STEP UP

ADDRESS
PERFORMANCE AND BEHAVIOUR ISSUES
BEFORE THEY TURN SOUR

MEGUMI MIKI

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THE CONTEXT

At a time where leaders are expected to deliver more with less, leaders are already time-poor and overwhelmed. Having issues with performance or behaviour in a team is costly to the leaders, the organisation and the individuals involved – whether they are unaddressed, ineffectively addressed or being addressed through formal processes.

THE PROBLEM

The unfortunate reality is that many leaders are not great at or comfortable with building accountability and holding people to account. This is amplified by the mixed quality and low priority placed on performance conversations. It's no wonder "managing under-performance" is often a low-scoring item in engagement surveys.

WHAT DO DO

Support leaders to step up and address issues by avoiding the common mistakes of 1) blaming the individuals, 2) not addressing what is in their control, 3) not understanding the underlying causes, 4) not establishing acceptance and ownership first, and 5) addressing the issues too late.

THE COST OF POOR PERFORMANCE AND BEHAVIOUR

At a time where leaders are expected to deliver more with less, leaders are time-poor and overwhelmed. Unaddressed or ineffectively addressed issues with performance or behaviour in a team is costly to the leaders, the organisation and the individuals involved.

The Australian Human Resources Institute (AHRI) have identified the following possible negative effects of failing to address performance quickly:

- Underperforming employees mistakenly believing their performance is satisfactory without feedback to the contrary

- Performance may continue to decline, which can infect the behaviour of others in the workplace

- Employees who are performing comparatively well finding the lack of management action as de-motivating, leading to a lack of morale, respect for their manager and disengagement.

Some leaders and organisations try to get around the issue by using an organisational restructure as a reason for moving people on. I have even heard of cases where people are moved out by being promoted into another team! In these cases, one or both of the following issues remain unaddressed: 1) the individual's performance or behaviours; 2) the leader's ability to address performance and behaviour issues.

Going through the formal performance management process is even more stressful and time/energy-consuming.

THE LEADERS ARE BURDENED BY

- Poor quality output from and/or relationships with the individual, holding back the team's performance

- The time, effort and emotional stress involved in trying to turn things around

- Time taken away from other important activities, whether this is serving the customer, strategy, collaborating with peers or coaching other members of the team

- Dissatisfaction from the other team members who are performing and having to 'carry' the individual

THE ORGANISATION SUFFERS FROM

- The ripple effect of the individual's poor quality output and/or relationships

- The time, effort and emotional stress of not only the leader, but also the HR team and others involved in giving feedback, supporting the leader and the individual

- Lower engagement from those who are performing, as they perceive the issues to not have been addressed ("managing under-performance" is often a poorly-rated item on Engagement Surveys)

- The potential risks of stress leave, bullying claims or unfair dismissal claims if poorly managed

IT IS ALSO COSTLY TO THE INDIVIDUAL GOING THROUGH THE PROCESS DUE TO

- The stresses of being put under pressure

- The damage to their confidence

- The strain in relationships with the leader

Dismissing individuals due to underperformance and replacing them with another may also cost your business a lot more than you realise, according to Anthony Fogarty from the Fair Work Ombudsman's office. The costs of replacing an individual includes:

- The recruitment, induction and training

- The costs associated with a new employee getting used to you, the business and the rest of the staff

- The time it takes for a new starter's confidence, productivity and efficiency levels to match those of the underperforming employee who they replaced. And there's no guarantee you won't end up back at square one.

IT IS COSTLY FOR ORGANISATIONS AND LEADERS IN ALL SITUATIONS...

...whether we have team members who are underperforming and you haven't address the issue, we are taking them through an informal or formal process of performance improvement process, or we go ahead with replacing the team member.

> **?** What if leaders were better at supporting people to lift performance or adjust their behaviours before it turns sour, before it gets to the point of needing to go through the performance improvement process?

The time, effort and emotional energy saved is enormous. It would be naïve to claim that everyone can be turned around, but even 5% more people improving would significantly reduce the costs to the leader, the organisation and the individuals involved.

