

Shape Up or Ship Out: Performance Management at Community Hospital

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One of a manager's primary responsibilities is to effectively manage the performance of each direct report. Unfortunately, many managers do not take this responsibility seriously or devote sufficient effort into increasing their skills in this area to ensure more effective outcomes. This manuscript outlines an actual incident involving a manager's attempts to influence the performance of a direct report. Facilitator's notes as well as an Epilogue are included. This critical incident can be used as a discussion tool or role-play exercise in corporate training or academic classroom environments.

CRITICAL INCIDENT

Susie had been working almost a year at Community Hospital in the Business Office. Her main responsibilities pertained to patient accounts. A majority of Susie's day was spent on the telephone talking to patients and various insurance providers trying to settle any outstanding balances in their accounts. Her new supervisor, Kim, had just called Susie into her office and explained that she didn't believe Susie was performing her job satisfactorily (Kim thought Susie should be handling at least 50 calls a day, while Susie was averaging 38) and that a written warning would be placed in her personnel file. If her performance didn't improve within 60 days, Susie's employment would be terminated. Kim pushed the warning over to Susie and said "sign at the bottom". Susie felt compelled to comply with Kim's demand and signed the document.

Susie was in shock. This totally caught her by surprise. The more she thought about it, the angrier she became. During the recruitment and hiring processes, the only information Susie was given regarding the job was that it involved "a lot of time on the telephone" and "entering information into our database". She was told she would receive training on the computer system and the software used within the department. She was also told she would receive a performance review at 90 days, six months, and 12 months.

Ever since she came on board, the department has been short-staffed. From day one, everyone has been scrambling to handle the workload. Needless to say, the formal training never happened. It was trial by fire; learn as you go. Neither the 90 day nor six month reviews took place. About a month ago, Susie's supervisor left and her replacement, Kim, was brought on board. For the past 30 days, Kim had been familiarizing herself with her new job, surroundings, and employees. Now, Kim was telling Susie that she better "shape up or ship out".

Immediately upon exiting Kim's office, Susie was contemplating what, if anything, she should do in response to this situation. She was concerned about the potential ramifications of having a negative performance review (and one that she felt was inaccurate and unfair) in her personnel file. Due to the nature of their interaction, she was also worried about working with Kim in the future.

FACILITATION NOTES

Incident Overview

Susie had been working in the Business Office of Community Hospital for almost a year. Her new supervisor, Kim, had just told her that her performance was in need of improvement. Kim had issued a written warning, pushed it over to Susie, asked her to sign it, and indicated that Susie's employment would be terminated if she didn't improve her performance within 60 days. Susie felt coerced and signed the document, but is now wondering what, if anything, her next move should be with regards to this situation.

Statement of Intended Use

The critical incident can be used in corporate training settings where the participants are responsible for managing the performance of direct reports. It can also be used in academic settings involving advanced-level undergraduate or beginning-level graduate classes in Human Resource Management, Organizational Behavior, or general Management.

Research Methods

The author is personally acquainted with "Susie" (whose name has been changed to conceal her true identity). Susie contacted the author for advice shortly after the incident occurred. The author helped Susie draft a letter in response to this incident.

Learning Objectives

1. To analyze a real management scenario from the perspective of both manager and direct report.
2. To identify mistakes made and make recommendations for improvement.
3. To be able to synthesize and apply material previously learned regarding effective performance management and discipline.

Assignment Questions

1. What should Susie do now?
2. a) Using what you know about effective performance management, identify the mistakes that were made by Kim in the scenario; b) What, if any, suggestions do you have for Susie or other employees in similar situations?
3. a) What is any manager's main responsibility with regards to employee performance?; b) What should Kim have done upon her arrival and before sitting down with any employee to review performance?

Answers to Assignment Questions

1. What should Susie do now?

Susie has several options, including:

- a). Do nothing. Of course, Susie must then be prepared to be held accountable to the expectations Kim has now shared regarding the number of calls handled per day. Susie must also be willing to put aside her resentment and anger regarding this incident if she is to have any hopes of repairing her working relationship with Kim.
- b). Negotiate the performance standard to which she would be held accountable. If Susie felt that 50 calls/day was not reasonable/doable, then she should explain why to Kim and see if a mutually agreeable number could be reached (or perhaps explain why it does not make sense to focus on the number of calls). Even if 50 calls/day were possible, Susie could also have negotiated for more time than 60 days to reach that number. She could have negotiated certain increases in small increments to gradually get there.
- c). Contest the current performance review. If Susie truly feels "blind-sided" by this event, then she should draft a rejoinder to Kim's performance review. She must be prepared to specifically address why she believes Kim's expectations are not reasonable and/or that holding Susie accountable for those

expectations that Kim had not previously shared is unfair. Susie must also recognize that this will likely escalate the personal conflict with Kim.

d). A combination of options b) and c).

e). Either quit her job or request to be transferred to another department. Quitting was not really an option for Susie as she had limited alternative employment opportunities (due to limited job skills and an eleven year hiatus from the workforce to raise her family) and needed the income.

