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## Slaughter and May Business Services – a new mindset for managing performance

### Setting the scene

There has recently been much discussion and debate in the press signalling 'the end of the performance appraisal' as a number of major professional services firms abolish traditional performance management processes in favour of a lighter-touch approach. Formalised, mechanistic systems are being abandoned by firms including Accenture, Microsoft and Deloitte, and even the company most associated with forced rankings, GE, is dropping its annual appraisals. PwC reports that two-thirds of large companies are planning to rethink their appraisal systems to some degree. These organisations are questioning whether the time, money and effort spent on performance management makes a real impact on employee performance. Could a simpler, less process-driven approach deliver improvement, particularly in the professional, knowledge-worker firm?

Slaughter and May is a leading international law firm with a reputation for excellence.

In 2013 the firm began to harmonise its approach to performance management across its Business Services functions – those which support the legal side of the firm – such as Business Development, Finance and Technology.

The Business Services functions are disparate in size and structure, varying from small, tightly-knit groups of largely autonomous professionals (some lawyers themselves), to large teams delivering 24/7 service within a more tightly supervised structure. What all the functions share, however, is Slaughter and May's strong ethos and focus on excellence, each individual helping to ensure the firm continues to provide the highest levels of service to its clients.

Previously there had been an individualistic approach, with different functions adopting different methodologies to the process of setting objectives, reviewing performance and planning development. The new appraisal process introduced a common set of behavioural competencies against which performance was to be reviewed 6-monthly and formally evaluated annually.

### Requirement

MDV Consulting were asked by Slaughter and May's Head of HR, Louise Meikle, to review the new approach to performance management (which had now been in place for two years), and suggest areas for further improvement.

The project took place against a backdrop of Business Services being asked increasingly to challenge more and innovate – a context that will be familiar to many firms. While always responding to the needs and priorities of their internal clients, Business Services were also being asked to be more ready to influence and proactively shape their own direction; to become more like business-partners in their relationship with the legal partners.

Interviews with the Heads of functions identified some positives of the existing process:

- The standardised approach provided consistency across the firm
- The behavioural competencies were useful in facilitating conversations between managers and individuals
- Structured guidelines for assigning ratings provided 'comfort' for less experienced managers
- Moderation meetings within and between functions enabled better calibration of performance

However, there were also some areas for improvement:

- The standardised approach didn't suit the disparate requirements of different functions; while some welcomed the 'tight' structure, others felt constrained by it
- Many found the process to be time consuming
- The focus on competencies ('inputs', or **how** people work) was to the detriment of performance results ('outputs', or **what** people achieve)
- The 'one-size-fits-all' competency framework was not easily applicable to roles at different levels
- There was more of a focus on looking back and evaluating past performance, than on looking ahead and setting objectives for performance or development

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### Solution

MDV's recommendation was not so much for a process change, as a mindset change. Rather than viewing performance management as an administrative activity to be completed once a year, it was important to encourage managers and individuals to see 'managing performance' as an active and ongoing process. In line with many organisations' current thinking, we recommended moving towards more of a 'continuous feedback' culture, while retaining the regular 'touch points' of the 6-monthly formal review meetings.

Crucial to achieving this mindset change was the need to accommodate the different cultural and contextual requirements of the various functions, while retaining enough of a common approach to ensure a degree of consistency and reinforce Slaughter and May's 'one firm' ethos.

The Heads of Function came together and were able to reach agreement on some key principles for the revised approach to managing performance:

Away from...	Towards...
Mostly backward-looking review and evaluation	More emphasis on the present and looking forward
Formal performance discussions only twice a year	Regular, close and continuous dialogue and feedback conversations
Focusing only on behavioural competencies	Setting out goals and expectations more clearly, for performance ('what') as well as behaviour ('how')
Extensive and time-consuming paperwork	Succinct summaries of agreed points
A standard approach across all functions	Minimum standards for consistency, with scope to adapt to accommodate different requirements

Having agreed on the key principles, the Heads of functions were then able to commit to a set of minimum standards to be common across all of Business Services. They were then able to extend or adapt beyond these as appropriate, to suit the particular needs, circumstances or management capabilities in their own areas.

For example, the minimum standard agreed for performance ratings was that a single, overall evaluation should be assigned once a year and submitted to HR. Scope remained, however, for functions to continue assigning individual ratings to specific objectives and behaviours and combining these into an overall evaluation.

### Supporting the change

As part of the review, a new set of Key Behaviours has been developed for all Business Services employees. These form the backbone of describing 'how' employees should deliver their objectives while reinforcing the standards, values and ethos of the firm. The Key Behaviours are defined at six levels of increasing scope and responsibility, replacing the previous one-size-fits-all competency framework. This levelled approach provides a structure for managers and individuals to frame conversations about performance and development, showing clearly what is expected of someone at a particular level of responsibility, and how they might need to develop to progress further.

Key to implementing the new 'mindset' for managing performance has been a programme of briefings for individuals and managers. The Function Heads led this process, demonstrating their ownership of the new approach and giving them the opportunity to put their own function-specific emphasis on certain key elements.

The initiative has had the backing of Slaughter and May's Executive Partner, Richard Clark, who introduced the launch events, emphasising: *"My own experience and learning is that feedback should be ongoing, not a once a year or twice a year activity. It can be human nature to put off delivering a difficult message because we fear how the other party may react. You will find it much easier if you have delivered messages throughout the year and there are no surprises for either party at the year's end. We owe it to one another to be frank, open and fair."*

The HR team have developed guidance documentation for managers and individuals (available on the firm's intranet site). Managers have attended workshops to refresh their skills and build their confidence in setting objectives, giving feedback, having courageous conversations and supporting other's development.

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### Outcomes and learning points

The revised process went live in October 2015, in time for the next scheduled round of mid-year reviews.

Although it's still early days, feedback from managers and individuals has been positive. Carol Frost, Head of Office Facilities, comments: *"The process is far more sophisticated and is a better fit for the environment we work in; it's less like an end of term report and therefore far less daunting! Review meetings without the need for so much paperwork is easier for the individual and is enabling managers to focus on the conversation."*

Chris Browne, Head of Technology, notes: *"The revised Managing Performance process has been enthusiastically adopted by my Management Team. The team can now more easily link an individual's output to a performance rating. Additionally, the revised Key Behaviours offer much more clarity and relevance than our old system. All in all, this is a significant step forward to building a strong performance management culture across the department."*

Louise Meikle reflects: *"Now that we are under way with the mid-year reviews, it is clear that the new approach is beneficial from both the manager and the individual's perspective. The understanding that we are having ongoing feedback conversations has resulted in greater openness and much less apprehension, with a sense that we are working collaboratively to enhance performance across Business Services."*

A particularly successful element of the project was the way the Heads of Function worked collaboratively to arrive at a consensus solution that allowed sufficient flexibility while retaining some core shared principles. This has been held up as a model for how the leadership team should work together as a group. Chris Browne observes: *"... the project was extremely well run; many of the challenges we have faced as a team on agreeing a way forward across our very diverse functions were overcome through a combination of engagement and understanding."*

This project highlighted the importance of striking a balance between 'selling' a message in order to achieve ambitious timescales, versus allowing more time to seek people's input and take them on a change journey. Business Services functions within legal firms are often heavily made up of long-serving, committed professionals, used to a high degree of autonomy and sometimes less familiar with management practices that would be seen as

standard in many corporate organisations, so the mindset change we were advocating represented a big shift for some.

This is the start of the journey – not the end. Managers will need continued support to help them make the most of the new process, and further support is likely to be needed to embed the change of mindset fully over the coming months and years.

For more information please contact:  
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