

Designing working models for effective supervision

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What effective supervision is not – 3 things to avoid:

> A 'big brother' culture of fear

Using technology to oversee everything your employees are doing is likely to be counterproductive. It does not reflect a culture of trust and mutual respect and is likely to be matched by a blame culture. It is more likely to encourage staff to seek to hide things or work 'off-system'.

> Relying on inflexible prescriptive workflow systems

If your systems and processes are too prescriptive and tied down, you can discourage real thought and consideration of broader issues. It is all but impossible to design a system for any area of work that takes account of all eventualities, and you risk either people simply not considering things that are not captured in your system or not being able to adequately address them within the system, leading to off-system working.

> Making examples of people who make costly mistakes

QBE has seen this presented as a risk management strength on many occasions, whereas the reality is that it tends to reflect poorly on the organisational culture. Unless straightforward pre-planned fraud or theft occurs, the starting point should always be to interrogate the organisational or system failures that may have facilitated the error. Be wary of imposing financial penalties on staff whose mistakes lead to claims. Do not simply consider that dismissing the staff member is always an effective answer to the problem.



'Design Thinking': Integrating supervision throughout your business operations

Supervision is not an added layer in your ways of working. It's a vital element to ensure that business objectives are delivered and that the associated risks and opportunities are monitored and managed in real-time to keep everything on track and in line with risk appetite. Effective supervision is akin to a complex filter, created from multiple different layers, woven throughout all areas of the business operation:

- > Senior management commitment.
- > Team structure.
- > Supervisor appointments.
- > Physical environment.
- > Systems, processes and reporting.
- > Feedback loops and communication.

How these layers work in reality will depend on the nature of your work and the size and type of your organisation.

Senior Management Commitment

You can have all the mission statements you like, but if the day-to-day working reality demonstrates that fee targets and growth are the only performance measures that matter, you will not engender a culture that fosters active and supportive supervision.

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Action Points

- > Use QBE's Risk Culture Profiling tool to help you to evaluate how well your leadership messaging is working for your firm.
- > Take independent soundings from staff at regular intervals to get a sense of what they believe the culture of the organisation is, how supportive they find managers, and the extent to which staff feel they can go to their supervisor with queries or if a mistake has been made.
- > Review how those with supervisor responsibilities are selected, appraised, and rewarded and ensure incentives are aligned to desired supervision outcomes alongside other goals.
- > Reduce fee earning targets for those with supervision responsibilities, according to the extent of those responsibilities.
- > Consider implementing '360 Reviews', particularly for supervisors and managers.
- > Review the soft-skills training provided to supervisors and managers, including mental health awareness – invest in your supervisors to give them the skills needed.
- > Put confidential whistleblowing and staff counselling and support mechanisms in place, or review those that you already have in place.



Team Structure

The smaller and less dispersed your organisation is, the easier it is to supervise, and the less complex layers of supervision are required. Conversely, if your business is multi-site, multi-discipline, and many tens or hundreds of people strong, you will need a robust formalised supervision structure in place.

Businesses that prioritise growth without commensurate focus on the structure, controls and processes in their organization often experience an unwanted harvest of expensive claims that can have a significant detrimental impact on the financial stability of the business, and lead to losses of clients and staff. Your growth strategy should be designed with a paralleled investment of time and resource in risk controls, with supervision at its heart.

Teams should all have a senior member with supervisory responsibilities. Likewise, each office location should have some senior management presence on a regular basis. Whether you have teams grouped in specific office locations or spread across multiple locations, there are different supervision implications of either approach: centralised teams are easier to supervise, but can tend towards siloed working. This can be particularly true when dealing with a merged/bolted-on part of the business.

Having teams divided across multiple sites reduces the risk of team silos but makes supervision and team interaction much trickier. Video meetings can combat that to some extent, though embedding the softer supervisory skills in an online meeting (the informal chat, the observation of body language, etc.) is much more difficult. Be aware of the inherent problems in any organisation with more than one office and take active steps to mitigate those risks – bringing teams together in person regularly where possible and fostering interaction between different teams too.

