

LEADERSHIP: INVESTMENT = PAYOFF?

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Last month I met with an attorney who manages a mid-size law firm and has developed a unique approach to growing his firm. We were introduced through a mutual colleague and the conversation was focused on how successful he is. I asked about his approach to handing off cases, and how he measures his success. He isn't particularly concerned about turnover among his attorneys, "that happens" in his mind. He isn't really interested in looking at staffing ratios, "we are making money, that's my focus". I ask about how he developed his leadership skills, and he assures me the best training ground is real life.

I know how much I have learned by moving through life, by falling down and getting back up, and by being on the receiving end of difficult conversations. I also know the benefit of practicing skills when there isn't a crisis, and developing my self-awareness through the unimportant moments of training and classroom time. Through this series of articles I have pointed out some specific places to focus as you hone your leadership skills:

- 1) **ACCOUNTABILITY**, something we are very good at holding for others, and less so in holding for us, is a pillar in motivating and inspiring others. At a time when employee engagement is measured at an all time low, accountability couldn't be more important.
- 2) **COMMUNICATION**, both verbally and non-verbally, is also an essential ingredient in our leadership pie. Are your actions matching your words?
- 3) **VALUES**, our internal guideposts, are critical in understanding first in us, then in our firms. They frame our conversations, and our strategic plans, yet we spend little to no time on understanding them.

As I continue the dialogue with my new attorney colleague, I ask about measuring leadership. Here we have a lengthy discussion about how a soft-skill isn't hard-measured. I agree with him in that the legal industry has successfully avoided placing attention on the importance of leadership, let alone measuring the successes (or lack thereof) of it. In fact, only in recent memory have we begun to consider that law is both a practice and a business.

So, let's talk about the business. Most major research companies place employee engagement near 30%. That translates to about 1/3 of your workforce at full effort. WOW. Discretionary effort is crucial in a service environment, and law firms spend about 50% of their overhead on people. What return on that investment are you receiving when you have less than a third of your people fully expending their energy at work? When is the last time you provided an engagement survey to your employees? You might be surprised what you learn when you ask questions about what your employees value about the firm, *and* what they see the firm valuing. Nervous about those answers? Leaders are willing to look at their culture, answer the challenges, and address points that are off center.

What about client satisfaction? If we translate the discretionary effort of your firm into client-facing interactions, what is your level of client retention and repeat opportunities? The growing concern over client

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service escalates the demand for quality interactions with all levels of staffing in your firm. Have you measured your client's confidence in you, and your firm? What did you learn? If you aren't measuring it, where can you start? Another place where leadership is indirectly impacting the bottom line!

Many, if not most, law firms have invested in strategic plans, and applied hours of effort in achieving goals set forth in an offsite meeting or retreat. How many strategic plans are in your drawer or filing cabinet? How many "action items" leave the room at the end of the retreat and now collect dust? Culture trumps strategy. If you have a firm culture that is light on accountability, achieving strategic goals is challenging. If your cultural strengths are tolerance and loyalty, then creating strategic goals that include performance-based objectives may be difficult. Through this lens I hope you see how leadership has a direct impact on the direction of the firm, and is indirectly measurable through the execution of cultural change.

As I leave my meeting it is clear to me that attorneys, or at least this attorney, are still not aware of the impact leadership has on the bottom line. The more we can draw lines, directly and indirectly, to the profitability of leadership skills, the more firms will thrive. And in the economy of scrutiny that currently surrounds the legal industry, differentiators are critical. As administrators, your roles and responsibilities vary as much as firm names. There is, however, consistency in knowing your firm's culture and the values that created it. There is consistency in measuring client satisfaction and employee engagement. As leaders, your role is to create the link in these measures so your management team can see how their leadership impacts the profitability of the firm.

For more information and further reading on Accountability, Communication and Values, visit our [online library](#).



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Judy understands teams. And she knows how to help you maximize the potential of yours. For over two decades, Judy has applied her vast knowledge of team dynamics, emotional intelligence, work/life balance, leadership, finance, and legal management to help law firms improve their people, process, performance and, ultimately, profits.

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