

KEY TACTICS

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C H A P T E R

1

UP OR OUT

Deal with Low Performers and Move Your Organization to the Next Level

Why This Chapter Is Important

MOST ORGANIZATIONS DON'T HAVE TROUBLE *GETTING* BETTER RESULTS AT first. The problem lies in *keeping* them.

Much like marathon runners, companies hit a performance wall. After their initial achievements, they find themselves running with an anchor dragging behind them. And the name of that anchor is often "the low performer." Until low performers are moved up or out, an organization or department will never move beyond short-term gains. The wall will stop progress every time.

And that fact is why I put this chapter up front.

I've heard many leaders say that step one is to get everyone on board. I disagree. *You'll never get everyone on board.* At Studer Group, we have found that 34 percent of people will improve their performance and stay at their new higher level, 58 percent will do so *if* their behavior is properly reinforced, and 8 percent will flat-out refuse to budge.

RESULTS THAT LAST

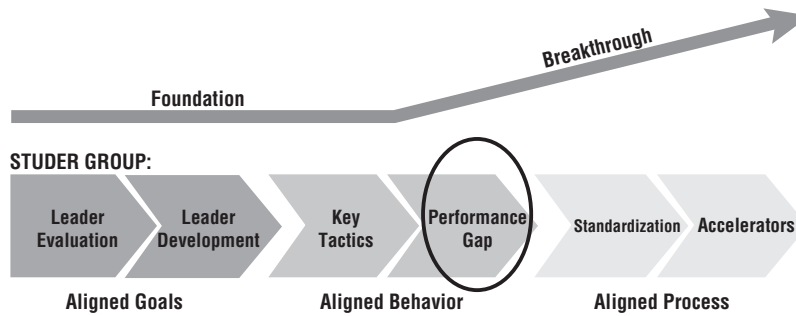


Figure 1.1 Evidence-based Leadership

This chapter is about spending 92 percent of your time retaining the 92 percent of your employees who want to be on board, and 8 percent of your time dealing with the 8 percent who don't. The outcome is results that last.

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Whom do we take home with us every night? Who dominates our conversations about work? Who causes the vast majority of the problems we face? It's low performers. They are the men and women who block our efforts to build lasting results. They drain the energy, initiative, and creativity right out of us and our organizations.

Have you ever walked into your department and had the distinct feeling that one co-worker was holding you and the others hostage? Is there an employee in your company who keeps you guessing—someone who follows path A for several weeks, then suddenly, with a sense of glee, zigzags onto path B? Have you found yourself worrying more about how one particular employee might react to a new process than about anyone else in the entire organization?

If you recognize any of these scenarios, you've experienced firsthand the devastating impact of the low performer. Consider this classic example:

Karen handles the corporate web site. She is intelligent and has moments of brilliance. However, she talks negatively about all others involved in the programming of the web site. As she "manages down"

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the site and others who work on it, the rest of the company loses confidence and faith in the site. At the same time, tasks that have been given to Karen just aren't getting done. Every three weeks or so she puts forth a flash of effort, but the rest of the time nothing seems to happen and negativity continues to breed in the office.

When you meet with Karen, she always has an array of excuses as to why her items aren't getting completed. She may then follow up this litany of blame and finger-pointing by offering an ambitious new Internet proposal. Frankly, Karen's hot-and-cold work ethic and her negativity are wearing you out. Her co-workers just try to work around her to the best of their abilities.

Here's the unpalatable truth: Most organization leaders spend 80 percent of their supervisory time on the "Karens" in their companies. Although we wish these low performers would leave, they bring new meaning to the word *tenacious*. The Karens of this world know from experience that they can outlast the latest "change initiative" if they just hang on a little longer. They have outlasted more than one supervisor. Their workplace prayer is "This, too, shall pass."

LOW PERFORMERS COME IN MANY SHAPES AND SIZES

Your low performer may not look like time-wasting, deliberately inconsistent Karen. She may look more like rude, surly, disruptive Mary, who actively undermines every management policy and nearly dares you to fire her. Or maybe your low performer resembles arrogant salesman Eric, who specializes in pitting one co-worker against another—in between the roster of cell phone calls, text messages, and games of computer solitaire that seem to take up his workday. (Needless to say, after three weeks of no sales—just when you're on the verge of letting him go—Eric brings in a big contract.)

