BusinessManagement DAILY

NOVEMBER 14, 2013

Coaching costs less than hiring new employees

by Sharlyn Lauby

Smart business people know it’s more profitable to keep existing customers than constantly having to find new ones. That’s because the costs of acquiring new customers are so high.

The same principle applies to employees. Employers invest thousands of dollars to acquire a new worker. They pour time and resources into recruiting, interviewing, hiring, onboarding and training a new employee.

So if a new employee—or a long-tenured one, for that matter—makes a mistake, it’s often best to consider coaching, mentoring and additional training instead of immediately thinking about discipline and possible termination.

Don’t delay coaching

It comes down to a cost-benefit analysis. What are the relative costs of replacing a staff member compared with salvaging an already-established relationship?

Say a manager is dealing with an employee who isn’t contributing his or her fair share. Everyone understands that the situation needs to be addressed. Other team members can tell this employee is a poor performer. It’s time for the boss and the employee to have a performance conversation. The purpose isn’t to punish the employee. *It’s to change the employee’s behavior.*

The sooner the conversation occurs, the better. The longer the wait, the harder it becomes.

8 steps to better performance

Here’s an outline a manager can use to prepare for a performance conversation with an employee.

1. Let the employee know your concern. Cut out the small talk and get straight to the topic of performance improvement. This conversation is important and should be treated as such.

2. Share observable behavior. Offer specifics about actual behaviors that have been witnessed. If someone else saw the behaviors, try to have that person there. Employees will not respond well to statements such as, “Someone told me you did this ….”

7600 Leesburg Pike, Suite 300, Falls Church, VA 22043-2004 (800) 543-2002

Because the goal is to change behavior, it's important to specifically address behavior.

3. Explain how the problem affects the team. Employees might not realize how their behavior negatively affects others. Managers should be prepared to draw a connection between the employee's performance and the company's success. If negative impact can't be explained, then an employee will question the need to change.

4. Tell them the expected behavior. Even if it has been explained before, managers should clarify what the company's acceptable performance standard is and how employees can achieve the standard.

5. Solicit solutions from the employee. This is so important! Let the employee outline the action steps he or she plans to take in order to correct the situation. If a manager has to tell an employee what to do, the employee hasn't bought into the solution.

6. Convey the consequences. Communicate to the employee what will happen if the situation is not resolved. Consequences can vary greatly, from a transfer request being denied to disciplinary action.

7. Agree upon a follow-up date. "No news is good news" is not a management philosophy. After the employee agrees to work toward improving performance, set a follow-up date to discuss progress.

8. Express confidence. Managers should affirm their belief that the employee has the ability to correct the situation.

Negative performance conversations are never fun—for the person giving them or the person receiving the feedback. Think of the different responses that could arise and how to best answer. Preparation will make the conversation easier.

Sharlyn Lauby is president of ITM Group Inc. (www.itmgroupinc.com), a leadership and organizational consulting firm, and author of the "HR Bartender" blog at www.hrbartender.com.

7600 Leesburg Pike, Suite 300, Falls Church, VA 22043-2004 (800) 543-2002