

# Win Employee Loyalty and Keep the Raiders Away

By Paul Sullivan

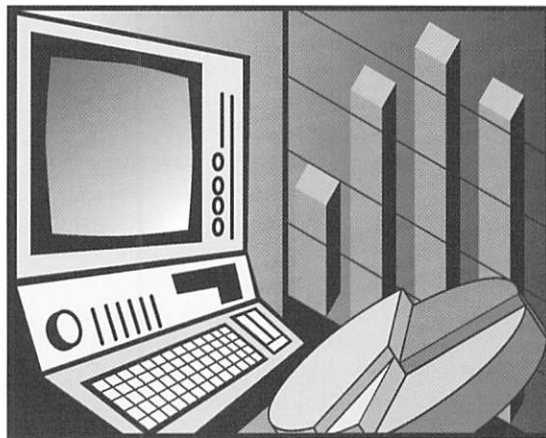
**T**he strong U.S. economy has brought record unemployment rates. Although this is great news for most people, it creates problems for personnel managers. Not only is it more difficult to find good employees for job openings, it's getting harder to keep existing employees. In today's employment market, skilled people have lots of options.

This is especially hard on small law practices because good employees are being recruited away. Bigger firms and large companies can usually offer more benefits and larger salaries, so the temptation to these employees is great. In addition, some larger firms pay finders fees to their existing employees to locate new qualified people. This may mean your employees are being aggressively recruited. So how does a small law firm or a sole practitioner compete? How do you keep your existing employees from jumping ship when another offer comes along?

## The small firm advantage

In any job, the worker looks at three things — working environment, salary, and benefits. Given the choice between hating the job but making more money or loving the job but being paid less, most employees will pick the latter. A great job with great working conditions really does motivate people, but let's be honest — most people work because they need the money and you may lose people because they perceive they'll get more elsewhere.

Small employers probably have an advantage over large ones when it comes to working conditions. Most small organizations are less rigidly structured. The work is more diverse because one person wears several hats.



*Small firms face special challenges in keeping and recruiting good staff. But they have some special advantage, too.*

Staff can feel more a part of the process of delivering products and services to their clients. Employees will likely have more personal contact with the clients. Employees have more contact with the owners of the business, and employees are more likely to know what's going on within the firm. It's interesting to note that some of the major reasons people leave companies are that they feel out of touch, they don't identify with the organization, they don't feel appreciated, and they don't like the working conditions. Compensation was down the list as a motivating factor.

Most attorneys will agree that employee problems can cause the biggest headaches in their firm, so the need to hold on to the good ones is even more important in today's climate. As a small

employer, you must recognize your advantages and use them to your benefit.

Consider making a self-appraisal of the work environment in your office. If you feel comfortable that a positive environment does exist, you probably won't have major turnover problems. While you'll lose an occasional employee along the way regardless, if you create the proper environment in your office you'll not only have good employees but extremely loyal ones. On the other hand, if your office is a revolving door, then maybe a closer look at your management style is in order.

## Creating the right working environment

The office doesn't have to be a touchy-feely place, but employees should be treated with respect and know what's expected of them. Some questions to ask yourself:

1. What are my weak points as a manager?
2. Do I communicate with my staff?
3. Do I provide proper training?
4. Do I seek their input on issues that affect them?
5. Do I tell them when they do a good job, and even more importantly, do I give them constructive criticism when they don't?

Attorney attitude about staff goes a long way in determining their loyalty and ultimate longevity in their positions. Those who treat staff as team members earn that loyalty much more quickly than those who consider staff merely an expense of practicing law. Bully bosses, screamers, and micro-managers may think they are in control, but it's likely their employees will

head for the door the first chance they get.

One of the most powerful ways to motivate employees is to *give them responsibility* — but also the authority to carry it out. Also, be very clear about your expectations regarding their performance and accountability.

Employees will thrive on the challenge, but you may fear that they will mishandle the responsibility. It's a tightrope walk, but you must take the risk if you want motivated and loyal employees.

Having given them the responsibility, don't fail to *recognize employees* when they do a good job. Many attorneys say, "My people are professionals and they get paid to do the job. They don't need that." Baloney. People need to be recognized. Compare for a moment how you feel when complimented by a client or peer for a particularly good result or accomplishment. It makes you feel good, and it motivates you to do more.

Also, *communicate clearly and openly*. Consider this — how many of your clients have ended up in court because communication broke down somewhere along the way? Lack of communication creates misunderstanding, confusion, and bitter disputes. Staffers don't need to know everything, but there are many things they should know — both about your firm business and the files you're working on. It's up to you to decide how much information to give, but remember that as the responsibility grows, so does the need to know.

Office communication includes not only performance and general information issues, but even simple things that improve efficiency. I had an attorney tell me once that it was none of his secretary's business where he was going or when he would return to the office. Put yourself in that secretary's place. How could she properly perform her job if something came up that needed immediate attention — and guess who would take the heat from the client or another attorney in that situation?

### **Benefits you can afford to offer**

The importance of *good benefits* will vary by employee. For some, health insurance coverage is especially important. If your employee's spouse can provide the health insurance, maybe

retirement benefits mean more. Others may like flexible working hours. As an employer looking to stay competitive with the outside world, you must constantly review where you stand in relation with the others.

When it comes to insurance benefits, small firms will find it nearly impossible to compete. Big groups produce big premium checks, and the carriers are more flexible on underwriting. A large claim spread over dozens of employees has less impact than one shared by a few. Small groups, if they're healthy, can get the insurance, but after a few claims the cost per employee can jump so high it becomes too costly.

You might consider implementing a section 125 flexible benefit plan. It allows your employees to pay medical bills and childcare expenses with pre-tax dollars. Startup costs for a self-administered plan will run from \$1,000 to \$2,500, and if you're a partnership only your employees can use it, but it might just help you bring on a new staffer or keep a good one.

Other types of benefits are less costly to provide. With proper planning, flex time, vacations, and even sick days can be incorporated into an employment package, making you competitive with the best of them. Other little perks like recognition programs, instant cash bonuses, and casual days are great motivators. Some small firms provide their employees a percentage of salary as a retirement plan contribution in lieu of providing group insurance. For an

employee whose spouse can provide the group insurance, this in itself could be a big reason not to leave.

### **Choose carefully**

An employee whose primary goal is Friday and payday is probably not there for the long haul. These types of employees are constantly on the move, looking for that job where they can do less and earn more. Since most small firms generally pay a little more to make up for the lesser benefits, you should be very careful in your hiring. It's tempting to fill a position with a body — any body — to eliminate the immediate problem.

However, if you take the time to properly evaluate the candidate and how he or she will fit into your firm culture, you'll spend less time looking for more people. And, if you seriously consider making your employees members of your team rather than just expenses on your P&L, you'll find your life and your practice run just a little bit smoother.  $\Delta$

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