Business models such as virtual firms and self-employment models (often the two are conjoined) make it very difficult for a deep-rooted firm culture to develop and thrive. They are prone to lead to siloed working and an over-reliance on systems-based supervision. Similarly, QBE's experience is that consultants (in this case, practitioners who are brought in as consultants from the outset, rather than senior long-serving members of the organisation who move to a consultant role pre-retirement) are liable to be less invested in the firm, and its values, and more likely to be working independently.

This is not to say that such models cannot work, but they require an even greater investment of time and effort to ensure that risk culture is effectively embedded, and that meaningful supervision is in place. As the population ages and pension access is inevitably delayed, the desire to work part-time instead of retiring completely, becomes a more common choice. In some cases, though, we have seen late-career consultants become detached from the business and its culture; failing to follow agreed policies, engage in team meetings, or maintain skills and knowledge, which has contributed significantly to negligence claims. Clear expectations and contracts are essential in this regard.

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Action Points

- > Ensure that senior management team members have a regular and meaningful presence within each office. Most effective is for them to be considered a regular 'part of the furniture' and someone who both engages with a wide range of people at all levels, and is approachable by all.
- > Help prevent siloed working by engineering opportunities for teams in different offices to engage – as a minimum, via online video conference, but ideally in person. Creating opportunities for people to interact is one of the critical steps in developing effective working relationships – and one that should be fostered in both formal and informal contexts.
- > If you operate a business model utilising high numbers of remote staff, consultants or part-time workers, ensure that you have additional measures in place to ensure that they are invested in the organisation's values and culture, and that there is regular one-to-one supervision of their work output.
- > Make sure your initial due diligence of consultants considers cultural alignment to your business values to avoid the lone-wolves and mavericks that inevitably cause problems.
- > Ensure those moving to consultancy after being employed are retained within the 'cultural walls' of the business, including them in training and development plans and delivery, appraisal and goal setting, supervision, and risk and compliance requirements. Written contracts should always be used to make clear these requirements and define the processes and consequences for any failure to engage.

Supervisor Appointments

Be alert to the people skill requirements of a supervisor when appointing anyone to such a role. If the senior partner/director in a team is a technical expert but not a natural people manager, whose work is essential to the income generation of the team, it may be more appropriate to appoint an experienced team member



below them to act as the direct supervisor for the rest of the team. Recognising and rewarding those with excellent supervisory skills communicates a lot about your organisation's values and provides staff with alternative development pathways based on their strengths.

Top skills required by a supervisor include:

1. Communication skills.
2. Conflict management.
3. Critical thinking.
4. Time management.
5. Sense of priority.
6. Harnessing diversity.
7. Problem-solving.
8. Interpersonal skills.
9. Good mentorship.
10. Willingness to learn.

Action Points

- > Do you measure your managers against these skillset requirements before and after appointment?
- > Do you ensure that supervisors and managers engage with effective training on these soft skills?

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Physical Environment

This is typically a well understood element of so-called passive supervision. Locating new and junior staff in close proximity to more experienced mentors and managers can help foster a sense of team and provide a host of subtle and less subtle clues about the work and the colleagues mindsets. Done right, this is not about 'big brother is watching you', so much as providing a positive collegiate atmosphere where it is easy to ask questions, get a second opinion, and be supported as and when required. A great advantage of physical proximity is that it is so much easier to 'read the room' and know when someone is engrossed in a piece of work, or more available. The support of the right culture makes active engagement and light-touch supervision much more likely than in a remote-working environment.

Even in traditional, non-open-plan environments, this sort of atmosphere can be achieved relatively easily, whether through glass partitions or a literal open door, and co-locating senior and more junior staff in rooms.

