

PEOPLE POWER

AFFINITY GROUPS CAN BE LEVERAGED TO IMPROVE TALENT MANAGEMENT AND BUSINESS DEVELOPMENT, REVEAL KAREN KAHN OF THRESHOLD ADVISORS AND JANE DIRENZO PIGOTT OF R3 GROUP

FOUR THINGS YOU WILL LEARN FROM THIS MASTERCLASS:

- 1 The potential returns on investment from affinity groups
- 2 How to utilise affinity groups to develop and retain talent
- 3 How affinity groups can be used for business development
- 4 The role of senior management in developing affinity groups

Law firms compete for two things: clients and talent. Ironically, while engaged in the quest for prestige and profits, most fail to utilise an existing asset that, when deployed strategically, provides a competitive edge: their affinity groups.

Affinity groups are groups of attorneys who share a common characteristic such as gender, race/ethnicity or sexual orientation. Typically, they exist as a 'nice to have' perk that is directly or indirectly connected to the firm's diversity efforts. In this passive structure, a pool of expertise which can help to implement the firm's strategic vision lies untapped and the money and time the firm invests in these groups has little to no return.

Law firms must know how to expertly deploy these resources in order to stay relevant, effective and ahead of their peers. For example, affinity groups can help firms to meet talent development goals by creating a pipeline of diverse associates who are ready to be



partners and leaders. They can also create positive visibility, relationships in unique business communities and leadership opportunities which will ultimately increase business generation for the firm.

Case study

Two law firms have three affinity groups: women attorneys; attorneys of colour; and lesbian, gay, bisexual and transgender (LGBT) attorneys. Each affinity group has diverse partner leaders, a five-figure budget, staff support and a loose tie to the firm's diversity committee. The similarities between the two firms' approaches to their affinity groups end there.

At firm X, the affinity groups exist wholly outside of the firm's strategic plan. They are led by attorneys who have

no connection to the power structure at the firm and the affinity groups have low relevance to the majority of the members of that diverse community at the firm.

The affinity groups spend their budgets by buying sponsorships at events at which the firm has minimal to no strategic interest and buying tables that are filled at the last minute by associates who are pressured to attend.

None of the leaders or managers at the firm are involved in the affinity groups, nor are they conversant about the groups' activities. The affinity groups report to no-one at the firm and have no metrics by which to measure their efforts.

At Firm Y, the affinity groups create their budgets after a planning effort that is tied to the implementation of the firm's strategic plan. The leaders of the

affinity groups are selected by the firm's senior management and are partners who are already within the power structure of the firm or have access to such players.

The affinity groups' leaders regularly report on their activities to firm management and consistently measure the results of their efforts in terms of achievement of the firm's strategic goals. The firm's leaders have an active and defined role in affinity group activities and planning efforts. The firm frequently communicates both internally and externally about its affinity groups' activities and results.

Does firm X or Y get the highest return on its investment in time and money on its affinity groups? Firm Y, of course.

Talent management

All law firms have the strategic objective of acquiring and developing talent. Affinity groups can play a critical role in achieving a firm's talent objectives. Any of the following can increase the return on investment (ROI) of affinity groups with regard to recruiting, retaining, developing and promoting the talent pool:

- seeking input from affinity groups about the alignment of their members' styles, approaches and comfort zones with current firm practices;
- engaging affinity groups in regular dialogue with firm leaders about practices that would positively impact retention and development;
- facilitating affinity groups' efforts to reach out to bar associations and other professional organisations for mentoring;
- mobilising affinity groups to develop and execute strategies to enhance the recruitment and hiring of both law students and laterals;
- utilising affinity groups to monitor individuals' progression toward partnership (both non-equity and equity), increased compensation levels and leadership positions (both inside and outside the firm); and
- facilitating affinity groups' strategic efforts to create leadership opportunities outside the firm for their members.



Meeting client demands

Affinity groups can be instrumental to a firm's client service efforts and provide additional business generation opportunities through access to professional and social networks for minority groups. Their efforts can also strategically contribute to the diversity performance of the firm, thereby ensuring the firm is in a position to respond to the requirements of clients and potential clients.

The American Bar Association has noted that the poor economy has impacted law firm spending on diversity in two ways:

1. budgets for diversity activities have been cut or eliminated, and
2. cost control efforts at law firms have disproportionately impacted the retention of attorneys from diverse backgrounds.

