

2013

## Competency-Based Performance Management: A Remedy for Eroding Firm Culture

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### Bluebook Citation

Susan G. Manch, *Competency-Based Performance Management: A Remedy for Eroding Firm Culture*, 11 U. St. Thomas L.J. 39 (2013).

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ARTICLE

**COMPETENCY-BASED PERFORMANCE  
MANAGEMENT: A REMEDY FOR  
ERODING FIRM CULTURE**

SUSAN G. MANCH\*

While we have come to the end of the explosive growth era of the largest law firms in the United States, the cultural changes wrought by that period remain with us and are stifling readiness to rekindle growth in the new legal economy. As a consultant to the legal industry on talent strategy for over twenty years, I have worked with hundreds of law firms: global and regional, large and small, and boutiques and general practice firms. I have watched the vast majority experience cultural change in these two decades of raging growth and painful contraction that define the industry we know today. Since law firms are the largest employer of law school graduates, issues that create challenges for firms similarly have an impact on law students.

Years of boom and bust cycles took their toll on law firm cultures, and for some firms these changes now threaten the very fabric that makes their partnership successful.<sup>1</sup> Shifts in the demand for services, firm business models, talent strategies, and legal service delivery have changed the way firms operate, and now some firm leaders are questioning the health of their firms' cultures. The strength of firms' cultures—the norms, common beliefs, and shared values of their members—has been heavily influenced by the speed and intensity of industry-wide changes, but also by the fact that the industry we see emerging from the wreckage appears to call for a different kind of culture. Partnerships, as an organizational structure, naturally struggle with the balance between the fundamental cultural opposites of

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1. *See generally* BRUCE MACÉWEN, *GROWTH IS DEAD* (2013) (explaining the difficulties that the legal profession is currently facing); William D. Henderson, *A Blueprint for Change*, 40 PEPP. L. REV. 461 (2013) (outlining ways U.S. legal education can change to face current difficulties in the field); RON FRIEDMAN, THOMAS MORGAN & MITT REGAN, *THE FUTURE OF THE LEGAL PROFESSION* (2013).

celebrating individualism and embracing collectivism.<sup>2</sup> In boom periods, the dial almost always turns to individualism, following a common and largely accurate belief that rewarding breakout performers and innovators spurs growth and speeds market dominance. In periods of slow growth, however, collectivism gains popularity as members see the practical value of maximizing limited resources via collaboration. Maintaining the right balance of individualism and collectivism is critical.

While cultural change is highly complex, a competency-based development model offers firms a tool to support cultural adaptation by clearly defining and supporting the development of desired behaviors, traits, and values. Fortunately, after years of believing competency-based models were too “corporate” and bureaucratic, law firms have finally begun to embrace this approach. They now see the strategic advantages enjoyed by their corporate clients and top consulting firms that have had these sophisticated talent development and management tools in place for decades.

## I. WHERE WE ARE

The legal industry’s most recent and defining growth phase spanned more than twenty-five years. With firms experiencing more than triple digit growth in revenues, profitability, and number of lawyers during that time, cultural change was inevitable.<sup>3</sup> As firms got bigger and partners made more money, many partnerships moved away from a more traditional collective culture that had been long dominant in the largest firms.<sup>4</sup> The typical large law firm pre-1990s anchored its culture of collectivism with practices such as lockstep pay for partners based solely on seniority, an apprentice model for developing associates, and a view that clients were clients of the firm—not owned by any individual partner.<sup>5</sup> After the financial crash of the late 1980s and breakout national growth of what had previously been largely regional players in the market, those practices fell out of favor and partnership ties frayed.

In today’s large firm, compensation is largely dependent on current revenues and profits, rather than years served in the partnership. Partners own client relationships and regularly move those “books of business” from

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2. See LAURA EMPSON, *MANAGING THE MODERN LAW FIRM: NEW CHALLENGES, NEW PERSPECTIVES* 10–36 (2007).

3. See generally Eli Wald, *Smart Growth: The Large Law Firm in the Twenty-First Century*, 80 *FORDHAM L. REV.* 2867 (2012) (suggesting that large law firms may be able to diversify their practice areas and improve their labor force structure by increasing their partner-to-associate ratios).

