that their knowledge would be of interest primarily to them. In law firms lawyers are competing directly with each other through their special knowledge, gifts and talents (Disterer 2003). As a consequence lawyers would be very cautious to openly share their knowledge with colleagues because they possibly give up an individual lead. Often competition and incentives and rewards for individual performance urge to build an unique individual collection of expertise in a certain area and to prove that expertise for clients (Disterer 2003). According to Parsons (2004) law firms and lawyers have high levels of political activity. Power especially expresses itself in the form of partners who are the owners of the business and have passed a rite of passage to partnership that validates them as special (Parsons, 2004). They like to be treated differently to acknowledge their position and status. Tjaden (2007) notices the mentality of some lawyers who might hoard their knowledge in light of the belief that “knowledge is power”.

- Too much uncertainty: Many lawyers worry about criticism of their knowledge by colleagues and careless use of their knowledge by colleagues in the firm (Rusanow 2003, Susskind 1998). Younger and less experienced colleagues may especially feel uncertain because they cannot judge if their working results and experiences represent valuable knowledge for others (Disterer 2003). They cannot estimate if their knowledge is too general or too well known or – on the other side – that some results are too specific for a special situation and therefore useless for colleagues in other situations. Some lawyers feel that they have to deliver custom-made advice and so do not want to make use of the knowledge of colleagues (Apistola 2006). For some lawyers it is also difficult to understand the knowledge of colleagues.
- A lack of motivation: Lawyers are not always really motivated by the management to share their knowledge (Apistola 2006). Schulz and Klugmann (2005) noticed that a lack of motivation amongst many lawyers is a typical problem in introducing knowledge management. Sharing knowledge in law firms is often seen as additional work, because of the time necessary for reflection, documentation, communication, etc. (Disterer 2003). Some lawyers do not expect reciprocal benefits from sharing because they do not believe in these benefits or they did not experienced it (Disterer 2003). And even if lawyers do expect payback for their contributions the somehow natural question “what’s in it for me” is often not clear for employees, which are suffering from a lack of motivation.
- No time: Sharing (complex and specialist) knowledge asks for time in which there is room for personal interaction and documentation of the knowledge (Hinds & Pfeffer 2003). Lawyers feel too busy for prioritizing knowledge sharing (Gottschalk et al. 2005). Lawyers will prioritize their non-billable time quite carefully according to Tjaden (2007). Time spent sharing knowledge and experience is time not spent billing clients (Terrett 1998). Dublin (2005) notes that lawyers may be penalized for their efforts at knowledge transfer, if it has the effect of reducing their billable hours. Lawyers bill by the hour and time is money in a law firm (Rusanow 2003; Gottschalk 1999). Carine (2003) noticed that overcoming time constraints, especially the emphasis on billable hours, is a barrier for change

and new initiatives in law firms. The time-based billing model is the greatest cultural barrier to developing and implementing legal knowledge based systems (Rusanow 2006).

- A lack of trust: As a result of the individualistic nature of law firms, there is a lack of sufficient trust and loyalty between colleagues and the firm in order to accommodate effective knowledge transfer (Kabene et al. 2006). Rusanow (2003) notices a fear of peer judgment amongst lawyers. Carine (2003) sees that building trust and protecting knowledge are two bottlenecks in law firms. For example, successful alliances are careful at managing the protection of their knowledge, by clearly establishing which skills and technologies are 'off-limits' and monitoring the information that alliance partners request and receive. The fact that information sharing policies are used to establish what knowledge can be shared and what is off limits is another indication of the lack of trust in law firms (Carine 2003). Wong (2005) notices that without a high level of mutual trust employees will be skeptical about the intentions and behavior of others and they will probably hold on to their knowledge.
- Lack of management commitment: Commitment of the management is one of the factors that facilitate effective knowledge management (Inkpen 1996). Rusanow (2003) observes that when the management of a law firm sends out the message that knowledge management is essential for the firm, lawyers will start to pay attention to it. Many law firms do not have full commitment of the management with regard to knowledge management (Rusanow 2002).

### *Knowledge Sharing Needs and Alternatives*

In this section we present a number of knowledge sharing needs and alternatives, based on the inventoried knowledge sharing problems.

- Cultural change: For a culture to support knowledge management, law firms must develop a culture in which knowledge is highly regarded and in which the sharing, development, and application of knowledge is encouraged (Wong 2005). Schulz and Klugmann notice that the most important requirement for effective knowledge management is the creation and maintenance of a culture of knowledge sharing

between lawyers and through the entire firm (Schulz & Klugmann 2005). Ways to influence and/or even change a law firm's culture are identifying the cultural barriers, having strong management commitment for cultural change, attention for needed behavior in performance interviews and selecting and hiring only those lawyers that commit to the new culture.

