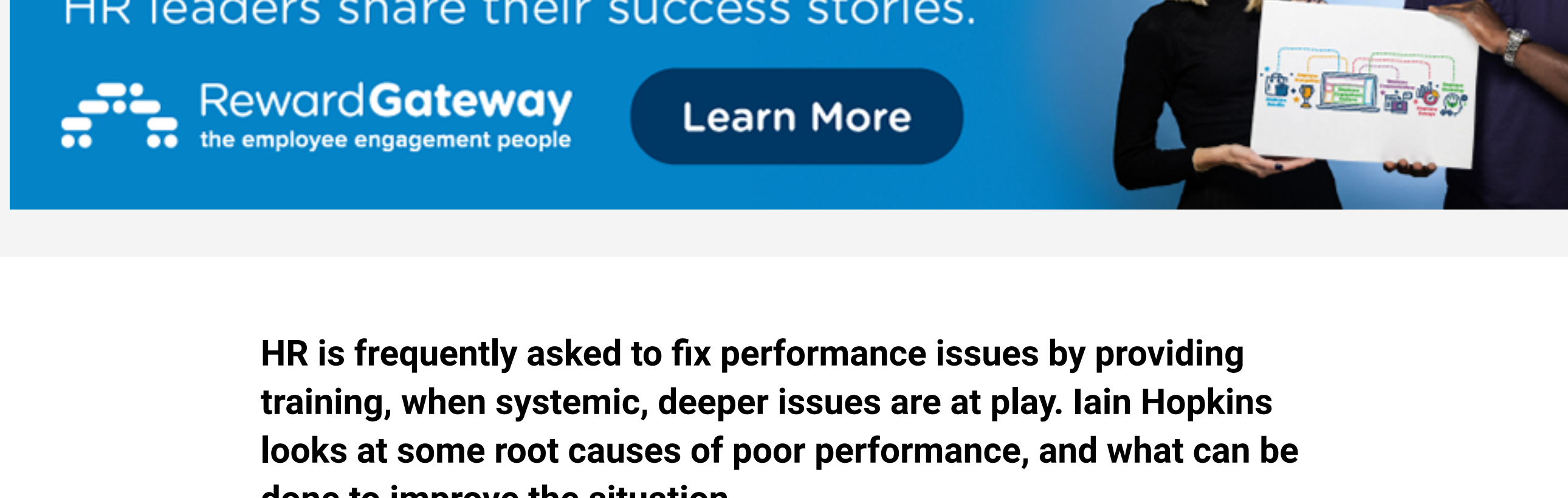


Cards on the table



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"So...tell me how you think you are performing in your role." For what it's worth, if a conversation about underperformance needs to occur, that's one of the better ways to open it. It immediately throws the onus on to the employee to reflect on what level they feel they've been operating at. And if it's a deluded self-view, then it's time for management instincts to kick into gear. There's no question that managing poor performance is a tricky area, yet it need not be 'the event' loathed by both employee and manager. It must be remembered that, on the whole, most people don't show up to work to purposely do a bad job. It's therefore critical for managers to uncover the root cause of poor performance and determine whether an employee can be turned around.

A NEW ERA?
While it's probably never going to be high on a manager's list of 'most desired' tasks, there are subtle shifts taking place in terms of performance management in recent times. Instead of sweeping poor performance 'under the carpet', it's being confronted more readily than in the past.

Rosemarie Dentesano, practice leader for Right Management in Aus/NZ, notes that in many – not all – organisations, there's talk of 'non-negotiable accountabilities' when it comes to performance. This pressure is coming on two fronts: cost management, and finding productivity improvements.

One way to improve productivity is to improve performance – hence there's sharper focus on getting the right people for the right roles and setting the bar high to start with. Expectations have also changed. CEOs are being clearer on expectations and about performance being important. And where it was once just the CEO and top brass being raked over the coals for underperformance, now everyone in the organisation is expected to deliver on strategy. "It's becoming harder to hide, so to speak, and there's a need to perform and deliver," says Dentesano. "We're seeing changing work models and practices which are requiring people to step up and perform."

Dentesano does concede that the reluctance of the past to deal with underperformance is still lingering, but this is changing. "There was a hesitancy to deal with it, because it requires a concentrated effort, it requires people to be honest and requires good leadership to set the parameters and then monitor and measure it, and evaluate it. Quite often leaders are good at setting the parameters and not so good at holding people to account. So there's a change in the market around accountability and people getting serious about managing performance," she says.

WHAT'S THE ROOT CAUSE?
The causes of poor performance are multifaceted. Garry Adams, talent business leader at Mercer, says poor performance is fundamentally a systemic issue "where addressing and indeed preventing it relies on the integration of an organisation's people practices while at the same time making sure they reflect and support what the organisation is trying to achieve".

