

## Chapter 2 Managing Performance

*\*Managing the Performance Process Video Transcript - Approx. 4 minutes*

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- I believe that managing performance is at the heart of the manager's role, so I've put this section first because it will frame the rest of the material in this course. We're first going to explore what performance management is and then I'll share some strategies you can use with your employees.

**Performance management is the entire series of practices, policies and procedures that guide and support an employee's successful completion of their work.**

Ultimately, you're managing people and completing work that's necessary to your organization's success. All of this is done within the structure of the performance management process you use. Now, I'm not just talking about the software or system you use for completing annual reviews, although that's certainly part of it. This means that effective performance management includes and aligns many **different aspects, such as:**

1. Organization's goals and objectives
2. Organizational values and culture
3. Job descriptions
4. Competencies
5. Assessment of employee performance
6. Process for developing and motivating employees
7. Compensation like salary and bonuses
8. Making employment decisions such as promotion and termination.

Ideally, all these elements should align to create a cohesive system that's clear to all involved. And it should provide you, the manager, with clear strategies and practices to use during your interactions with your employees, from one-on-one discussions to project meetings, to formal annual reviews. No matter your organization's size or industry, today's work environment is dramatically different than it was a few years ago, more work straddles multiple departments or customer bases, this in turn, requires more collaboration, which then necessitates better communication, and more employees are now working remotely or with colleagues in other states or countries. Because of the changing nature of today's business environment, many organizations are realizing the need to revise their performance management systems, so you'll likely experience a range of models and systems over the course of your career. As a manager, you'll need to utilize the current system in place at your organization, but I think it's always a good idea for you to stay informed about best practices in performance management because it can guide how you implement your organization system or even how you advocate for needed change. Some of my favorite sources of information are the Human Resources Leadership Council, the Society for Human Resource Management, Harvard Business Review, and Bersin by Deloitte. I list all of these in the exercise guide for this course, but an online search will show you many good sources of information.

To be an effective manager, I recommend that you use the **following strategies:**

**First**, become informed about your organization's process for performance management, and do so as early as you can. If they offer training, attend it right away. Many managers wait until they must complete an annual review, but that's actually 12 months too late. Performance management is something you should be

doing every week with all of your employees, if they don't offer a training or if you still have questions, make an appointment with the appropriate person in HR. Ultimately, the performance process offers legal protection to both the employees and the organization. The manager is the person responsible for implementing it appropriately and accurately, no pressure or anything.

**Second**, create your own method for organizing key information, consider how you'll track and measure each employee's progress throughout the year, perhaps design your own form for one-on-one meetings or agendas for team meetings that help you align the day-to-day work with performance management. Be sure to explore the features that an online system might offer you or other online tools that can help you.

**Third**, be transparent with your employees, share with them all you can about the process, discuss how and when their performance will be assessed, how you'll support them in being successful, and how it relates to compensation and career opportunities, no employee should ever be surprised during their annual review. I recommend doing this in a group setting so that everyone hears the same thing at the same time. It not only saves you from repeating yourself, but it also helps the team know that they're all held to the same process and standards.

In the rest of this chapter, we're going to look at more parts of the performance management process and how you can use various tools to maximize your success as a manager.

*\*Hiring Employees - Video Transcript Approx. 2 minutes*

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- True or false - your role as someone's manager starts their first day of work? Actually, it's false.

It begins the minute you post a position for hire. The part that says reports to, identifies you as their supervisor, and the person who's responsible for their performance management process. The job description outlines important aspects of their duties and responsibilities, and usually includes other key elements of the performance process such as expected qualifications and compensation. It's likely that you'll ultimately participate in interviewing the top candidates, assessing their skills and abilities which will lead to a hiring decision, and a formal offer of employment. Hiring and onboarding your employees is the beginning of your professional relationship, and you want to start off strong. Let's look at how:

**First**, make sure you use best practices in hiring. The lynda.com course, Hiring Your Team by Cindy Mayer, provides an excellent overview, and I encourage you to watch it. She covers key topics like important legal guidelines, using behavioral interview questions, and leading the actual interview. Ultimately you want to hire the right person for the job. Someone who has the skills to be successful and will grow from the opportunity. The hiring process should be designed to help you assess key aspects of each candidate's competence, as well as how they'll contribute to the daily work environment of your team.

