Performance Management

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Insurance | Risk Management | Consulting

Today's Goals

Today we will explore:

- Setting and Communicating Expectations

- Goals and Performance Standards

- Managing and Coaching

- Performance Improvement

- Terminations

Building the Foundation

- Giving and receiving effective feedback requires understanding both your style and your employees' styles

  - Personalities

  - Values and motivations

  - Communication styles and preferences

  - Preferences for recognition

- You must also understand your own management style and how it impacts the way your feedback is delivered…and received

  - Micro-manager

  - Hands off

  - Something in the middle
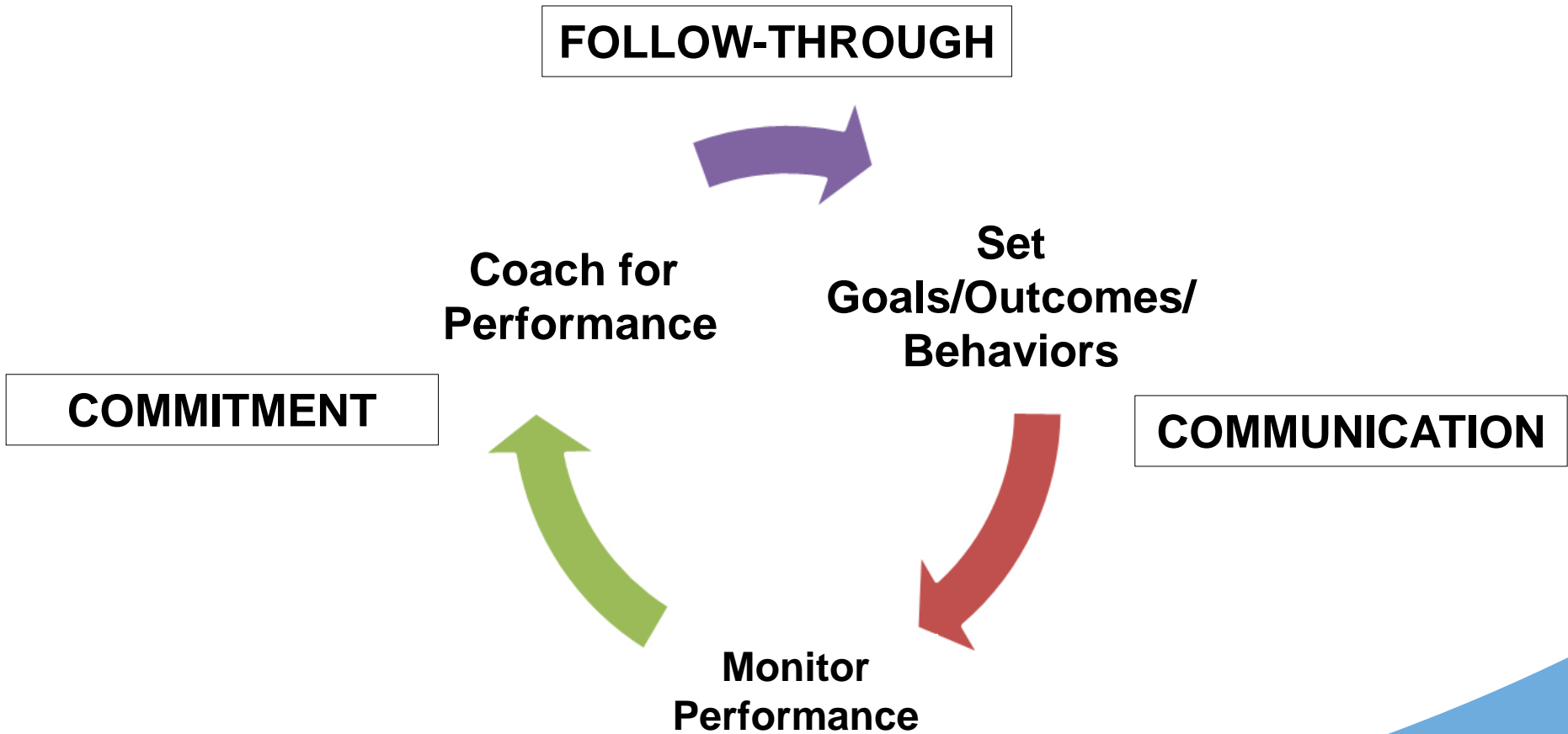
  - Something else

Establishing Expectations

Establishing Expectations

- Communicate your expectations and the organization's expectations.