- **Decrease individuality:** It must become clear to lawyers that sharing knowledge is a requirement of their work (Hall 2001). A possibility to improve knowledge sharing in law firms is to increase the mutual dependency of lawyers (Huysman & De Wit 2000). Law firms in which there is a strong mutual dependency are mission-driven, have a mutual passion or are in a crisis in which lawyers feel they need each other. In situations like these, independency, loyalty and trust form the most important incentives for knowledge sharing (Huysman & De Wit 2000). Law firms should ask themselves whether their mission is sufficiently inspiring for their lawyers to contribute to it. Law firms can organize meetings so that lawyers sharing the same interests but work independently can meet each other and share their knowledge. They then have the time to get to know each other and to develop a feeling of mutual dependency and mutual trust (Huysman & De Wit, 2000). Law firms can also support the development of communities of practice to increase the transfer of knowledge (Kabene et al. 2006; Disterer 2003). These groups enhance the ability of its members to think together, to stay in touch with each other and to share ideas with each other. These informal networks bound to one another through a common class of interests and problems and a common pursuit of solutions. To build communities of practice time should be given to organize and attend meetings, to create bulletins, and to sample a skills directory (Disterer 2003). Communities should have the necessary tools and techniques to form, evolve and develop. At least they need a forum, either physically or electronically, to spark collaborative thinking and working.
- **Provide sufficient rewards and incentives:** Law firms must provide personal recognition and reputation when lawyers have contributed to knowledge databases or actively participated in knowledge sharing (Hunter et al. 2002). Forstenlechner refers to Schulz and Klugmann (2005b) who recognize the importance of incentives, defining them as praise: "Lawyers and other staff

actively supporting knowledge management should be lauded and praised, for example, and if senior management has successfully communicated the importance of effective knowledge management, such praise will be recognized as a sign of distinction” (Schulz & Klugmann 2005b). Rewards have a significant impact on knowledge sharing in law firms using various IT tools (Gottschalk 2005). Osterloh and Frey (2000) distinguish intrinsic motivation and extrinsic motivation. Employees can be intrinsically motivated when they do something to foresee in their own needs, for example by getting new, more challenging and complex tasks. Extrinsic motivation often comes from the management, for example in the form of a bonus. Special rewards and incentive methods can act as extrinsic motivation that makes employees willing to share knowledge (Disterer 2003). Osterloh and Frey (2000) notice that intrinsic motivation promotes sharing of implicit knowledge under conditions in which extrinsic motivation fails. For sharing explicit knowledge real incentives, no small baits, are necessary to persuade employees to share knowledge (Hansen et al. 2002). Non-monetary rewards play one of the largest roles in motivating individuals to share their knowledge (Kabene et al. 2006). Law firms need to create a pay-for-knowledge system that emphasizes the sharing of knowledge and pays lawyers for sharing.

- Decrease power: Sharing knowledge must become an important part of the chance of a lawyer on becoming a partner in the firm (Apistola 2006). Promotion must be an explicit reward for sharing knowledge (Hall 2001). This way not only the achievement of an individual is rewarded but also helping a colleague to perform well. According to Tjaden (2007), who refers to Gurteen (1999), law firms can explain the purpose of knowledge sharing initiatives so that lawyers can understand the collective goal and why it is better to think not, ‘knowledge is power’ but instead, ‘sharing knowledge is power’.
- Decrease uncertainty: An employee can act as an intermediary in sharing knowledge between lawyers (Hinds & Pfeffer 2001). Research shows that deploying employees with an intermediary level of knowledge contributes to the sharing of knowledge because they are closer to the knowledge of less experienced employees. Lawyers must share their knowledge as well as

possible by describing a context, offering concrete information and by using understandable formulations (Hinds & Pfeffer 2003).

- Increase motivation: Being motivated to share knowledge with others asks for trust, not only in the persons with whom knowledge is being shared, but also trust in the greater 'institute' in which knowledge sharing takes place (Hinds & Pfeffer 2001). Team-interaction can be a motivation to share and develop implicit knowledge (Gore & Gore 1999). To motivate knowledge sharing it can, according to Tjaden (2007), be useful to harness the power of knowledge champions within the firm. These lawyers regularly share their knowledge in their daily work. Ideally some of these champions will be partners who can influence the behavior of their colleagues (Tjaden 2007). Law firms can emphasize the role of contacts and personal relations as they play an important role in sharing knowledge (Osterloh & Frey, 2000). Another possibility to improve knowledge sharing in law firms encompasses an increase in rewarding knowledge sharing (Huysman & De Wit 2000). In general financial rewards only have an effect in the short term. By using performance interviews lawyers can become regularly aware of the necessity to share knowledge and to support colleagues (Huysman & De Wit 2000).
- Increase time: The time-based billing model in law firms is one of the greatest barrier to knowledge sharing for two reasons (Rusanow 2003): if law firms continue to bill by the hour there is simply no incentive to reduce the time spent on specific tasks and since billing time is the only way lawyers can generate revenue, there is no incentive to invest in non-billable activities such as knowledge sharing. A solution would be to charge work of a lawyer on the basis of its value to his client (Rusanow 2003). This solution is about a lawyer agreeing with his client on an appropriate fee for a given piece of work and then the lawyer has to work as efficiently as possible to increase his revenue. In this situation lawyers will soon become aware of the importance of knowledge sharing in their firm.
- Develop concern and trust: Trust is an important aspect of the interaction between people and trust can be a critical factor of sharing knowledge (Van den Brink 2003). When it becomes clear to employees that their knowledge is carefully managed, the