4. *Id.*

5. See generally *id.*; ERWIN O. SMIGEL, *THE WALL STREET LAWYER: PROFESSIONAL ORGANIZATION MAN?* (1964) (discussing how a law firm’s structure can impact individual attorneys within the firm, as well as the service a client receives); Robert L. Nelson, *Of Tournaments and Transformations: Explaining the Growth of Large Law Firms*, 1992 *WIS. L. REV.* 733 (1992) (discussing the intricacies of human capital in the legal field).

the firm that made them partner to other firms in search of more money and platforms they see as better suited to their practices.<sup>6</sup> Far-flung offices as well as diverse and siloed practices mean partners in the same firm are often strangers to one another. A belief that the diverse partners in these enterprises are working toward a common goal is more difficult to foster. With these changes, firm cultures have shifted to an emphasis on individual partners rather than a “one for all and all for one” mindset.

Today, only a few firms continue to consider clients to be “firm clients” and ownership of firm shares to be a lifetime enterprise.<sup>7</sup> Books of business and the clients that fund them are considered portable assets to be marketed to the highest bidder. Rainmakers are stars as firms increasingly reward performance over collegiality.<sup>8</sup> The new generation of partners implicitly understands that their revenue and profitability results will trump collegiality when compensation decisions are made. This emphasis on individual contribution influenced a swift change in partnership cultures. And as law firm cultures change, so does the quality of the bonds among partners. While not true of all large firms or all partnerships, individualistic cultures are the norm for at least the “rainmaker” class in firms. This all works as long as the demand for legal services continues to grow, but once the market and available work contracted as severely as it has since 2007,<sup>9</sup> the lack of trust and “glue” in law firm cultures presents a challenge to law firms’ ability to survive and thrive.

Facing flat markets and increasing competition, firms now see a need for everyone to work together and maximize scant resources. Cross-selling has become the mantra of the day. Yet the shift is not all the way toward the collectivism end of the spectrum. Firms want both extraordinary individual performance and supportive collaboration among partners—in other words, they want to nurture a culture of collectivism without losing the performance focus that individualistic cultures breed. There is also a sense of urgency that change is needed quickly because in an uncertain legal marketplace, cultural glue is a business imperative. It creates an environment in which partners are more likely to share knowledge, networks, and ideas.

Whether a firm embraces individualism or collectivism is largely a matter of leader and peer enforcement by leaders and peers who talk the

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6. See generally William Henderson & Christopher Zorn, *Is Reliance on Lateral Hiring Destabilizing Firms?*, AM. LAW., Feb. 3, 2014 (discussing how lateral hiring does not automatically boost profitability).

7. Nelson, *supra* note 5 at 735–36.

8. See generally Aric Press, *Revealed: Compensation Spreads of The Am Law 200*, AM. LAW., June 17, 2013.

9. See generally Brian Baxter, *U.S. Legal Market Contracts, Labor Report Shows*, AM. LAW., Nov. 10, 2008 (“Overall, jobs in the legal industry have shrunk 1.1 percent since October 2007, the report says, to 1.16 million employees. Those include not just lawyers but anyone on payroll, including paralegals, public relations specialists, secretaries and many others.”).

talk, but also walk the walk. You cannot change organizational culture by caveat. It is changed only when the majority of people in the organization behave in accordance with the culture the firm is trying to build. Change comes as people move toward sharing common beliefs, values, and norms and also using them to define the way they solve problems and deal with others.<sup>10</sup> Attaining the ideal—a culture that celebrates both individual performance and collegiality—requires that all oars move in the same direction, regardless of differences among individual rowers. Culture has a powerful influence on how people perform, but can be stubbornly resistant to change. Researcher John P. Kotter reports that culture has two layers: one that represents the visible patterns of behavior members are encouraged to follow and another that is the less visible belief system and values that are passed from one generation of members to the next.<sup>11</sup> Cultural change is successful only when both layers are effectively steered in the desired direction. Kotter reports:

