

Standards and best practices for member firms of Phatshoane Henney Group

SCM Smith

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Supervisor: Dr. L. Massyn

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DECLARATION

“I declare that the Field Study hereby submitted for the Magister in Business Administration at the UFS Business School, University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.”

Name: SCM Smith

Date: 16 November 2015

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Abstract

In 2005 the Phatshoane Henney Group of Associated Law Firms (PHG) was established, which was a first for the South African legal fraternity. Today, it is the largest association of independent law firms in South Africa (Phatshoane Henney Attorneys, 2014).

Over time, certain limitations within the group structure were identified, the main limitation being the absence of a central group philosophy. Such a philosophy in the context of this study refers to the values of the Group regarding the three core components of a law firm, namely practice management, client service and levels of staff satisfaction.

It became evident that standards and best practices – guided by these values and implemented by each group firm – were necessary in order to ensure optimal and consistent levels of practice management, client service and staff satisfaction.

Quantitative research was conducted through electronic surveys. The population and sample of this research project were limited to the directors of group firms. The sampling design that was applied was probability sampling, which is representative of the population. A positivistic approach was followed in order to objectively measure the levels of staff satisfaction, client service, and practice management in the Group.

From the different surveys conducted it was found that group firms are not sufficiently differentiated from their competitors and staff and clients issues exist that need to be addressed by implementing relevant standards and best practices.

This study develops standards and best practices on the basis of various surveys conducted at each group firm. Standards and best practices of this nature are unique in the sense that it is a first of its kind specifically developed for law firms in South Africa.

By complying with the group standards and best practices, group firms will be better differentiated from their competitors and become the “firm of choice” in the respective regions.

Key terms: standards; best practices; client service; staff satisfaction; practice management.

CHAPTER 1

Research proposal

1.1 Introduction and background to the research

Law firms are fiercely independent and invariably unwilling to share resources, skills and infrastructure. The training of a lawyer to be an independent advocate of justice fuels this approach. In South Africa this has resulted in most practices being small to medium sized law firms. According to a report on the National Survey of the Attorneys' Profession, compiled by the Law Society of South Africa in 2008, the majority of law firms in South Africa are small in size, comprising four attorneys or fewer per practice.

With globalisation, modernisation, regulation and increasing cost sensitivity amongst clients, many law firms came to realise that 'going-on-your-own' was not the answer to ensure the long-term sustainability and competitiveness of the firm. For most firms this meant expanding their practices to obtain the necessary economies of scale to be able to afford the costs of a law firm practice, aggressive growth strategies (difficult in a largely stalemated market), mergers with other law firms (which in turn often results in change issues), or positioning the firm as a bouquet firm offering only certain specialised services.

These possibilities, however, present limited options for most firms that needed to reduce the costs of their infrastructure while still being able to serve their clients on a broad scale and simultaneously retaining the identity that had been built over years and in which clients placed their trust. Accordingly, the need arose for an alternative option for law firms to pool resources and legal expertise in order to better serve clients, especially clients that potentially fall outside a specific firm's region. Thus the concept of legal networks was born.

Although networks of this nature have been in existence in the international community from as early as the 1980s, the concept of a network of law firms practising in association is a novel one in the South African legal fraternity.

In 2005 the Phatshoane Henney Group of Associated Law Firms (the Group) was established by founding members Douglas Henney and (at present) Justice Violet

Phatshoane. This was a first for the South African legal environment and today it is the largest association of independent law firms in South Africa (Phatshoane Henney Attorneys, 2014).

The Group currently comprises 41 law firms with 55 offices across all nine provinces of South Africa. Group firms employ approximately 453 professional staff of which 178 are directors. The Group was founded with the intention of using the economies of scale in order to provide strategic benefits to law firms in the medium to large firm category (Phatshoane Henney Attorneys, 2014).

Group benefits offered to member firms of the Group (group firms) include various cost-saving partnerships, Broad-Based Black Economic Empowerment planning and support services, marketing infrastructure, knowledge and research support, national recruitment initiatives and training and skills development programmes. Group firms are also afforded exclusivity in their respective geographical regions (Phatshoane Henney Attorneys, 2014).

Over time, certain limitations within the group structure were identified, the main limitation being the absence of a central group philosophy. In the context of this study, such a philosophy refers to the values of the Group regarding the three core components of a law firm, namely the firm's practice management, its client service and its levels of staff satisfaction.

Research was conducted in respect of international legal network structures and used as a guideline to develop a Phatshoane Henney group philosophy that was adopted unanimously by group firms. The aim of the adoption of the Group philosophy is to position group firms as "the firm of choice" in their respective regions (Phatshoane Henney Associated Law Firms Group Philosophy, 2014) and to help develop a new breed of law firms in the South African context.

In comparing the group philosophy to that of similar international networks, it becomes evident that international networks place a high premium only on client service metrics. International networks focus on ensuring a consistent service reception from their different network firms and not necessarily on taking a 360° view of the practice itself. Given its more regional focus and broader focus on also empowering its group firms, a group philosophy was developed that adopts an

integrated approach that embodies firm operations, its internal staff practices and its external client service. This approach is supported by Bergman, Yassine and Roemer (2004:38) proposing that a company should base its best practices on internal as well as external competencies.

Together, these three components form the basis of the group philosophy.

From a firm perspective: “We believe in a client driven approach, the offering of a diverse range of / specialised legal services, transformation, and an ethical and innovative approach to doing business (Phatshoane Henney Attorneys 2014).”

From a client perspective: “We believe in offering tailored legal solutions in an effective manner and at an affordable price along with high levels of service that ensure a value-adding experience (Phatshoane Henney Attorneys 2014).”

From a staff perspective: “We believe in recognising our staff, and effectively employing and utilising each individual through the creation of an optimal work environment where we engage our staff through structured evaluation and feedback in order to strengthen career and personal development (Phatshoane Henney Attorneys 2014).”

During the first phase of this process, surveys were distributed to the directors, clients and staff members at group firms to identify core values present among group firms with feedback received and consolidated regarding each of the aforementioned components of the group philosophy.

During the second phase of this process, standards and best practices were developed on the basis of these surveys as aligned with the group philosophy.

During the last phase of the process, the aim was to develop a scorecard to measure and assess the group firms’ compliance with the standards and best practices. Best practices must be clear and implementable and standards should be measurable for successful assessment. All components making up the scorecard were assessed to total up to a master scorecard which ultimately measured each group firm’s compliance with the Group’s standards and requirements for implementing best practices. The development of the scorecard as well as possible incentives to

motivate group firms to comply with the standards and best practices were developed over time and were not researched in detail in this study.

As mentioned earlier, this study focused on the development of standards and best practices for group firms of the Phatshoane Henney Group of Associated Law Firms.

1.2 Problem statement and research questions

The problem was that no centralised standards and best practices encompassing all three components of the philosophy of the group existed. The absence of these uniform standards resulted in inefficient management of firm practices and a negative staff turnover. This problem statement raised the following research questions:

- What are standards and best practices?
- How are standards and best practices developed?
- How can overarching standards and best practices be distilled from each group firm's individual practices, client service and staff satisfaction?

1.3 Objectives

The primary objective of this study was to develop standards and best practices for member firms of the Phatshoane Henney Group of Associated Law Firms .

The secondary objectives were:

- To determine what standards and best practices are;
- To determine how standards and best practices are developed;
- To determine how standards and best practices may influence the PHG firms' individual firm practices;
- To determine the most appropriate standards and best practices for client service in the PHG; and
- To determine the standards and best practices for staff satisfaction levels in the PHG.

1.4 Preliminary literature review

1.4.1 International networks

Legal networks consist of independent law firms practicing in association with each other with the purpose of expanding each individual firm's resources to better serve its clients. The aim is that, in doing so, firms will gain a competitive edge over rival firms.

In the late 1940s, the American law firm Baker and McKenzie was the first law firm to expand its business to foreign markets in order to cater for its international client base (Baker & McKenzie, 2014). English law firms followed as from 1980, by starting to expand their practices to international commercial centres.

