



ExecBlueprints™

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Action Points

I. The Danger of Underperformers

Underperformers are among the top challenges for managers and HR leaders.

II. The Bottom Line

Performance management is a foundation for creating a culture of performance throughout the company.

III. Must-Haves for Preventing Underperformance

HR leaders must institute careful hiring and on-boarding, strong management, and proactive performance reviews.

IV. The Golden Rules for Developing Performance Appraisal Systems

Formalize the process. Define areas of focus. Set metrics and define expectations.

V. Essential Take-Aways

When it comes to underperforming employees, an ounce of prevention of worth a pound of cure. Strong management is essential for driving a culture of performance and improvement.

Three top HR leaders from the Teacher Retirement System of Texas, Mestek Inc., and Erie Insurance Group share their insights on:

How Underperformers Damage Your Business, and What HR Leaders Can Do About It

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Underperformers pose a serious danger to an organization. Underperforming employees must be identified, managed, and (ultimately) terminated if not able to improve — otherwise, they will breed resentment, suck up management time, and drain the morale of the organization. Proactive management and a robust performance management system require an investment of HR time and resources, but it will pay dividends in the long term. Performance management systems must be robust, formal, and focused on clear individualized metrics for improvement. They must be accompanied by strong management follow-through. These systems do far more than eliminate underperformers — more importantly, they lay the foundations of a performance culture, where every employee is aligned with company goals and driving business performance. This culture takes time and effort to build, but it is one of the keys to long-term profitability and growth. ■

About the Authors



Annette Dominguez

Director, Human Resources, Teacher Retirement System of Texas

Native Texan, Annette Dominguez was born in Ft. Worth and was raised in Washington D.C., Rome, Italy, and Galveston, Texas. She is a graduate of The University of Texas at Austin, where she studied organizational psychology and human resource management. She has served in various professional positions in human resources in Texas government. She has also served as an HR consultant to the non-profit sector. Ms. Dominguez has practiced in the HR profession for about 20 years and has specialized in start-ups for new human resources programs for much of that time.

She recently left the Texas Parks and Wildlife Department, where she served as human resources director, to join the executive team at the Teacher Retirement System of Texas as director of human resources.

Ms. Dominguez has served in several committee leadership roles in the non-profit sector where workforce diversity is a priority. She has published and authored various papers, articles and reports on future workforce trends, diversity, and human resources issues of the future. She has spoken and presented on these issues at various seminars and conferences

across the U.S and in Canada. Most recently she has served on a panel of experts for a workforce diversity conference, hosted by General Colin Powell (Ret.), and sponsored by the U.S. Fish and Wildlife Service.

Ms. Dominguez is committed to community volunteering and has served on the governing boards for a number of non-profit agencies.

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David R. DeBell

Vice President, Human Resources, Mestek Inc.

David DeBell is vice president of human resources for Mestek Inc. He has a wealth of experience in business and the human resources functions. Growing up in upstate NY, he received his B.S. degree in industrial and labor relations from Cornell University. Upon graduation, Mr. DeBell served in the U.S. Army artillery in Korea. Later he went to night school and graduated with an M.B.A. from Pace University.

Most of Mr. DeBell's experience has been in manufacturing, food, and natural resources industries, including aerospace (HEICO), plumbing (Eljer), HVAC/metal-forming (Mestek), insulation (Johns Manville), cabinetry (Omega) and coal, oil, and natural gas (Mobil & Western Gas Resources).

On the professional level, Mr. DeBell is certified as a PHR (Professional in Human Resources), CBA (Certified

Benefits Advisor), PI (Predictive Index) Analyst, and is a MBTI (Myers-Briggs) Certified Professional.

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Michael J. Krahe

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Michael J. Krahe, Ph.D., serves as executive vice president of human development and leadership at Erie Insurance Group. His responsibilities include oversight of the organization's alignment of people and leadership development, and sustaining and leveraging core values in the implementation of The ERIE business strategy. In addition, he has oversight of all human resources functions and administration of strategic planning activities.

