

# PERFORMANCE MANAGEMENT POLICY

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## VERSION CONTROL SHEET

Version	Author	Review date	Changes	Approved by	Approval date
<b>V1</b>	HR Manager	-	-	Principal	Month Year
<b>V2</b>	Head of HR	October 2021	Procedural updates	Principal	October 2021
<b>V3</b>	Head of HR	August 2023	Updated in line with new performance review process.	Principal	August 2023
<b>V4</b>	Head of HR	November 2024	Clarity of process and changes to EFI Group	Principal	November 2024

## **1. POLICY STATEMENT**

Successful performance management is fundamental to sustaining an effective, efficient and a continuously improving organisation. For the EFI Group to remain successful all staff are responsible and will be held accountable for the effective performance of their jobs. Collectively, the EFI Group success depends on the individual performance of each team member across the organisation.

All staff are recruited on their ability to fulfil the requirements of their jobs. Staff are therefore expected to perform competently at all times, and to improve their performance to acceptable standards where shortcoming are identified. Line managers are expected to continuously monitor and support the performance development of their teams, and where performance issues arise, they should provide reasonable support to help identify the causes for those concerns and ensure that adequate improvement strategies are in place to remedy any performance concerns.

## **2. SCOPE**

This policy sets out the procedure for managing underperformance which may be the result of a variety of reasons. Its aims are to provide a mechanism that is fair, reasonable and supportive to improve performance to acceptable standards as set by the EFI Group, or where that fails, to set out the procedure for the termination of an employee's employment due to capability or performance.

It applies to all EFI Group staff at all levels. The EFI Group has a modified procedure for staff who are underperforming during their probationary periods. Workers and non- EFI Group employed staff such as contractors, agency staff etc. do not fall within the scope of this policy.

Where there is a reasonable belief that poor performance is deliberate, the result of negligence, failure to follow EFI Group policy and procedures or where serious errors have been made to the detriment of the EFI Group, or any other conduct-related reasons, the disciplinary procedure may be invoked instead.

Where an individual's poor performance is solely related to not being able to do their job effectively due to being on long-term sickness absence or they suffer from ill-health, the sickness absence management policy may be initiated. Where poor performance is due to persistent short-term absences, the disciplinary process should be followed. There may be cases where a number of different types of issues are at play when managing poor performance. Line managers should seek advice from HR on the most appropriate procedure to invoke.

## **3. THE LAW**

For any dismissal to be fair, an employer must show that the reason (or if more than one, then the principal reason), falls into one of the categories set out in the Employment Rights Act 1996, which includes performance or capability, if the employee has the qualifying period of service. Additionally, employers must act reasonably in treating the reason as sufficient for dismissal, and must follow a correct process, which at a minimum should be based on the guidance from the ACAS Code of Practice.

Employees are protected from unlawful discrimination during any stages of their employment irrespective of their length of service

#### **4. CONTINUOUS PERFORMANCE DEVELOPMENT**

The EFI Group operates a continuous performance development approach.

All staff should have between weekly to bi-monthly check-ins with their line managers at which expectations are set, regular feedback on performance is provided, and performance and personal objectives are assessed on an ongoing basis. The check-ins offer opportunities at which learning needs and development discussions are had to continually coach, support and develop performance.

In addition, an annual performance review will take place for each staff member with their line manager; this will consolidate and assess how staff have performed in the whole during the preceding 12 months up to the review point, celebrating areas for success and highlighting areas of development, against the EFI Group's competency framework and the individual's KPIs and objectives. If staff are deemed to have significant development needs in their role, they will be supported to improve through the informal performance management stage (see section 6).

Line managers and staff are required to record their performance development discussions, objectives, actions, and any other relevant notes on Clear Review so that accurate records are always maintained about employees' performance development journeys and they are accessible by the employee.

The EFI Group's performance management system (currently Clear Review) forms a critical role in demonstrating any informal discussions, actions or remedial support the employee and line manager collaboratively worked on to support and improve performance.

#### **5. PRINCIPLES**

Informal action must always precede any formal process, i.e., before any formal performance management stage is initiated, the line manager must have:

- a candid conversation supported by documented evidence with the individual about their performance concerns
- Informal objectives or targets to have been put in place and documented
- the staff member should be offered the opportunity to improve within reasonable timeframes
- reasonable support in the form of feedback, coaching, instruction, training, etc. should be considered to help the individual to improve
- both the line manager and staff member should explore the root causes for poor performance as best as possible and demonstrate reasonable efforts to address these where appropriate

No formal sanction should be considered before

- advising the employee in writing of any ongoing performance concerns
- providing them with the opportunity to put forward their case at a formal meeting
- allowing the individual to have a colleague or recognised trade union representative at the formal meeting with them

- and setting out in writing after the formal meeting the reasons for the sanction and allowing the individual the right to appeal.

