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Parting Ways

Dismissing an employee for unacceptable job performance is never easy, and most of my CEO clients would agree that leaders often procrastinate with termination. Afterward, most also agree with the statement, “I wish I had done that sooner.” In this article I will lay out a process to bring clarity to the termination decision.

The ultimate reason for performance-based terminations is always the same: to protect other company stakeholders. Sub-par employees erode morale, reduce productivity, and waste money. Also, this discussion assumes the employee’s manager has taken reasonable steps to correct the performance deficiency and considered other positions within the company (other seats on the bus). So, hereafter we’re at the stage where the employee probably gets off the bus.

Also, every employee should have yearly job performance goals set during their annual job performance review. These goals, among others, set job performance expectations. Following are three tenure-based scenarios, each with its own risk profile.

1 – New employee (less than 2 years tenure).

Risks: This employee requires too much of his supervisor's time, so work group performance suffers. Moreover, you aren't doing the person any favors by delaying the inevitable.

Situation: Problems here usually indicate a poor hiring choice (You can't win them all!) and are related to skill and work-style. You have tried training and coaching, but without results.

Solution: Put the employee on a 90-day Performance Improvement Plan with specific milestones throughout the period. Unsatisfactory progress results in dismissal at or immediately following a milestone date. Carry out the termination with respect, but a minimum of fanfare. With rare exceptions, other employees – thankful for removal of a weak team member – rise to the occasion and necessary work is completed.

2 – Seasoned employee (2 to 20 years)

Risks: Accepting poor performance from veteran employee risks creating a culture of mediocrity, which will eventually cause your best people to quit.

Situation: Obviously this person has performed acceptably for many years, so clearly identify what has changed, or hasn't changed on the employee's part. Common reasons are the employee's failure to upgrade his job skills, like software knowledge, or a belief that she can just coast along doing things the way she's always done them.

Solution: Clearly define what needs to change and provide a reasonable time frame – for veteran employees learning a major new skill the time frame might be 1 year. If the employee cannot or will not meet desired expectations, then carry out a respectful termination. Depending on job tenure, other factors, and the departing employee's desires, a small good-bye gathering may be appropriate. The idea here is to demonstrate to other employees that the company values its people, and treats them kindly even when parting ways.

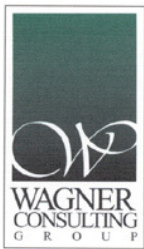
3 – Long Term employee (21+ years)

Risks: Lack of training a successor, unprepared for death or disability, good employees leave for better opportunities.

Situation: This situation differs from #2 above in that the actual job performance may be adequate but the long-term employee will not train younger employees to eventually succeed him. Succession is a vital part of organizational health, but some people think training their subordinates will lead to their dismissal. Ironically, the reverse is more often true.

Solution: Some employees, men usually, plan to die at their desk. If the company wants to provide that option, the person's job should be changed to a function not vital to day-to-day operations. The manager has the moral high ground by offering the employee an option to termination, but the either-or option should be clear. If the employee chooses to quit rather than accept the new position, I recommend a formal retirement party for the departing employee.

In summary, all employees should have written expectations for their job performance and these should be reviewed with their supervisor when responsibilities change or performance falls below norms. A performance-based job termination should never be a surprise.



Tom

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