

All-round feedback in a firm can deliver higher performance



Thursday 17 September 2009 by **Peter Scott and Phil Gott**

Getting the best performance from people and helping them maximise their potential should always be priorities for law firms. When we emerge from the recession, achieving higher performance is likely to matter as never before if firms are to be able rapidly to exploit market opportunities and build their competitive advantage.

Partners and any others in a firm responsible for managing staff need to be highly skilled at getting the best

performance from people. But many lawyers will admit that this is not a natural strength. Therefore, good people management and leadership skills appropriate for a modern and successful law firm need to be developed.

Obtaining honest and effective feedback from others is an essential stage in learning skills. We have seen it estimated that up to 80% of under-performance in the workplace arises from lack of effective feedback. To develop their people management and leadership skills, those responsible for managing staff need to be made aware of what they are already doing well – so that they can build on those strengths – and also what they could do better.

A senior associate in a law firm revealed to us that the best feedback she ever received was when her trainee took her into a meeting room one day, brought in some tea and cakes, and said: 'I think we need to talk about the way you are managing me.' The trainee then proceeded to give her some fairly frank feedback, which, though initially surprising, she found extremely valuable.

Perhaps only the truly bold would grasp the nettle in this way, but the good news is that partners and others responsible for managing staff do not have to leave it to their juniors to take the initiative. Many forward-looking firms and other professional organisations are increasingly starting to implement appraisal processes that involve obtaining 360-degree feedback. The '360' means getting feedback not only from partners and others on their juniors, as in traditional appraisal systems, but also from someone's peers and staff who report to them, giving an all-round, or 360-degree, perspective of performance. Client feedback can also be included, sometimes known as 450-degree feedback, because it includes an extra dimension (even if that does sound like something from Doctor Who).

Feedback provided in this way tends to be much more constructive, better received and effective for enhancing performance or behaviour than downward feedback alone. After all, who better to give feedback on a person's people management skills than the people being managed?

For those on the receiving end, 360-degree feedback can help to reinforce what is already being done well. Receiving this feedback, provided the process is well managed, is usually a very positive experience and helps to build confidence. In our experience, the great majority of 360-degree feedback is constructive and has a positive effect.

Building 360-degree feedback into an appraisal system will also highlight changes that could easily be made that are likely to have a positive impact on the performance of others. Partners and others performing leadership roles are often blissfully unaware of the negative impact some of their behaviours are having on others.

In a law firm, it would be unwise to attempt to impose 360-degree feedback on partners, who will need to support such a process if they are to take the feedback to heart and change as a result. The process should not be seen to be threatening in any way (it may be initially perceived as such if not carefully explained). The best way to win partner support is to involve them in the development of the process. Partners also have a wealth of knowledge that can help tailor a process which is ideally suited to their law firm.

It is natural for some partners to feel apprehensive about seeking feedback from their staff. But, once involved in the process, most partners will soon come to appreciate that this is a positive process that can be immensely beneficial, both for them as individuals and for their firm.

One of the most important issues on which partners need to be consulted is to help clarify the criteria by which they are to be assessed, by defining what is meant by 'high performance', thereby recognising that partners will contribute to the overall well-being of the firm in different ways. Clearly defining what is

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expected of partners will also help to provide greater transparency for those seeking to become partners in future.

Partners should also be closely involved in tailoring the feedback and performance management process. There is no single best way to do this – the best way is one that suits your firm and to which partners willingly commit.

In some firms, 360-degree feedback is integrated into appraisals as part of the annual performance management cycle. In others, 360-degree feedback may be used to support a particular development programme, or is used as part of the partner selection process.

In one firm, half the partners receive feedback from staff one year and from fellow partners in the following year, with the process subsequently reversed.

Some firms will prefer to allow partners to nominate those from whom the firm will seek feedback. This has the advantage that partners are more likely to take the feedback seriously when it has come from people whose views they respect. Other firms prefer to have names selected randomly or to invite feedback from anyone who works with the partner.

By having an independent external facilitator administer the 360-degree feedback process, respondents can be assured of anonymity, which is essential in getting full and frank feedback. An experienced third-party can also assist the process by reviewing all feedback to help ensure that it is constructive. While edits should be kept to a minimum, comments that might damage confidence or be otherwise destructive should be avoided (or at least amended).

