

SUCCESS GUIDE

“I Succeed” Employee Evaluation System

How to Turn Review Sessions into Dynamic and Motivating Performance Evaluations while Maximizing Your Employees' Productivity as well as your Store's Sales and Profitability!



DMSRetail

I SUCCEED

Retail Employee Evaluation System

MANAGEMENT GUIDE

You are about to discover a simple, effective and productive evaluation system designed specifically for retail managers and employees.

The purpose of this evaluation and communication system is to encourage open and honest dialogue between management and employee in an effort to provide maximum benefits to both parties and to ensure the company gets a return on their investment in human resources.

It is a record of training, coaching discussions, succession plans, personal achievement and recognition. It ensures that concerns are addressed and good performance is recognized.

This system is designed to be easy to use; less time consuming and less frustrating than many other evaluation systems. A complicated review process which requires a large time commitment is not practical for retailers. An effective evaluation system must fit into the busy and, often, hectic day of the retail manager. Even the most well intentioned retail manager has difficulty scheduling time for producing and delivering employee reviews in a consistent and timely fashion. Not to mention the hours used in terms of wage cost. In addition, many

retailers barely manage to do annual reviews, never mind weekly, monthly and quarterly ones. 'I Succeed' will let you get the job done like never before.

'I Succeed' simplifies the evaluation process so that both employees and employers can derive the benefits without detracting from other important activities – Sales and Customer Satisfaction, for instance.

Please read this Management Guide carefully before starting evaluations. Even though the process is simplified, there are still terms and guidelines that you need to be familiar with to get the maximum benefit.

Important note: This evaluation system is, in no way whatsoever, intended to replace or supersede your company policies or procedures or any applicable legislative requirements. Always involve your superior and/or your Human Resources specialists before embarking on any serious disciplinary measures.

And please remember, if you have any questions DMSRetail is only an e-mail away. We sincerely want you to be successful.

GETTING STARTED....

When an employee is hired, tell them about the 'I Succeed' evaluation system. They need to know, right from the start, that performance counts and high standards of behavior are a must in your organization. The sooner they understand these expectations, the better.

Start 'Weekly Check-Up's' once you feel the employee has received sufficient training to be judged fairly on your Key Performance Indicators. Generally speaking, a new employee who works two shifts in the first week of employment is unlikely to achieve all KPI targets. Give them a fair grace period – usually one to three weeks depending on your business and their experience level – and then start 'Weekly Check-Up's'.

THE FRONT COVER

The front cover of the Evaluation Record includes:

- ❖ **Name of the employee**
- ❖ **Employee #**
- ❖ **Date hired** – first day of work
- ❖ **Initial position** – position the employee was hired for
- ❖ **Subsequent positions** – if the employee has moved into another position, that should be noted here along with the date of the change
- ❖ **Training** – this is relevant training that the employee had when hired; note training in sales, customer service, health and safety, etc.
- ❖ **Experience** – this is relevant experience that the employee had when hired; make note of companies that the employee worked for previously that clearly contributed to their current skill level; experience that you expect they will utilize in your store/organization
- ❖ **Languages** – languages that the employee is fluent in; this can be very important if you operate in an ethnically diverse market
- ❖ **Other Skills & Qualifications** – list any other skills and qualifications the employee may have that may be relevant to your store/organization; make note of things such as degrees attained, special certifications such as those offered in computer/technology fields, CPR, etc.

At a glance, management personnel can get a good idea of an employee's qualifications, experience and other important information just by looking at the front cover of the Evaluation Record.

EVALUATION RECORD CONFIDENTIAL

Employee: _____ ID #: _____

Date of Hire: _____

Initial Position: _____

Subsequent Positions: _____ Date: _____

_____ Date: _____

_____ Date: _____

Training: _____

Experience:

Languages: _____

Other Skills & Qualifications:

NOTES

This section can be used by any member of the management team and, if you wish, by the employee. The section is used to note things of consequence with regard to the employee.

Here are some examples:

“Julie and I had a very positive discussion regarding customer loyalty. She made suggestions that we plan to act on next week. She tried (insert activity here) it out with a few customers with extremely positive results.”

“I spoke with John about his telephone manners this evening. He seems to understand what he needs to do differently. This should be followed up in one week.”

Date each note in this section.

Use of this section makes it convenient for management to get the discussion documented without using up a lot of time. This is the key – because you can quickly and easily document a discussion here you will be more likely to do so rather than relying on memory. Of course, in the case of disciplinary issues that worsen you will have to follow your company guidelines with regard to warning conversations and letters.