These two outcomes are contrary to the clear direction that law firms get from clients: diversity is not a 'nice to have' but rather a 'need to have'. Turnover, especially of diverse attorneys, hinders firms' ability to deliver what clients demand: high quality and cost-effective legal services from diverse teams that are knowledgeable about the clients themselves, as well as their companies and industries.

Affinity groups can play a strategic role in meeting current client

requirements and in achieving the firm's strategic goals regarding client service and business development. The ROI of affinity groups for existing and potential clients can be increased by any of the following:

- aligning affinity groups with the goals, objectives and activities of the firm's client and industry teams;
- developing written materials about the firm's affinity groups that can be used in client communications that describe not only the groups' activities but also delineate results achieved by the firm and members of the groups;
- using affinity groups to provide a pipeline of diverse attorneys who are 'ready now' for client relationship teams and business development efforts; and
- facilitating affinity groups' efforts to create positive visibility and relationships for attorneys at the firm in diverse business communities and external professional and industry organisations.

Management involvement

Strategic involvement of the firm's leaders and managers in affinity groups requires the firm to articulate expectations, develop meaningful metrics and definitions of accountability, provide opportunities for training for partners and leaders, and reward behaviours and



ENSURING AFFINITY GROUPS SUPPORT STRATEGIC GOALS

The following principles are designed to provide guidance on the role affinity groups can play in the implementation of a firm's strategic vision. They are intended to be used by the leaders of a law firm, not merely passed on to the leaders of the firm's affinity groups or diversity efforts.

- 1 Make affinity groups a strategic resource for your firm.** For increased ROI, integrate affinity groups into your firm's strategic vision. This requires that affinity groups' business plans and budgets are aligned with the firm's goals and the expected ROI and metrics are stated. Visibility to the firm's clients, leaders and managers is critical. Leadership selection and succession must be thoughtful and intentional. Internal resources, especially non-fee-earners, need to be available to the affinity groups to ensure execution of plans.
- 2 Ensure affinity groups play a key role in developing, implementing and monitoring the firm's goals relating to talent** recruitment, development, retention and promotion. Senior management can be trained on how to effectively manage and mentor attorneys, utilising the affinity groups as a resource.
- 3 Involve affinity groups in planning and implementing goals regarding client service and business development.** Utilise the affinity groups' ability to identify and develop a pipeline of attorneys who are ready to take key roles with existing and potential clients. Facilitate the affinity groups' efforts to position their members for positive visibility and leadership roles in diverse business communities.
- 4 Articulate clear expectations and metrics for senior management with regard to affinity groups.** Expectations for leaders and managers must be transparent and include specific requirements for meaningful participation with affinity groups. Their involvement improves the effectiveness of the two-way communication and provides key influence as the affinity groups plan their business agendas and prioritise the use of their budgets.

What gets measured matters at every firm; leaders must decide on appropriate metrics for affinity groups and monitor these metrics regularly. Since these metrics tie to strategic goals, they can also be integrated into the firm's formal evaluation and compensation decisions.

activities that are consistent with the firm's strategic goals.

All too often, affinity groups only involve attorneys from minority backgrounds and their programmes are mostly relevant to junior attorneys. Consequently, the affinity groups sit outside of the strategic framework of the firm and its practice groups. Firm leaders will get more strategic ROI from the firm's affinity groups by adopting any of the following:

- articulating expectations for firm leaders and managers with regard to affinity group participation;
- involving firm leaders and managers in affinity group activities, especially their budget and planning sessions and the execution of strategic activities;
- aligning the firm's marketing, professional development and recruiting resources with the affinity groups' agendas;
- involving affinity group leaders in conversations about the firm's partnership and leadership promotion ladder, the formal evaluation process, compensation and matriculation decisions and succession planning;
- providing training for firm leaders regarding effective delegation, team management and mentoring/coaching;
- developing ROI metrics for affinity groups that can also be used to evaluate the contributions made to them by their leaders and the firm's managers;
- rewarding hours spent on affinity group activities that produce measurable ROI or positively impact the firm's strategic goals; and
- communicating internally and externally about the affinity groups' activities, the strategic value of the groups and the specific ROI that is realised by the firm and members of the groups.

As long as affinity groups lack ties to the firm's strategic goals and power players, their ROI will be coincidental to nonexistent. Senior management must be proactive, intentional and involved to better utilise this resource. ^{mp}

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