



# Four Steps to Effective Performance Management

Insights

2.02.15

Getting the most out of employees has always challenged employers. It is particularly difficult in today's highly regulated business environment with increased global competition and changing employee attitudes. Performance management is not just about dealing with the poor performers. Instead, it's a more holistic process that begins with getting the right people, setting employee expectations, coaching employees, and ultimately dismissing the poor performers or employees that do not fit into the organization.

## Step 1: Getting the Right People

In sports, the coaches with the best records are usually the best recruiters. The same thing applies to the workplace. If you get the best talent, you have to spend less time "coaching" their performance. Getting the right personnel starts with your recruiting efforts. It continues through the screening and in-person interviewing stages. This part of the process involves using criminal, credit, motor vehicle, education or other background checks that are legal and appropriate for the position you are seeking to fill. It also continues through the introductory period of employment during which you are trying to figure out whether you made a good decision to hire the new employee.

## Step 2: Setting Expectations

Once a selected applicant becomes your employee, provide that person with a thorough orientation to your business and how they will fit into your organization. Tell the person about your values, culture, benefits, rules, and expectations for successful performance. The more precisely you articulate these expectations, the more likely the person is to meet and hopefully exceed your expectations. This orientation stage is important in getting the new employee enthused and positive about the opportunity to work with you.

As part of the orientation process, you will need to complete all of the basic employment forms and to provide the new employee with a detailed employee handbook. That is also the time to execute any employment agreements or restrictive covenants, which may contain confidentiality or noncompetition provisions. Having these documents in place will convey the image that you operate your business in a professional manner and that you expect the employee to act professionally, too.

During the course of an employee's employment, you also will issue policies or directives relating to different matters of significance. Clearly articulating your expectations in writing will help to make

sure that employees are aligned with your expectations and, hopefully, prevent employees from straying outside the bounds of acceptable performance and conduct.

You will also provide employees with specific training and opportunities to work with peers so that they can learn to do their jobs better. Again, as with clear policy direction, effective training can help employees succeed in their jobs and minimize the need for negative performance counseling, discipline or even discharge.

### **Step 3: Coaching for Better Performance**

If you get the first two steps right, then your job of performance “coaching” becomes easier. But even with high performers, you need to have preexisting mechanisms in place to periodically review and “tune-up” performance. Of course, these same mechanisms need to be in place so that you can deal with improving the performance of the mediocre or poor performers, as well. The most basic mechanisms for performance coaching are progressive discipline procedures and periodic performance evaluations.

Although progressive discipline is not required and should not be promised, most employers want to try to rehabilitate employees before terminating their employment. To be effective, discipline needs to be timely, objective, impartial, consistent, and appropriate for the circumstances. Progressive discipline also may help to avoid legal liability. In an ideal world, employees do not engage in misconduct or poor performance and therefore you do not have to invoke discipline or even discharge to correct their behaviors.

Where discipline has not been necessary, formal performance evaluation systems can help you fine-tune employee performance. Employees want the feedback and having such a system in place allows you to offer constructive input without the employee feeling threatened. The process can also provide an opportunity for you to offer additional training, guidance and other types of support to help the employee perform better. A good performance evaluation system will also allow you to assess your bench strength and plan for orderly succession of roles.

Other more sophisticated systems for performance coaching can include 360 degree reviews, individual coaching either from within or outside of the organization, and even professional interventions.

### **Step 4: Getting Rid of the Poor Performers**

If all of your attempts to set expectations and rehabilitate poor performers fail, the last resort is transitioning poor performers out of the company. Effective termination of employees helps to eliminate the poor performers and sends a message to the remaining employees that they must meet your expectations or suffer the same consequences. This is the most negative of the performance management tools but its utility can't be denied.

### **Summing It All Up**

Rather than reacting and finding ways to get a poor performer to do a better job *after* a problem

rather than reacting and finding ways to get a poor performer to do a better job *after* a problem surfaces, you should look at performance management as beginning when a job opening is created. Invest in the preliminary activities of recruiting, screening, orienting, training, setting expectations and creating effective performance evaluation systems. The ultimate goal is to get high-performing employees and to avoid disciplining and discharging poor performers. Achieving this lofty goal will be best for your business and help to avoid or at least minimize your exposure to expensive employment litigation.

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