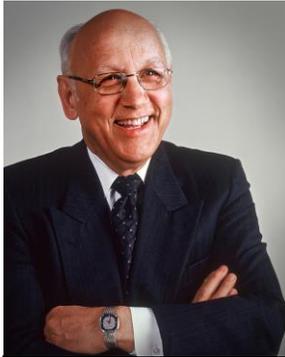




Caswell **CORPORATE COACHING** Company

Making companies better places to work - worldwide

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Measuring Employee Effectiveness

The easy way!

First, allow me to suggest that a difficult way to measure employee effectiveness is to follow the advice of most measurement consultants. Not only are the commonly available approaches complicated to put in place and difficult to maintain, they frequently (in fact, usually) measure the wrong thing. And heaven forbid if you want to change the job down the road.

A second difficult way to measure employee effectiveness is to follow the instructions in my book of 2008, *Feeding or Starving the Organization*.

What I am criticizing now is the work I did in 2008 upon publishing a system even though it has worked very well these past 4 years from Ottawa to Kitchener to Philadelphia to Mexico because it focused on simplicity:

- Simplicity of purpose by defining effectiveness of the job with a focus on what makes the employee effective in the eyes of his or her boss. Who are the employees 'clients'? What would they judge as the measure of success in the employee's ability to 'deliver the goods' they need?
- Simplicity of job definition (a one paragraph job description – not 1 to 5 pages)
- Simplicity of measures by focusing on 80% of the job which requires only 20% inspection (Pareto's Law or the 80/20 law).
- Simplicity of mutual understanding because in this system the employee can only be held responsible for things over which he or she has control. This simplified the job delineations throughout the company of who was really responsible for what. And it certainly allowed the employee to feel that the measures were fair.

Yet even those simplifications from 2008 proved to be too much sometimes. Better still – and the reason for drafting this paper – they proved not to even be necessary, thus triggering my criticism today, because something much better has eked out of the woodwork.

While engaged in 2008 etc., with companies in deciding on what made a job effective and what the measure could be for it, we poured every bit of imagination and understanding of what the company was trying to achieve into each job consideration. In about 1 in 10 jobs, we found we could not arrive at a controllable measure (either because of job complications, or because of the unreliability of the source of the measurement information). Therefore we arrived at a default measure to be used in those complex or confusing situations. It is called the Satisfaction Measure. Each week the supervisor looks at the employee and rates the individual's work as: Satisfactory, Unsatisfactory or Better than satisfactory. There are no quantitative measures – just the supervisor's subjective opinion.

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What a hue and a cry would arise from some leaders when such a measure was suggested! “How can I trust the supervisor to know?” “What if there is a personality clash between the employee and the boss?” We don’t have time to measure every employee every week.” “How do I put the opinion of the supervisor in the employees HR file?” “How can we rely on just one measure?”

Those who put the Satisfaction Measures into place discovered two important things. It was remarkably fast and amazingly accurate. It proved to be more accurate and faster than our complicatedly simple system of 2008. Why? (Let’s answer that ‘absurdity’ and all 6 concerns, now.)

1. It proved to be more accurate because it used the best computer of all – the supervisor’s brain (as well as that of the employee). What the brain does is to assess not one, not two, but hundreds of bits of information in a microsecond, put them together and give us a gut feeling of good or bad. It does this a hundred times a day – and most of the time it is right. (This gets into neuro-psychometrics, which has well-establish evidence of these phenomena.) And the employee’s computer also knows whether or not he (or she) has had a good week or a bad week; the worker and the superior are usually in agreement. Further, it allows the supervisor to adjust on the fly: “John couldn’t assemble the expected 14 forms this week because the reinforcing rod shortage slowed down the pouring. In view of that he did really well to assemble the 10 units he did.”
2. If you don’t trust the supervisor’s judgment, it’s time to get another supervisor.
3. If there is a personality clash then cooperation between them will never work. It’s time to shift people around.
4. Most supervisors found that only one to two minutes was all they needed to rate their team of 5 to 10 people as satisfactory or not. It was speedier than any other system they had tried.
5. As for the HR file, if an employee file has 52 satisfactory ratings a year, you know that person is a lot better than the one who has only 37 satisfactory ratings in the same time frame. And the company’s HR file drawer has 52 measures per year for every employee. (How does that compare with your own HR files today?)
6. It is not relying on just one measure; it’s relying on a hundred times the measures of the traditional paper way as only the human brain can do. It just so happens that humans can’t articulate those specific measures. “I don’t know why I feel that way, but I do – and it’s a very strong feeling.”

By the way, two conditions of working with such a system are that (a) if an employee was rated ‘Unsatisfactory’ for the week the supervisor had to meet with the employee to explain why; the measures could not proceed onto the next week without that meeting having taken place. (Good God, should not the supervisor talk to the employee if that superior is unhappy – anyway?) (b) The second ‘rule’ was that the employee had to have free access to the measures so that he or she knew always what the standing with the superior was.

In this short space I did not go into what the measure of success for this kind of assessment should be – say 75% satisfactory on a continuing basis – or how the reports would be formatted or generated but those are merely details that can be logically addressed by anyone of reasonable capability.

Happy measuring

Bill