FlexOps

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How to have a difficult conversation with an underperforming employee

By Ross Brown, FlexOps

If you've been putting off a conversation with someone in your team who isn't performing, I think the way through it is 3 steps. You get clear on what good looks like in their role, you have the conversation this week, and you agree a plan with a date. This page covers how to prepare for it and how to stop it building up again afterwards.

Read this online at flexops.co/resources/difficult-conversation-with-underperforming-employee

When an agency owner needs this

What usually happens is that an owner gets frustrated with someone, leaves it for too long, and it boils up and bubbles to the surface. Quite often it comes out badly, because by then someone is really frustrated about pay or about their performance, and you end up having a really tough conversation. I'd want you to get ahead of that.

All we're trying to do along the way is have an open and honest dialogue between owners, managers and team members about how they're doing and what the agency needs from them. I think it's as much about understanding the person as it is about what your agency needs.

Every so often an owner will say to me, "I think I'm being too soft on the team." It usually comes off the back of something going wrong, such as a hire that didn't work out, a deliverable that fell below the mark, or a pattern of small things adding up over weeks or months until the owner starts questioning themselves.

In my experience it's rarely about being too nice. What's usually missing is 1 of 2 things. The first is clarity on who should be in the business in the first place. The second is a system for how the team is managed once they're in.

Without those, you can feel that something isn't right but you can't point to anything specific. You can't measure it, and you can't have a fair conversation about it because there's nothing concrete to refer to, so it builds. An owner put it to me like this:

"It's my perception of them, going up and down on a dial in my head. It's not measurable in any way, and it's not fair on them either, because they've no idea where they stand."

The 3 steps, if you've already decided

Usually the verdict was made months ago, and what's missing is saying it out loud with a date attached.

1. **Get clear on what good looks like.** Write down what the role is for, what good looks like and where the person is now, based on evidence and not on feel. The team performance matrix walks through how to do this.
2. **Have the conversation this week.** That's 1 conversation with the person you've been grading privately. I'd put it in the calendar today.
3. **Agree a plan with a date.** Agree what good looks like, by when, and how you'll both know. If it doesn't improve, the next step is a managed exit, and I wouldn't let it drift.

What to prepare before you go in

I'd write down 7 things before the conversation.

- What the role is for.
- What good looks like.
- Where they are now, with the evidence.
- What needs to change.
- By when.
- How you'll both know.
- The date of the next check-in.

How to open the conversation

When you sit down, I think you want to hear the person's perspective as much as possible. So I'd start by asking how they really think it's going, and I'd capture what they say, because it's a really important part of the conversation.

2 things to check first

The first is the formal side. If this could lead to a formal process or an exit, get HR or employment advice before the conversation, so that you follow the right steps for your contracts and your location.

The second is if the person is family or a friend. It can work perfectly well, but I think you owe it to the rest of the team to treat them like any other employee, with the same expectations, the same accountability and the same consequences. Anything less tends to breed resentment, because the team can see the rules are different.

When it's right for someone to move on

I don't think it's a bad thing for someone to leave the business. We have to get the negative association with someone leaving out of our heads, because there will come a time when it makes perfect sense for someone to move on, and there will come a time when your agency needs them to move on.

The harsh reality is that people are replaceable. You'll have plenty of exceptional people who are very difficult to replace, but generally speaking we can all be replaced in some capacity. That's a very hard thing to hear at times, but from an owner's perspective I think it's important to acknowledge, and I'd see it as being realistic.

A senior team member resigned from a client's agency recently, and the owner's reaction was pure relief, because it saved them from a difficult conversation they'd been putting off. Sometimes someone leaving does the hard work for you.

When someone leaves, the instinct is to panic and ask how you replace them as fast as possible. I think the better question is whether it creates an opportunity you didn't have before. That might be a role you can now reshape, a dynamic that wasn't working, or a hire you can now make with fresh clarity.

If you're being honest with yourself, sometimes the person leaving is what needed to happen and you weren't ready to make it happen yourself. Next time, I'd encourage you to be more decisive and not wait for someone else to make the decision for you.

How to stop it building up again

I think this is a really important part, because what you want is to get ahead of these conversations before they build up.

When performance and money conversations happen ad hoc, you end up having them every month and they're usually emotional. Something that's made a big difference for several agencies I've worked with is a single annual review week, with a regular rhythm around it.

How often	What	Why
Once a year	Review week	This is the window for salary and performance conversations. Outside of it, money doesn't need to come up.
Quarterly	Development plans	So that development isn't a mystery.
Monthly	KPI check-ins	So that everyone knows how they're tracking.
Weekly or fortnightly	1:1s	To see how people are doing, outside of the numbers.

When the annual review comes around, nobody is shocked. You're not guessing and the employee isn't anxious, because performance has been measured all year.

Where owners get this wrong

All of this goes wrong when owners try to go with their gut feel. I'd focus on the facts and the figures where you can, understand what's important to you in the business, and go from there.

Most agency owners are decent people trying to lead well without much of a framework for doing it. I think the instinct to be kind is a good one, and the trouble comes when there's no structure around it, because the kindness then turns into putting things off.

Questions owners ask about this

How do you start a conversation with an underperforming employee?

I'd start by asking how they think it's going, so that you hear their perspective first. Then I'd go to what the role is for, what good looks like and where you think they are against it, with facts and figures where you can.

What if they don't improve?

If you've agreed what good looks like, by when and how you'll both know, and it hasn't happened by that date, the next step is a managed exit. I'd take HR or employment advice before you get to that point.

Am I being too soft on my team?

Probably not, in my experience. More often there's nothing written down to measure people against, so you can't have a fair conversation, and it feels like softness.

Should I treat a friend or family member differently?

I wouldn't. They should have the same expectations, accountability and consequences as everyone else, because the rest of the team will notice if they don't.

If you'd like a hand with it

If you'd like to think a situation like this through before you have the conversation, drop me a note or, by all means, book a call. The Agency Health Check will also show you whether the team is the area that needs your attention first.