

For Immediate Release

The “Below Standard” Boost: Seven Ways to Head Off Performance Issues at the Pass—*Before They Poison Your Culture*

We all know firing someone can be a dicey proposition. Jennifer Forgie of OnPoint Consulting says it’s far better to help your “below standard” employees improve before you get to that point . . . and that’s why it’s time to start leveraging your performance management system.

New York, NY (July 2007)—All leaders are familiar with employees who exhibit “below standard” performance. They don’t all look alike but we know them when we see them. Maybe *yours* is the salesperson with inconsistent numbers (dynamite one month, sluggish the next), or the assistant manager who’s out with a “headache” every other (non-payday) Friday, or the receptionist who gets along well with coworkers but sometimes takes a surly tone with customers. And here’s the thing: these people aren’t *terrible* employees, they’re just not doing what they should be doing. You’re not ready to fire them—not yet, anyway—but if you don’t do *something*, their performance issues are sure to escalate until they become full-blown problem employees.

“This is a problem faced by many leaders,” says Jennifer Forgie, managing partner at OnPoint Consulting. “They are hesitant to deal with performance issues, so they send indirect messages and subtle signals, or simply avoid the situation hoping it will go away. As a result, the people who are doing the full job—and whose behavior is consistent with company values—become more and more resentful of coworkers who appear to be getting away with bad behavior or not doing their fair share of the work.

“Ultimately, the leader’s reticence to deal with the below-standard-performing employee leads to another problem,” she adds. “When it comes to the point where the person’s performance or behavior can no longer be tolerated, and the poor performer is told she must improve, it often comes as a shock because this is the first she is hearing that there is a problem.”

Consider the recent *BusinessWeek* article, “Fear of Firing” (written by Michael Orey), which painted a grim picture of corporate leaders held hostage by underperforming employees who are all too willing to play the litigation card. Even if it’s justified, few employers want to run the risk of being taken to court by a disgruntled ex-

employee. Clearly, it's best to intervene with "pre-problem" employees, as Forgie calls them, before they reach the point of no return.

So why don't some managers deal with performance issues early on? "It appears that many leaders don't think of their performance management systems as a tool to manage the business and aren't addressing performance issues within that context," says Forgie.

This is an extremely pervasive problem: a recent survey done by OnPoint Consulting involving 115 HR professionals and 441 line managers found that more than half of the respondents have a negative view of their companies' performance management systems. "We found that only 44 percent of the line managers and 45 percent of the HR professionals believe their companies' current performance management systems deliver value to the business," says Forgie.

OnPoint's survey also found that only about half of respondents believe that their current rating systems facilitate the delivery of feedback during the performance review, and only 45% believe their current rating scales enable managers to accurately differentiate levels of performance. "It is not unusual for a manager to check the "meets expectations" box year after year, even if an employee actually *isn't* meeting them," says Forgie. "The paper trail shows that, by all indications, the employee *doesn't* have a problem. And it's very hard to suddenly confront someone for behaviors that she's exhibited for a long time—and more to the point, *gotten away with* for a long time."

So, back to your poor-but-does-not-yet-need-to-be-fired performers: what can you do, right now, to keep their below standard performance from snowballing out of control? Well, says Forgie, the first step is to take a hard look at the performance management system and determine whether it's really serving you. (**NOTE TO EDITOR: see attached tipsheet.**) But here are some more specific tips for giving your "below standards" a performance boost:

- **Paint a clear picture of what "good" performance looks like. Fill in all the brush strokes.** "In order to be able to pinpoint poor performance, you need to get very clear about what high performance looks like, and translate that into specific behaviors and outcomes. Then you have to share those behaviors and outcomes with employees," says Forgie.

“It’s not enough to simply say, ‘Joe, you need to be more proactive.’ Well, what does that really look like? Perhaps Joe isn’t taking the initiative to share information with team members, or he isn’t anticipating problems that may impact his project plans, or he isn’t informing clients of key decisions—or maybe it’s all of the above. But until you can articulate specific behaviors and outcomes, it is very difficult to communicate when standards are—or are not—being met.”

- **Communicate your expectations in plain English. Make sure employees understand and agree to them.** You must make sure your “Joes” know what’s expected of them. It’s not fair to hit them with corrective feedback or a bad review if you haven’t made your expectations crystal clear.

“When you’re setting goals, it’s helpful to clearly state, ‘Here’s what meeting expectations looks like and here’s what exceeding expectations would look like,’” says Forgie. “The performance expectations should be set for what needs to be accomplished as well as for the behaviors people are expected to use with direct reports, colleagues and customers. Clear and agreed upon expectations provide a solid foundation upon which to provide recognition and reinforcement as well as guidance and corrective feedback.”

- **Don’t let expertise or revenue production be a get-out-of-trouble-free card for the employee. (Or a get-out-of-confrontation-free card for you!)** Just because Sylvia brings in a big account or does a bang-up job with the company website, she isn’t necessarily doing a good job. If she’s brusque, arrogant or condescending with coworkers, make no mistake: she is slowly poisoning your culture. Is the money she’s bringing in worth the disruption and resentment her behavior is causing among her coworkers? Probably not, says Forgie.

“The biggest challenge for leaders is to take corrective action with an employee that is a top producer but whose behavior is not consistent with company values,” says Forgie. “If the espoused values are to have any real meaning then ‘how’ something gets done must be considered just as important as ‘what’ gets done.”