THE REALITY OF HOW LEADERS ADDRESS ISSUES

The unfortunate reality is that leaders are not great at building accountability. "One in two managers are terrible at accountability," according to Darren Overfield and Rob Kaiser (HBR November 08, 2012). In this article, the authors claim that **"holding people accountable is the single most shirked responsibility of executives."**

Many organisations often **rate poorly on "managing underperformance"** as an item in staff engagement surveys. In discussions about this item, leaders would often explain the issue as something that they are doing, but people don't know about it as it's dealt with in private. While this is certainly true in some cases, the perception that underperformance is not managed well impacts the team's engagement.

In addition, many recent studies show that a large amount of organisations see their performance management system as:

- **A chore and people do it only because they have to:** 67% of respondents said performance management was seen as a compliance exercise, according to PwC's 2015 report "Performance Management: Change is on the way but will it be enough?"

- **A waste of time:** Only 10% of respondents saw performance management as a good use of their time, according to Deloitte's "Global Human Capital Trends 2015" report.

- **Too much focus on the process, insufficient focus on the conversation:** The PwC report indicated that 78% of surveyed companies said that a focus on process rather than quality of discussion and outcomes was an issue. 69% of companies see line managers not prioritising performance conversations and feedback.

Regardless of the system, there have always been and always will be managers who lift their team's performance. It is the conversation quality that is at the heart of improving performance. With poor quality and low priority placed on conversations, it is no wonder that we see performance and behaviour issues being unaddressed or ineffectively addressed.

> **?** If leaders are under-skilled at holding people accountable, are not good at managing underperformance and see performance management as a chore, is it possible that more people than necessary are underperforming or having to go through the difficult performance improvement process?

COULD WE BE DOING BETTER?

Below is the progression for the person with some issues with performance and/or behaviour based on the leader's approach to addressing the issues and holding people to account.

Performance Is	The person is	Leader's approach is	Leader Effort vs Result
Uplifted	ACCOUNTABLE	Stretching and supportive	1 : 5+
	ACCEPTING	Direct and caring	1 : 2
Limited	COMPLIANT	Disciplining	3 : 1
Stalled	UNWILLING	Forceful or too nice	1 : 0~1
	UNAWARE	Avoiding or ignoring	0 : 0

Figure 1: Leader's approach to holding people to account and the impact on people

THE UNAWARE

Some leaders are so afraid of conflict that they avoid the necessary conversations and interventions. Even if they are frustrated with the performance and/or behaviours, they try to ignore the situation or create explanations of why they don't address the issue. "Oh, they won't change, it's just how they are," they might say. "There's no point, they're just going to react and make things worse," may be another.

THE UNWILLING

Many leaders fall into the trap of either being too forceful or too nice. By being too forceful, the individual concerned may be intimidated, become defensive, be hurt or shut down. There is always the risk of the behaviours being perceived as bullying. By being too nice, the individual may not see the significance of the issue, not take it seriously and not take responsibility for fixing the issue. In either scenario, the conversations are ineffective and do not build any WILL for the individual to do anything about the issues. Some of them try both approaches. Leaders are exasperated by the effort they have put in, saying that "they've tried everything and it's not working". This is the point at which they feel they need to rely on formal structures and processes as they feel powerless to turn things around in any other way.

THE COMPLIANT

Some leaders may use formal or informal approaches to 'discipline' people, giving specific feedback on areas to address in people's performance or behaviours. They may document these items, involve a 3rd party in a conversation and follow up conversations to check on progress. While this approach is more helpful than the previous two approaches, individuals are more likely to become compliant due to the nature of the approach being based on threat and consequences. In some cases this may be the best that can be achieved, but the risk is that the individual will do 'just enough' rather than willingly lift performance and/or change behaviours. It's just like being told off and disciplined as a child.

With the approaches discussed so far the results are limited, at best. At worst, the results may stall or decline, depending on the individual's propensities to fight back or withdraw.

