Analyzing Employee Performance Problems

Course No: K02-006
Credit: 2 PDH

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Learning Outcomes

After this course, you will:

- Be able to discuss the history of some of the founders of Management Theory
- Be able to describe what management traditionally controls
- Explain the difference between McGregor’s Theory X and Theory Y management styles
- Analyze behavior to determine whether or not employee performance is a problem or just an irritation
- Be able to explain how there is a 90% probability that an employee’s lack of satisfactory performance has its roots in something controlled by management
- Be able to conduct an objective and systematic approach to analyzing employee work performance problems
- Know how to ask specific questions to determine root causes of performance problems
- Make recommendations for change that create long-lasting solutions for recurring performance problems
Course Overview

This course will teach you how to analyze employee performance problems quickly and identify methods of dealing with them effectively. It begins with a short history of management theory to help you understand the background of what you are doing. (This assumes, of course, that you are now a leader of others or want to prepare for becoming one in the near future.)

Then it takes you systematically through ten sequential steps to discover whether something that management controls is the root of the problem. You may be surprised to learn that nearly 90% of the reasons for employee performance problems have their roots in situations controlled by management!

This technique allows managers to retain good will with employees by looking at reasons other than the employee first when trying to isolate causes for work problems.

We hope this course will remain as a handy reference for you long after taking the course and collecting the credits for it.

Richard Grimes, Course Author

Birmingham, Alabama

February 2013
"What do you think is management’s role in relation to employee performance?"

Your answer to this depends on your academic background, experience as an employee, the kinds of leaders, bosses, or tyrants under which you have worked, and your personal thoughts about any activity called "work."

The view that the activity called "management" may have some well-defined behaviors associated with it just like engineering, surveying, or architecture does, was revolutionary after the turn of the twentieth century. Soon, however, it became evident that we could not look at management practices in a vacuum because management occurs within an organization.

Whether the "organization" is a work team of one boss and one worker or thousands of each, the study of any management practice must be done within the context of the organization.


A "Theory X" manager has a negative view of employees assuming they are lazy, untrustworthy, and incapable of assuming any responsibility.

However, the counterpart, a "Theory Y" manager, looks at employees differently as being trustworthy, responsible for accomplishing their own work objectives, and capable of assuming high levels of motivation.
Another belief that a Theory Y manager would have comes from one of the world’s most famous scientists and thinkers, Albert Einstein, who told us, “You cannot do things the way you always have and expect different results.”

Can you recall trying to do something the same way over and over and expecting different results?

How does this situation apply to your workplace or your personal life?

“So,” you ask, “what does all of that have to do with analyzing employee performance problems.”

The reason we mention that is we are about to show you why there is a 90% chance that an employee performance problem may have its roots in something controlled by management! Theory X managers would never consider such a possibility.

“Failure to perform to expectations is only because the employee is too lazy or just doesn’t want to”, they would confidently affirm while never considering any other possibility.

If you are a Theory X type of manager, this will be a difficult course for you because it will severely challenge your perceptions of the workplace. However, if you are willing to consider other possibilities, then you will enjoy this (and start enjoying leading your employees, too.)
Another famous thinker in the world of Management and Organizational Theory was a French mining engineer, Henri Fayol (1841-1925). He identified fourteen general activities associated with getting work done through others (“management”). These were later grouped into six broader categories with the acronym PODSCORB (planning, organizing, developing, staffing, coordinating, and budgeting).

Fayol’s Original Fourteen Principles of Management were:

1. **Division of work**. This principle is the same as Adam Smith’s ‘division of labor’. Specialization increases output by making employees more efficient by focusing on repeating a single task many times than doing several tasks fewer times.

2. **Authority**. Managers must be able to give orders. Authority gives them this right. Note that responsibility arises wherever authority is exercised.

3. **Discipline**. Employees must obey and respect the rules that govern the organization. Good discipline is the result of effective leadership, a clear understanding between management and workers regarding the organization’s rules, and the judicious use of penalties for infractions of the rules.

4. **Unity of command**. Every employee should receive orders from only one superior.

5. **Unity of direction**. Each group of organizational activities that have the same objective should be directed by one manager using one plan. (This gave rise to the later concepts of organizational “Vision” and “Mission” statements.)

6. **Subordination of individual interests to the general interest**. The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole. (The foundation of the “Team work” concept.)

7. **Remuneration**. Workers must be paid a fair wage for their services.
8. **Centralization.** Centralization refers to the degree to which subordinates are involved in decision making. Whether decision making is centralized (to management) or decentralized (to subordinates) is a question of proper proportion. The task is to find the optimum degree of centralization for each situation. (The art of delegation arise from this.)

9. **Scalar chain.** The line of authority from top management to the lowest ranks represents the scalar chain. Communications should follow this chain. However, if following the chain creates delays, cross-communications can be allowed if agreed to by all parties and superiors are kept informed.

10. **Order.** People and materials should be in the right place at the right time. (The foundations of supply chain and production specializations in later years.)

11. **Equity.** Managers should be kind and fair to their subordinates.

12. **Stability of tenure of personnel.** High employee turnover is inefficient. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.

13. **Initiative.** Employees who are allowed to originate and carry out plans will exert high levels of effort. (This demonstrates his early understanding of what motivates employees.)

14. **Esprit de corps.** Promoting team spirit will build harmony and unity within the organization. (Once again, the foundations of team building and team work.)

We can definesthose management duties a little farther with today's context and say it includes:

- Training employees
- Providing resources such as equipment, information, guidance, and direction
- Defining performance standards
- Understanding, at least minimally, what motivates employees
Theory X and Theory Y in Practice

Let us look at a situation where an employee did something that ended up as a problem. A Theory X manager would say, “You screwed up! It’s your fault!”

