

Improving lawyer performance - what works and what doesn't

By Linda Julian

Managing lawyers has been likened to droving cats.

Many lawyers view management of professional performance as one of life's great mysteries, the secrets of which may one day be divinely revealed. Only rarely is the management of lawyer performance the subject of serious, thoughtful discussion among law firm management: mostly, it is taboo. To many lawyers, suggesting the management of lawyer performance is to demystify or devalue the "professionalism" of practice and to challenge hallowed traditions, independence, and the "higher purpose" of the calling.

And yet, the most obvious determinant of success and prosperity among law firms is the performance of their lawyers across a range of skill areas: technical expertise, business development and marketing, client satisfaction, and management of matters and workgroups.

The multi-phase study which underpins this article was stimulated by observations of lawyers at work, and their evolving relationships with colleagues, partners, clients, and the world at large, from the late 1970s through to now.

It is stimulated by the tenet that the work product of a law firm is almost totally dependent on the performance of the people delivering that product. In few environments is the performance of the individual providing the service so directly related to the shape and quality of final service product. In every "non-commodity" field of legal practice, the attitudes, beliefs, values, skills, aptitudes, style of thinking, personality, and experience of the individual lawyer become inextricably entwined with (often ill-defined) work processes to produce the final legal service product.

There is wide acceptance that significant individual differences between lawyers have direct impacts on work product. It is also widely agreed that to have a good law firm, one needs to have good lawyers performing well.

Little academic or industry-based research has been done to identify what is meant by good lawyer performance and what techniques can be used to achieve and sustain it.

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Questions and issues which prompted this work, and which (to varying degrees) were explored in the study conducted over two years are :

- What are the key elements of performance?
 - What is the performance law firms say they want from their lawyers?
 - What is the performance they really want?
 - Are these elements of performance manageable and measurable?
 - When performance is managed, what elements are actually being managed?
- What techniques are currently used to manage performance?
 - What elements of performance are actually measured or assessed at present?
 - How well do the measures reflect the attribute being measured?
 - How well do they address the scope of desired performance?
 - What other measurements could be used? How?
- How well is the profession managing lawyer performance?
 - What techniques work?
 - What has been tried which has not worked?
 - Have any performance management techniques employed produced unintended outcomes or been counterproductive?
 - What problems - internal and external - are caused or exacerbated by current performance management techniques or lack of attention to managing lawyer performance?
 - What elements of performance are aligned with sustained success?
 - How well do current approaches reflect the demands of the business environment of law firms?
 - Whose performance matters most in terms of the long-term strategic success of the practice?
 - How do elements of performance being measured and managed relate to long-, medium-, and/or short-term success?
 - Can performance management help to improve professional satisfaction?
- How well do performance management systems in current use support the values, culture, and strategies of the firms?
- What are the major performance issues or problems among lawyers?
 - Are these the same at all levels or career stages?
 - How do clients judge or assess professional performance?
 - Are the same performance management techniques equally relevant at all stages of career development: are some more or less useful, for example, early in the career, or among more experienced lawyers?
 - Can we manage performance to reduce burn-out?
- How can law firms manage lawyer performance more effectively?
 - What techniques will law firms consider?
 - What experiments have been conducted, and what can we learn from these experiments?
 - Have there been improvements?
 - What works and what doesn't?
 - What are employees' views of these techniques?
 - What are partner views of these approaches?
 - What other performance management techniques might be trialled?

Research methodology

The methods and techniques employed in this research were :

- Formulation of problems to be researched through personal experience and observation of researcher;
- Enlisting 25 diverse and broadly-representative medium-sized eastern states Australian law firms to the study;
- Circulating written questionnaires to managing partners of the 25 participating firms and collating the results;
- Conducting two follow-up focus groups (each comprising managing partners from a total of nine firms) to explore issues further and consider a range of possible actions in response;
- Conducting a follow-up focus group (comprising nine employed lawyers from one law firm in the study) to examine their reactions to the methods which have been used to manage their performance;
- Experimenting with a technique designed to measure, manage, improve, and reward the performance of six selected non-partner lawyers and assessing the outcomes over nearly two years;
- Series of supplementary interviews (in person and by telephone) with study participants to obtain further insights;
- Survey of management and academic literature.

Background

There are nearly 40,000 lawyers in Australia, about 75% of whom practice in private sector law firms. While there are a few large and highly-visible law firms, the majority of legal practices are small- and medium-sized firms comprising 2 to 100 lawyers. This study focuses on the middle of this "middle-band" of law firms, and draws on the experience of 25 participating practices who are broadly representative of the core of lawyers practicing in the eastern states of Australia.