THE ACCEPTING

The tipping point occurs when leaders find a way to integrate being direct and caring at the same time. When individuals 'get' that the leader cares about them, there's a greater willingness to hear the tough messages and accept that they need to change something. Only when the individual accepts and takes ownership of the issue is there is potential to lift performance, not just get to 'just enough'.

THE ACCOUNTABLE

When leaders demonstrate belief in the individuals and stretch them with great care and support, individuals are most likely to go beyond acknowledging the need to change. They start to feel accountable – for the change, the results, and their contribution. There is a bigger WHY to making improvements such that the individuals willingly put in the effort. When individuals feel accountable, they have the potential to not only improve, but completely turn from being underperforming to high performing with the leaders' support.

Leaders' ability to support people to turn around their performance and/or behaviours is crucial, given the business and personal costs of having underperforming team members or people with ineffective behaviours. Most leaders are more willing and capable of supporting people if the individuals took accountability for improving their performance and/or behaviours. Unfortunately, in many cases, leaders fail to build accountability and the effort they put into the turnaround and get stuck at 'Compliant', at best.

Here are five common mistakes made by leaders facing people with less than desirable performance and behaviours.

1. BLAMING THE INDIVIDUAL

The big mistake that leaders make when addressing performance or behaviour issues is that they blame the individual for the issues. We may hear frustrated leaders say:

"He's just not cut out for it"

"There's nothing more I can do, it's just how she is, it's her personality"

"He just doesn't want to be here"

"She has been here a long time, she's not going to change"

"I've tried everything and he's still not improving"

Can you hear the blame, judgement and assumptions in these comments? Unfortunately, when leaders go into blaming the individual, it gets in the way of helping the individual make improvements for two reasons:

- The individual feels the blame and judgement such that their brain goes into survival mode
- The leader is not modelling what it looks like to take accountability and does not encourage the individual to take accountability

Social psychology research over the last 50 years indicates that only up to 30% of individual behaviours are explained by the individual personality and traits, while 70% or more are explained by the environment. Therefore, it makes no sense to blame the individual as the only cause of the performance and behaviour issues.

"People leave their managers, not their organisations or jobs" is a commonly shared view. If this is true, then surely the leaders' impact on individual performance must be significant enough to matter. Of course, the organisational context would also matter, such as the systems, structure, culture, other working relationships as well as how the business is going and which changes are happening.

So the first and most important step is for the leader to take accountability for their part in the existing situation, as tough as that may be.

2. NOT ADDRESSING WHAT IS IN THE LEADERS' CONTROL

While there are many leadership capabilities that are expected of leaders, one of the most difficult, and potentially overlooked, is the ability to be tough and caring at the same time. This allows leaders to have conversations that hold people to account while maintaining or growing trust in the process.

The good news for time-poor leaders is that, while it may take some focus and attention, it's not as time-consuming or difficult as we may think. It requires leaders to take accountability for their part in the issue and focus on what they can adjust.

WHAT'S WITHIN THE LEADERS' CONTROL

Once we start to take accountability for our part in the issue as leader, we can start addressing:

- **Our own mindsets** – how we are thinking and feeling about the issue affects our behaviours and the results we get.

- **Our behaviours** – what we do, don't do, say, and don't say are constantly being interpreted by people. If the current way of behaving is not working, it's time to change it.

- **Our awareness** – some of us are unaware of the impact we have on people. By noticing how people react we can start making adjustments.

"The quality of the intervention depends on the internal state of the intervener" is a saying that suggests that the work on the intervener's part (in our case, the leader) is just as important as the work on the person being addressed. In essence, we can work on ourselves first to help others to work on themselves. Our mindsets, behaviours and awareness are all within our control.

IT'S ABOUT HOW WE DO WHAT WE ALREADY DO

Leaders are under so much time pressure that most of us don't have time to add any extra activities. But if it's about adjusting how we do what we already do, there are no excuses. For example, adjustments can be made to actions such as:

- What we believe and assume about people

- How we start conversations

- How we pay attention, listen and observe

- The types of questions we ask

- The words, tone, body language to use or not to use

Sweat the small stuff, as Rory Sutherland states in a TED talk. The small things we do or don't do have a disproportionate impact when it comes to human psychology and behaviour.

