

## Performance Management

Managing people for high performance is the key to managerial success.

Much HR advice on the subject is over complex and bureaucratic.

Performance management is about creating an **environment** and **relationship** that encourages each individual to flourish. If this is done and they're still not performing, then get rid of them -life is too short!!

### The Environment

Certain conditions are helpful if you want people to deliver certain things.

1. Tell them what you want them to do
2. Ask them if they need any help in doing it
3. Delegate to them the responsibility and budget needed
4. Tell them what the rules are
5. Measure how good they are at it
6. If you can afford it, pay them related to how good they are at it and how important it is to business success. Either way tell them if they're good at it. If they are not, try to find out why.

Many HR systems can put processes around all this - classically with lots of forms for job descriptions and guides to appraisal. These can of course be useful, particularly to gain uniformity of process in large organisations. BUT performance management is about individuals.

The best appraisal form is a blank piece of paper.

The best job description defines:

1. How the job contributes to business success (in no more than two sentences)
2. What the outputs expected of the job are (no more than 7)

This is best accompanied by a list of about 3 to 5 things you really want the person to deliver - this should be reviewed regularly and can be the basis of bonus or other targets.

Targets should be **SMART**:

**S**pecific - and unambiguous

**M**easurable - as far as possible, without judgement being required

**A**greed - by both boss & subordinate & sometimes colleagues

**R**ealistic

**T**ime bound

## **The Relationship**

A team is made up of a number of individuals, each with their own set of strengths and areas for improvement.

As a manager, you need to develop an individual relationship with each individual that respects:

- Their level of skill & experience
- What motivates them
- How they work best
- How much direction they seek (note that this will vary with different tasks)

Try to use an individual style that works best with each individual - and when in doubt - ask them their opinion.

**High Performers** - are motivated by a need to achieve. Therefore you need to:

- Set realistic but achievable goals / objectives with a degree of 'stretch'.
- Ensure that you allow a degree of autonomy – don't micro-manage.
- Allow situations in which they can largely influence the outcome and the means of getting there.
- Ensure that they know when they have done a good job. Accomplishment itself is a big reward for high performers.
- Allow them to get ahead by their own efforts.
- Involve them in new things – stretch the parameters of their role.
- Allow them to take some risks. This can be difficult and requires a high level of trust, but excellence is usually obtained only with a mistake or two along the way.

**Poor performers - Many poor performers are closet high performers!**

It is important to establish the reasons for poor performance and positively manage a change.

- Is what you are asking your people to do realistic?
- Do they receive feedback on their performance?
- Are they demotivated? If so, why? Perhaps they feel unappreciated, uninvolved, under utilised?
- Are there circumstances outside the job which are affecting performance?
- Is the job changing?

- Do they know what to do? Have they been shown? Do they require support?

The key to improving poor performance is often communication. Ensure that you:

- Provide timely, specific and constructive feedback to the employee.
- Establish why the shortfall in performance exists.
- Discuss and agree what support, development and assistance is required to help the employee improve his/her performance.
- Encourage the employee by providing positive feedback on his/her performance when it is due.

Frequent and effective communication and coaching will usually ensure that performance does not become an issue, however, persistent shortfalls in performance may require formal disciplinary action being invoked.

If, despite all attempts, performance does not improve then action should be taken immediately. Do not wait in the hope it'll get better - do not avoid the confrontation. In many cases the employee may be relieved to face the issue.

However, you need to be aware that there are rules about the way by which people are handled in circumstances resulting in their job being lost. If you fail to follow the right procedure, you risk a substantial fine and a lot of wasted time. Doing it right isn't difficult.

**Capability**, or lack of capability, is one of the five potentially fair reasons for dismissal. The factors that a tribunal will consider when deciding whether an employer has acted reasonably in dismissing for poor performance include whether:

- A full investigation has been carried out into the employee's failure to perform.
- The employee is aware of the nature of the complaint.
- The employee has been given an opportunity to explain their performance.
- Consideration has been given to further training or supervision or as to whether a warning is needed.
- Informal counselling and advice may be appropriate as a first step.

When an employee is dismissed for incapability it is sufficient if the employer genuinely believes on reasonable grounds that the person is incapable; it is not necessary for the employer to prove that the person is incapable of doing their job.

**Dismissal** should not be the aim and the employee should be given every opportunity and plenty of support to improve his/her performance. If an employee falls short of the required performance the procedure that employers should adopt should include the following steps:

- Invite the employee to a meeting (giving prior written notice of what the meeting will be about). At the meeting:
  - The employee should be informed of the ways in which the required standards are not being met.
  - Full opportunity should be given to the employee to explain any shortfalls in performance and fully discuss these.
  - The employee should be given a timescale within which his/her performance must improve and should be in doubt as to what would be considered to be "satisfactory" performance.
  - The employee should be informed that a verbal warning is being issued and if there is no improvement, a written warning will be the next stage in the procedure.
  - Although called a "verbal" warning, a brief written record should be made of what was said at the meeting.
- If the employee's performance fails to improve within the given timescale he/she should be sent a letter inviting him/her to attend another meeting to explain the shortfalls. At the next meeting the employee should be told the ways in which he/she failed to improve and should be given a chance to explain. If there is no satisfactory explanation for the failure to improve he/she should again be told:
  - the timescale in which his/her performance must improve and the standards required;
  - that he/she is being issued with a written warning, and that failure to improve will result in a final written warning.
  - Again, this should be confirmed in writing.
- If the employee's performance still fails to reach a satisfactory standard, another meeting should be held to discuss the shortfalls. Again, the employee should be told the respects in which his/her work is unsatisfactory and should be given a chance to explain. If there is no satisfactory explanation for the failure to improve he/she should again be told:
  - the timescale in which his/her performance must improve and the standard which would be considered satisfactory;
  - that he/she is being issued with a final written warning, and that if he/she is unable to reach a satisfactory standard of performance he/she may be dismissed.
  - This should be confirmed in writing.

- If there is no improvement within the given timescale, the employee should be written to again, told in what ways his/her performance fails to meet the required standard, and asked to attend another meeting at which dismissal will be considered. At this meeting the employee should be told the ways in which he/she has failed to improve and should be given the chance to explain. If no satisfactory explanation is given, dismissal can be considered and notice of dismissal given if appropriate.

The employee should be given notice of dismissal in writing and must be told of his/her right to appeal against the dismissal, the time-scale in which to do it, how to appeal (ie verbally or in writing initially) and to whom he/she should appeal.

- At all of the above formal meetings held to discuss the employee's shortfall in performance, he/she should be given the opportunity to be accompanied either by a colleague or by a union representative.

This all sounds very long winded - but remember, sometimes the process results in significant improvement - saving recruitment / replacement costs. Also the periods between each part of the process can be quite short. Also, quite often an individual will choose to resign during the process. If this happens, make sure that the records of the previous meetings are kept and ensure there is no risk of the employee claiming constructive dismissal.