



BUSINESS SERVICES ROLES

HELPING LAW FIRMS VALUE
THE UNDERVALUED

INTRODUCTION

Historically, there has been a challenge for HR and reward professionals in law firms implementing formal reward structures for Business Services roles.

Much of the focus traditionally has been on fee-earning roles which 'bring in the money' and so less effort has been diverted into creating or managing grading structures for those business servicing functions. Now, however, with increasing challenges in recruitment and retention; the need to manage associated costs; plus the legislative and social pressures around pay transparency, the focus on reward structures is being pushed higher up the agenda.

The business case for implementing reward structures

When law firms face financial and corporate challenges, those with strong leadership across business services tend to stay on track. We know that the value of business services roles in Law is often underplayed, but research shows how much of a difference they can make to daily operations, and to the bottom line.

Highly effective managers can drive 48% greater profits for their organisations, and they are also key to driving changes in technology and implementing policy around diversity and inclusion, ESG and other important principles on the road to transparency.

With little in the way of job levelling frameworks, pay ranges or established career pathways in many law firms, business service roles can be lost in an 'organisational soup'. This makes them hard to compare and challenging to treat with any degree of fairness.

Typically, this lack of structure leads to one or more of the following:

- Many job titles, often with variation
- The same job carrying a different title across teams, departments or locations
- The same title being used for jobs that are fundamentally different
- Inconsistency in Job Description formats
- Inconsistency in pay within the same role
- An overall lack of clarity around career pathway and growth.

Individuals stuck in this 'soup' can become siloed in specific areas, with less opportunity for career growth, lower cases of job satisfaction and an increased likelihood of leaving.

A PARADOX IN LAW:

This lack of structure and the resulting burden of risk is a notable paradox within law firms, which tend to be analytical and risk-averse in nature.

There can be many potential barriers to changing this status quo including:

- Lack of appetite or understanding amongst partners and business leaders about the need to implement new reward structures for business services
- Lack of time and resource to do the work required
- Perception that it will be expensive.

However, there can be significant organisational value delivered by implementing reward structures and frameworks for Business Services roles.



CREATING REWARD STRUCTURES FOR BUSINESS SERVICES ROLES

RETURN ON INVESTMENT

Beyond improving operational flow and simulating productivity, job structures also improve return on investment for organisations by extending employee lifetime value.

Typical employee return on investment lifecycle

- **Phase 1:** Recruitment - consume resources and cost money while not yet contributing
- **Phase 2:** Gaining competency - learning their role and add value to the business.
- **Phase 3:** Up to speed - making a full contribution and adding value
- **Phase 4:** Fatigue - running out of steam
- **Phase 5:** Finish line - zero output.

QUESTION:

How do law firms maximise and increase an employee's Lifetime Value?

ANSWER:

By raising the bar and increasing the growth opportunities you can elevate your return on investment and improve an employee's experience while they are there.

How do we do this?

Shorten the period it takes for them onboard

A clearer structure enables better recruitment processes and stronger training and development.

Increase how high they can go

Having a Job Architecture in place helps people understand where they fit within an organisation. They

also gain a clearer understanding and expectation around their role and how it can progress. This clarity increases motivation and enables people to accelerate in their role towards the next stage.

Increase the length of time they stay

By enhancing people's scope for pay and career progression within the organisation once fully competent, and by keeping them motivated and happy by recognising their achievements, we can extend the total time they stay with the company.

Where companies achieve this, they enhance the overall employee experience while also generating a far better return on investment when people do decide to leave.

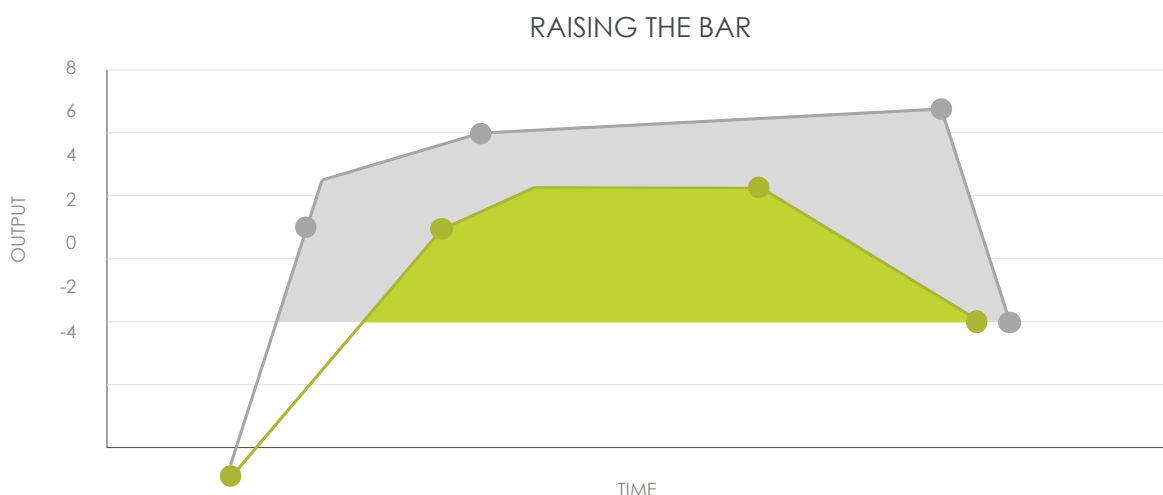
Enabling Change

All the support structures we put in place and the technology we use are enablers to accelerate and extend points on this journey.