NOTES

Date: _____

Notes:

Date: _____

Notes:

Date: _____

Notes:

Date: _____

Notes:

Date: _____

Notes:

Date: _____

Notes:

PRE-PROBATIONARY REVIEW

After a few weeks, and possibly sooner depending on your intuition, you will have a pretty good idea of whether or not a new hire will pass their probationary period. Provided you have given the new hire every opportunity to succeed – training, coaching, advice, warnings – do not continue investing your time and wage dollars in a person who is not going to make it past their probationary period and do not do a ‘Pre-Probationary Review’. Follow your company’s guidelines to terminate an individual who is within the probationary period. Keeping the employee until the last week, or day, of their probationary period and then letting them go is not beneficial for you or the employee.

You should never feel bad about making the decision to terminate unless you have not fulfilled your obligation to the new employee. You are expected to give new employees an opportunity to become productive members of your team. If you have given them the opportunity and treated them fairly and they are not responding by meeting their obligations as one of your employees, you simply must act in the best interests of the company. That’s just the way it is.

This brings us to the use of the ‘Pre-Probationary Review’ . This review is to be used approximately one half to two thirds of the way into the probationary period. By then you should be fairly sure that your new hire is going to become a ‘permanent’ member of your team and it is time to sit down with them and have a discussion. During the pre-employment interview process you made a determination as to how the employee **might** fit into the position and the

organization. Now, after working with the employee for some time, you want to talk about how they **are** fitting into the position and the organization and how they perceive their situation. You know how you feel about the new employee but you need to find out how the new employee feels about their position and the company.

In addition to the self-explanatory checklist provided in the Evaluation Record, we have compiled a short list of sample discussion questions. During this review you should feel free to use your own list of questions based entirely on what you feel is relevant. Questions are sometimes helpful if you are trying to determine the best way to help the employee succeed. As usual, questions of a personal nature should be avoided.

'Pre-Probationary Review' discussion questions:

- ❖ How are you enjoying your position?
- ❖ Are you having any difficulties?
- ❖ Do you have any suggestions on how we can serve our customers better?
- ❖ Do you have any other ideas to make our business more successful?
- ❖ Are there any other positions in our store/organization that appeal to you and that you feel you are (or could become) qualified for?
- ❖ How do you feel about the training you have received so far?
- ❖ How do you feel about communication in the store?
- ❖ Is there anything at all you would like to discuss?

Thank the employee for their time and input and make appropriate notes following the discussion.

As this unofficial review is done before the probationary period is completed, no signatures are called for. No one knows, for sure, that the employee will become a permanent member of your team until the probationary period is officially over and it would be wrong to imply otherwise.

PRE - PROBATIONARY REVIEW

Date of Review: _____

- ☐ Has positive 'Weekly Check-Up's' record
- ☐ Can handle all tasks related to the position and works at the required pace
- ☐ Gets along well with others; is respectful of all customers, peers and management
- ☐ Is a dynamic, enthusiastic, productive employee who contributes to the success of our team
- ☐ Shows initiative at all times
- ☐ Is always well groomed
- ☐ Has a good attendance record

Probationary period ends on: _____

Discussion Notes:

THE WEEKLY CHECK-UP

Weeks roll around very quickly particularly if you are open to the public 7 days a week. With that in mind the 'Weekly Check-Up' is just that – a check-up - not a full and thorough examination. Here you will record the employees results for the week – or spot check the KPI results that the employee has filled in - and make note, in the Comments section, of any 'Above and Beyond' behavior exhibited by the employee during that week. When you have the discussion it should take no more than a few minutes. There will only be a discussion regarding skills training if the employee does not seem to be progressing from one week to the next. In that case, you may need to discuss training needs and plans with them.

The 'Weekly Check-Up' tells the employee:

- ❖ How they are doing compared to the expectations that should be quite clear to them
- ❖ That you know precisely how they are doing
- ❖ That you are paying close attention to their progress
- ❖ That their performance and behavior must, in fact, be important

Every time you have a 'Weekly Check-Up' with an employee you are providing training on the importance of KPI's and Standards of Behavior. With this system in place every employee will understand:

- 1) What is most important
- 2) What is non-negotiable
- 3) What the company will not compromise on

In addition, with this strong, consistent focus you are training the employee on:

- 1) **Company standards and values** – Performance and Behavior
- 2) **Leadership** – As they move up they will naturally impart their knowledge and understanding to other employees because they know exactly how it works and how important it is.
- 3) **Accountability** –While going through ‘I Succeed’ there can be no question as to whether or not they are really accountable for performance and behavior.

As mentioned earlier the ‘Weekly Check – Up’ requires only a short, straight forward conversation. No signatures are necessary.