Mr. Krahe joined Erie Insurance in 1986 as supervisor of employee relations and services. He was promoted to manager of the employee relations department in 1991 and to assistant vice president and manager of that department in

1992. Mr. Krahe became a vice president in 1994 and senior vice president of the human resources division in May 1999. He was promoted to executive vice president of human development and leadership in December 2002.

Active in professional and community organizations, Mr. Krahe is a member of the Society for Human Resources Management, the Property Casualty Insurers Association of America Human Resources Committee, the American Association for Counseling and Development, and the American Psychological Association. He is a regular presenter at the PCI Annual Conference and for Leadership Erie. He serves as board president of the Ophelia

Project and also serves as a member of the Rotary Club of Erie.

Krahe earned a bachelor's degree in English and a master's degree in counseling from Gannon University. He holds a doctorate in philosophy in organizational administration from S.U.N.Y. at Buffalo. He also serves as an adjunct instructor in human resources management and organizational behavior in the master's in business administration program at Gannon University.

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Defining Underperformers

Underperformers are among the top challenges of HR managers. The good news, however, is that these problems can be addressed and even minimized with a little foresight and proactive management.

Underperformers are people that consistently fail to meet performance expectations despite efforts to provide an explicit set of performance expectations, training, coaching, and guidance. They can be a huge drain on a department, the manager's time, and create dissent and low morale.

There are many reasons why underperformers become top challenges. Without the right management tools, process, and technical support, managers can frequently procrastinate and fail to manage performance issues early and in a timely manner. When this happens, the problem festers, performance levels are compromised, high performers begin to lose faith in management, and a lack of attention and action can lead to a dive in employee morale. HR does a disservice to the organization when performance management tools and process are not a key part of the strategy for managing a workforce.

To ensure we are all on the same page, performance management in my books is the ongoing process of:

- Setting realistic expectations for performance and behaviors
- Providing continual feedback
- Coaching to realize those expectations
- Reviewing and recognizing results

In my experience it starts with hiring the right people, and accurately assessing skills during the hiring process. We have a very proven hiring process that enables us to hire the right people, with the right skills for the jobs they fill. From that point, it is important to communicate accurate job expectations about both performance and behavioral expectations, give ongoing feedback to employees on how well they are meeting expectations, and identify when more coaching, guidance, and formal training may be appropriate. It is also essential to recognize good performance.

I believe we provide managers with both the right tools and guidance in hiring the right people and in performance management so that they can easily determine who

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"Everyone is aware of how they should spend their time, what their priorities are, and what they need to accomplish on any given day."

- 20 years of experience in the HR profession; has specialized in start-ups for new HR programs
- Former HR Director for the Texas Parks and Wildlife Department
- Served on a panel of experts for a workforce diversity conference, hosted by Colin Powell

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is performing and who is not. I have found that the most effective types of programs:

- Are customized for the organization with involvement of senior management and employees
- Contain a systematic process of reviewing the job and reflecting observable, measurable, realistic performance standards that represent key responsibilities within the employees' control

Often a drop in performance is due to a temporary situation involving a person's life outside of work. We try to deal with those issues quietly and sympathetically. We have the advantage of having an excellent (vendor provided) service in our Employee Assistance Program so employees can seek immediate support, in a confidential manner, for personal challenges and crisis that may affect performance on the job. Our employees really appreciate knowing they have an option to seek such support. This resource is very effective in supporting our high performance culture.

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- Include behavioral standards as well as performance standards
- Require managers to clearly communicate performance and behavior standards up-front
- Enable managers to keep good records of examples of the employees' work

Expectations & Feedback

Our expectations regarding employee performance and behavior are fair, reasonable, and attainable. In this organization, there is a lot of communication about performance and guidance around expectations. For the most part, employees are involved in defining their own goals. In our more structured environments like our call centers, benchmarks are set for call times, or number of calls answered, and employees receive quality checks on how they perform on those calls. They are provided with quantitative data and qualitative feedback on a daily basis. Their expectations are clear.

When Performance Doesn't Measure Up

From time to time there are failures in the process and a very small percentage of individuals don't succeed. We do everything we can to help manage people to success, but in the rare instances when it is not possible, employees do transition out of the organization. Often it is the employee's realization that the job is not a good match and they are the first ones to spot it and leave of their own accord.

