

## 4.2 Managing Poor Performance

Well performing staff are critical to the ongoing success of any business. On the flip side, poor employee performance can have a significant impact on a business, its customers and other staff and can be felt in terms of low morale, low productivity and high staff turnover.

In our previous Fact Sheet – 4.1 What is an Performance Management System – we covered off why it is important to see objectives and monitor the performance of your staff. It's a formal process ensuring your employees understand what is expected of them, assess their performance and provides them with feedback and help to do their job better. But what happens, when you identify poor performance? The Performance Management System should be cyclic and it is not appropriate to save up feedback until this time.

It is important to address problems immediately, or as soon as practicable. Waiting until the annual appraisal or review may allow problems to compound.

During the Performance Management process, feedback can be managed through both regular information feedback interventions and formal performance (at appraisal time).

An information approach may involve giving advice and guidance to employees on an ad-hoc basis which adequately addresses minor issues. When matters occur repeatedly or of a serious nature, a more formal approach to dealing with poor performance is required.

Poor performance generally falls into the following categories:

- Unsatisfactory work performance
- Unacceptable behaviour
- Breach o workplace policies, rules or procedures
- Impact of employee personal issues on their performance and others in the workplace

There are many reasons why an employee may perform badly and some relate to the job duties/tasks or the design of the role, however, the following is come common causes:

- Workplace policies, goals or standards are not clear and the employee is not sure what is expected of them.
- Employees don't receive feedback and a are not sure if they are doing a good job.
- There is a capability/skill mismatch between the role and the employee.
- Personal issues.
- Lack of motivation/low morale.

Don't wait, deal with issues immediately. You may be surprised. The employee may not be aware they are performing poorly and may change the way they work. Issues that are left usually develop into much more serious issues in the longer term.

### What are the steps for managing poor performance?

<b>Step One</b>	<b>Identify the problem</b> Make sure you can describe the specifics of the problem.
<b>Step Two</b>	<b>Assess the problem</b> You need to investigate and analyse the problem. You do this by asking the following questions:

	<ul style="list-style-type: none"> <li>• How serious is the problem?</li> <li>• How long has the problem existed?</li> <li>• What are the circumstances involved with the problem?</li> <li>• If the problem is about capability, what is the employee shortfall in capability between the job and them?</li> </ul> <p>Review the information you have gathered and organise a meeting with the employee to discuss it. When you do this, make sure you let the employee know the purpose of the meeting and ensure that you set aside an appropriate area and time allocation to discuss the problem. It is also important to offer the employee to bring with them a support person. The support person does not participate in the discussion during the meeting.</p>
<p><b>Step Three</b></p>	<p><b>Meeting with the Employee</b></p> <p>You should first explain to the employee the outcomes you want for the meeting, then:</p> <ol style="list-style-type: none"> <li>1. put the problem into context and be specific.</li> <li>2. you should describe the problem itself, why it is a problem, how it impacts others in the workplace and why you are concerned.</li> <li>3. offer the employee a moment to consider what you have said and ask for he/she to explain. Listen to their explanation.</li> <li>4. together, you should work out a solution with the employee. Develop a clear plan of action – this is called a Performance Improvement Plan (see template). This plan should have improvement milestones and a timeline. Activities in the plan could involve providing the employee with further training, one on one mentoring to redesigning the role.</li> <li>5. Get agreement about the action plan from the employee and schedule the next follow-up meeting.</li> </ol> <p>You should include the consequence if there is no improvement in performance. This may include warnings, or final warnings, which could lead to the termination of their employment.</p> <p>Keep written records of all discussions and actions and provide a copy to the employee.</p>
<p><b>Step Four</b></p>	<p><b>Monitor and Review Performance</b></p> <p>Monitor the employees performance and action plan and provide regular feedback. Your goal here is to sustain improved performance.</p>

Tamworth Regional Development Corporation  
File: FS\_Managing poor performance  
Version: 1:00

**Disclaimer**

This publication has been prepared by Tamworth Regional Development Corporation to provide general guidance and direction on aspects of human resources. The information contained herein is provided voluntarily as a service to our clients and is made available in good faith and is derived from sources believed to be reliable and accurate at the time of publishing. However, the information is provided solely on the basis that readers will be responsible for making their own assessment and that they should verify all relevant representations, statements and information. Neither the Corporation nor its officers take any responsibility for statements or representations, nor shall the Corporation or any of its officers be liable in respect of any such statement or representation, whether by reason of negligence, lack of care, or for any other reason whatsoever.