The profession faces an increasingly competitive future as supply of lawyers continues to outstrip demand: about the same number of students are undertaking courses leading to admission as the number of lawyers currently admitted. Oversupply is increasing sharply as new sources of competition emerge.

It is the new-found power of large and prominent clients, however, which is making the greatest impact on the working lives of lawyers. Sophisticated, astute clients are now dictating terms in many fields of practice. The performance of law firms, teams of lawyers, and individuals is under the microscope as never before.

Performance management imperatives

Actual lawyer performance and lawyer profile or reputation are closely correlated according to the Corporate Counsel Report (1996). This finding is supported by vast anecdotal experience.

Profiles of law firms and reputations of individual lawyers are key in the buying decisions of large and sophisticated clients who access far-reaching networks. From research on diffusion of goods and services into a marketplace, it is clear that awareness does not lead to purchase, that diffusion often parallels social networks, and that an organisation cannot control what is said about it. Word of mouth is important, especially for high-risk decisions.

Advertising and promotion are unimportant in selling professional services, compared with first-hand experience or word of mouth (that is, second-hand experience). The Corporate Counsel Report confirms that among the most important factors affecting selection of law firms or individual lawyers for future assignments is first-hand experience and reports of others' first-hand experience. (Again, word of mouth.) So, success in attracting and keeping premium clients depends on sustained high performance levels from its lawyers.

Professional service firms generally, and law firms in particular, are not good at managing people. Research by the Victorian Law Foundation, Maister, and others all support the notion that in these classic technical know-how environments, professionals are hard to manage. They operate with high degrees of autonomy and largely under a system of self-management. Lawyers require dual expertise: professional and managerial. Emphasis on professional expertise is far greater than on managerial expertise. Few capable managers emerge in this environment; hence few professionals benefit from management by competent managers.

Given that around 40% of **total revenue** in the average law firm is expended on non-partner lawyer and other human resources there is a strong imperative to manage the performance of these people, and most especially the lawyers (being the most expensive and most telling in terms of overall practice success).

On analysis, troubled law firms are rarely the product of inadequate technical expertise; most often, they are problems of management.

Elements of performance

Maister encapsulates what many of us who have been around law firms for a long time have found: lawyers are often unhappy and demotivated. Our research confirms that this condition is largely a result of ambiguous goals, lack of variety, absence of feedback, and postponed rewards.

The best lawyers survive - and some even thrive - in this environment, but the majority could do better if more attention was paid to identifying performance goals, managing towards those goals, and rewarding achievement of the goals.

It is widely held that the only important elements of performance in law firms are :

- Profitability;
- Expertise.

Inputs to Service Production

Pressure to produce profits often results in excessive working hours. In an attempt to manage performance, several firms in the study had devised elaborate systems to measure and control inputs to production of services: billable time (work in progress) and disbursements.

Other firms in the study (who had not put in place these same elaborate input control systems) also assessed performance based on inputs: subjective measures like long hours in the office and impressively crammed timesheets as indicators of hard-work, loyalty, focus, and ambition.

Outputs of Service Delivery

Few measured performance based on outputs like quality of work, cost-effectiveness of work, and ultimate satisfaction of clients.

None of the firms in the sample had much experience with other than traditional, full-time, on-premises lawyers. Teleworking, job sharing, part-time, and other possible models of employment had received only incidental attention. During one of the focus groups, it emerged that partners felt ill-equipped to judge whether someone was a "good lawyer and a good worker" unless he/she was on the premises at least full-time - and, more likely, many nights and weekends, too !

If judgements about performance were to include outcomes rather than just inputs, there may be more room for non-traditional employment options. These may be especially appealing to the better lawyers among Generation X and to women.

Other Dimensions of Performance

The questionnaire devised to launch this study asked participating firms to rate the importance of a number of dimensions or aspects of lawyer performance for each of partner-level lawyers, associate (or senior) lawyers, and other lawyers. Results were then tabulated including mean scores and ranges for surveyed dimensions of performance.

Financial Performance

There was reasonable accord that at partner and senior lawyer level, achieving financial targets was very important.

This was supported by the widespread custom of measuring, targeting, and managing financial performance. Measuring and monitoring financial performance is a relatively simple exercise for all the law firms in the study group: their computer systems produce this data instantly. (Often, in massive volume!)