Common factors driving change

In Innecto's experience, where law firms have chosen to put reward structures and frameworks in place, their motivations have included the following:

- A desire to bring equity across the firm - often they have clear structures in place for fee earners so want similar for their business teams from an equity and fairness point of view
- Helping managers have better conversations around reward
- Having robust pay scales to help drive equity decisions in line with gender and ethnicity pay reporting
- Competing more effectively in the marketplace
- Demonstrating better governance, fairness and consistency.



CREATING REWARD STRUCTURES FOR BUSINESS SERVICES ROLES

JOB ARCHITECTURE

Where to start: Creating your Job Architecture

The biggest challenge for many is knowing where to start. Creating a job architecture is a good starting point to create structure, as it enables you to define and organise roles within an organization, including their hierarchy and relationships to other positions.

With these bones in place, it can then further help to standardise job titles, responsibilities across different teams and departments, ensuring clarity and consistency and creating the foundation to then overlay pay, benefits and career pathways.

This can make your organisation look more appealing to prospective candidates and is proven to engage existing staff and improve retention.

Implementing a Job Evaluation Framework

Job Evaluation is the first step in establishing the value that a company places on roles, and enables the organisation to objectively size roles based on a range of factors typically including:

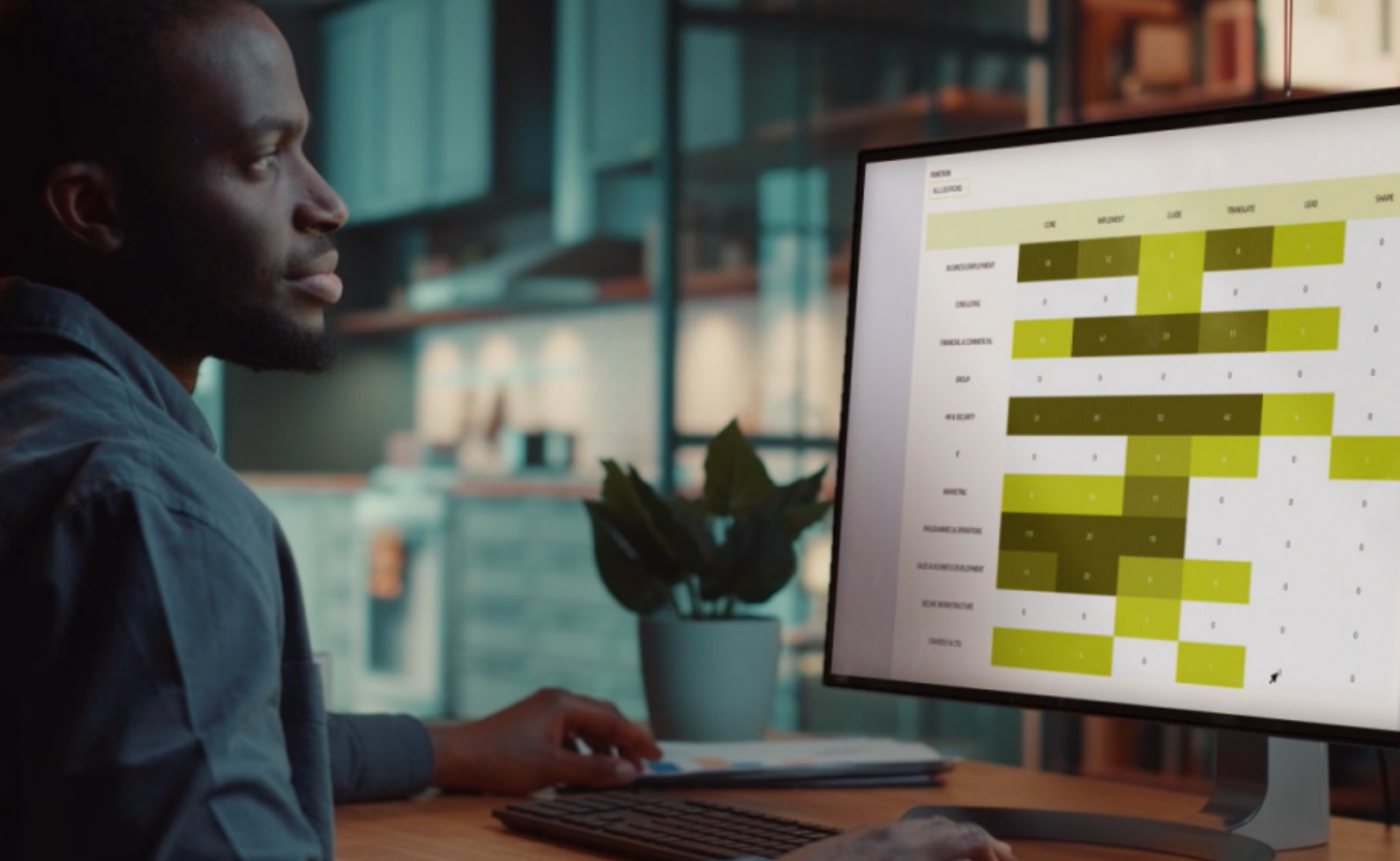
- Expertise needed to perform a role
- Complexity of the role
- Impact the role has.