Remote working has to be discussed in the context of physical location. While technology has made the practice possible, and mitigated many of the most significant risks, long-term remote working does pose real problems for firm culture and meaningful supervision. Hybrid meetings (where some staff are around a table in the office and others are attending by video link) tend to work less well than those where all parties are remote - and it creates a them and us disconnect. If a situation means that this sort of meeting is inevitable, structure it consciously to engage remote attendees equally, and give their voices equal weight.

Action Points

- > Consider having at least one day in the week when everyone in a team is always in the office.
- > Have a minimum office attendance requirement.
- > Ensure that managers and supervisors proactively engage with all their team individually and as a group. Try to ensure that one-to-one meetings are not purely work-focused, but check-in on wider welfare issues too.
- > Have regular team-work meetings and informal team gatherings - tie a team lunch or other social event to the end of a meeting every month, for example.

See 'Remote and Hybrid Working' chapter, below, for more detail on this topic.



Systems, Processes and Reporting

Whether people work in the office, remotely or a mix of both, technology does facilitate effective supervision, particularly of procedural issues. Modern work practices mean that the traditional model of reviewing all incoming and outgoing post is simply not practical. A risk-based approach is more practical, where key documents, particularly in high-risk matters, are reviewed by a senior team member, and/or key-stage reviews are undertaken. Your systems can also make it easier for staff to follow an approved process or set of steps, but only if it has been well designed for the purpose in question. The underlying principle to reviewing documents is that of risk monitoring, so it is important for staff to be risk aware, appreciating that any communication in or out can change the risk profile of the task at hand. Being risk intelligent, having open channels for discussion, and actively using those are essential in the shared ownership of supervision.

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Your onboarding process can require risk assessment steps to be addressed before allowing staff to work on a file. Higher risk or higher value clients or matters, as identified in your risk assessment, can trigger senior authorisation and a more substantial ongoing review. System access can be restricted to specific sections based on user rights, set by level of authority and department. This can reduce the risk of staff dabbling in areas of work outside of their area of expertise. If your systems do not allow staff to bill matters unless they have been set up on your workflow system, this can help ensure that you have oversight of what work is being done.

The reporting functionalities of your systems are very important, though they are worth nothing unless regularly run, examined, and acted upon.

Examples of useful management reports include:

- > Lists of higher risk files currently active, and recently closed.
- > Reports of files that are nearing or have exceeded their fee estimate (this can be evidence of scope creep, poor file management, or potential client complaint/claim).
- > File Inactivity.
- > Number of files, number of billable hours worked by staff member (helps critique workloads and how staff are coping).
- > Late payments.
- > Upcoming critical dates.
- > Files with procedural errors/gaps.
- > Unusual email activity.

While these are all very valuable tools, all fee-earning staff, regardless of seniority, should still have files independently reviewed in accordance with a file review/ file audit programme. Ideally, the majority of this will occur while a file is ongoing, in one-to-one reviews and informal conversations. In a business with a healthy culture, senior and junior staff will often run queries past their colleagues, particularly on high-value complex matters, to obtain a sense check and second pair-of-eyes. The array of system tools and reports simply add a further layer to this, of

greatest use for the larger organisations where a senior manager simply cannot keep abreast of all the matters being undertaken at one particular time.

Action Points

How effectively do your current systems and processes assist your oversight and management of the following key stages of an instruction:

- > **Work allocation:** Who receives and authorises incoming instructions? How are they risk-assessed?
- > **Scoping and fee estimate:** are these ever assessed and reviewed for accuracy against the work actually done?
- > **Critical dates/performance deadlines:** how are these managed? Is any reporting run regularly? Can your systems facilitate a procedural review of a file (to check that key steps have been completed on time and in the correct manner)?
- > **Key documents and reports:** are these reviewed prior to being sent to clients, where they are (i) particularly critical or complex, (ii) if the instruction is a high-risk one, or (iii) if the client is particularly valuable? Are such criteria defined for various circumstances?
- > **Billing:** Are bills ever reviewed by anyone other than the file owner responsible – if so, what triggers that review?
- > **Technical review:** can your systems facilitate detailed supervision of a work file / folder, particularly relevant if anyone in the firm works remotely some or most of the time?
- > **Complaints/claims/near misses:** Are you accurately recording and reviewing complaints, claims, and near-miss events (which can only be achieved with an open culture where people feel able to admit to/report errors & omissions)? Identifying underlying issues that may be leading to such problems, even if not significant trends or patterns, is in itself an important aspect of supervision – which can result in changes to working practices and targeted training for teams or individuals.
- > **Consistent Approach:** Use the above and the available management reports to shape the agenda for regular individual supervision discussions and team meetings as appropriate.

