Partner performance and evaluation have always been of importance to lawyer managers, but are even more so today. Following are some examples of how various firms undertake this difficult task with a sampling of partner accountability attached.

**FIRM A**

The Management Committee, through two partner teams, meets with and evaluates each partner to discuss performance. Very general goals (on rare occasions some specific goals) are set. The partner's performance during the past and prior fiscal years is reviewed in relation to the amount and quality of work, new and old client relationships, billing realization, and overall contribution to the firm. The objective is to have the partner understand in a general way how he or she is progressing in relation to other partners with the same or relatively close point distribution. It is through the evaluation process that the partner is led to understand changes in compensation.

**FIRM B**

Partners are asked at the end of each year to prepare a memorandum to the Finance Committee outlining their contributions to the firm, including billable hours, nonbillable hours, community activities, new client-generating activities, goals for the following year, and contributions to the firm in general. The Finance committee reviews these memoranda and partners are compensated accordingly. Personal goals are set, and the following year each partner is asked to report on performance versus goals.

**FIRM C**

This firm has a Partner Review Committee which is appointed by the Chairman of the Management Committee with the concurrence of the Policy Committee. The Committee reviews all areas of performance, i.e., quality and quantity of work, client acceptance, relationships with other lawyers and nonprofessionals in the firm, motivation, work habits and personality factors. Based on this subjective/objective review, compensation is set prospectively.
FIRM D

The Compensation Allocation Committee and the Bonus Committee evaluate each partner biannually to establish compensation levels and annually to award bonuses. They utilize a good deal of statistical information, but subjective judgments ultimately must be made. If a particular problem occurs with respect to a partner, the Executive Committee will also participate in the review and correction process.

FIRM E

All partners evaluate their respective performances in setting allocation of units as described in the previous paragraph on Firm B. In addition, each partner has an annual meeting with the Partner Performance Committee. This Committee reviews any underachievement by a partner, and if necessary, the partner also meets with the Executive Committee. The firm has a minimum hours requirement. From time to time, partners will be warned that any exemption from the minimum requirement will not be allowed except upon application. Partnership compensation is reduced for failure to meet the minimum hours requirement unless a variance has been obtained. It is expected that a partner will work the required minimum plus fulfill other obligations such as administration, professional education, etc. The Executive Committee evaluates carefully the performance of the partner during the year. These evaluations are utilized in setting the amount of compensation. Each team or section is encouraged to establish goals for its practice one year in advance. Each lawyer is asked to set his own goal for billable hours. The Executive Committee may speak to an underachieving partner and put that partner on a different participation track.

SUMMARY

Most firms find that it is not the compensation system that is a problem but the structure employed to enforce the system and provide feedback on performance to underachieving partners. Certain firms let a democratic process push the various partners to appropriate levels. Managers in most firms have authority or input with respect to allocation of compensation. When it appears that a compensation shift would cause political problems, the manager will normally make it a partnership issue. The key is to have enough flexibility in the system to satisfy all performing partners, while maintaining enough rigidity to keep them in line as well.
A SAMPLING OF PARTNER ACCOUNTABILITY CRITERIA

A. Work Place

1. Billable hours
2. Nondiscretionary non-billable hours

B. Client Relations

1. Generates profitable work
2. Timely and adequate billings
3. Timely bill collections
4. Repeated generation of premium jobs
5. Integration of the client into the entire firm
6. Client management
7. Volume and complexity of work managed
8. Culling the dogs (judgment in client/case acceptance/retention)

C. Project Management

1. Team work: supervision and cooperation
2. Completing work at least cost to firm through improving systems
3. Quality of work
4. Client management relations and service

D. Expertise/Specialization

1. High effective billable rate
2. In great demand due to expertise

E. Supervision and Development of other Attorneys/Paralegals and other Billing Entities

1. Development of associates
2. Mentor
F. Firm Management

1. Effective discharge of committee responsibilities
2. Other unique contributions to the firm's management
3. Cooperation and working with the firm's management structure
4. Accomplishes specifically articulated law firm goals or assignments
5. Moves into new areas (may be either a new specialty or new geographically)

G. Areas of Specialization

1. Effective section coordinator
2. Technical responsibility for a specific substantive area
3. Organizational contributions to section

H. Enhancement of the Firm Image and Impact

1. Speeches, seminars, articles, professional organizations
2. Political, governmental or community influences
3. Effective in firm public relations