Client Satisfaction

Greater significance was attached by nearly all firms in the study to the importance for lawyers of all levels to achieve high levels of client satisfaction and develop high-quality client relationships.

Research by Heskett shows that high levels of client satisfaction correlate closely with long term profitability and firm viability and are entirely consistent with employee satisfaction, loyalty, and productivity. My own depth research with more than 250 key clients of Australian law firms also lends substantial anecdotal support for the value to the law firm of client satisfaction and solid client relationships. The Corporate Counsel Report lends further weight to these propositions.

In summary, participants general sense of the importance of client satisfaction and the quality of client relationships is borne out by a body of research.

Given that participating firms placed such high value on the client satisfaction and client relationships dimensions of lawyer performance, it is amazing that so few had implemented systematic programmes to obtain vital feedback from clients.

Routine end of file surveys had been implemented by only two of firms in the sample; other methods to obtain high-quality information in relation to client satisfaction and the character of client relationships were employed by only two other firms in the study group. That is, only 16% established any reliable measures of client satisfaction and relationship status.

Prior to the study, none of the firms in the sample systematically included client satisfaction measures and relationship assessments in monitoring, managing, and rewarding lawyer performance. During the study, several firms indicated genuine interest in improving the client satisfaction dimension in their performance management systems.

Rainmaking

Introducing new clients to the firm was rated as generally very important for partners, but not an important dimension of performance for non-partner lawyers. While the opportunities for less-senior lawyers to introduce new clients are severely limited in many practice areas, firms would do well to set the pattern early and coach lawyers of all levels in the skills to win new clients.

Given that perceived "ownership" of client relationships is such an important element of the power network in law firms, one wonders whether the lower importance and value for non-partners of attracting new clients is a way of minimising power plays within the firm.

Attracting new clients did not figure directly in the appraisal or performance measures in use in the overwhelming majority of firms in the study. In focus groups, some indicated that they wanted to measure this dimension of performance, but that they were restricted by their administrative capacity and practice management computer systems which were incapable of producing meaningful data.

Cross-selling

Selling additional services and cross-selling new service areas to established clients was rated by participants as very important for partners and senior lawyers; it was seen as less important for junior lawyers. Again, in focus group sessions, participants indicated that keeping track of these activities was exceedingly difficult with current information technology resources.

Association memberships

Participants rated representing the firm in the broader community and in industry and trade associations lower than they would have a decade earlier. This element of lawyer activity did not figure prominently in appraising performance.

Professional associations

Representing the firm on professional bodies would once have ranked as an important aspect of lawyer performance; participants now rate this very variably. (Only one respondent gave this item a "high rating" at partner level.). It is generally seen as of low importance for partners and almost no importance for other lawyers. This is in sharp contrast with the sentiments expressed by many firms when it comes to admitting new partners.

Substantive expertise

Performance dimensions relating to the development of expertise were rated disparately by participants. Establishing strong personal profile as an expert was valued highly, especially for partners, but there was only a weak correlation with gaining additional formal qualifications.

Publishing

Firms did not especially value researching and publishing. This was surprising, given that this is such a significant component of expertise development.

Post-graduate study

Interestingly, in focus groups, participants mentioned gaining a Master's degree in a relevant legal specialty area as a crucial indicator of good performance, especially among non-partner lawyers. None of the firms in the sample had developed measures of expertise and profile, other than formal qualifications, yet they ranked reputation and profile more highly than advanced degrees.

New practice areas

Developing new practice areas, services, products, and improving work processes and productivity were rated as of considerably more consequence for partners than for other lawyers. Yet, this is one area where lawyers at all levels can make worthwhile contributions.

Quality improvement

Only in the appraisal criteria of the two quality-accredited firms in the sample group was contribution to improvement in processes assessed as a substantial dimension of performance - these firms gave maximum weight to these dimensions of performance for all lawyers.

Workgroup management

Management of the workgroup and team rated as a key dimension of performance for partners and of much less importance for other lawyers. However, managing the foundation work unit of each legal practice (a single lawyer - senior or junior - supported by one or more secretaries and drawing on other support services) is key to achieving productivity, profitability, and organisational effectiveness. Ability to effectively manage, supervise, or team with these foundation work units is fundamental to the efficiency and effectiveness of each and every lawyer on the team. Firms in the study had not developed clear performance indicators for this constituent of lawyer behaviour.

Acting out the mission of the firm

Only one firm identified any other dimension of performance as important: "acting out the mission of the firm". When interviewed, the firm concerned was unable to specify the performance indicators and measures it would use to assess the success of its lawyers in its mission of "being the best law firm in the state and giving the best service".

