

# Performance Management

You've found the perfect candidate for your practice.  
So now what?

By **Pam McKean**, Director of AB Dental

**H**ow your staff perform directly impacts on the bottom line for your business. As such, how you manage your staff and the techniques you use to motivate them also impacts your profit and loss statement.

As a recruiter, we hear stories from both sides of the fence in terms of poor management from employers, and performance of employees alike. I often see simple solutions, and see if both sides had open lines of communication, namely a vehicle that allowed both parties to understand exactly what the other expected, that most of these issues could be resolved amicably, and best case, how both parties could build a solid working relationship.

The business reasons for performance management are quite simple. You align the employee's efforts with business needs and evaluate the employee's performance in a fair manner. Sounds straight forward doesn't it. Unfortunately, these two simple objectives have become needlessly complex under pressure from business consultants wanting formulaic systems, lawyers demanding defensible processes, and your own attempts to add value.

Establishing a basic performance management system can have a significant benefit for a practice, leading to happier, more motivated and better performing employees. Too often, this is an area where small to medium size business do not get it right, and instead have partial, unintegrated, or nonexistent practices.

Performance reviews form an important part of people management and, when designed and used effectively, can be one of the most powerful tools for creating a high performance environment in your business and hence can have a significant impact on your bottom line.

Many of the practices that support performance also positively impact job satisfaction, employee retention and loyalty. Here are some of the key benefits of a good performance management system:

- ◆ **Delivering regular relevant job feedback:** regular feedback facilitates better communication in the workplace. Performance Management helps both you and your staff identify strengths and weaknesses and work accordingly. It also allows for opportunities to hear and exchange views and opinions away from the normal pressures of work.
- ◆ **Setting and communicating clear performance expectations:** when employees have a clear understanding of their specific job duties, any

ambiguities in the workplace are eliminated. Each individual is held accountable for their own duties and responsibilities. This will also give your employees a better understanding of how their performance is being assessed and monitored.

- ◆ **Working towards common goals:** Individual performance drives business performance. It is important to ensure everyone understands your business philosophy, and how their work fits in to the practice.
- ◆ **Recognising and rewarding top performers:** it's important to link performance to compensation. If your employees feel undervalued then this will lead to retention issues.
- ◆ **Identifying career paths for employees:** identifying ways in which to improve employee performance and provides the opportunity to discuss career direction and prospects. It presents the opportunity to plan for and set objectives to further develop their career and education
- ◆ **Use Performance management as a tool for motivation:** fostering your staff to not only feel more satisfied, but to go beyond the expected. If you're not talking to your employees throughout the year, the system won't work.

What is the impact of a poorly structured performance management process? If individual goals are not aligned with business strategy, then time and resources are wasted. Low employee engagement levels may mean that individuals are not performing at their best. Inconsistent evaluation criteria and rewards can lead to mistrust, lower productivity and higher attrition. If top performers see no differentiation in performance ratings, opportunities and compensation from underperformers, morale can suffer.



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**Pam McKean** is a Director of AB Dental Employment Agency. The company has been in operation for over 15 years. Over the last 10 years AB Dental has grown into one of the country's leading recruitment agencies for the dental industry, servicing all sectors from government, corporate and private practice.

Currently, AB Dental services over 1,200 businesses with recruiting services including supply of temporary, contract and permanent employees. As professional recruiters, AB Dental can manage as much as little of the recruitment process as required, even if only providing advice.