- Communicate organizational and departmental goals…and connect the dots!

- Frequent, two-way communication.

- Make the time to meet with employees, both individually and as a group.

- Keep employees informed.

- Provide recognition.

- Don't avoid difficult conversations.

- Take performance review processes seriously.

Performance Management Process

FOLLOW-THROUGH

COMMITMENT

COMMUNICATION

Coach for Performance

Set Goals/Outcomes/ Behaviors

Monitor Performance

Setting Performance Standards

Effective performance standards are:

- Documented
  - Handbook, job descriptions, previous evaluations, etc.

- Precise
  - Specific and clear; not subject to interpretation

- Measurable
  - Quantifiable results

- Realistic
  - Able to be achieved based on experience, resources, business climate, etc.?

Setting Performance Standards

Effective performance standards are:

- Support organizational objectives
    - Part of employee development and moving the organization forward; not "just because"

- Mutually agreed upon
    - Buy-in promotes ownership

- Reevaluated as needed
    - Roles evolve, business climate changes, etc.

Setting Goals

The most effective goals are:

SMART

- Specific

- Measurable

- Attainable

- Relevant

- Time-bound

Setting Goals

The most effective goals are:

SPECIFIC

Identifies desired results or outcomes

Ask yourself

- What is important?

- As this person's manager, what do I really care about?

- Is it clear who is involved?

- Is the outcome clear?

- How would I know if the goal is obtained?

Setting Goals

The most effective goals are:

MEASURABLE

Describes a quantifiable outcome

Ask yourself

- What is the evidence of the change, result, etc.?

- In what ways can I measure performance?
    - Quantity
    - Quality
    - Time resources
    - Etc.

Setting Goals

The most effective goals are:

ATTAINABLE

Confirms the goal is capable of being reached

Ask yourself

- Is the goal appropriate for the person's experience, skills, work level, role, authority, department, etc.?

- Does the person have the resources needed to accomplish the goal?

Try to have at least one **stretch** goal!

Setting Goals

The most effective goals are:

RELEVANT

Determines if the goal is linked to organizational or departmental goals

Ask yourself

- Does the goal support the goals of the department? Which one(s) and how?

- Does this goal support the goals of the organization? Which one(s) and how?

- Does this goal promote development in the employee's current role? How?

Setting Goals

The most effective goals are:

TIME-BOUND

Establishes the timeline for the goal's completion

Ask yourself

- When must the goal be accomplished?

- Are there milestones? What and when are they?

- Are there check-in intervals? When?

- Is the timeframe within the current performance review period or aligned with another business need?

Setting Goals

Is this goal SMART?

Create a new website for the organization.

Setting Goals

Is this goal SMART now?

By September 30, 2025, create a fully operational website that includes a payment interface.

Specific? ✔

Measurable? ✔

Attainable? ✔

Relevant? ✔

Time-bound? ✔

Managing Performance

Facts vs. Assumptions

Facts

- Verifiable information gained through actual observation, experience, or other reliable source