- **Don’t delay. Raise performance concerns while they are fresh.** “There’s no doubt that most people hate confrontation,” notes Forgie. “It can be awkward and difficult, but it must be done—it’s the only way to prevent performance issues from becoming a problem employee. When goals and expectations for behavior have been clearly described and agreed to, these conversations can be easier. It doesn’t have to get ugly if you focus the discussion on the agreed upon behaviors and performance targets.”

It can also be tempting for some managers to avoid directly delivering tough messages by waiting to check off boxes in their companies’ performance review forms. In fact, OnPoint’s survey found that 46% of respondents believe that “managers give more time and attention to filling out review forms than they do planning the meeting and discussion with their employees.” Helping Jane understand that she needs to be prepared and on

time to meetings is far more important for behavior change and performance improvement than telling her that she is, for example, rated a '2' on a five-point scale.

- **Provide ongoing coaching and feedback, both scheduled and “on the spot.”**

Behavior change is much more successful when efforts are regularly reinforced. That means giving individual feedback (both positive and constructive) to employees around their progress on goals not just once a year at the annual performance review, but periodically and consistently, through scheduled meetings and on-the-spot chats. Leaders should stay on top of this strategy, even if the performance management system does not require it—which, as OnPoint’s survey found, is all too often the case.

“Given the importance of ongoing feedback and coaching, we were somewhat surprised to find that 42% of respondents in our study reported that periodic reviews are *not* a formalized part of their performance management system,” says Forgie. “And in those companies where periodic meetings are not a formal part of the system, only 43% provided positive ratings on ‘managers provide effective coaching and feedback’ compared to 71% where it is required, and 62% where it is encouraged.”

- **Celebrate small victories.** Another key in turning around performance problems is to be sure to recognize *progress* toward improvement. “Too often, managers reserve recognition for their top performers or ‘save it up’ until poor performers get up to standard,” says Forgie. “While it is clearly important to recognize high performers, it is just as important to recognize *all* positive behavior, especially when it’s a step in the right direction for an employee who has a performance issue. This helps build momentum and confidence, and it reinforces the behaviors that are needed for this person to turn around.”

- **Goal setting and coaching don’t just magically happen. Make sure managers are trained for competence in these skills.** Without these fundamental skills, no performance management system—no rating scale, no technology, no form—can turn performance problems around. The majority of companies in OnPoint’s study, 62 percent, provide managers with training to conduct effective performance evaluations. Yet fewer organizations—only 53 percent—provide the skill training related to setting goals and coaching and feedback.

“So often, manager training is the missing link in a company’s quest to correct performance issues,” asserts Forgie. “It’s easy to say, ‘Okay, get out there and make everyone on your team an ‘A’ player!’ but if you don’t teach them the relevant skills, it’s just not a realistic request. It’s far less painful to properly train managers than to let pre-problem employees fester into full-blown ‘culture poisoners’.”

Dealing with pre-problem employees in a deliberate, structured way can stop their downward spiral. But if it doesn’t, says Forgie, at least you will have the all-important paper trail that enables you to support your rationale for letting them go and minimize the worry about legal retaliation.

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“We all know that companies must be able to prove, in court, that an employee has been fired for legitimate reasons,” she says. “That is a scary reality for HR people, and as the *BusinessWeek* article said, it keeps many substandard employees on payroll long after serious damage has been done to morale. What we at OnPoint are saying is that adopting and actually *using* a good performance management system as it was intended to be used is a far better solution.

“We find that when managers understand that the performance management system is about achieving business results and not just an administrative task mandated by HR, they take their PM systems seriously, they start providing coaching and feedback on a regular basis, and they stop rubberstamping year-end reviews,” she adds. “Think of it as preventive medicine that keeps your organization strong and healthy. It’s the right thing to do and it does not have to be that difficult.”

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About OnPoint Consulting:

OnPoint Consulting is an organizational and leadership consulting firm that specializes in helping companies close the gap between the creation and communication of their vision and strategy and the achievement of their business objectives.

OnPoint combines practical, research-based tools and models, state-of-the-art business simulations, action learning, and in-depth experience across industries to deliver high-quality and high-impact leadership and organizational development initiatives. OnPoint’s solutions are designed to reflect each client’s organizational culture and business environment.

OnPoint’s organizational assessments provide practical, actionable data to help drive execution and enhance organizational performance. The firm provides value-added analysis and interpretation, along with customized approaches to help its clients translate issues into action.

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The Six Critical Factors of a Good Performance Management System

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If you're a typical mid-level manager, you probably feel that your company's performance management system is a bit, well, lackluster. You might even be enough of a cynic to think there's no such thing as a good PM system. But according to a recent survey by OnPoint Consulting, you'd be wrong. Seventy-five percent of respondents say they do believe it's possible to develop a system that fairly and accurately measures employee contributions to business results (though only 40 percent believe their current systems fit that description).

Three factors tend to earn a system the "fairness & accuracy label":

1. The system helps employees build their skills and competencies.
2. The system is applied consistently across the company (e.g., managers set goals with employees, there is a shared picture of the criteria used to evaluate performance, etc.).
3. The rating scale enables managers to accurately differentiate levels of performance during the annual reviews.

There are three additional factors that not only impact the perception of fairness and accuracy but also impact the perception of overall business value, leading employees to believe the system is worth the time invested:

4. It helps to build a high-performance culture.
5. It provides useful data that is used for succession planning.
6. It provides useful data that drives leadership development initiatives.

"Basically, people know what a good system looks like, but most don't believe these six criteria are in place in *their* systems," adds Forgie. "We found that 45 percent or fewer respondents rated these factors favorably."

The moral of the story? Develop a good, solid PM system *and use it*. You'll find that it makes a huge difference in every aspect of your organization.