



Four Steps To Effective Performance Management

Insights

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Getting the most out of employees has always challenged employers. This is particularly true in today's highly regulated business environment with increased global competition and evolving 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 clear employee expectations, coaching workers, and ultimately dismissing poor performers who don't fit the organization.

Step 1: Getting The Right People

In sports, the coaches with the best records are usually the best recruiters; the same applies in the workplace. If you get the best talent, you have to spend less time "coaching" their performance. Getting that right person starts with your recruiting efforts and continues through the screening and interviewing stages. This includes 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 when you are trying to figure out whether you made a good hiring decision.

Step 2: Setting Expectations

Once a selected applicant becomes your employee, provide that person with a thorough orientation and explain 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 or exceed them. This orientation stage is an important time to instill enthusiasm in your new hire and create a positive outlook about the opportunity to work with your company.

This is also the time to complete all of the basic employment forms and provide the new employee with a detailed employee handbook. If applicable, have your new worker execute any employment agreements or restrictive covenants that may contain confidentiality or non-competition 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.

Similarly, as you issue updated and revised employment policies, you help your employees make sure that they are aligned with your expectations and, hopefully, prevent them from straying outside the bounds of acceptable performance and conduct.

Step 3: Performance Coaching

The time you invested in the first two steps pays off in step three. If you get the first two right, then your job of performance “coaching” becomes easier. Nonetheless, even with high performers, you need to have pre-existing 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 may also help to avoid legal liability.

Formal performance evaluation systems can help you fine tune employee performance in situations where disciplinary action is not necessary. Employees want feedback, and having such a system in place allows you to offer constructive input without them 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 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, among other things, 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 drastic of the performance management tools but its utility cannot be denied.

Conclusion

Rather than taking a reactive approach and beginning performance management only after a problem surfaces, you should consider the process as having started immediately after you create a job opening. You can be proactive by investing your time in 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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