Feedback is provided by face-to-face meetings, confidential questionnaires specially tailored for the firm, telephone interviews, or a combination of all of these. We often recommend obtaining 'upward feedback' through use of confidential questionnaires, whereas feedback from fellow partners and, if required, clients, is often best achieved by telephone or face-to-face meetings.

The feedback is best when it combines comments as well as quantitative and qualitative feedback. Indeed, the comments are often the most illuminating. The success of a 360-degree appraisal process hinges in particular on having a positive and motivational debrief meeting with each of the partners and others being appraised. We find that many recipients of 360-degree feedback will naturally focus on the negative aspects of the feedback. However, they need to be actively encouraged to see less-positive comments in their proper context if they are to get a balanced view – not as criticisms but as constructive comments designed to help to improve performance, or to change behaviour. Even where 360-degree feedback has highlighted significant points for improvement, partners should leave the meeting having found the process constructive and feeling motivated.

Some firms will prefer to carry out debrief meetings internally, by one or more partners (perhaps a managing partner, plus one other). Where this is the case, we recommend providing training to those who will be carrying out the debrief to help them appreciate how best to conduct these meetings. Like any powerful tool, if used wrongly 360-degree feedback can be damaging. It needs to be handled with care – as a tool and not as a weapon with which to beat people.

Providing leaders with feedback is, of course, only part of the process of improving performance. As well as making them aware of what they are doing well and how they could improve, they should be provided with training and support to help them. Often, we find that clients value objective input in debriefing and coaching partners to respond positively to the feedback they receive, and helping to ensure that an actionable development plan emerges for each partner.

When used correctly, 360-degree feedback can be immensely beneficial for a firm, for the individuals receiving the feedback, and for the people who work with them.

The vision thing

We asked Anne Compton, managing partner at Cheltenham firm Rickerbys and Chris Bound, senior partner at Guernsey-based Collas Day, to give us their views on setting up 360-degree appraisal and how the technique is helping their firms deliver better value.



Chris Bound: 'We hadn't had partner appraisals in the firm before and we came to the conclusion that it was a good idea, and that the best approach was 360-degree appraisals run and monitored by external people. We wanted to improve the efficiency of the firm and value to clients – and this is a good way of contributing to that. We have a non-executive chairman who's a former banker [Alex Rodger, ex-CEO of Royal Bank of Scotland in the Channel Islands] and he played a part in convincing us that partner appraisals and the 360 method was appropriate – he'd seen its benefits in action. The drive to institute 360 really came from the new management structure at the firm – we also created a new post of chief operating officer, who also came from a corporate background, in HR at Barings in Guernsey (now called Northern Trust).

'We didn't have much of an issue convincing partners really because, coming from Alex, it sounded non-partisan – if a partner had made it, it might have been perceived differently. It was vital to have well-respected people leading the way.'

'I think partners believe that it's improved internal relationships as well as value to clients – people throughout the firm can feed back about partners and the partners can feed back on each other more honestly, anonymously and in a non- emotive way – that's why it's improved internal relationships.

'You can't measure ROI [return on investment] with any sort of precision for something like this – it's a part of the bigger picture and the building of good governance in the firm, but it wasn't overly expensive in terms of consultancy fees and time committed.'



Anne Compton: 'We decided to undertake a 360-degree appraisal for all partners and senior managers to ensure that leaders within the firm had a clear and accurate view of how they were perceived by staff and partners with whom they worked. There is increasing acknowledgement within the firm of the importance of leadership skills and the need to improve people management – a view reinforced by the knowledge I gained from studying for an MBA in legal practice

management. By introducing a 360 process, we intended to give a clear signal to staff of the importance of their views. Running this at the same time as an independent staff survey also helped reinforce this message.

'All partners and senior management willingly participated in the process. The culture of Rickerbys is that the firm comes first before individuals, and the partners have a strong desire to continuously improve everything the firm does and offers. The firm also has a culture of involving its staff, whether fee-earning or not, and wants very much to be viewed as a good place to work. Accordingly, if new initiatives are seen to assist in improving the overall performance of the firm and achieving its ambitions, then participation in those initiatives is generally high.

'All partners took on board the results which came out of the process and accepted that it was a valuable learning experience. While it is always going to be very difficult to establish clear links between 360-degree appraisals and improved performance, the process did assist in the development of self-awareness, a clear factor in improving leadership and people management skills. This, in turn, improves performance. I believe that the process was an important step towards achieving our goals.'

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