

WAYS TO MANAGE UNDERPERFORMING OF THE EMPLOYEES

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Abstract An underperforming employee fails to meet the required performance standard. There can be many reasons. These can be related to organizational culture, work culture /shop management, HR management or personal factors. Managing performance is very crucial for manager to obtain higher productivity and fulfill the tasks and targets set by the organization. The main reasons for underperformance apart from the personal reasons are lack of skill, knowledge, experience, information and understanding and personal issues of employee. Designing and compliance of effective performance management system and formalized communication system is challenging and critical for an organization for managing underperforming employees. Proper HR support, setting realistic tasks and targets, providing resources to perform and resistance to change are the other challenging areas.

The reasons causing underperformance can be identified by discussing with the concern employee and jointly devising a solution. The performance review meeting with the employee should be held regularly to monitor the performance and provide feedback as well as encouragement to the employee. In case the performance improvement of the employee is not up to the standard the employee may be offered an alternative job in the organization. The performance issues are to be solved jointly by the manager and the employee. This not only helps the employee to achieve the standard performance/tasks and targets but also beneficial for the organization.

Keywords: performance management system, organizational culture, communication system

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Introduction

India is the youngest country having an average age below 25 years and about 62.5% of India's population is of working age (Between 18 to 60 years of age). It is expected that, in 2020, the average age of an Indian will be **29 years**, compared to 37 for China and 48 for Japan. The rich countries will face a shortage of working people while India will have a surplus. Hence India is bound to emerge as the global hub of working force. However the country needs to raise its labor productivity growth to 7.3%; as against 5.52% during the decade beginning 2000; to attain a GDP growth rate of 9%.

Underperforming employee gives lower productivity with poor outputs and poor quality of works. Hence it is very important that underperforming employees are identified to help them to improve their performance in the workplace. One of the major reasons for underperformance under Indian condition is lack of skilled labor force .While India is adding at least 7.2 million new workers to its labour pool every year the skilled work force forms just around 2% of the total youth work force. Hence National Skill Development Corporation (NSDC) was formed as a Public-Private Partnership enterprise to build a skilled manpower pool in the country.

Underperformance or poor performance is a failure to perform the job by the employee to the performance standard set out by the organization in consultation with the employee. Underperformance is not the same as misconduct. Failure to achieve the targets, poor quality and low productivity is considered as underperformance while absence from work, bad behavior, theft, fraud and violence is misconduct. There are many causes of underperformance which can be related to organizational culture, work culture, HR management and personal factors. Once the problem of underperformance has been identified and assessed, a solution is to be worked out jointly with employee and a clear plan of action should be developed. It is important that the employee's performance is monitored and feedback and encouragement provided to insure that performance improvements are sustained.

Objectives of the study

1. To understand the reasons for underperformance of the employee.
2. To study the challenges faced in managing the underperformance of the employee.
3. To suggest ways to manage underperforming employee.

Research methodology

The study is descriptive in nature. It is based on secondary data and information which is collected from the concerned documents of various department, reports, papers and web-sites.

Limitation

The research was limited to the secondary data available in journals, publications, reports, research papers and websites only.

Identification of the underperformance

As underperformance is the repeated failure by an employee to achieve the performance level in terms of quality, quantity, work place behavior and company policy, it can be identified in the following ways-:

1. Unsatisfactory work performance
2. Poor Quality of work
3. Unacceptable behavior in the work place.
4. Non compliance with work place policies
5. Not able to embrace the company values.

Reasons for underperformance of the employees

1. Organizational culture -:

1.1 Continual changes in departmental organizational charts due to repeated splitting/incorporation of departments and outsourcing; create an unstable working environment that damages continuity in operations.

1.2 Not according priority for identifying/managing underperforming employees.

2. Work culture/Shop management -:

2.1 The performance standard set by the shop management is unrealistic ambiguous as it does not clearly define the acceptable and poor performance. This results from lack of knowledge of the job content.

2.2 The performance expectations and performance standards are not communicated properly and the feedback and review sessions are not held regularly.

2.3 Lack of role clarity hampers the employee to perform their roles effectively.

2.4 Lack of proper support, resources and guidance by the shop management to the employees.

2.5 Low level of motivation and commitment resulting due to prevalence of favoritism and failure to differentiate between underperformers and star performers.

3. HR Management -:

3.1 Lack of formal employee induction process which lays the basis for issues such as loyalty, commitment and vision/policy of the organization.

3.2 Not having proper training program to bring about certain skills and competencies needed to perform a job to the standards set by the organizations .This may also happen when technological changes occur for which the necessary skills and training are not provided.

3.3 The performance management system also contributes to poor performance because of the improper implementation of the scheme. Lack of regular and timely performance reviews and feedback on performance results in poor performance management.

