

## Performance Management (Employees)

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## Basic Principles

1. Performance Management identifies the relationship between –
  - The Council's overall values and objectives.
  - Business plans / performance plans.
  - The employee's contribution.
2. Performance Management applies to all employees and at all levels. Timing is consistent. This includes people working on temporary contracts, though the manager may reasonably minimise the supporting paperwork for people on very short term, casual contracts.
3. Performance Management gives clear direction to staff on what is expected of them and what they need to do to achieve their objectives.
4. Employees should be supported to improve their performance, through the normal supervisory process, learning & development opportunities, etc.
5. Performance reviews takes account of the whole contribution made by the employee. It is not solely about tasks but will include employee's; absence record, conduct, capability, learning & development.
6. Success is rewarded, this may be financial or non financial. The Performance Management scheme is the only mechanism used by the Council to determine incremental awards.
7. Recognising the contribution made at an individual level is in line with the Council's commitment to managing diversity. This recognises that people's different backgrounds will impact on how they deliver work and the contribution that they will make.
8. Acceptable performance is ultimately a matter of judgement. Managers must –
  - Be objective and considered in reaching justifiable judgements.
  - Be consistent.
  - Maintain professional standards in setting objectives and assessing performance.
  - Keep proper and accurate records.

## Responsibilities

1. Departmental and business unit schemes of management must set out those-
  - Responsible for agreeing work plans.
  - Recommending or agreeing incremental awards.
  - Hearing appeals.
  - Monitoring the application of the Scheme.Back to top
2. The business unit's plan (performance plan) is central to the success of the scheme. Managers should consider any blockages that prevent people understanding the plan or their role in its achievement so that individuals can see the link between
  - Their contribution,
  - Their workplan,
  - The business units' achievements
  - Ultimately the success of the service
3. Managers prime responsibility is to manage the performance of their staff to secure continuous improvement. Performance Management is not an additional task but provides structure and discipline to this key activity. Managers should -
  - Explain the overall purpose of the scheme.
  - Be clear on the positive impact for the individual.
  - Use performance management to enhance the contribution that the employee can make through targeted learning and development. Use the process as an opportunity to discuss individuals' career development.
  - Use the scheme to improve communications with the employee.
  - Provide support or training on the scheme.
  - Give pertinent and constructive feedback.
  - Focus on improving performance; the documentation attached to the scheme should be a tool not an end in itself.
  - Be able to justify decisions on incremental awards.
  - Show by example, consistent application and their commitment to performance management.
4. Employees should -
  - Be committed to making the scheme work for them.
  - Gain clarification on their role and management expectations.
  - Receive constructive feedback on their performance.
  - Constructively express views without fear of recrimination.
  - Influence future work tasks.
  - Use performance management to enhance their career development, knowledge and skills, &/or gain greater job satisfaction.
  - Believe that application is fundamentally "fair".

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## Process & timescale

1. As part of the normal management / employee relationship, performance management provides a framework for dialogue. Employees do not have rights of representation, except at appeal. (For more information on appeals please see the Section that follows). The process is -

2. **FEBRUARY**

Managers to conduct annual reviews based on the employee's performance from the previous 1st April. A judgement will be required on employee's input for the remainder of the financial year, though in exceptional circumstances a final decision can be delayed, e.g. where evidence will not be available until year end.

Work plans to be drawn up for the following year, commencing 1<sup>st</sup> April.

3. **MARCH**

Managers to make recommendations following the annual reviews. Including incremental awards and non financial benefits where increments are not payable. Managers escalate recommendations for incremental awards to senior management in accordance with department's scheme of management.

Senior management consider recommendations for incremental award and relevant monitoring information. This would normally include percentage of people recommended for an increment compared to those eligible, employee monitoring data (e.g. gender, ethnic origin) and any supplementary information on the overall performance of the unit.

Where applicable, senior management raise issues of consistency or seek clarification on the award of increments.

4. **MARCH / APRIL**

Decisions on incremental awards are confirmed. Where a manager's recommendation requires validation by a more senior officer, decisions to be notified to them prior to their staff. Manager to notify staff of the final decision.

5. **APRIL**

Managers to process incremental awards on payroll, using Managers' Self Service (MSS). [Click](#) here for more details.

Work plans for the new financial year in place.

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6. **APRIL/ MAY**

Outstanding appeals on incremental awards are considered.

Outcomes of appeals notified to managers and the appellants.

7. **SEPTEMBER/ OCTOBER**

Managers to hold half yearly reviews. Reviews may be more frequent; this is the minimum.

**Work plans**

1. Employees are normally responsible for the preparation of the workplan for agreement with their manager. For some roles the manager may work with the person or the team, preparing the document on the person's / team's behalf.

