



EPISODE 10

How to Address and Turn Around Bad Performance

Introduction: Welcome to Strategic Insights brought to you by PrideStaff. On each episode, we bring you interviews with leading management and employment experts from across the country. Your host for Strategic Insights is Brad Smith. And now, here's Brad.

Brad Smith: Hello, and thank you all for listening in to Strategic Insights from PrideStaff. I'm your host, Brad, and today we have an amazing episode. Have Mike Pred on the line, vice president of PrideStaff. Mike, thank you so much for joining us.

Mike Pred: Oh, it's a pleasure, Brad. Thank you for having me.

Brad Smith: So Mike, because today's episode is all around turning around poor performance, I'm really excited to have you on the line. You have some amazing background as director of manufacturing, VP of worldwide operations. You are a business owner yourself. So, you focused on helping organizations improve performance across the board. You were even in the armed forces as a nuclear trained submarine officer. So you understand the importance of having not just good performers, but star performers on your team. In your experience, do you feel like the lack of star performers and performance issues really hold companies back?

Mike Pred: Oh, absolutely, Brad. If you think about it, poor performers or even mediocre performers are higher maintenance and require a lot of hands-on management. They may require more training and are likely to be less productive than their counterparts. They're more prone to making mistakes. They can hurt morale and productivity, if you think about it. Individuals that are performing at a high level, they see their peers that aren't carrying their load and their share of the weight and it brings them down and is therefore more likely to cause turnover of your top performers like individuals that you want to keep in the company. And I do believe that companies that develop superstar performers really do have the competitive advantage with respect to their marketplace and performing on their key objectives.

Brad Smith: There's been a lot of research done by independent consulting firms. McKinsey is one that I think of and they found that superior talent is up to

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eight times more productive than average performers. So that's eight times more productive than just the average person, not even the low performers. So making sure that you are a top performing organization and you're fostering and building those superior talent pools will help create, as you said, a competitive advantage to your organization. Let's dig into that a little bit more. What have you seen top performing companies do to develop their people? What's crucially important here?

Mike Pred: Well, in my view, Brad, it really has to start at the top. And by that, I mean, the leadership in an organization needs to define what really everything about what their company is about, what the culture is going to be like, what your values are, what your mission is. And that foundation really does tend to tie into performance management, objectives. There should be long-term strategic plans that tie into and are consistent with annual goals. Colleagues, employees at all levels of the organization should be able to speak to the company's goals and the culture and how they contribute as individuals to how their role as individuals in the company contributes to the company's annual goals and objectives and the culture. And they should understand, day in and day out, how their performance impacted the company in a positive way. At the same time, a company really does need to be able to objectively define what top performance looks like while holding their employees accountable to those performance standards.

Brad Smith: When you do uncover poor performers, and we're all going to run into this in an organization, not everybody can be a star performer, what do companies and managers need to do to try to turn things around with those underachieving staff members?

Mike Pred: Well, it really needs to start, Brad, with consistent performance management that managers can use to objectively identify both superstar performers, meets expectations performers, and individuals that are performing below expectations. And where individuals are performing below expectations, it's incumbent upon management to really understand why. Have there been differences in the hiring criteria? Have there been differences in onboarding and training and maybe the level of skill and experience that an employee brings to the table?

Mike Pred: But once you sort through all that and management really does conclude that an individual is performing at a substandard level, then it's incumbent upon management and leadership to partner with that employee to define explicitly what strong performance looks like, what the expectations regarding their performance is objectively, and then map out specific time-bound, identifiable measurable goals that the individual can do to improve their performance, what's expected of them to improve their performance. And as the individual goes through that performance improvement plan, if you want to call it that, there should be defined points in time by which management

and the employee sit back, go through the performance improvement plan, what's been done, what's left and is the performance rising to the level that meets expectations or not?

Mike Pred: And it should be as objective and as measurable and as time-bound as you can reasonably get to so that the decisions that can be made, that ultimately have to be made are objective and based on facts and data.

Brad Smith: So, Mike, given that, you've gone through an objective overview, you've provided a performance improvement plan, you've been clear on the why and the what for the employee, let's say they aren't turning things around. What do you do?

Mike Pred: Well, we're really talking about what's commonly known as a performance improvement plan, which if done correctly will spell out specific measurable time-bound actions that employee must take as well as defining specific points in time to review progress. If this is done correctly, the objective results should speak for themselves and will give management a good idea if the employee is able to turn around their performance or not. And going into the performance improvement plan, there should be defined consequences for not rising to the level of expected performance and typically that would be exiting the organization. [inaudible 00:06:56] the employee's not meeting your expectations in the role that they're in, it's incumbent upon management to make the change. Now there may be other positions within the organization that may be a better fit, but ultimately the person needs to be taken out of that position and someone who could perform at the necessary level be put into that role. And whether or not that the employee can stay within the organization in another role or has to leave the company depends on the individual company, what options are available and specific issues that pertain to the employee.

Brad Smith: So if you're doing this effectively, you shouldn't have an employee that's surprised when this finally comes about, right? You're communicating that performance improvement plan, your objective, everything is laid out for them, right?

