



Bluestone's Retail Strategies

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No Review, No Growth:

Tips On Putting Performance Evaluations To Work For You

Do you give written performance evaluations to your staff? If I had to guess the answer, it would be that you don't, but that you mean to. Why do I say this? Of all the questions I receive from *PFM* readers, the most common is, "I feel deficient because I don't offer regular reviews to my employees. How do I perform a really effective annual performance evaluation?"

Before I answer that question, here's a little background. I actually took a class on performance evaluations in college. We covered every possible method of constructing, preparing, and administering evaluations. Additionally, I have supervised hundreds of people for two larger retail companies and have personal experience preparing and presenting hundreds of evaluations. Finally, when I started my own company, I agonized over the best format, rating system, and delivery method for annual evaluations.

After much trial and error, and many starts and stops, I believe I have discovered the truth behind annual performance evaluations... They are useless wastes of time that have little or no use or application for a small company such as the typical framing store.

Why? Because a small business must move at the speed of light to succeed, and annual evaluations move at the rate of a snail. They evaluate performance over an extended period of time during which issues are forgotten or levels of expectation adjusted downward.

Here's another problem: Have you ever given or received an evaluation when you learned for the first time, or informed someone for the first time, of an area where they need to improve? If an annual evaluation contains anything new to the employ-

ee, then their manager has been terribly negligent in the management of that employee. The manager deferred progress for the sake of preserving the evaluation process.

Finally, have annual evaluations become synonymous with pay increases? I don't believe in an annual ritual that trades a few insights into performance for a bump in pay. So do you just give up on evaluations? Hardly. Instead you get to work and create a system where nothing escapes notice for long, and regular sit-downs between employees and managers become the norm.

So what should an evaluation measure, what form should it take, and how often should it be given? First, let's address the issue of what should be covered. For an evaluation to be useful, it must cover areas of performance that you feel are relevant to your business.

For example, if I were assessing the performance of someone working at my store counter, I might be concerned with: Attendance; Appearance; Customer Interactions; Sales Effectiveness; Design Skills; Ticket Writing Accuracy; and Cash Handling. And if this person was also involved in the actual framing, I would be interested in factors related to the quality and speediness of their work.

Make A List of Key Factors

- An evaluation is nothing but an assessment of an employee's ability or willingness to properly perform in areas you consider to be "key" to their position.
- Using the partial list I provided above, make your own list of areas of each person's job that you consider to be of importance to their performance.

- These areas become categories for you to assess performance.

Important: remember that the key factors you identify should be distinct. Avoid having two or more categories that restate each other.

What Form Should An Evaluation Take?

To be effective, an evaluation must follow a prescribed and predictable path. Employees should know in advance what areas of their performance will be assessed and how that assessment will be quantified.

Perhaps the greatest burden on management is to provide employees with a detailed knowledge of the standards for their performance and the rules, methods, and parameters that define those expectations. **Remember:** If you have not yet established, communicated, and trained on these standards, then you have no right to evaluate people's ability to meet them.

In other words, if you seek to judge employees on their performance without first telling them what you expect and how they are to achieve this, then your evaluation process is flawed from the start. Once everyone is on the same page in terms of what aspects of performance will be assessed, you have to figure out how you will quantify their level of performance.

Have you ever tried to fill out one of those store bought evaluations that asks you to assess performance on a one to 10, or even a one to 100 scale? How confusing is that? In my simple little world, people either meet your standard, exceed your standard, or they require improvement. That's it. However you word it, I highly recommend you limit the grading system to three levels. In many cases, a simple yes or no may suffice.

What Is Your Standard?

Suppose you decide that your per-

formance evaluation will have three grading levels: Exceeds Standard; Meets Standard; and Requires Improvement. The key question becomes, what is your standard?

We have all seen evaluations where someone excels in everything. How can that be? In my opinion it says that their managers' standards are too low or that they give out high marks as an alternative to confrontation or hurt feelings. Have a high enough standard so that the most frequently given rating is "meets standard" or "requires improvement." Reserve "exceeds standard" for the occasional stand-out employee.

In addition to a rating, the format should allow for specific comments to be offered that either recount specific examples or contain suggestions for improvement. A sample topic on an evaluation might look like the one below. Notice the simple format that forces the reviewer to be objective.

ATTENDANCE

During the report period, did the staff member work their schedule in the assigned manner?

YES NO

Are there currently any attendance related issues that require attention?

YES NO

Explain: _____

How Often Should An Evaluation Be Given?

In an ideal world, we would assess the performance of each employee each day. Sound crazy? In many professions, this is the norm. How often does a coach sit down with his quarterback? Did you know that a navy pilot receives a performance assessment after every landing no matter how experienced they are?

On a practical basis, daily evaluations might be too challenging for our

purpose. However, monthly assessments are very realistic. A month is a short enough period of time that no problem will escape attention for too long. It is also frequent enough to send the message that your company expects, in fact demands performance.

How To Give The Evaluation

Evaluations should be given in a private setting where the manager is free to speak with the staff member without being overheard or disturbed by others. The evaluation should be fully prepared before meeting with the employee. Once begun, it should last a maximum of 15 minutes. Since the evaluation is being offered monthly, it is highly likely that five or 10 minutes might be adequate unless there are significant issues to be addressed.

A properly prepared evaluation is objective, factual, and non-emotional. Similarly, it should be presented that way. If a company has done its job of telling employees what their job is and how to do it, then an evaluation should be a simple review of their success in meeting the required standards. Such progress should be easily scored and readily apparent to all involved.

There should be no controversy. If your expectations are well defined and communicated, then employees either do their job or they don't.

Even monthly evaluations should bring few surprises. A good manager should still inform staff of any positive or negative aspects of their job on a daily basis. However, they should also make notes of significant items so they can be recorded on the monthly evaluation.

Warning Sign: If employees act like they are surprised by some aspect of performance that requires improvement, then there is a good chance that you are not adequately communicating with them on a daily basis. Everyone needs immediate feedback on areas where they have performed

exceptionally well or where they need improvement.

In areas where employees need improvement, there should be a conversation addressing what actions will be taken to improve. In my experience, the worst way to get better at something is to “try harder.” Trying harder usually involves doing the same thing again and again in the misguided hope that someday the outcome might improve.

Instead, manager and employee should address issues specifically and find new ways to resolve the problem. Finally, there should be a discussion of consequences if needed improvement is not achieved within a defined period of time.

Have Something Nice To Say

Much of this discussion has been based on ways of telling employees that they need to improve. I would also like to recognize that it is important to have positive comments for staff members who earn them. It is appropriate to thank people for specific successes and to express general appreciation for hard work.

However, with that said, be cautious of complimenting people who are in dire need of improvement. Although it might make you feel nicer, it probably will only result in sending a mixed message to an employee who would be better served feeling a little heat.

Just Do It

A consistent commitment to frequent performance assessments can be a springboard to a great company. It lets employees know that their performance is what matters most to you and assures that problems are identified quickly. Quality employees value input from their managers and will typically strive to please if managed in a professional and objective manner. ■