Talented employees are scarce. In addition, you are competing with the large Fortune 500 companies for the best employees. These companies have deep pockets and invest tens of thousands of dollars to attract the best applicants. They are in position to offer prospective employees a better compensation package than most dental practices. Given this reality, the odds of directly recruiting a star employee who fits within your growing dental practice are virtually zero. Your only option is to recruit “average” employees and turn them into stars through training, management, and leadership.

The health of your practice hinges heavily on your ability to build and maintain a productive team. The doctor who figures out how to get employees to work in harmony and be productive will experience less stress, see a higher income, and enjoy dentistry. Non-performing staff are one of the biggest impediments to success and growth. Often, a single difficult employee can completely sabotage and hinder progress, or bring dissension and unhealthy conflict within a practice.

It takes both courage and management skill to deal with a difficult employee. It is never easy to confront an employee with regard to performance issues. Yet, it is a vital management skill that must be acquired and developed in order to build an excellent dental team.

The Price of Abrupt Firings and Constant Turnover

If termination is the main strategy you use every time an employee makes a mistake or does not do something well, it will be difficult to build a practice. Turnover, when done in an abrupt manner, is also extremely costly. Here are some of the major costs to you and your practice from this kind of turnover:

- **More time and money to recruit a new employee**—your time is wasted in screening and then interviewing prospective candidates. The interviewing process may include a first interview and possibly a second working interview. Your money is spent on advertisements in local newspapers and the internet. Despite all the time and money spent, you have no guarantee that the new employee will be any better than the employee you recently fired.

- **Re-training to bring the new employee up to speed**—during this transition, even a good new employee is likely to make mistakes which lead to a decline in the number of new patients appointed, scheduling problems, a drop in case acceptance, loss of patients,
decreased collections, increase in cost of supplies, and so forth. All of these will decrease your profitability and revenues.

- **Damage to morale of the remaining employees**—Employees are rarely happy to see other employees terminated. If the reason for the termination is not clear in their minds, this leads to insecurity about their own positions. In addition, once an employee leaves, remaining employees must now pickup the extra workload left by the departed employee.

- **Possible wrongful termination lawsuit**—if the proper documentation is not in place for the termination, the employee may have grounds for a lawsuit.

- **Increased stress in an already stressful profession**—The sum total of all the above problems is increased stress for you in a profession that is already stressful. The daily challenge of dealing with apprehensive patients and the running of a dental practice is more than enough to deal with. Terminating an employee adds to your stress exponentially.

By knowing how to manage employee performance, you could up your production and collections anywhere from $40,000 to $250,000 annually. That’s for a solo practitioner with 3-6 employees. If you have a larger practice, the gains could be even more significant. And you can do this without spending money on expensive equipment (more debt) or marketing (which is risky) and without increasing your overheads.

Of course, there are situations where termination is the only option. This is covered in a separate article.

**Warning Signs of Sub-Standard Performance**

Here are ten common warning signs of poor or unacceptable performance.

1) **Increased rate of absence/tardiness.**
   A time clock or sign-in system helps keep track of both.

2) **Does not follow through promptly.** Instructions have to be repeated.

3) **Unprofessional behavior**
   Examples are rude behavior toward patients an co-workers, use of cell phone or Internet at work, excessive gossip with co-workers.

4) **Personal problems interfere with work**
   Common situations involve day care, unusually high incoming calls from the employee’s friends and relatives, relationship problems, car troubles, or money troubles.

5) **Sloppy and incomplete work.**
   Employee completes the work, but with little attention to quality. Some examples are: models/impressions with bubbles, paperwork with spelling mistakes, or insurance claim submissions without proper codes or narratives.

6) **Negative feedback or complaints increase from patients or co-workers.**
Often, employees will be hesitant to criticize a co-worker. You may have to draw out your senior employees and ask them for feedback regarding a new employee. You also have to look closely and see if your employees can get along with each other.

7) Does not support practice goals.
   Look for situations where you don’t get buy-in from an employee on a project that you are trying to implement. Usually, their body language may reveal that they don’t see value in the project or that they don’t support it fully. Rolling eyes, sarcastic comments, or private side-bar conversations during meetings are indications that all is not well.