Recruiting for performance

This research has not dealt - other than in passing - with how to recruit for high levels of performance. However, it is observable that most law firms recruit for technical skills rather than cultural fit. This was also briefly canvassed in one of the focus group sessions.

Achieving and sustaining high levels of performance is much easier if partnerships recruit lawyers who are comfortable and compatible with the culture and values of the firm. It makes a positive difference if the reputation of the firm is that their lawyers put in good performance, and that these efforts are recognised and rewarded. This comes back to the "word of mouth" issue - firms must deal with the performance of their current lawyers if they are to attract and keep the professionals of choice in the future.

Communicating through performance management

Aristotle said long ago that "we are what we repeatedly do". Based on a wealth of anecdotal experience, this translates in the context of the law firm to "what gets measured gets done and what gets rewarded gets done repeatedly - if it doesn't get measured or rewarded, then it really doesn't matter all that much".

Linking performance and rewards

The literature surveyed generally supports the notion that the use of performance management, linked with performance related rewards, can promote individual, group, and organisational cultural change.

Well-implemented performance management sends an unmistakable message: if people keep performing well, they will be recognised and rewarded for it. Status and pay will increase along with performance.

So, performance management can be seen, at least in part, as a useful communication tool. Sound performance management has the effect of improving communication by forcing the articulation of the required or desirable behaviours, attributes, or performance standards, and then associating these with recognition and reward. It follows that a carefully designed performance management will effectively reward, motivate, recruit, and retain people. This is far superior to the tradition in law offices of little or no feedback on performance, unspoken expectations, and incremental pay schemes.

It will also support and promote necessary and desirable cultural and organisational change.

Experiment in communicating and managing towards required performance

So, what have been the effects on individuals and their firms when a clear performance management and reward systems have been introduced?

Two practices involved in this research project showed considerable enthusiasm for tackling the marginal performers among the ranks of their employed lawyers. These firms recognised that they faced significant performance problems with certain lawyers, and that successive attempts to "gee up" these people had not produced any results. They were willing to experiment with a new approach: a performance management reward system.

In the experimental study, six marginal performers were targeted. I created for each a bespoke performance management reward system after detailed consultation with both the subject lawyer and employing law firm.

Rather than applying some generalised "performance formula", we attempted to identify the key elements of performance which were especially meaningful and important in respect of each individual lawyer. Focusing on each area in turn, we worked with the firm and the individual to formulate a series of realistic but reasonably challenging goals, and to create measures of progress towards, and attainment of, these goals.

Then, financial rewards were aligned with performance goals. Worked examples were reviewed with each subject.

At least each two months, we met individually with the subject of the performance management and reward system and separately with the supervising partner of the employing firm to check progress. These meetings were also intended to provide coaching, mentoring, and support for the subject lawyers and to encourage the firm to respond appropriately to progress so far.

Results were mixed.

In four cases performance improved significantly. In one case performance improved measurably in some areas, but was largely unchanged in others. In one instance performance actually declined, and the subject subsequently resigned.

The six lawyer subjects of the experiment reported the following effects and outcomes:

- Good to have clearly articulated expectations and goals from partners;
- Concern that the full "agenda" of the partnership may still not yet be on the table and that many unspoken expectations may remain;
- Universal support for rewards clearly tied to achievement of various targets;
- Good feelings about their personal remuneration being directly tied to their contribution to the firm;
- They felt challenged by the goals which they had been part of setting;
- Subjects liked to be able to personally track their progress towards goals;
- They liked the balance between short-term goals (such as billing and collecting accounts) and longer-term goals (such as developing a distinctive area of expertise);
- Some slight concerns were expressed by two subjects that there was a "hidden agenda" and that the performance management and reward system may just be a sophisticated path towards employment separation;
- Unease where the information relating to their progress towards goals was either not readily available, not timely, or of dubious quality (e.g. when fees billed reports were full of mistakes or unreasonably late, making information unreliable);
- They felt the mix of objective and subjective measures, was reasonable;
- Two subjects said that while there had never been any consistent feedback on their performance, they now felt that partners wouldn't talk with them in any meaningful way without the intervention of the researcher;
- Three subjects were disappointed that their performance-based bonus had been paid only reluctantly and late by the employing firms.

