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Title: How to hold employees accountable

Entrepreneurs agree that the most difficult aspect of owning a business is “the people part.” Managing employees requires focus on day-to-day processes that produce a consistent product or service.

When a company grows past the breakeven point, the founder may choose to hire other managers to hold employees accountable. In the meantime, entrepreneurs find more peace of mind when they create an accountability system that defines expectations for employees, measures performance and provides feedback.

Define Expectations

Often, poor performance occurs when an employee does not “own” the job. This results from lack of training and poor job definition. To offset these problems, consider the following.

1. Create training checklists for each task within the company

The company should provide every employee with an intensive orientation and training program in the first 90 days. This process starts with an overview of the company and review of employment policies that takes four to eight hours on the first day.

The second phase of training relates to the job description. During this phase, the employee gradually works into fulfilling all tasks. The company’s goal is to ensure that each employee is sufficiently trained to perform by the end of the first three months. Working from a training checklist aids this process.

The best “on-the-job” training includes these four steps: 1) tell the employee how to do the task 2) show them 3) watch them do it and provide feedback 4) repeat all three steps until the employee completes the task with minimal supervision.

2. Ask employees to create a performance contract for their position

Employees “own” their position when they define what managers can expect. Therefore, developing a one-page performance contract helps take the headache out of managing.

The process is simplified when each employee completes the following steps once trained by the company.

- Write down every task completed on a routine basis (daily, weekly, monthly.)
- Determine a measurement for each task. Examples:

Receptionist – answer the phone within two rings.

Accounts Payable Clerk – prepare vendor checks for signing by noon Friday.

Sales Representative – Contact ten new prospects every week.

Software Programmer – Meet the weekly deadlines as outlined in the project plan.

Production Manager – Achieve less than 2 percent defects in completed products.

Project Manager – Complete projects within budget.

- Write down every project to be completed. These include one-time activities like implementation of a new system, training or sales.
- Determine a measurement for each project. Deadlines or dollars are used. Examples:

Accountant – Complete training on Accounts Receivable module of new software by July 31, 2004.

Sales Representative – Achieve monthly sales of \$50,000 (measured by actual invoices.)

Shipping Coordinator – Decrease average monthly costs by 1 percent by February 1, 2005.

Once an employee drafts standards for routine activities and projects, the manager reviews it. Supervisors who use this system say that most employees achieve 90 percent completeness and accuracy on the first draft. Then, the employee creates the final draft for signatures.

Measure Performance

A well-trained employee working from a performance contract understands the standards for performance. Reports should be developed that capture these measurements regularly.

Employees achieve higher levels of job ownership when they measure themselves and provide the reports. Managers can then focus on “spot” checking the numbers to ensure accuracy.

An employee who turns in their “numbers” daily or weekly, rather than monthly, performs at a higher level.

Provide Feedback

Employees also produce more when they receive regular feedback, positive or negative. Immediate feedback is most valued. Frequent praises and criticisms result in better employee output.

Saving feedback for performance reviews, results in frustration for managers and employees. When verbal feedback is provided in a timely manner, then performance reviews become a summary of a six or 12-month review period.

Entrepreneurs who implement this accountability system (training, performance contracts, measurement, feedback) benefit because employee output rises while the time spent on supervision decreases.

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