

# MANAGING EMPLOYEE PERFORMANCE IN A MANUFACTURING ENVIRONMENT

CHANGE THE GAME.



## ■ HOUSEKEEPING

- Slide deck will be posted on hni.com
- Q&A at the end, but feel free to ask questions throughout
- Tweet @HNIRisk or using the hashtag #hniu to win some HNI swag!



# Thanks to our sponsors!

**Anthem<sup>®</sup>**  
**BlueCross BlueShield**



## ■ INTRODUCTIONS



**Chad Tisonik**  
President of HNI Wisconsin  
[ctisonik@hni.com](mailto:ctisonik@hni.com)  
262.617.5973



**Andrea Tarrell**  
Marketing Director  
[atarrell@hni.com](mailto:atarrell@hni.com)  
262.641.5813

## ■ TODAY'S GOALS

- Explore behaviors that hinder productivity
- Identify how your people can make or break your organization
- Discuss ways to hire better for better performance
- Look at the impact (or lack of) of performance reviews
- Tips on how to better control wanted and unwanted behaviors in your workplace
- Q and A

## ■ WHAT IF...

- You could reduce turnover AND increase job satisfaction?
- You had a handle on the employee/work relationship?
- Everyone that you hire fits into a profile where their skills and attitude matches the job?
- You had a way to identify performance behaviors and then manage to them? (vs. annual performance reviews)
  - You could energize people?
  - You could propel productivity?
  - You could work with a group of people that felt like you do?



# ■ LEADING INDICATORS OF PERFORMANCE PROBLEMS

- No plan
- Decreased talent pool
- Skills gap
- Turnover
- Customer Complaints
- Delivery delays



## ■ LAGGING INDICATORS OF PERFORMANCE PROBLEMS

- Product returns
- Lost business
- Unfavorable social “scores” or complaints
- Damaged Brand