The following explains each of the columns:

Week Ending

- ❖ Record the week ending date – this should coincide with the end of the fiscal week. In retail, that date is often Saturday.

The next seven columns require a response of:

- ❖ E – for excellent
- ❖ F – for fair
- ❖ U – for unsatisfactory

The columns are titled as follows:

- ❖ **Customer Friendly Attitude**
- ❖ **Urgency in Response**
- ❖ **Grooming**
- ❖ **Attendance**
- ❖ **Teamwork**
- ❖ **Blank**
- ❖ **Blank**

The first five headings are taken directly from the 'Standards of Behavior' list and the last two are left blank for any you would like to add.

When deciding on E, F or U use your best judgment and be prepared to offer examples of 'unsatisfactory' scores. It will be helpful to solicit input from other management team members. This will not require an information gathering meeting with management members. Providing feedback on employees is something that should be happening regularly during the normal course of business.

The next group of columns is to be used for recording KPI results – five of ours and one that you may want to add.

For each KPI result there are three numbers to be filled in –

ACTUAL – this is the number achieved by the employee

TARGET – this is what the employee is expected to achieve

% - this represents the level of achievement reached and can be expressed in different ways including '**% Achieved**' or '**% Variance**'

(For information on how to calculate '**% Achieved**' or '**% Variance**' See Key Performance Indicators)

The last column is used to record things that the employee should be recognized for. A few examples:

- ❖ A certain level of sales or other KPI performance – a level that is very difficult to reach
- ❖ A contribution to a special event that helped to make the event very successful
- ❖ Handled a major customer service issue and ended up delighting the customer
- ❖ Worked tirelessly during a very busy period – perhaps took on certain duties in some other team members absence
- ❖ Took initiative to take care of a big issue

A word of caution here: While praise and recognition are worthwhile, it must be genuine. Don't be tempted to come up with something just for the sake of having something to write in the 'Comments' column or you will lose the impact.

The Weekly Check-Up is provided as an Excel spreadsheet to be printed on 11 x 17 paper (preferably on thicker stock due to frequent use).

MONTHLY PERFORMANCE ANALYSIS

The 'Monthly Performance Analysis' basically summarizes the 'Weekly Check-Up's' for the same month. There is no need to re-write all of the weekly KPI results. Just figure out how many weeks of the fiscal month (the month may have four or five weeks depending on your company's fiscal calendar) the employee met or exceeded the target established for them. Express the answer as follows:

If this is a five week month and your employee met, or exceeded, their sales target in three of those five weeks, then it should be expressed as 3/5 (3 out of 5 weeks).

Do the same for each of the Key Performance Indicators.

For 'Level of Performance in Standards of Behavior' use:

E - for excellent

F - for fair

U - for unsatisfactory

This is based on your good judgment along with any input you have received from other management team members.

The next four categories require you to write some comments – these can include the employee's comments as well as your own. It should be clear – only write comments if you believe they are relevant. Too many review processes require every blank to be filled in and, a lot of the time, that leads to repetition and/or trivial matters being documented. Do not feel obligated to write something down just for the sake of filling the space. It's just a waste of everyone's time.

Areas requiring improvement: Think about KPI's, Standards of Behavior and everything else that affects the successful operation of your store.

Training needs: Identify any training the employee may need to become more competent and successful; think about training that may help the employee move to the next level more quickly. Ask the employee if they have identified any training needs that you have not covered.

Things to know for the month ahead: This is a very important item. This is a perfect one-on-one communication moment. Make the most of it by letting the employee know whatever s/he might need to know for the upcoming month. Think about things like product promotions, special events, procedural changes, your intentions regarding recruiting, special projects you might want the employee to get involved with, anything important to the success of your operation.

Advancement: This is a good time to discuss advancement. Before discussing advancement with the employee, be sure you have your own ideas formulated.

Many employees believe they are ready for advancement before their superiors do. Through the 'Monthly Performance Evaluation' you should start planning the employee's next step. It is up to you to guide them in the right direction; to be clear about what is expected before a promotion can take place and to provide the opportunity for them to receive any training required. One thing you do not want to do is to build false hopes. You need to be honest, straight forward and very clear about the requirements and expectations when it comes to advancement.

Thank the employee for their time and input.

The employee and management should sign and date the 'Monthly Performance Analysis'.

MONTHLY PERFORMANCE ANALYSIS

Month	KPI's (Met or Exceeded Target)						Level of Performance in Standards of Behavior		
	Sales	SPH	\$/Trans	UPT	WC		Excel.	Fair	Unsat.

