



COMPENSATING, EVALUATING AND RETAINING YOUR FIRM'S MOST VALUABLE ASSETS – YOUR PEOPLE

**November 9, 2017
12:00 pm – 1:15 pm.
Chicago Bar Association**

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|---------------|--|
| 12:00 – 12:05 | Welcome and Introductions |
| 12:05 - 12:20 | Compensation 101 <ul style="list-style-type: none">• Determining Base Pay• Pay Types |
| 12:20 – 12:25 | Why Do You Need a Performance Management System? <ul style="list-style-type: none">• Benefits of a Performance Management Process• Performance Improvement Plans/Development Plans |
| 12:25 – 12:35 | How Does Compensation and Performance Management Impact Retention? <ul style="list-style-type: none">• Why Do People Leave?• Costs of Turnover |
| 12:35 – 12:40 | How To Create a Compensation Strategy <ul style="list-style-type: none">• Implementation• Small Firm Considerations |
| 12:40 – 1:00 | Creating an Evaluation System <ul style="list-style-type: none">• Self-Evaluations• Performance Evaluations• Alternative Approaches• Logistics and Considerations |
| 1:00 – 1:10 | How to Improve Retention <ul style="list-style-type: none">• The 5 “R’s” of Retention• Best Practices for Retention |
| 1:10 – 1:15 | Questions |

Websites to consider when researching compensation

<https://www.worldatwork.org/Content/library/html/library-state-resources-2.jsp>

<https://www.dol.gov/general/topic/wages/minimumwage>

<https://webapps.dol.gov/elaws/faq/esa/flsa/toc.htm>

www.worldatwork.org

<http://compensation.blr.com/samples.aspx>

<http://www.alanet.org/> (resource for national salary survey)

<http://www.alachicago.org/> (resource for local salary survey)

How to Age Salary Data ...

Determine the date you want to age the salary data to and subtract the effective date from it. For example ...

To age salary data with an effective date of 7/2014 to 12/2014, subtract 7 from 12 to get 5 months.

Using an aging factor of 3% ...

Divide 5 by 12 to get .4167

Multiply .4167 by .03 to get .0125

Multiply the salary data (\$65,000) by 1 plus .0125

\$65,000.00 = Annual salary at effective date

x 1.0125

\$65,812.50 = Annual salary at "aged to" date

If age-to date goes beyond a single year, age one year first then age the second year (compounding the increases).

To age salary data with an effective date of 7/2014 to 10/2015, age data to 7/2015 then age from 7/2015 to 10/2015.

Using an aging factor of 3% ...

Divide 12 by 12 to get 1.00

Multiply 1.00 by .03 to get .03

Multiply the salary data (\$65,000) by 1 plus .03 to get \$66,950

Divide 3 by 12 to get .25

Multiply .25 by .03 to get .0075

Multiply the salary data (\$66,950) by 1 plus .0075 to get \$67,452.13

\$65,000.00 = Annual salary at effective date 7/2014

x 1.03

\$66,950.00 = Annual salary at "aged to" date 7/2015

x 1.0075

\$67,452.13 = Annual salary at "aged to" date 10/2015

Self-Evaluation: Attorneys

1. Please list your accomplishments this year: considering notable billable and/or non-billable projects/initiatives, participation in bar association/civic/community activities, and/or your involvement in firm committees or other firm activities.
2. Please list your involvement in internal and external business development activities.
3. Please describe special circumstances and/or challenges that may have impacted your performance over the year.

Self-Evaluation: Staff

1. List your successes/accomplishments this year.
2. List any challenges or obstacles faced this year.
3. List your goals for next year, along with any training or further educational interests. Include how you will measure your progress toward accomplishment.

Additional Questions to Consider

1. Do you need any additional resources to perform your job more efficiently?
2. What skills or new knowledge would you like to develop to improve your performance?
3. What can your supervisor or the firm do to increase your overall job satisfaction?
4. How would you assess communication within your department and/or the firm? Are you informed of the information necessary to perform your job effectively?

