Robert Half

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96% of Hong Kong business leaders face the challenge of poorly performing employees

Five tips to manage poorly performing employees

- Hong Kong business leaders are devoting 14.4% of their time to coaching and/or supervising poorly performing employees
- Only 4% of Hong Kong business leaders say they do not have poorly performing employees
- Hong Kong employers are most likely to use coaching or mentoring strategies to manage poorly performing employees (56%)
- Hong Kong employers are least likely to deal with underperforming employees by letting them go (25%)

Hong Kong, 24 October 2019 – As AI and automation revolutionise the profitability and efficiency of business operations, businesses across Hong Kong are placing increased scrutiny on their human capital's productivity in order to maximise their potential. However, new research from specialised recruiter Robert Half reveals that 96% of Hong Kong business leaders face the challenge of poorly performing employees, which can impact a company's productivity levels, staff morale and even reputation.

What are Hong Kong bosses doing to manage underperforming employees?

Having invested in the employee – spending time and money on the recruitment and onboarding process – Hong Kong bosses are taking a variety of steps when they realise that an employee is not meeting expectations. According to the research by Robert Half, Hong Kong business leaders spend more than half a day every week[1] (14.4% of their time) coaching and supervising poorly performing employees.

In order to help poorly performing employees meet expectations, the majority (56%) of Hong Kong employers use coaching or mentoring strategies. Close to half (45%) of Hong Kong employers would transfer an underperforming employee to another role and 42% would offer further training.

"Identifying the areas where employees are not meeting expectations and implementing appropriate measures early are key to minimising the costs of underperformance. Efficiency and responsiveness around managing poorly performing employees will reduce financial and non-financial costs to businesses while managers and leaders won't spend as much of their valuable time on protracted training and supervision processes," says ***Elaine Lam, Associate Director of Robert Half Hong Kong****.*

What impact do underperforming employees have on Hong Kong businesses?

From a financial perspective, the cost of underperformance could include an employee's salary that does not reflect expected output, paid time for mentoring and supervision, additional training costs, lost revenue from missed business opportunities, costs linked to letting an employee go, and the ultimate costs of rehiring.

Underperformance among employees can also bring a series of non-financial costs to businesses, such as a negative impact on the corporate culture and staff morale, and damage to company

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[1] Based on a UBS study that found Hong Kong employees work an average of 50.1 hours each week. https://www.scmp.com/news/hong-kong/politics/article/2136552/will-hong-kongs-problem-long-working-hours-ever-come-end

reputation. The impacts of underperformance can also spread beyond an individual employee and their own role – placing a great deal of pressure on managers and colleagues who may shoulder an additional workload and accompanying pressure to compensate for the underperforming employee.

***Lam** adds: "As companies turn their attention to growth and profitability, every employee should demonstrate measurable results towards the company's development and strategic goals. In a competitive market it is highly important to act quickly and proactively to mitigate the impacts of an underperforming employee as they arise."*

Termination a last resort
Faced with a skills-short market where talented candidates are in high demand, staff retention is a high priority of Hong Kong businesses. It is unsurprising then that the least popular response to underperformance is letting the employee go (25%).

*"While the idea of letting an employee go might be what first comes to mind, Hong Kong business leaders understand the high costs of vacant roles and repeating hiring processes. Offering additional support, spending more time on the onboarding process or assigning alternative roles are usually more viable options that are considered first", adds **Lam.***

Robert Half has devised five tips on how to manage poorly performing employees:

1. **Address the problem immediately**
   Approach the employee straightaway to discuss areas of underperformance and a corrective course of action but do so tactfully and constructively to avoid provoking a negative reaction that inhibits progress.

   Throughout the conversation, listen to your employee to identify any challenges they might be facing inside or outside work that could inform your course of action. Meanwhile, remind the employee of their scope of responsibilities and expectations.

2. **Set goals**
   Review core competencies to find out where the employee is falling short. Then, work with the employee to develop a work-improvement plan which sets out interim goals and timeframes, as well as identify the additional tools and resources required to help them improve.

3. **Provide feedback**
   Set aside some time for regular check-ins to assess the progress of the performance plan. These meetings should be used to discuss what the underperforming employee is doing well and what they still need to improve on, as well as re-evaluate and adjust the support required.

4. **Reward improvement**
   To keep your employee on track, it's important to acknowledge all their achievements and progress as they carry out their performance plan. Incentivising the employee will be key to maintaining momentum and their drive to continually improve.

5. **Know when to let go**
   Ongoing underperformance will continue to be costly, so if your employee shows no sign of improvement, it's crucial to know when the time is right to finally part ways. Having a

documented improvement plan with measurable goals will help you recognise when to make this call.

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Notes to editors

About the research

The annual study is developed by Robert Half and was conducted in December 2018 by an independent research firm, surveying 225 business leaders in Hong Kong. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world's first and largest specialised recruitment consultancy. Founded in 1948, the company has more than 300 offices worldwide providing recruitment solutions for accounting and finance, financial services and technology professionals in Hong Kong. More information on roberthalf.com.hk.

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