

# PERFORMANCE MANAGEMENT POLICY

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07/2024	HHR	V1.1	V1.2	Scope expanded to include Executive Leadership Team.
04/2024	HRBP	V1	V.1	Updated scope to include directors, amended language to read as 'Albyn Housing Group' instead of 'Albyn', changed language from 'appraisals' to 'performance reviews', removed specific months under annual performance cycle so it is more generic, minimum and maximum number of objectives removed, changed wording of half year review to mid year review, performance rating scale updated with new language, under process for those new to role for newly promoted employees its changed from six to three months.  Section 10 has been reviewed and updated throughout with best practice.
05/2021	HHR		V1	Policy initially approved.

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## **1 INTRODUCTION AND POLICY STATEMENT**

- 1.1 A key aim of Albyn Group is to build the mission, values and vision of the organisation into its policy and decision making on a daily basis. The Albyn Group aims to follow its guiding principles in all policies: <https://www.albynhousing.org.uk/about-us/>
- 1.2 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.
- 1.3 Albyn Group recognises that it will achieve success and provide an excellent service to its tenants and customers through the great performance of its employees in line with our organisational business plans.

Our performance review process sets out our commitment to helping all our employees to perform at their best. Albyn Housing Group is 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 Housing Groups' 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
- 1.4 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**

- 2.1 This policy applies to all Albyn Group employees. This policy does not apply to Board Members, 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 RESPONSIBILITIES**

- 3.1 The management team are responsible for applying the performance management policy consistently with their teams.
- 3.2 Employees are responsible for taking a personal responsibility for their performance and actively participating in the process.

## **4 SETTING STRETCHING OBJECTIVES**

- 4.1 An integral part of the performance review 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 Housing Groups' overall business plans. Managers should be aware of any personal circumstances and reflect these when setting achievable stretching objectives.

- 4.2 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).

## **5 EXPECTATIONS**

### **5.1 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 performance reviews.

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.

### **5.2 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 performance reviews.

Employees should request and act on feedback that will support their performance.

## **6 ANNUAL PERFORMANCE CYCLE**

The following steps make up the performance year:

- 6.1 Albyn Group Business Plans are presented to and approved by our board(s). They approve and confirm the strategic direction for Albyn Housing Group. The plans will be communicated to all employees, and a connection should be made between the overall business plans, and the team business plans and objectives, so that employees have a clear sense of their individual contribution to the overall success of Albyn Housing Group.
- 6.2 Setting Objectives: Employees and their line manager should write 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 Housing Groups' values, mission, and business objectives. Employees in similar roles may have the same objectives set under team business plans.
- 6.3 Personal Development Planning: Every employee in Albyn Housing Group should have a personal development plan. Employees will draft and review their personal development plan at the beginning of the performance 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 performance review 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.
- 6.4 Regular One-to-One Meetings: Employees should have a one-to-one with their line manager regularly and these should be documented. Half way through the year, the one-to-one will take the form of a mid year review. At this point, the employee and line manager should discuss progress against objectives and agree a plan for success.
- 6.5 Performance Reviews: Towards the end of the performance year, employees will complete an end of year performance review. 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 benchmarked to ensure fairness and consistency. Line managers will be responsible for delivering the rating to their employees.

## 7 INDIVIDUAL PERFORMANCE RATING SCALE

High Achiever	<ul style="list-style-type: none"><li>• Employee is meeting all and exceeding some of their objectives.</li><li>• Any objectives not met would have been out with the control of the employee.</li><li>• Employee has frequently sought and undertaken opportunities to deliver beyond their objectives.</li><li>• Employee's behaviour is effectively aligned to Albyn's values, and they set an example to others.</li><li>• Employee has played a big part in team success.</li></ul>
Achiever	<ul style="list-style-type: none"><li>• Employee is meeting all of their objectives.</li><li>• Any objectives not met would have been out with the control of the employee and there will be mitigating factors.</li><li>• Performance is described as solid and thorough.</li><li>• Employee's behaviour is effectively aligned to Albyn's values.</li><li>• Employee has made a valuable contribution to team success.</li></ul>
Achiever with Development Required	<ul style="list-style-type: none"><li>• Employee is meeting some of their objectives.</li><li>• For those objectives not met, some or all were within the employee's ability to meet.</li><li>• There is a need for further development and improvement to meet objectives.</li><li>• Employee's behaviour may be inconsistently aligned to Albyn's values.</li><li>• Employee has added some value to the team, but this may not be consistent.</li></ul>
Under Achiever / Significant Development Required	<ul style="list-style-type: none"><li>• Employee is not meeting most of their objectives that are within their ability to meet.</li><li>• Performance must improve substantially.</li><li>• The employee may require significant development support to meet their objectives.</li><li>• Employee's behaviour may not be aligned to Albyn's values.</li></ul>

## 8 PERFORMANCE RATING

8.1 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.

## 9 CHANGE OF MANAGER OR NEW TO ROLE

9.1 Performance Reviews during change of role or manager:

- Where an employee is moving to a new role, the previous manager will complete a performance review with them before they move roles. This will be taken into account at the end of year performance review.
- Where a move occurs towards the end of the performance year, the previous manager should conduct the end of year performance review.
- Final documentation relating to one to ones or performance review 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.