A Job Evaluation framework gives clarity and context, for example, around the difference between a manager's role and that of their team. This enables HR and business leaders to better understand and justify whether a difference in pay is proportionate, justifiable and fair.

Framework models range from the simple to more complex, depending on an organisation's shape, size, culture and operating model. When deciding on the best approach ask yourself these questions (see image below).

Innecto's clients have taken different approaches to implementing job levelling frameworks depending on their specific needs, but many fundamentally want an approach that is simple and easy to use while also being robust enough to bring often global workforces together. This is where our Evaluate system is regarded as a highly successful option.





CREATING REWARD STRUCTURES FOR BUSINESS SERVICES ROLES

EVALUATE.

JOB EVALUATION, EVOLVED

Innecto's proprietary Job Evaluation system Evaluate has been developed and enhanced over the last decade to meet our clients' changing needs.

The system is based on the academic principles of work level theory and ensures that businesses can make fair and equitable decisions around role assessment, grading, career opportunities and pay.

Time-saving

Evaluate makes evaluating roles quick and straightforward, reducing the onus on HR resource. The built-in job description library allows HR to create, save and edit job descriptions.

Simple and robust

the simple structure enables easy identification of where roles sit within the hierarchy of a levelling framework.

Enabling Organisational Design

Helps define the ideal shape for your organisation and the functions with it, linking to headcount planning and talent mapping.

Dynamic

As a dynamic product, Evaluate can model scenarios and pre-empt periods of change or growth, providing clarity around requirements for organisational design.

Defensible

Evaluate is compliant with Equal Pay requirements, so acts as a robust defence against pay claims.

Business boost

Evaluate increases a company's confidence that roles are being assessed fairly and consistently.

Happy employees

Employees can gain a far better overview of their career development potential and how to progress their pay prospects within the company.

Return on investment

As part of the onboarding process, Innecto delivers training and education programmes for HR teams, Managers and Senior Leadership, as well as regular refresher training, helping to ensure buy-in across the business and return on investment.

CASE STUDIES

CASE STUDY 1 B-CORP LAW FIRM X

Starting point

As a B Corp organisation, Firm X carried an expectation of transparency that required investment to implement. Building on an existing competency framework, they were able to develop a career structure and conducted an exercise to benchmark all roles and salaries against market data to ascertain their pay position in each area.

Business application

The framework they created has enough flexibility to work across a full range and diversity of roles but is clear and robust enough to also drive greater equity and transparency. Their boldest step has been to include salaries in job descriptions as a signal to their staff and to the market that, culturally, they were moving towards greater openness and transparency around pay.

Positive outcomes

Staff attrition has decreased and people are benefiting from better conversations with managers around pay. Backed by robust data and structures, their recruitment offers are more grounded and can be offered with greater confidence. Crucially, the budget has stretched further.



CASE STUDY 2 INTERNATIONAL LAW FIRM Y

Starting point

With a key focus on global workforce and international alignment, Firm Y needed to make sure they could operate effectively as international teams, with a consistent staff experience wherever people were based. We determined that they needed a framework to create a common language and enable fair and consistent comparisons between roles and functions and worked with them to implement Evaluate.

Business application

Putting a clear and simple role framework model in place provided the structure to better understand Organisation Design, compare roles and better define the skills and capabilities required at each level.

Positive outcomes

This enabled the firm to position itself as a destination employer for Business Services professionals. At the same time, their Business Services professionals were given greater transparency around roles and expectations, were able to see more clearly where they fitted into the organisation and recognise their career development pathway. They also felt more listened-to and capable of feeding back to the business.

Key learnings

Over time the business has gained in sophistication and transparency around promotion opportunities and reward in a way that is relevant and relatable to workers. For new employees coming into the organisations from other industries, it has also given them the grades and frameworks they would have expected from any reward structure.



GET IN TOUCH:

If you are interested to find out more about Evaluate or need help creating reward structures for your business services roles, please get in touch with Justine Woolf at Innecto Consulting

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REWARD STRATEGY | INTERNATIONAL REWARD
EXECUTIVE COMPENSATION
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