Evaluation Form: Staff

COMMUNICATION SKILLS AND CLIENT SERVICE

Written communications are clear and concise

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Grammar/Word Choice - Spelling and syntax are correct

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Proofreading/Editing

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Responds both appropriately and in a timely fashion to both attorneys and administrative staff

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Effectively listens and makes an effort to understand oral instructions

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Oral communications are clear and concise

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Please provide specific comments and/or examples to support the above ratings:

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PROFESSIONALISM

Dedication/Work Ethic - Looks for, anticipates and takes appropriate and timely action to respond to internal/external client needs

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Uses good judgment to effectively solve issues

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Responds positively to feedback and constructive criticism

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Willingly collaborates with others at all levels in the organization to accomplish shared goals

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Exchanges ideas and opinions in a positive manner

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Maintains a positive working relationship with others

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Looks beyond one's area to take into account the priorities and objectives of other groups or functional areas

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Understands and promotes the firm's mission and values

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Please provide specific comments and/or examples to support the above ratings:

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JOB KNOWLEDGE/TECHNICAL SKILLS

Understands the requirements of the job and completes tasks with minimal supervision

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Takes initiative to keep current with new technologies and developments

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Embraces new technologies and attends trainings on new software or processes

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Demonstrates strong time management skills

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Develops and offers solutions to problems and issues

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Please provide specific comments and/or examples to support the above ratings:

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QUALITY OF WORK

Work Product Quality - Completes tasks accurately and is attentive to detail

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Work Product Timeliness - Prioritizes and manages work from multiple sources, regularly meets deadlines and has an appropriate sense of urgency when addressing internal or external client issues or needs

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Work Product Efficiency - Plans work within realistic time frames and anticipates steps needed to ensure deliverables are completed effectively and on time

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Consistently produces professional looking work product

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Maintains orderly and up-to-date files

- Needs Improvement Acceptable Exceptional Not Applicable/No Comment

Please provide specific comments and/or examples to support the above ratings:

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STRENGTHS

What are this person's greatest strengths?

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FUTURE DEVELOPMENT GOALS

Based on the information above, please identify those areas where improvement and growth are needed, or where professional development should be targeted in the upcoming year.

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OVERALL COMMENTS

Please comment on this person's overall performance:

<input type="checkbox"/>	
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Comments/Feedback Provided Throughout the Evaluation Calendar Year.

<input type="checkbox"/>	
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ACKNOWLEDGEMENT

I acknowledge that I have reviewed all content contained within this evaluation form, and that I have met and discussed this evaluation with my manager.

<input type="checkbox"/>	Employee Signature/Date
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After completing your evaluation meeting, please provide any comments or feedback you wish to add to your employee file.

<input type="checkbox"/>	
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Evaluation Form: Attorney

LEGAL KNOWLEDGE

- Below Average Average Above Average

Please comment on this person's overall legal knowledge:

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TECHNICAL ABILITY

- Below Average Average Above Average

Please comment on this person's technical ability:

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WRITTEN COMMUNICATION

- Below Average Average Above Average

Please comment on this person's written communication:

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ORAL COMMUNICATION

- Below Average Average Above Average

Please comment on this person's oral communication:

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WORK PRODUCT - QUALITY

- Below Average Average Above Average

WORK PRODUCT - TIMELINESS

- Below Average Average Above Average

Please comment on this person's work product (e.g., quality, timeliness), keeping in mind the level of instructions you provided and the complexity of the assignment(s):

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STRENGTHS AND AREAS FOR DEVELOPMENT

Please comment on this person's greatest strengths:

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Please comment on areas for development:

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OVERALL COMMENTS

Please comment on this person's overall performance:

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180 Degree Evaluation Form: Attorney

Note: This evaluation form is completed anonymously.

