

HIGH-TECH EVALUATION SYSTEMS: The Core Competency Model in Action

By Susan G. Manch

In the February 7, 2000 issue of *Fortune* magazine, columnist Geoffrey Colvin announced that the use of rigorous, thorough evaluations based on core competencies is the newest secret management weapon behind the success of the burgeoning high-tech industry. He cites this tougher, more outcome-oriented approach as the critical factor in the business turnaround at Gateway, the six billion dollar personal computer maker whose stock was sinking fast two years ago. It seems Gateway management had lost sight of what skills, experiences, and behaviors signaled success at the computer giant, and it showed in the quality of work and high attrition numbers. Taking a tough look at performance standards required for specific tasks, describing work experience that each employee should be exposed to, and insisting on frequent and specific evaluation of each employee became the critical tools in the company's return to growth and profitability. The core competency model of management and evaluation provided company executives with the means to tell employees what is expected of them, to alert them to where they stand, and to show them what they need to do to be successful.

This article illustrates why the legal world may want to take a serious look at this personnel management trend. This past December, I was pleased to join the NALP foundation team on the road as we presented the symposia, *The Future of the Partnership*. In addressing fair and effective performance appraisals, my program posed the idea that the time had come for legal employers to embrace the concept of competency-based evaluation systems. I suggested that the elaborate performance appraisal systems in place at most firms serve neither the firm nor the associates. Few attorneys find quality feedback and developmental support in current evaluative efforts, yet firms and attorneys spend inordinate amounts of time administering them. As you may imagine, the response to my presentation was interesting. While most firm administrators and attorneys agree that the current systems, no matter how carefully designed and thoughtfully carried out, fail to serve the firm as an attorney management tool and fail to serve the attorneys as a professional development tool they remain skeptical about replacing them with a system based on a core competency model.

The concept of creating lists of core competencies for attorneys, specific to their practice area and level of experience is not new. Identifying the skills, experiences, and behaviors required to suggest progress and development has been used successfully by many corporate employers, government agencies, and as we learned during the symposia, in a number of law firms throughout the country. Firms using this system successfully have carried out the following tasks effectively:

- ?? Defined core competencies describing skills, experiences, and behaviors necessary for success, specific to each practice area and level of seniority
- ?? Communicated these expectations and the timeline in which they should be achieved

- ?? Monitored and provided feedback on individual progress
- ?? Identified individual developmental needs and located appropriate training resources
- ?? Rewarded mastery of the core competencies

The argument in favor of this model is simple. In order to effectively measure and manage performance, we must know exactly what skills, experiences, and behaviors will define success. We cannot fairly evaluate an individual without having clear expectations of the skills he or she must exhibit in order to complete assignments satisfactorily, the types of experiences she or he should have in order to progress, and the way in which he or she is expected to behave in order to be a contributing member of the firm. The arguments against this model are that associates may regard the competency lists as threatening, and that firms may feel obligated to provide a broader range of experiences and skills training opportunities. In all candor, associates will feel vaguely threatened by *any* form of evaluation system, and firms probably *could* do a better job of providing associates with a broader range of work experiences and training.

But back to Gateway. Their new approach to evaluation yielded an unexpected outcome that may make law firms sit up and take notice. The company experienced an amazing reduction in employee attrition rates. Most law firms today continue to be plagued by high rates of attorney attrition, particularly among mid-level associates. The high-tech industry is no different, with typical attrition rates as high as fifty percent. What Gateway learned was by doing a better job of defining and communicating core competencies, they not only satisfied and motivated their current employees, but managers found themselves applying these competencies in the recruiting process and automatically did a better job of choosing the right people.

Developing core competencies can provide firms with a critical personnel management tool--one that can be used to enhance recruitment, that becomes an efficient and effective performance measurement and management tool, and that serves as the cornerstone of a comprehensive professional development initiative.

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