Today, the best known international legal networks are Lex Mundi, World Services Group (WSG), Terra Lex and Meritas.

International networks, for example Lex Mundi, tend to place a higher premium on client service only and generally do not pay much attention to the management of the individual firm practices and their staff members (Lex Mundi, 2014).

By contrast, the Group's standards and best practices developed in this study adopted an integrated approach that places high priority not only on client service, but also on the management of the individual firm practices as well their staff satisfaction.

1.4.2 Group philosophy

In the current economic climate, clients experience more and more pressure to cut down on expenses. Legal fees are no exception. This creates a situation where clients show very little loyalty to a specific firm and are willing to switch to competitor firms if offered lower prices for similar legal services. A recent study by Ronald Pol shows that the majority of clients of law firms are of the opinion that most law firms are the 'same' and offer the 'same' services. Only 17% of the participants noticed a difference between law firms (Pol, 2010:23).

This illustrates the importance of a law firm being able to differentiate itself from its competitors by developing and implementing a philosophy that sets out the firm's differentiating values and reasons why the firm is superior to its competitors.

1.4.3 Benchmarking and best practices

According to Robbins (2009:278) best practices relate to the idea of benchmarking which, in turn, has been defined as "the continuous process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders." Robbins (2009:279) further states that the most successful way to accomplish a benchmarked goal is through best practices.

David Stauffer (2003:3) agrees that benchmarking is a methodical comparison of the processes and practices of firms that measures the performance of a firm relative to its peers.

In order for a company to gain (and retain) a competitive advantage over its competitors, the company should, according to Bergman et al. (2004:38), be aware of its competitors' capabilities. It is suggested that through benchmarking a company can compare its own capabilities to that of its competitors by using various metrics.

When a company's capabilities have been benchmarked, a company can gain a competitive edge by developing best practices (Bergman et al., 2004:39). A company should base its best practices on internal (firm processes, procedures and staff) as well as external (client satisfaction) competencies (Bergman et al., 2004:40). A company must, however, continue to update its best practices in order to keep up with the changing markets and to retain its competitive edge in an industry (Bergman et al., 2004:40).

4.4 Standards

Standards provide a method according to which a company's processes and products/services can be compared to those of its competitors (Bierma & Waterstraat, 2006:51). Generally, standards are more often used as a marketing tool in product marketing. Although rarely applied to services marketing, standards have the potential to increase a company's competitive position through minimising

clients' uncertainty and increasing service differentiation and barriers to entry (Bierma & Waterstraat, 2006:51).

1.5 Research methodology

1.5.1 Research design

Quantitative research was conducted through electronic surveys. According to Sekaran and Bougie (2013:95) survey research is a system used to gather data to describe, explain or compare the attitudes, behaviour and knowledge of people (Fink 2003 cited in Sekaran & Bougie, 2013:102).

A positivistic approach was followed by conducting scientific research as this is the best approach to come to an objective conclusion (Sekaran & Bougie, 2013:29).

1.5.2 Sampling strategy

Within the context of quantitative research, a population refers to a group (of people or things) that will be researched and a sample describes the subcategory of the population (Sekaran & Bougie, 2013:240-241). The population and sample of this research project were limited to the 178 directors of group firms. The sampling design that was applied was probability sampling, which is representative of the population (Sekaran & Bougie, 2013:247). A comprehensive sampling strategy was followed, which means an entire group of participants was chosen based on certain criteria (Sekaran & Bougie, 2013:254).

1.5.3 Data collection methods

According to Sekaran and Bougie (2013:97) a descriptive study may assist in describing and understanding the characteristics of a group in a given situation. Data for this descriptive study were collected by means of electronic surveys with Likert scale questions. Additionally, the feedback was consolidated through a scientific statistical program to ensure objectivity in the design, interpretation and analysis of the quantitative data gathered (Sekaran & Bougie, 2013:97).

1.5.4 Data analysis

The data was analysed using the Statistical Package for the Social Sciences (SPSS) program.

1.5.5 Ethical considerations

According to Sekaran and Bougie (2013:162-163) there are numerous ethical considerations of which cognisance must be taken. These include the following:

1.5.5.1 Objectivity

The researcher aimed to avoid bias by outsourcing the distribution of the surveys and consolidation of the feedback received on the surveys to an objective third party who is qualified in the relevant field of data collection and interpretation (Sekaran & Bougie, 2013:162-163).

1.5.5.2 Voluntary participation

All participants (group firms) that participated in this research did so voluntarily as the decision to research and develop standards and best practices was a decision taken unanimously by group firms (Sekaran & Bougie, 2013:162-163).

1.5.5.3 Informed consent

Group firms that participated in this research were fully informed regarding the purpose of the research and the process that was followed. All the firms gave the necessary consent (Sekaran & Bougie, 2013:162-163).

1.5.5.4 Confidentiality and respect

The feedback and participation of all group firms that participated in this research were treated with the highest confidentiality (Sekaran & Bougie, 2013:162-163).

1.5.5.5 Data integrity

A data security policy was implemented to ensure the ethical protection of all participants (Sekaran & Bougie, 2013:162-163).

1.6 Demarcation of the research area

The focus of this research was mainly in the field of business management. The researcher aimed to develop standards and best practices for firms in the service industry, specifically in the legal sector, to better position themselves as “the firm of choice” in their respective regions and to distinguish themselves from their competitors.

The research was limited to the group firms of the Phatshoane Henney Group of Associated Law Firms, situated across South Africa, all of which fall within the medium to large category of law firms.

1.7 Layout of the study

Chapter 2: Literature review

Chapter 3: Research methodology

Chapter 4: Data analysis and findings

Chapter 5: Conclusions and recommendations

1.8 Conclusion

The objective of this study was to develop standards and best practices to improve the individual firm practices, client service, and staff satisfaction levels of the Phatshoane Henney Group of Associated Law Firms. In the next chapter the researcher considers literature on what standards and best practices are and how standards and best practices can be developed.

CHAPTER 2

Literature review

2.1 Introduction

This chapter provides a report on the research conducted in order to define what standards and best practices are. Consideration is given to the different methods by which they can be developed.

The researcher also considers some of the main challenges associated with the development of standards and best practices for South African law firms.

2.2 Defining standards and best practices

2.2.1 Standards

According to Bierma and Waterstraat (2006) standards provide a method according to which a company's processes and products or services can be compared to those of its competitors. Generally, standards are more often used as a marketing tool in product marketing. Although rarely applied to services marketing, standards have the potential to improve a company's competitive position through minimising clients' uncertainty and increasing service differentiation and barriers to entry (Bierma & Waterstraat, 2006).

Michelli (2009) is of the opinion that companies should framework a company's standards by focusing on the quality of its services. Employees must be empowered to deliver excellent services and to exceed customers' expectations (Michelli, 2009).

Gillespie and Ray (2014) state that performance standards and processes should be implemented evenly throughout a company in order to ensure proper execution and to maintain the company's brand equity.

By using standards, a company provides a uniform language that can be spoken and understood by all its employees across different departments to ensure that processes, products and services meet or exceed customer expectations (Dimaria, 2014). Standards can also be used as a tool to point out the health of a company and, if necessary, provide ways in which a company can improve on its processes, products and services (Dimaria, 2014).

Companies that implement standards generally show a faster growth in sales, outperform companies without established standards and achieve enhanced customer satisfaction and customer retention (Dimaria, 2014).

Adhering to established standards also serves as a guarantee to clients that the company is compliant with a set of relevant internal and external standards, best practices, policies and regulations (Dimaria, 2014).

2.2.2 Best practices

The aim of developing and implementing best practices is to provide a standard “way of doing things” across a company and/or industry. By following best practices it will ensure that a company’s set standards will be achieved and customers’ expectations are exceeded (Dembowski, 2013).

In 2009, Robbins was of the opinion that best practices relate to the idea of benchmarking which, in turn, has been defined as "the continuous process of measuring products, services and processes against the toughest competitors or those companies recognized as industry leaders." Robbins further states that the most successful way to accomplish a benchmarked goal is through implementing best practices.