It's like interlocking puzzle pieces: an organisation's recruitment and hiring practices need to acquire the right people, with the right skills, in the right locations; their capability development programs must be relevant and structured to be delivered in a timely and efficient way; and the employees are effectively managed on a daily basis throughout the year via regular, robust and meaningful conversations backed up by effective consequence management or one-on-one coaching interventions. Repeatedly, research shows that high-performing organisations are the ones that manage and deliver these practices well.

Yet it's also conducive to look at specific causes of poor performance. Top of the list must be a person's skill capability and motivational interests not matching the requirements of the role – essentially resulting in a job/person mismatch.

"Through the person being in the wrong job, they struggle to deliver on the accountabilities of the role," Dentesano tells HC.

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Another problem can occur when leaders or managers don't articulate clearly what their expectations are of a role and what they need from it. Therefore they place someone in it, but change may occur and the person doesn't perform as expected. Essentially, the requirements of the role may have changed, yet "the job has not been realigned to match with the person on the job – it's almost about structural/job fit and job design," Dentesano says.

Another important consideration is that often leaders fail to provide ongoing feedback and development. "You end up with people who are poorly aligned but possibly not due to any fault of their own," Dentesano says.

Right Management's outplacement program research indicates that around 47% of people change job type or function after a redeployment activity, giving an indication of mismatch of skills, interests, motivators and/or real job fit. "People change, jobs change, things outside of work change, and we don't keep up with that with more development or the changing profile we need for the job," Dentesano says.

Adams adds that required skills and capabilities change, so sometimes people may initially have what's required to succeed; however, over time, if their skill development does not keep pace with the change, their performance may suffer. This is particularly true when changing market demands and competitive pressures mean business success is dependent on enhanced or new capabilities. "While some employees will readily adapt to the new requirements, others may struggle, and potentially those who were once considered good or solid performers may over time move into the underperformer category," Adams says.

In other situations, poor performance may have little to do with the skills and expertise required to do the job but instead be more related to the attitude and mindset of the employee. Employee disengagement can strongly contribute to a slide into poor performance, where at best employees may set aside discretionary efforts and additional contributions and at worst may passively or even actively undermine an organisation's efforts and initiatives.

"While the attitude and mindset of most employees can be improved, there is typically a small percentage of employees where fundamentally very little, if anything, can be done," Adams notes.

Finally, Adams suggests some that organisations can be 'blind' to true poor performance, in part because the organisation's goal- and target-setting processes have broken down or because the organisation accepts the objective measures of performance on face value alone, or because the manager has hired people who are more like themselves. "This last issue often masks less obvious contributors to poor performance, such as the clashing of egos and styles or a lack of diversity of thought and opinion," he says.

DELLING DEEPER
To address the first issue that Adams has noted – the breakdown of an organisation's goal- and target-setting processes – it's critical to investigate whether the targets and goals set in some areas may be too 'soft' or too 'hard' when compared to other areas. "In these instances, some employees may 'appear' as poor performers; however, it is their targets, relative to their peers, which may have been set with a higher degree of challenge and stretch," Adams says.

This issue may be further compounded when poor performance and top performance are not clearly defined and understood.

In the second issue outlined by Adams, organisations viewing adapt through measurable performance results alone without effective governance and verification of the facts will likely miss the true details of what has actually occurred. "These details can include strong contributions by the employee in other areas valued by the organisation, or where the employee's performance has been undermined by fellow employees," he says.

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TAKING ACTION
In many ways, the actions taken to resolve an issue will rely on the accurate diagnosis of the problem. This may also determine how much time and energy should be devoted to the underperformer. An astute manager – or one accustomed to having meaningful conversations with staff – should be aware of external factors. Tammy Tansley, principal at Tammy Tansley Consulting, suggests that if underperformance is related to an external issue such as a family crisis, and that employee has been a valued employee up until that time, then the decision might be that it is worth sticking with the employee and offering them support for a period of time while they are sorting out their situation.

The other consideration is that this process is not a one-way street. The employee isn't passive in this process. It should be a two-way process and conversation in which both parties are able to honestly reflect on the situation and the impact it is having, and agree to steps to change.

"It's critical that the employer doesn't take on all the responsibility here – the employee needs to acknowledge the situation and actively accept that they need to take steps to address the situation," Tansley says.

"Having an honest dialogue will mean that – within a framework of what is legally acceptable – it's easier to have a 'cards on the table' conversation which can help both parties decide when it's time to part ways."

If there is no willingness or acceptance of the issues by the employee, no amount of coaching, support or other interventions will address the situation. Equally, there are times when there is just a mismatch in role, organisation and person, and no development or support is going to change that.

In either of these situations, managing the employee out of the organisation can be an appropriate response.

THE MANAGER
A recent finding in Mercer's 2013 Global Performance Management survey shows that the one area of manager capability that, if improved, would have the biggest impact on improving performance management is the enhancement of candid dialogue. This is followed by the ability of the manager to link performance to development planning. Unfortunately, these findings point to the current reality that many frontline managers do not possess the skills to handle difficult conversations, nor do they have the ability to identify development needs and put in place a robust plan to manage these.