3. FAILING TO UNDERSTAND THE UNDERLYING CAUSES

Another mistake we can make as leaders is to simply look at the symptoms of poor performance or behaviours and not consider or investigate the underlying causes.

The white paper, "Inspire to Outperform" highlights three conditions for teams to be inspired to outperform – Aligned, Confident and Engaged – as illustrated in figure 2. All three conditions are needed, as missing any one or two of them out will lead to less than desirable behaviours.
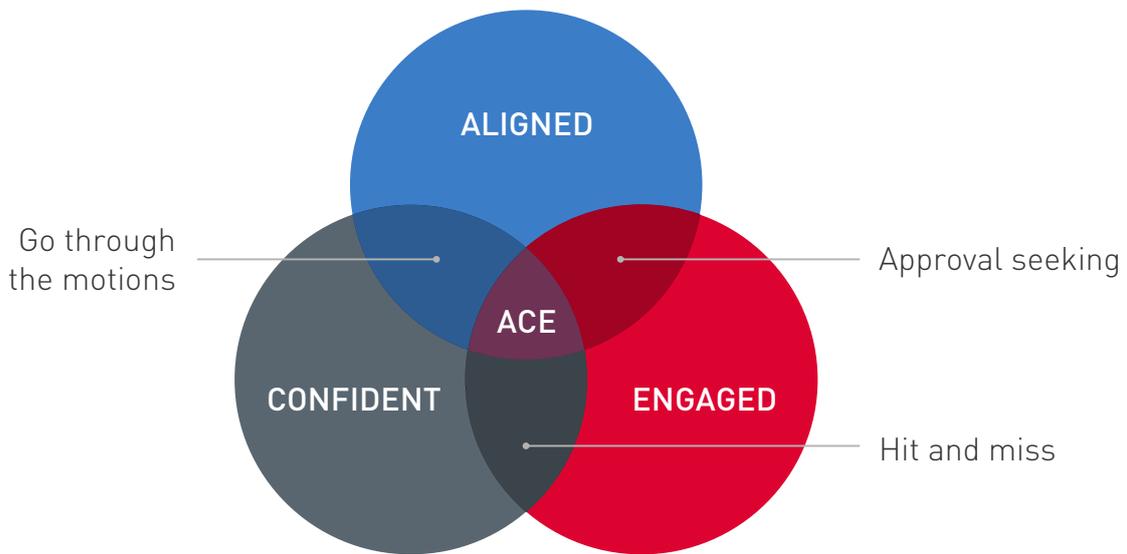

Figure 2: ACE Teams!

In the context of people with performance or behaviour issues, one or more of these three conditions may be a contributing factor.
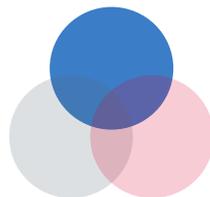
MISALIGNED

When people do not perform or behave to expectations, one possible reason could be that they simply do not understand what is expected or the feedback given to them. They may not fully understand why it is important and how it fits into the broader context. They may misunderstand the specifics of how to meet the expectations or act on the feedback.

A common mistake we make here is that we assume that people understand, accept and will act on what we tell them.

> **"** The single biggest problem in communication is the illusion that it has taken place.
>
> **– George Bernard Shaw**

It may be that we 'soften' the message so much so that the message doesn't actually get through. Or we talk using generalised or abstract language so that there are multiple interpretations as to what we are actually saying. For example, imagine if you got told, "you need to take more accountability" or "you need to be less defensive." What could you do with that? We all have different ways of understanding and processing information, so to expect people to understand, accept and act on what they are told is like asking people to read leaders' minds.

Another mistake is leaders assuming that people should align with them because they have the title of 'leader'. It is possible that people don't agree with us but feel they can't discuss how they feel.

