

Farming talent

People development is an effective tool in increasing a firm's productivity. But, as Peter Scott and Phil Gott explain, it is not about spending more money on developing staff, but channelling funds thoughtfully

Professional firms are the ultimate people businesses – all value stems from people. In a law firm, it stands to reason that developing people should be a core business process, alongside client work and business development. Sadly, that is not often the case.

Increasingly though, firms are showing a greater willingness to invest in people development. However, there are signs that this investment is sometimes being misdirected and squandered, and so will not realise the substantial benefits that it otherwise could. It does not have to be so.

This is not a plea for firms to spend more on developing people. Rather it is about channelling the investment they are already making more thoughtfully.

When we ask law firms what it would mean to profitability if they were to improve the performance of each of their people by a very realistic 5%, the answer is usually into six figures – per equity partner.

Furthermore, if a firm could reduce its attrition rate by just a few percentage points, the financial savings would be enormous. Do the sums for your firm.

What can a firm do to make sure it is getting the very best value from its investment? The following four steps can provide a useful starting point:

Measure what matters

Align performance indicators and performance management with the firm's (and individual business units') key strategic priorities. Then use coaching and development to support higher performance to achieve your strategic goals and to become more competitive.

We helped one firm introduce a new performance review process that starts by drawing together not only the usual financial measures but also a broader range of performance indicators related to client and staff responsibilities.

The resultant report provides a catalyst for a coaching-style performance review meeting and, very

effectively, refocuses performance management.

Develop your future leaders

Everyone with a responsibility for managing people (from the firm's top management, right through to an associate who supervises a single trainee or a secretary) should be excellent at getting the best from people. If they are not, their actions – from disparaging remarks through to wilful neglect – can wreak immense damage.

One law firm wanted management training for its partners because the firm was losing good people and finding it hard to replace them. Instead, we suggested a programme including a firm-wide staff survey, training for all department heads, one-to-one coaching and 360° appraisals. The firm is already reporting substantial improvements.

Help people become successful

One of the large accountancy firms used to ask its recruits 'what do you want to be famous for?' This is a powerful question, implying that the firm can help someone build their reputation and achieve their definition of success.

For those with the ability, ambition and commitment to progress to partnership, there is often a need for them to be groomed using partner development programmes. Without such a programme, where is your next generation of partners going to come from?

Alternatively, for those without the ability or desire to become partners, career-mapping can help them carve out an alternative, fulfilling career in your firm instead of you losing them because they are regarded as failures.

A regional law firm is currently introducing a senior lawyer development programme involving monthly seminars, one-to-one coaching, 360° perception surveys and an online forum. It is designed to help those involved fully achieve their potential.

Design thoughtful programmes

Most firms are not yet using a full



Scott (top) and Gott: all managers must be trained to get the best out of people

range of learning and development opportunities. In particular, there is a need to get away from wastefully sheep-dipping people through training courses, not because they need it, but because they are at a certain stage in their careers or there is a need to gain CPD hours. How much value does your firm really obtain from its current investment?

A recent programme for a firm included live presentations with actor demonstrations, e-mailed 'nuggets', interactive website resources, a survey and professional one-to-one coaching. This was a powerful cocktail designed to make a real difference in performance.

Conclusion

The benefits of farming your own talent can be enormous (as is the cost of not doing so). The good news is that it is not about more expensive investment in people so much as it is about more thoughtful investment, designed to build your business.

Those firms which have invested in their people in this way are now reaping the fruits of that investment.

Peter Scott, a former managing partner of Eversheds' London and European offices, is now a consultant to law firms. Phil Gott is a trainer and consultant, specialising in people and performance in professional services firms.

THE TALENT TEST

Does your firm:

- Align its investment in people with the strategic needs of the business and each business unit?
- Use a 'balanced scorecard' rather than over-emphasising billings and chargeable hours in managing performance?
- Have a high performance culture in which under-performance is quickly dealt with?
- Have a transparent partner admission and progression process?
- Have an associate and partner development programme in place?
- Use a full range of learning, coaching and mentoring techniques, as well as more traditional training?
- Regularly ask your people about their ambitions and design career paths (including succession planning strategies) to match individual aspirations?
- Develop leadership skills and use 360° appraisals for all those with management responsibilities?
- Focus your investment in people to advance your firm's objectives?