## 9.2 Process for those new to role:

Those employees who are new to role will still be learning and this should 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 three 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.

## 10 SUPPORTING HIGH PERFORMANCE

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

## 11 ADDRESSING PERFORMANCE CONCERNS

11.1 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 the expected standards. In most cases, providing clear direction and support will be all that is required for an employee to improve.

11.2 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 or is serious, then the formal procedure should be followed.

### 11.3 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 continued improvements and future development.

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

#### 11.4 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.

We can begin the formal procedure at any stage, depending on the seriousness of the performance concerns. For example, for serious performance issues or where there is a serious 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. If the performance is so serious that there is significant risk associated, or is so negligent as to amount to misconduct, then the employee may be moved immediately to stage three of the process, or the matter may be considered under our disciplinary policy.

#### 11.5 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 invitation to the meeting – including the date, time, and venue of the meeting. This should happen as soon as possible after the informal procedure has ended.

The written invitation 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 will be considered on a case by case basis and will be appropriate to the employee's position in the business. The level of risk associated with the underperformance is also a relevant factor in setting the period for review. 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 timeframe provided could result in moving to stage two of the formal process. Stage one warning should be issued in writing to the employee after the meeting. The stage one warning should set out :-

(a) The areas in which the employee has not met the required performance standards.

(b) Targets for improvement.

(c)Any measures, such as additional training or supervision, which will be taken with a view to improving the employee's performance.

(d)A period for review.

(e)The consequences of failing to improve within the review period, or of further unsatisfactory performance.

If performance improves and the employee moves off the process, their warning will remain active for six months.

Arrangements should be made to review the on-going performance 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 may 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.

## 11.6 Stage Two

If there is no improvement in the employee's performance following the review period set at the stage one meeting, or if there is further evidence of poor performance whilst the employee's first stage warning is still active, the line manager should invite the employee to attend a stage two formal meeting.

The written invitation 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 provide factual based evidence to support this.
- Allow an 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.

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 specific timeframe could result in moving to the dismissal stage of the procedure. If performance improves and the employee moves off the process, their warning will remain active for 12 months. The stage two warning should set out :-

(a)The areas in which the employee has not met the required performance standards.

(b)Targets for improvement.

(c)Any measures, such as additional training or supervision, which will be taken with a view to improving the employee's performance.

(d)A period for review.

(e)The consequences of failing to improve within the review period, or of further unsatisfactory performance.



Arrangements should be made to review the on-going performance 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 an appropriate 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.

### 11.7 Dismissal

If the employee's performance has not improved within the agreed timeframe set out in stage two, or if there is further evidence of poor performance whilst a stage two warning remains active, or if the poor performance poses a significant risk to our customers or business, then the employee will be invited to a consideration of their dismissal meeting.

The written invitation 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, including any risks to the business or customers.
- 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 timescale.
- Consideration of any mitigation to dismissal, including possible demotion.
- The employee will be given the opportunity to put any mitigation or evidence forward during this meeting.

After the meeting, the dismissal level manager may consider a range of options including:-

(a) dismissing the employee;

(b) redeploying the employee into another suitable job at a lower grade by agreement;

(c) extending an active final written warning and setting a further review period (in exceptional cases where we believe a substantial improvement is likely within the review period); or

(d) giving a final written warning (where no final written warning is currently active).

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. Dismissal will normally be with full notice or payment in lieu of notice, unless the employee's performance has been so negligent as to amount to gross misconduct, in which case the business may dismiss the employee without notice or any pay in lieu.

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 in the employee's absence based on the information they have available.

### 11.8 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.

If the employee is appealing against dismissal, the date on which dismissal takes effect will not be delayed pending the outcome of the appeal. However, if the appeal is successful, the employee will be reinstated with no loss of continuity or pay.

If the employee raises any new matters in their appeal, the business may need to carry out further investigation. If any new information comes to light, the business will provide the employee with a summary including, where appropriate, copies of additional relevant documents and witness statements. The employee will have a reasonable opportunity to consider this information before the appeal hearing.

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, Albyn Housing Group should undertake an appeal hearing within five working days or as soon as is reasonably practicable.

The organisation 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 or previously involved in the case.

At the appeal hearing, the employee will be given the opportunity to set out the grounds for 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.

Following the appeal hearing we may:

- (a) confirm the original decision;
- (b) revoke the original decision; or
- (c) substitute a different penalty.

The appeal manager is responsible for ensuring that the employee receives written notification of the decision taken at the appeal hearing. The employee will be informed in writing of the final decision as soon as possible, usually within one week of the appeal hearing. Where possible, the organisation will also explain this to the employee in person.

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

#### 11.9 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.

### **12 DATA PROTECTION**

12.1 The implementation of this policy involves the processing of employee personal data. Further details can be found in the Albyn Group Employee Privacy Notice.

### **13 EQUALITIES**

13.1 This policy will be implemented in accordance with the Albyn Group Equality & Human Rights Policy.