

Expert opinion 4: Measuring internal communication in professional services firms

Top communications consultant Angela Sinickas highlights some of the key considerations and outlines practical methodologies for evaluating and improving internal communication in professional services firms.

The expert services offered by professional services organisations, including law firms and consultancies, means that large firms in particular tend to operate within a matrix structure. As a consequence, their people tend to be divided by line of business or specialism and, commonly, by location. These divisions are intensified by the fact that financial results are often captured on a geographic basis. However, the nature of the business often means that people in the various practice areas need to work together across offices and collaborate on client projects with experts in other specialisms. Internal communication is therefore a key business enabler, helping those fulfilling various roles and functions in different lines of business and in different parts of the organisation – and in some cases working at client sites – to keep in touch with what’s going on in their own and other parts of the firm and supporting them in delivering its strategic objectives and reflecting its values.

As communication measurement expert Angela Sinickas points out, the drivers for effective internal communication underpin the success of professional services firms, which depend on engaging and retaining the best people and developing business from new and existing clients. Corporate identity is a key factor in both these objectives and internal communication is key to maintaining a strong

corporate community that supports the firm’s internal and external brand and attracts high-performers and clients to the organisation.

Keeping high performers engaged

Employee engagement is a critical success factor for professional services organisations, including law firms, as they need to retain their top performers in order to maintain their competitive position in the marketplace. In addition to the immediate and significant cost of attrition, losing potential future leaders can jeopardise a firm’s long-term success. Sinickas emphasises the value of determining the factors that keep high achievers engaged. “If you want to know why the smart people are leaving, the obvious answer is to ask them,” she says. “This means identifying the high performers, otherwise it’s impossible to establish a correlation.”

This is generally a straightforward process in most professional services firms where remuneration and bonus structures tend to reflect individual performance. “Performance is highly measured,” says Sinickas. “Although professional services firms pay lip service to management and training activities, the key metrics in a performance review relate to billable hours and new revenue – in other words, the quantifiable financial value that an individual brings to the organisation.”

Sinickas finds qualitative research most effective for differentiating the factors that drive engagement among a firm’s top performers compared with the rest of its employee population. She organises focus group discussions based around open-ended questions such as “What is important

to you at work?" and "What makes you feel valued here?". Comparing the findings of focus groups comprised only of high performers with other randomly selected groups has revealed key differences between high performers and others. "Because high performers command high salaries wherever they choose to work, they tend to be more concerned with the quality of their work experience," she says. "For example, one group that travelled extensively on business were hoping that the company would not only pick up childcare costs, but also animal boarding! Because they spent so much time at work, they wanted the company to go beyond the expected in taking care of them while they were taking care of the company and its clients." Although it is important to set clear criteria for making extra provision for high achievers, Sinickas explains that addressing such specific requirements demonstrates a willingness to support the people who themselves support the firm at such an extreme level.

"Focus group findings also revealed that it was important for high achievers to work with equally high-performing colleagues," adds Sinickas. "Picking up the slack for mediocre performers really annoyed them, so they wanted managers to be very tough on performance reviews."

Another study, designed to find the differences between the high performers who left a professional services firm and those who remained with the firm, found that people who had had some kind of job change at least once every three years were more likely to stay. "We found that high performers enjoyed variety: they were being stretched, they were learning new things and they felt valued. The high performers who remained longer in the same role were more likely to look for opportunities outside the firm," explains Sinickas. "The key factor

was not necessarily promotion. It could be a horizontal move to a different practice area or a different client industry. You could say that they were leaving for personal development reasons."

Responses to a firm-wide employee engagement survey can also be split into high performers versus the general employee population. One method is to include in the survey the question, "What was your most recent performance review rating?". As Sinickas explains, this question can be grouped with opinion questions about the appraisal process, but the rating is also used as a demographic filter to highlight the differences between high performers and others in respect of what drives them and their attitude to the working environment. Another approach is to require respondents to enter their employee ID into an online survey. Although this compromises anonymity, meaning that respondents are unlikely to respond frankly to a question relating to how long they intend to remain with the organisation, for example, this enables the survey results to be linked to the HR system and automatically incorporate performance ratings.

Avoiding internal competition and promoting a client-centric culture

The matrix structure of professional service organisations can foster internal rivalry and competition between different offices or practices. Furthermore, there is a tendency for fee earners to own client relationships and be unwilling to introduce clients to others within the firm, fearing that this might damage their revenue stream. "This can be a limiting factor in terms of client service," says Sinickas. "One way to address that is to use internal communication to encourage everyone to see the firm as one team against the competition and to look

for cross-selling opportunities. It's a matter of getting people to see the advantages of working together compared to the risk of losing the client to the competition."