I choose not to participate in this process for the following reasons:

<input type="checkbox"/>	
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COMMUNICATION:

Provides clear instructions/guidance when issuing assignments

Needs Improvement Average Above Average Not Applicable

Provides clear instructions as to scope and timing of projects

Needs Improvement Average Above Average Not Applicable

Explains the level of participation the assigning attorney desires as the project progresses

Needs Improvement Average Above Average Not Applicable

Explains relevance of the assignment to the total project and client needs

Needs Improvement Average Above Average Not Applicable

Provides insight into the client relationship to enable the attorney to interact effectively with clients

Needs Improvement Average Above Average Not Applicable

QUALITY OF ASSIGNMENTS:

Matches the complexity of the task to the level of skill of the attorney

Needs Improvement Average Above Average Not Applicable

Provides projects with increasing levels of responsibility over time

Needs Improvement Average Above Average Not Applicable

Avoids last minute assignments and/or artificial deadlines

Needs Improvement Average Above Average Not Applicable

Provides opportunities for client contact

Needs Improvement Average Above Average Not Applicable

Involves attorneys in client development

Needs Improvement Average Above Average Not Applicable

QUALITY OF FEEDBACK:

Is available for guidance during a project

Needs Improvement Average Above Average Not Applicable

Provides timely feedback after completing a project

Needs Improvement Average Above Average Not Applicable

Is direct and open with feedback

Needs Improvement Average Above Average Not Applicable

Provides feedback in a respectful manner

Needs Improvement Average Above Average Not Applicable

Effectively explains why revisions or substantive changes are made

Needs Improvement Average Above Average Not Applicable

Working with this individual has improved the attorney's writing skills

Needs Improvement Average Above Average Not Applicable

LEADING BY EXAMPLE:

Gets involved at appropriate point in project

Needs Improvement Average Above Average Not Applicable

Is approachable

Needs Improvement Average Above Average Not Applicable

Is available for guidance and assistance

Needs Improvement Average Above Average Not Applicable

Is an effective trainer

Needs Improvement Average Above Average Not Applicable

Is an effective manager of project goals, staffing and deadlines

Needs Improvement Average Above Average Not Applicable

Sets a positive example by actions

- Needs Improvement Average Above Average Not Applicable

Sets a positive example by words/instructions

- Needs Improvement Average Above Average Not Applicable

Actively listens

- Needs Improvement Average Above Average Not Applicable

Exhibits good temperament under stress

- Needs Improvement Average Above Average Not Applicable

Shows appropriate level of appreciation for hard work

- Needs Improvement Average Above Average Not Applicable

DIVERSITY AND WORK/LIFE BALANCE:

Considers work/life balance issues and implements an appropriate appreciation for these issues when assigning and overseeing projects

- Disagree Neutral Agree

I have observed that this individual provides equal opportunities for quality work assignments, client interaction, and marketing opportunities

- Disagree Neutral Agree

This person treats people equally whether they are working remotely or in the office

- Disagree Neutral Agree

COMMENTS AND RECOMMENDATIONS:

How could this individual and the firm improve training?

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Would you recommend this individual to train or mentor attorneys? Why?

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Additional Comments:

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THE COST OF ATTRITION

Recruitment Costs:

- Candidate screening including interview preparation; conducting interview
- Agency recruiting costs; internet/newspaper advertisement
- Range from 30 hours to 100 hours per position

Training Costs:

- Orientation, training and cost of materials
- Person's time who conducts the training
- Range from 160 hours to 240 hours

Lost Productivity Costs:

- As the new employee is learning, they are not fully productive, and mistakes that they make during this period can be extremely costly
- 75% of the new employees' full salary during the first 2-4 weeks because they are only contributing at a 25% productivity level
- 50% of the new employees' full salary during weeks 5-12 because they are only contributing at about 50% of their productivity level
- 25% of the new employees' full salary during weeks 13-20 because they are only contributing at about 75% of their productivity level

New Hire Costs:

- The person who fills in while the position is vacant
- Lost productivity at a minimum of 50% of the person's compensation and benefits for each week the Position is vacant; even if someone is performing the work
- Lost productivity at 100% if the position is completely vacant for any period of time
- Time of the person conducting the exit interview
- Administrative costs stopping payroll benefit deductions, benefit enrollments, computer and security passwords, identification cards, etc.
- The manager's time who has to determine how to get the work done until a replacement is found
- The training that the firm has invested in the employee who is leaving
- Lost skills, knowledge and contacts that the person who is leaving is taking with them (about 50% of the person's annual salary for one year of service, increasing each year of service by 10%)
- Subtract the cost of the person who is leaving for the amount of time the position is vacant.
- The total cost can amount to as much as 75% of the annual salary of the person who is leaving the firm