Leaders can be low performers, too. Think of a leader who says all the right things in meetings but seems to go back and manage her employees in a completely different manner.

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As you can see, low performers don't fit a single neat stereotype. Generally, though, they can be recognized by their penchant to coast along with their inconsistent work output, collecting their paychecks and infecting everyone else with their negative attitudes. When we try to initiate change in our organization, it's the low performers who dig in their heels and resist—sometimes to our face, most often behind our back.

Once after coaching a manager on how to address a low-performer situation, I checked back to see how the conversation had gone with this difficult person. She told me, "He convinced me that *I* was the problem." Amazing, isn't it? Low performers are masters of blame and diversion. These tactics are their special survival skills. When confronted, they will do one of three things:

1. Blame others for their low performance.
2. Point the finger at you, claiming that you haven't given the proper training or tools.
3. Unload some personal problem with the aim of playing on your sympathies and diverting attention away from their low performance.

We, leaders tell ourselves that a warm body is better than a void in the company. We'd rather have a familiar personnel problem (the devil we know) than hire a whole new set of problems (the devil we don't). Or we may play the "blame game" and say Human Resources is the culprit and won't let us fire the low performer. Or we may even blame that ever-popular scapegoat, the union, for protecting him or her.

As you read this, you've probably already started thinking about the low performers in your organization. We all know who they are. They are the people we usually work around when we really want to get something done, the leaders from whom employees are constantly seeking to transfer away. We're willing to admit that our low performers don't contribute often—and in some ways we've

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made our peace with that fact—but we may not realize how much real damage they do to our organization.

HOW DO THEY DAMAGE? LET US COUNT THE WAYS...

First of all, in a company where low performance is allowed to exist, customers get neglected. Low performers may ignore them—or at least fail to fully engage in helping them—and everyone else is too busy picking up the slack to serve them properly. In this way, low performers squelch profitability and service goals.

Yet, customer neglect is only the tip of the iceberg. Here's why. As they grow, change, and move toward peak performance, all organizations hit a psychological wall. High and middle performers come to perceive the performance gap between themselves and the low performers as unfair, thus they begin to pace themselves and results tail off. The organization may even slip back to lower performance levels than before. Meanwhile, our Karens, Marys, and Erics spread distrust and misinformation as they pull others, particularly the middle performers, down to their level. They "knew the new systems would not work," and don't hesitate to tell their co-workers. (See Figure 1.2.)

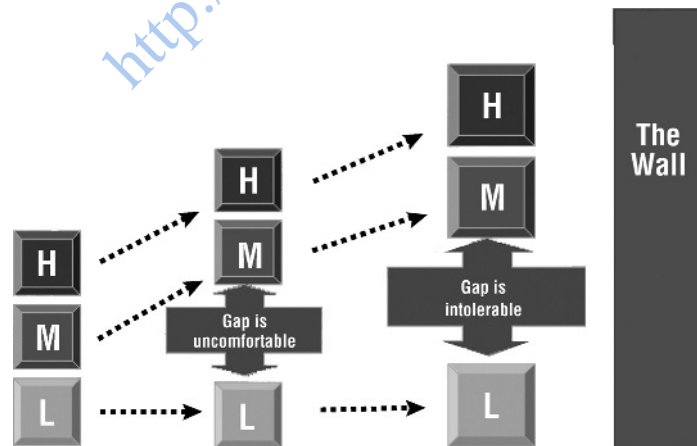


Figure 1.2 The Gap Is Intolerable (H = high, M = middle, L = low)

RESULTS THAT LAST

Once this occurs, employees lose faith in their organization's ability to create and sustain long-term gains. Many leaders don't see their own failure to address low performers as the problem. Instead they embark on a search for a new "program of the month." Because low performers aren't being properly handled, their organization's performance is inconsistent. They go up, then they go down, and then (maybe) they go up again. The problem is that the subsequent "ups" aren't quite as high as they were before because leaders can't get their people as excited as they did early on.

This slow spiral into mediocrity is only part of the picture. Another reason performance suffers is that the top staff members leave. High performers simply won't stay in an environment where low performers are tolerated. Eventually, what's left is an organization of medium and low performers trudging along.