Stauffer (2003) agrees that benchmarking is a methodical comparison of the processes and practices of firms that measures the performance of a firm relative to its peers.

In order for a company to gain (and retain) a competitive advantage over its competitors, the company should, according to Bergman et al. (2004), be aware of its competitors’ capabilities. It is suggested that through the process of benchmarking, a company can compare its own competencies to that of its competitors using various metrics.

When a company’s capabilities have been benchmarked, a company can proceed to gain a competitive edge by developing best practices (Bergman et al., 2004). A company should base its best practices on internal (firm processes, procedures and staff) as well as external (client satisfaction) competencies (Bergman et al., 2004). A company should, however, continue to update its best practices in order to keep

up with changing markets and to retain its competitive edge in an industry (Bergman et al., 2004).

According to Dembowski (2013) the main goal of all companies is to meet and exceed the needs and expectations of their customers. A company can identify the needs and expectations of its customers through benchmarking its services or products to that of its competitors, implementing best practices to improve on its shortcomings and being innovative. Through benchmarking its services or products in relation to the best practices of other companies, a company may come to understand how it compares with other companies and in the process identify possible weaknesses and, if necessary, ways to improve the identified weaknesses (Dembowski, 2013).

A company can look to businesses in the same industry or outside of its industry to find best practices in order to examine the way in which other companies achieve their levels of performance (Dembowski, 2013).

2.3 Developing standards and best practices

There are various methods that can be used to develop standards and best practices.

2.3.1 Best practices

According to Dembowski (2013) best practices may be developed through five stages, namely to define, to develop, to deliver, to evaluate and to support.

a) Defining stage

A company should first identify and define the goals, benefits and outcomes it wishes to achieve through developing the best practices.

b) Developing stage

This stage involves mapping out and developing a company's operational objectives, its target market and its performance standards.

c) Delivering stage

A company should consider putting appropriate processes in place which will control the timeous delivery of its products or services, monitor feedback from its target market and ensure sufficient communication, both internally (to staff) and externally (to customers).

d) Evaluating stage

In the evaluating stage the effectiveness of a company's processes, services or products are evaluated as well as whether the identified objectives are being achieved.

e) Supporting stage

Support refers to a company's human resources and skills, financial and technological systems, and the equipment and supply materials it has available.

Best practices can also be developed using the process of benchmarking (Robbins, 2009). In order to identify best practices for a company or industry, the following preconditions must be present:

- a) The *goal* that the best practice is intended to achieve must be clearly identified in order to be achieved.
- b) There should only be *one way* to achieve the identified goal.
- c) The best practice should be *objectively verifiable* in relation to other industry practices.

Once the goal has been identified and there is only one way to achieve this goal, the practices should be benchmarked to establish whether they exceed all other industry practices and are thus objectively verifiable (Robbins, 2009).

2.3.2 Standards

The International Bar Association (IBA) Law Firm Governance Initiative provides general guidelines regarding standards that law firms should consider in order to framework their standards in order to better manage their practices. These are contained in its *Best Practice Guidelines* and relate to the firm, its staff, culture and clients, its regulatory compliance and transparency.

a) The firm

The firm must clearly communicate its control and decision-making structures to staff members. The process for selection of its partners and senior management should be transparent. Proper communication systems between management and staff should be put in place. The firm's capital and profit-sharing structures must be communicated to partners. Partners and managers' roles and responsibilities should be clearly defined (IBA Law Firm Governance Initiative, 2015).

b) Staff

Recruitment and retention

A firm should have recruitment policies and processes in place that are easily accessible to recruits. Recruitment and promotion policies and processes that are non-discriminatory should be implemented and the aim should be to encourage diversity at all levels within the firm (IBA Law Firm Governance Initiative, 2015).

Training and development

Employees should be supported and encouraged by the firm to continually develop themselves through further studies and professional education (IBA Law Firm Governance Initiative, 2015).

Performance management

Every employee should be duly informed of what is expected of him/her and what his/her role and responsibilities are within the firm. Employees should receive regular feedback on their performance and behaviour. Clear and transparent appraisal processes and procedures should also be considered (IBA Law Firm Governance Initiative, 2015).

Remuneration and benefits

A firm should have a clearly communicated remuneration and benefits policy that is consistently applied to all employees (IBA Law Firm Governance Initiative, 2015).

Dealing with problems

A grievance procedure should be available to employees who wish to comment or complain. The comment and/or complaint should then be dealt with in a fair and sympathetic manner and the firm should seek to assist an employee to overcome the problem where possible (IBA Law Firm Governance Initiative, 2015).

Career development

Clear selection and promotion standards should be established and communicated to staff (IBA Law Firm Governance Initiative, 2015).

c) Culture

A firm should define its core values and communicate these to its staff (IBA Law Firm Governance Initiative, 2015).

d) Clients

Clients' needs and expectations should be well understood by management as well as support staff. Policies regarding confidential information, conflicting interests and billing practices should be put in place (IBA Law Firm Governance Initiative, 2015).

Clients should be encouraged to give feedback on services rendered and have a complaint procedure available to them (IBA Law Firm Governance Initiative, 2015).

e) Wider engagement

Firms should seek to maintain a courteous and professional relationship with other law firms and professionals in the legal fraternity and apply high ethical standards in their daily dealings. Firms should further be actively involved in the local community by providing *pro bono* services and promoting access to justice (IBA Law Firm Governance Initiative, 2015).

f) Legal and regulatory compliance

Firms should study and adhere to the laws and regulations applicable in the jurisdictions in which they operate and the requirements of every Law Society of which its lawyers are members (IBA Law Firm Governance Initiative, 2015).

g) Transparency

When dealing with its clients and/or staff, a firm should be transparent. Information that is disclosed should be disclosed in a fair and accurate manner and policies that give effect to this should be developed (IBA Law Firm Governance Initiative, 2015).

2.4 Application to law firms

2.4.1 International legal networks: a framework

Legal networks consist of independent law firms practicing in association with each other with the purpose of expanding each individual firm's resources in order to better serve its clients. The aim is that, in doing so, firms gain a competitive edge over rival firms.

In the late 1940s, the American law firm Baker and McKenzie was the first law firm to expand its business to foreign markets through associated law firms in order to cater for its international client base (Baker & McKenzie 2014). English law firms followed suit as from 1980, by starting to expand their practices to international commercial centres.

Today, the best known international legal networks are Lex Mundi, Terra Lex and Meritas.

2.4.1.1 Lex Mundi

Lex Mundi is currently the world's leading network of independent law firms with member firms situated across Europe, the Middle East, Africa, Asia and the Pacific, Latin America, and the Caribbean and North America. Member firms are selected on the basis of their commitment and involvement in their local communities as well as leadership abilities (Lex Mundi, 2015).

The members of Lex Mundi practice independently from each other and provide professional services to their respective clients on an individual and separate basis. Lex Mundi members are able, through the shared knowledge, expertise and resources within the group, to provide high level services to their clients and guarantee to meet and exceed the needs of their clients (Lex Mundi, 2015).

As a condition of membership, each Lex Mundi member must adhere both to a general philosophy of providing excellent service and to the Lex Mundi Service Standards (Lex Mundi, 2015).

Lex Mundi has developed various best practices and service standards designed to improve the working relationship between firms and their clients. These resources further provide effective approaches to common issues and practical suggestions both for clients and for the firms that represent them (Lex Mundi, 2015).

2.4.1.2 Terra Lex

The Terra Lex group, a worldwide network of quality law firms, is another association of independent law firms. Each member firm has the discretion to select its client base as each Terra Lex firm operates as an independent firm and is responsible for its own staff and operations (Terra Lex, 2015).

It is the mission of the Terra Lex group to assist its member firms to better serve their clients' legal needs and business interests through an international network of quality law firms that meet high professional standards and providing the necessary legal resources to all its members (Terra Lex, 2015).

