

Managing Underperforming Staff



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We offer advice and guidance on everything from recruitment to dismissals, and anything in between. Nothing makes us happier than seeing a business succeed.

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Get in touch today and see how we can help you lead the way.

The Danton Team



Managing Underperforming Staff

6 Steps to Managing Underperforming Staff

If you run a business, the chances are you will be faced with at least one staff member who isn't performing as you would expect them to, at some point in your career.

Whether you have an employee who has been with you for six months or ten years, the reality is that employees of all levels could find themselves struggling or unmotivated at some point. As an employer, you might be quick to assume that an employee is underperforming because they lack the required skills or the pride to do their jobs well. But there are often other factors at play and the only way to find a positive resolution is to approach the situation with an open mind and be prepared to work collaboratively with the employee.

Safely navigate the process and avoid common pitfalls

Have you found yourself in a situation where an employee is not meeting targets?
Have they been with you for a while and their performance has started to dip?

A common process to follow when managing staff performance, should include the following key steps. You may decide to accelerate through this process with employees who have less than two years' service:

Review your Company Policy

Before you do anything, refer to your company policies and procedures for managing performance. This will ensure that you take a consistent approach and avoid any claims of breach of contract.



Hold an Informal Discussion

Have an informal chat with your employee to identify the problem.

Agree on ways to help and support the employee improve.

For example, do they need additional training or are there any other reasons why they are not meeting their targets? You must demonstrate that you have supported attempts for improvement.



Review Meetings

Put a review timetable in place to include several informal reviews.

- Even though these are informal discussions, it would be useful to put everything in writing to avoid any misunderstandings.



Progress to a Formal Meeting

If things don't improve and you have looked at all ways of supporting your employee and the informal route didn't work, invite your employee to a capability hearing.

Write to your employee explaining that you would like to formally review their performance and gain a better understand as to why no improvements have been made. This is formal action, so you need to make sure that the invitation includes all the necessary elements. Go into explicit detail about your concerns and explain your employee's right to bring a companion into the meeting.

At the meeting, discuss your concerns and show examples of work or behaviour which indicates their underperformance. Allow the employee to state their views and reasons behind this. Explore ways that may help your employee improve and tailor your assistance to their circumstances.

Confirm the sanction of a capability warning in writing and include the reasons why the warning has been issued. Also provide an outline of the assistance you will provide to help your employee improve. Employees must be made aware of the right to appeal. Any appeal should be made in writing by the employee, usually within 7 days of receiving a written copy of the capability warning.



Appeal Meeting

If an employee does appeal, hold an appeal meeting. This is a crucial step in the process because new information may have come to light that makes the original sanction too harsh or inappropriate.



What if no improvements are made?

Write again to the employee and set up a meeting to review performance. Again, the employee has the right to be accompanied. Follow the same process as the last meeting and issue a final warning. Ensure that the employee understands that if he fails to reach his targets in a specific period (e.g. 6-8 weeks) then it is likely that you will need to terminate his contract. Ensure employees know they have the right to appeal.



Still no improvement?

Following the review period, if improvements are still not shown, then you will need to write to the employee again and explain in the letter that you would like to meet again to discuss under performance. The letter should outline that if the employee has failed to meet the agreed targets the meeting may result in dismissal.

During the meeting, give the employee a chance to explain why they have underperformed and if you are confident that you have given the employee every opportunity to improve and they are still under performing you should inform the employee of your intention to terminate their contract with notice.

Again ensure the employee knows of their right to appeal.
Issue a formal dismissal letter outlining the reasons for dismissal and include within the letter the right to appeal.



STEP 1: Trust your Instinct

Some managers are more attuned to spotting when an employee is on the verge of struggling than others, but some warning signs to look out for include:

- Behaviour changes – (e.g. timekeeping, appearance, engagement and socialisation)
- Reduction in work output and quality
- Apparent dissatisfaction (e.g. affecting the morale of other staff and voicing their dissatisfaction in review meetings)

The key to managing a situation before it gets out of hand is to listen and read between the lines.