REVERSING THE SPIRAL: HIGH, MIDDLE, AND LOW CONVERSATIONS

So how can you reverse the spiral into mediocrity and produce long-term high organizational performance? *You must do something about the low-performer problem.* You must instigate conversations specifically designed to re-recruit high performers, develop middle performers, and hold low performers accountable. Here's why this solution works: It creates an uncomfortable gap as low performers become more isolated from their higher-performing co-workers. Ultimately, low performers improve or leave, which unlocks the full potential of the organization as it scales the wall separating it from peak performance. (See Figure 1.3.)

WHO'S WHO IN TERMS OF PERFORMANCE

Figuring out who's who in your organization is the first step. In our work at Studer Group, we have found the best approach is to place your staff into high-, middle-, and low-performance groups. A useful tool is the Differentiating Staff Worksheet, which ranks each employee across five performance areas: *professionalism, teamwork,*

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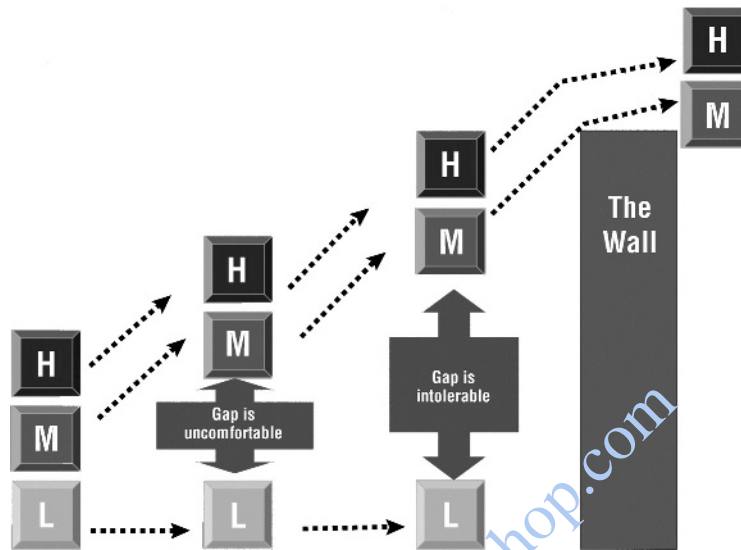


Figure 1.3 Over the Wall

knowledge and competence, communication, and workplace (or safety) awareness. (See Figure 1.4.)

As you evaluate each staff member in these areas, you examine how well he or she adheres to policies, demonstrates commitment to the organization, strives for continued professional development, and comes to work with a positive attitude.

You'll find that your high performers create solutions when problems arise. Middle performers can identify a problem, but may lack the experience or self-confidence to bring solutions to the table. Low performers blame others for problems, demonstrating a real lack of ownership.

During this evaluation process, you will most likely run across at least one employee who is technically competent but difficult to work with in some way. If he is very talented, you are often tempted to rate him a high or middle performer. You shouldn't. High and middle performers must be excellent both technically *and* as team members.

In fact, we have recommended to our clients that they terminate employees—even leaders—who get results but don't role model

R E S U L T S T H A T L A S T

Below is a differentiating staff worksheet that SG has developed based on the findings from its national learning lab. Use this to help complete an assessment of your staff. In terms of the actual assessment, the most difficult issue for leaders tends to be for an employee who has four out of five good qualities but the last quality holds them back and actually hurts the performance of the department. A good question to ask yourself is "Knowing what I know, would I hire them again?"

We encourage you to customize the specific characteristics based on your own organization's standards of behaviors and expectations.