2.4.1.3 Meritas

Meritas was founded in 1990 and at present it stands as an established global association of independent, full-service law firm. Currently the group comprises 173 law firms in over 80 countries (Meritas, 2015).

Membership of the association is by invitation only. In order to maintain membership, firms agree to perform under comprehensive group standards regarding client engagement, communication, reporting, documentation and billing which ensures that clients receive the same high quality legal work and service from every Meritas firm (Meritas, 2015).

While it is clear that there are a number of long-standing and well-established international legal networks, it becomes evident from the above that these networks focus primarily on client service, and not practice management and staff satisfaction as well.

2.4.2 Development of standards and best practices for law firms

In the process of developing standards and practices for law firms three core components emerge that should be considered in order to provide an integrated business management solution.

2.4.2.1 Clients

Firms should recognise that creating value requires a commitment to understanding each client's different needs and expectations.

In terms of the guidelines provided by the IBA Law Firm Governance Initiative, firms should consider adopting client standards which will make provision for:

- a clear understanding of the needs and expectations of clients;
- procedures and processes designed to ensure that every client knows the terms on which the firm is acting;
- a policy on dealing with conflicts of interest that has due regard to the rules and requirements of relevant law societies;
- clear and transparent billing practices;
- procedures to ensure that confidential information relating to clients is protected;
- a complaints procedure that is available to clients of the firm who request it; and
- measures for the handling of client money.

2.4.2.2 Staff

According to Legal (2008) there are a number of issues that a company needs to address when developing standards and best practices for staff members:

a) Leadership development

Staff members should receive regular feedback on their performance through career development programmes, on-the-job training and mentorship. They should feel that the company supports their professional goals and will assist them where possible to attain their goals.

Associates should be informed of their roles in the company and how to become a partner at the firm.

b) Promoting diversity

Law firms should consider creating committees or hiring designated directors to focus the firm's efforts to promote the appointment and promotion of women and other minority groups at the firm.

c) Flexibility

Many attorneys struggle to balance the challenges of their professional and personal lives and firms may consider adopting part-time policies to restructure and manage the working hours of its staff members.

d) Mandatory retirement

Rather than forcing seasoned attorneys to retire at the age of 65, firms should adopt a structure that gradually shifts the roles and responsibilities of its older attorneys so that they are still productive and engaged at the firm throughout the transition period.

2.4.2.3 Practice management

Rood (2014) distinguishes between various management styles, which may be more or less effective depending on different circumstances within a firm:

a) Coercive style

This is a top-down, domineering approach of master and commander. This approach can be effective in breaking failed business habits and shocking people into new ways of working. This style, however, permits no individual initiative and will eventually lead to a loss of motivation of employees. It therefore cannot be applied over a long period.

b) Visionary style

This authoritative style acts as a change catalyst, mobilising people towards a fresh vision. Visionary leadership maximises commitment to the firm's goals and

strategies and employees employed by a firm that applies this style are given the freedom to innovate, experiment and take calculated risks.

c) Affiliative style

A firm with an affiliative style values its employees and their emotions more than tasks and goals. By building strong emotional bonds, there is a positive effect on communication and trust.

d) Democratic style

The manager asks for ideas and seeks consensus on the way forward. This consultative process aids buy-in through participation. It builds trust, respect and commitment.

e) Pacesetting style

The manager frameworks extremely high performance standards and demonstrates them to the employees. This demanding style can place undue pressure on employees.

f) Coaching style

Here the manager acts more like a counsellor and mentor than a traditional boss. Employees are encouraged to establish long-term career goals and raise performance.

The most successful management style, according to Rood (2014), is a seamless combination of the above-mentioned styles which allows for the flexibility to operate on a number of levels with different individuals and groupings.

2.4.3 Methods to determine standards

2.4.3.1 Staff surveys

Winship (2012) gives the following examples of typical questions that may be put to employees in order to measure a firm's staff satisfaction:

- I know what is expected of me at work.
- I have the materials and equipment that I need in order to do my work.

- I have received recognition or praise for doing good work from my superior.
- Someone at work encourages my development.
- At work, my opinions seem to count.
- In the past year, someone at work talked to me about my progress.
- This past year, I have had opportunities to learn and grow professionally.
- The work I do makes a significant contribution to the community.
- The people I work with cooperate to get the job done.
- I like the kind of work I do.
- I have trust and confidence in my supervisor.
- I know how my work relates to the agency's goals and priorities.
- Promotions in my work unit are based on merit.
- In my work unit, steps are taken to deal with poor performers who cannot or will not improve.
- Discussions with my supervisor/team leader about my performance are worthwhile and accurate.
- Managers/supervisors/team leaders work well with employees of different backgrounds.
- My workload is reasonable.

2.4.3.2 *Client surveys*

Ahmed and Kangari (1995) suggest that, in order to measure a company's client satisfaction, consideration should be given to these six client-satisfaction factors:

- Time: e.g. was the service provided timeously?
- Cost: e.g. was the cost of the service reasonable?
- Quality: e.g. was the quality of the work satisfactory?
- Client orientation: e.g. is the company aware of its clients' needs?
- Communication skills: e.g. was the firm able to communicate with you in a manner that you are comfortable with?
- Response to client complaints: e.g. did the company respond to your complaint within a reasonable time?

Other typical questions included in client satisfaction surveys are (Schwab, DiNitto, Aureala, Simmons & Smith, 1999):

- Were you treated with courtesy and respect by the firm staff?
- Did they return your phone calls?
- Did you understand what services were available and could have been provided to you?
- Did you take part in planning the services you received?
- Did you take part in choosing who would provide the services?
- Were you satisfied with how long it took to provide services?
- Overall, were you satisfied with the service you received?

2.4.3.3 Practice management surveys

Prokop and Pfeifer (2013) differentiate between the following categories in respect of which employees may be requested to provide feedback on when completing a survey on practice management:

- Technology (e.g. IT infrastructure, facility management);
- People (e.g. human resources, internal fraud, negligence);
- Organisation (e.g. communication, business processes, project management, contract management); and
- External factors (e.g. external fraud, natural disasters, outsourcing).

2.5 Challenges associated with the development of standards and best practices in South African law firms

2.5.1 Foreign concept

To many South African law firms the term 'best practices' is still foreign and law firms in particular are unsure as to the exact definition thereof. Firms are thus not in a position to benchmark their practices against the practices of leading firms and as a result cannot develop best practices.

2.5.2 Changing times

Once a standard or best practice is implemented, a firm must play a constant game of 'catch-up' as other firms continue to strive for further excellence. Many changes to the South African legal profession were brought about in 1994 and changes are still continuing because South Africa is a developing country. This makes it difficult

for firms to focus on developing and implementing standards and best practices rather than staying abreast of the law that they practice.

2.5.3 Legal Practice Act No. 28 of 2014

The Legal Practice Act No. 28 of 2014 will also bring about a transformation of the legal profession. Some of the provisions of the new Act will (South Africa. Legal Practice Act, 2014):

- Require legal practitioners to do compulsory *pro bono* work in order to further promote access to justice, thereby consuming more of the legal practitioners' professional time.
- Establish framework fee structures for legal practitioners to charge their clients – legal practitioners will thus be bound by these pricing structures irrespective of the time spent or expertise needed for a specific matter.
- Discard the distinction between attorneys and advocates, thus clients may approach advocates directly and need not consult with an attorney first.

Since the new regulatory body, the Commission and Council, has not yet been formed, it is at this stage difficult to understand exactly how big a transformation is set to take place.

2.5.4 Conflicting, confusing, or wrong best practices

Developing and implementing standards and best practices is a complex and lengthy process. Due to the nature of the legal profession that functions in a rushed and constantly pressurised environment, some standards and best practices are poorly designed, researched, or implemented and may have adverse long-term consequences for the firm.

2.6 Conclusion

This chapter defined what standards and best practices are and how they can be developed.

The next chapter outlines the research design and methodology used to address the research objectives of determining what standards and best practices are and how standards and best practices for group firms can be developed.