**Second**, follow established procedures and practices. If you have an HR department they'll likely guide and oversee some aspects of the hiring process, so be sure you attend any training available to you. Employee laws have gotten very complex over the years and your colleagues in HR work hard to help you and other managers be successful, but you have to listen to their guidance. One inappropriate question during an interview like "are you married"? not only opens your organization up to a lawsuit, but it can often cost you a good candidate who might question your competency since you didn't know better.

**Third**, put in the time and energy to lead a great hiring process. Hiring is a two-way street. You're evaluating the candidate, but the candidate is also seeing if they want to work for your organization and specifically you. Take this process seriously, I know that you might be busy but don't make the mistakes that many managers do which is to treat interviews as an interruption in their day. Schedule time to review applications, create thoughtful questions and assess the candidates. Make sure you come to the meeting with an attitude of respect and openness. After all, first impressions matter on both sides of the desk. The hiring process takes time and energy, but consider it an investment in building a great team. The more care and thought you put into the hiring process the more it will pay off down the road in productive employees and collaborative teams.

*\*Onboarding document*

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- Now let's turn our focus to onboarding. This is the new employee's formal introduction and orientation to your organization and your team. It's the process of getting new hires adjusted to the performance and social aspects of their jobs quickly and smoothly.

The benefits of onboarding include:

- Increased job satisfaction
- Increased performance
- Decreased turnover

Onboarding can occur through a range of tools including online and paper documents such as websites and handbooks, videos and in-person meetings. Onboarding can range from a couple of hours to a couple of weeks depending on the needs of your organization and the complexity of various roles.

There are **best practices in onboarding**.

First, employees should be onboarded to three connected but distinct things:

- The organization (HR function)
- The department (HR and Manager function)
- Their job (Manager Function)

Second, focus on the **four C's**:

- Compliance - which are the laws and policies that must be adhered to
- Clarification – which entails job duties and expectations
- Culture - which includes the stated and assumed values, goals and norms of the organization
- Connection - which are the interpersonal relationships and networks vital to their success

Let's look at the onboarding process at Cope Plastics (I want to include Cope's process instead of the one below)

*\*Setting Employee Goals - Video Transcript Approx. 4 minutes*

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- A vital part of any performance management process is setting goals and tracking progress towards accomplishing them. Let's first talk about choices you have with the performance management system.

One best practice in performance management is to have the system organized around **cascading goals**. At the top, they begin with the organization's goals or objectives and then waterfall down to the

department goals followed by team and employee goals. This allows each person's individual task performance and each team's performance to be measured against how it contributes to the organization's success.

Another option is to have two tracks, one that focuses on **Task Performance** and one that focuses on **Career or Professional Development**.

**Task performance** is about the actions, behaviors, and competencies needed to complete the task goal set for the year. These are directly tied to the employee's current position and job description. And they're not just to-do lists either. They can include key people skills like communication and collaboration as well as other competencies needed to do their job effectively. These discussions tie directly to the annual review process.

**Career and Professional Development** is about helping the employee move up to other positions or opportunities in the future. This may include preparing the person for management roles or helping them develop new skills that position them for parallel careers. One of the key ways to motivate and engage your people is to support their professional development. Many organizations build these discussions into the performance process, although they're separated from the annual review process and compensation decisions. No matter how your performance management process is organized, you'll use goal setting as a way to focus and direct actions and behaviors.

Let's look at some strategies you can use as a manager to help your employees with goal setting.

**FIRST**, I recommend using the **SMART goal technique** where each goal has the following five qualities.

It's **Specific**, meaning that you get clear about the details of who, what, where, and how.

