



# HOW TO CULL UNDERPERFORMING STAFF



Considerations and best practices for this unpleasant aspect of practice management.

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If a person's heart rate, blood pressure, or IOP falls outside the normal range, it signals that something could be wrong and that further action is needed.

Similarly, an annual staff turnover rate higher than 25% signals that poor hiring decisions are being made, nonoptimal onboarding processes are in place, or ongoing supervision is poor.

An extremely low rate—5% or 10%—can also signal that change is needed. About 25% of staff leaves an average private practice each year for any number of reasons—termination due to acute performance failures, termination due to failure to thrive over time, friction with colleagues, relocation, a new job, etc. A turnover rate of 15% to 20% often indicates that

a practice has optimized its human resources (HR) processes.

This article outlines how to address an extremely low turnover rate that is the product not of superior hiring and supervisory practices but of low standards and/or complacency in the continued employment of subpar staff members.

## STANDARDIZE THE MANAGEMENT OF POOR PERFORMANCE

The foundational document to optimize hiring and managing processes in your practice is the HR manual. This manual is usually about 30 to 50 pages long and consists largely of boilerplate language describing the basic workplace policies for staff, such as when to arrive,

how to clock in and out, and generally how to behave on the job. The manual should also prohibit certain behaviors such as smoking and drinking on the job and other gross infractions.

In addition to laying out commonsense standards of performance and behavior in the practice, the HR manual should outline progressive disciplinary actions that are taken to address poor performance or behavior (see *Sample Progressive Disciplinary Action Plan*). Occasionally, a transgression warrants circumventing this linear progression of discipline. For example, action is unlikely to start with a verbal or written warning for a staff member who is caught stealing from the practice.

## DON'T BE AFRAID TO LET AN EMPLOYEE GO

The job of a practice administrator is difficult for many reasons, but one of the most stressful aspects is evaluating the performance of staff members and responding appropriately when it falls short. For this reason, it is important for practices not to be overly reticent about disciplining staff. This can create a pattern of accepting poor performance and profoundly affect the success of the practice. Ultimately, practice administrators and leadership must be willing to make some difficult choices.

**Don't go it alone.** If you are the supervisor of an employee who is just not getting it, you don't have to carry the burden and responsibility of addressing it on your own. You can consult the practice administrator or your peers at the mid-level/department management level. These colleagues can serve as your sounding board and share

## SAMPLE PROGRESSIVE DISCIPLINARY ACTION PLAN

*An outline of the stages in an average progressive disciplinary action plan.*



► **Verbal warning.** A reasonable stage 1 disciplinary action for poor performance or behavior is a verbal warning. Identify the problem and advise the staff member against continuing to act in this way.



► **Written warning.** If the verbal warning does not effect change by the employee, the warning can be formalized in writing and added to the staff member's personnel file. The employee should receive a copy of the written warning. It should communicate essentially the same message as the verbal warning, but the written record and its permanency in the personnel file should give it more weight.



► **Suspension, probation, or pay cut.** Many steps can be incorporated into a progressive disciplinary action plan. If verbal and written warnings are insufficient, quite often the next step is a suspension, probation, a pay cut, or some other tangible action.



► **Termination.** If verbal and written warnings and tangible consequences do not effect positive change in an employee's performance, the final disciplinary action to be taken is, of course, termination.

insights from their own experiences or advice on how they would handle a given situation. The HR manual can guide decision-making in these difficult situations and consulting it before acting helps to ensure that you are following the appropriate processes.

**Consult your attorney.** Terminating employees carries the risk of triggering legal action in response. Consulting with the practice's attorney or a separate labor specialist attorney before taking action is prudent.

**Learn from it.** Perform an exit interview with a staff member who is terminated or leaving for any reason. It is a wonderful way to learn what you and the practice are doing right and wrong in the eyes of a departing employee who is more likely to be honest than current employees. Learn

from unsuccessful hires. Find out if you could have spotted this poor performance or behavior earlier and avoided getting entangled in it so you can guard against a similar problem.

When you learn something useful, pass it along to your fellow managers and ensure that the practice's documents are adjusted if necessary.

### CONCLUSION

Terminating an employee is an unpleasant task. However, your decisions must be based not on what is important to one individual but on what is best for the collective. If terminating a staff member or doctor will make your practice materially better, it is well worth doing.

It is also worth noting that terminating someone's employment

often carries with it the seed for something better for the practice and the individual who is let go. It is not uncommon for termination to prompt someone to reassess their work ethic or chosen career path. Many veterans of this business can share stories in which a terminated employee reports years later that, in the end, they were better off for having lost the job. ■

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