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Staff Performance – Rewarding & Reviewing

One of the best ways companies stay competitive within their industry is by constantly improving their operations. To make this happen you need high performing employees, who are engaging and committed. Finding and keeping good staff can be a challenge and conducting performance reviews can be an effective way to recognise and reward valuable and talented staff members.

It's a good idea to do an appraisal evaluation with all of your employees, make it a yearly function at the very least. It's an open forum and gives both employers and employees the opportunity to improve communication, bring forth ideas, highlight opportunities and raise any difficulties. Performance appraisals are designed so that employees;

- Know what is expected of them.
- Receive timely feedback about their performance.
- Highlight opportunities for training and career development.
- Receive recognition in a fair manner.

Although this task hardly ranks as one of the most enjoyable for all parties, if it is handled well can be used to reward and retain valuable employees, improve productivity and bring forth new ideas. We have provided a few tips designed to assist you in the preparation of a review and help provide your employees with clear and constructive feedback.

1. Is your mind in the right place?

For your appraisal to be successful make sure you are in the right frame of mind, be prepared and realise that this will be a good opportunity to spend some quality time with your staff, what motivates them and uncover ways for

improvement. Like the old saying, happy staff – happy work like! Contented staff are more likely to stay, be more productive and make your work life easier. Many people want to know how they are performing, they want to learn and grow and you will be hurting them as well as the company by not being totally honest with them. Poor performance will remain like a virus unless it is addressed.

2. Preparation Time

Make sure you allow yourself enough time to get the maximum results, don't try and squash a review in with your day-to-day commitments. Block out at least one hour for each staff member (maybe even leave the office).

3. Both parties on review

Talk with your employees, not at them! Then, sit back and listen. Bring up any areas you think need improvements but also allow them to have

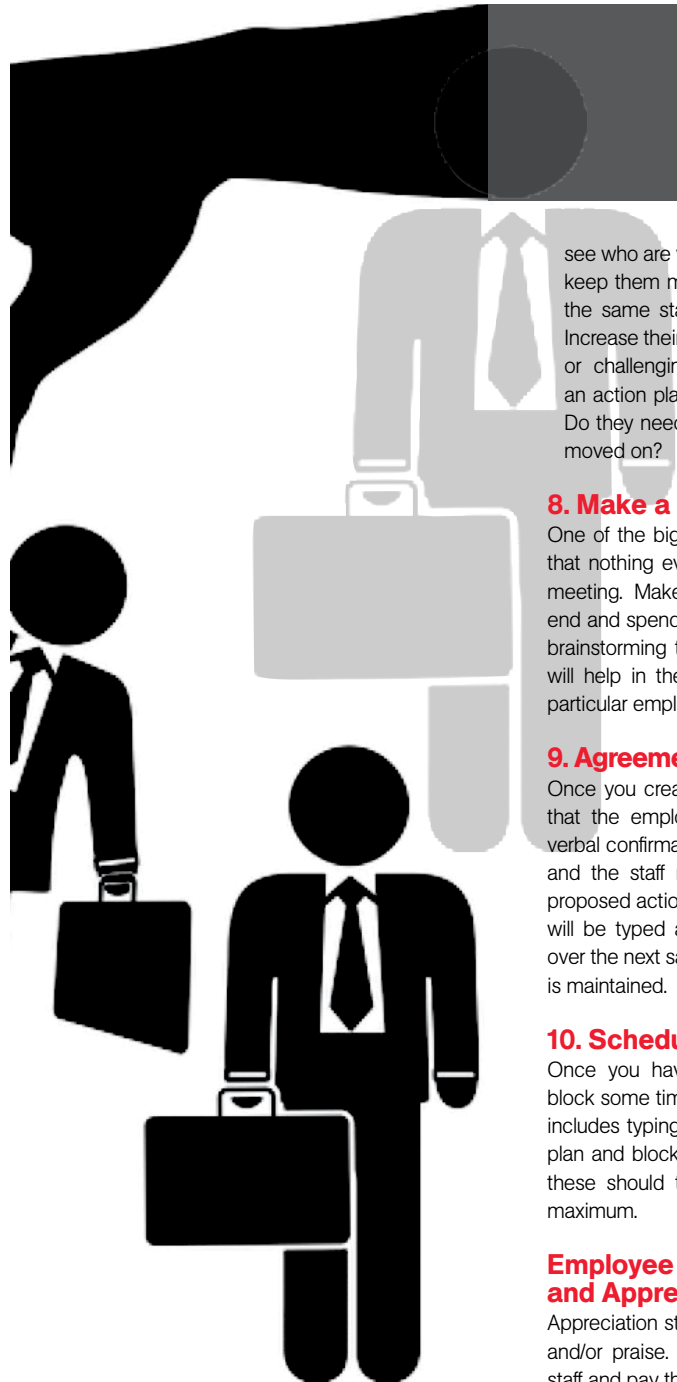
their say about you, the company and try to ask probing questions such as inviting them to give you examples or how do they think I/we could have handled things differently.

