



A Better Mousetrap?

Insights

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One area where many dealership managers continue to struggle is in effectively counseling poorly performing employees – and documenting that effort. Those managers who actually document their counseling generally tend to "write up" the employee, describing the events as the manager sees it, followed by a warning that discipline "up to and including termination" may follow. Then the manager presents the memo to the offending employee who is expected to sign it. The signed document is placed in the employee's personnel file. And life goes on.

While this approach is certainly better than doing nothing, experience shows that it is unlikely to change the employee's behavior in the long run. Typically, employees improve their behavior for the next few weeks and then gradually drift back to their old ways. The cycle then repeats itself.

We think that we may have found a better way. We are talking about an "interactive counseling" approach which we believe is more likely to bring about an actual change in an employee's behavior and, at the same time, more effectively documents the problem. It works like this:

STEP 1: Identify the specific problem or deficiency in a way that the employee will clearly understand. Managers need to avoid generic comments like, "You're not getting the job done" and "You are not taking us to the next level." The more objective and tangible the explanation of the employee's deficiency, the better.

For example, rather than saying, "You have a poor attitude," you may want to say, "I am receiving complaints from customers and coworkers about your dealings with them" or "Your CSI scores are the lowest in the dealership," or "You have been tardy four times in the last two weeks," etc.

STEP 2: Prepare a written memo to the employee that explains the problem or deficiency – describing what the employee is doing or not doing – and why that is affecting the company. Then the manager leaves a space for the employee to write his or her response to the following questions: "Do you agree with my assessment? If yes, please explain why you think this is happening. If you do not agree, please explain why you disagree with my assessment." This will help to ensure that the employee understands the manager's exact concerns and will provide an opportunity for the employee to indicate if there has been some kind of misunderstanding or if the manager's perceptions are incorrect. If there are multiple problems, each should be addressed separately.

perceptions are incorrect. If there are multiple problems, each should be addressed separately. Below the space for the employee's response, leave room for the employee to respond to the following statement: "Please list three things that you will do, starting tomorrow, to address my concerns." Again, each problem or deficiency should require its own business plan.

STEP 3: Meet one-on-one with the employee to explain the performance problems as you see them, and present the memo. Tell the employee to take the memo home overnight, give it some thought, complete it and return it the following day. Requiring employees to come up with their own plan will force them to think through what it will take on their part to meet the manager's expectations. Note that this meeting should be treated as a coaching or counseling session, not a disciplinary session.

It's critical that employees complete the form and explain things from their perspective. In doing so, employees will be documenting their acknowledgment of the manager's concerns, or documenting their resistance to the manager's counseling efforts. Therefore, do not allow an employee to get away with not completing the form.

Even if they agree with the manager's concerns and promise to address the problems immediately, employees should still complete the form. A written commitment from the employee is more likely to bring about positive changes. If an employee drags his feet and delays returning the completed form, he should be warned that he will be suspended without pay until he complies with your instructions.

STEP 4: When the employee returns the completed form, accept the completed form, tell the employee that you will review it and will meet again shortly. Then take some time to study the employee's comments before meeting again. Does the employee acknowledge the problems that were identified? Or does the employee refuse to accept the criticism? What kind of explanation does the employee offer? Are there extenuating factors that you had not taken into account, e.g., lack of training or lack of specific instructions, personal or family problems? Has the employee listed three *specific* things to correct the problem and improve performance? Are those steps likely to result in improved performance? A commitment that "I will try to be here on time" is not an acceptable plan. If you believe that the employee's plan will not address all of your concerns, you should have the employee add the additional steps to his plan.

STEP 5: Meet with the employee a second time to go over the responses and plan. Discuss any additional steps you think are necessary to address all of the concerns. You should have the employee sign the plan, confirming the commitments. Finally, give the employee a copy of the signed documents so that he or she will have ready access to the commitments that were made.

STEP 6: Closely monitor the employee's performance over the next few weeks. If it improves, acknowledge it and thank the employee for his or her efforts and cooperation. Positive reinforcement goes a long way toward changing behavior. If the behavior does not improve, meet with the employee, ask for an explanation and remind him or her of the commitments. If the employee does not offer a satisfactory explanation, consider imposing significant discipline such as unpaid suspension or even termination.

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Why It Works

We believe that this "interactive" counseling approach is better than the standard "write up" approach for a number of reasons:

1. It is not as confrontational as a typical "written warning." It gives employees the opportunity to tell you if there has been a misunderstanding. Obviously, you would not want to write someone up if their tardiness was due to a temporary family emergency or if they failed to come to work because they were being subjected to racial slurs. Similarly, if employees fail to offer an explanation in their response, it is difficult to later claim that there was justification for the conduct.
2. When employees are sent home to complete the form and come up with a formal written improvement plan, they will know that the manager is very serious and that their job is in jeopardy. Therefore, they are more likely to seriously think about what changes need to be made and are more likely to actually make those changes.
3. When employees acknowledge the problem in their own handwriting, it is difficult for them to later claim that there was no problem.
4. When employees write out their own business plan, they cannot later claim that the manager set expectations that were too high or unrealistic.
5. Finally, if employees do not improve, you are in an excellent position to prove with a single document that you did your job as a manager by bringing the problem to the employees' attention in a professional manner and asking the employees to address those concerns.

Our experience using this "interactive" approach has run the gamut. Some employees simply refuse to complete the form and quit. Others start to complete the form but then decide that they are not willing to do what it takes to address the problem and they, too, quit. Quitting when faced with a criticism of one's performance does not constitute a "constructive discharge" and it will normally disqualify the employee from receiving unemployment compensation benefits.

Other employees complete the form and come up with a plan, assuming that all they need to do is to agree with the manager, straighten up for a short time and then go back to business as usual. Therefore, it's critical not to allow this to happen by monitoring the employee's performance and holding him or her to the commitments in the plan.

Finally, a few employees realize that they are close to being terminated and that if they want to keep their job, they must actually change their behavior – and they do. We know of one case where the employee did improve and later thanked the manager for giving her the "wake up call."

Every manager now has access to a word processor on their computer, so it's a relatively simple matter for any manager to quickly prepare the document and tailor it to the employee's circumstances.

If you would like a sample counseling form in Word format, please contact any Fisher Phillips office and ask for a member of the Dealership Practice Group.

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