STEP 2: Take the Time to Understand

If you have identified an employee who is underperforming, you need to address the issues and begin a performance improvement process. The key here is to understand why the employee might be struggling so that you can approach them with empathy. Keep in mind that they may be struggling because:

- There are gaps between the job description and the employee's skill set • Misaligned expectations (e.g. are their instructions clear?)
- Lack of resources
- Role changes
- Disengaged
- External factors (e.g. disruptive home life)

As their employer, find a balance between addressing the issues but also letting the employee know that you want to support their growth and improvement



STEP 3: Ask the Right Questions (and Listen to the Answers!)

Begin your first meeting with the employee by clearly stating your concerns and list the examples associated with these concerns. Try to be open but avoid appearing as though you are assigning any blame. The following questions may help to guide your conversation and allow you to identify the real issues:

- Do you feel like you have been struggling? (If so, what are your thoughts on why this is happening?)
- Do you understand what you are being asked to do? Can I help to clarify anything?
- Do you believe the expectations are realistic?
- Do you feel that you have the correct amount of time allocated to complete the tasks at hand?
- Do you understand the context of what you're being asked to achieve? (i.e. why it is important and how it fits in the bigger picture).
- What is your preferred management style? – How can I support you in completing the task?
- Where do you see opportunities for improvement in your performance? Are there any areas that I can improve my management style?
- What do you like/dislike about the work you're doing?
- What aspects of your work fill you with energy and which do you find tiring?
- How do you feel about the company's future?

As a manager, you can use these questions to understand your employee and their motivations as well as demonstrating that you care and listen to their opinion.

All employees need to feel comfortable talking to their managers. This is especially true for those who are struggling. As a manager, be prepared to hear criticisms about yourself, but embrace the feedback and use it to develop

STEP 4: Set Goals Together

It is crucial that you work closely with your staff member to set achievable goals and check-in to assess their progress. Make it clear to them that if they are concerned about their progress, that they can contact you between meetings for help and advice. Also keep in mind that you should still be offering the underperforming employee training and development opportunities.

STEP 5: Implement a Performance Improvement Plan (PIP)

If the employee continues to struggle with their responsibilities and it is becoming detrimental to the job, their co-workers and the company, consider implementing a Performance Improvement Plan (PIP).

The goal of the PIP is to get the employee to where they need to be. A failed PIP can result in termination, but it should not be viewed in this way from the offset. Instead you should approach a PIP as a clear and transparent effort to assist with your employee's improvement and success in their role.

Always begin the PIP process with a meeting. It is crucial to clearly identify the issues and develop an action plan with the associated improvements. This should form part of a collaborative process, but it is important that the employee takes ownership of their own development.

You should monitor their progress and provide them with the necessary resources, required for them to be able to succeed. The objectives should be SMART (allow at least one month to provide time for improvements) and you should aim to have regular check-ins to assess their progress and review specific examples of where they have improved (or not).

STEP 6: Review your Performance Management System

Without doubt, the greatest opportunity to dealing with underperforming employees lies in your performance management system. Developing a clear and strong policy from the start can help to mitigate any risks with your staff.

Your policy should focus on offering frequent and productive feedback alongside rewarding achievements and identifying opportunities for development. Communication should be unbiased, SMART and goal orientated.

Our Performance Management Policy can be found in your Level 2 and 3 Employer Bundles.

How we can help your business

This is a complex area and one that may require specialist HR support. Our HR Consultants are here to help take the headache away so you can focus on your core business. Whether its high level or detailed advice, get in touch.



[We have put together a PIP template for you.](#)
[Download here.](#)

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We provide outsourced HR solutions to businesses who don't have in house HR support, acting as their virtual HR partner and taking the lead on the full range of HR management and administration issues, including:

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- Settlement agreements
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- Pay benchmarking
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Get in touch today ...

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