



How Performance Counseling Can Help Your Firm

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The morale of senior professionals in management consulting firms often suffers when they are uncertain about their job performance and their future with the firm. Effective counseling can help the individual answer the vital question: "Where do I stand?"

Less experienced staff members

usually get continual feedback on their performance through job evaluations, periodic reviews, and salary adjustments. But from the magic day they make partner or principal—or even senior consultant—the performance evaluation and development process seems virtually to cease. In many consulting firms, the management fails to keep partners, principals, and associates apprised of their performance and their future with the firm. It is therefore not surprising to see so many withdrawals and resignations of frustrated and embittered people.

Yet the periodic evaluation of professionals is—or should be—a requirement in a firm's quality control program. There is a need for improved communication and counseling. Even in a two-member firm, the individuals should consider and honestly discuss the key factors of personal performance—if only to bolster morale.

This article addresses the what and when of the performance counseling process, with particular attention to:

- methods of interviewing to de-

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Head-to-head conferences, not only with staff consultants but even with principals and partners, are wonderful tools for dispelling doubts and dissatisfaction and for helping everyone pull together for their own benefit and that of the firm.

Immediate rewards can be expected, but the long-term payoff may be even greater.

velop significant information and possible alternatives, and an overall format for preparation, date gathering, disclosure, and follow-through.

is also useful to remember that many of these steps and techniques relate to client interactions as well.

The Goal is Sharing

Performance counseling should provide honest communication and suggestions so that the individual will better understand his or her role in the firm. Some of the things discussed will be the familiar ones covered during staff evaluations, while others will be unique to the partner, director, or owner level. It is important for the person conducting the counseling session to try to explore the professional's expectations, level

of achievement, interest in management or technical roles, and compensation.

The importance of sharing information cannot be overemphasized. Key firm members need to better understand their stake in the big picture and the why of management actions. Professionals (including owners) need to exchange information both individually and in groups. Ownership is supposed to be a sharing of information as well as of profits.

In a small firm, roundtable discussions can be helpful. But there is no real substitute for an honest, eyeball-to-eyeball session with the person who can affect a professional's future.

Twelve Steps to Successful Counseling

Whether you are the person conducting the counseling session or the one who will be counseled, you should be aware of the general approach so that you can get the most out of the sessions. Self-discipline is important from either perspective.

From the counselor's standpoint, what is the best way to handle such an encounter? Here is a step-by-step approach to preparing, conducting, and following up a session:

(1) You should plan to have more than one session with the person you counsel. Decide upon your approach and objectives before the first session. Clearly define what you expect to cover and what you are trying to accomplish in the sessions. It is important to establish these objectives before

the person is counseled on individual performance and job objectives.

(2) Be prepared. Use all available information and sources to find out about the person you will be talking to. These may include previous evaluation reports, "critical incidents," correspondence (both good and bad), self-evaluations, and other sources of information.

(3) Ask what the individual wants to talk about. It is extremely important for the person being counseled to feel that he or she has had an opportunity to raise significant points and questions with the counselor.

(4) Listen. Taking notes is usually acceptable if mutual trust exists and if the person understands what you intend to do with the notes. You should explain that the notes will serve as the basis for a summary of the meeting and a mutual action plan for future performance.

(5) Ask open-ended questions to elicit significant information. Listen especially for clues to the person's expectations about the future. Examples of some good open-ended questions are:

- What is your biggest frustration?
- How do you feel about the office and the firm?
- How do you want to spend your time?
- What do you want to accomplish?
- What results do you expect from this performance counseling session?

(6) Arrange to meet again. Schedule a follow-up meeting

after both of you have had an opportunity to reflect on the session. Leave the lines of communication open, and do not commit yourself to things that you cannot deliver.

(7) Document and summarize the results of the first session. This step will be very helpful in evaluating future information and realistic alternatives.

(8) Consult with selected others. Be discreet. The primary communication must be directly between you and the person being counseled. However, other senior firm members and, in some cases, outside professionals may be able to provide additional information and viewpoints that will enhance your understanding.

(9) Meet with the person again. After crystallizing your thoughts and reviewing data from other sources, realistically discuss the reactions and alternatives with the person being counseled. Do not get into arguments over numerical schedules that can be interpreted in many ways.

(10) Agree on a plan for the person's future performance. How do you expect the individual to spend work time? What do you expect of the person, and what does he or she expect of you? And when will each of you perform?

(11) Document the results of the session and the plan. It is often helpful and productive to provide the individual with a copy of this summary—it enhances mutual understanding and commitment. Some firms use a report card format for summarizing the performance evaluation. But do not get hung up on the design of a form. Concentrate instead on the process.

(12) Follow through. Do what you said you would do, and re-

mind the person that he or she has an explicit responsibility to carry out the plan you mutually agreed on.

Points for Discussion

The goal of the counseling process is to arrive at an honest evaluation of the professional's performance and to develop a plan to improve such performance. To accomplish this, answers must be found to questions such as the following:

- What are the primary objectives of the firm?
- How is this person expected to contribute to the firm?
- What is the person's position on the team?
- How well does he or she fill the position?

In addition to agreeing on the responsibilities, counselor and professional should evaluate several key factors during the counseling sessions. These may include:

- the professional's time and interest commitment;
- practice development (efforts and results);
- billing (frequency, adjustments, and collections);
- staff (recruitment, utilization, evaluation, and development);
- client service (quality and promptness);
- compliance with administrative procedures and policies.

Let us briefly discuss each of these evaluation factors and consider possible reactions in each area by the person being coun-

seled, along with appropriate responses by the counselor. While it is impossible to anticipate every reaction, the counselor can achieve a level of comfort by knowing the types of situations and dialogue that are likely to occur. No one has all the answers, and the examples below are intended only as models and realistic descriptions of actual situations.