It's **Measurable**, meaning that there's a clear way to see progress,

It's **Action-oriented**, meaning that the employee has the ability to do something, as opposed to it being in someone else's hands,

It's **Realistic**, meaning that it can be accomplished with the time and resources available.

It's **Timely**, meaning that it has a clearly stated deadline, possibly with smaller milestones leading up to that deadline.

Using the **SMART goal technique** will help you and your employee clearly identify measurable behaviors that will make it so much easier for you to track progress. You can also break the large goal into smaller steps, applying the SMART technique to each one. This allows you to take a larger goal and see how it should move along over weeks or even months.

**SECOND**, institute **quarterly progress checks**. One of the mistakes that managers and employees often make is to set goals at the beginning of the year and only assess them when it's time to do the annual review. This not only makes the review process difficult as you wade back through 12 months, it also eliminates the opportunity to make course corrections. If you use the SMART goal technique, you should be able to map goals across time, shorter milestones should build to the completion of the goal. When you check

in every quarter, it gives you and the employee the opportunity to see which goals are on track and which may be falling behind. Then you can strategize solutions for getting back on track before it's too late to fix it.

**THIRD**, when progress stalls, **identify and remove the obstacles**, it's very likely that progress will stall for each of your employees in some way. When that happens, it's important to take a closer look at what's happening because it won't do much good if you set a new deadline without addressing the source of the roadblock. For example, if your employee has too much on their plate or competing priorities, just putting this goal back on their plate will likely lead to another missed milestone down the road, or perhaps the employee needs something to accomplish the goal such as information, authority, or training, you need to provide it if you want to see progress, or it could even be emotional in nature, when people procrastinate, it's often because there's something about the task that's not compelling or motivating. You may need to help your employee explore what's underneath their resistance so you can address it.

As a manager, you'll often find that supporting your employees in achieving their goals also requires some coaching skills on your part, I certainly have. We're going to cover that in the next video. In the meantime, consider how you can utilize these strategies to help your employees set and achieve both their performance and professional development goals.

*\*Coaching Employees - Video Transcript Approx. 4 minutes*

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- As a manager, I have found that coaching is one of my primary tools for helping employees be at their best. However, there is a lot of confusion about what employee coaching is and how it works. That's because there's actually different styles of coaching and different types of coaching conversations that you can use in a professional setting. So, let's clear that up. Coaching has evolved from two important but very different fields, and this essentially creates two primary styles of coaching.

The first is **Skill Coaching**, where the coach's expertise is in the skill and they teach that skill to another person. This mode evolved from athletic coaching where the coach is someone who has extensive experience with the skill, say baseball or swimming, and then coaches another on how to improve that skill. It's a model based on teaching, observation, and offering advice tips and strategies. It's intentionally directive, and it's what we naturally default to as managers. The benefits of skill coaching is that it's often faster and easier to direct people and it offers the manager a lot of control about how work is completed.

The second style is **Clarity Coaching**. The coach's expertise is in the clarity process and they facilitate the other person in accessing their own answers. This mode evolved from the field of life coaching where the coach is trained in formal coaching skills. The coach facilitates the other person in becoming clearer about an issue and uses powerful questions to help them tap into their own knowledge and expertise. The coach then supports the person's progress with action plans and accountability. This style is intentionally non-directive, and the coach must be well-versed in the techniques of clarity coaching.

**There are three primary benefits of Clarity Coaching:**

1. It's a process that's proven to motivate and engage employees.
2. Behavior change is more likely to stick when they arrive at it on their own because they become more invested and accountable.

3. Over time, you build employee confidence because they're more likely to initiate solving their own problems in the future.

Obviously, these two styles can be at odds with each other, yet both are very powerful tools for employee coaching. It becomes a question of which to use when. Generally, you want to use skill coaching with new employees who need a lot of guidance or employees who are new to a complex task. But as your employees grow and develop, you'll want to shift more and more often to clarity coaching. Be sure to watch the wonderful course by Lisa Gates called "Coaching and Developing Your Employees." She focuses on teaching the clarity coaching model and also covers a range of tools you can use.