Mike Pred: Exactly. I mean, there should be no surprises. It's always a painful process to go through if the decision is made that an employee needs to exit the position, but by doing the upfront work and defining what the improvement needs to look like objectively, then both parties, management and the employee, should really have a really good idea of what needs to happen.

Brad Smith: And that's fair on both sides. So I love that. The employee understands, the manager is clear and direct. There's no confusion there. I love that approach. Mike, let's switch gears a little bit. Hiring is a huge component of performance.

So when we need to hire and recruit top talent, what are some great ways companies can do that?

Mike Pred: Well, the first thing I would do is I would begin with the [inaudible 00:08:34] in mind and take the time upfront to really define what a top performer looks like in each role, what skills the employee needs to bring to the table, what experiences, key attributes that tie into the culture and behaviors. And so that before an effort is made to hire someone, the company knows exactly what they're looking for, they know the situation within the company, what that individual needs to bring to the table, and then they can work objectively through a hiring process to identify individuals that represent the best possible fit.

Mike Pred: I would also add that partnering with a staffing company that has had success in your industry or specific area that you're looking to hire into can be a really good idea, as a staffing company can help you define the profile that you're looking for, they can partner with you on the front end to make sure that the recruiting targets, that specific skillset and experience as well as cultural fit that's going to be a top performer in your organization. And then, if you are looking at partnering with a professional staffing company, I would encourage you to use social media validation. Look at online reviews. Look at companies that have achieved top recognition within their industry, like Best of Staffing Awards or Diamond Awards within the Best of Staffing to really help you find the right fit for your company.

Mike Pred: Another really great option that staffing companies can bring to the table is something called temp to hire, temporary to hire. And under that type of scenario, a staffing company, like PrideStaff, will build the profile specific to what the client company has defined with regards to skills, experiences, and attributes, do all of the recruiting, perform skill assessments, background checks, reference checks, all of the upfront work that quite frankly can bog down a company and bring you candidates that meet your standards and expectations.

Mike Pred: And then under this temp to hire process, you get a 90 day working interview where the employee has the opportunity to show you what they do on the job. Are they competent? Do they show up on time? Do they mesh well with your existing employees? Are they a positive fit to your culture? And through that process, you can see if this individual is going to be a good fit before you bring them onto your payroll and take on the unemployment liability and the added payroll costs and all of the additional work making a full-time commitment to someone. You can have that confidence of giving them a test drive in advance of that.

Brad Smith: I love that approach and interviewing is sometimes hard to really see what they're going to perform like on the job and the temporary to hire option gives

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you the opportunity to do just that. It helps limit bad hires in the future. It helps give you, like you said, the working interview. So I love that approach. Building off of that concept, I want to talk a little about proactive recruiting. So there's this concept of topgrading, which was made famous by GE CEO, Jack Welch, and he constantly evaluated their workforce and looked at the lowest tier of their workforce and saw opportunity to enhance that and improve. So they were proactively recruiting even when they didn't have a specific job opening. So if they found a superstar and they could replace someone on the bottom tier of their organization with the superstar performer, they could elevate the entire organization. So how does that concept really play into performance management? How can companies do something similar?

Mike Pred: Well going back to what we just discussed in partnering with a professional staffing company like PrideStaff, Brad. What we'll do is proactively we'll actually go down a couple paths in partnering with a client company as we've had some success in working with them. We really develop a very good understanding of the type of talent that they need, what they're looking for, what type of individual can be successful within that company. And we'll always be keeping our eye out for that type of talent. And if we see somebody that comes across through our organization that might be a good fit, we'll let that client company know that this individual came to us. It looks like he or she might be a really good fit in your organization. Here's why. Would you like to meet them?

Mike Pred: At the same time, if an organization feels as though a certain component of their population might need to be phased out due to low performance, we can proactively be working in partnership with them in parallel to identify those replacement employees and start feeding them to incrementally, as we find really top performers and then make it start to swap out their lower graded performers with individuals that are going to perform at a higher level so that it's not as disruptive as a wholesale organizational change. You're just picking off the bottom performers, bringing in higher level performers and then that way the organization can ramp up their performance by overall increasing their level of performance across the entire organization.

Brad Smith: Mike, amazing tips on today's episode. Thank you so much for sharing such great information. For organizations out there looking to drive a culture of high performance, any closing words of wisdom?

Mike Pred: I would just say that stay focused on your mission and your values so that from a leadership perspective, you walk the talk and you are always leading by example and consistent with your organization's mission, your values, and you're leading from the front from that perspective so that the organization can see its leadership setting the example, defining the standards and at the same time, be objective and don't hesitate to make the... well, it could be

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painful, but necessary changes from a personnel perspective that might be needed to move the organization forward.

Brad Smith: Mike, thank you again so much. We really appreciate your time today. For those that are listening, we hope you found some value in today's episode. If you're looking for a proactive workforce recruiting partner, reach out to PrideStaff. Visit pridestaff.com. Talk to one of our local offices. We'd be happy to help you put in a plan to recruit and retain star performers. Mike, thank you again. We really appreciate it.

Mike Pred: Oh, you're welcome. I enjoyed it.

Closing: Thank you for listening to Strategic Insights brought to you by PrideStaff. Whether you're looking for high-level workforce consulting or staffing help to meet demands, PrideStaff is here to help.