Areas requiring improvement:

Training Needs:

Things to know for the month ahead:

Advancement:

Employee

Management

Date

QUARTERLY REVIEW

At the end of each fiscal quarter, each employee should be reviewed. The focus, during this review, is on two areas.

1) Achievement of Key Performance Indicators

2) Succession Planning

We don't address Standards of Behavior during this review. That is not to say their importance is diminished, but only that any employee who has been with you for more than three months should have the Standards of Behavior down pat. Also, they are taken care of regularly by the 'Weekly Check-Up' and 'Monthly Performance Analysis' and should not need attention here.

Complete the KPI section using the totals for the three months of the quarter being reviewed.

Regarding Succession Planning (to the employee this means their promotion to the next level)

It is an understatement to say that turnover is quite high in the retail industry. This usually means more (and faster) opportunities for promotion, or advancement. Talented and ambitious individuals can usually move up the

ladder fairly quickly. Because of the condensed process of advancement within the retail store /organization, it is important to discuss training needs for the next level during 'Monthly Performance Analysis' discussions.

During the 'Quarterly Review' it is time to be quite serious about the possibility of the employee moving up. The question is – Ready for Advancement? Yes or No

If the answer is NO – you need to let the employee know what they would need to do to become ready for advancement by the next 'Quarterly Review' if, in fact, they would like to advance.

It is quite possible that the employee is working in your store for a number of reasons other than building their career. Many people, working in retail, are not planning a career in retail. For instance:

- ❖ The employee is working for you while studying another field
- ❖ The employee is trying to re-enter the workforce and retail is the only job s/he could find
- ❖ The employee is working just long enough to get enough money to travel abroad for a year
- ❖ The employee is working to supplement the family income
- ❖ The employee is working for you because a significant person in their life (spouse, parent, etc.) insisted that they 'get a job'
- ❖ The employee perceives this job as a temporary necessity until they find the job they are really looking for

If the answer is YES – you need to let the employee know what position(s) they would be considered for if it became available.

Do not make promises until you are certain that the employee is going to be promoted. Sometimes there is no position available even though you have an employee who is ready.

This should prompt you to think about your current structure. Is it working for you? Would it be beneficial to change it to allow more room for different positions? For example, even changing an associate position to encompass Health & Safety, or certain areas of administration can motivate employees and provide much needed assistance to management.

The 'Quarterly Review' should be signed and dated by the employee and management.

QUARTERLY REVIEW

Fiscal Quarter 1 2 3 4

(Circle One)

Months of _____, _____, _____

KPI	Actual	Target	%
Sales			
Sales/Hour			
\$/Transaction			
Units/Transaction			
Wage Cost			
*			

Ready for Advancement? Y N

If No, what does the employee have to do to be ready for advancement by the next quarterly review?

If Yes, what position(s) will the employee be considered for when it becomes available?

Employee

Management

Date

ANNUAL APPRAISAL

This appraisal takes place on, or as soon as possible after, the date of the employee's first anniversary with your store/organization. The 'Annual Appraisal' consists of two parts:

- 1) Your appraisal of the employee
- 2) The employees' voluntary self assessment

Note: If the employee has been inconsistent in achieving KPI's and Standards of Behavior and is still with you after a year, you need to consider the message you are sending to them and to others. This evaluation system helps you to evaluate your employees and to communicate with them regarding their performance. It is useful in bringing performance results, both good and bad, into the forefront. It is important that management take appropriate action to ensure that all employees are making a contribution to the success of the business.

Part 1

The first section deals with your overall appraisal of the employee's accomplishments in KPI's and Standards of Behavior. Throughout the year you have consistently reviewed and appraised these areas so you should be able to decide on the rating very quickly. Circle the appropriate rating.

Next, you should recognize the employees' successes and improvements in the

section for Outstanding Achievements. This area includes anything that you have noted previously and feel that the particular successes or improvements warrant further mention.

You will notice there is a section for Improvements Required. Even good employees may need to have certain things brought to their attention with an understanding that improvement is required.

Finally, you will provide Challenges for the employee. If the employee is doing very well, these should be in the form of things like:

- ❖ New hire coaching opportunities (perhaps a 'buddy' system where a seasoned employee coaches a brand new employee)
- ❖ Special projects (include any new business initiatives that you believe the employee can contribute to)
- ❖ Duties that were previously reserved for management individuals, etc.

If the employee is not doing so well, challenges should include things that are already required in their position but that need the employee's attention and effort to move to the next level.

Both the employee and management should sign at the bottom of the page.

Part 2

The self assessment is voluntary because very often employees do not want to do it. If they do not want to do it, and are forced, it can make them uncomfortable

at best and, possibly, even hostile and dreading the 'Annual Appraisal'.

