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SUBJECTS OF MANAGEMENT IN LAW FIRMS

The overwhelming majority of modern Ukrainian law firms are set up by professional lawyers. And they are the very persons who perform the managerial functions. However, the experience of such companies shows that some of these functions can be effectively carried out by professional managers as well. There is currently no consensus on the optimal distribution of managerial powers and responsibilities between professionals in the field of law and management since each possible alternative has its pros and cons.

Undoubtedly, there are significant advantages in carrying out the managerial functions by specialists in the field of law as they are highly aware of problems which can arise during the provision of legal services. For instance:

- generally, they have their own self-developed customer bases;
- they have contacts within the law community, which give them additional opportunities of quick and successful executing clients' instructions;
- they in most cases can accurately estimate complexity of a task and amount of resources which are necessary for its fulfilling, and, accordingly, determine the price of a service and justify feasibility of its implementation;
- they can accurately assess professional qualities of lawyers employed by a firm;

- they understand perfectly well what motivation would be the most appropriate for lawyers on their staff;
- they have expert power over their subordinates and so on.

There are, however, some drawbacks in carrying out leadership functions by partners of law firms, the most significant of which is ineffective, irrational use of their professional potential. After all, running a business takes a lot of time. And the larger the firm, the more time it takes. In addition, a good lawyer is not necessarily a good manager. It means both the personal qualities of partners and the level of their knowledge and skills in management.

All things considered, it has become rather obvious, that it is cooperation among professional lawyers and professional managers which is the best solution to the problem for law firms. There are several forms of such interaction.

The first of them is typical for small firms. Under this form the main duty of professional managers in a firm is limited to timely and effective fulfilling their current operational tasks. The setting of such tasks as well as the performing of the strategic management functions is entirely the responsibility of partners.

Under the second form of cooperation law firms have their teams of professional managers with functional directors, which control fulfilling the current functional tasks, at the head. The fairly common practice under this form is to have an executive director who is in charge of coordinating activities in the law firm. The partners' prerogative is to work out a business development strategy. Coordination of relations between partners and functional managers, as a rule, is carried out by the managing partners, who often combine this activity with their other duties, in particular legal practice.

The third form is the most appropriate for large law firms which have all features of corporate governance. Under these conditions, the roles of both partners (who are professional lawyers) and professional managers are rather different from those under previous forms. Partners not only trust managers to control the companies' current operations, but also involve them actively in the strategic decisions-making. And though taking a final decision remains a responsibility of partners, the weight of professional managers is significantly enhanced.

On balance, there is no unified form of cooperation among professional lawyers and professional managers which would be the most effective for any law firm. Consequently, the problem of optimal distribution of responsibilities and powers between them has individual solution for each company. Nevertheless, the conclusion about the necessity for the law firms of engaging professional managers to carrying out the managerial functions is undeniable.