[A] culture is good only if it “fits” its context, whether one means by context the objective conditions of its industry, that segment of its industry specified by a firm’s strategy, or the business strategy itself. According to this perspective, only those contextually or strategically appropriate cultures will be associated with excellent performance. The better the fit, the better the performance; the poorer the fit, the poorer the performance.<sup>12</sup>

So how do firms with cultures that are not supporting current strategic business objectives, e.g., that celebrate individualism, achieve a mindset shift toward a more balanced culture emphasizing both individual and collective contributions? Strong leadership is critical. John Kotter notes, “[t]he single most visible factor that distinguishes major cultural changes that succeed from those that fail is competent leadership at the top.”<sup>13</sup> Firm leaders looking to change their firms’ cultures should focus on their talent management systems as a tool to aid in that change. Competency-based talent management models offer firm leaders a tool that can influence both layers of firm culture in ways that are subtle, but surprisingly effective.

## II. A BRIEF PRIMER ON COMPETENCY-BASED DEVELOPMENT MODELS

The competency movement is attributed to psychologist David McClelland,<sup>14</sup> a researcher studying social intelligence and organizations. As the professional workforce expanded at an unprecedented pace in the 1960s

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10. See FONS TROMPENAARS & CHARLES HAMPDEN-TURNER, *RIDING THE WAVES OF CULTURE: UNDERSTANDING DIVERSITY IN GLOBAL BUSINESS* 21–23 (1997).

11. See JOHN P. KOTTER & JAMES L. HESKETT, *CORPORATE CULTURE AND PERFORMANCE* 16–19, 159 (2008).

12. *Id.* at 28.

13. *Id.* at 84.

14. See DAVID C. MCCLELLAND, *THE ACHIEVING SOCIETY* 391–421 (1961).

and 1970s, industrial psychologists wanted to understand this new type of employee and their motivational construct. Researchers followed in the footsteps of the “efficiency experts” of the 1950s, who studied the relationship between workers and their increasingly mechanized work environments, and the humanistic management theorists of the 1920s and 1930s, who wanted to understand how to help workers flourish as they transitioned from an agricultural to an industrial economy.<sup>15</sup> McClelland wanted to understand why some professionals exhibit a high achievement orientation and motivation to achieve and others do not, despite similar conditions.<sup>16</sup> At that time, success was believed to be largely a product of the prestige of one’s professional choices, class status, and the power of one’s motivation.<sup>17</sup> McClelland’s research showed that it was far more complex.<sup>18</sup> He determined that while a person’s intellectual quotient might predict success in an academic environment, it was not as reliable at predicting success in a professional setting.<sup>19</sup> He believed that the traits necessary to succeed in an organization could be taught and/or changed.<sup>20</sup> In a “competency” approach to talent development, he posited that specific capabilities common among successful individuals (core competencies), once distilled and validated, could be taught, measured, and rewarded.<sup>21</sup> In a law firm environment, core competencies are validated when there is a positive correlation between the presence of the core competencies *and* achievement of objective measures of success such as profitability of projects, number of hours worked, repeat business, revenues, and other concrete measures. They are also validated when they align with client expectations and their mastery increases client satisfaction.

A competency-based approach to development presents a stark contrast to traditional law firm talent models that set static performance criteria against which performance is measured based on subjective judgments of the extent to which individuals meet expectations. In a typical law firm evaluation, for example, supervising lawyers would be asked to rate developing lawyers’ writing skills as excellent, good, average, or poor largely based on their own individual definition of what each of those terms means.<sup>22</sup> In comparison, a competency model articulates a series of core skill areas and behaviors related to writing that have been exhibited by past

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15. *Id.* at 39–46.

16. *Id.*

17. *Id.* at 246–53.

18. *Id.* at 281.

19. See David C. McClelland, *Testing for Competence Rather than for “Intelligence”*, AM. PSYCHOLOGIST, Jan. 1973, at 1–7; JOHN RAVEN & JOHN STEPHENSON, COMPETENCE IN THE LEARNING SOCIETY 225–35 (2001).