An employees' assessment of their own performance often differs from the employer's assessment of the employee. It has the potential to become embarrassing for the employee and that certainly will not benefit anyone.

If the employee does want to complete the self assessment you should instruct them to write about:

- ❖ Their contributions to the success of the store/organization. These can be things such as extraordinary performance in KPI's and Standards of
- ❖ Behavior and doing extra tasks that helped the store operate more effectively
- ❖ What they have learned and how this position has helped them develop their skills and abilities during the past year
- ❖ Their own goals for the coming year and what assistance they may need

The employee should sign the self assessment at the bottom of the page.

ANNUAL APPRAISAL

Anniversary date: _____

Over-all Results (Circle appropriate rating)

KPI's: E F U

Standards of Behavior: E F U

Outstanding Achievements:

Improvements Required:

Challenges:

- 1) _____
- 2) _____
- 3) _____

_____ Employee	_____ Management	_____ Date
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EXECUTIVE REVIEW

A retail store is generally visited by other company personnel who do not work in the store each day. District Managers, Regional Managers, Store Operations VP's, Presidents and Owners should, from time to time, review Evaluation Records. If they do review an employee's Evaluation Record they should make comments and sign on this page.

Genuine praise and recognition should be noted here.

For example, if a visitor notices that the employee had outstanding KPI's or consistently scored 'Excellent' on Standards of Behavior they might make a note such as "Great performance – thanks for your efforts." A Store Manager should encourage visiting executives to review Evaluation Records and to make positive comments. This type of recognition is invaluable.

Any other visitors should not have access to the Evaluation Records as they form an integral part of the employee personnel file and are strictly confidential. The individuals mentioned above would normally be allowed access to the personnel files and, therefore, no breach of confidentiality would exist. Other visitors such as Buyers, Visual Presentation Managers, Advertising Managers, etc. should definitely not have access to your employees' Evaluation Records.

EXECUTIVE REVIEW

The contents of this Evaluation Record were reviewed by other management individuals as follows:

Date	Name and Position	Comments

EMPLOYEE SELF ASSESSMENT

Name: _____

Over-all Results: (Circle appropriate rating)

KPI's: E F U

Standards of Behavior: E F U

My contribution to the success of the store/organization:

Skills I have developed during the past year:

Goals for the year ahead:

Employee

Date

SOME FINAL NOTES...

Apart from the periods outlined in this program, you should always be willing to discuss your employees' performance, concerns and ideas at any time whether initiated by you or the employee. Part of your success will be attributed to your willingness and ability to communicate well with your employees. They need to feel completely comfortable asking for a moment of your time to discuss anything that relates to, and/or affects, your store/organization and their performance and behavior within it.

Your employees should be invited to review their Evaluation Record at any time.

KEY PERFORMANCE INDICATORS (KPI's)

Sales compared to budget/target:

Actual sales \$ divided by target sales \$

Sales per Hour (SPH) – selling hours only:

Actual sales \$ divided by the number of selling hours during the same period

Average Sale per Transaction / Customer (\$ / Trans.):

Total sales \$ for a given period divided by the number of customers or transactions for the same period

Units per Transaction / Customer (UPT):

Total number of units sold in a given period divided by the number of customers or transactions for the same period

Wage Cost (WC):

Actual wage \$ paid for a given period divided by actual sales \$ achieved for the same period

STANDARDS OF BEHAVIOR

1. Customer Friendly Attitude Under All Circumstances
2. Sense of Urgency When Responding to a Customer
3. Appropriate Grooming; Dress Code Compliance
4. Good Attendance; Punctual, Reliable
5. Committed to Teamwork
6. _____
7. _____

Other Success Guides and Tools available from **DMSRetail**

Managing for Higher Retail Success:

<http://www.dmsretail.com/retailsuccess.htm>

Winning at Store Management:

<http://www.dmsretail.com/winning%20at%20retail.htm>

Retail Math Made Simple:

<http://www.dmsretail.com/retailmathbook.htm>

Store Manager's Organizer – Planner:

<http://www.dmsretail.com/dmsretailer.htm>

Retail Employee Performance Evaluation System:

<http://www.dmsretail.com/performanceevaluation.htm>

Mega Retail Success Bundle:

<http://www.dmsretail.com/megabundle.htm>

Super Retail Success Bundle:

<http://www.dmsretail.com/superbundle.htm>

Retail Customer Service Fundamentals

<http://www.dmsretail.com/customerservice1.htm>

22 Ways of Highly Successful Retail Managers

<http://www.dmsretail.com/22ways.htm>