Relational Audit Case Study

The Professional Services Firm

The client, an international professional services firm with a reputation for valuing its key relationships, wanted to identify ways of improving the relationship between partners and consultants within the firm. It was recognised that this relationship was a critical factor in quality of work and quality of life, and in the profitability of the firm. Dysfunctional relationships were reducing capacity to manage work pressures which was causing stress and poor retention rates among consultants.

The project

The firm's senior partners asked Relationships Foundation to undertake a relational audit to identify key strengths and weaknesses in the relationship between partners and consultants.

The programme of work

Relationships Foundation and the firm's personnel director jointly organised group discussions and interviews and a confidential questionnaire, designed and developed by Relationships Foundation, was circulated to all partners and consultants. It was found that underneath the superficially positive responses there were some deeply held concerns about flaws in the structure and operation of the relationship.

The output of the relational audit was fed back to all the partners and consultants in the firm. Each department formed a group of partners and consultants to discuss concerns and put together action plans. The work of these groups was sponsored by the senior partners and co-ordinated by the personnel director who, with his team of personnel managers, undertook the cross-selling of ideas to improve relationships between groups and the development of initiatives across the firm.

Key findings from the work: Perceptions of the relationship

The relational audit profile was structured around the concept of relational proximity; five preconditions which when present typically lead to effective relationships in general life and in business. The profile looked at the relationship from both sides, providing an assessment of areas of strength and weakness in the partner/consultant relationship and highlighting concerns, for example:

Directness: *quality of the communication process* - Despite high level of face to face communication there were concerns about the accessibility of partners and the degree of openness and honesty in the relationship. Nearly half of the partners and consultants believed that they could not normally be open with each other. Two-thirds of consultants and half the partners considered there was no regular feedback on performance given by partners to consultants. Almost all partners and consultants believed that the ability to manage their relationship varied widely across the firm.

Continuity: *shared time over time* - Two-thirds of consultants and partners considered that there was not enough time to invest in building better relationships. Pressure of work often led to consultants leaving the firm early on in their career breaking the continuity of relationships.

The low retention rate was a destabilising factor, affecting morale and leading to the loss of important clients.

Multiplexity: *breadth of knowledge* - Whilst partners and consultants both agreed that getting to know one another well was an important factor in a good working relationship perceptions differed as to whether or not this actually happened. Half the consultants thought that opportunities for social contact were very limited but few of the partners agreed. Nearly half of the consultants believed that they had skills and experience that partners were not aware of and little confidence in partners' knowledge of them as individuals.

Parity: *use and abuse of power* - There was concern about the fairness of benefits in the relationship, particularly by consultants, half of them being concerned about the fair distribution of risk and reward. Some of the partners were far more concerned about this than others. Half of the female consultants believed they were not treated equally by partners and this view was supported by a quarter of the male consultants. There was a culture of consultants being unable to say 'no' to a partner giving them work even when overloaded.

Commonality: *valuing similarity and difference* - Whilst there was a strong shared view of commitment to clients and quality of work views differed on internal issues. The majority of partners and half of all consultants believed that there was little understanding of joint objectives or their needs for guidance in ways of achieving them. Synergy between consultants' personal goals and the firm's corporate goals appeared to be weak - which was aggravated through there being different operating styles in different departments (and between different partners). In addition many partners assumed that the firm operated the way it did when they were managers or consultants; this also lead to confusion and misunderstandings.

The use of the Relational Audit tools provided the partners and consultants with a common language that they could use to begin discussing the issues more openly and hence make progress towards a shared solution.

The outcome: actions and progress

A number of suggested changes emerged from the initial discussion groups and were evaluated in the interviews and questionnaire results. For example, it was felt that upward reviews would provide a formal process by which consultants could voice their concerns about the partner - consultant relationship; consultants could be encouraged to work with different partners to gain a variety of experience and to develop partners' knowledge of them as individuals; greater effort should be put into internal public relations by making information about the business available to all consultants.

Following meetings of the departmental groups the personnel director is leading on a development programme for partners, in their role as managers, to change the approach of some of the partners to consultants, for instance, through training in such areas as mentoring and listening skills. Senior partners in the firm are supporting the development of a 'new deal' for consultants, including the re-structuring of pay scales and chargeable work procedures, the introduction of a flexible working policy and planned secondments to client companies. The groups are continuing to work in a range of internal initiatives to improve the structure and operation of the partner - consultant relationship.

Of the audit the personnel director said:

"Effective relationships are key to our business performance. The relational audit enabled us to target specific areas for improvement. We intend that these improvements will ultimately be reflected in the quality of our service to clients."

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