

PERFORMANCE MANAGEMENT

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CORPORATE FIT

Internal Management Plan	
Risk Register	
Business Plan	
Regulatory Standards	
Equalities Strategy	
Legislation	

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1. Introduction and Policy Statement

Part of our key aims of The Albyn Group is to build our Purpose, our Mission, our Values and our Vision into our policy and decision making on a daily basis. With that in mind, we aim to follow our guiding principles that apply to all policies:

<https://www.albynhousing.org.uk/about-us/>

Albyn Housing Group is governed by the Scottish Housing Regulator's regulatory standards. Standard 1 to be upheld by our board is:

The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

The guidance given to boards is to ensure that:

The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.

Albyn Group recognises that it will achieve success and provide an excellent service to its tenants through the great performance of its employees in line with our organisational business plans.

Our performance management process sets out our commitment to helping all of our employees to perform at their best.

Albyn Group are striving to:

- Help our employees perform at their best
- Set clear expectations of what we need from our employees and how this aligns to Albyn's values, mission, and business plan
- Measure performance against the objectives in our business plan
- Be fair and consistent with all employees
- Provide constructive feedback to our employees

The policy also sets out a framework for managers to follow where an employee's performance becomes a concern. It ensures that any concerns over performance are dealt with fairly and that employees are given reasonable time and opportunity to improve informally before performance is managed formally.

2. Scope

This policy applies to all Albyn Group employees below director level. This policy does not apply to board members, directors, agency staff, contractors, or self-employed workers.

This policy does not form part of contracts of employment, and it may be amended at any time.

3. Setting Stretching Objectives

An integral part of the performance management process is the setting and agreeing of stretching objectives to ensure that expectations are clear, fair, and consistent. Employees should understand what is expected of them and the behaviours required to achieve them.

Objectives should be linked to team business plans and objectives which are created in line with Albyn's overall business plan.

Managers should be aware of any personal circumstances and reflect these when setting achievable stretching objectives.

Stretching objectives should be SMARTER (Specific, Measurable, Achievable, Relevant, Time Specific, Extending, Rewarding).

Stretching objectives will focus on outcomes and results. For example, relating to key performance indicators (KPIs).

4. Expectations

Expectations of Managers:

- Managers have a responsibility to support their employees through performance management. They should hold one-to-one meetings, understand the performance of their employees, and provide regular evidence-based feedback.
- Managers will ensure their employees have a clear understanding of what's expected of them through discussions about their objectives, at their one-to-one meetings and when completing their appraisal.
- Managers will provide constructive feedback to their employees to give them the best opportunity to perform at their best.
- Managers will support their employees with creating and working through a personal development plan.

Expectations of Employees:

- Employees have a personal responsibility for their own performance and take an active part in performance conversations with their manager.
- They will work with their manager to set objectives, take part in one-to-one meetings, create, and actively work through a personal development plan and complete their appraisal.
- Employees should request and act on feedback that will help their performance.

5. Annual Performance Cycle

The following steps make up the performance year:

- Albyn Group Business Plan is presented to and approved by our board(s). They approve and confirm the strategic direction for Albyn Group.
- The plan will be communicated to all employees, and a connection should be made between the overall business plan, and the team business plan

and objectives, so that employees have a clear sense of their individual contribution to the overall success of Albyn.

- a. This will take place at the end of each financial year.
- **Setting Objectives:** Employees and their line manager should draft their objectives. This will include the objectives they will set out to achieve, the actions they will take to achieve those objectives and how they will do this in line with Albyn's values, mission, and business objectives.
 - a. Employees in similar roles may have the same objectives set under team business plans.
 - b. There should be a minimum of four and maximum of eight objectives.
 - c. Draft objectives should be completed by the end of April each year.
- **Reviewing Objectives:** Departmental directors will work with line managers, supported by HR, to review the objectives to ensure they are fair and that they are aligned to the business needs.
- **Development planning:** Every employee in Albyn should have a personal development plan. Employees will draft and review their personal development plan at the beginning of the new financial year with their line manager. Discussion of the personal development plan should be included at one-to-one meetings, and at the end of year appraisal meeting. Training and development needs identified for the personal development plan will be defined as essential for the role and/or for development within the role and career aspirations.
- **Regular one-to-one meetings:** Employees should have a one-to-one with their line manager at least every two months and these should be documented. In October/November, the one-to-one will take the form of a half year review. At this point, the employee and line manager should discuss progress against objectives and agree a plan for success.
- **Appraisals:** Between March and April, employees will complete a full year appraisal. This is to cover what they have achieved and how they have achieved it. Each employee will receive an individual performance rating. The rating will be compared against others to ensure fairness and consistency. Line managers will be responsible for delivering the rating to their employee.