Now, let's look at the **4 types of coaching conversations** people can have in a professional setting. I've included a handout in the exercise files that shows you how you'd use skill and clarity coaching for each of these conversations.

1. **Problem-solving.** This is when the employees have hit a roadblock, with a project or situation, and they need help thinking through the issue and possible solutions.
2. **Performance,** this is used when the employees need to improve or develop a professional skill to do their current job well.
3. **Development.** This is used with a high performing employee and is about preparing them for the next level of skill or responsibility.
4. **Career planning.** This used to help an employee identify their long-term career goals and plan for achieving them.

As a manager, you should be having all four types of conversations with your employees. In all of these conversations, skill coaching might take less time, but if you want to build the competence and motivation of your employees, you need to be using clarity coaching more and more of the time. Like any skill, clarity coaching will get easier if you keep practicing it. I'm a big fan of creating a coaching culture in an organization. Many studies have been done on the benefits, with return on investment paying off in increased productivity, employee engagement, and the effectiveness of leaders. You'll find that employees are most happy with and loyal to managers who use clarity coaching because they feel valued, heard, and empowered. So develop your skills today and start reaping the many benefits that coaching your employees will bring.

*\*Addressing Performance Problems - Video Transcript Approx. 4 minutes*

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- Giving performance feedback can be an entire course on its own. Ideally your organization's performance management process clearly outlines how performance issues are handled. If so, then you would implement that process as instructed. Obviously, there are legal implications for performance discussions, so I strongly encourage you to consult with your HR and legal professionals. They're there to help you navigate these situations successfully, so take advantage of their guidance.

Performance problems very rarely just develop overnight, they usually build from small situations. Part of your role as a manager is to address issues early so that they don't become a problem. Let's look at how you do that.

**First, start off with clarity.** At the moment someone becomes your direct report, you should have a discussion about these key items:

- The main elements of their performance. This would be an overview of their job duties.
- How you'll measure that performance. Talk about what data or markers you'll use to measure their success and at what intervals.
- How and when you'll communicate both praise and problems. This might include formal reviews and informal meetings.
- And the performance improvement process. Discuss how and when an employee will learn that they need to improve, and how long they'll have to do so. If employees are at will talk about what that means too. Honestly, if every manager had this conversation with their employees, it would go a long way to solving things.

**Second, honor the plan.** You have to meet the standard you create. As the manager, it's your responsibility to drive the process for performance feedback and reviews. So provide feedback when you said you would, using the measures of progress that you already outlined.

**Third, address concerns immediately.** If you're even wondering a little about an employee's performance, it's time to speak up. It's far better to address things early because that's when you have the greatest chance to make things change. Since you're addressing things early, you'll use language like, "Lately I've noticed that," or "I'm wondering if we've had a miscommunication because." You don't want to make any assumptions about your employees' behavior but you do want to bring up your questions and concerns. Ask them for their perspective too. You may discover something important, like the need for some training, or even a lack of clarity on your part. Your goal here is to help them improve. They may need some coaching or more direct guidance from you to get going in the right direction. Be sure you wrap up with the clear understanding of what needs to change and by when. You really want to ground the conversation with a clear action plan. You cannot be too specific about what actions or behaviors you need to see occur, and when you expect them to be done. And of course, it's always a good idea to keep a file with your notes.

**Fourth, stay on top of issues until they're resolved.** The employee will either respond to your feedback or they won't. The vast majority will get things back on track. If they course correct quickly, be sure you acknowledge their efforts, that's a really important part of the process. But for a handful, they'll still be going astray. At this point have another meeting to discuss your new observations and your concern that they did not make the agreed-upon changes. The tone of this meeting should be more serious. Arrive at a new agreement with clear goals and timelines. If they shift, praise their efforts. Sometimes issues continue to arise. When that happens clearly mark that they're moving into problem territory. The biggest mistake that managers make is assuming that their employee knows when they're in trouble. It doesn't matter how many times you've talked with them. They won't know until you say the words. Something like, "This is becoming a problem, "you need to address this or you'll experience "the following consequences," and then spell those out. Tell them if it's going to affect their performance review, raise, or ability to stay with the company. It's better to shock them into action with firmness than wait too long when they can't recover. If you're clear and strong you'll know for sure that you gave them every opportunity to fix it. In the case that they don't, you'll be more at peace if you have to let them go. Also when things move into problem territory, get support. Work with someone in HR to ensure that you're taking all of the appropriate actions. There are often very specific stipulations you need to meet in terms of communication and documentation. Ultimately the goal of giving performance feedback is to help people be their best. It's part of maximizing their potential and guiding their