2. a) Using what you know about effective performance management, identify the mistakes that were made by Kim in the scenario.

i. Kim is holding Susie accountable to a performance standard (50 calls per day) that she never shared with Susie. Perhaps if Susie knew she was expected to handle 50 calls per day, she could have figured out a way to deliver that many.

ii. Kim is not using the proper steps of an effective disciplinary process. Whether progressive or positive discipline, both begin with a verbal warning. Kim started with a written warning, which is especially harsh considering the first mistake mentioned above. Then, Kim threatens termination as the next step, skipping either the suspension without pay or the decision-making day.

iii. Kim never bothered to solicit Susie's input. If she had, she may have discovered some explanations as to why Susie's performance was at the level it was (short-staffed, no training, no reviews).

iv. Kim's "aggressive" management style: her demeanor as well as her attempts to show Susie who was boss. This only served to make Susie angry and defensive. This does not get their relationship off to a good start. Given that the department has been historically short-staffed, Kim needs to recognize Susie's commitment; otherwise, risk more turnover, further exacerbating the staffing shortage.

2. b) What, if any, suggestions do you have for Susie or other employees in similar situations?

i. When Susie originally did not receive the training or performance reviews she was promised, she should have inquired about them at that time. If she did not receive answers/action to her satisfaction, then she should have written a formal complaint to be included in her personnel file.

ii. Susie should have approached Kim early on and explained that she had yet to receive any training or performance reviews from Kim's predecessor.

iii. Once informed of Kim's expectations (handling 50 calls/day), Susie should have indicated that she loves her job and wants to do whatever she can to keep it. She then should have explained why, in her opinion, 50 calls/day is not possible, or vowed to do everything within her power to get there as quickly as possible. Susie should have indicated that she looks forward to meeting and exceeding Kim's expectations over the next 60 days or sooner.

3. a) What is any manager's main responsibility with regards to employee performance?

i. To ensure everyone on the team is working towards the accomplishment of the organization's goals. To assist in getting there, managers need to create an environment conducive to doing so and make sure everyone on the team has the skills/abilities necessary to getting there (or provides training to those that don't).

3. b) What should Kim have done upon her arrival and before sitting down with any employee to review performance?

i. Upon her arrival, Kim should have reviewed all of her direct reports' personnel records. If she had, she may have seen that training and/or reviews were lacking (certainly the case regarding Susie).

ii. Kim should also have talked to her manager and/or her predecessor (if possible) to solicit input on some of the challenges the department is facing. Even if she hadn't done this, she should have gathered information on her own in attempt to identify some of these issues. She should have known about the staffing challenges. Being short-staffed means that employees in the department did not have all of the resources necessary to be successful.

iii. Kim should have done everything within her power to create a supportive work environment. Instead of trying to show everyone who was boss, she should have been trying to show everyone she was their advocate; that she was going to address the staffing issues and make sure everyone was set up for success (by making sure everyone had the skills/abilities necessary and knew what was expected of them).

General Discussion or Additional Issues

Facilitators/instructors may also wish to assign this critical incident as a role play scenario in order to assess the degree to which participants/students engage in effective managerial behaviors in a performance review/discussion context. Participants can be placed in groups of two (one plays the role of Kim; the other, Susie) or three (one plays the role of Kim; one plays the role of Susie; and the third acts as an observer whose main responsibility is to provide feedback to the person in the role of Kim). Additionally, facilitators may want to have the participants rotate so that everyone has an opportunity to play each role.

EPILOGUE

When Susie got home from work that day (it was a Friday), she contacted the author (who has a formal education in Human Resource Management and an experiential background as an HR/OD consultant). In response to the day's events, together they drafted a letter outlining all or many of the issues likely brought up in your discussions. It was made very clear that Susie felt coerced to sign the performance review document and contested its validity (rationale was provided for each and every item contested). The letter concluded by requesting that the performance review be removed from Susie's personnel file. On Monday, Susie delivered the letter to Community Hospital's Department of Human Resources. About a week later, Susie received a response from HR indicating that it was impossible to remove a document once it was placed in the personnel file, but that her rejoinder letter would be added to the file.

For a time immediately following this incident, Susie's working relationship with Kim was somewhat strained (as one can imagine). However, about six months after this incident, Susie's child was in need of extensive medical care at a facility out of town, requiring that Susie be away from work for an extended period of time. Kim personally donated one week of her vacation time to Susie (so she could receive pay; Susie could have invoked the Family & Medical Leave Act, but the leave is unpaid) and spearheaded the effort to encourage other employees to do the same. Kim never brought up again the issue regarding the number of calls per day Susie was handling. Needless to say, a review of Susie's performance 60 days after this incident did not occur.

About 18 months after this incident, Kim left the employ of Community Hospital for personal reasons. Since then, Susie has been promoted within the patient accounts area. The department is still short-staffed.