## ■ WICKED PROBLEMS! 2 HUGE PERFORMANCE INHIBITORS

- Lack of ability
- Lack of motivation



Hiring, expectations, communications

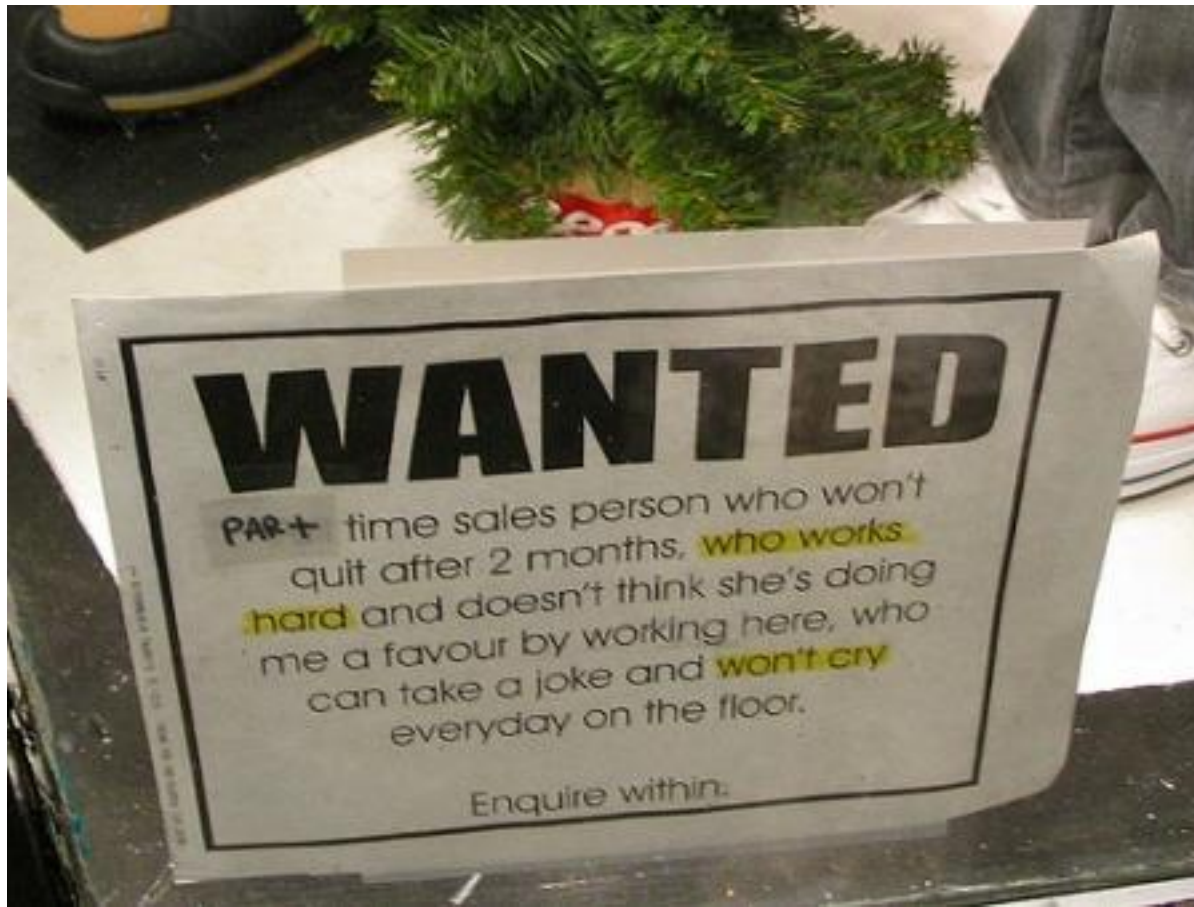
## ■ HOW DO WE FIX IT



- Identify gaps – DOS
- All departments
- Identify and gather data
- Prioritize
- Gain buy in
- Initiate strategy – mgmt, ee
- Train
- Execute
- Track
- Take action!

## ■ IDEAS TO IMPROVE PERFORMANCE

Start with Hiring – This?



## ■ OR THIS?

**FLEXIBLE. INNOVATIVE. BENEFITS THAT ROCK. GROWTH.  
RECOGNITION. EARLY FRIDAYS. THOUGHT LEADER.  
COLLABORATIVE. A-PLAYERS ONLY. FAMILY OWNED &  
FAMILY FRIENDLY. WHERE YOU CAN DO YOUR BEST WORK.**



## ■ PRE-JOB PERSONAL INDEX (MUST DO)





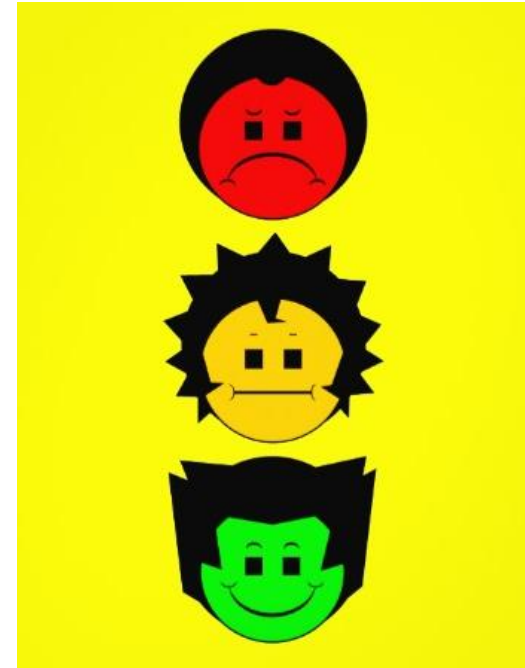
## ■ YOU'RE CONFIDENT, YOU HIRED THEM... NOW WHAT?