20. See McCLELLAND, *supra* note 14, at 39–46, 230–33.

21. *Id.*

22. See COMMISSION ON WOMEN IN THE PROFESSION, FAIR MEASURE: TOWARD EFFECTIVE ATTORNEY EVALUATIONS 27 (2008).

successful performers, such as “consistently drafts documents free from errors of grammar, usage, and spelling”; “demonstrates attention to detail”; and “uses forms and precedents in a sensible manner.” Supervisors using this definition of what constitutes excellence in writing are asked the extent to which they observed these specific behaviors and with what level of consistency. The assessment is more objective than subjective, leading to a more realistic assessment of the developing lawyer’s skill level.<sup>23</sup> Firms distill their unique core competencies through an inductive identification process using behavioral interviews in which interviewers probe for information about how an individual behaved in actual work-related situations. They look for patterns of behavior shared by highly successful individuals that are not common amongst average performers. McClelland proved that the way people *actually* behave (as opposed to the way they say they will behave) is the most reliable predictor of success.<sup>24</sup>

Core competencies are the categories of skills and traits top performers demonstrate more often, in more situations, and to a greater degree than average performers in a firm.<sup>25</sup> A fully articulated competency model includes core competencies and performance factors described in behavioral terms. The performance factors represent the complex group of behaviors, traits, and values that support mastery of each of the core competencies.<sup>26</sup> Because performance factors within each competency are described by level of experience, they guide lawyers through the progression of expectations that are ultimately required in order to achieve mastery of each competency. Fully articulated competency-based performance management systems use individual development plans, mentoring programs, coaching, and formal training aligned with the competencies to support mastery attainment.<sup>27</sup> Reward systems and advancement are tied to achieving mastery.

Core competencies provide an anchor that grounds people, making them feel more centered and part of the organization. There is clarity of expected behavior and the potential for advancement in the firm. This allows people to understand what the firm believes is critical to success (the invisible layer of culture) and also understand valued patterns of demonstrated behavior (the visible layer of culture). Effectively defined competencies represent the lawyers at their very best—what they aspire to be and think they can be. High achievers thrive in an environment in which they

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23. *Id.*

24. See David C. McClelland & David H. Burnham, *Power is the Great Motivator*, HARV. BUS. REV., Jan. 2003, at 123–26.

25. TERRI MOTTERSHEAD, *THE ART AND SCIENCE OF STRATEGIC TALENT MANAGEMENT IN LAW FIRMS* 82 (2010).

26. See generally David C. McClelland, *Identifying Competencies with Behavioral Event Interviews*, 9 AM. PSYCHOL. SOC’Y 5 (1998) (discussing identifying different core competencies through interviewing).

27. See MOTTERSHEAD, *supra* note 25, at 119–51.

can measure their performance and progress.<sup>28</sup> A more fulsome sense of a collective emerges when people compete against an ideal of mastery rather than competing with their peers. Competency-based performance models are now embraced by the majority of large firms for their associates and staff, but firms have been slower to adopt partner competencies.<sup>29</sup> Because partners are believed to have fully developed, firms have avoided extending competencies and performance factors to that level of seniority.<sup>30</sup> Law firm leaders have also worried that evaluating partners on capabilities beyond their legal and client development skills would create fear and possibly paranoia.<sup>31</sup>

### III. A TOOL FOR CULTURAL ADAPTATION

As firm leaders consider the need to adapt their firm cultures to emerging market realities, extending this important cultural management resource to firm owners makes sense. Employing a competency-based development model in cultural change involves more than simply clarifying expectations and measuring performance. When the competencies and performance factors resonate with firm members, they create a shared language of success. Subjective assessments of performance influenced by personalities, allegiances, and unconscious bias become less influential. By defining new behavior patterns in the skills and traits described in the framework, firm lawyers can see different ways of doing things. The firm can also state or restate the values considered most critical to be held in common by firm members so that this potentially invisible layer of culture is not lost or understood only by some members. Recognizing that a culture that is solely individualistic or collectivist is neither possible to attain nor healthy, firms can use a competency model to define behaviors, traits, and values that balance and complement one another.

### IV. AN EXAMPLE OF BALANCED COMPETENCIES AND PERFORMANCE FACTORS

Shifting emphasis and mindset from individualism to collectivism will take time and communication. Care must also be taken not to de-emphasize the importance of individual performance and contributions. Defining the pattern of behaviors expected and values shared supports the change process and increases the likelihood of full adoption.<sup>32</sup>

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28. See McClelland & Burnham, *supra* note 24, at 118–20.