CHAPTER 3

Research design and methods

3.1 Introduction

Sekaran and Bougie (2013:94) define a research design as “the blueprint for collecting, measuring and analysing data based on the research questions of the study.”

This chapter outlines the research design and methodology that was used to address the research objectives of determining what standards and best practices are and how to develop standards and best practices for group firms.

Chapter 2 provided an overview of literature on what standards and best practices are, and literature on how standards and best practices can be developed.

The information required to conduct this research successfully was obtained from the Phatshoane Henney Group of Associated Law Firms. The study considered different variables in order to ascertain the factors that influence staff satisfaction, client service, and practice management in law firms.

The chapter concludes with the ethical considerations that have been applied throughout the study.

3.2 Nature of the study

According to Sekaran and Bougie (2013:97) a descriptive study may assist in describing and understanding the characteristics of a group in a given situation in order to assist in making decisions and to offer ideas and/or solutions. Descriptive studies can be either qualitative or quantitative. This study was a quantitative, descriptive study.

3.3 Research design

A research design consists of six basic aspects, namely the purpose of the study, the extent to which the researcher will manipulate or control the study, where the study will be conducted, the research strategy, the unit of analysis and the timeframe within which the study will be conducted (Sekaran & Bougie, 2013:96).

Quantitative research requires asking respondents their opinions in a structured manner in order to collect facts and statistics to guide a study. One example is by using surveys. To get reliable statistical results, it is important to survey a group of people in fairly large numbers and to make sure the respondents are a representative sample of your target market.

In this study quantitative research was conducted through electronic surveys. According to Fink (cited in Sekaran & Bougie, 2013:102) survey research is a system used to gather data to describe, explain or compare the attitudes, behaviour and knowledge of people.

A positivistic approach was followed in order to objectively measure the levels of staff satisfaction, client service, and practice management in the Group.

Sekaran and Bougie (2013:29) describe positivistic researchers as researchers that test their theories through a fixed, predetermined research design and by making use of objective measures.

3.4 Sampling

Sampling refers to the process of selecting a population, determining the sample frame, sample design and a sufficient sample size, and executing the sampling process (Sekaran & Bougie, 2013:240-244).

Within the context of quantitative research, a population refers to a group (of people or things) that will be researched and a sample describes the subcategory of the population (Sekaran & Bougie, 2013:240-241).

The population and sample of this research project were the 178 directors of the group firms. These directors are located at group firms across South Africa, in all nine provinces. The sampling design applied was probability sampling, which was representative of the population (Sekaran & Bougie, 2013:247). When probability sampling is used, the elements of the population have some known, nonzero chance of being selected as sample subjects (Sekaran & Bougie, 2013:245).

A comprehensive sampling strategy was followed which means that an entire group of respondents were chosen based on certain criteria (Sekaran & Bougie, 2013:254).

3.5 Data collection

Data can be collected from either primary or secondary sources. According to Sekaran and Bougie (2013:113) primary data are collected first-hand by the researcher, for example interviews, questionnaires and focus groups. Secondary data are not obtained first-hand by the researcher, but may have been in existence prior to the study that is being conducted (Sekaran & Bougie, 2013:113).

As mentioned earlier in this chapter, survey research is a system used to gather data to describe, explain or compare the attitudes, behaviour and knowledge of people (Fink, 2003 cited in Sekaran & Bougie, 2013:102).

Data for this study were collected by means of electronic surveys with Likert scale questions as well as a limited number of open-ended questions. The Likert scale is a scale designed to examine how strongly respondents agree or disagree with statements on a 5-point scale, for example 1= strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree and 5 = strongly disagree (Sekaran & Bougie, 2013:211).

Data were collected from all the directors of the group firms (178) who represent the management of the Phatshoane Henney Group.

3.6 Data analysis

It is important that the researcher ensures objectivity in the design, interpretation and analysis of the quantitative data gathered (Sekaran & Bougie, 2013:97). The feedback received from the respondents was consolidated electronically using the SPSS program.

3.7 Ethical considerations

According to Sekaran and Bougie (2013:162-163) there are numerous ethical considerations of which cognisance must be taken. In respect of this study, each of these considerations was addressed as follows:

3.7.1 Objectivity

The researcher aimed to avoid bias by outsourcing the distribution of the surveys and consolidation of the feedback received on the surveys to an objective third party who is qualified in the relevant field of data collection and interpretation (Sekaran & Bougie, 2013:162-163).

3.7.2 Voluntary participation

All respondents (group firms) that participated in this research did so voluntarily as the decision to research and develop standards and best practices was a decision taken unanimously by group firms (Sekaran & Bougie, 2013:162-163).

3.7.3 Informed consent

Group firms that participated in this research were fully informed regarding the purpose of the research and the process that was followed. All the firms gave the necessary consent to conduct the research (Sekaran & Bougie, 2013:162-163).

3.7.4 Confidentiality and respect

The feedback and responses of all group firms that participated in this research were treated with the utmost confidentiality and used for the sole purpose of developing standards and best practices (Sekaran & Bougie, 2013:162-163).

3.7.5 Data integrity

A data security policy was implemented to ensure the ethical protection of all respondents (Sekaran & Bougie, 2013:162-163).

3.8 Conclusion

This chapter outlined the quantitative research design and methodology applied in this study, including the data collection strategy, sampling design and the data analysis process.

The nature of the study can be defined as descriptive with the aim of conducting surveys to gain a better understanding of the levels of staff satisfaction, client service, and practice management within the Group.

The data collected through the surveys are further examined in order to develop law-firm specific service standards and best practices.

CHAPTER 4

Data analysis and interpretation

4.1 Introduction

Research was conducted with the objective of developing standards and best practices for the PHG firm practices, client service, and staff satisfaction. By developing and implementing these standards group firms will be better positioned as the “firm of choice” in their respective regions and will distinguish themselves from their competitors.

Various surveys were distributed to different target markets with the objective of collecting holistic information regarding the Group’s firm practices (their level of differentiation and implementation of best practices), their staff (levels of staff satisfaction at group firms) and their clients (the levels of client satisfaction at group firms). In this chapter the data collected from these surveys are analysed and interpreted both descriptively and inferentially.

Inferential statistics were used to draw general conclusions from the various firms per province (as a sample) regarding levels of differentiation, compliance with best practices, staff satisfaction and client service of the PHG (the population). Two-Way ANOVA testing was used as this is a very useful statistical test, because it allows for comparing the means of two or more groups (41 firms across 9 provinces) in response to different independent variables (levels of differentiation, compliance with best practices, staff satisfaction and client service), for example:

Group firms per province	Level of differentiation	Best practice compliance	Level of staff satisfaction	Level of client service
Province A				
Province B				

Table 4.1 Example ANOVA test

4.2 Response rate

For the purposes of this study, four different surveys were distributed.

The differentiator review was sent to be completed by each of the 41 group firms and 82.9% of firms completed this questionnaire. The best practice review was completed by 97.1% of group firms, while 87.8% of staff members at group firms completed the staff survey. The client survey was completed by 82.9% of the client base of group firms.

Yount (2006) indicates that the higher the response rate of the sample, the more representative the feedback received is of the population. Throughout this study there was an average response rate of 90.3%, which indicates a very good representation of the population.

4.3 Data analysis and interpretation of data

The analysis of the data is presented according to the different surveys, namely:

4.3.1 Differentiator review

The majority of clients of law firms are of the opinion that most law firms are the 'same' and offer the 'same' services (Pol, 2010:23).

The purpose of the differentiator review was to determine to what extent a group firm is different from other competing law firms regarding marketing, market, Broad-Based Black Economic Empowerment (B-BBEE), service, process, personnel, place, and price related factors.

The differentiator review not only helps identify areas of focus for differentiation, but also provides a measureable assessment of a firm's differentiation, benchmarked against other firms.

Figure 4.1 provides the data that were included in the differentiator review that was sent to group firms to complete.