	High	Middle	Low
Definition	Comes to work on time. Good attitude. Problem solver. You relax when you know they are scheduled. Good influence. Use for peer interviews. Five Pillar ownership. Brings solutions.	Good attendance. Loyal most of the time. Influenced by high and low performers. Wants to do a good job. Could just need more experience. Helps manager be aware of problems.	Points out problems in a negative way. Positions leadership poorly. Master of We/They. Passive aggressive. Thinks they will outlast the leader. Says manager is the problem.
Professionalism	Adheres to unit policies concerning breaks, personal phone calls, leaving the work area, and other absences from work.	Usually adheres to unit policies concerning breaks, personal phone calls, leaving the work area, and other absences from work.	Does not communicate effectively about absences from work areas. Handles personal phone calls in a manner that interferes with work. Breaks last longer than allowed.
Teamwork	Demonstrates high commitment to making things better for the work unit and organization as a whole.	Committed to improving performance of the work unit and organization. May require coaching to fully execute.	Demonstrates little commitment to the work unit and the organization.
Knowledge and Competence	Eager to change for the good of the organization. Strives for continuous professional development.	Invested in own professional development. May require some coaching to fully execute.	Shows little interest in improving own performance or the performance of the organization. Develops professional skills only when asked.
Communication	Comes to work with a positive attitude.	Usually comes to work with a positive attitude. Occasionally gets caught up in the negative attitude of others.	Comes to work with a negative attitude. Has a negative influence on the work environment.
Safety Awareness	Demonstrates the behaviors of safety awareness in all aspects of work.	Demonstrates the behaviors of safety awareness in all aspects of work.	Performs work with little regard to the behavior of safety awareness.

Figure 1.4 High-, Middle-, and Low-Performers Conversation

their organization's standards of behavior. Such employees are very damaging to overall employee morale. The harm they do in this area outweighs the good they do in others.

SCHEDULE THE CONVERSATIONS

Next, use an employee tracking log to monitor each interview. The log should include name, rating, initial meeting date, and follow-up date and comments.

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Introduce the interview process at an employee meeting. Tell your people that the corporation is committed to feedback and professional development. Add that over the next so-many weeks, each leader is going to meet one-on-one with each employee and provide each of them with performance feedback. This way everybody will know the interviews are coming.

It is crucial to meet with the high performers first, middle performers next, and low performers last. This sequence accomplishes two things:

1. High performers can dispel fear about the meetings when other employees ask why the boss wanted to meet with them.
2. Leaders become energized and are better fortified for the difficult low-performer conversations after having met with the employees they value the most.

The objectives and outcomes are distinct for each type of conversation.

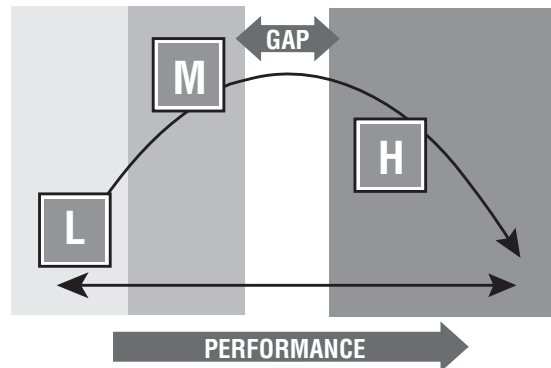
High-Performer Conversations: Recruit to Retain

High performers share your company's values, display proactive attitudes, and suggest changes for process improvement. They are open to new ideas from anywhere within the organization and have the ability to get the job done. Characterized by their positive attitudes, high performers are good role models and mentors to new employees. They also naturally transfer what they learn. (See Figure 1.5.)

During high-performer conversations you want to:

- *Tell them where the organization is going.* High performers want to work for an organization that is going in the right direction.
- *Thank them for their work.* High performers want to know that the organization feels their work is worthwhile.

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TELL THEM WHERE THE ORGANIZATION IS GOING
 THANK THEM FOR THEIR WORK
 OUTLINE WHY THEY ARE SO IMPORTANT
 ASK WHETHER THERE IS ANYTHING YOU CAN DO FOR THEM

Figure 1.5 Moving the High Performers

- *Outline why they are so important.* Be specific. High performers get turned off by general statements. Share specific examples of how their work aligns with the goals and direction of the organization.
- *Ask whether there is anything you can do for them.* High performers will often ask for more training, more responsibility, or more opportunity.

Below is an example of a high performer conversation:

“John, O’Sullivan Creel wants to be the dominant, most technically advanced CPA and consulting firm in Northwest Florida. We are opening branch offices in several cities and investing \$700,000 in new equipment and training each year.