29. See MOTTERSHEAD, *supra* note 25, at 119–51.

30. See Nick Jarett-Kerr, *Valuing and Judging Partners – Beyond the Elephant Test!*, EDGE INTERNATIONAL (May 6, 2014), <http://www.edge.ai/2014/05/valuing-judging-partners-beyond-phant-test/>.

31. *Id.*

32. See John P. Kotter, *Leading Change: Why Transformation Efforts Fail*, HARV. BUS. REV., Jan. 2007.



Consider the following performance factor examples that represent the best of individualism and collectivism for a typical firm:<sup>33</sup>

<b>Core Competency – Drive</b>		<b>Performance Factor – Entrepreneurship</b>	
<b>Associate Level</b>	<b>Counsel Level</b>	<b>Partner Level</b>	
Understands the strategic plan for the practice and firm; has a positive reputation with internal/external clients; contributes to business development activities; is actively building a professional profile in/outside of the firm; is establishing and maintaining a professional network.	Supports more senior lawyers' strategic plans and efforts; exhibits drive to be indispensable to others; supports business development activities willingly; looks for opportunities to expand visibility through writing, speaking, and organizational membership.	Develops and executes an annual strategic plan for growing revenues and profits in alignment with firm strategy; demonstrates consistent ability to obtain additional work from existing internal/external clients; looks for opportunities for new work within existing projects; engages in strategic business development planning.	
<b>Core Competency – Leadership</b>		<b>Performance Factor – Collegiality</b>	
<b>Associate Level</b>	<b>Counsel Level</b>	<b>Partner Level</b>	
Commits time to building and maintaining relationships with colleagues; pitches in to help colleagues as needed; volunteers to participate in firm activities; looks for ways to build the firm's reputation through professional activities outside the firm; actively seeks mentoring from more experienced lawyers in the firm.	Uses his/her strong internal and external professional networks to connect colleagues with one another; demonstrates a willingness to advance the business goals of colleagues; seeks opportunities to promote the firm in the community; mentors and trains more junior lawyers.	Devotes significant time to nurturing collegial relationships; exhibits a record of sharing business opportunities with a diverse group of colleagues; models a firm and community service ethos; is building a talent pipeline for succession.	

By maintaining the same core competencies for all stages of lawyer development, firms increase the likelihood that lawyers will believe in and strive to master these competencies over time.<sup>34</sup> The strength of employing this model is that lawyers are expected to perform in a manner that reflects their level of experience, making it more likely they will succeed. The definition of mastery is both appropriate and achievable so achievement-oriented lawyers are more likely to experience a positive result, which is reinforcement. As developing lawyers advance from one level to the next, the skills learned build on one another and create a foundation allowing for

33. This sample competency framework is drawn from extensive work done by this author designing competency models for law firms. It does not represent any one firm's performance factors.

34. See MOTTERSHEAD, *supra* note 25, at 153–73.

greater sophistication of expression of the performance factor at the most senior levels. There is complete transparency of what the firm expects of them, and firm leaders have a tool they can use strategically to reinforce the behaviors most critical to a strong firm culture among the general lawyer population.

In time, firms will use competency-based approaches more broadly. As lawyers understand and accept the firm's core competencies, they will learn to look for them in student and lateral candidates. Anecdotal evidence among law firm recruiting models suggest that firms have been slower to adopt competency-based recruitment strategies that include behavioral and scenario-based interviewing and administering personality inventories. Perhaps this is because they are still socializing their competency models within their own organizations and in the industry as a whole. As firms refine and become comfortable with their competency models, students can expect more robust interviewing experiences and selection based on more than law school pedigree and grades. There is continued discussion about whether law schools should adopt competency models as a foundation for preparing lawyers for practice.<sup>35</sup> Many law schools are contemplating the question of whether they should or could be more focused on whether graduates have the practical skills sought by employers.<sup>36</sup> The challenge would be defining student competencies that would prepare law school graduates equally well for the many types of employment they seek upon graduation.