2. Employees cannot refuse to attend meetings to discuss work plans. Where an employee does not participate in discussions or agree objectives, the manager should explore reasons and aim to reach consensus, (the employee may be concerned that they do not have necessary skills, etc.). Ultimately, managers are responsible for determining appropriate objectives and if necessary communicating these to the employee in writing.

3. The workplan is intended to operate as a living document to be consulted regularly by the employee and their manager. To draw up the workplan the manager and employee(s) will consider -

- Strategic and organisational priorities.
- The business unit and its service standards.
- Existing team and departmental work plans
- Job descriptions
- Employee's experiences of what is important in their job.
- Objectives that stretch the employee's potential and have a tangible impact on services, also see below.

5 The workplan will include-

- **Objectives**

What the employee needs to achieve, linked to business /performance plan objectives.

The number of objectives will vary dependent on scope or complexity of role. In exceptional circumstances an employee may have only one or two objectives, typically there are 8. More than 10 would be unusual. Objectives must cover continuous responsibilities as well as projects or developments.

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- **Task/ Actions**  
What the employee intends to do to achieve the objectives.
- **Performance Indicators / Targets**  
What will be used to measure success.  
  
Targets should be challenging for the individual and be SMART (Specific, Measurable, Agreed, Realistic, Time-related). Also see below on extension targets
- **Deadline for Achievement of Performance Indicators**
- **Evidence of Achievement/ Comments**  
To be completed at reviews.
- **Learning & Development Needs.**  
The learning & development plan is an integral part of the work planning process. This focuses on the skills, knowledge and experience that the employee needs to gain to complete, or enhance their objectives and for future career development.
- **Use of Competencies. (If applicable)**  
Where lists of competencies are provided (for specific positions), these should be used when drawing up L&D plans and be referenced accordingly.

Equalities & diversity issues must be included in a meaningful way in every workplan – for some posts this is going to be an objective, for others a target.

Targets for “core finance” have been drawn up for application across the Council. The Departmental Finance manager will provide further details on applicable targets and which posts are considered core finance staff.

Example work plans and learning & development plans are available on the Source

6. Since financial year 2002/03 extension targets must be set for all staff and clearly identified in the workplan. These must
  - Provide challenge and maximise the person's potential
  - Should be continuous, as the individual moves through the grade.
  - Should not be "created" without real business need.
  - May not be within the capability for all employees without appropriate learning and development.

Not all staff wish to take on extra responsibility; those managing must respect this, but for all staff continuous improvement is possible.

## Supervision & performance reviews

1. Normal supervision should continue throughout the year. All staff need continuous feedback, praise and reassurance especially when they have done well and taken risks that have paid off. Discussions should not take place only when things have gone badly. Regular supervision should, however, be supported by formal performance reviews.
2. Group objectives may be set for teams. But individual performance review meetings still need to be arranged to discuss the learning and development of each person and their contribution to the achievement of the team objectives. Formal performance review meetings must occur at least 6 monthly. Characteristics of the review are as follows.
  - (a) Review meetings are one-to-one discussions between the Manager and the employee. They consider progress against the agreed workplan and learning & development plan with the emphasis on achievements, using the performance indicators as a guide to levels of performance.
  - (b) The employee will be offered the opportunity to take the lead during the discussions, providing evidence on the areas of achievement against the workplan and learning and development plan.
  - (c) Feedback needs to be specific and positive to reinforce successful behaviour and encourage change where necessary.
  - (d) Areas of under-achievement should be discussed, but in a climate of support and encouragement rather than blame or punishment. However, there needs to be clarity that sustained poor performance will be addressed via the capability procedure.
  - (e) The meeting creates an opportunity to review the contents of the workplan to reflect any changes in circumstances. Revised items should be agreed following the same principles applied to the original plan. In agreeing changes to the workplan it must be clear to the employee that the annual review will take account of the whole contribution made by the employee for the whole of the year and not the latest objectives/targets alone. In some cases changes to the workplan part year will be made with the knowledge that annual performance will not lead to financial reward (e.g. sickness level has already far exceeded acceptable levels by the time of the review). Performance management remains valid to improve the employee's contribution in the workplace and to clarify expectations.

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- (f) By defining what each person needs to achieve, it is possible to integrate new initiatives, re-focus energy on a particular service area or change priorities with a greater awareness of how this impacts on the person's/team's current workload.
- (g) The Manager should retain written records of meeting outcomes.

