

Bashing the boss

Honest evaluations help company's drive to improvement



By Harvey Meyer

All eyes are on Tom Niccum, who is being evaluated by Lancet Software Development employees in an unusual, out-in-the-open performance review. While the workers don't relish putting their boss on the hot seat, they pull no punches in critiquing the affable Niccum, president of the 5-year-old Eagan, Minnesota, firm.

"Tom seems to be a JIT [just-in-time] organiser," one employee complains. "Problems are not headed off by careful planning and strategy. Instead, problems or issues are resolved as they arise."

Ouch!

To his credit, Niccum, who shoulders most of the company's sales and marketing duties, doesn't shrink from the charge, which is displayed on a projection screen for all to see. "As far as being a just-in-time organiser," he says matter-of-factly, "that's a fair characterisation and something I'm working on changing."

You've just been offered a taste of Niccum's annual review, part of an approach called 360-degree evaluation. While not all of the company's 17 employees could attend the hour-long session, conducted around an elongated conference table, those who are present appreciate Niccum's willingness to accept both blame and bouquets.

"Sometimes employees think Tom is in dreamland because he's always optimistic, but in actuality that attitude is deliberate and helps us get through the tough times," says Susan Bjork, human resources manager at Lancet, a Costco member company. "He's more communicative than he's been, so employees are getting more clarification on goals and they're also more willing to approach him with their ideas."

Driving for improvement

The 11-page review of Niccum, who holds a Ph.D in computer science, is emblematic of Lancet's relentless drive for improvement. In his evaluation, surely a rarity among small-

business bosses, Niccum asks all Lancet employees to weigh in on his performance—in full view of everyone else, no less.

"Because we're a small company, everybody is involved in setting the direction, and [the review] is one vehicle to influence how Tom does his job," says Paul Sorenson, a Lancet software engineer. "It gives us an opportunity to contribute more to the company."

All employees are in on the self-improvement kick, since their performances are examined by their peers, project managers and customers—the full 360 degrees. Further underlining the skills- and knowledge-enhancing ethic, employee performance reviews alone aren't tied to raises; workers are paid competitively and offered merit bonuses.

With employees more engaged and intent on steady improvement, everything else generally takes care of itself, says Niccum. Quality is enhanced, as are customer service, overall communication, efficiency and productivity.

Proof is in performance

Perhaps not surprisingly, then, Lancet has performed well; its 2002 revenues were up 15 per cent over the previous year. The company posted such gains while in the midst of "the toughest period the computer consulting industry has ever gone through," says Don McLaurin, CEO of the National Association of Computer Consulting Businesses. "We've never seen so many [computer consultants] fail."

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While Niccum's evaluation—and those of fellow employees—can certainly be credited for much of Lancet's success, there are other contributing factors. For instance, workers appreciate Lancet's open-book management practices, giving them full access to company finances. The company's relaxed atmosphere—workers play foosball and frequently wear shorts in the summer—also helps boost morale and even retention; turnover is estimated at less than 5 per cent. That's far less than for other consulting firms.

But this type of work environment isn't for everybody. In fact, Niccum says, some employees who arrived at Lancet from "closed" cultures couldn't adjust, and left. No doubt some were wary their honest criticism would be used against them. But Bjork is adamant that that doesn't happen at Lancet, which stresses operating ethically.

A "social experiment"

Listening in on Niccum's evaluation, it is apparent that Lancet employees are comfortable with each other and the review process. While Niccum endures his share of criticism, particularly in organisation, planning, judgement and job knowledge, he is also showered with praise for his dependability, teamwork, communication skills and leadership.

"Tom is a natural leader," one employee enthuses. "Tom is the guy who people look to, to know that things are going to be all right."

"To me, this is more than a company; it's a social experiment and a continuing work in progress," says Niccum. "We came out of a dysfunctional company that was spiralling down the tubes. We saw how not to do things, but that really doesn't teach you how to do things."

At Lancet, they're committed to finding out. ■

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