In some cases we must begin the process of documenting the failed

efforts to turn the performance around. I have had the most success with a progressive corrective process that is not punitive, but puts responsibility and accountability for improvement on the employee. The manager must make the expectations clear and provide consequences (documented guidance) for a lack of performance and positive reinforcement (praise, recognition) for successes. Instead of a punitive, progressive discipline process, however, a system that is candid, honest, has compassion, and maintains an employee's dignity on

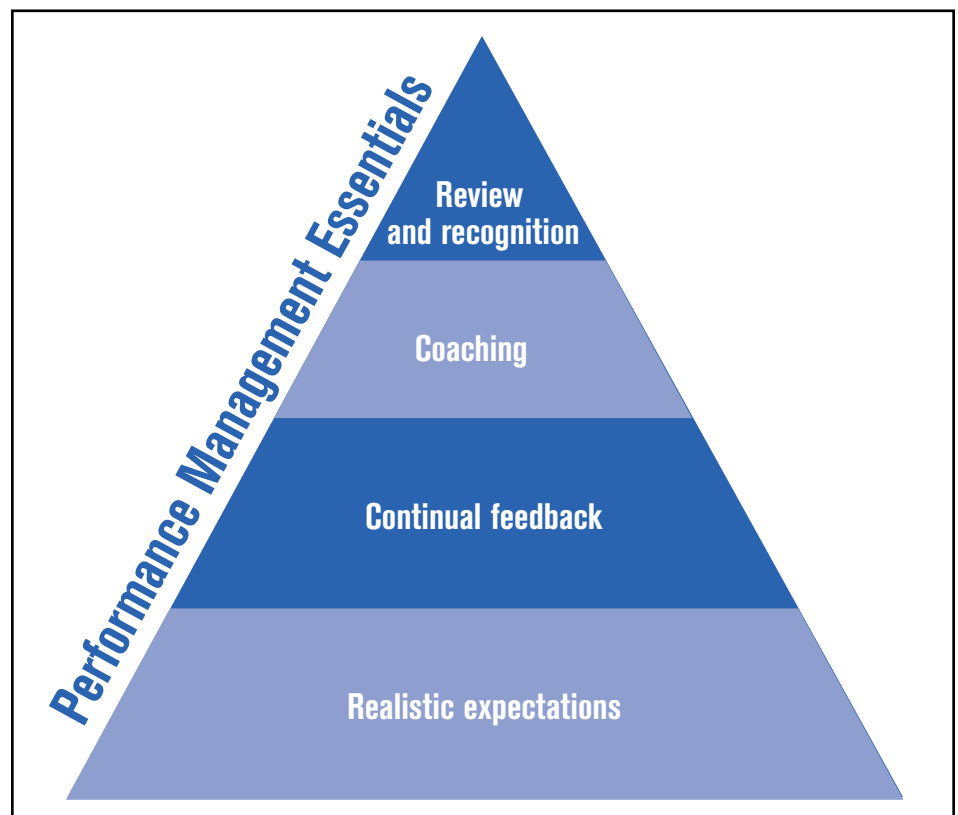
the way (out) will often minimize the efforts of the employee to "get angry and get even" through frivolous grievances and litigation.

I also believe that each time there is a failure to guide an employee to success there is a lesson to be learned. Before we move on, we should reflect upon what went well and what we might do differently if we were faced with a similar challenge in the future. Our most valuable lessons are often learned from our most challenging experiences. ■

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Defining Poor Performance

We define underperformance in relation to expectations that have been mutually agreed upon by a manager and an employee at the beginning of the performance period. When I joined this company four years ago, there was a fairly low level of understanding of process or application of process to situations that came up between employees and managers. I wanted to bring clarity to new processes. In order to go through a process, particularly where you have underperformance, there has to be some way to structure the process in such a way so that there is no lack of clarity with the employee. If their performance ultimately leads to termination, the reason behind the termination must be crystal clear.

