



## 06 Managing Staff Performance

Staff are a company's most valuable asset, but sometimes not treated as such. They can also be the most significant expense, witness the continuing moves of major companies to outsource functions such as IT, catering, printing, fleet management, call centres of course, and even some HR work such as temp recruitment. Even allowing for the outsource company's profit margin and VAT on top, it seems that it is frequently cheaper to make one's own staff redundant and pay someone else to do the work. This can be understood if the outsourced function is being shipped halfway around the globe to India, Pakistan or China where the labour costs are hugely smaller than in the UK. It is more counter-intuitive when it is a UK-based company that takes on the work, paying, presumably, UK-type wages.

Perhaps those larger corporations have been allowed to grow their workforce without due recourse to effective corporate planning, as a result of which staff and departments are working to outdated, inefficient methods. Smaller enterprises are not immune to this folly, but perhaps have a much better chance of avoiding it. If staff are a valuable, if expensive, asset then they are worth the effort it takes to manage them well.

### Conditions of Employment

If you want staff to perform well (and who doesn't) then the employment package has to be appropriate for the work involved and the type of person needed to do it. That means that what you are offering has to be able to hold its head up in the local area, but it doesn't all have to revolve around who pays the most. If the culture of your company is right, it will be a pleasant place to work and you could become the employer of preference.

### The Need for Job Descriptions

In the earlier article on Total Quality Management, we placed emphasis on the need to continuously review and critique every process. This is the first important stage in effective management of staff, to have a production process that is as up to date as possible. Against that background, Job Descriptions can be drafted which lay out clearly the purpose and content of every class of job. The importance of writing Job Descriptions can be demonstrated:

- Job Descriptions give the job-holder a clear understanding of what is expected of them (and by omission, what is not expected of them).
- They therefore help to recruit the right people.
- They provide a yardstick against which people can be measured and managed.
- They are the essential first stage in the preparation of training materials, so ensuring that all staff know how to do the job in the same way.

For some jobs, it may be appropriate to set goals (derived from those of the company), and the Job Description ensures that only goals that are the responsibility of the job-holder are set. Goals should be reviewed on a regular basis, at least monthly, and updated according to progress made.

### Regular Review Meetings

Monthly one to one meetings with their manager in any case provide a good opportunity for staff to review progress in the job and for any issues to be raised by either party. Any major issues, though, such as deviation from required quality or behavioural standards, or alternatively any instances of exceptionally good behaviour, should be dealt with immediately and not saved up for a periodic meeting.



## *Transforming Business Performance*

The employee will get the most from the meeting if they have had time to prepare some thoughts of their own about the month just gone and any questions they may have. The manager should also do some pre-meeting preparation, not least to be able to support any guidance they might offer with actual examples of observed behaviour. Persistent problems can be matched against the Job Description and possible training needs identified.

### **Annual Appraisal**

Frequently linked with pay rises, but best not to be if it can be avoided! This should be a natural product of the regular monthly meetings, an opportunity to summarise the past year and set goals for the next. The logical implication of this is that the company knows where it is going in the coming year, has formulated its goals so that all departments know how they fit in and what they have to achieve. It's intriguing, though, how many companies want to set personal goals before the company's goals are even formulated, let alone communicated.

Part of the annual review should be about development of the employee - what further training or development would be appropriate. For some there may be none foreseen, but this would normally be a minority situation. Some employees are happy to turn up and do the job, wanting nothing more out of it than a reasonable wage in reasonable conditions. Others may want more, for example the opportunity for career progression, promotion, a different role, and for them there would be no shortage of new things to introduce them to.

### **Discipline**

A point I want to make here is that if there is a need to discipline an employee, do it in private, for two reasons:

- It's good management to treat everyone, even problem cases, with respect.
- The poor impression it gives other employees if they see a colleague humiliated in public.

Persistently poor performance has to be addressed with remedial action. That action is most likely to be successful if the employee knows and agrees exactly how they are under-performing, and are involved in the creation of their remedial action programme. If at all possible it is preferable to retrain an existing employee than recruit a replacement with all the costs involved in that route.

### **In Summary**

Staff performance is managed by a combination of factors:

- The company culture.
- The employment package.
- Up to date processes and Job Descriptions
- Agreed goals
- Regular review meetings
- Annual appraisal
- Fair operation of the disciplinary process and a constructive attitude to training out shortcomings

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