4. Feedback

Basically most reviews are placed on the opinions of two people, the employer/manager and the employee, sometimes it may be viable to talk to other managers or employee's peers throughout the course of the year to gain feedback.

5. Have an Agenda

By having an agenda it will prove that you take reviews seriously, it proves to be useful if you provide them to employees a few days before the review. It allows employees the opportunity of preparing what they would like to discuss, as well as encouraging them to add their own agenda items.



see who are your best employees. How will you keep them motivated and continue working at the same standard? Will you promote them? Increase their pay? Provide them with new and/or challenging responsibilities? Also, review an action plan for poor performing employees. Do they need more training? Or, is it time they moved on?

Another option for a "Bright Ideas Award". Offer your employees alternative awards and let them choose, this way you show them appreciation and think of them as individuals, however a word of caution – be part of the team but avoid getting too involved on a personal level. A friendly boss is a good thing, but one that is a friend can have a negative effect.

8. Make a list of action items

One of the biggest complaints about reviews is that nothing ever happens or changes after the meeting. Make sure you take notes, recap at the end and spend 5 – 10 minutes after the meeting brainstorming the top five key action items that will help in the continued development of that particular employee, over the next 6 – 12 months.

Managing Poor Performance

It costs at least three months salary to hire and train new staff members, not taking into account production errors or the speed they may take to pick up on this new role.

9. Agreement

Once you create the Action List it is imperative that the employee agrees and commits, seek verbal confirmation that everything is understood and the staff member is comfortable with the proposed action plan. Advise them that the notes will be typed and you will book in "catch ups" over the next say 12 weeks to ensure momentum is maintained.

One of the biggest problems is managing under performance, as poor performance impacts on everyone within the business – don't turn a blind eye or hope for the best, it is important to work through a structured performance management process and make it crystal clear on what the issues are. Expectations need to be spelt out in definitive terms and be consistent with the value and requirements of the company. The most important thing to do is put everything in writing; if disputes arise the first thing to do is go back to the paperwork!

10. Schedule catch ups

Once you have completed all of the reviews block some time out of your diary to finalise. This includes typing the notes, reviewing each action plan and block in your "catch up" times. Ideally these should take no longer than 30 minutes maximum.

Talk to the employee, point out concerns and discuss what action plans need to be undertaken. Allow the employee to respond, have everything documented and filed. If the situation doesn't improve a formal meeting needs to be arranged and a written letter given to the employee, outlining your concerns and the actions required with a timeline, to remedy the situation. Provide an opportunity for the employee to respond and offer assistance and/or training, giving every opportunity for improvement. Document and regularly record the employee's performance in trying to rectify the situation.

6. Keep the meeting focused and on track

Make sure you keep the conversation work related and don't criticise or blame other staff members.

7. Make sure feedback is positive

It is always best to start and finish with positive feedback – as a rule it is wise to give five pieces of positive feedback to every one piece of negative feedback. Ensure you finish on a positive note and thank them for their input.

- Consider creating a matrix for core responsibilities, accountability and company values and rank employees – Excellent, Satisfactory or Unsatisfactory or score them 1 or 0.
- Consider another matrix for KPI's (for similar roles) and mark 1 for achieving or 0 for not, or use Excellent, Satisfactory or Unsatisfactory. Now you will be able to rank and score and

Employee Retention and Appreciation

Appreciation starts with a few words of gratitude and/or praise. Show that you care about your staff and pay them some attention; by coming up with creative ways to appreciate your employees can bring significant rewards. Some suggestions would be to organise an occasional luncheon or an afternoon of activities, store vouchers, possibly even an afternoon off, or perhaps introducing an "Employee of the Month" program.

If an employee has taken the extra time to finish a job before going home, or notices an error before manufacture or dispatch take the time to thank them, let them know that their attentiveness and dedication is appreciated and helps to make this company successful. The more an employee feels they are appreciated the more they will continue to show their dedication and support.

Have an open door policy and show your appreciation when an employee comes to you with a "good idea", although not always viable they do however work on machinery and equipment more than you and may come up with ideas for improvements and production challenges.

If the decision is made to dismiss the employee, then a letter of termination needs to be provided clearly outlining the reasons, any previous warnings provided and the assistance offered to help rectify the situation. Focusing on the role and responsibilities and failure to perform. Outline finish date and final pay details and keep a copy in employees file, as well as any response from employee. Reasons for termination must be fair, reasonable and relevant to the role and responsibilities for that employee.

If you need help in structuring an "Employee Performance / Appraisal Review Form" or a Skills Matrix we are only too happy to help ... call ControlZone on 1300 546 276 or email John@controlzone.com.au or go to our web page; <http://www.controlzone.com.au>. We offer a free staff appraisal questionnaire to the first 25 people who simply email and ask for it!