Identifying Underperformers

Our definition of underperformers does not vary by department or job function, only by the goals established up front with each individual employee. As a practical matter, all of our managers are expected to go through a diligent process of establishing a set of clear expectations for each employee for each performance period. I have learned over time that underperformance is rarely caused by the job that needs to be performed. It is mostly a result of the employee failing to perform the job!

Our Performance Appraisal Process

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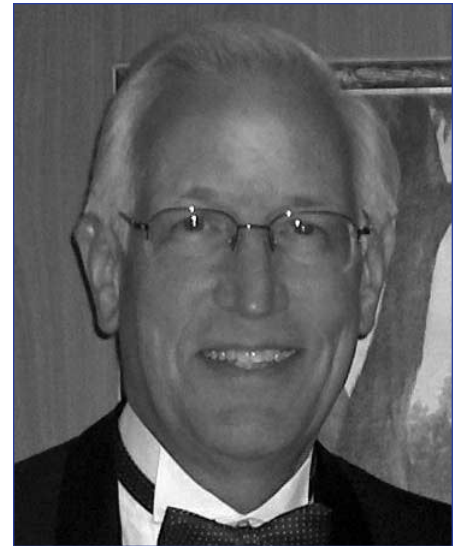
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Once someone has clearly been identified as an underperformer, then we try to implement a process called “Short-Term Objectives: Planning for Necessary Improvement.” This is the standard template we use to put people in final jeopardy. We have a limited structure of HR leadership in the company. We have a decent cadre of HR professionals at headquarters, but it is more hit-and-miss in the field in terms of HR people who are professionally trained. We needed to create a process that doesn’t put too much burden on our HR people in the field so we created a template. The HR people then work with line management to create what goes into the template.

Within the template, there are three areas that HR and management work on together to help the underperforming employee find the road to recovery.

In the first section, the manager identifies three to five key areas where specific objectives need to be set and achieved. In the second section, called “measurements of success,” the evaluation process is clearly defined. The employee must sign that they are aware that they are being evaluated based on how



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“HR leaders need to allow people to grow and learn, but no one should be allowed a free ride.”

- Extensive experience in manufacturing, food, and natural resources industries
- B.S. in Industrial & Labor Relations, Cornell University
- Certified as a PHR, CBA, and PI Analyst; Myers-Briggs Certified Professional

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well they are able to perform the objectives stated in the first section.

The third element defines the ultimate expected outcome. By going through this process, we hope the employee will do what is expected of them and achieve an ultimately positive outcome. Progress reviews are typically conducted weekly or bi-weekly. Mentoring and coaching occurs as indicated in order to help the employee succeed. Failure to meet the expectations results in termination of employment.

In the past, there was no formal process for handling

Short-Term Objectives: Plan for Necessary Improvement

Business Unit: (location) Corporate Office/Human Resources

Subject of the Plan: (subject employee)

Start/End Dates of the Plan Period: September 17 – November 16, (year)

Reviews of Progress to be conducted: every Friday at 4:00 p.m. – starting XX/XX/XX (date)

Specific Objectives to be accomplished and maintained:

1. Manage the entire STD program without mistakes; be fully aware of all of the comings and goings of those out on disability; communicate fully and regularly with Payroll to ensure that they have all of the information on a timely basis in order to provide payments (as approved by "ABC Co.") to those affected – and on time.

Manage the W.C. program for the (location) Plant(s) – in other words, follow up in a timely fashion with ESIS, the employee, and the employee's doctor (through Dr. "Jones" or Dr. "Smith") to minimize lost time. Schedule IME's as necessary. Ensure that the employee follows up with required documentation in a timely manner; communicate progress to "John Doe", ESIS, and "Jane Doe" weekly on each case.

Be completely free from "oversight" by others.

2. When working with internal customers, ensure that their recruiting needs are well-defined; provide thorough screening and interviewing services and follow up to closure with candidates, 3rd parties (if applicable), and your internal customers. Add real value through reducing the "front-end" time that the customer must spend doing what is your job.

3. Actively manage your direct reports. Specifically, provide guidance, coaching, and support for (subordinate); actively monitor the comings and going of (subordinate) (and ensure that her "time worked" is accurately recorded before signing her time sheets); and in general try to grow and develop your employees.

