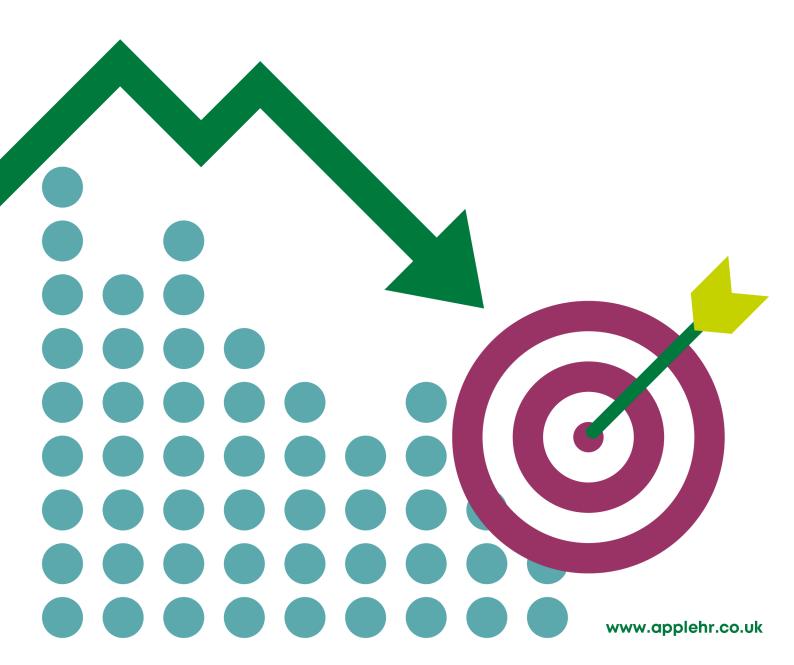


How to handle underperformance in your business



Underperformance costs your business more than you think.

It's not just about one person missing targets. It's the knock-on effect across your team, the projects that slip, the clients who notice, and the time you spend fixing problems instead of growing your business.

The key is acting early and looking at the whole picture. This guide shows you how to spot underperformance before it escalates, understand what's really causing it and build systems that prevent it from happening again.





What does underperformance look like?

While the results can be obvious (think missed deadlines, poor quality work, complaints from colleagues or customers), underperformance often starts a lot sooner and more subtly than that.

Look for these early warning signs:

- Someone who used to contribute ideas becomes withdrawn
- A reliable team member starts making small errors
- Slower response times to requests or completing tasks
- Reluctance to take on new tasks or responsibilities
- Increased tension with colleagues



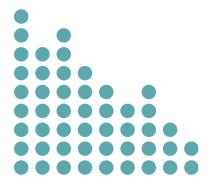
Use some simple data to confirm what you're seeing:

- How many tasks are they finishing on time and to standard?
- Are they calling in sick more often or arriving late?
- What are customers saying about their service?
- How do their results compare to what you agreed they'd deliver?

Regular one-to-ones are essential. They help you to spot changes in how engaged or capable someone is before they become bigger problems.

Why performance drops

Performance declines rarely start with the individual. Often, the real issue lies elsewhere. Common causes include:



- **Role confusion:** Someone was hired for one job, but the role has evolved and expectations aren't clear.
- Poor systems: Unclear processes, inadequate tools or hard-to-access information make even good people underperform.
- Skills gaps: The job someone did well two years ago might require different capabilities now. They need development, not discipline.
- Personal circumstances: Family issues, health problems or financial stress can temporarily impact someone's ability to deliver their best work.
- **Hiring mistakes:** The person has the right attitude but lacks the core skills for the role. Or they have the skills but don't fit your culture.
- Cultural issues: No clear accountability means poor performance goes unchallenged and standards drop across the team.

Managing performance effectively

Addressing underperformance needs 4 key areas of focus:



1. Clear roles and expectations

Start with the basics - everyone needs to know exactly what they're responsible for.

Key actions:

- **Define current roles:** Create job descriptions that reflect what people actually do now, not what was written when you hired them.
- **Set measurable targets:** Link specific goals to what matters for your business.
- **Check in regularly:** Track the right numbers and share them so everyone knows where they stand.
- **Fix your systems:** Poor processes create performance problems, so improve the environment before you blame the person.

2. Training and development

Skills gaps are easier to fix than attitude problems.

Key actions:

- Identify specific gaps: Don't assume that someone needs general training when they struggle with particular tasks, like difficult conversations or project planning.
- Use coaching wisely: It's often about confidence, communication or managing workload rather than technical know-how.
- Pair people up: Learning from colleagues often works better than formal training for practical skills.

3. Getting the right people in the right roles

Not everyone is in the right role.

Key actions:

- Assess honestly: Can this person realistically succeed in their current role with support and training?
- Consider other options: Sometimes moving someone suits their strengths better than forcing them to excel where they struggle.
- Make tough decisions: If there's no suitable alternative role, act quickly rather than let the situation drag on.
- Learn from mistakes: Update your hiring process to better check for the skills and attitudes that matter most.

4. Culture and accountability

Poor performance often signals wider cultural problems.

Key actions:

- Set clear standards: When you ignore poor performance from one person, you're telling everyone else that standards don't really matter.
- Make feedback normal: Regular, honest conversations about performance should be part of how you operate, not something that only happens when there's a problem.
- Recognise good performance: When your good people see their efforts acknowledged, they're more likely to keep their standards up.
- Address team dynamics: Sometimes poor performance continues because other team members cover for it, removing the natural consequences.

Take action

To manage underperformance effectively, you need to look at the whole business, not just the individual. That means reviewing your culture, systems, clarity of roles and how performance is tracked and supported.

Do you need help with putting the right HR metrics in place and building a clear plan of action to improve performance across your business?

Let's discuss how to create systems that support consistent performance and growth.

Get in touch



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