“I wanted to thank you for being a part of O’Sullivan Creel. You are integral to this firm accomplishing its goals. Your work in the corporate tax group has been excellent. The partners and I appreciate the extra time you put into the Baskerville/Donavan Engineering Firm Account. It wouldn’t have gone off smoothly without your efforts.

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“John, your leadership and willingness to help your co-workers is appreciated also. Thank you specifically for helping Mike meet our client’s important deadline. I am very comfortable giving you any project. I know it will get done and the client will be satisfied.

“We hope you stay here for a long time. Is there anything we can do for you? Is there anything I can do differently to better support you?”

Now here is a surprising fact. Studer Group has helped organizations hold more than 300,000 of these conversations. *Not once* has a high performer asked for money. High performers know the salary structure. They’re mature enough to understand the realities of compensation and comparisons.

High performers—if they’re not overwhelmed by just having this conversation—tend to ask for one of three things:

1. More training, because they want to be the best.
2. More responsibility, because high performers always want to impact the organization in a positive manner.
3. More opportunity, because high performers are always looking for more ways to help.

One of our clients brought a high performer in for his performance conversation. When they were finished, the high performer said, “I’d really like to be more involved in training new employees.” The boss almost fainted. He never imagined the employee would want to take on *more* duties. In fact, his fear had been that the employee would think he was already being asked to do too much. Yet, the high performer realized training new employees was so important that he volunteered!

Don’t be surprised when your high performers ask for more work, because achievement is what turns high performers on. High performers take extra batting practice. High performers get involved in the community. Quite simply, high performers live up to their name!

Remember, the central point of these conversations is to re-recruit high performers to retain them. Make sure your meeting

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clearly conveys the sentiment: “I value you. What can I do to help you and your departments achieve our goals?”

Middle-Performer Conversations: Support—Coach—Support

Middle performers are good, solid employees. They make or break an organization. They usually support the leaders in your company and will let leadership know if there is a problem. Your goal here is to help middle performers become even better. (See Figure 1.6.)

When meeting with middle performers, inform them early on that you want to retain them as employees. This immediately reduces their anxiety and they will be able to focus on the conversation. We recommend a three-step process for each conversation:

1. *Support.* Tell the employee why she is important to the organization. Be specific.

“Joanne, your detailed work in the recent automation of our customer files and the key words you developed to use when we talk to our customers about their information are excellent. Because of your efforts, we can locate customer data quickly, schedule appointments well, and service customer requests much better than we could before. Our customer

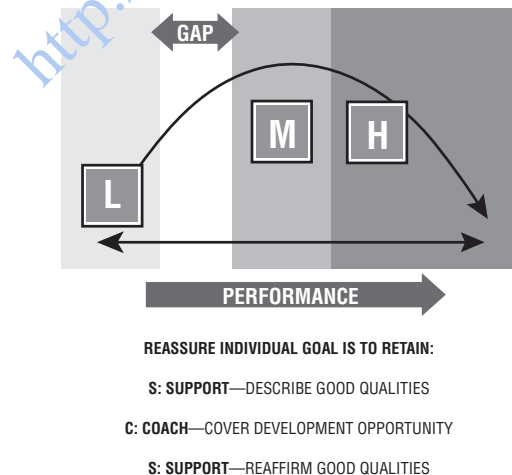


Figure 1.6 Moving the Middle Performers

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satisfaction score has improved by 20 percent this quarter, and our ability to service our customers efficiently has contributed to this improvement. Thank you”

2. *Coach.* Share one area for development and improvement with the middle performer. Let her know that you have a concern, but share only one area. This keeps the conversation positive and the item seems doable.

“Joanne, now that the conversion is complete, I would like you to focus on using the system and key words we have developed in a more consistent manner. I have observed a lack of consistency depending on workload or time of day, and I need you to focus on standardizing these elements into every customer conversation. I want you to role-model the key words to use in every customer interaction”

3. *Support.* (Yes, again.) End the meeting with a statement of support. Let her know you are committed to her success. Ask if there is anything you can do to help her in the area you just identified.

“Joanne, thank you again for all your hard work to set up our new system and develop key words to use in our customer interactions. Our company is now more efficient and our customer is better served because of your efforts. Is there anything we can do to support you more?”