For this year – and going forward – I expect you to take a much more active role in the various Company-sponsored and/or supported events. Specifically, the United Way campaign needs revitalization, the Company picnic(s) and the Christmas party have been "dropped into (subordinate's) lap" with little help/support from you. This must change – immediately.

4. Start out by providing me with your assessment of the current array of "essential functions" of your job and add to that a listing of active projects and the degree to which they have or have not been completed. I would like this by Monday, September 24.

Complete at least three of the "outstanding" projects which are in a state of "incompleteness." One must be the electronic "all-purpose" termination form" (which needs to be complete by 10/15/XX). We will discuss/agree upon the other two.

5. Become proficient at the hands-on use of the Infinium system. Too many aspects of your job (as well as occasional "back-up" for (subordinate)) require that you are a competent user. Someone who is a "master user" will help me to determine whether or not you reach a level of reasonable competence.

At the time of the "test" of your competence, I expect you to be able to 1) set up a new employee, 2) term an employee, and 3) make a rate change for an employee.

Objective	Measurements of Success	Ultimate Outcome
Complete and effective management of the corporate STD & (location) W.C. programs	No mistakes are made. Communications are complete. I do not hear angry reports from customers & employees.	The corporate STD & (location) W.C. programs run smoothly, with no mistakes and no "oversight"
Value-added and complete recruiting support	Real screening occurs. Real interviewing occurs. Communication updates with sources, candidates, and customers.	Jobs filled in a timely fashion, to the customers' satisfaction, with real "value added"
Leadership and active mentoring and coaching of direct reports; Active role in Company events	For (subordinate) – build a plan for her mentoring & support (with her!) For (subordinate) – ensure that "what you sign is real"; add more to her plate Play a personal leadership & participation role in Company events	Both (subordinate) and (subordinate) are better utilized and both provide full value for \$ received. You are seen as having effective, value-added presence at Company events.
(Minimum of) three projects completed; one is "termination form"	"Termination form" – fully complete and being used by 10/15/07 Projects #2 & #3 - TBD	Not only will these projects need to be completed, but "project completion" needs to be a regular way of life.
Infinium competence	Spot checks, employee feedback, "Master user" feedback, real live competence tests (demonstration)	Reasonable competence

I have sat with my manager on this date and we have mutually agreed that the key aspects of my job as listed above are both reasonable and achievable expectations of someone in my position. Reasonable progress towards achievement of the targets under the "Ultimate Outcome" column is expected. Further, I realize that these are on-going reasonable expectations, and failure to maintain job performance at an acceptable level will subject me to adverse employment actions including possible termination of my employment.

(subject employee)

(Date)

(employee's Manager)

(Date)

(witness)

(Date)

The employee's attitude about the company's performance expectations varies based on his or her abilities. The strong performers who are self-reliant believe the performance evaluations are an important part of the process. They know they perform, so they enjoy the good communication and connectivity the process encourages. If anything, the appraisal process provides them with the opportunity to receive better merit increases than average employees. The poor performers, including those who spend more time finding ways not to do any work, fear the process.

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underperformers. Many times, managers would simply have a problem with an employee, talk to the employee about it, and if nothing changed, terminate them. When I would ask for specific documentation detailing the problem, there was none. In a litigious society such as ours, everything must be documented. We need to create a paper trail that protects the company in case of disgruntled employees who do not believe they were fired for a reason.

Role of Management

Managers have a major role in identifying and addressing problems of underperformance. In fact, by becoming managers, they have already proved to the company that they have demonstrated competence and interest in managing work and people. Those of us in HR cannot possibly oversee all of the relationships and performance levels of every person in the company. Instead, we rely on the management team to provide us with that information.

Our managers are authorized to tell employees that they are in jeopardy of losing their jobs based on performance. Once a significant

performance problem has been identified, and there is strong likelihood that the employee in question will be terminated, then HR works with a manager to set short-term objectives that seek to resolve the problem within a reasonable timeframe.

