

Governance in a hybrid world



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Another wave of conversations about returning to the office will be in full motion with the arrival of September, and by now firms have become much more efficient at assessing the related operational implications. An interesting dynamic that has been central to our conversations recently is space governance and its implications for billable time.

We see a strong desire to get people back into the office – however not for five days a week. Many of the biggest firms are rebuilding their offices with space to accommodate people on a 2-1-2 basis – that is, two days in the office, two at home and one of their choice. Fascinatingly, a European client of ours is even taking this a step further, with only one day in the office and four at home. These new policies will have direct implications for work output in multiple ways – some beneficial, some more costly in the short run.

In Daniel Benuza's recent research into the benefits of working in offices, he makes the point that office working allows knowledge workers to make decisions with more than the hard data, and to move away from slavishly following the models of documented processes. Office working allows us to take inputs from our colleagues or our team, to identify blind spots, and to use others to understand the subtle differences of specific situations. It allows us to coach our colleagues and trainees, it allows us to develop new products and services, and to be more creative. It has immense power, but it is also challenging.

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Over the pandemic, we have seen firms increase their revenues through a rise in the number of hours that individuals can bill. Fee earners have become very focused on their work and deliverables, but the productivity needed to achieve these takes a small dive when surrounded by unavoidable office interruptions. For the more senior firm employees, the incentives for coming into the office may appear fewer than for the younger staff, for whom there is learning, social life and career development.

Across law firms there are policies about recording time promptly and accurately, as well as policies about the percentages that are expected to be billable. However, the increasing flexibility around place of work makes reinforcing these more difficult. Technology solutions can help to improve efficiencies in this working arrangement. Time Policy Manager, a product we brought into Pinnacle, does this by giving objective and automated prompts to complete time entry, for example. In doing so it cuts firms' effort chasing time and gives them more opportunity to focus on getting the right folk together, on the right days, to balance the short-term fall in revenue from office interruptions, coaching and creativity with the longer-term benefits of better people and better advice. Firms that succeed will make this a differentiator. They will grow their staff and create a culture where individuals really feel they belong.

If we can free up the chasing down of late time entries, will firms focus on this new and arguably more important policy?