What has been accomplished? You have now moved the middle performers’ performance up, thus creating a wider gap between them and the low performers. Remember, your goal is to *isolate* the low performers, and you’re well on your way to accomplishing that.

Keep in mind that low performers are the smallest percentage of your staff. The only way they keep their power is by influencing middle performers. These conversations are helping you build a healthy emotional bank account with your middle performers, so they’re much less likely to be pulled down by low performers.

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Document, Document, Document! (A Cautionary Tale)

Let me tell you a story from earlier in my career. Like most leaders, I had taken on a supervisory role without first having any formal leadership training. Early on at a meeting an employee said something in a way that I felt was less than professional. Today, I would have talked with him about the matter. Back then, I did not know how to handle it. I decided that to get the employee more positive I would spend more time with him so as to win him over. Now I see that I just reinforced the negative behavior. At the time, however, things seemed to get better.

Some months later, a similar situation arose. Instead of handling it on the spot, I rationalized that his evaluation was coming up and that would be a good time to discuss the issue. Plus, if I said something now, he may ask me why now and why not earlier when he exhibited the same behavior. In this way, I rationalized not taking action. (Truth to tell, I was avoiding confrontation because it felt uncomfortable to me.) His behavior got better a few months before the end of the year, and at evaluation time I rationalized he was trending in the right direction, so why put a damper on it? I checked "meets expectations" on his yearly evaluation.

A few months later the third negative situation took place. I was motivated now! I told some other supervisors who knew about my previous problems with the employee that I was going to Human Resources. I sat down with a person in HR and let him know of the three negative instances. The person said, "Hold on, Quint, let me get his personnel file." Of course, I knew what was in his file: no documentation of issues, just the evaluation I completed that said he was meeting expectations. I quickly changed strategy, from an exit for the employee to an exit for *me* out of the Human Resources office. I quickly thanked him for his help, told him I knew how to handle the situation, and left, hoping he would not tell anyone I had not documented anything. As I walked back to my work area, another manager

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asked me what happened. I answered, “Human Resources won’t let you fire anyone around here!”

Now here’s the question I hope you’ll ask regarding this little story: Was the problem really Human Resources—or was it *me*? The answer is *me*. Too often, HR departments get blamed for a leader’s lack of skill set, and failing to document the transgressions of low performers is a prime example.

Low-Performer Conversations: The *DESK* Approach

Here’s an interesting item that we’ve discovered about low performers: Many have not been written up as problem employees.

Recently, I had the department leaders of an organization write down the names of the employees who were not meeting expectations, employees the leaders would not rehire. Nearly 10 percent of the company’s employees—about 200 people—were listed as low performers. We then turned the names over to Human Resources and asked them to pull all their files. *Less than one-third* of the employees identified as low performers had issues that had been documented on their evaluations! We have found since then that this situation is the rule with most organizations, not the exception.

The point is that we may have to admit that we haven’t done a great job in dealing with low performers. That doesn’t mean we can’t move forward. In fact, we *must*. Our high and middle performers deserve to be in a better work environment. They shouldn’t have to work with low performers, and as I mentioned before, many of them *won’t*.

Once you’ve identified your low performers, tell your boss who they are. Doing so sets up a situation in which you expect the boss to ask about them in the future. This expectation creates an extra layer of accountability. It helps ensure that you don’t lose your initial motivation to deal with these employees.

Make no mistake: Your low performer is more experienced with difficult conversations than you are. That’s why it’s important to practice and role play with your boss.

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If you don't go in prepared, the low performer will eat you for lunch. He probably had difficult conversations in the second grade, in the sixth grade, in high school, in the last job he had, and in every relationship he's been involved in. Low performers usually "survive" because they've evolved survival skills that most leaders haven't even considered.

Some low performers will quickly blame others. Some will point the finger at their boss. Some will lay a huge personal problem in front of you: *My mother's sick... My wife's leaving me.* These employees will do everything they can to keep the conversation away from them and their performance.

Before your upcoming low-performer conversation, go to Human Resources. Don't assume HR won't let you take action with this person. Just lay out everything you have on him or her. You might find that—even though your records are not as organized as you'd like—Human Resources might allow you to go farther than you expect.