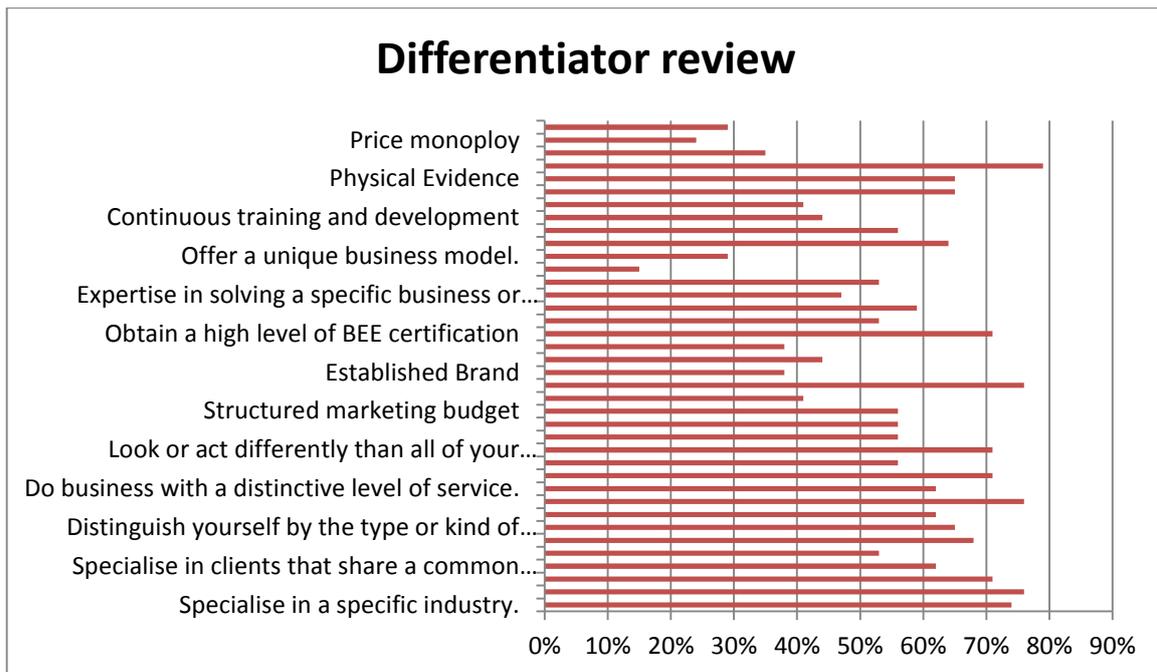


Figure 4.1 Differentiator review

Figure 4.1 shows the general feedback received from group firms regarding factors that may or may not differentiate themselves from other competing law firms.

Across all nine provinces where group firms are located, factors such as pricing (24%) and fee structures (29%) scored the lowest, thus not differentiating group firms from their competitors.

Group firms are also not offering ‘unique’ services to clients (29%) which has been identified by Pol (2010) as a general complaint by clients of law firms. The results from the differentiator review confirm this statement by Pol as the majority of group firms’ clients across the nation are of the opinion that all law firms offer the ‘same’ legal services.

On the other hand, group firms are very well differentiated from their competitors through marketing, B-BBEE practices and the Phatshoane Henney Group (sub-) brand.

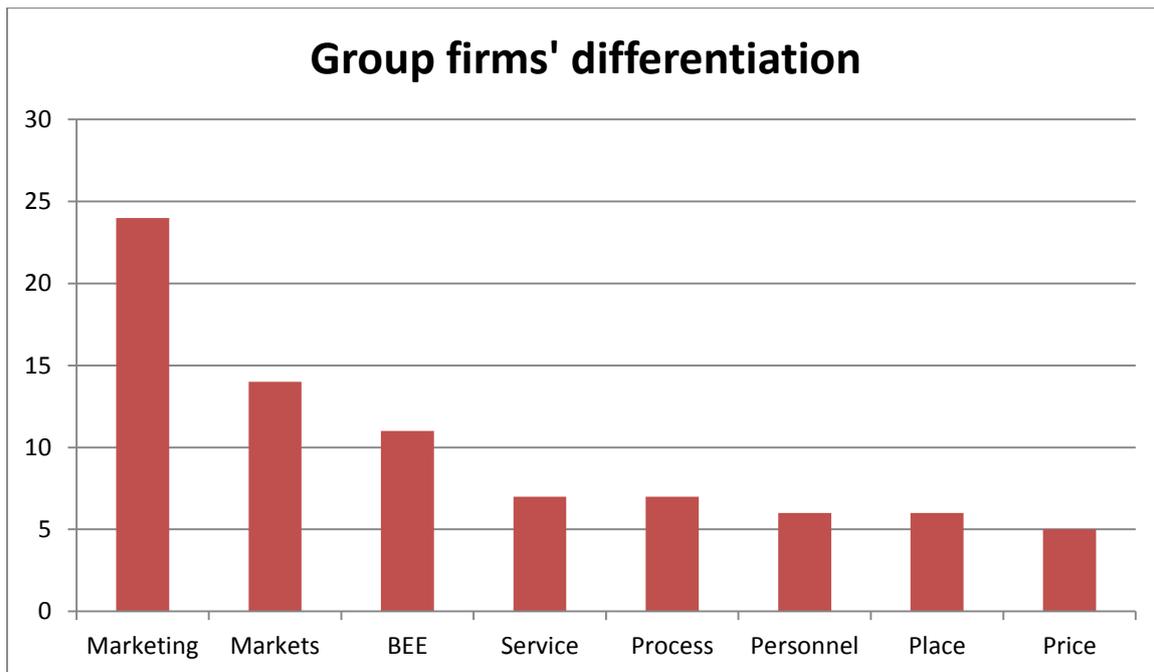


Figure 4.2 Group firms' differentiation

Figure 4.2 shows that group firms are best differentiated in the areas of marketing- (58%), market- (48%), and B-BBEE-related factors (42%), as firms scored the highest in these areas of differentiation. It is important for organisations to have differentiating factors to stand out from their competition. Factors such as place (12%), personnel (12%), and price (10%) are, however, not differentiating group firms from competing law firms and will need to be improved.

The location of any organisation plays an important role when it comes to its client base and the service that its firms are able to deliver. A possible reason why group firms are not differentiated by *place* (location) may be that although group firms are located across South Africa, firms are not necessarily located in all the main centres, which may make it difficult for clients to access a group firm. Group firms located in the more rural areas such as the Free State (Bethlehem, Harrismith), North West (Stella, Vryburg) and Northern Cape (Upington) are not as differentiated as firms located in the more urban areas of the Western Cape (Cape Town, Paarl) and Gauteng (Johannesburg, Pretoria). Firms located in the rural areas were found to be less accessible to clients, which influences their level of differentiation. However, firms in urban areas that are close to the Courts and related organisations enable these firms to serve their clients more efficiently and effectively.

Personnel at group firms may be experienced negatively by clients of group firms because personnel members may not have received proper training with regards to client service and the managing of clients' expectations. Group firms that are least differentiated by their personnel are situated in Gauteng (Johannesburg, Pretoria). This may be because personnel at the bigger firms generally show less loyalty to the firms or its clients.

Group firms in provinces such as the Free State (Bethlehem, Welkom), Western Cape (George, Mossel Bay,) and North West (Vryburg, Klerksdorp) are better differentiated with regards to their personnel. Reasons for this may be that because these firms are smaller in size in relation to the larger law firms in South Africa, a more family-orientated culture still exists amongst personnel. This is experienced and welcomed by clients, thus differentiating these firms from competing firms that are all about the business and making money.

Group firms are currently not providing their clients with competitive *prices* for their services as many law firms provide the 'same' legal services at more competitive prices. Group firms that are situated in the smaller towns are a bit more differentiated regarding price as these firms can still 'afford' to charge clients a reasonable fee for services delivered and still make a profit. Firms in provinces such as the Eastern Cape (Port Elizabeth, East London), Western Cape (Cape Town, Somerset West) and Gauteng (Johannesburg, Pretoria) work on much bigger fee and overhead targets. Clients are therefore charged more as firms need to cover their targets and still be profitable. Group firms should consequently focus on developing new (specialised) service areas at lower prices in order to differentiate themselves from their competitors and attract clients.