Observations from the two partnerships who participated in the experiment include :

- Performance clearly improved in all but one instance;
- Having clear measures or indicators of performance helped to put employed lawyer behaviour in context;
- Employee performance became more consistent;
- The mix of objective and subjective measures was reasonably appropriate;
- Subjectively-measured performance indicators placed partners under considerable pressure in relation to these employed lawyers;
- Weightings given to various factors would need to be reassessed periodically;
- The experiment was worthwhile.

While the performance of two-thirds of the subjects improved impressively, we cannot be certain exactly what brought about these positive changes and postulate that it may have been several of these factors working together :

- Working with both lawyer subjects and firm management to articulate and communicate expectations and set clear goals,
- Managing expectations of lawyers of their employers, and expectations of the employing firms of their lawyers, about reasonable performance standards;
- Continuous, honest performance feedback provided by researcher throughout study;
- Coaching, mentoring, counselling, and encouragement of subjects by researcher throughout study period;
- Clearly aligning financial rewards with contribution to the firm;
- A financial incentive to improve;
- The positive effects which often result from the process of being a study subject.

In the case of the lawyer whose performance actually declined, he had (without the knowledge of the researcher) pressured the partnership into advancing the full expected performance bonus amount up-front to assist him to purchase a new home. It seemed that without a further incentive payment in sight, he became increasingly cynical and resentful. His relationships with the partners of his employer firm and with the researcher were strained from the outset: We were unable to create a warm and openly communicative relationship with him, unlike the rapport which was quickly established with all other study subjects. His lack of "buy in" to the process was evident during the bi-monthly progress meetings. He resigned two-thirds of the way through the study period.

Interestingly, both firms who participated in the experiment have elected to continue with it and extend it to all non-partner lawyers in the firm (on a commercial basis).

Techniques to manage performance

None of the firms in the sample used the technique of visibility to manage and coach performance. Providing a prominent forum for an individual who shows a high level of accomplishment in, say, cross-selling activities would not only recognise the individual competence, but reinforce it, and promote skills transfer and development in other members of the team.

Coaching and mentoring

Coaching and mentoring lawyers is the most effective technique I have found to improve lawyer performance. Maister goes further to say that this is the only technique which works with senior lawyers. It was difficult to assess the success or otherwise which employing firms achieved through coaching and mentoring their lawyers.

Informal coaching

Anecdotally, firms indicated that regular meetings and chats to discuss matters was effective with partners and other senior lawyers. At two such meetings I personally observed, there was not an impressive display of coaching in action. Yet, in a telephone interview with one firm, it was clear that what they characterised as simple informal chats were plainly intensive coaching sessions!

The value of coaching and straightforwardly managing towards achievement of performance goals is underestimated by almost every firm in the study group. Since most partner-level lawyers have only experienced professional life within the walls of one or two law firms, many have never observed effective models of management and have not had the benefit of this learning.

Compensation and managing performance

Few firms in the sample directly aligned individual compensation with individual or group performance. Apart from the implication that equity partners benefit financially from the overall performance of the practice, there were few examples of compensation being determined in significant measure by individual and/or team performance.

When compensation was tied to performance, in all but one instance it was based purely on financial measures. In the only instance where a component of compensation was related to non-financial indicators, this was restricted to partners only. Partners secretly voted on a points system for who should get what share of the bonus pool !

The performance management and reward system experiment is the only multi-dimensional approach to aligning compensation with performance in the sample group.

An issue which arises in the context of performance is whether such schemes encourage short-termism. In other words, does the pursuit of immediate goals take priority over medium- and long-term well being of the practice?

While straight rewards for billing or revenue performance and other short-term objectives may have this effect, recognising potential problems and explicitly including long-term objectives in individuals and group job plans is important.

Performance management plans must also take account of the effect of teamwork where people are assessed as individuals but are working as part of a team. In some circumstances it may be difficult to attribute good or bad performance to the specific individual, and management scheme should recognise team work and individual contribution to team.

Major issues and problems

During personal interviews, more than half of firms revealed that they perceived significant problems with the performance of one or more partners.

Partner performance

Managing partner performance is always a difficult issue and was too hot a potato to have been addressed in any meaningful way by more than two firms in the study.

Focus group sessions revealed that, when faced with continuing unsatisfactory or substandard performance from a partner, firms responses ranged across :

- Do nothing, be patient, and wait for the problem to right itself;
- Ask another partner to have a "quiet chat" with the individual concerned;
- Seek advice from network contacts (partners of other law firms, accounting firms);
- Threaten dissolution of partnership;
- Expel the individual from the partnership (eventually);
- Put up with the situation - after all, he/she is a partner.