professional development. Your job is to give them clear information and the opportunity to do their best. The rest is up to them.

*\*Letting People Go - Video Transcript Approx. 5 minutes*

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- Letting people go is one of the hardest parts of being a manager. In all my years of professional work, I don't know anyone who's ever enjoyed the process. But making tough decisions is part of your role as a manager, so at some point in your career, you'll have to do this. Let's make sure you're prepared. The first thing to know is ending someone's employment can take a few different forms. Each has its own complexities and is governed by different rules, policies, and even laws. There are also different employee statuses that affect the process too. An employee's exempt status or membership in a represented labor group all play a role, as do local, state, and federal laws. Sound confusing? It is. **This is why your first strategy is always to involve HR and legal professionals early.** I cannot emphasize this enough. There are often very specific requirements around documentation and communication, with your word choices and actions having a greater impact than you may realize. So always seek guidance and support as early in the process as possible.

Let's talk about different types of ending employment, which you'll also hear referred to as terminations or work separations.

**The first general type of termination is voluntary.** The person leaves at their own will, so this really doesn't involve you letting them go. But as a manager, there are still policies and procedures that govern voluntary termination, such as their resignation or retirement from the position. In addition to ending their employment status, there are other ramifications for benefits, the transfer of files and records, etc.. There's also something called termination by mutual agreement. This includes things like the ending of a contract employees agreement, forced resignation, and job abandonment.

**The second general type of termination is involuntary.** The person is not choosing to leave but the termination is forced upon them. Again there can be many different reasons. Some common examples include lay-offs, where positions were eliminated in order to reduce the size of the workforce. This is also known as termination without prejudice because it was not a function of the employee's performance. In this case, employees are eligible to be rehired in the future. Being fired is where the employee is being let go for a specific reason. Usually related to performance or some egregious violation of ethical or legal policies. This is also known as termination with prejudice or termination for cause, and the person is not eligible for rehire. And then you have situations where the employee was wrongfully terminated because the manager and or the organization violated laws or policies governing work separation. These can often lead to expensive lawsuits.

**Finally, the third type of termination is due to death.** Obviously, this doesn't neatly fit into either of the previous categories, so legally it has its own, and is governed by laws, policies, and procedures that involve the survivors and beneficiaries of the deceased employee.

If you're feeling overwhelmed at this point, it's normal. I do too. Labor laws are complex and also ever-changing. As a manager, you're not expected to know and remember all the details. But you are expected to know that terminating employees has important and legal ramifications for both the interest of the employee and the organization. You're in the middle, and that's why you don't want to take any action without the guidance and support of HR and legal professionals. Luckily they're well versed in all the current

information, and can not only guide you but may actually lead and conduct aspects of the process as well. Ultimately, when an employee is terminated you will be involved in some way. Often there is a face to face meeting that occurs that you will at least participate in, if not lead.

While it may be challenging, you can prepare yourself by taking these simple steps:

1. **Be prepared.** Review the process and be clear about what you need to do and say. Take notes and ask questions. It's your responsibility to make sure that you know what you're doing.
2. **Practice.** Roleplaying the conversation can be really helpful in making you more confident for the meeting. Often times the folks in HR can help you do this. Be sure to role-play the situations that worry you too, like the other person crying or becoming hostile. You want to know that you can handle anything.
3. **Connect with your compassion.** Sometimes all the formality of this process can make us feel like we can't be compassionate. You probably really care about your employee even if they have been difficult. It's normal that you may feel sadness or regret that things didn't work out better. And you may even worry about this person's future and wish the best for them. It's true that you may or may not be able to say certain things, but you can still arrive at the meeting with compassion in your heart and the commitment to treat them with care and respect.

