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EVALUATIONS
DICK
COCHRAN

A motivated team succeeds by knowing what each member is good at, by working together and by understanding how that team contributes to making the whole organization work well.

Performance reviews essential in a slow economy

Employee: "I know we've been through some difficult times with layoffs and restructuring. I was just wondering, how am I doing these days?"

Manager: "You got to keep your job, didn't you? Besides, we're not doing formal reviews this year."

If you're a manager, giving this response to your employee makes sense, doesn't it? After all, you're saving time because you didn't have to go through all the hassle of figuring out what someone really did, then writing up all the data in a formal evaluation.

However, if you take this approach, you face three dangers:

1. Reduced productivity when you need an increase most.
2. Increased turnover when you can't afford the time to replace someone.
3. Missed opportunities to set a baseline for performance improvement.

Let's examine each of these dangers one by one:

1. Reduced productivity -- When employees fear losing their jobs, your organization experiences bursts of activity and a willingness to "do anything" to keep those jobs.

Certain non-productive behaviors show up, such as arriving before you do and leaving late to "look good" in your eyes.

Employees also lose productivity by worrying: "How close to the cut line was I?" "Why are they keeping me?" "Which of my skills do I really need to keep sharp?"

Since no one in management told them what skills are valuable, they're trying to demonstrate all of their skills rather than concentrating on the ones critical to the organization's success. Basically, people are "protecting" rather than "producing."

This behavior spirals downward, at a time when management wants more productivity from every employee. After all,

that's why the organization downsized.

Because distracted employees aren't as productive, management might downsize again -- leaving even more work and uncertainty for those employees who remain.

2. Increased turnover -- When they don't get the feedback to know how well they are doing, good employees start looking elsewhere.

While it's hard to find positions in a down economy, they're gone if they find anything even close to what they want. And this is exactly the time when the company can least afford the exodus.

As you know, departing employees leave huge gaps in performing the tasks needing to be filled. And just finding replacements and bringing new people "up to speed" is costly and time consuming.

Compound that with what happens in the exit interview process. In reality, exit interviews simply don't provide management with the real reason people leave so managers don't know what they could have done to prevent some departures.

3. Missed opportunities -- The concept of "opportunity cost" refers to what you give up when you make a particular choice. By not giving a performance review, the opportunity costs can be high because the company misses the chance to build a foundation for performance expectations.

Managers give up the chance to cement the fundamental competencies, behaviors, and values in place that will support the company's long-term goals.

Management also fails to give valuable employees specific feedback that will help them grow into key contributors and help the organization turn around.

The organization also misses the chance to get everyone focused on what it will take to survive the current business cycle and market shift. When a lean economy

forces downsizing and restructuring, it's sending the message that the current business model for the company needs to change.

So which companies will survive and prosper? The ones recognizing that change is needed so they're poised to capitalize on opportunities.

How can you avoid these dangers? You can take these steps to minimize damage or avoid the dangers all together.

1. Focus on basic competencies needed for success. Make sure you have competency-based job expectations in place for your key positions. If you don't have them, get them. It can be done quickly and it's never too late.

2. Communicate one-on-one with employees. Tell them which competencies you want them to focus on. If you have a Michael Jordan on the team and it's late in the fourth quarter, you want him to shoot the ball, not focus on his rebounding skills.

3. Keep all employees informed about the organization's progress. It's easy for them to get discouraged if they don't believe their efforts are paying off.

A motivated team succeeds by knowing what each member is good at, by working together and by understanding how that team contributes to making the whole organization work well.

Jackie Stewart was a successful race-car driver who would brake early into the turn then accelerate through it and out the other side. He got ahead because, while his competitors were still braking, he was accelerating.

Get your team members to accelerate through the turnaround. Then, as the business cycle improves, you'll be in front of your competition on the road to success.

DICK COCHRAN is the president of COMStar, a management consulting company. Contact him at 303-666-4224, or via e-mail at dcochrans@comstar-online.com.