

WATER STREET SMARTS

December 20, 2010

Employee Reviews

Ken Rahjes speaks with Larry Custer, Water Street Solutions Director of Operations.

Q: Larry we're going to spend a little time talking about employee reviews on the farm and maybe first off why is it important?

A: Employee reviews are actually very important. Most operations do not have scorecards or official expectations. If your operation is one of these, then now is a great opportunity to roll out these two items. It is critical to review expectations with employees. It tells the employees what's expected of them, and helps you measure their performance against your expectations. Great employees want that feedback. It's important to know from their boss, whom they respect, how well they're doing and how they're perceived by the organization.

It's better for everybody to get people on the same page, being able to address certain performance issues or being able to recognize people for great performance. It's a chance to reset the expectations and maybe make some changes or better alignments to what that person's doing and how that impacts the organization.

Q: How often should these be done?

A: Employers and managers should talk every day. What we want to avoid is having a year's worth of feedback pile up. Good employers are talking with employees to create a healthy environment where there is continual feedback going back and forth almost on a daily or weekly basis.

Employee reviews are more of an official time to share performance measurements and put them down in writing. This format gives employees an opportunity to receive feedback about their past performance. At a minimum, reviews should be completed annually. Some operations may choose to complete this process as often as quarterly. Daily feedback is more important than any of this. The annual review is a chance for documentation.

We're assuming that if they're still there, you're pretty pleased with their performance, otherwise you should have been having a different conversation. This is a chance for employees to go back to their family and share that they were recognized today, "here's what my boss thought, I'm pretty excited about working there." So, at minimum, annually.

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Q: What are they keys to making these productive for the business?

A: The annual review, in and of itself, is very productive for the business. Part of the reason is that we know when you're really trying to motivate workers – not average or below-average workers – but someone who is good, someone who is doing what you're expecting, they want that feedback. They want to know what's expected of them at work. They want to know what their responsibilities are so they can go off and do them. Feedback, and showing that you value their feelings, ideas or actions – that's known as respect in the Human Resources world. People that get that respect tend to perform about 40% better over time. More importantly this is about communication, and really what you're trying to do is take time to educate and communicate, not just evaluate and identify ways to succeed. Those are important too. But you've got to make sure you're using language that's constructive and prescriptive. Please and thank yous – adding those to your vocabulary can help too and that should be on a daily basis. With this process, you avoid this negative energy that comes up sometimes with gossip or harassing conversations, triangulating relationships, etc. This is just a great way to know that “hey, if I do that stuff, it's going to be evaluated, I'm going to be talked to about that”, but it's very important in your employer-employee relationship that you're coaching and teaching and supporting and guiding and all of those things. So that's really rolling all of that together and officially sitting down and doing that. That's the real benefit to the employee, because you're going to start to develop trust and without that, employees aren't going to be motivated. They're not going to run the gauntlet for you. Recognition is really really important. Being appreciated is a very powerful motivator.

Q: Let's talk about benefits but maybe a different kind of benefit. How do employers benefit from these regular reviews with the employee?

A: It has a lot to do with what I just shared. Sometimes we think because of these we have to give a raise out every year. Behavioral sciences have proven that *responsibility, relationships, recognition and respect* all trump the fifth 'R' – **rewards**. Remember, pay is a satisfier but not a motivator, so there is no need to think you have to spend more every time you sit down to have a review. Instead, the benefit employees receive is hearing praise. This type of accolade goes far in building relationships and developing an employee who continues to increase his contribution to the operation. This should be satisfying to you as well. Because we should really not be saving up the whole year to dump all this negative feedback on - that's not the point of this. The point is to sit down and if they have been doing well, here's how you can even do better. Offer additional responsibilities. For example, maybe you've earned your way onto the combine seat. These types of rewards go far when it comes to helping employees feel better about themselves and the relationship they have at work. They appreciate the recognition they receive for doing a great job.

Q: What other tips do you have?

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A: People don't know quite how to start that. Take their job description, or what the written down expectations were in the role when they started – or if this is your first time doing that, make sure you take time to write those down. Go back before you sit down and just list out that top 5-7 things that they're really going to be rated on. Now you're going to get into all kinds of conversations with them, but those top 5-7 things. Just make a scale off to the side and ask them to self evaluate. How well did I do in this area of my job, on a scale of 1-5 with 5 being great and 1 being the worst. Have them rate themselves over those 5-7 high level things they're being expected to do. I like that because it sets the manager up for success. Sometimes you'll find that employees suffer from almost delusion, in other words – this guy is barely making it here and he thinks he's a 5 in all these areas. I know what kind of conversation I have to have now. We have to get closer to reality. On the other hand, you'll find people that are really great people won't give themselves an A. So while they may rate themselves a 3, you can't imagine it being done any better. That's a chance to tell them "you're grading yourself too hard. Here's what I appreciate. Here's what I see in your performance." In general when you start that way, most great people will grade themselves tough. So it really sets you up to have a positive conversation. But on the off chance that it's someone new, or someone not quite in tune with what you're wanting to do, you can just say "boy I have trouble looking at this as a 5. Here's what a 5 would look like to me. It gives you a chance to greater describe the behaviors and values that you value on the farm and give them that critical feedback.