6. Individual Performance Rating Scale

Performance Rating	Criteria
Exceptional	Significantly exceeding all objectives
High	Meeting all and exceeding some objectives
Good	Meeting all objectives
Improvement Required	Meeting some objectives
Unsatisfactory	Meeting no objectives

7. Performance Rating

Line managers will share performance ratings with their employees. The rating is important as it is linked to other areas including:

- Talent management which connects performance data to the identification of talent and development and supports succession planning.
- Addressing unsatisfactory performance

8. Change of Manager or New to Role

Appraisals during change of role or manager:

- Where an employee is moving to a new role, the previous manager will complete an appraisal with them before they move roles. This will be taken into account at the end of year appraisal.
- Where a move occurs in February or March, the previous manager should carry out the end of year appraisal.
- Documentation relating to one-to-ones or appraisal meetings will be uploaded by managers to the HR Toolkit. If an employee changes manager, their new manager will be able to access these documents.

Process for those new to role:

Often, early performance in a new role will be lower as the employee is still learning. This will be taken into account when reviewing performance for the following employees:

- New starters during the first six months of the role
- People new to role, where the role differs significantly from their previous roles e.g., a change of department/specialism
- Newly promoted employees during the first six months of the role
- Returners from long term leave/absence or a sabbatical during the first three months of their return

Probationary reviews will be taken into consideration when evaluating new starters.

9. Supporting High Performance

High performance will be supported by ongoing training and development opportunities that reflect the employee's and Albyn's needs.

Discussions will take place with the high performing employee which will focus on career development.

Career development opportunities will be provided for employees through schemes such as coaching and mentoring and processes such as succession planning.

10. Addressing Performance Concerns

Through setting objectives and receiving regular feedback from their manager, employees should understand how they are performing.

Where an employee's performance becomes a concern, it is important that they are made aware of this as soon as possible. This is so they can understand why and what they need to do to meet expected standards. In most cases, providing clear direction and support will be all that is required for an employee to improve.

It is vital that the change in performance is demonstrable and quantifiable. Where an employee's performance does not meet expected expectations, the performance improvement procedures should be followed. Initially the procedure focuses on informally supporting the employee to improve. Where performance continues to be a concern after it has been addressed informally, the formal procedure should be followed.

Informal Procedure

It is the manager's responsibility to identify any performance issues as early as possible and jointly take steps with the employee to resolve these issues informally by providing support and training to enable the employee to meet the standards required.

The employee's manager should invite the employee to an informal meeting to discuss the performance concerns. The informal discussion should clarify the areas of underperformance, identify any contributing factors, and agree targets for improvement. The agreed targets should be SMART (Specific, Measurable, Achievable, Relevant, Timely).

Following the informal discussion, arrangements should be made to supervise and monitor the ongoing performance. Where an employee's performance shows signs of sustained improvement, the manager should meet with the employee to give positive feedback and encourage sustained good performance and future development.

Where informal action does not bring an improvement, the formal procedure should be instigated.

Formal Procedure

The formal procedure has three stages: stage one, stage two, and consideration of dismissal. At each stage of the formal process, the employee has the right to be accompanied to the meeting by a trade union representative or work colleague.

Stage One

The first step of the formal procedure is that a stage one meeting should be arranged between the manager and employee. The employee must be given a written invite to the meeting – including the date, time, and venue of the meeting. This should happen as soon as possible after the informal procedural has ended.

The written invite must also include where the employee has not met the desired performance and where the employee has not met the targets on their previously agreed SMART action plan. The letter should also state that the

employee has the right to be accompanied to the meeting by a trade union representative or work colleague.

If the employee or their companion cannot attend the meeting, they should inform their manager immediately to arrange an alternative time.

The stage one meeting should include:

- Exploration of the unsatisfactory performance. The manager should define the expected standard of performance, including a discussion of the employee's objectives and provide evidence of where the employee is not meeting the required standards. The employee should be given an opportunity to provide their point of view and evidence.
- A review of the targets which were set at the informal stage and a discussion as to why they have not been met.
- Review of any training interventions or measures which have been put in place during this process to date and discussing reasons why they may not have helped to improve performance.
- Identify if there are any further measures or training that could be put in place to help the employee improve.
- Explore whether there are any external factors impacting on the employee's performance which need to be addressed.
- Review of any other evidence from the manager or employee.

A new action plan (with SMART targets) should be drawn up by the manager and agreed to by the employee. The timeframe for improvement should be set to 12 weeks. The plan should include any further training interventions which will help the employee.

At this point, it should be made clear to the employee that they are on a stage one warning and that failure to improve in the next 12 weeks could result in moving to stage two of the formal process. The stage one warning should be issued in writing to the employee after the meeting. If performance improves and the employee moves off the process, their warning will be in place for six months.

Arrangements should be made to review the on-going performance during these 12 weeks and feedback/support should be provided throughout.

If it is found during the stage one meeting that performance issues are due to external factors out with the employee's control or there are mitigating circumstances in relation to their performance, then the employee will not progress through the stage one procedure. Instead, the manager and employee should agree measures to be put in place to help the situation and will agree a timeframe for review. This would mean no stage one warning is issued.