chance increases that more and more employees are willing to share knowledge (Hall 2001, Huysman & De Wit 2002). Law firms must develop an attitude of concern and trust amongst its members (Disterer 2003). Mutual trust is necessary among all organization members for them to openly share (Disterer 2003). Trust reduces the fear that others will act opportunistically. Building trust between employees and groups will help to facilitate a more proactive and open knowledge sharing process (Wong 2005). Organizational development processes should develop a common set of ethical standards and values for a law firm and should achieve a consensus of accepted working practices and habits (Disterer 2003). These standards and values should be stated explicitly and communicated through the law firm. In order to build trust, a law firm needs to ensure there is adequate human contact between employees (Kabene et al. 2006). To build employee loyalty it is important to provide a clear and carefully developed set of corporate values. The law firm should develop an atmosphere where loyalty is a source of competitive advantage within a culture that demonstrates high values of sharing and cooperation (Kabene et al. 2006). This can be accomplished by rewarding employees when they demonstrate these values and confronting them when they do not. Forstenlechner's research showed that peer recognition and respect are most important among non-partners (Forstenlechner 2005). An interviewee of Forstenlechner explains the different notion of respect among non-partners: "It is more important for partners than for associates, as among associates the main thing is billing and peer recognition comes out of this not out of sharing knowledge. They are more among themselves, and almost up against the partners, who command them and respect is earned less with sharing but with having more billable hours than the others." According to Forstenlechner's (2005) research, transparency and measurements of KM initiatives, e.g. a list of the ten top partners who share knowledge can help bring KM to a level where the most valuable knowledge is contributed by partners.

- Improve management involvement: Knowledge sharing is based on consistent, reliable, plausible behavior of management (Disterer, 2003). Law firm management must afford time for communication and reflection and must act as example for

knowledge sharing. Management must act as an example for knowledge sharing, they have to walk-the-talk and give up knowledge hoarding first (Disterer, 2003). When a manager in a law firm is willing to share his knowledge with colleagues and other employees in the firm then this example often leads to colleagues copying this behavior (Schulz & Klugmann 2005).

- Make knowledge sharing part of the annual appraisal process: In the research of Forstenlechner (2005), making knowledge sharing part of the annual appraisal process is considered effective by 74% of the firm wide respondents. Forstenlechner (2005) identified various KM authors who acknowledge the importance of the annual appraisal to stimulate knowledge sharing in law firms. Or as an interviewee of Forstenlechner comments: “Appraisals need to have a strong impact on career development; they need to be deeply entwined as a key part of the career of every lawyer. This is just as important as management support, or to be precise, embedding appraisals that ask for contributions to knowledge is a strong way of showing management support for KM.” Another interviewee introduced a different dimension as to why the appraisal process can be so important for partners: “It is especially important for partners because underperforming partners get the means to justify their lower performance in terms of hours billed by being able to prove having invested time in other initiatives such as KM or business development.” Moreover, where management wants to communicate the message that knowledge sharing is expected and is a contribution to the whole organization, it needs to take clear steps to ensure this is reflected in the evaluation of each single professional (Forstenlechner, 2005).
- Feedback: Gottschalk (2005) recommends that it will be crucial to reward through feedback, either personally or publically for sharing knowledge. Lawyers will feel more valued, and this will send out signals that knowledge sharing is a core corporate value.

Knowledge sharing in law firms should be stimulated, the use of the identified knowledge sharing problems, needs and solutions in this book can be of use for that. Necessary for successful knowledge sharing are well-informed lawyers and management who are interested in the use of knowledge sharing tools and who are able to

define their own needs well. In general, involvement of lawyers before, during and after knowledge sharing initiatives is important to minimize resistance amongst lawyers. Lawyers must:

- have the ability to clarify their needs regarding knowledge sharing
- be informed about necessary changes as a consequence of knowledge sharing initiatives;
- be able to, to a certain extent, influence decision-making regarding these changes;
- be stimulated to take part actively in the interaction between research and practice, for instance by introducing them to conferences on legal knowledge management and by educating them on this subject (Oskamp & Lauritsen 2002);
- be supported by knowledge managers in law firms who can act as an intermediary between the more conservative lawyers and managers and researchers, not only by explaining the advantages of knowledge sharing, but also by helping them to formulate what kind of changes and solutions would be most benefactions.

## **1.6 Recommended References**

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