8) Know-it-all attitude.
   Employees who have a know-it-all attitude are probably the toughest to deal with. These employees will stifle your growth severely. They throw cold water on every new idea proposed by you or your team, unless it is their own. Typically, such employees also tend to have an over-inflated sense of themselves. They are prone to making sweeping generalizations or will over-simplify matters. Please remember that experience does not necessarily translate to competence, and experience does not necessarily enhance one’s ability to solve problems. Look to recruit open-minded employees from the outset.

9) Disrespects co-workers or management.
   Employees who undermine the efforts of co-workers, or expect perfection from everyone can be a problem. Look for sarcastic comments, or even open criticism of co-workers or management. If the core values of your practice are diametrically opposed to the values and beliefs of the employee, it is best to have an honest discussion.

10) Little or no initiative shown.
    Some employees will do only the minimum work necessary to get an average rating, and never strive to go the extra step to serve your patients. Your practice may do fine with this employee, but this employee is unlikely to become a star. This may be a personal motivational issue, or it could be that you need a bonus system to motivate that individual.

The key to managing performance is to catch problems in the early stages and to intervene. Management by avoidance will not work. If you let them know when the problem is small in scope, and work with them to correct the situation, you have a chance of seeing performance improvements.

**Tools Needed to Manage Performance**

At a fundamental level, many dentists are not equipped to deal with performance issues. Managing performance requires a systematic approach in which the employee clearly understands what is expected of him/her, and a process needs to be in place to monitor performance.

The following are essential pre-requisites for managing performance.

1) **Human Resources Manual**—detailed policies regarding absenteeism, uniforms, professional behavior, performance reviews, vacations and benefits. All new employees
should be given a human resources manual so that they are aware of “how things work” within your office. All employees should read and sign the last page of the HR Manual.

2) **Job Expectations/Descriptions for every position**—a specific, detailed explanation of work responsibilities for each employee. In a dental office, this would entail written descriptions for all assistants, hygienists, and business office personnel.

3) **Job Review Sheet**—a review sheet on which all responsibilities can be reviewed and graded from a range of Excellent to Good to Poor to Unacceptable. The job review sheet entails a two-step process, with both the employee and you assessing the employee’s contributions.

4) **Job Performance Meetings**—once the job review sheet has been filled out, you should meet with the employee to discuss performance. Performance evaluation should not be viewed as a once-a-year event. It is a process that begins the moment an employee is hired and continues throughout the employee’s tenure with your practice. It involves clear communications of expectations and standards; development of specific, measurable goals; and ongoing feedback. New employees will require more frequent feedback. This article deals primarily with the matter of feedback.

5) **Timely Feedback for Interim Performance Issues**—between job performance meetings, issues that surface should be addressed in a timely manner.

If you need help developing a HR Manual or staff job descriptions, please feel free to call or e-mail us.

**How to Intervene When an Employee Performs Poorly**

Avoidance is not an option. As an owner/manager, the longer you wait to address a performance problem, the harder it is to deal with constructively, and the worse the problem becomes. When most employers contemplate confronting an employee about poor performance, they are apprehensive about how to proceed.

You have to start out assuming that most people want to do a good job. Most employees desire and intend to do a good job, and would like to improve when they are not performing well. However, limitations of personality or knowledge and experience, or other barriers, may interfere with the employee’s ability to be productive. Your task is to remove these barriers.

Identify a time when speaking to the employee will bring the best results. When the employee is greatly stressed, it is difficult to have a meaningful conversation. Then proceed with the following steps.

1) **Identify and Define the Performance Problem**
   - Be specific. Non-specific feedback will be viewed by the employee as just an opinion and a judgment.
   - Provide supporting evidence. The employee will not take ownership of the problem without clear documentation and substance. For example, if the employee has been coming in late, record the dates and times.
• Use “I” message to give constructive feedback. Statements starting with “You” are best avoided. It is helpful to begin your statement with an “I” message such as “I have noticed” or “I have observed.” This keeps the message focused on the performance issue, and does not target the person.

In going through this step, you may find that the employee just did not know what was expected of them. In such a case, it is not a performance problem. The problem is that the employee was not given a clearly defined job expectations list. Many practices have no Human Resource Manual and lack detailed Job Descriptions and are simply operating by the seat of their pants.

2) **Explain the Impact/Consequences of the Performance Problem**

   - Impact on Patients
   - Impact on Other Employees.
   - Impact on Productivity
   - Impact on Service

Describe specifically what the impact has been. Instead of saying: “Your absenteeism has been hurting productivity,” say, “Because of your frequent absences, Susan and Jennifer have had to work much harder. We have not been able to educate patients as thoroughly as we normally do, and have lost opportunities for treatment and production.”