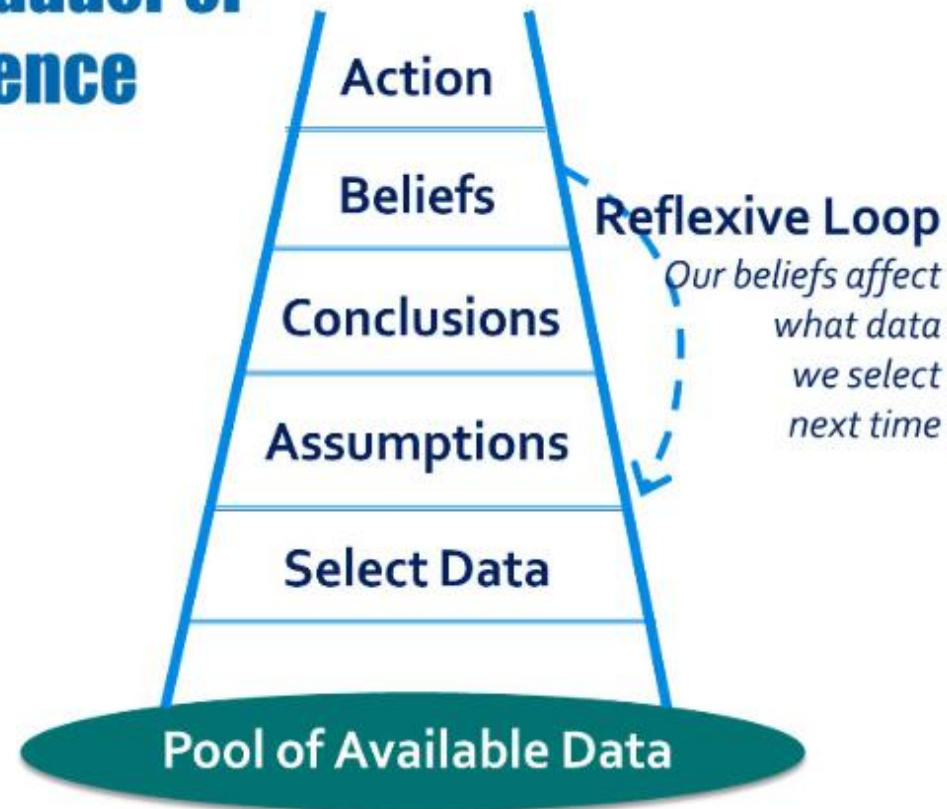- Has actual existence

- Objective reality

Assumptions

- Judgments inferred, implied or concluded from known or assumed information, or an opinion based on personal interpretation

- Conclusions and opinions are not necessarily facts

- May be based on past situations and not the current one

- We create them

Facts vs. Assumptions

When preparing to have a conversation with an employee regarding performance, conduct, etc., ask yourself:

- What assumptions am I making about this employee or situation? How can my assumptions cloud my view of their positive contributions or potential?

- What do I KNOW to be true?

- What do/can I seek to understand or resolve?

The Ladder of Inference

Action

Beliefs

Conclusions

Assumptions

Select Data

Reflexive Loop
Our beliefs affect what data we select next time

Pool of Available Data

Managing vs. Coaching

Best Boss

vs.

Worst Boss

Managing vs. Coaching

Managing

- Telling, directing

- Exerting authority

- Focused on immediate needs and specific outcomes

Common Usage
- When a new or inexperienced employee requires explicit direction on a task

- An employee has violated company policy or organizational values

- There is no improvement in performance after multiple coaching sessions

Managing vs. Coaching

Coaching

- Exploring, facilitating

- Partnership in growth

- Share knowledge to maximize potential

- Long-term development

Common Usage
- Encourage or discourage behaviors

- Give employees opportunity to express needs and concerns

- Refocus efforts

- Enhance motivation and commitment

- Provide an opportunity to adjust job requirements and goals

Managing vs. Coaching

Coaching Questions

When an employee comes to you with a problem…

- What options do you see?

- What is your assessment of the situation?

- What would you recommend?

- Why do you think this happened?

- What is your next step?

- What else could you do?

- What's the best/worst thing about that option?

- What could you do differently?

Managing vs. Coaching

Managing is transactional, seeking to gain compliance to a task or behavior

Coaching is transformational, seeking to gain commitment from the employee and promote employee independence

Managing Performance Issues

- A word about "progressive discipline"

- Know what you're dealing with:
  - Behavior
    - Not following policies, procedures, etc.
    - Usually within the employee's control
    - Immediate and sustained improvement required

  - Performance
    - Poor productivity, sales, etc.
    - Usually quantitative and can be measured
    - Assess causes
    - Not always within the employee's control
    - Was the right hiring decision made?

Managing Performance Issues

Documentation, documentation, documentation!

- If it's not documented, it's hard to use against an employee

- Courts want to see
  - What the employee did wrong
  - Proof they knew it was wrong but did it, anyway
  - That they knew what the consequences could be

- Document immediately
  - Even conversations and verbal warnings

- Document facts
  - No speculation or opinions
  - Not what you think or feel but what you know
  - Brevity and specificity are your friends

Managing Performance Issues

Written Warnings

- Details of the issue, including prior conversations

- Required correction or expectation

- Policy references

- Consequences of not meeting the expectations
  - Up to and including termination without additional warnings or notice

- Any required next steps or follow up

- Disclaimer
  - I have received a copy of this warning and have had the opportunity to discuss it with my manager. I understand that immediate and sustained improvement is required. Failure to do so may result in termination of employment without additional warning or notice.

- Employee and manager signature
  - Employee won't sign?

Managing Performance Issues

Is a performance improvement plan appropriate?

- Is there an issue that can be substantiated?

- Has the employee been coached/counseled about the issue?