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Feedback Loops & Communication

Good, open communication lies at the heart of effective supervision but is a difficult goal to attain, not least because what is effective communication for one person may well not be for another. Effective communications need a combination of focussed management messaging that creates the 'tone from the top', cross-team engagement, and regular team and one-to-one meetings, formal and informal.

There should be opportunities for staff to provide anonymous feedback on the organisation's culture, and to provide non-attributed feedback on other staff – supervisors and managers in particular. This may not be viable in very small organisations due to the inability to be truly anonymous. Staff at all levels should be given access to a safe and effective 'speak-up' / whistleblowing procedure – which can include an independent third-party organisation to safeguard the whistle-blower.

It is critical that people feel that they can be open with their managers, as any lack of trust or breakdown of communications can foster distrust, secrecy, silo working and reduce the opportunity for problem issues to be aired in a positive manner. This is why the selection of supervisors for their people management skills is so vital.

Action Points

- > Have a set agenda for one-to-one supervision sessions (monthly is recommended), but allow individuals to lead discussions in whatever order suits so they can focus on any areas of concern first – it's their supervision session.
- > Follow a set agenda for team meetings but allow plenty of time for AOB and/or ask for additional agenda items in advance to ensure adequate time is allowed.
- > Make clear, the various channels for feedback; the usual supervision forums, surveys or discussion groups, independent contacts for speaking up about concerns, or even a simple suggestion scheme can all benefit working harmony, but make sure their use is regularly encouraged.

Remote and Hybrid Working

The changes to working practices since 2020 are not yet settled, and most businesses are still negotiating their way, trying to balance the needs of their business, the immediate economic benefits of home and hybrid working, and the widely differing wishes of staff and managers.

Where remote working is more than an occasional occurrence, more planning will be needed to ensure that staff engagement and supervision works. Regardless of their level of experience, new staff members should spend the vast majority of their first weeks and months in their allocated office with their supervisor/other senior staff present as much as possible. This is important to ensure a cultural fit, to engage more closely, and foster good team relationships, particularly with their immediate supervisor. It is even more important for very junior staff to have the additional support of in-person training to support their development and learning.

Managers will need to plan ahead when they and their team members are in the office at the same time and use that time for in-person meetings (e.g., quarterly reviews, support meetings, team meetings, and other meetings that require collaboration). Other tasks work well remotely, such as research, focused writing, administration, focused update meetings etc.

Remember that different people have different ways of working and different communication styles. Do not rely on video – particularly for longer meetings, unless unavoidable – as it can be draining for many and disrupt the rest of a working day. Remember also that a multiplicity of communication tools (telephone, messenger, video call, email) can add stress and make managing communications more difficult for many. It is not possible to arrange a system that works for everyone equally, but it is important to be aware of the issue.



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Getting communication right when everyone was working in the office was difficult enough. Getting it right when there is a greater mix of working arrangements is more challenging still. Staff working out of the office should not feel side-lined or ignored, but equally, neither should the organization deluge them with communications.