Remember, people thrive in different environments. We all know folks who've been fired, to go on and find the right fit somewhere else. Ultimately, letting people go is never easy, but it is your role as a manager to make the process go as smoothly as possible for the employee and the organization.

*\*Managing Team Performance - Video Transcript Approx. 4 minutes*

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- In today's collaborative work environments, more and more work is being done in teams. As a result, an important aspect of performance management includes team performance. Ultimately, you need to find a way to assess and measure how collaborative work reflects on each individual employee's performance as well as the group as a whole.

A team is different from a group of individuals who may form a department or a cross-functional group. Specifically, to be a team, the group must have the following four qualities.

1. **A common purpose.** This would be the clear goal their to achieve.
2. **Their efforts must be interdependent.** Otherwise, it's just coordinated efforts of individual contributors and that's not a team.
3. **They must share accountability.** Everyone is held responsible for the group's success or failure.
4. **The members must believe that the outcome will be better working together than alone.**

Managing a high performing team takes effort. So plan to spend some time and energy on implementing these strategies.

This will also help you address the **most common reasons team fail**:

- Unclear purpose or goals.
- Lack of clear plan or commitment to the plan.
- Inability to deal with conflict.
- Lack of shared accountability for results.
- Insufficient resources.
- Lack of trust.

First, you want to set the team up for success by helping them create team guidelines. This will serve as a guide or playbook if you will for the team's efforts. I've included a handout in the exercise files for you to utilize. The first meeting you have with the team will be the longest as you co-create the document. To illustrate the process, let's watch as Adriana creates a team at [Landon] hotel to innovate new ways for conferences to accommodate remote attendance.

**To begin**, Adriana facilitates a discussion with the newly formed team. The team should understand and agree on the goal that the team has to accomplish by when. Adriana ensures that everyone is clear about the purpose, scope, quality, and other important aspects of the goal. Because her team is comprised of members from different functions who've not work together in the past. Adriana has them discuss their work preferences. Things like their work styles, expectations, challenges, and pet peeves. Using that information, the group flushes out shared practices they all agree to utilized for the duration of the teams worked together. This includes how to evaluate ideas and make decisions, what's appropriate behavior, and how and when they'll communicate.

**Next**, Adriana helps the team identify the roles each person will play in the project. This is an excellent way to highlight each individual strengths and to further develop their belief that they'll achieve a better outcome together. In particular, they can discuss when certain people will lead, and others will embrace followership. Knowing that teams often experience conflict, Adriana knows that it's vital to have the team create their plan for dealing with conflict. In this case, the group agrees to first approach the person directly, and if that's not fruitful, they'll bring the issue to Adriana.

**Next**, Adriana guides them through discussion of what resources they currently have available, and what the team thinks it needs. These can include things like access to information, financial resources, authority, training and so on.

**Finally**, Adriana informs the members how the team is accountable for the results. She describes how she'll verify that they're meeting their milestones and that the results align with the goal. Adriana concludes the meeting by finalizing agreement on the key points. Then she types up the team playbook and shares a copy with each member. Adriana uses the playbook to guide both team meetings, as well as one on ones with the members. The collective accomplishments of the team become part of each employee's performance process.

Adriana's work is not done, however, as an effective manager, she continues to support the team by helping them build trust, coaching them when needed, and helping them move through the inevitable conflict that arises, and valuing their worth by praising their efforts and successes. If there are challenges, Adriana speaks with the team, empowering them to identify the problem, create solutions, and implement the ways that keep the team cohesive as a group. Thinking about the teams that you worked with. **How can you utilize these practices to maximize their performance? I recommend you use the handout to create your own team playbook.**