For serious performance issues or where there is significant risk associated with poor performance in the employee's role, the employee may be moved immediately to stage two of the process and invited to a stage two meeting.

Stage Two

If after 12 weeks there is no improvement in the employee's performance, the line manager should invite the employee to attend a stage two formal meeting.

The written invite must also include where the employee has not met the desired performance and where the employee has not met the targets on their previously agreed SMART action plan. The letter should also state that the employee has the right to be accompanied to the meeting by a trade union representative or work colleague.

The stage two meeting should cover:

- Exploration of the unsatisfactory performance including reviewing all documentation relating to stage one of the procedure (unless the employee has moved directly to stage two).
- Explore the areas where the employee has not met the required standard and providing factual based evidence to support this.
- Allow opportunity to employee to put forward their views and any evidence they may have.
- Identify if there are any further measures that could be put in place to help the employee improve.
- Review of any other evidence from the manager or employee.

A final action plan should be agreed between the manager and employee. This, again, should include SMART targets and have a specific timeframe of eight weeks.

At this point, it should be made clear to the employee that they are now going to be issued with a stage two/final written warning and failure to improve in the next eight weeks could result in moving to the dismissal stage of the procedure. If performance improves and the employee moves off the process, their warning will be in place for 12 months.

Arrangements should be made to review the on-going performance during these eight weeks and feedback/support should be provided throughout.

If it is found during the stage two meeting that performance issues are due to external factors out with the employee's control or there are mitigating circumstances in relation to their performance, then the employee will not progress through the stage two procedure. Instead, the manager and employee should agree measures to be put in place to help the situation and will agree a timeframe for review. This would mean no stage two warning is issued.

As an alternative to progressing with the stage two action plan, the manager might consider whether there is a more suitable alternative role available for the employee to transfer to. If this is considered an option, the manager should discuss this with the employee at the stage two meeting. If this option is progressed, an appropriate action plan should be put in place to monitor the employee's performance in the new role. If the employee does not wish to consider this option, then they will follow the stage two action planning process.

Dismissal

If the employee's performance has not improved within the agreed timeframe set out in stage two, the employee will be invited to a consideration of their dismissal meeting.

The written invite must also include where the employee has not met the desired performance and where the employee has not met the targets on their previously agreed SMART action plans. The letter should also state that the employee has the right to be accompanied to the meeting by a trade union representative or work colleague.

The invite to the dismissal meeting should make it clear to the employee that one of the possible outcomes from the meeting is dismissal from the business. The dismissal meeting should be held by an appropriate senior manager.

The meeting should include:

- Exploration of the unsatisfactory performance including reviewing all documentation relating to any previous stages of the procedure.
- Explore the areas where the employee has not met the required performance standard.
- Review the action plan targets from previous stages of the procedure.
- Explore the support measures put in place for the employee during the process to date.
- Identify if there are any further measures that could be put in place to help the employee improve.
- Determine the likelihood of improved performance within a reasonable time-scale.
- Consideration of any other suitable alternative roles for the employee to downgrade into.
- The employee will be given the opportunity to put any mitigation or evidence forward during this meeting.

After the meeting, the dismissal level manager should write to the employee with their decision. This letter should clearly explain the reasons for their decision. If the decision is to dismiss, the letter should include the date on which employment will terminate and that they have the right of appeal.

Failure to attend any of the formal meetings including stage one, two and consideration of dismissal without good reason may result in the business having to make a decision based on the information they have available.

Appeal

At any stage after a formal decision has been taken by the company, including warnings or dismissals, an employee has the right to appeal to the next level of management.

To start an appeal, the employee must confirm their intention to appeal in writing within five working days of receiving the written notification, following the formal

action. The written confirmation should set out the grounds for the appeal. The decision will stand unless and until it is altered on appeal.

On receipt of the written confirmation of the employee's wish to appeal, the Society should undertake an appeal hearing within seven working days or as soon as is reasonably practicable.

The company should write to the employee inviting them to the appeal hearing and give the employee notice of the hearing. The written notice should also confirm that the employee has the right to be accompanied by a fellow employee or trade union representative of their choice.

The company will endeavour to ensure that the person hearing the appeal was not party to the original decision.

At the appeal hearing, the employee will be given the opportunity to set out the grounds of their appeal in full. The manager should review the evidence on which the original decision was made and consider whether the decision was reasonable.

The appeal manager should adjourn the appeal meeting to consider the information before re-convening to deliver the decision. The length of the adjournment will depend on the complexity of the case.

The appeal manager is responsible for ensuring that the employee receives written notification of the decision taken at the appeal hearing i.e., that the appeal has been upheld or denied.

The decision taken at the Appeal is deemed to be final.

The Right to be Accompanied

At any of the formal performance meetings an employee may request to be accompanied by a fellow employee of their choice or by a trade union official.

If the companion cannot attend on a proposed date, the employee can suggest an alternative time and date so long as it is reasonable and it is not more than five working days after the original date.

The companion can put points across during the meetings but cannot answer questions on the employee's behalf.