

# Fact Sheet: Performance Management Broken Down

## What is performance management?

Performance management can be a difficult process to lead. It can be emotional, mentally tough and physically exhausting. In some circumstances, it can't be avoided, and is a necessity at times.

Performance management concerns generally fall into one or more of the below categories:

- **Conduct** involves following rules, policies, and procedures.
- **Behaviour** is how an employee interacts and contributes to workplace culture.
- **Capability** refers to the skills, knowledge, and competence needed to perform the role.
- **Capacity** is the ability to sustain the workload and meet the demands of the role.

Understanding the difference helps you choose the right approach and protect both your business and your people.

Performance management is a structured process that ensures expectations are clear, employees are supported, and processes are followed. Effective performance management can result in greater outcomes for the employer and employee. It provides accountability and reduces business risk.

## Why performance management matters

A good performance management process does more than solve issues. It does the following:

- **Protects the business:** A clear and consistent process reduces exposure to unfair dismissal or adverse action claims.
- **Drives productivity:** Employees know what is expected of them and how to succeed.
- **Supports culture:** Poor performance, if left unchecked, undermines engagement and team morale.
- **Creates fairness:** Everyone is held to the same standards, not just the "easy" cases.

## Recognising performance concerns

Performance issues don't always appear as obvious mistakes. Common indicators include:

- Declining quality or output despite resources and training
- Repeated patterns of lateness, absenteeism, or unreliability
- Resistance to feedback or unwillingness to adapt
- Behavioural concerns that affect collaboration, team cohesiveness or client relationships
- Failure to adhere to inherent requirements of the role

## Performance management best practice

### Step 1: Early Intervention

- Proactive approach to address concerns early.
- Highlights to the employee the matters of concern and potential next steps if no improvement.
- Informal conversations and coaching often prevent bigger issues.
- Always keep records of discussions, matters raised and patterns of poor behaviour or conduct.

### Step 2: Formal Disciplinary Process

Necessary if matters persist or become more serious.

1. Formal written invitation to a disciplinary meeting. This covers:
  - a. The issue/s to discuss.
  - b. Opportunity to respond.
  - c. Option for a support person.
  - d. Potential outcomes of the process (no further action, additional training performance improvement plan, warning letter, termination).
2. Conduct Disciplinary Meeting.
3. Provide outcome of Disciplinary Meeting.

## Documentation is key

Document everything at every stage of the performance management process (both informal and formal).

If the matter ends up before the Fair Work Commission, documentation will be key. The more complete your records, the better equipped you'll be to demonstrate fairness and compliance.

Good documentation helps provide clarity to the employee and protection for the business.



## Employer responsibilities

- **Fair process:** Employees must be given the opportunity to respond to concerns in a fair manner in line with company policies and procedures.
- **Written communication:** Every step should be confirmed in writing.
- **Support options:** Provide reasonable access to training, mentoring, or resources. Education should be at the forefront of employers mind when entering a performance management process.
- **Right to representation:** Employees may bring a support person to any formal meeting.
- **Consistency:** Apply the same standards across all employees and matters in your business.

### Best practice insights

- Don't let performance slide, silence can be seen as acceptance.
- Focus on facts and specific examples, not generalisations.
- Keep emotion out of it: address behaviours, not personalities.
- Consider the bigger picture: is this a capability gap, a motivation issue, or a cultural misfit?
- In cases of serious misconduct, immediate action may be warranted but ensure the process is still procedurally fair.



### Related resources

- [Performance Management Guide for Employers](#)
- [Performance Management Checklist for Employers](#)

### Managing performance isn't about punishment

Instead, it's about it's about protecting your business and giving employees a genuine chance to succeed.

Need guidance on a current performance issue? Or maybe you need a structured process in place to follow when matters arise?

Speak with our team at Now Actually to get clear, compliant, and practical advice.



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