## **Annual review**

1. Both parties should prepare for the annual review. As described above, the review looks at the whole contribution made by the employee for the whole of the year and not limited to the immediate targets pre annual review. The annual review must take account of all targets set, including extension targets, and of sickness absence levels.
2. The way in which the review meeting is structured is flexible and for the Manager and the employee to agree together. Employees are however encouraged to take the lead at the meeting as they are at the regular achievement review session. A suggested 8 point plan is
  - Step 1 - Share assessment of performance during the whole of the review period, normally 12 months. Base on the workplan, looking at achievement against targets, participation in learning and development, sickness absence levels and links to other procedures e.g. discipline (see below).
  - Step 2 - Recognise and celebrate achievements.
  - Step 3 - Identify areas where performance could be improved and agree ways to achieve.
  - Step 4 - Determine how the Manager can assist the individual to higher performance.
  - Step 5 - Agree a learning and development plan to cover points 3 and 4.
  - Step 6 - Establish a workplan for the following 12 months.
  - Step 7 - Plan a programme of regular review discussions leading up to the next annual review meeting.
  - Step 8 - Both parties to be clear on the outcomes of the meeting, including where applicable whether the manager/supervisor will recommend the payment of an increment.

The Manager should retain written record of the meeting.

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## Links to other procedures

1. Performance Management considers the whole contribution made by the employee. There is a link between Performance Management and whether an individual
  - Is incurring high levels of absence
  - Has "live" disciplinary action on the files
  - Has satisfactory timekeeping
  - Is meeting core standards on monitoring, reporting, customer focus responsibilities and attending learning and development etc.
  
2. It is important that staff who are falling significantly below the required standards are not rewarded against work objectives, (e.g. payment of an increment) in isolation to these standards. Noting,
  - If an employee fails to meet defined standards (e.g. on sickness) the manager must follow the appropriate procedure during the year. Performance Management does not replace the need for effective sickness management or appropriate capability and disciplinary action. Failure to follow procedures could be a factor in any subsequent performance management appeal by the employee.
  
  - As with all indicators of performance the achievement of these standards must be considered thoughtfully. For example, an employee with an excellent sickness record in previous years may have had an occasion of sickness that triggers the Council's formal procedures but then works diligently to recoup lost productivity with little adverse impact on outcomes. It would be questionable therefore to withhold an increment where payable.
  
  - Corporate led standards, e.g. on sickness management, should be consistently applied across business units. With clear and consistent communication to staff.
  
  - Where a notable number of staff are failing to meet a significant number of criteria, their Manager should have their own objective of improving standards.

## Outcomes

1. Possible outcomes of the annual review can include -
  - a) Rewards, which may be financial (incremental progression) and/or non-financial and include; positive feedback / praise; nomination for specific training at the request of the employee; opportunities to gain particular work experience/ duties.

b) Influencing objectives and learning development for the coming year.

c) Taken into account as part of a capability process; this will be rare.

d) An appeal by the employee - the process is outlined below.

## **Incremental progression**

1. Recommendations for incremental awards must
  - Take a balanced score card approach. Looking at each of the factors that lead to continuous improvement, but recognising that some areas may have more weight. Zero progress in one area will almost certainly stop award (e.g. very high sickness absence, disciplinary record)
  - Be more difficult for the employee as s/he progresses through the grade. The scheme does not allow higher payment year after year for substantially the same outcomes, instead encourages managers and employees to work together so that continual improvement can be achieved.
  - Where competencies have been defined these could be a measure of an employee's ability to work at the top end of the job description
2. Managers must be clear; if their recommendation for incremental progression requires validation by a more senior officer(s); when decision will be made and how they will be informed. (Managers should be notified prior to their staff)
3. If an increment is not recommended the manager must be clear why and if it directly relates to the contribution of the employee, (i.e. rather than financial), areas for improvement.
4. As previously noted, decisions on incremental awards occur in March each year with pay adjustments implemented from April. In exceptional circumstances decisions on incremental awards (or other rewards) may be deferred while further evidence on achievements is collated, for example if objectives are directly linked to targets for the financial year, or the employee is unavailable for discussion.

## Appeals

1. Appeals can relate to:
  - Achievement of individual's objectives
  - Assessment of individual's performance
  - Recommendation of individual's incremental award
2. There is no appeal against objectives set. This is a management led activity. However, Manager's should seek to gain the agreement of individuals to objectives.
3. The following general principles apply to the appeals process
  - All employees have the right of appeal.
  - Appeals have to have substance and be based on facts
  - Employees may be represented or accompanied by a work colleague or trade union representative during the appeal hearing
  - Appeals will be submitted in writing using the Performance Management Appeals Form
  - Management responses will be submitted in writing using the Performance Management Appeals Form
  - All employees, managers and trade union representatives will be briefed on the Appeals Procedure
  - Appeals must be submitted within 10 working days of receiving notification of assessment of performance or decision on incremental progression
- 4 The process is -
  - Before submitting an appeal, the employee and their line manager should try to resolve the point(s) at issue by discussion.
  - If the employee is not satisfied with the line Manager's decision, s/he may submit an appeals form to the manager's manager, i.e. grandparent approach
  - The Manager hearing the appeal must be independent of the original assessment of the appellant's performance / the recommendation of the appellant's incremental award
  - A revised assessment of performance will be made - by the person hearing the appeal - and/or an incremental award will be recommended if appropriate.
  - Appeals will, wherever possible, be heard within 10 working days of receipt by the appropriate manager and the decision will be formally advised to the appellant - usually within 5 working days of the hearing.