4.3.2 Best practice review

According to Dembowski (2013) the aim of developing and implementing best practices is to framework a standard "way of doing things" across a company and/or industry. By following best practices it will ensure that a company's set standards will be achieved and customers' expectations are exceeded.

The best practice review addresses all possible drivers that may influence a law firm's operational efficiency and increase its competitiveness. The primary objective

was to assist group firms in all possible ways to increase their potential to be “the firm of choice” in the respective geographical markets they serve.



Figure 4.3 Group firms' best practice compliance

Figure 4.3 illustrates the problem areas at group firms.

Overall, group firms sufficiently complied with financial- (77%), IT- (68%), and operational- (70%) related best practices. However, HR- (60%) and marketing- (52%) related best practices scored the lowest in seven of the nine provinces where group firms are located. These aspects need to be addressed.

As stated above, group firms across all of the provinces sufficiently complied with financial-, IT- and operational-related best practices as these factors are core components in any successful business.

However, group firms have not addressed HR- and marketing-related best practices. Traditionally, law firms' main focus was profit-driven; staff and staff-related matters were a side-issue and very little attention was paid to developing HR practices within a law firm. It is further common practice in most law firms that 'clients come first' and/or 'clients are always right' and thus firms are not focusing on their human capital. Group firms should consider appointing a qualified HR manager to assist firms with implementing and complying with HR-related best practices.

For many years, law firms were prohibited by law to market their services as they ran the risk of touting (i.e. soliciting clients or business). Marketing is thus still a relatively unfamiliar ‘practice’ in the legal fraternity. It may be for this reason that group firms struggle to implement marketing-related best practices. Again, by seeking assistance from a professional service marketer, firms will be able to implement and comply with marketing-related best practices.

4.3.3 Staff survey

Research has shown that there is direct correlation between staff motivation and their levels of service towards clients. Information gathered through this survey provides an avenue for a firm to obtain valuable information concerning what employees think of their job, team or work group, the firm itself, etc.

Typical questions included in the staff survey are shown in Figure 4.4.

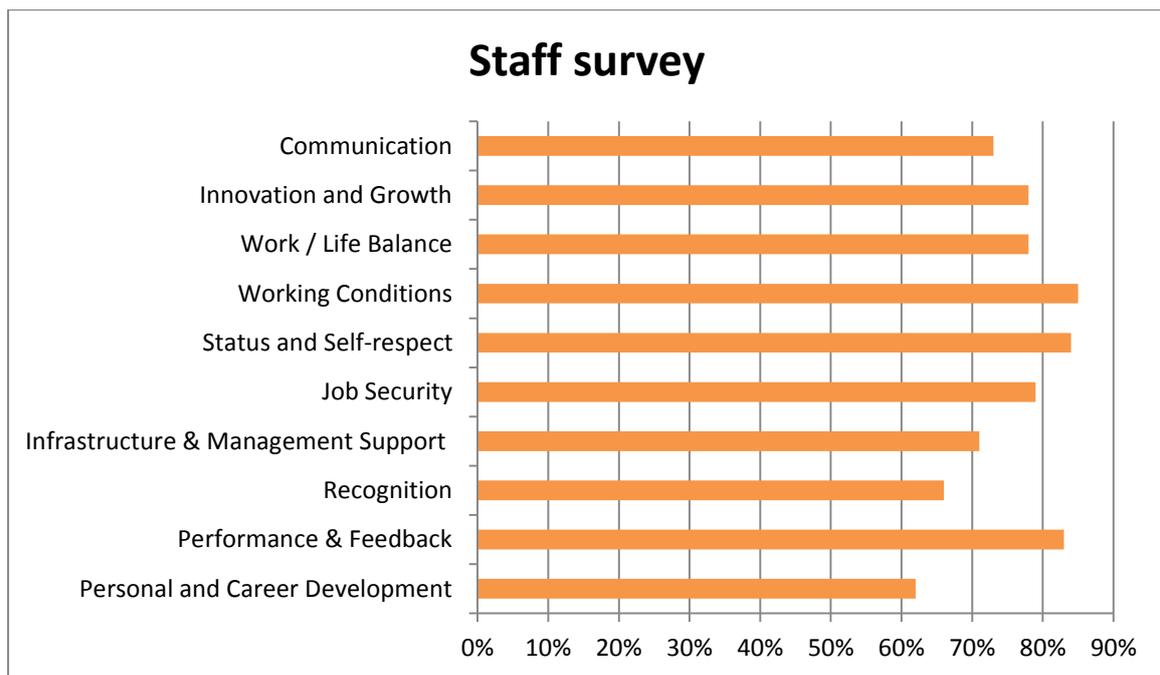


Figure 4.4 Staff survey

Figure 4.4 indicates that recognition and training and development are areas where staff members are least satisfied.

Staff members at group firms find their general working conditions to be satisfactory. This is particularly evident from the results of the staff surveys conducted at group firms in the Eastern Cape, Free State and KwaZulu-Natal. Staff at firms in the

Eastern Cape (East London), Free State (Bloemfontein, Sasolburg) and KwaZulu-Natal (Port Shepstone, Richards Bay) are most satisfied with their general working conditions, pointing out that they receive regular communication and feedback from management regarding their performance and position in the firm.



Figure 4.5 Group firms' staff satisfaction

Figure 4.5 shows that although staff members at group firms are satisfied with their general working conditions (85%) and performance and feedback (83%), staff members across the country are frustrated with the lack of recognition (66%) and personal and career development (62%) at the bigger firms in the Western Cape (Tyger Valley, Cape Town) and Gauteng (Johannesburg).

Staff members feel that they do not receive sufficient recognition from management for their talents and contributions to the firm and thus become demotivated to perform the work to the best of their abilities. Employees should receive regular feedback on their performance and behaviour. Clear and transparent appraisal processes and procedures should also be considered (IBA Law Firm Governance Initiative, 2015).

Although training and development is very important to group firms, unfortunately in practice, financial and logistical limitations exist which may result in staff members not receiving the desired personal and career development. Ideally, staff members

should be supported and encouraged by the firm to continually develop themselves through further studies and professional education (IBA Law Firm Governance Initiative, 2015).

4.3.4 Client survey

Client surveys assist in gaining a better understanding of clients' needs and expectations (IBA Law Firm Governance Initiative, 2015).

International legal networks such as Lex Mundi and Terra Lex, have developed various best practices and service standards with the purpose of expanding each individual firm's resources in order better to serve its clients. The aim is that, in doing so, firms gain a competitive edge over rival firms.

The purpose of this survey was to measure how satisfied clients were with the service they receive from group firms. Satisfied clients return, make repeat 'purchases' and refer a firm to their acquaintances and business associates. Poor client satisfaction levels may indicate potential (future) loss of revenue and reputation problems.