We always try to set up short-term objectives that are relevant to that person's tenure and experience level. For example, a relatively new employee may have to achieve their goals within 30 days or face termination. A long-term employee may be given up to 90 days to achieve them before risking termination. As always, goals are driven by business needs. However, longer-service employees are typically given more time for two reasons: to reward "loyalty," and as a measure to prevent legal actions.

Best Practices

The best way to avoid underperformance is obviously prevention. In the best-case scenario, HR hires all the right people with the competencies necessary to do the job well. However, since we do not live in a perfect world and people with performance issues do occasionally get hired, a good way

to prevent poor performance issues from arising is through strong management. We need to train the managers to be more diligent and competent in how they set work, how they set expectations, and how they coach employees to perform the work. Unfortunately, many of our managers believe that they need only tell employees what to do, point them in that direction, and expect results. We try to teach them how to clarify their needs and coach their employees to achieve them.

Accurate, timely performance reviews can reduce problems by quite a bit. We installed an electronic system three years ago that makes it easy for our managers to do performance appraisals on a timely basis. The managers receive e-mail reminders on a regular basis if they are falling short of getting their reviews done on time. We want our managers to understand that they have a responsibility to the employees and to the company to do the appraisals, so they might as well do them with some degree of interest and intelligence. We want the performance review process to help our employees grow and develop. However, part of the

process is the understanding that by providing competitive salaries, benefits, and bonuses, we expect a reasonable return on our investment in the form of good performance by our employees. The appraisals are a way of gauging that ROI.

Motivating Employees

As a way to motivate underperforming employees, we have clearly stated that we cannot afford to employ people who are not able and willing to put forth their maximum effort. We have instituted a “forced ranking” process that will easily identify the people who will be targeted first in each department, in case we need to reduce the number of employees.

Our goal is to communicate expectations to managers so that they can properly guide their employees. I do not want a culture where people point fingers, deflect blame, and do not accept that they make mistakes. This cultural change is a work in progress. At present, it has been somewhat effective. For example, since the short-term objective process has been implemented for four underperformers, two of them have shown marked progress. We typically terminate eight to 10 people per year for poor performance based on their failure to achieve a short-term objective set. Unfortunately, the ratio of success for the process is still quite low. In 90 percent of the cases in which we set short-term objectives for an

underperforming employee, they are not met and the person is terminated.

Top Three Challenges

There are three main challenges the company faces in addressing issues regarding performance. The first one is making sure that the managers are diligent in establishing a set of short-term objectives when necessary. The second challenge is making sure the objectives are set mutually. The final challenge is follow through. It is one thing to set the objectives, but quite another to make sure progress is being made toward achieving them.

For example, recently a manager identified a problem employee and wanted to terminate him. While the manager and employee had discussed the problem, they did not engage in any formal process addressing the issues. I instructed the manager to sit down with the employee, as well as an HR person, to construct a set of short-term objectives the person must achieve within a set time period. The manager cannot simply mandate five objectives. The employee must be engaged in creating each and every one of them. They set short-term objectives that had to be accomplished within 60 days and agreed to meet every other Friday for one hour for feedback. Then, if those objectives are not met, the employee can be terminated with documented reason.

Improving Morale and Motivation

We plan to address employee motivation and morale over the next year by focusing on better communication. We need to improve communications in all levels, be it the global communications from the top across the company, communications between managers and employees, and communications between departments.

We have set some project-based objectives — with reasonable timeframes — to get us going. We are currently putting in place a mandatory manager course that I will personally be teaching. The course will cover writing basic performance appraisals and short-term objectives. I want every manager to be able to competently conduct the appraisal process.

We are also trying to encourage the practice of coaching and mentoring, particularly when people are first hired. Often, a company puts maximum effort in recruiting and hiring, but once a person joins the company, they are not given much direction. We have created a buddy process that pairs each new hire with a coach and mentor. The coach is responsible for that person finding their way in the company. ■

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The Dangers of Underperformers

Underperformers can kill an organization not only because of their own behavior, but because of how they affect other people. Having a good performance management system is critical to defining expectations for workers. There must be clarity around the standards and accountability in the long run. If people are not performing up to expectations, they need to exit the company.