However, a Theory Y manager using Einstein’s quotation would look at the same situation and ask, “What may have led the employee to the wrong performance?” because he knew that outcomes flow from inputs. (This section is based upon Analyzing Performance Problems and Why Employees Don’t Do What They’re Supposed To Do)

Einstein’s quote must also be considered when you are trying to get employees to change their behavior. Burn this next piece into your mental ROM chip:

You cannot begin to coach for a change in behavior without first addressing the CAUSE OF THE BEHAVIOR.

Otherwise, the behavior will JUST KEEP REPEATING every time the cause reappears!!

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2 Why Employees Don’t Do What They’re Supposed To Do and What To Do About It, Fournies, 1988
Systematic Performance Analysis

Before getting into this analysis tool, we must first have a universal understanding of what we mean by “problem behavior” and how we determine whether we should do anything about it.

The easiest, most universally relevant question to ask when trying to determine if we have problem behavior in the workplace is, **“DOES THAT BEHAVIOR IMPACT THEIR WORK OR SOMEONE ELSE’S?”**

If the answer is “yes,” then go after it. If the answer is, “No” or “Not sure,” then take some time to think about it some more. **If the behavior just irritates you but does not affect your work, it may cause more trouble dealing with it than any gains from ignoring it.**

For example, suppose you are a manager with an employee who you think could be a lot more productive but, for some reason you cannot identify, just isn’t reaching his potential.

This flowchart will prove to you that 90% of the reasons for employee performance problems have their roots in systems controlled by management. Work your way through these ten steps and you will see what we mean.

Once again, you cannot begin to coach for a **change in behavior** without first addressing the **CAUSE OF THE PROBLEM**. Otherwise, the problem will never be resolved!

**REMEMBER, YOU MUST DO SOMETHING DIFFERENTLY IF YOU WANT A DIFFERENT OUTCOME!**
Performance Problem Flowchart

This flowchart will prove to you that 90% of the reasons for employee performance problems have their roots in systems controlled by management. Work your way through these ten steps and you will see what we mean.

**Before you begin**
Ask yourself, “Is this issue worth pursuing?”

**Question:** How do you know if it is worth pursuing?

(If it interferes with work, it is worth pursuing! If it is only a nuisance or aggravation, but does not interfere with work, it may be best to leave it alone.)

If it is worth pursuing, go to STEP #1. If not, you are done!

Remember, you can stop anytime the problem is “sufficiently solved.” (This means it is not worth the time, effort, or expense to “fix it better”.)

**STEP #1**
Ask yourself, “Are my expectations clear?”

If clear, go on to the next step. If not, CLARIFY THEM USING TERMS OF QUALITY, QUANTITY, and TIME.

**STEP #2**
Ask yourself, “Are their resources adequate?”

**Question:** What do you ask your employee here?

(“I want to make sure I did a good job of explaining. Please tell me what you think I expect you to do.”)

If you are satisfied they are adequate, go on to the next step.

If not, what should you do?
STEP #3
Ask yourself, "Do they get fast and frequent feedback on their performance?"

Question: What do you ask your employee here? ("How do you know how you are doing?")

If you are satisfied they get fast and frequent performance feedback, go on to the next step. If not, what should you do?

STEP #4
Ask yourself, "Does the desired performance seem punishing?"
(Hint: What do you usually do if they finish early and others havenot finished yet?)

Question: What do you ask your employee (or yourself about the situation) here?
(If their “reward” for finishing early is you give them the work the slower people have not finished, you will soon have no one finishing early. You must praise the ones who finish early, let them know you documented their file that they finished ahead of the others, and ask if they will help the slower ones. This way they do not feel the slackers are getting away with anything)

If it does, what should you do?
If not, go on to the next step.
STEP #5

Ask yourself, “Is poor performance rewarded somehow?” (Hint: What do you usually do if they have not finished yet but others have?)

If this could be happening, what should you do?
If it isn’t happening, go on to the next step.

Question:
What do you ask your employee (or yourself about the situation) here?
(This is the opposite of above. If they are behind, let them know you documented their file that they were behind and you asked a faster worker to help pick up their slack.
This way, they realize they are not getting away with anything.)

STEP #6

Ask yourself, “Is there any penalty for not doing it right?”

If there are clear penalties, go on to the next step.
If not, what should you do?

Question: What do you ask your employee (or yourself about the situation) here?
(“Is there any penalty for not doing it right?”
If there were no penalty, why would they stop doing it?)

STEP #7

Ask yourself, “Is their non-performance a genuine skill deficiency?”

Question:
What do you ask your employee (or yourself about the situation) here?
(Can they not do it or can they do it but just do not want to?)
If it is a genuine skills deficiency, go on to the next step.

**Question:**
Have they ever done this in the past?
(If so, give them practice to refresh their skills)
If not, continue to the next step.

**STEP #8**
Ask yourself, “Can the task be made easier?”

If it can be made easier, do it.
If not, go to the next step.

**Question:**
What do you ask your employee here?
(“Can you think of any easier way you can do this?”)

If it is a genuine skills deficiency, go on to the next step.

**STEP #9**
Ask yourself, “Are there any other obstacles keeping you from meeting our performance expectations of you?”

If there are, remove them.
If not, go to the next step.

**Question:**
What do you ask your employee here?
(“Can you think of anything keeping you from doing this?”)
STEP #10
Ask yourself, “Does the person have the desire to change?”

If they are willing to change their behavior, train them to the desired skill level!

If they are not willing to change their behavior, then REPLACE THEM!

Have you noticed that every step, except #10, is a factor controlled by management?

This is why we say there is a 90% probability that an employee's performance problem is caused by something controlled by management!

Look there first with performance issues to save yourself some embarrassment later.