

## Effective Employee Reviews

by Shawn McCadden

If you're fortunate enough to have employees, how do you know that you're getting their full potential? At my company, we rely on periodic performance reviews. Employee reviews can be nerve-racking — while it's always great to give, and receive, compliments on a job well done, it's less pleasant to discuss weaknesses.

Traditional review methods, or “competency assessments,” tend to create stress for both reviewer and reviewee. We handle the process differently.

The sole purpose of our review is to help employees work closer to their potential. Anything I can do to promote that dominates the review process. I concentrate on how employees can move forward instead of what they've done wrong.

### First Among Equals

In my company, a person who works directly with the employee conducts the review — for example, our production manager reviews the lead carpenters. He or she knows better than anyone else how the employee is doing and how to assess the employee's job performance. But the reviewer also has to consider his or her own conduct. We cultivate a team environment where managers and supervisors lead by example and are always open to feedback. If we're all pulling our own weight and treating the team as a family, it happens because of leadership. So the team attitude sets the tone for the review session.

### Two-Way Street

Some companies ask their employees to review themselves prior to the formal review. In such cases, a review form helps keep things consistent. However, a good form is interactive. It shouldn't resemble a check-off report card that leaves little room for discussion. Our review form is a measurement tool that compares progress from review to review.

As a forward-looking, positive process, our review breakdown can be summed up by the acronym RAP: *Review* the past — about 25% of the session; *analyze* the present — 15% of the session; and *plan* for the future — 60% of the session.

As part of our employees' active participation in their own reviews, we encourage them to ask questions. In the process, we've adopted a list of employee FAQs, or frequently asked questions, to be answered during a review:

1. How am I doing?
2. What can I do to improve?
3. Do I have a chance to advance?
4. What will be expected of me before the next review?
5. How will my work be evaluated during that time?
6. What kind of help or attention can I expect from my supervisor?
7. What changes are likely in our company in the months ahead, and how will they affect me?

Obviously, the answers vary from one employee to the next, but we understand that these are important issues to address. By using these questions as a springboard for discussion, we can clarify the purpose and benefits of the review.

We also use a list of reviewer's questions to ensure that the process is conducted in a balanced and mutually beneficial manner:

1. Is the employee on a career path that's compatible with

**Custom Contracting, Inc.**  
Wood Products Division

**ANNUAL REVIEW FORM**

**Date of Review:** 3/20/02

**Employee Name:** Joe Carpenter  
**Current Hourly Rate:** \$12.75  
**Current Paid Holidays:** 5 Holidays  
**Current Vacation Time:** 5 days

**Position at CCI:** Carpenter  
**Change Hourly Rate:** \$14.50  
**Change in Paid Holidays:** No change  
**Change in Vacation Time:** 10 days

**Employer Concerns/Comments:** Joe has improved steadily with both his construction and management skills as expected. He has continued to show a commitment to Custom Contracting with his positive attitude, work ethic and reliability. Joe is showing that he has the tools necessary to become a Certified lead carpenter in the future with his ability to manage the smaller projects and bring them in a profitable timely fashion. He will continue to manage his own projects with the help of the production management team and has expressed his willingness to learn as much as possible about his new position. Joe will remain in the company van he is driving for the time being and will be supplied company issued tools as needed to maintain himself as an independently working lead carpenter. Joe will be signed up in the fall to attend the local NARE CLC Certification Study group and test.

**Employee Concerns/Comments:** Joe has expressed his concern about wanting to be considered our next lead carpenter and receiving the training and compensation necessary to achieve his goals and to continue growing with Custom Contracting. Joe thinks he is well suited for the position and has expressed his intention of remaining with the company for the foreseeable future. Joe has also expressed the need to find and properly train his replacement in the laborer position in the near future. Joe has expressed some concern for obtaining tools and van usage which has been addressed in the comments above.

**Date of Next Review:** 9/20/02

**Signatures:**  
Please, only sign this review form if you agree with what has been included.

Person doing this Review: Fred Manager  
Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Employee being Reviewed: Joe Carpenter  
Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Additional sheets may be included if needed

## Strictly Business

the needs and direction of the company?

2. Have we done everything we can do to supervise, train, and mentor this person for success on that path?
3. Has the individual achieved consistent results, based on his or her initial skills? Remember, we aim to gauge progress.
4. Has the employee shown improvement in identified areas when provided with the necessary help?
5. What negative behavior — if any — might we be tolerating in this employee, and what does that tolerance say to other employees?
6. Do company goals support the employee's goals? The only way to monitor this is to ask the employee. This is something we strive to avoid merely speculating about.

An effective review captures an employee's current status and moves to an agreement of what's expected between this and the next review. The review is thereby a measurement tool that follows and gauges each employee's career path.

### Developing Skills

The review process is focused on goals for improvement. We consider four major areas for skill development — most remodeling companies have these in common: technical or crafts skills; people, or interpersonal, skills; paperwork; and computer skills.

We live in the computer age. Even if our employees don't need computer skills in their current capacity, they may well need them two or three years down the road. We don't wait to train them until after their computer's installed, but plan to have them ready to hit the road running. This can be done using a professional facility that offers software training, but it must be backed up with real, job-related use of the computer to maintain and improve the skills learned. Lead carpenters can come into the office to review job-costing spreadsheets or to put together material orders for faxing to suppliers. Even using the Internet to gather product installation specifi-


cations or after-work entertainment information can help provide hands-on experience.

### Spot Reviews

Not every personnel issue can wait until the next review. For example, if an employee makes an inappropriate comment to a co-worker, or offends a client, that behavior needs to be dealt with immediately. Showing up for work chronically late or, worse, intoxicated is obviously unacceptable and must be handled in a firm, timely manner. We conduct what we call an RPH, or "rapid problem handling," session on the spot, drawing that person aside and speaking gently but frankly, out of earshot of the rest of the crew. Treating negative behavior with a negative rebuke can make the offender angrily defensive and jeopardize team morale and future jobs.

### Professional Development

The focus of the review is on how the employee can improve. But the discussion isn't one sided; if a leader's conduct is somehow in conflict with an employee's effort, we want to hear about it. For example, I once promised an employee a September review, in part to discuss his compensation. I didn't get around to scheduling the review until November. This employee had earned a wage increase and rightly asked me, "Is my raise retroactive to the date you were supposed to do my review?" What kind of message would I have sent by saying no — that I'd delayed the review to save some money?

To solidify the goals for improvement, we require our employees to sign their review forms. To demonstrate that we take the review seriously, we schedule the next review upon a review's close. And we assure employees that we'll work with them to help them meet their goals. By giving employees a time line for improvement, they become stronger contributors to the team. 

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