- In the event that these target timescales cannot be met, the manager hearing the appeal will notify the appellant promptly, and in writing, of the likely delay and the reason(s) for it.
- Records of appeals should be kept securely in the Business Unit.

## **New employees**

1. While the workplan and performance review normally covers a year (April/March) naturally this needs to be adjusted for those joining the business unit. For simplicity, the workplan for new employees normally covers the period from commencement to March. Performance management is essential during the induction period and their workplan will require more frequent review and enhancement than for other employees.

## **Maternity leave**

1. For those going on or returning from maternity leave, work planning provides an opportunity to clarify what the employee can reasonably achieve in the review period and identify where some work adjustment may be required - an objective may be time led and therefore not possible through the employee's absence, e.g. closing of accounts.
2. Where employees are on maternity leave, they may be invited to a performance review/work planning meeting. However, it is their right not to accept such an invitation. Generally the meeting will have occurred prior to maternity commencing where this is practical. Evidence of achievement against workplan objectives pre or post the maternity period will inform the assessment of performance. Note; maternity related absence should be discounted in considering an employee's attendance record for this purpose. Employment case law is continuing to evolve in this area. Each case must be considered on its merits and those managing are advised to liaise with HR staff for guidance.

## **Employees on long term sickness absence**

1. For employees on long term sick leave, workplan discussions, and revision if appropriate, should be undertaken as soon as is reasonably possible following the employee's return to work. As noted previously, it may be necessary to review a workplan with the knowledge that the level of sickness already incurred will mean that the annual review cannot lead to a positive outcome (e.g. an increment will not be paid at year end). Work planning remains however an essential method to agree the contribution to be made by the employee and help identify the support required to assist their achievement.

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## **Employees with disabilities**

1. The Equality Act 2010 places certain responsibilities on employers if they know or, could reasonably have been expected to know, that an employee has a disability under the terms of the Act. In the area of performance management, the Act places a duty on an employer to make reasonable adjustments to any aspect of the premises or work arrangements if that would prevent the disability reducing the employee's performance. For example, the proportion of site visits than an employee is expected to undertake may be reduced, and replaced with more phone contact or other communication methods. It may also be reasonable, dependent on the nature of the disability to
  - Accept a slightly higher level of sickness absence from a disabled employee than would normally be allowed;
  - Allow the employee time off work for medical treatment of their disability
  - Allow more breaks in the employee's working day.

Workplan objectives must be monitored / amended in the normal way.

2. While issues relating to disability may be properly discussed by the manager at any time, performance management provides an effective and structured method to look at the employee's contribution and support mechanisms. Every case needs to be looked at on its merits and in the light of specialist advice from HR. It is particularly important not to assume on the basis of a generally held view of a particular disability that an employee's performance will be less than others.

## **Support & learning**

1. The integrity of the Performance Management Scheme will be supported by-
  - Checks by departmental senior management teams for consistent and justifiable implementation.
  - Monitoring the impact of incremental awards across the Council by HR, in terms of employee profile (e.g. ethnic origin, gender, disability).
  - Implementation of the scheme by informed management and staff.
2. Tutor led training on implementing the Performance Management scheme is organised by OD. Details can be found on the Council's Intranet. Staff newly appointed to managerial posts must, attend an appropriate course as part of their induction to their new role.

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3. On an individual basis all managers can seek help from their local HR practitioner on implementation of the scheme and help on issues of consistency.

## **Records**

1. The crux of the Performance Management Scheme is to improve performance, leading to high quality services. Standard documentation is not an end in itself but is a useful mechanism to ensure that there is consistency in approach and areas of importance are universally considered.
2. To assist work planning and review it is expected that employees will have access to the Business Plan / Performance Plan and hold a copy of their job description.
3. Each employee should have the documents noted below; the manager will retain a copy -
  - A workplan, (note this may apply to a group or team of people)
  - An individual learning & development plan.
  - Notes recorded by the manager of their performance review.
  - Notes recorded by the manager of the annual performance management interview.

A standard format for these documents is shown on the Source. Whilst the format may be altered slightly (particularly where team target are applied), it is expected that these should be in general use.

4. Records, particularly assessment of performance, will hold personal and perhaps sensitive information. It is possible should the need arise that they may be exposed in an appeal hearing and potentially an Employment Tribunal. Information must: -
  - Clearly document decisions made,
  - Be comprehensive;
  - Be confidential to those with authority to access;
  - Be secure.

## **Further information on the Source**

- Questions & answers
- Work plan template & example
- Performance review template
- Performance Management Appeals Form
- Manager's action sheet for hearing appeals

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