4. Personal factors -:

4.1 The employee may lack necessary skill, knowledge and experience to handle the job.

4.2 The personal issues of the employee hampering his performance.

4.3 The employees having difficulty working with his boss or co-workers.

4.4 Overstressing of the employee due to unreasonable and unrealistic task.

Challenges in managing underperformance of the employee

There are many challenges while managing underperformance of the employee -:

1. Performance management system – The performance management is a process of appraising performances, giving feedback to motivate the employees to attain their full potential in line with organizational objectives. This process is an important to the employs for dealing effectively underperformance and recognizing the outstanding performance.

In a study of the performance management system in India only 12% believe that their performance management system is highly effective in achieving its objective and 52% have made or/ are planning to make changes to their current performance management system in the near future.

Hence the designing and compliance of an effective performance management system is critical and very challenging. The lack of appropriate skill by the appraiser also hampers the effectiveness of the system.

2. Inadequate system of archiving performance data.
3. Resistance to change in the organization and strength of union movements.
4. The organizations do not have comprehensive job description.
5. Unrealistic targets and lack of resources to perform.
6. Devising and managing a formalized communication system to communicate objectives and targets is very important and challenging. To be effective this system must be multidirectional.
7. HR support and assistance for managing poor performance is very important

Managing underperformance

Before dealing with the underperforming of the employees the following issues must be properly addressed in the organization -:

1. Proper induction process to ensure that the employees are familiar with the company policies
2. Imparting necessary training regularly to ensure that the employee gets necessary skill required for the job.
3. Formulation and implementation of the performance management system.
4. Communication of clear job description and task/target along with the expected quality of work to the employee by the shop management. The poor performance of the employees can be avoided most of the times by proper communication with employees.
5. Regular feedback to the employee about their performance.

Dealing with underperformance by the employee

As and when the underperformance of an employee is noticed, this may be immediately addressed without any delay.

Management of the underperforming employee can be done in the following stages -:

1. Establishing and analyzing the problems – To discuss the matter of underperformance, invite the employee well in advance and letting the employee know the purpose of the meeting. This will help the employee to prepare for the

meeting. It is important that the meeting takes place in private. The employee must be told about their strength and area of good performance before identifying where performance needs to improve. Allow the employee to put explanation on their performance and suggestions. The employee may come out with a better way of doing things. During the discussion the employee must be encouraged to suggest how the performance can be improved. After the discussion causes of problem of underperformance of employee must be clearly brought out .It may be lack of skill or support, strained relationship between staff, lack of role clarity, ambiguous or unrealistic task and targets are unrealistic or are not clear.

2. Devising a solution- The solution must be jointly devised with the employee to ensure that this solution is owned and accepted by the employee. The employee must be offered assistance in the area of skill development, further training and providing necessary clarification or redefining roles and expectations.

A written agreed action plan must be finalized. This must include the following things-:

- a) These plans must set a realistic, measurable standards or targets. A reasonable time scale may be agreed to achieve the performance improvement.
- b) The action plan must also bring out clearly the roles and responsibilities of the employee, the strategies for training and skill development.
- c) The need of any support to the employee must also be clearly mentioned.
- d) The dates/frequency of the review meeting should be set for regular review meeting with employee to review the progress and performance.

A written record of all the discussions relating to the underperformance must be kept in case further action is required. It may be ensured that only issues are discuss and not the person.

3. Monitoring the performance of employee - Regular performance review meeting as agreed earlier in the action plan must be held. During the review meeting the negative and positive feedback should be given to the employee. The support provided may also be noted. The manager should further discuss with the employee to ensue the performance improvement are sustained. The performance review meeting should be held after the performance standards are achieved acknowledging that the issue of underperformance of the employee has been resolved.

In case the performance improvements are not satisfactory the same may be discussed with the employee. If the employee is over qualified or lacking in motivation due to person-to-post mismatch, the employee may be offered an alternative job in the organization. Sometime the personal problem of the employee may also be reason for unsatisfactory improvement in the performance.

In such cases help and support must be provided for improvement including alternative job in the organization.

The performance issues are the joint responsibility of the management and employee hence the above exercise may be considered as a joint problem exercise. This is mutually beneficial for both the organization and the employee.

Suggestions

The following is suggested for tackling the problem of underperformance effectively -:

1. Designing and implementing an effective performance management system.
2. Providing the required training and skill as per the job.
3. The organization must have a multidirectional formal communication system to make the employee clear about the task, target, company policy/standard and consequences.
4. The shop management must take necessary step to improve personal motivation, morale in work place and/or poor work environment and also address the personal issues of the employee.
5. The manager should take immediate steps to tackle the individual underperformance by interacting with the employee to bring about joint action plan and regular review meeting. For this standard operating procedure can be designed and implemented.

Conclusion

The management of performance is very important not only for the organization but also for the growth of the country. The abundant human resources available can be made more productive by identifying the areas/employees resulting into underperformance. There are many challenges but by identifying the reasons of underperformance, necessary steps at organizational level and shop management level can be taken to bring the performance at the standard level.

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