Alignment with strategy

Business strategies of participating firms almost always included development of substantive expertise, high quality work, and outstanding client services. Yet none of the firms in the sample had visibly aligned the performance management and reward system with the range of lawyer behaviours required to accomplish this strategic purpose.

During the focus groups and in personal interviews, it emerged that - from time to time - fair quality, sub-standard expertise, and even downright awful client service would go unsanctioned at partner level. Sanctions were more likely to operate at junior levels in the firm.

Ethical standards

The only non-negotiable value which was strictly enforced at all levels within all firms appeared to be adherence to ethical standards.

Recognition

Among the study group there was little tangible recognition of good performance - although some have simple bonus systems based on fees. Implied promises of career future are not enough. "To be taken into account at next review" is not an adequate response to performance issues.

Continuous feedback

Little measurement or management of performance through the year implies little feedback on performance over the period. Without measurement indicators, there is little way of "self-tracking" progress towards goals.

None of the practices in the study have formally evaluated their performance management schemes, nor have they carried out lawyer attitude surveys and/or exit interviews specifically designed to consider the functioning of the performance management system or non-system.

Firms have not embraced the benefit of creating an exclusive club of those who perform versus those who don't.

Lack of clear performance management means that underperformers are often not dealt with appropriately: lack of clear measurement and management creates environment where some are good lawyers, others not, with little indication to the underperformers about what specific steps are required to reach required level of performance.

They don't articulate exactly what is expected, therefore, dissatisfaction with performance comes across as general grumbling rather than specific action items.

This is followed by insufficient coaching on the weak or problem areas.

Conclusions and opportunities for further research

The study has left far more questions unanswered than have been satisfactorily resolved.

However, a number of insights have been gleaned by researcher and participants, especially those involved in the focus groups and performance management and reward system experiment. Also, some useful tools have been developed to help law firms devise and implement more effective methods of managing (and improving) lawyer performance. One such tool is the Checklist of Developing and Maintaining a performance management and reward system. (See Appendix E).

The performance a law firm gets from its lawyers is a complex mix of the management techniques used and the raw material. But, right now, for most law firms, good performance seems to be achieved more by accident and design.

Employees managed via the performance management systems included in the study reported better morale at the end of the first period. Management also reported improvement in employee morale.

Law firms say that their people are their biggest asset: they say that performance matters. But what do they do to manage their biggest asset? To many law firm managers, managing the lawyers means little more than ensuring that they turn up at the right court on the right day with the right file.

If a law firm truly values good client service, then it needs to find ways to measure, recognise, and reward it. Similarly, if a firm values high quality work, then it must find ways of measuring, recognising, rewarding, and managing work quality.

If a law firm says it values quality, service, and innovation, but only measures and rewards or sanctions based on fees billed, this says that what it really values is not quality, service, and innovation, but fees billed.

What the law firm really values is the non-negotiable bottom-line.

Whatever elements of performance it declares as crucial must be assessed against the measure of achievement, reward for achievement, and sanction or penalty for non-achievement.

What the law firm really values is articulated very clearly in its performance management system.

The absence of a formal performance management system does not mean that there is no system: rather, it implies that an informal, perhaps "accidental" system to assess, manage, and reward performance is in place.

Several firms in the study, and all of the firms who participated in the focus groups, recognised that even though they did not formally manage performance, they were, through their behaviour affecting performance. The process of the questionnaire, personal interviews, and stimulating thinking and discussion in the focus groups means that participants are all significantly more sensitised to the whole issue of managing lawyer performance.

Performance measures articulate strategic intent, institutionalise values, symbolise commitment, remind people of required behaviours, reinforce behaviours, and send messages which transcend management rhetoric. Performance management systems communicate.

Inconsistency between stated assessments of performance and reward systems add up to hypocrisy, and the research provide several reports of demotivation as a result. Watching the reward system in action sends much clearer messages than anything which the firm says.

Firms often set high standards, but do not consistently hold people accountable for meeting them. We need to define what we mean by high-quality work. Some aspects of quality can be reduced to a written specification – others can't. But those which can should be and those which can't be so easily defined need to be recognised and reinforced.

Australian law firms will benefit from adopting better techniques to manage the performance of their lawyers. This study demonstrated that fresh approaches to managing and rewarding performance is likely to produce desirable outcomes for lawyers and law firms alike. Lawyers need to decide what is important in their particular fields of practice and firms, and then agree to be accountable for performance in line with those crucial characteristics.

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