- Is the intent to set the employee up for success?
  - Is success even possible?

- Does the employee have the proper training, skills, resources, etc., to succeed?

- As a manager, are YOU committed to the employee's success and "working" the plan?

Managing Performance Issues

Elements of Performance Improvement Plans

- Identify the performance/behavior requiring improvement

- Document specific examples
  - Dates, data, detail

- Create an action plan for improvement
  - Specific goals (SMART goals!)
  - What success looks like and how it will be measured
  - What you or the organization will do to assist in achieving success (resources, training, coaching, etc.)

- Establish timeframes for improvement, check-in points, progress reports, etc.

- Consequences for not meeting objectives

Managing Performance Issues

Having the Conversation

- Establish expectations
  - No sugarcoating
  - No vagueness or ambiguity

- Affirm your commitment to their development
  - And that you are seeking their commitment to it
  - Acknowledge the potential you see

- Talk through challenges and victories
  - Recognizing the positive and the employee's effort can empower and motivate
  - If there are no victories, there are bigger problems

Managing Performance Issues

Having the Conversation

- Provide examples, documentation, and previous conversations
    - Don't assume the employee understands the problem

- Give the employee something to work with
    - HOW can they right the ship?
    - What does success look like?

- Explain the impact of the behavior or performance
    - Connect the dots between employee, coworkers, department, organization, customers, etc.

WHEN WE AVOID **DIFFICULT CONVERSATIONS**, WE TRADE SHORT-TERM DISCOMFORT FOR LONG-TERM DYSFUNCTION

Peter Bromberg

Managing Performance Issues

Having the Conversation

- Allow time for the employee to respond
  - PAUSE!
  - Demonstrate genuine interest in how they see the issue
  - Be open to the possibility of tweaking the plan
  - But don't accept excuses
  - Employee input fosters ownership

- Ensure next steps and timeframes are clear
  - Keep your end of the bargain
  - Support and accountability are two-way streets
  - If possible, end on a positive note

Managing Performance Issues

Additional Tips for Discipline Conversations

- A time and location that minimizes embarrassment

- Consider if a witness is needed

- Prepare documentation and what you're going to say

- Do not begin with small talk or tag onto another meeting

- Prepare for reaction but don't react

- Focus on the behavior, not the person

- Do not say
  - You always…
  - You never…

Terminations

Ask yourself…

- Was there a rule, procedure, or performance expectation that was violated?

- Was the employee aware of the rule, procedure, or expectation?
  - If the rule is in the handbook, the employee's signed/dated handbook receipt page is a critical element of documentation.

- Is the rule reasonably related to effective business operations?

- Has the rule been enforced consistently and without discrimination?

- Was the employee warned of possible consequences of violations or continued violations?
  - Did the employee sign written acknowledgement of those consequences?

Terminations

Ask yourself…

- Was there a fair and objective investigation? Have all relevant factors been considered?

- Has sufficient evidence been obtained to prove the employee's "guilt"?

- Is the penalty being considered appropriate for the offense?

- Are there other employees with records of worse offenses who received less discipline?

- Can any delays between the violation and the corrective action be explained sufficiently?

- Is the proposed course of action consistent with any evaluations, previous warnings, any improvement plans, etc.?

Terminations

Minimize Risk to the Organization

- Documents upon hire that acknowledge the at-will nature of employment and do not create unintended contracts
  - promises of job security, long-term future, etc.

- Expectations clearly established
  - Employee Handbook
  - Job descriptions
  - Performance appraisals
  - Discipline documentation

- Decisions that are fair, consistent, and based on objective, business-related factors

- What does it look like on paper?

Terminations

Minimize Risk to the Organization

- Should you allow "resignation in lieu of termination?"

- Should you offer a severance?

- Don't delay

- Timing

- Same ground rules as a discipline meeting
  - Be prepared
  - Private, witness, no small talk

- Let the employee know immediately they are terminated

- Be brief, be clear, and state the decision is final
  - Do not need to rehash all the details

Wrongful Termination

Terminations

Minimize Risk to the Organization

- Allow the employee to vent but be ready to cut it off

- Address logistical items
  - Final pay, benefits, etc.

- Suggest they apply for unemployment
  - No promises of benefits
  - No agreeing not to contest their claim

- Let the employee collect their belongings or you box them up
  - Do not let them back on their computer, email, etc.

- Be empathetic but DO NOT apologize

- Maintain confidentiality

Thank you!

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