The best way to ensure high performance is to focus a lot of attention on bringing the right people into the organization. The more you screen for attitude and the skills, the less likely you are to bring a poor performer into your organization.

Our Assessment Process

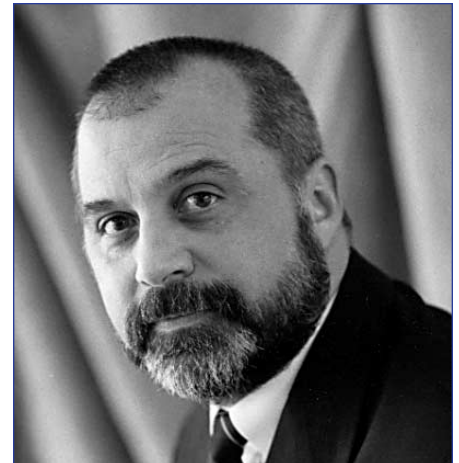
We have an extremely rigorous assessment process. Our recruiters

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look for people with great attitudes. We have a solid reward system that is based on specific objectives that are easily measured. We don't want people to become complacent because they know they can get away with poor performance.

If you are holding people accountable and training your supervisory personnel on the importance of selection and evaluation, you should be in good shape. You have to focus hard on supervisory



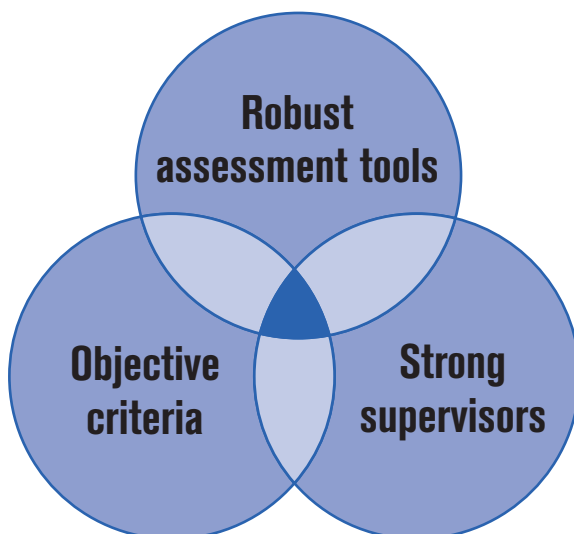
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Executive Vice President,
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"If you want good performers, have good supervisors."

- Joined company in 1986
- Regular presenter at PCI Annual Conference and at Leadership Erie
- Member, SHRM, Property Casualty Insurers Association of America HR Committee, American Association for Counseling and Development, and the APA

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Key Tools for Performance Improvement



skills and not just on reviewing employees. Your supervisors must understand that their role is not only to review people, but to create a great environment where employees can thrive.

The first thing you have to do when creating a great environment is to pick great supervisors. These are people who aren't just technically sound, but who are also good at building great relationships with the people they lead.

Challenges

One of the challenges of diagnosing underperformance is a lack of objective criteria. Another problem

In high stress and high production areas such as call centers, people are subject to greater pressure. Employees in those areas may be prone to becoming underperformers because of the fast pace of that position. High volume and a fast pace are added dimensions of stress.

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is having weak supervisors who don't hold people accountable. Sometimes supervisors have a hard time telling someone that they are not doing what they are supposed to be doing. Poor performance assessment tools are also problematic; if your tools aren't good, it is going to cause problems.

The Ripple Effect

Every work group has a tipping point. Most employees in a work group give people the benefit of the doubt for a period of time. At some point in time, employees get tired of picking up the slack, or a person's attitude invites other poor attitudes.

It is important to have a good supervisor who is paying attention

to the circumstances so he or she can combat the problem. The better a supervisor's relationships with his or her employees, the more likely they are to approach him or her. When people trust their supervisor, they will be honest about poor performers. ■

Ideas to Build Upon & Action Points

I. The Danger of Underperformers

Underperformers are among the top challenges for managers and HR leaders.

- Without the right management tools, process, and technical support, it is difficult to overcome personnel inertia.
- Managers frequently procrastinate and fail to manage performance issues early and in a timely manner.