In large and/or hybrid business models, we often see a tendency to rely on emails and e-learning to communicate important expectations. This is efficient in getting the initial message across, but it can be received and understood differently, so there is no substitute for discussing those subjects in the round. This allows people to ask questions, understand consequences and deal with the nuances that come into play when adapting generalised content to specific work cases. One scenario that illustrates this perfectly is the ongoing issue of push payment fraud which affects many business. The majority of cases we see are not due to the absence of written risk controls, but a lack of understanding of the importance and implications of not following those procedures. Line managers have a vital role to play in ensuring effective delivery of management requirements and messages and so should make this a routine part of team meetings.

Action Points

- > Seek to achieve a balance of proactive and reactive communications – regular email roundups covering progress, organisation news, new clients.
- > Ensure regular informal exchanges between supervisor and supervised staff members - either in-person or via video call/phone call.
- > Where in-person meetings simply cannot be achieved, a group chat with the wider team, as well as a one-to-one chat between the supervisor and supervised staff members.
- > Review policy, procedure, training, and knowledge/ news updates in the round to ensure a full awareness and understanding.



Mental health and wellbeing

The Covid-19 pandemic threw mental health and wellbeing into the spotlight. Mental health and wellbeing are far from being the nice-to-haves of a 'snowflake generation'. In purely business terms, it makes sound commercial sense to invest time and effort to ensure your staff's welfare. In a period of intense competition to attract and retain staff, this critical part of workplace culture forms an important differentiator. More important still, from an insurer's perspective, poor mental health and poor performance are clearly aligned: a healthy and happy workforce is likely to perform more reliably and at a higher level than one suffering from stress or distress. Profession regulators, such as the Solicitors Regulation Authority for England & Wales, are now incorporating workplace culture measures into their requirements for precisely this reason.

Effective line management is key to driving wellbeing in any successful organisation. Managers and supervisors should try to be more open about their feelings at work to help create an honest and open workplace and encourage others to talk about their feelings. This can be challenging, but normalising it helps foster an open and supportive culture.

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Supervisors should be encouraged to ask the staff under their stewardship how they are feeling at regular intervals and in a meaningful way. Supervisors should be trained to ask, “How are you?” “What can I do to help?” on a regular basis and be trained to spot signs that staff members may need support. Be mindful that remote working can mask signs of someone struggling - and video and telephone calls may not be the best environment to ask these questions or make such assessments.

Examples of good practice include:

- > Ensuring that supervision policies focus on coaching to encourage dialogue.
- > Ensuring that people can and do speak up when they are not sure about something – across all departments.
- > Increasing supervision and in-person catch-ups, particularly with junior staff.
- > On-going training programmes.
- > Buddy and mentoring programmes.

Older employees, or those with health conditions, can also bring challenges: a staff member diagnosed with a serious illness, for example, may wish to continue working during treatment. The health status of a staff member will almost certainly have some bearing on their ability to concentrate on potentially complex work matters or manage a stressful workload. While some enhanced oversight may be wise, managing this sensitively is important. This can be achieved more easily if you are already observing good practice by ensuring that all staff, regardless of seniority, have regular individual supervision sessions, including an appropriate level of file review. Working in small teams on all/most matters is just one approach that can assist – so that there is always a second person familiar with a file and who can act as a second pair of eyes on documents being sent out.

Action Points

You should be able to demonstrate that you:

- > Have effective systems and controls in place to supervise staff and monitor concerns that could impact employee's wellbeing and competence.
- > Provide a safe environment to raise concerns.
- > Treat staff with dignity and respect.
- > Have policies (and demonstrably working processes) on bullying, harassment, discrimination and victimisation.

Further resources

QBE Minds in Business mental health assessment
Walking the talk with mental wellbeing – QBE European Operations.

QBE Risk Culture Profiling Tool: **Risk Culture Review service – QBE European Operations.**

Supervision template **Procedure for Supervision – QBE European Operations** (written for law firms but can be adapted to other professional environments).

File audit guidance **File Audit Guidance & Templates for Solicitors – QBE European Operations.**

The **QBE Template Inventory** contains a range of documents for supervision and people management – these can all be accessed via QRisk (customer login required).

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