What's responsible for this capability gap? Firstly, many organisations still typically promote frontline managers based on the high performance they have delivered in their roles as individual contributors. As research has repeatedly shown, the profile for success as a manager is quite different to the capabilities required to succeed as an individual contributor or technical specialist. This issue has been exacerbated by the fact that, following the global financial crisis (GFC), a 'thinning out' of the talent pool has occurred through forced redundancies and layoffs. This has further increased the probability of the successful individual contributor moving into frontline management ranks. Secondly, in order to protect short-term profits post-GFC, organisations have typically curtailed investment in this area. Adams notes that most of the investment in leadership development, up to and since the GFC, has been directed at top leadership levels, and the momentum to cascade leadership development to frontline managers has more or less been halted.

Yet it's not all doom and gloom. Dentesano has noticed a change in the "language of leadership", whereby managers and leaders are being held to account to coach, support and build capability in their teams. As a leader, she says, you have accountability to give people feedback on how they're going, and most people struggle with telling someone they're not doing the right thing or not delivering on the standards required. "It's a development skill required to actually be able to cite an example and use that example in the moment to provide feedback and look at different ways of achieving a better outcome," she says.

THE APPRAISAL
Technology is playing an important role in improving performance processes, making them more user-friendly and less paper intensive. Mercer's 2013 study shows that 56% of organisations are using technology that goes beyond Word-enabled forms. However, Adams says performance-management-related change and improvement initiatives are often too narrow when the focus is just on improving the appraisal system and associated processes. In the end, the change experience and the end result feel more like a compliance exercise. Instead, performance management should place less emphasis on the process and more on the conversations between manager and employee that will ultimately move the needle on workforce performance and capability development.

Good performance management happens every day. That's the theory. Indeed, Tansley says there are great examples of organisations that have done away with formal appraisal processes because their regular feedback and other organisational processes are so effective that they're not needed. Yet, for most companies, it's the execution that lets them down. It's not unusual for managers to save their grievances with their employees until the annual or bi-annual review. That's too late, says Dentesano. "There should be no surprises," she notes.

She adds that there is a cultural element involved, where organisations provide evidence feedback every day, or once a year. "Where it's done every day there's obviously a good communication process; there's a good coaching mindset and an openness to learning. Where it's done once a year and people are briefed on how to do it with a list of steps to follow, I think they're putting themselves in a difficult position as leaders and not giving their team an opportunity to benefit from real-time learning and development."

Dentesano also believes there are too many measures and often people can't see the connection between the measures on their performance scorecard and their job, and what the organisation is trying to achieve. For example, where an organisation is looking for a service outcome, how is that tied back to the outcomes for an individual? "The alignment piece is critical. Then there's the problem of too many measures. Once you get past five, I think people start getting blurry-eyed and lose interest," she says.

A list of out-of-context metrics or numbers to reach doesn't mean a thing to an employee. Context is critical: if Mary understands why she's being measured against something and how it impacts on her day-to-day job, as well as how it manifests itself in terms of the company's achievements, it's suddenly more relatable.

Dentesano says it's also crucial to be clear on consequences, especially if formalised performance management is taking place. "Under legislation you can't just one day show up and say, 'Sorry, you're doing a bad job – there's the door.' You have an obligation to articulate what the requirements are, and an obligation to provide some support and development to get to the point of achievement. You must also have a reasonable timeframe – and that's very discretionary," she says.

THE DANGER OF NEGLIGENCE
There is unquestionably a cost to not managing poor performance. When the culture of an organisation is discussed, it's commonplace to talk about it being defined by the systems, symbols and behaviour that are manifested in the organisation. It follows that when an organisation allows poor performance to continue, it becomes the accepted norm. "Before you know it you could have an organisation of underperformance, because it's not dealt with," says Dentesano.

There can be one other damaging repercussion. If underperformance is not being managed, people will typically start questioning the capability of the leader. "People start saying, 'Why does Rosemary continue to let Betty not hit her targets every month? What is it about Betty that makes Rosemary not manage her?' It undermines the leader," Dentesano explains.

A GIFT
As a final tip, it's worthwhile considering and positioning feedback as a gift. It may not seem very 'gift-like' at the time but, with time to reflect, an honest, transparent, respectful conversation about performance can be the best thing that ever happened to the recipient. Perhaps the employee has hidden potential that is yet to be uncovered or they are experiencing a personal issue that is significantly affecting them and their performance. Perhaps they just need someone to point them in another direction or suggest an alternative.

"If treated respectfully and fairly, an organisation may, at best, turn a poor performer around into a productive and positive member of the organisation or, at worst, may avoid or prevent litigious action or damage to the organisation's brand and reputation," Adams concludes.

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