

X marks the spot

Marketers cannot do their work properly if they have no idea how their practice's people are behaving in front of clients. They can organise a party or set up a seminar, but their work will be undermined if client-service staff do not reflect the aspirations of the firm. So, serious marketers have to set out to understand motivations and behaviours. They should be supported in this by their leadership. If it is to thrive, their practice needs to ensure that they get qualified, skilled individuals who are motivated to work hard and represent the firm well.

Unfortunately, though, the professions do not always treat their people very well and can be dishonest about the realities of their experience. There is talk, for instance, of "nurturing talent" whilst people are left alone to work out their development. Leaders claim that people are "their most important asset" but can dispose of that asset without a second thought. Managing partners claim to be making their practices a "great place to work" yet allow partners to get so stressed that their behaviour toward employees can be appalling. Elite firms have always been demanding environments with an unofficial contract which promised fat partnerships for long hours of gruelling devotion; but the realities of poor treatment can be costly. It has been estimated, for example, that attrition rates amongst leading law firms can be as high as 26% whilst the Law Society suggests that non-partner recruitment and training can be £150k per £50k salary.

If people really are the number one priority of a professional practice then getting, training and retaining them is one of the most important competitive activities; and marketing can be

used to improve it. For instance, it has become common recently to hear the professions using 'generational segmentation' to set their recruitment policies. Without realising it, practice leaders and their HR specialists learnt this from first rate marketers. Consumer companies - some of the most sophisticated marketers in the world - get to know generational attitudes in depth by marketing to people in their childhood and teens. Journalists and other commentators look to them to explain developing social trends which get picked up and socialised at the heights of the business community through leading publications and conferences like Davos.

So, generational segmentation is not just fadish guff. Iconic moments in people's lives affect attitude and emotion. Just as 'Generation X' were young adults during the last miners' strike, Mandela's release and Princess Diana's death, so 'Baby Boomers' remember the Vietnam war, Martin Luther King's assassination and the Berlin wall collapse. These momentous occasions unite a group in similar responses. It is claimed, for instance, that economic growth and computing ubiquity has prompted current new joiners ('Generation Y') to reverse Maslow's hierarchy of needs, seeking self-fulfilment first. These 'net-geners' have wanted interesting work, in voluntary sectors after their gap years. They claim to be able to multi-task, to be free thinkers and used to challenging ideas through cyber space. This may sound like a caricature but a cliché is a cliché because it is partially true.

HR has pandered to these views in the past few years. Practices have publicised green credentials, upped CSR activities and filled their graduate recruitment with 'talent management' claims in order to attract these youngsters. Yet much of this might now be wasted effort because these difficult financial years are likely to change all that. As the Economist said recently: *"to some, the Net Generation are spoiled, narcissistic layabouts who cannot spell and waste too much time on instant messaging and Facebook. For the curmudgeonly sort of older manager, the current recession is the joyful equivalent of hiding an alarm clock in a sleeping teenager's bedroom."*

People in 'generation X' are now of an age where they are moving into positions of power; and they are ideally suited to do so in a credit crunch. Characterised by the fact that they started their careers during the financial turmoil of the Thatcher governments, they are familiar with job insecurity. Most took several different temporary jobs during their twenties and understand the insecurity of risk. Many are debt adverse and well prepared for this current financial crisis. Two that I know well are senior executives in very different firms. Neither has any credit cards despite being well paid; both have extensive savings and modest homes. We don't really know this generation's attitude to leadership but I think they will be cautious, more realistic and less enamoured with management fads.

They will preserve cash and be sceptical of their younger colleagues' values.

However, underlying this behavioural view of employee attitudes is a serious general point, crucial to future profitability. Practices need to use marketing concepts much more effectively if they are to compete effectively in the next few years. Expect the professions to change radically as new forces drive them to seek real productivity improvements for perhaps the very first time. The collapse of M&A will deflate even the biggest law and accountancy firms; and, this time, investment banking will have to be genuinely reformed, threatening earnings in City firms. Public flotations of private practices will make high volume, cheap offers (as currently offered by Accenture, accountancy integrators and new entrants like Axiom law) more commonplace.

The management of people will have to respond to these forces and more robust methods of getting into the hearts, minds and motivations of employees will become essential. Generic concepts, like generational segmentation, are not nearly robust enough to meet these needs. Momentous events unite us in an emotional response, but they do not define us. They are a very broad descriptive tool but insufficient knowledge on which to base significant policy and investment. The baby boomers include, for example: Mick Jagger, George Bush, Hilary Clinton and Prince Charles. I'm not sure that any of them have the same attitude to work.

Market research has advanced dramatically over the past two decades in other industries and is now much more than putting an x in a box or collecting unstructured anecdotal opinion. The professions will need to access sophisticated behavioural research techniques if they are to construct HR strategies which motivate effectively. These are routinely used in other sectors to determine underlying emotion, clusters of most valuable price/functional packages and the developing group behaviours in a market. Yet they are very rarely used in the professions because partners have been so loathe to approve spending which will reduce their annual take.

There is opportunity now, though, for open-minded managing partners to invest in this area and steal a march on competition. Generation X ascendants are likely to see this as a realistic, pragmatic and important strategy if approached in the right way.

Laurie Young is a specialist in the marketing and selling of professional services. He can be reached via his website – www.lauriedyoung.com – or by email: lauriedyoung@aol.com