3) **Work with the Employee to Figure out the Reasons for the Performance Problem**

Figure out the reasons for the performance problem. Engage the employee in this discussion and have them provide the reasons. You will need to probe and dig deep until the real reasons for non-performance are uncovered. In some instances, you may find the reason for poor performance has nothing to do with that particular employee. It may be related to a co-worker, lack of resources (i.e., excessive work load), or other extraneous factors.

Here are some common reasons why employees do not perform up-to-standard.

   a) They don’t know why they should do it.
   b) They don’t know how to do it.
   c) They don’t know what they are supposed to do.
   d) They think your way will not work.
   e) They think something else is more important (misplaced sense of priority)
   f) They think they are doing fine.
   g) There are obstacles beyond their control.
   h) There is no positive consequence for not doing it.
   i) There is no negative consequence for poor performance

4) **Explore Ideas for a Solution**

   - Define performance standards for the particular area under review.
   - Brainstorm together with employee, but have a few ideas of your own about what the employee can do to improve. The key here is to involve the employee in coming up with solutions.
• Evaluate the merits of each idea and distill it down to a few that both you and the employee agree upon.

5) **Write the Plan for Improvement**

Provide a standard template for the employee to record the action plan. Ideally, the employee should write this plan. Your role should be to read it and approve it. If the employee lacks the writing skills, you should write up the action plan and have the employee review it and sign it. The template should include the following:

• Area that needs correction.
• Corrective action plan, which should be a step-by-step plan, with a time frame for improvement clearly defined.
• A date/time to check progress. Set a date when you and the employee will convene again to review his/her progress.
• Section indicating the consequence for not showing improvement. This section should be written and signed by both you and the employee.

Use progressive disciplinary action or termination as a last resort when the employee fails to take corrective action. Be sure you are in compliance with both Federal and State laws. Consult your attorney as needed.

**What to do About Existing Employees**

Many doctors will be in a situation where they have been accepting poor performance from a number of employees for several years or months. The doctor has often just given up because he/she is afraid of losing employees and has therefore decided to accept sub-par performance. In such cases, you should address the situation as follows:

1. Hold a staff meeting immediately and advise everyone that you will hold a Performance Evaluation Meeting with each of them.
2. Develop a Job Expectations Sheet for each employee and hand each employee a copy.
3. Develop a Job Review Sheet for each position. The Job Review is a form that you use to evaluate employees.
4. Hand the Job Review Sheet to each employee and have them fill out a self-evaluation.
5. Fill out the Job Review Sheet yourself for each employee.
6. Hold a Performance Evaluation meeting with each employee.
7. Address shortcomings or deficiencies in line with the intervention steps described above.

**Performance Factors**

In managing performance, you need to consider **four** separate issues:

- Innate ability (Talent)
- Skill
- Motivation
- Attitude
If lack of skill is the main obstacle, it is a training issue and there is an excellent opportunity to work with the employee and bring up their performance. Their innate ability will determine how quickly they learn.

If motivation is an issue despite competitive pay and a bonus incentive, you need to meet with the employee to find out why he/she is not motivated. If money does not motivate the employee, it could be that he/she is not suited for that particular job, needs increased responsibility, more challenging assignments, or recognition of some other type. In general, motivation is an internal trait, and cheer-leading and rah-rah speeches rarely produce sustainable results.

Attitude is by far the most difficult one to resolve as it is hard to get people to change their behaviors. Your recruiting process should focus heavily on screening candidates for proper attitude. Recruit for attitude, train for skill.

**Conclusion**

You don’t need to do it all. Work toward building a staff-driven practice where staff shares responsibility for running your practice and serving your patients. When implemented correctly, a good system for performance feedback and early management intervention will raise the caliber of people employed in your practice and the practice will elevate itself to higher levels. As noted above, you could see six-figure gains in production and collections, without spending any money on equipment or marketing.

For more information or assistance, call Visionary Management at (215) 295 6975, correspond via e-mail (peter@Visionary-Management.com), or visit their web site, www.Visionary-Management.com. Or write to them at 109 Juliet Road, Morrisville, PA 19067. A full set of forms and other tools are available for implementation of the above system.