

## **GUIDELINES FOR SETTING JOB PERFORMANCE STANDARDS**

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The success of your business is directly related to the commitment and productivity of the people who work in your business. And yet it is generally recognized that 60% of employees, or more, are underutilized in their roles at work.

So what are the factors that contribute to low performance standards and expectations?

Communication, or miscommunication, is one of the major sources of low productivity. The messages that move between the owner, employees, managers and even customers are not understood in the same way. One classic example is that business owners tend to assume that employees and managers see things the same way they do.

Managers tend to lower their expectations (unconsciously) so that they will not have to confront employees. Most people dislike discussing declining performance with their employees, and so actively avoid having to do so by reducing their expectations of what's required.

Employees have a tendency to protect themselves from possible failure by pushing back on what is expected. They will often negotiate/bargain the job down to a more comfortable level.

Business owners often have difficulty separating what they want done from how they want it done. Telling employees exactly how to achieve a certain goal leaves no room for the employee to think or use their own initiative. Consequently they often stop trying to contribute and become "sheep" - just doing what they are told. In this catch-22 situation, the owner is forced into a position where they must constantly be telling everyone exactly what to do.

Some owners may not understand the concept of person/job matching, and so have the wrong people in the wrong positions. This situation can be extremely demotivating for the employee.

So how do you go about setting performance standards and expectations?

### **The owner and employee must collaborate together**

They must work together on the fact that the role the employee is performing can be improved in a way where everybody wins - the employee, the owner, and the business. When you teach the owner to collaborate with the employee, not only does the performance go up, but so does the morale.

### **Short term goals, or wins, must be established. 90-days is the ideal**

Set specific goals for the employee in 90-day increments so that there will be ample opportunity to monitor systems and progress, as well as to experience wins on a routine basis. Ideally, involve the employee in this goal setting process so they experience some control over their work.

### **Determine the strengths required to do the job well**

If the employee is going to be successful, the owner and employee must decide jointly what strengths are required, and how the employee is going to be able to apply their strengths. This is where having a good match between the employee and the job is so important. The boss doesn't have to figure this out on their own - the employee will probably already know what's necessary.

### **Set standards, and determine HOW they will be done**

Decide the standards that will apply to each activity, as well as how the standards will be achieved. Understanding the level of performance required gives the employee a sense of achievement - which is one of the key ingredients to achieving performance standards. This is true for employees at any level.

### **Establish communication agreements**

To ensure success, the owner and employee must decide at the outset how they are going to communicate progress (and challenges) along the way. Will it be day-to-day? Week-to-week? The minimum time frame is week-to-week. Less frequent than that and it all falls apart.

### **The employee decides how to achieve the desired results**

The owner will be present and participating for this part, but it is essential that the employee be leading the process in order for them to have ownership. Help the employee take responsibility for deciding how to accomplish the results. You may need to determine if the employee has the skills and development to do this. If they don't, provide maximum guidance to them.

### **Get it in writing**

If it is not in writing, within one to two weeks everyone will be confused and uncertain. The focus, responsibility, resources, constraints, timetables and measures all need to be in writing. The purpose of doing this is to make sure the owner and employee are so clear on the goals and process that there is no confusion whatsoever.

### **Establish a monitoring method**

Make sure you get agreement on how the performance will be monitored and how frequently. In order for the process to go forward, the employee needs to agree to monitor their own performance, and the owner must agree to sit down and review it with the employee on a pre-determined schedule. Let them know upfront that if they get busy and start canceling meetings, performance will not improve and expectations will not be met. I recommend having the employee keep track of their progress in writing and advise the owner weekly. A simple weekly progress update is a win-win solution and can take as little as 5 minutes. A monthly sit-down, face-to-face meeting is a must also.

What are the benefits of setting effective performance standards and expectations? Employees are energized and empowered to take ownership of their positions. Owners become energized and inspired, ceasing to lower expectations in order to avoid confrontation. The productivity of the company goes up. Everyone knows what is expected of them, which provides certainty to move forward. This process, itself, opens new channels of communication between owners and employees.

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