Some law schools have introduced curricular innovations designed to better prepare students for a changing employment world.<sup>37</sup> The Association of American Law Schools Committee on Curriculum reports on a wide range of curricular changes that have been enacted or are in the planning stages.<sup>38</sup> The following are some examples of change drawn from their report as well as from law school websites:<sup>39</sup>

**Harvard Law School:** First-year curriculum was revised to address market demands for graduates who have been exposed to

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35. See generally Neil Hamilton, *Law-Firm Competency Models and Student Professional Success: Building on a Foundation of Professional Formation/Professionalism*, UNIV. ST. THOMAS L.J. (presenting data indicating which core competencies law firms value) (forthcoming); PAULA MONOPOLI & SUSAN McCARTY, *LAW AND LEADERSHIP: INTEGRATING LEADERSHIP STUDIES INTO THE LAW SCHOOL CURRICULUM* 91–124 (2013) (discussing the importance of leadership and explaining the benefits of integrating leadership studies into legal education).

36. See MONOPOLI & McCARTY, *supra* note 35.

37. See generally AALS Committee on Curriculum, *Survey of Innovations in Law School Curricula*, <http://www.aals.org/documents/curriculum/Survey.pdf> (showing responses from many law schools answering various questions, including ones about better-preparing students for the new legal market).

38. See generally AALS Committee on Curriculum, *Overview of Curricular Innovation/Survey*, [http://www.aals.org/services\\_curriculum\\_committee\\_survey.php](http://www.aals.org/services_curriculum_committee_survey.php); St. Thomas University School of Law, [www.stu.edu/law](http://www.stu.edu/law).

39. See AALS Committee on Curriculum, [http://www.aals.org/services\\_curriculum\\_committee\\_survey.php](http://www.aals.org/services_curriculum_committee_survey.php).

deeper information on regulation/legislation; who understand the global context of communications and business; and who can work effectively as a part of a team in solving problems. Students with specialized interests are also encouraged to cross-register with Harvard Business School, the Kennedy School of Government, or MIT Sloan School of Business to deepen their expertise.<sup>40</sup>

**Stanford University Law School:** Second- and third-year curricula was mapped to specialty areas of focused study (The Stanford Navigator program) and revised to allow students to enhance foundational legal education with courses from other departments in the university that allow students to pursue a more three-dimensional education in an area of practical interest. The goals of this approach are to teach students to think creatively, to be problem-solvers, and to understand a client's point of view.<sup>41</sup>

**University of St. Thomas School of Law:** In fall 2013, the law school added a requirement that all second-year students in the Professional Responsibility course read the Roadmap for Employment: Connecting the Dots, by St. Thomas Law School Professor Neil Hamilton and soon to be published by the ABA. The Roadmap asks students to 1) go through an extensive self-assessment of strengths, 2) study what is known about competencies that different types of legal employers want from new lawyers, 3) determine which area of employment best fits his/her strengths and goals, and 4) articulate the value he/she brings to that type of legal employer. The student then maps out how best to use their remaining time in law school and receives mentoring from an experienced lawyer in that field.<sup>42</sup>

Other law schools are changing the structure of the educational model. For example, Northwestern University Law School offers an accelerated program that allows for graduation in two years,<sup>43</sup> and Washington & Lee Law School condenses students' doctrinal legal education into two years of study, reserving the third year for experiential learning and clinics.<sup>44</sup> To

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40. *HLS Faculty Unanimously Approves First-Year Curricular Reform*, HARVARD LAW TODAY (Oct. 6, 2006), <http://today.law.harvard.edu/hls-faculty-unanimously-approves-first-year-curricular-reform/>.

41. *A "3D" JD: Stanford Law School Announces New Model for Legal Education*, STANFORD LAW SCHOOL (Nov. 28, 2006), <http://www.law.stanford.edu/news/pr/a-3d-jd-stanford-law-school-announces-new-model-for-legal-education>.

42. NEIL W. HAMILTON, *THE ROADMAP FOR EMPLOYMENT: CONNECTING THE DOTS* (forthcoming 2015).

43. See Daniel B. Rodriguez & Samuel Estreicher, *Make Law Schools Earn a Third Year*, N.Y. TIMES, Jan. 18, 2013, at A27.