Or perhaps they see the leaders' actions as based on self-interest and not to support them. Most leaders, if they do have the difficult conversations with the people with performance or behaviour issues, do it out of obligation to the organisation and to meet the expectations of their role. People may perceive a 'vibe' that we are having conversations because we have to, not because we care. It's also possible that people see that we are not congruent with what we're saying. For example, if we've told people that punctuality is important and we turn up late, the message gets diluted.
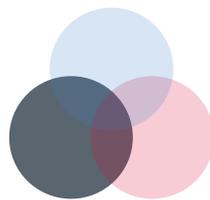
LOW CONFIDENCE

When people are low in confidence about something, it is natural to hold back, do just enough or simply do as they're told. When people feel threatened, the fear-based reactions kick in and the rational, logical part of the brain – our neocortex – does not function well. It's difficult to turn performance or behaviours around when people are feeling threatened.

Some people even feel threatened by just the thought that their manager isn't happy with their performance and/or behaviour. Some are very sensitive as well, so they'll pick up on the subtle cues of disapproval and judgement by the manager. Not naming the issue directly can be worse than being given direct feedback, as people usually know there's something wrong and start second guessing and doubting themselves.

Confidence can be affected in other ways. It may be that there is a change in organisational structure and they feel threatened by it. Perhaps they were hung out to dry when they made a mistake rather than supported to learn from it. When people don't feel safe, it's too risky to take accountability.

A common mistake we can make as leaders is that we don't pick up on the low confidence or we fail to provide support to help build their confidence. Another is that we don't realise or acknowledge that we are actually causing people to feel fearful. These mistakes can easily happen because the leader is frustrated by the lack of results or progress and miss the underlying causes.

Confidence is not built by simply telling people "be more confident", "you can do it" or "believe in yourself" either. Leaders need a more sophisticated understanding of how to build confidence in people if that's what is missing.
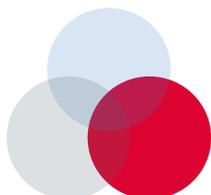
DISENGAGED

Another factor that could contribute is that people's performance and/or behaviours deteriorate because they have become dissatisfied or disengaged. It could be that they didn't get the role they really wanted, or feel like they have been treated unfairly. Perhaps their 'care factor' has declined as they have lost sight of the bigger picture and how they contribute. Alternatively, they may have just become stale in their role after many years of service.

As frustrating as it is to learn this, we, as leaders could be contributing to people's disengagement. According to Gallup's estimates in the State of the American Manager: Analytics and Advice for Leaders, managers account for at least 70% of the variance in employee engagement scores across business units.

Whatever the reason, disengaged people do not perform at their best. Some people are 'actively' disengaged, according to Gallup Organisation's "State of the Global Workplace" survey. In Australia, 16% of those surveyed were identified as actively disengaged. Imagine trying to improve performance or behaviours of anyone who is actively disengaged!

A common mistake leaders can make around disengagement is failing to understand and empathise with people around what is causing them to be disengaged. "Why can't they just get over it?" "Everyone else is fine, what's their problem?" and "There's not much we can do about it, so they have to deal with it" are un-empathetic thoughts that leaders may have.

The other mistake is that leaders let people off the hook by empathising too much. Empathy and compassion are the stepping stones to giving tough love. Most people will start engaging when they feel that leaders are being tough because they acknowledge their pain and are trying to help them to get out of it.

Not appreciating what matters to people is a big disadvantage when it comes to engaging people. If leaders have not been observant enough to know what is important to their people, their chances of engaging them are low.

4. GOING INTO FIXING MODE BEFORE ESTABLISHING ACCEPTANCE AND OWNERSHIP

So often leaders go into fixing mode before the person has accepted that there's an issue and that he or she needs to do something about it. The leader might say things like:

"So what you need to do is..."

"You should be doing..."

"What I need you to do is..."

And the person hearing this sits there looking blank or disengaged, with thoughts of "yeah yeah, here we go again" "whatever you say, boss" "Heard it before, it doesn't work. You don't get it, do you?" [Note: You can add a teenager tone to all these thoughts.]