One solution involves couching internal marketing in external marketing to promote a more collaborative culture. Sinickas recommends a two-pronged internal communication strategy aimed at changing attitudes. The first step is to focus on storytelling at firm-wide level explaining the business case. "A good tactic is to compare examples of when a client was lost or an opportunity was missed because people didn't work well together with other situations when people did work well together and the firm expanded the revenue stream for a particular client by providing multiple lines of service," she says. This is then followed up at team level. "The client manager needs to have the interpersonal skills to pull the right team together," says Sinickas. "In a big firm there may be many people with the same expertise, but building an effective team requires sensitivity to people's personalities, strengths and weaknesses. It's also important for managers to stay in close touch with individual team members and make sure that potential problems are addressed before they reach the client," she adds.

According to Sinickas, appointing the right managers is a critical success factor. "It's important to make sure that the culture of the firm is sufficiently flexible so that people expect to move in and out of different management positions, projects are always led by the most appropriate person and nobody feels that they've failed because they're moved out of a management position and back into practice," she says.

Sinickas uses a straightforward methodology for identifying communication and collaboration deficits. "I go to the

business results first, which are generally captured by office or by industry and look at the average number of services being billed per client as multiple streams of revenue reflect good cross-selling and teamwork," she explains. "I then look at the areas with the highest numbers to identify best practices and apply those to the offices with the lowest numbers."

A strategy for controlling the information deluge

Sinickas stresses the importance of structuring internal communication to ensure that everyone working for the firm is part of a strong corporate community. "Internal communication tends to reflect the matrix structure of the organisation, so it's important for communicators at corporate level, practice level, by geography and by industry to get together and devise their own matrix as to what type of information should be communicated by each of them," she says. "You have to decide at what level certain types of information are most meaningful – for example at the practice level or the client industry level. Otherwise you end up with gaps or with redundancy, for example as a result of using the same case study on the practice website, the regional magazine and the client-centred newsletter. There's no value to that and it contributes to information overload."

An effective tactic for controlling the information deluge is to enable people to opt into the online information and communication channels that meet their professional needs and interests. Sinickas recommends sending everyone a quarterly e-mail reminder of what is available so that they can decide what to subscribe to. "It's not effective to simply post something on the website because fee earners are too busy to browse. The e-mail reminder doesn't have

to include all the information – maybe just headlines with links to the website – but if you don't push the message out to them, they will never see it," she says. This ensures that busy professionals receive only the information that's relevant to them, but don't miss important messages.

Addressing specific communication needs

Professional services firms in particular need to make sure that internal communication reaches the firm's entire professional community. "It's crucial to maintain a strong connection with consultants and other professionals whose role involves long assignments at client sites or a significant amount of travel," explains Sinickas. "Otherwise they start identifying with the client company and may end up getting hired either by the client or by another professional firm." Sinickas recommends going beyond electronic communication and sending information packages by mail and arranging to have company leaders come to meetings with colleagues working at the same client site.

Communicating strategy to different audiences

Establishing a dialogue between the leadership and partners and fee-earners who participate in strategic decision-making is also critical. Sinickas highlights the need to plan leadership visits in advance so that the right people are involved. "If senior leaders are travelling to a particular location for a client visit, it's worth organising a round-table discussion with high-performing staff over breakfast or lunch as well as meetings with key individuals in the local office," she says. "It's important to encourage and support top fee-earners in attending these meetings by recognising

their contribution to the firm's success and making sure it's understood that they won't be billing for that time."

Sinickas advocates a top-down approach to internal communication that ensures that key strategic messages are relevant to the different audiences within a professional firm. "It's crucial to figure out at firm-wide level what a particular strategy means for different roles and functions and tailor messages to different groups of people," she explains. "This means specifying exactly what a strategy or change will mean for different roles and functions, in terms of change to working practices and behaviours. Otherwise people will assume that they're not affected and do nothing. The main considerations are to identify what topics are relevant to different groups and how they want to receive the information." This helps to galvanise partners, managers, fee-earners and support staff towards a particular strategic direction.

Finally, regular qualitative and quantitative measurement including focus groups and surveys, which can be split by function, line of business and into high performers *versus* random groups, depending on the firm's priorities and objectives, determines how well a firm's internal communications strategy is working and where adjustments need to be made.

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