44. See Colleen Flaherty, *2 Years for Law School?*, INSIDE HIGHER ED (Aug. 26, 2013), <http://www.insidehighered.com/news/2013/08/26/president-obama-calls-cutting-year-law-school#sthash.okecVQ65.dpbs>.

date, there is not widespread use of competency models in legal education, but it will likely be under consideration by legal educators.

#### V. MAKING CHANGE HAPPEN

In his landmark 1971 treatise, *Beyond Freedom and Dignity*, behavioral psychologist B.F. Skinner reported his then surprising finding that punishment was not a good means of effecting change.<sup>45</sup> Rather, he learned through extensive experimentation that positive reinforcement of desired behaviors yielded the greatest and longest-lasting change.<sup>46</sup> Human beings are hard-wired to respond positively to praise and positive recognition and apparently learn more when they experience this positive reaction.<sup>47</sup> They are more likely to reflect on *why* they received praise so that they can be sure to repeat the experience.<sup>48</sup> When people are punished, they tend to learn less because they feel shame and often believe the punishment was unfair.<sup>49</sup> Their impulse is to focus on figuring out how to avoid future punishment rather than trying to behave appropriately.<sup>50</sup> People experiencing negative feedback or consequences will devote time to avoiding the system, policy, or people who yielded the experience before they will actively work to change behaviors.

The lesson for firm leaders who desire change in their partnership culture is to learn the art of using praise and elevating positive role models. Effective leaders make decisions and take actions that both support the right behaviors and reinforce shared values, but it can be challenging to remain disciplined in uncertain times. To support the shift toward the collectivism and collaborative culture this mature legal industry demands, leaders must be both disciplined and patient. Even as they reward high performers for entrepreneurship, they must also avoid being swayed by seemingly critical, short-term issues of individualism, for example awarding outsize benefits to partners or laterals who demand special treatment or allowing rainmakers to be abusive to associates or staff. Harvard Business School Professors DeLong, Gabarro, and Lees write:

Leaders willing to compromise the firm's values to keep a high-performing "star" satisfied, or to deal with the emergency of the moment, ignore the professionals who adhere to the firm's values while rewarding the super-producers who do not. The fallout: increased cynicism and diminished commitment to the firm and its values.<sup>51</sup>

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45. See B.F. SKINNER, *BEYOND FREEDOM & DIGNITY* 63–83 (1971).

46. *Id.*

47. *Id.* at 92–97.

48. *Id.*

49. *Id.* at 63–83.

50. *Id.*

51. THOMAS J. DELONG, JOHN J. GABARRO & ROBERT J. LEES, *WHEN PROFESSIONALS HAVE TO LEAD: A NEW MODEL FOR HIGH PERFORMANCE* 27 (2007).

It requires intense discipline and a laser-like focus on the future goal to avoid the distraction of the crisis of the moment.

Beyond praise and punishment, people are influenced by the extent to which they have control over their own circumstances. In his book, *Drive*, author Daniel Pink suggests that the primary motivators of achievement-oriented people are autonomy, mastery, and purpose.<sup>52</sup> This further supports the efficacy of using a competency model to shift cultural mindset. Competencies provide firm members with clarity of expectations that allow people to choose their own path. The model defines mastery so individuals seeking top performance know what they need to do. In addition, a lawyer gains a sense of purpose as he learns what the firm needs from him, chooses his own path, and attains mastery of critical skills. Add positive reinforcement from leaders into the equation and the likelihood of real change increases. The competency model provides the foundation, and leaders can use this tool to affect change in the positive interest of the firm.

Firm success depends on culture, and competency-based development models can be an aid when cultural change is needed. Arriving at the right place on the individualism-collectivism spectrum for a partnership is one important aspect of cultural alignment to firm business goals. Though cultural change presents a significant challenge for firms, competency models offer not only a superior talent development tool, but also a meaningful resource to support long-lasting change and the ability to continue adapting to future shifts.

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52. See DANIEL H. PINK, *DRIVE: THE SURPRISING TRUTH ABOUT WHAT MOTIVATES US* 83–145 (2009).