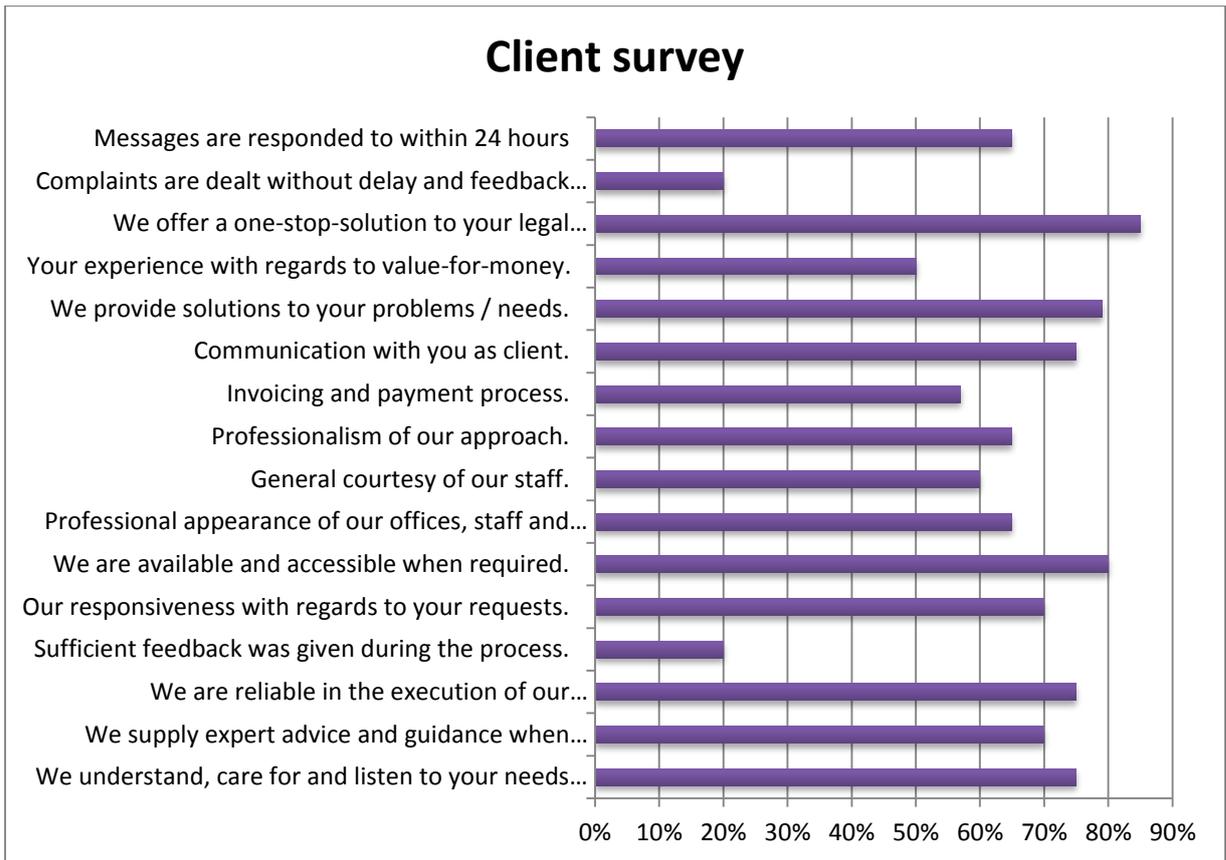


Figure 4.6 Client survey

Figure 4.6 shows the questions posed to respondents.

As these factors scored the lowest (20%), it is clear from the above figure that clients of group firms feel that their complaints are not dealt with in a speedy manner and sufficient feedback is not provided on their matters. These factors have been identified across all the provinces to be a major concern for clients. This is again more evident at the bigger firms in Gauteng (Johannesburg, Pretoria) due to the number of clients that need to be serviced in a short space of time.

On the other hand, clients are satisfied that (attorneys at) group firms are available and accessible when needed and offer one-stop-solutions to their legal requirements.



Figure 4.7 Group firms' client satisfaction

Clients of group firms' needs and experiences are highlighted in Figure 4.7 above, which focuses on the two highest and two lowest scoring factors.

Clients of group firms are most satisfied that group firms offer a one-stop-solution for their legal needs (85%) by offering a vast range of legal services and that group firms' professionals are available and accessible to assist clients when needed (80%).

However, clients are highly dissatisfied with feedback received on their matters from the majority of group firms (20%) and indicated that their complaints are not dealt with sufficiently (20%). This may be due to the nature of a legal practitioner's work, which entails constantly operating under pressure while complying with very strict deadlines. Client feedback and complaints tend to be placed lower on the list of priorities of the legal practitioner.

Clients of group firms should be encouraged to give feedback on services rendered and should have a complaint procedure available to them in order for group firms to better manage the problem.

4.4 Conclusion

In this chapter, the data gathered from the different surveys were analysed and interpreted to gain a holistic overview of where group firms stand with regard to their level of differentiation and implementation of best practices, their levels of staff satisfaction, as well as the levels of client satisfaction at group firms.

This data are summarised in Chapter 5, that also presents the researcher's conclusion and recommendations.

CHAPTER 5

Conclusions and recommendations

5.1 Introduction

As discussed in Chapter 1, the philosophy of the Phatshoane Henney Group comprises three vital components, namely practice management, staff satisfaction, and client service.

This study set out to determine standards and best practices for group firms by briefly investigating similar international legal networks (Chapter 2) and analysing the feedback received from the different surveys conducted. Chapter 3 outlined the research design and methodology that was used to address the research objectives of determining what standards and best practices are and how to develop standards and best practices for group firms.

Chapter 4 dealt with the analysis, interpretation and findings of the data collected through the different surveys in order to develop standards and best practices for group firms.

5.2 Conclusions and recommendations

This chapter provides conclusions and recommendations with a view to develop standards and best practices that are intended to assist group firms to improve their levels of practice management, staff satisfaction, and client service in order to differentiate themselves from their rival firms.

The following main conclusions can be drawn from the various surveys conducted and recommendations are provided on how group firms may approach each of the identified factors:

5.2.1 Differentiator review

The promise of differentiation is that it can create unique value for clients to such an extent that it both attracts and retains clients and creates obstacles for competitors.

Results of the differentiator review indicated that factors such as place, personnel, and price are not differentiating group firms from other competing law firms. Group

firms will thus better differentiate themselves from competing law firms by prioritising place, personnel, and price initiatives through annual strategic and tactical planning sessions at firm level.

It is therefore recommended that group firms should:

- review the place (location) of their firm practices to ensure that the firm is easily accessible to clients;
- Staff (personnel) should receive proper training in client service in order to better the clients' experience at group firms; and
- Regarding the price factor, group firms should review their fee structures to gain better price differentiation from competing law firms offering similar legal services.

5.2.2 Best practice review

Fulfilling and managing best practices is an on-going management task and function, and one that will take time to realise, needing greater attention to detail as best practices mature at a firm. Best practices form the foundation on which firm positioning, and staff and client satisfaction, rest. They afford a firm practical tools and processes, which, if implemented, will have a dramatic effect and will assist each firm to become “the firm of choice” in the markets they serve.

In its most basic form a “best practice” is viewed as a *management* activity, method or technique that has consistently shown results superior to those achieved with other means, and that can be used as a benchmark.

The responses from the best practice review show that group firms should prioritise the development and implementation of HR and marketing related best practices in order to ensure that group firms' operational efficiency and level of competitiveness increase.

Consequently, it is recommended that management at group firms should thus focus on developing and implementing HR and marketing related best practices as “a best way of doing things” to assist firms to prioritise and improve on these areas.

5.2.3 Staff survey

Staff members employed by the various group firms identified two areas that need improvement in order for staff to be more satisfied with their working environment, namely recognition, and training and development.

It is very important for employees to know that their hard work is noticed and appreciated.

Recommendations in this regard are thus that:

- Performance management structures should be put in place in order to provide staff members with sufficient feedback and recognition for their contributions to the firm; and
- Relevant training and development programmes should be made available to staff members to enable them to improve their skills and thus feel more motivated to do their work.

5.2.4 Client survey

A client “purchases” an experience with a law firm and therefore every staff member in the firm needs to commit to and understand that excellent client service plays a very important role in client loyalty, client spend, and referrals in general.

The feedback on the client surveys indicated that group firms need to improve on giving proper and timeous feedback to clients.

It is therefore recommended that client service policies and procedures should be implemented by group firms and staff members should receive internal training on these policies in order to better serve a firm’s clients. This will ensure that clients receive timeous feedback on their matters and that complaints are dealt with adequately.

5.3 Standards and best practices for PHG

Based on the above findings, standards and best practices were developed to assist group firms to improve their practice management, staff satisfaction, and client service levels. By implementing the recommended best practices, group firms will

automatically comply with the group standards and be elevated to become “the firm of choice” in their regions.

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