- Communicate expectations
- Train them on the expectations
- Show them what is expected
- Tell them again
- Hold EVERYONE accountable
- Have a scorecard system
- Post it
- Part ways with bad actors
- Backfill with good actors



## ■ DEVELOP A CUSTOM SET OF CRITICAL BEHAVIORS

- Productivity
- Quality
- Safety
- Attendance
- Wellness
- Education



## ■ EXAMPLES OF NEGATIVE PERFORMANCE BEHAVIORS

- Damage to product
- Damage to company property
- Poor pace
- Loss of property
- Damage to customer property
- Failure to maintain property in care
- No call no show
- Tardiness
- Cell phone usage/texting
- Rapid pace to make down time
- Lost time accident
- Vehicular accident
- Unsafe acts
- Near miss
- Insubordination
- Quality issue
- Customer issue or complaint
- Failure to inspect
- Failure to meet goal
- Failure of drug test
- DUI
- Failure to participate in Wellness program
- Smoking
- Failure to participate in HRA

Can you think of any others?  
What do these cost? Can you quantify?

# ■ DOES YOUR PERFORMANCE REVIEW LOOK LIKE THIS?

## 1. Job Duty –

### Performance Standard:

☐ 1 Needs Improvement

☐ 2 Meets Expectations

☐ 3 Exceeds Expectations

Comments: \_\_\_\_\_

Use at the END of a review period to rate how well the employee performed compared to the standards in Section I.

- **Collect Information:** For example, Employee Input Form (BA 943), surveys, records, etc.
- **Read Performance Standards:** This reminds you what aspects of performance you intend to rate.
- **Describe Performance:** Describe the quality, quantity, and timeliness of the work the employee produced. Note unexpected problems that were beyond the employee's control and how these were handled. Consider reviewing the description with the employee before making a rating. Use **BLACK INK** or **TYPE**.
- **Choose a Rating:** Compare your description of the employee's performance to the standards in Section I. Choose the rating that best summarizes how well those standards were achieved.
- "Achieved Expectation" means the employee did all that was described in the Expectations standard.
- "More than Expected" means performance was more like the Expectations standard than the standard for Excellence.
- "Much More than Expected" means performance was more like the standard for Excellence.
- "Achieved Excellence" means the employee did all that was described in the standard for Excellence in addition to what was expected.
- "Exceptional Achievement" means performance was innovative, extremely difficult to achieve, or otherwise better than described in the standard for Excellence.
- **Enter Percent of Job.** Write the responsibility's importance as a percent of the job under the rating you picked.

	Not Satisfactory	Marginal	Achieved Expectation	More than Expected	Much more than expected	Achieved Excellence	Exceptional Achvmnt.	= 70% of job
	%	%	70 %	%	%	%	%	

If you have a "miscellaneous" category, or if you split the responsibility's percent importance among its parts, rate each part separately. The ratings for the parts may fall in the same or different rating categories. For example,

	Not Satisfactory	Marginal	Achieved Expectation	More than Expected	Much more than expected	Achieved Excellence	Exceptional Achvmnt.	= 30% of job
	%	%	20 %	10 %	%	%	%	

- **Summarize the ratings.** Add up the percentages listed under each rating category and write totals in the summary rating box. This shows the total percentage of the job that was performed at each level. For example,

OR THIS?

■ OR THIS?

## ■ TRY SOMETHING NEW!

- Target your critical behaviors that drive the success/failure of your business
- Identify 5 or 6 critical behaviors
- Develop a reward system for those who earn it
- Remove reward for those who aren't in the game
- A clear performance scorecard will emerge
- Recruit and hire only those that fall in the profile
- Improve the behavior expectations every year
- Be cautious with group awards

# ■ LIKE THIS...

## Performance Program

Program date – From:\_\_\_\_\_To:\_\_\_\_\_

\$\_\_\_\_\_Has been put into your account.