By the way, if you have to start fresh because you haven't been documenting infractions as you should have, it's okay to say to the individual, "I've made a mistake as a leader. I should've addressed these issues with you. I can't go backward, but we're starting from today."

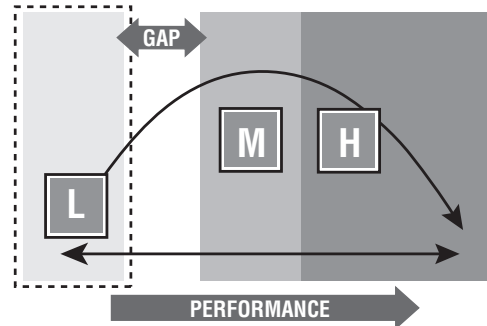
When you have your conversation with the low performer, be very specific in telling the person what he or she is doing wrong and what you expect to be done differently in the future. All employees deserve specific feedback.

We recommend what we call the *DESK* approach (Figure 1.7):

D. Describe what has been observed: "Karen, you are missing deadlines on the projects assigned to you. Our last brochure mailed three weeks late. This has impacted sales. Other employees have stepped in to make sure key communications get done on time. This is unfair and is causing morale problems among your co-workers."

E. Evaluate how you feel: "Your continued missed deadlines are not up to the standards we've set for this department. We have discussed this problem, most recently two weeks ago,

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DO NOT START MEETING OUT ON A POSITIVE NOTE

D: DESCRIBE WHAT HAS BEEN OBSERVED

E: EVALUATE HOW YOU FEEL

S: SHOW WHAT NEEDS TO BE DONE

K: KNOW CONSEQUENCES OF CONTINUED LOW PERFORMANCE

Figure 1.7 Isolation of Low Performers

regarding the new product brochure missed deadline. I'm disappointed because you assured me you would take steps to work more efficiently. You signed the organizational standards of behavior commitment. I'm concerned that you aren't following them."

S. Show what needs to be done: "Karen, you need to meet all upcoming deadlines. Over the next two weeks, I am going to work directly with you and show you how to budget your time and create a system to ensure deadlines are met. Tomorrow morning at 8:30, I want you to present your revised work schedule that notes all upcoming deadlines and plans in place to meet the deadlines. Every morning we will meet at 8:30 to review your progress and mark off the tasks as they're accomplished."

What you've done in this step is provide training so that the low performer can't complain you haven't. If you skip this step—and maybe even if you don't—she will surely say, "I'm running down to Human Resources now," or "I'm going to run

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to my union steward because nobody's given me the training I need." It's important to be as proactive as possible.

K. *Know* consequences of continued low performance: "Karen, I'm now giving you a verbal warning. If this happens again, it'll be followed by a written warning. If it continues to happen, you will have to leave the company." Then have Karen summarize this conversation in an email.

Because low performers are so skilled at excuses, guilt, and righteous indignation, managers often find these conversations difficult. Hey, leaders are only human! But you can't let your dread and discomfort—or your low performer's manipulation tactics—dissuade you. You must stay calm, objective, and clear about consequences if performance doesn't improve by a date you specify. Set short evaluation periods.

Then, be relentless in your *follow-up*. If you see it, say it—both good and bad. If you see a marked improvement in the low performer's behavior, acknowledge it. A sincere effort deserves a sincere compliment. However, the next time your "Karen" (or Mary or Eric) rolls into the parking lot at 8:45, takes a two-hour lunch, or comes up short at deadline time, you must be quick to submit the promised written warning. And if it happens again, it is time for her to leave the organization. I believe strongly in the adage, "Select slow, deselect fast."

SUBTRACTION REALLY IS ADDITION

Our work at Studer Group shows that in most organizations:

- Thirty-four percent are high performers.
- Fifty-eight percent fall in the middle category.
- Eight percent are labeled low performers.

We have found that in the low-performer category, one-third will improve their performance to the middle level. Another third won't change behavior and will deselect themselves when they

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realize management is serious. The remaining third will stubbornly hold on until we terminate them. We also have learned that no low performers will improve or deselect themselves until at least one low performer is terminated.

It's never easy to fire someone. If it were, low performers wouldn't be an issue and you wouldn't be reading this chapter. When you decide to do it, just do it. Have your documentation in hand and be decisive and straightforward. You can simply say, "I followed our policies, and at this time your employment is being terminated."

