

MAKING **ANNUAL REVIEWS** A POSITIVE PROCESS

◆ The phrase “annual reviews” has been known to strike fear into those at every level of a company, including AEC firms. But in talking to a former CEO steeped in experience in this matter, annual reviews can and should be a positive experience all around.

It takes an ongoing process of feedback and improvement, said Stewart Haney, a longtime CEO for an AEC firm and now head of Boss Consulting. But it’s a process that should be embarked upon. “When you get into the smaller companies, I’m finding it’s not uncommon to not have any formal review process in place. Which I think is a pretty big miss.”

One of the major challenges, specifically in architecture and engineering, Haney said, is team leadership. Reviewers tend to look at a technical resume and technical ability first where they have more comfort assessing people. “Team leaders, the people who would normally be doing reviews, might be technically excellent or experienced, but not necessarily in possession of good human skills. That’s why one size doesn’t fit all.”

In his previous firm, Haney said they “waffled back and forth between different review systems, including ones that connected with salary and compensation and ones that weren’t—and ones that were career-development oriented and with and without performance feedback.”

He said you need to be clear about the cadence of your reviews and what you expect to get out of them. Reviews should not be a surprise or random occurrence. Whatever cadence you adopt (monthly, quarterly, annual) should be clear to everyone, and it’s important to stay on schedule.

“My recommendation, in general, is you either make sure the people doing those reviews are qualified and have the skills to do them or train them to be better at it. Some firms have looked in-house for people with the right attitude and skill set to be a reviewer and trained them to do all the reviews.

“The other big thing for me is courage,” Haney continued. “I’m generalizing but architects and engineers tend to be conflict-avoiding personalities. I can tell you firsthand with a company I ran where we weren’t really satisfied with the behavior of some of our staff. There was a gap between the expectations that we have for them and culture and performance, and what we were getting.

“We put a lot of pressure on the reviewers and the review system to confront vs. telling them what they want to hear. There was fear that confronting might result in turnover. But it actually lowered our turnover and increased overall job satisfaction, our Best Places to Work score—all of that.”

Haney said that approach elicited three reactions: “‘I didn’t know that there was a gap, and I’ll help close it.’ ‘There’s a gap, and I’m willing to work at closing it.’ And then the third was, ‘There’s a gap, and I’m not going to close it.’ In which case, we would find a better seat for them on the bus, or another bus to ride on, which improved everyone else’s morale.”

HERE ARE A FEW MORE TIPS FROM HANEY:

Timewise, find a middle ground. While Haney supports the idea of frequent check-ins over the course of the year, he does warn about the amount of time invested in the process.

Go easy on scorekeeping. Haney said his firm went with no scores for a while but then the staff said, “We want to know where we stand. So we did incorporate what I called a fit matrix, which scores everybody on our values and aspects of the job. But when I say score, it wasn’t like, 1 to 10. For culture, it was -1, 0, or 1. -1 you’re counterculture, and we have a problem. Zero is fine. And 1 means you’re demonstrating that culture. That helped us align and get better clarity. But we did not make any numerical tie between that fit matrix and compensation. We were big on benchmarking, using PSMJ and another salary survey.”



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Tie increases to meeting expectations.

If the review indicated a gap between where you are and your expectations, you weren’t going to see a bigger raise. If you’re knocking it out of the park, then you were a candidate for a promotion and/or a bigger raise. Compensation adjustments occurred about a month after reviews were finished. “That was so people could say, ‘Okay, this makes sense based on what we just talked about.’”

Consider a specialist for the job. “This firm took its very youngest professionals and hired somebody who was experienced at working with younger people,” Haney said. “That job essentially was to act as a mentor/guide for the entire pool of younger people. And so that person did monthly check-ins with that entire group, and it changed the turnover in that demographic. Those folks had not felt heard. Maybe it was less about feedback or teaching me how to do things and more about just hearing where I’m at, so that maybe somebody understands me.”

If fully remote, conduct more check-ins. Given the prevalence of remote work today, Haney said that it pushes you more towards a formalized monthly check-in to make sure that staff doesn’t get too far off. He cited an example of a small, remote firm he works with that has seen success in terms of staff development, low turnover, and morale. “The primary person who those remote folks report to just happens to be excellent at giving feedback and working with people,” he said. ▶