When underperformers are not dealt with promptly, the impact on the company is huge.

- Underperformers can be a huge drain on a department, the manager's time, and create dissent and low morale.
- This creates festering resentment throughout the department.
- High performers begin to lose faith in management.
- A lack of attention and action can lead to a dive in employee morale.

These problems can be addressed and minimized with foresight and proactive management.

II. The Bottom Line

Performance management is not just about eliminating underperformers.

- It is a foundation for creating a culture of performance throughout the company.
- Performance management can drive a shared alignment with company business goals — which will make both individuals and the company more productive in the long term.

High performers demand an environment where performance is valued.

- Especially as the demographic changes and baby boomers retire, retention of top performers is becoming a foundational skill for business survival.
- It's HR's job to create the culture of performance that will attract and retain these people.

The most effective performance management programs:

- Are customized for the organization
- Contain a systematic process of job review and measurable realistic performance standards
- Include both behavioral standards and performance standards
- Require clear management communication

III. Must-Haves for Preventing Underperformance

Careful hiring and on-boarding

- The best way to ensure high performance is to focus a lot of attention on bringing the right people into the organization.
- The more you screen for attitude and skills, the less likely you are to bring a poor performer into your organization.
- Couple careful hiring with an extra investment in on-boarding process.
- Once a person joins the company, ensure that they have support, direction, and coaching.

Strong management

- Train managers to be more diligent and competent in how they set expectations, and how they coach employees to perform the work.
- Educate managers around how to clarify their needs and coach their employees to achieve them.

Proactive performance reviews

- Accurate, timely performance reviews can reduce problems before they develop.
- The performance review process also helps employees grow and develop.

IV. The Golden Rules for Developing Performance Appraisal Systems

Formalize the process.

- A formal process makes it clear to management that performance management is important and necessary.
- It also creates a paper trail that protects the company from disgruntled employees who do not believe they were fired for a reason.

Define areas of focus.

- Identify and focus on three to five key areas where specific objectives need to be set and achieved.
- This makes the evaluation more clear, focused, and actionable.

Set metrics and define expectations.

- Define the ultimate expected outcome clearly and concretely.
- Follow up with weekly or bi-weekly progress reviews, plus mentoring and coaching.
- Failure to meet the expectations should result in termination of employment.

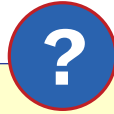
V. Essential Take-Aways

When it comes to underperforming employees, an ounce of prevention is worth a pound of cure.

- Underperformers can cause huge damage to the company, but proactive management can prevent many problems before they start.
- Creating a culture of performance begins with hiring the right people, and communicating accurate job expectations about both performance and behavior.

Strong management is essential for driving a culture of performance and improvement.

HR must train and support managers in being diligent and rigorous in managing employee performance. ■



10 KEY QUESTIONS AND DISCUSSION POINTS

- 1 How are “underperformers” defined and identified at your company? How were the criteria for underperformance established? How have they changed in the past five years?
- 2 How does your company address the problem of underperforming employees? How do these methods vary by job function and department?
- 3 What role does HR play in establishing and enforcing these methods? Has this role changed over time? What role do you, as HR Director, play?
- 4 What role are managers expected to play in identifying and addressing the problem of underperformance among their staff? How do you support your managers in following prescribed steps to handle underperforming employees?
- 5 What are your company’s best practices for preventing underperformance? To what extent does a thorough performance review process reduce the problem? To what extent do careful hiring practices reduce the problem? How does management communicate performance expectations to employees?
- 6 What measures has your company taken in the past year to motivate underperforming employees to meet clearly articulated standards for their positions? Have they been effective at reducing underperformance?
- 7 What are your employees’ attitudes about your company’s performance expectations? How do these attitudes vary by job function and department? What steps has your company taken to influence these attitudes?
- 8 What are the top three challenges your company faces in addressing issues surrounding underperformance? How have these challenges changed over time?
- 9 In the next 12 months, how do you plan to address employee motivation and morale? What educational programs do you plan to offer?
- 10 How do you identify departments or areas of your company that are at especially high risk for underperforming employees? How do you approach productivity issues with these departments?