

Making informed people decisions in professional services

Keeping pace and diversifying skills to meet new challenges



Questionmark Viewpoint

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www.questionmark.com

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Introduction

“The workforce is our most important asset.” It’s a claim we often hear from employers across different sectors and industries. But rarely are employees as central to the client experience as they are in the world of professional services.

A client’s experience of a firm is shaped by their direct dealings with a team member. The standard of the employee’s work is what builds the perception of quality. The ability of each worker to manage customer relationships is the single biggest factor in creating loyalty among clients.

Yet, in a world where the business environment is constantly shifting, the expectations of what is required of an employee are shifting with it. The decisions employers make about managing, equipping and empowering the workforce must be reassessed.

- Do employees have the skills to keep pace with change and innovation?
- Are the people we’re recruiting able to show the emotional intelligence which is increasingly important to client relationships?
- Is the money going into recruitment and training being used effectively?
- Does the workforce have sufficient understanding of the rules that govern the sector to ensure the firm is not vulnerable to costly mistakes?

Employers in professional services recognize that each of these questions needs an answer. But do they have the information they need to make such an answer meaningful?

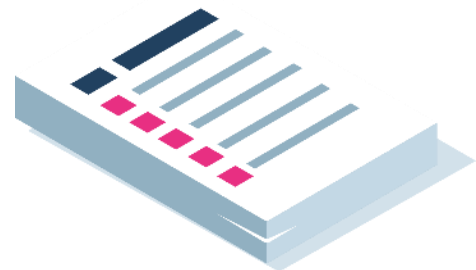
In recent years, firms have grown used to using vital data to inform decision making. Some will even do this as a service to their clients. But when it comes to their most important asset, the people they employ, do they have access to the data they really need?

Testing and assessing staff can give employers the robust information they need to make better people decisions. They can reveal strengths and weaknesses across the workforce, identify needs for training and check that this training is effective. Assessments can transform the recruitment process. They can embed a culture of compliance across the business.

This white paper identifies crucial challenges across the industry and explores how assessments can help address them. It explores how employers can make better people decisions and ensure that workers have the skills and qualities they need to overcome hurdles and take advantage of emerging opportunities.

Questionmark Viewpoint

Questionmark Viewpoint is a series of white papers and reports that we produce to explore the challenges that our customers are facing, and which we help them address. These papers are based on what we are hearing from customers, and on research from other experts.



Understanding the challenges

'Professional services' is an umbrella term for a broad group of occupations. Each of these faces its own unique set of circumstances.

However, when it comes to getting the best out of the workforce, there are a common set of challenges.

1) *Expensive and ineffective recruitment*

Hiring new professionals comes at a cost. According to research that is in the public domain the true cost for recruiting new talent could be as high as \$30,137.50.¹ The figure could rise substantially for senior positions. Despite the sums involved, 46% of new hires fail in the first 18 months.²

Employers across the sector also note that finding young employees who possess the right attitude and work ethic is increasingly challenging. Having obtained formal qualifications, those at the early stage of their career often have a high expectation of salary and benefits. But they can be reluctant to 'roll up their sleeves' and get stuck in.³

2) *Shortage of soft skills*

Given that qualifications are necessary for professions such as law and accountancy, new recruits should arrive with the core skills necessary to do the job. However, there are essential skills that qualifications do not currently measure.

A survey by LexisNexis of solicitors identified that the three most important skills in today's legal profession are the ability to identify a client's underlying problem, common sense and the ability to inspire trust.⁴

¹ <https://erinapp.com/recruitment/the-true-cost-of-recruiting-talent/>

² <https://www.linkedin.com/pulse/youre-kidding-right-50-new-hires-fail-roberta-chinsky-matuson>

³ <https://www.accountex.co.uk/insight/2019/11/22/recruitment-issues-for-accountants/>

⁴ <https://www.lexisnexis.co.uk/blog/future-of-law/are-the-skills-needed-by-solicitors-lacking-in-today-s-legal-profession>

Qualifications, however, give no guarantee that these skills will be present. Nine out of ten solicitors believe that good human skills are as important as legal acumen to becoming a successful lawyer.⁵

Similar problems exist within accountancy. Younger 'GenZ' workers, born from the late 90s, are reported to be adept at electronic communications. However, many of their 'soft skills', such as picking up the phone to talk to clients or suppliers, are lacking.⁶

3) *Securing the skills for change and innovation*

Formal qualifications and structured continued professional development are too often failing to equip the workforce with the skills to take advantage of new technologies. Research by the recruitment firm Robert Half, suggests that 89% of relevant employers could be struggling to find skilled finance staff due to a lack of technical knowledge.⁷

The legal profession is faring no better. There is often an assumption that younger recruits will be better at using relevant technology. They are regular users of consumer technology.⁸ However, despite being 'digital natives' in their personal lives, young workers are unable to translate this into a professional competency.

Technology used in sectors such as law and accounting tends to be significantly less user-friendly than social media and the likes of Uber, Tinder and take-away apps. Familiarity with such technology holds little currency in the workplace.