We are so keen to fix the problem that we don't make the effort to check the level of acceptance and ownership or have the patience and/or skill to build acceptance and ownership. The likely outcome without acceptance and ownership is that the person will do just enough, if we're lucky. If not, they could rebel and keep blaming everyone and everything else to get out of it.

5. ADDRESSING THE ISSUES TOO LATE

The earlier we address the issues, the easier it will be. 'Nip it in the bud' was highlighted as the most important factor in obtaining leadership excellence in McKinsey's white paper, "Bad to Great: The path to scaling up excellence."

Unfortunately we allow busy-ness to get in the way of addressing important issues such as our team members' performance and/or behaviour issues. We know the issue is there but feel the pressure to keep on track with our tasks. We find ways to get around the performance and/or behaviour issues, even if we know that the issues won't go away and it may get worse. By not addressing it early enough, we send a message that it is acceptable to perform/behave in that way.

One of our mistakes is that in our heads we tend to make the issue bigger than it really is. In psychology this is called the Impact Bias, our tendency to overestimate our emotional reaction to future events. For example, we think the person is going to react badly to the tough conversation so we avoid it or soften it too much. The issue then doesn't get addressed properly and instead gets bigger and worse. So who's contributing to the issue not getting addressed?

THE ADJUSTMENTS DON'T HAVE TO BE THAT DIFFICULT OR TIME-CONSUMING

What it takes is a shift in mindset as well as an expansion in their skill-sets. The good news is that a lot of what is needed is in our control as a leader. It takes some focused attention on ourselves, but not necessarily huge amounts of extra time. Most of the adjustments are to do with doing what we are already doing differently, incorporating different mindsets. Relative to the cost of not making any change, the focus and effort required to make the adjustments are small.

WHAT ABOUT YOU AND YOUR LEADERS?

We cannot avoid the reality that individual performance will vary and leaders need to support people more effectively, whether people are performing well or not so well. Leaders' ability to enable performance turnarounds is key to avoiding the costs of poor performance and building a culture of accountability.

As an organisation:

- What proportion of your leaders are effective at building accountability such that performance and behaviour issues are minimised or addressed early?

- What is it costing the business to have leaders who are ineffective at holding people to account or at helping people lift performance?

- How much time, energy and emotional stress would be saved by turning people around before formal performance management processes are needed?

- What results could be achieved if performance and behaviour issues are 'nipped in the bud'?

- What would be the ripple effect of 5% more people turning around their performance and/or behaviours with effective support from their leaders?

To learn more about the **Step Up** program or how you can grow accountability-building leaders and a culture of accountability, talk to **Megumi.**

CONTACT MEGUMI

✉ **megumi@megumimiki.com**

📞 **0407 323 032**

🌐 **www.megumimiki.com**

Megumi regularly provides insights, thought starters and tools around inspiring people to perform at their best and building accountability. Register to obtain more information at

🌐 **www.megumimiki.com/blog**

Megumi helps leaders make adjustments to their everyday leadership to inspire people to perform at their best. Leaders who have made the adjustments have had breakthroughs with people who have been difficult, engaged people who have been disengaged, seen teams transform to become proactive rather than passive, and had people take accountability rather than blame and make excuses.

Her recent successful tailored leadership program for National Australia Bank has received excellent feedback, with positive impact on participants' leadership and performance. Demand for the program has been strong for nearly 2 years, with more than 700 people having participated as of May 2015.

Megumi has over 20 years as an internal and external consultant to large corporations including National Australia Bank, ANZ Bank and Accenture. Her experience ranges from organisational development focusing on leadership and culture to strategy and business performance analysis. She offers an approach to Leadership and Organisational Development that taps deeply into hearts and minds while aligning to the strategic goals, performance imperatives and leadership challenges of specific organisations.

Megumi is passionate about inspiring people to be their best by unleashing their own potential as well as enabling people to inspire others. Her passion comes from having direct experiences of leading people and being led, giving her a practical understanding of the opportunities and challenges of leading people.

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