When you apply the advice in this chapter to your own low performer, you may balk. That's understandable. Not only is firing someone unpleasant—particularly when that person has been with the company for a long time—it creates a vacuum in the organization. And isn't even a low performer better than nothing?

A client once said, "But isn't 25 percent better than zero?" In other words, isn't a very-low-performing employee preferable than no employee at all? Our answer is *absolutely not*. By hanging on to a low performer, not only are you impacting all your other employees in a negative way, you're also holding a spot that, potentially, a high performer could fill.

Look at it this way: Subtraction is really addition. Employees who had to deal with this person felt that they had a foot pressing down on their chests. When you fire him or her, the foot is pulled away. Chances are, your other employees will be thrilled and you'll find that you *can* attract a better person. And from there, great things will start to happen. So, yes, you have to make that leap of faith—but it's a leap that almost always takes you closer to becoming a high-performance organization. (Figure 1.3.)

WHAT YOU'VE ACCOMPLISHED

Most clients tell us they have come to realize that they can't become great leaders or great departments if they don't deal with their low performers.

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The higher up in the organization the low performer is, the more damage is done. Just pick up the *Wall Street Journal* and you'll see that when a high-profile person is a low performer, it can actually ruin an entire organization and cost hundreds of thousands of people their jobs and their pensions.

But here's an even better reason to deal with low performers: You simultaneously deal with high performers. When you follow the steps in this chapter, you're doing more than addressing the 8 percent of your employees who need to move up or out. You're also spending 92 percent of your time dealing with people you want to keep.

How powerful is this time spent with medium and high performers? An anecdote from my work with one client may best illustrate the answer. The manager had just met with one high performer when the employee said, "I need to tell you something. You're a good boss. People like working for you. You're not afraid to get down into the trenches." The manager was so touched she started crying.

You see, the reason leaders don't always feel great about being leaders is that we tend to surround ourselves with the people who perpetually tell us what's wrong, instead of the 92 percent of our employees who actually *want* to work with us. That makes sense, right?

To recap: What have you accomplished when you follow the advice in this chapter? Well, you've talked to all of your employees one-on-one. Every single employee, including leaders and followers, knows exactly where he or she stands.

- *For the high performers:* You've let them know how much you appreciate them. You've told them specifically why they're valued, and talked about what you can do to keep them—which is usually more training, more opportunity, or more responsibility.
- *For the middle performers:* You've told them that you want to retain them. You've also discussed professional development and shared your commitment to it. Your middle performers

Up or Out

have walked out of these meetings feeling great. They know they're wanted; and not only that, they have an organization committed to their development.

- *For the low performers:* You've put them on notice. They won't be surprised, although they may pretend otherwise. (Those in Human Resources verify how rare it is for an employee to come to them shocked over a bad performance review that they had no idea was coming.) You've outlined exactly what they were doing that needs improvement. You've told them how you feel, you've gone over step by step what they need to do to meet expectations, and you've told them the consequences of not doing so.

In the end, you have shown value-driven leadership for every single employee in the organization. That's what this thing called *leadership* is all about: working within the organization to maximize the human potential inside it.

KEY POINTS FOR HARDWIRING RESULTS

- Low performers can cause serious damage to your organization. Because of them your customers may get neglected, your middle performers may get pulled down, and your high performers may become disenchanted and leave. You risk ending up with an organization filled with medium and low performers trudging along.
- Schedule conversations about performance with all employees, using Studer Group's *Employee Tracking Log* tool (download a sample on studergroup.com). Have all leaders meet one-on-one with each of their employees to provide performance feedback, meeting with high performers first, middle performers next, and low performers last.
- Your conversations with high performers should focus on *recruit to retain*. Your middle-performer conversations should

RESULTS THAT LAST

focus on *support—coach—support*, while your low-performer conversations should take the *DESK* approach:

Describe what has been observed.

Evaluate how you feel.

Show what needs to be done.

Know the consequences of continued low performance.

- As a result of implementing these tactics, you'll spend 92 percent of your time with the high and middle performers. They'll feel reengaged, you'll move the entire organization's performance curve, and everyone will enjoy great results—results that last.
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