⁵ <https://www.lexisnexis.co.uk/blog/future-of-law/are-the-skills-needed-by-solicitors-lacking-in-today-s-legal-profession>

⁶ <https://www.accountex.co.uk/insight/2019/11/22/recruitment-issues-for-accountants/>

⁷ <https://medium.com/hr-blog-resources/3-key-challenges-in-accounting-and-finance-recruiting-and-how-to-tackle-them-8a3866fc7156>

⁸ <https://medium.com/hr-blog-resources/3-key-challenges-in-accounting-and-finance-recruiting-and-how-to-tackle-them-8a3866fc7156>

4) *Regulatory compliance to avoid fines*

Across different professions, an array of sector-specific regulations govern practice in different territories. Failing to comply with them can be costly and risk reputational damage.

High profile accounting firms have forfeited millions of dollars for mishandled audits by US regulators.⁹ In the UK, regulatory fines and sanctions on audit almost trebled between 2017/18 and 2018/19.¹⁰

For firms operating in the UK and European Union (EU), a failure to observe the General Data Protection Regulations (GDPR) can have serious consequences. In the first year of taking effect, UK law firms received 91 fines and were notified of almost 60,000 breaches. Companies in Germany and Austria were also fined for their password protocols and for excessive use of closed-circuit television (CCTV) cameras.¹¹

To avoid costly mistakes, firms must ensure workers understand the regulations that affect their sector. However, in some industries, they also need the technology skills to manage complex compliance reporting digitally. Regulators expect them to do so.¹²

5) *Reduced numbers of qualifying professionals*

In recent years, some professional services, including accounting, have been struggling with low numbers of young people entering the industry.

This year, the situation has been further complicated by the difficulty in sitting final exams due to social distancing measures.

This will most obviously have affected university graduates. However, it will also have impacted those studying toward professional qualifications and certifications through trade associations, professional bodies or an employer.

⁹ <https://www.accountancyage.com/2017/12/19/top-5-audit-fines-2017/>

¹⁰ <https://www.accountancydaily.co/regulator-hands-out-record-ps43m-fines-bad-audit>

¹¹ <https://www.compliancejunction.com/uk-law-firm-report-reveals-91-gdpr-fines-from-almost-60000-breach-notifications/>

¹² <https://www.pwc.co.uk/services/tax/accounting-compliance.html>

Many institutions have awarded grades based on course work or earlier assessments. While this solution was understandable as an emergency measure, it is unlikely to inspire confidence among employers and clients in the longer term.

As social distancing looks set to continue, new ways of ensuring candidates can sit crucial exams must be found.



Transforming decision making with assessments

To meet the challenges of a changing world, firms need to reevaluate how they make decisions about their people.

Too often, employers do not have robust information to make effective decisions on their most important asset, those they employ.

Regular testing and assessment of employees can reveal where strengths and weaknesses lie and point to the solutions.

Assessments can specifically help professional services firms through:

- **Improving the quality of hire** – testing candidates before they are offered a job can ensure that new recruits have what it takes to hit the ground running and drive innovation. After implementing assessment technology, 76% of corporations have seen an increase in the quality of hire.¹³ In a world where employers are seeking new skills – including soft skills – assessments can reveal which candidates possess them.
- **Recruit staff with the right attitude** – assessing candidates during the recruitment process can reveal which applicants have the right attitude to contribute to culture. Such assessments can sense-check first impressions from interviews.
- **Determine whether training programs are working** – once employers know which skills are missing, training can be introduced to develop them. But will that training achieve its objective? Ineffective training leads to errors and confusion. Unnecessary training is a waste of time and money. By assessing staff during and after training, employers can ensure that the right lessons are being learned. By assessing the skills of the workforce before beginning training, employers gain a clear sense of what skills staff already possess and can eliminate unnecessary training.

¹³ Brandon Hall Group, Assessing Assessments: Value and Impact

- **Build a culture of compliance** – getting staff to attend training on the relevant regulations is not enough. Employers must test staff after training to ensure that the right information has been imparted and that it has stuck. Staff that have failed to learn what they should, can be retrained. Where the course is failing to make an impact, content and delivery method can be revised. Testing staff also enables employers to demonstrate to regulators, clients and other stakeholders that necessary and robust measures have been taken.
- **Help clients improve people-decisions** – professional services firms can introduce an enterprise-grade assessment platform, such as Questionmark, to their clients. This will enable them to gather crucial data about their workforce and improve people-related decision making.
- **Keep professionals qualifying with secure online exams** – crucial exams must be moved online to help professionals qualify during the times of social distancing. However, for the results to be trusted, the integrity of the assessment must not be compromised. Questionmark Proctoring Online is the most robust form of remote invigilation. It enables exams and tests to be taken remotely without compromising security or the integrity of the assessment.

We have worked with professional services firms around the world, helping them to make better decisions and meet the challenges outlined in this paper.

If you are interested in beginning a conversation with us, please visit our website and book a demo:

<https://www.questionmark.com/sectors-and-uses/professional-services>





About Questionmark

We help organizations and their people unlock their potential to deliver better performance. Questionmark provides a secure enterprise-grade assessment platform and professional services to leading organizations around the world, delivered with care and unequalled expertise. Its full-service online assessment tool and professional services help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable and fair, which can be defended.

Questionmark offers secure powerful integration with learning management systems (LMS), learning record stores (LRS) and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offers rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S., Australian and European-based data centers.

Working with Questionmark

To further explore how Questionmark could work for your organization, or to book a free consultation and demo, please see: <https://www.questionmark.com/request-demo/>

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