### Subtractions:

\$100 Lost Time injury-At Fault \_\_\_\_\_

\$100 complaint/returned product \_\_\_\_\_

\$ 50 Tardy/No call-No show \_\_\_\_\_

\$ 75 Missed monthly prod goal \_\_\_\_\_

\$200 Failure to report a P.D./W.C. Incident  
poor QC

\_\_\_\_\_ \$100 Rework for

BONUS PAID ANNUALLY on \_\_\_\_\_ Total\_\_\_\_\_

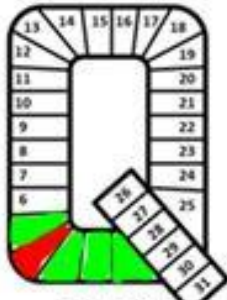
## SAMPLE MODEL



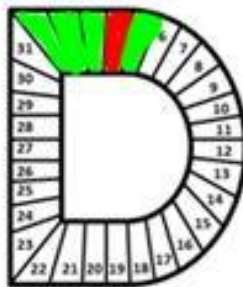
# ■ A MORE COMPLICATED VERSION: WHAT GETS MEASURED GETS DONE!



SAFETY



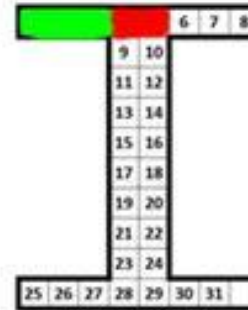
QUALITY



DELIVERY



COST



INVENTORY



PRODUCTIVITY



ENVIRONMENT

## ■ REAL WORLD EXAMPLES

- Manufacturer – \$70K ( product damages) in annual uninsured loss recovered
  - INVESTMENT: \$15K
- Trucking/Warehousing – 60% reduction in tracked errors
  - INVESTMENT: \$25K SAVINGS: \$500K/year estimated
- Contractor went from 30% compliance to 100%
  - INVESTMENT: \$10K SAVINGS: reduced fines \$89k
- Manufacturer – Customer returns down by 50%
  - INVESTMENT: \$35K SAVINGS: \$275K annual
- Construction – 100% Reduction in DUI's, multiple tickets annually to none, paperwork issues to 0
  - INVESTMENT:\$25K SAVINGS: Drastic reduction in loss potential, insurance rate reductions saving over \$100K

# ■ IMPROVE YOUR CHANCES FOR SUCCESS!

- Get the behaviors from your employees to assure buy in
- Pay attention to the buy in
- Limit the negatives to 5 or 6 to start
- Create a spreadsheet
- Appoint a trusted record keeper
- Spin this as a positive because it is
- Involve the office
- Arguing is not allowed
- Program is optional!
- Show off your best and worst actors
- Post results and use in/as performance reviews
- CEO support

# ■ WAYS TO HELP YOUR EMPLOYEES “OWN” PERFORMANCE

## The New Way

- Teach your employees the business
- Show them how waste affects them
- Profit = raises, perks and benefits
- Show them all of the factors that go into earning a profit
- Teach them that negative behaviors and waste cost everyone
- Track your results and apply a carrot or stick method

## ■ SUMMARY

- If you don't change something, nothing changes.
- Focus on areas where you spend dollars and track them
- Share info with everyone on this important task
- Let them know how much this matters to everyone
- Give them a chance to change
- Let them know when they do/don't
- Use this as a part of your new employee orientation
- Share the payouts in a group or family setting
- Make a big deal out of it
- Resistors will self identify on the bottom of the list. Take action on them.

START A REVOLUTION

START A REVOLUTION

START A REVOLUTION

START A REVOLUTION



## ■ QUESTIONS?



**Chad Tisonik**  
President of HNI Wisconsin  
[ctisonik@hni.com](mailto:ctisonik@hni.com)  
262.617.5973



**Andrea Tarrell**  
Marketing Director  
[atarrell@hni.com](mailto:atarrell@hni.com)  
262.641.5813

# Thank You.

[hni.com](http://hni.com)



CHANGE THE GAME.