Time and interest: The time and interest commitment covers such elements as submitting an annual time plan to the management, being willing to participate in personal planning, and devoting full time to the firm (with appropriate billing time). Responding to questions about time and interest, the firm member being counseled might ask: "Why must I submit a personal time plan each year? Who cares how many hours I work if I make money for the firm?" The counselor could respond by reminding the firm member of the responsibility to participate in the personal planning process and to try to agree on how he or she will allocate time for the firm. It is common and reasonable to set individual targets for chargeable hours and total hours.

Practice development: The practice development factor (efforts and results) includes being willing to pool contacts and leads, asking for and obtaining new engagements, developing additional services through client visits, and participating in formal practice development activities.

A possible individual reaction in this area might be to argue: "I developed a significant amount of business, and I believe the firm should recognize and reward me for it." The counselor should be prepared for this aggressive type

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of statement. While such a statement sometimes is true, it is more often likely that new business was acquired through pooled contacts and leads and the development of additional services to existing clients. (This is why partnership and employment agreements that compensate directly for new business are often administrative headaches.) The professional could be reminded that all firm members have a responsibility to expand the base and profitability of the practice and that this is accomplished by a team approach. Furthermore, the time for practice development is created partly by the work performed by other people, and the individual has the comfort of knowing that what he or she "sells" will be delivered through the efforts of the firm. A person who is truly outstanding in terms of practice development should be willing to spend some time training principals and staff in effective methods and approach.

Billing: This factor (frequency, adjustments, and collections) usually involves the person's compliance with the firm's new-client-acceptance and credit-granting policies, compliance with engagement-letter and interim-billing procedures, and some description and explanation of the individual's billing and realization results for the year. Of course, some jobs do carry "planned write-downs," and some firm members must have them on their list.

Questions about billings might elicit the response: "I know I've had poor fee realization on some engagements, but I can't help it if I get the new staff who continually overrun their budgets" or "We knew that job was going to be a dog when we took it." While

these comments may be true in some cases, it is important that the counselor stress the other aspects of fee realization, such as effective engagement letters, interim billing procedures, and the person's responsibility for effective supervision of the staff to minimize overruns.

Staff: The people side of a professional's role usually involves several factors: the standards and examples the individual sets for the staff; the staff members' enthusiasm and respect for the person; the delegation of assignments; the degree of support for local office training; the person's willingness to change staff members on jobs supervised; and the willingness to help staff members with their personal problems.

The professional might respond by saying: "The staff doesn't seem to do what is necessary to get the job completed" or "Don't give me any more green staff, because I don't have time to train them on my jobs." In such cases, the counselor could emphasize that staff members are significantly influenced by the senior member's example. If the person does not express enthusiasm and personal commitment for the work to be done, the staff will inevitably pick up that attitude. Also, if principals do not invest time in the staff, who will?

Client service: The quality and promptness of client service must be carefully evaluated. Major elements to consider are how the professional has gained client confidence and respect; how engagements were planned (organization, budgeting, and control); and how the person has used the firm's resources to solve client problems. Another element might be recog-

nition by other senior firm members of an expertise and application of knowledge in a particular area of the practice. Obviously, support of quality control requirements and standards is essential.

In many cases, the failure to complete engagements on time is directly traceable to poor engagement planning, execution, and control. This is clearly the engagement director's responsibility, and it is the type of issue that should be squarely addressed in a performance counseling session.

A possible reaction regarding client service might be: "We weren't able to get the jobs done on time because the information we requested was not adequately prepared by the client." If so, it probably is meaningful and important to find out why this was not done. It may well have resulted from inadequate engagement planning and control, rather than from a problem client. Place the emphasis on the things that can be done, not those that cannot. Helping the client plan is usually one of the most satisfying and profitable services a consultant can provide.

Administrative procedures and policies: Administrative procedures and policies include a willingness to observe office practices (e.g., hours, and filing time and expense reports), observe procedures for clearing work in process, transfer clients, participate in administrative meetings, and submit timely staff assistance requests.

The firm member's possible reaction regarding administrative procedures and policies might be: "I handle x hundred thousand dollars of business, and I have such heavy client demands that I don't have time to prepare time and ex-

pense reports." This type of statement is typical of some very effective partners and consultants. When confronted with this or similar arguments, the counselor could point out that all senior members are expected to submit timely reports, which determine the amount and frequency of billings to clients. The person could be reminded that the liquidity pressures on the practice require that such records be submitted on time. Some firms withhold a partner or principal's draw until the necessary information is provided.

Reaping the Rewards

It is often stated: "If you don't know where you're going, you may end up somewhere else." While many consultants believe they know where they are going, this belief often is based on superficial knowledge and inadequate counseling and development. It is important that senior members of the firm objectively assess the advantages and disadvantages of their present position and its future prospects. They should also

be encouraged to evaluate carefully personal strengths and weaknesses as well as short-term objectives for money, position, and the balance of job with family life. By considering their objectives for the longer term—three to ten years—and identifying alternatives and career plans, key firm members are better able to determine the most likely course of action to meet their professional objectives.

Whenever counseling sessions are conducted, there is always a risk that a person may conclude that he or she has no future with the firm and decide to leave. Should this be an accurate perception, based on an honest exchange of information, the timing of the separation could be painful for the firm as well as for the individual; but, separation would be inevitable. On the other hand, when performance counseling helps the person realize that his or her objectives are closely aligned with those of the firm, the firm is far less likely to lose an extremely valuable member, and the individual is far more likely to perform at a high level. Commonality of expectations is often the key to a successful performance counseling program.

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