

Reinventing performance management at Allen & Overy

As David Benton, the Global Head of International Capital Markets (ICM) at Allen & Overy (A&O), prepared annual appraisals for his team, his frustration grew. Yet again, he and his partners were spending hours distilling a year's worth of feedback in preparation for a single appraisal conversation. The process was time-consuming and laborious – and, in his view, of questionable value. Meeting with Sasha Hardman, Global Head of HR, Benton complained:

The appraisal process is such a waste of time. We're dragging all the partners in to do it "properly", with these mountains of paperwork . . . I just don't believe that we are getting good value. The whole process has no real relationship to improving performance. I've read about organisations modernising their review processes to be more focused on feedback and development. Can't we come up with something better? Something not based on these retrospective, once-yearly evaluations?

Benton suspected that the firm might be better off abandoning its longstanding (and, in some corners, beloved) numerical ratings system. Instead, he wanted partners to focus on giving regular, meaningful feedback and helping people develop – not on “pushing paper” to create dozens of backward-looking assessments. Engagement survey data showed that both lawyers and staff felt that they did not receive enough regular feedback and that career development support was lacking.

Benton's insights – and his willingness to change things – were in line with the HR team, who were already considering revamping the appraisal process. Siobhan Hobley, Acting Head of HR for the Corporate department, explained:

David was adamant that we think about doing something quite different, shifting away from a numerical rating as the indicator of ability, performance and potential. He was asking bigger-picture questions: How could we ensure that the right conversations were happening at each level? How could we better identify and help nurture talent? How could one-to-one conversations between partners and associates help associates understand their opportunities and how they were tracking? The current system, with its once-yearly appraisal, really did not accomplish these goals.

By late 2018, just three years later, a radically different performance management system – Compass – would be live in almost every A&O office. As Managing Partner Andrew Ballheimer explained, Compass reflected a “focus on future development and enabling people to perform and progress through more regular, open and effective conversations.”