Employees within this process

- Provided documentary evidence with clear examples of work not undertaken or not delivered at acceptable standards when initiating any of the formal performance management stages.
- At all stages of the formal procedure, employees will have the right to be accompanied by a recognised trade union representative or work colleague.
- All cases of formal performance management action must be recorded, monitored, and reported equally and without bias.

## **6. STAGE 1 - INFORMAL STAGE**

### **6.1 Setting expectations with regular feedback and support**

Line managers and their teams are expected to work collaboratively in managing and delivering performance improvements through the day-to-day line management relationship and the EFI Group's continuous performance development systems and processes.

Line managers should set clear performance expectations, provide regular and ongoing feedback, coaching and reasonable management support so their teams are clear on performance expectations.

Addressing minor performance issues is important so that they do not develop into more significant concerns. Providing regular candid feedback with care, as early on as possible, avoids minor problems escalating and it ensures that staff are clear on what is expected and how they are performing at all times.

### **6.2 Meeting to address performance concerns**

Where performance concerns arise, the line manager should arrange a meeting with the staff member (a separate meeting or at the monthly check-in) and discuss their concerns with appropriate examples.

The meeting must be constructive and supportive, and should aim to explore and address any potential reasons for the person's performance shortcomings and put in place a documented improvement plan. Managers should seek advice from HR on the performance improvement plan.

### **6.3 Performance improvement plan**

The performance improvement plan will set out:

- the specific improvements required or performance objectives to be attained
- the criteria by which the improvements will be measured by
- any reasonable measures of support
- the timeframes to review progress

The timeframe for improvement will depend on the type of performance issues and the extent to which the person is underperforming.

## **6.4 Review**

At the end of the agreed timeframe for improvement, the line manager and employee will meet to review their progress (supported by relevant evidence).

As an outcome of the review the line manager may:

- Confirm that sufficient improvement has taken place and end the informal performance management stage; or
- Where positive improvements have occurred, but more time is required to adequately monitor if the improvements will be sustained, the line manager may extend the informal performance management stage for a further reasonable period; or
- If there is no improvement or improvement is not to the required standard, then the line manager may move to the formal performance management stages as outlined in section 7.

## **6.5 Documentation**

This meeting should be attended by HR to support and minute take and records of meetings and any informal performance improvement plans must be kept by the line manager.

## **6.6 Meeting status**

It is important to note that this stage is informal and is managed locally by the line manager as a normal part of their line management responsibilities.

Any meetings under the informal stage should not be attended by HR and there is no legal right for staff to be accompanied or represented at any informal stage.

# **7. STAGE 2 – FORMAL STAGES**

## **7.1 First Formal Performance Review Meeting**

Where stage 1 does not lead to a satisfactory and sustained improvement in performance, the line manager must inform the employee at the informal review meeting that they will move the process to the formal stages.

HR must be consulted at this stage for advice and support on ensuring that the formal performance management procedure is adhered to.

### **Step 1: Formal written notification**

The line manager should write to the person afterwards to inform the person about the reasons and evidence for the decision to move to the formal performance management stages. They should be informed that the performance will be formally reviewed at a future date in accordance with the timeframes set in a formal performance improvement plan (see below) and advised of what the possible consequences will be as an outcome of the formal review meeting.

The staff member should be provided with all relevant information prior to the formal meeting in order for them to adequately prepare themselves.

### Step 2: Set a formal performance improvement plan with a review date

The formal improvement plan should be the same or based on the informal PIP and will be tailored to the situation, and must set out:

- Specific performance targets
  - Performance improvement objectives set at identifiable stages and/or end of the review period
- Success Criteria
  - Clear and realistic criteria of what successful performance is and how it will be assessed
- Reasonable support measures
  - Any support strategies that have been considered and put in place to help the person achieve their performance targets such as additional supervision, the reallocation of certain duties and/or resources, regular feedback, retraining etc.
- Timeframes
  - The time during which the necessary improvements must be achieved, together with the timescale for reaching individual milestones where appropriate
- Monitoring
  - Any monitoring or check-in points to track and monitor how the individual is progressing

### Step 3: Formal review meeting

Five working days before the end date of the agreed objectives (review meeting) The employee should be invited to attend a first formal performance review meeting in writing.

The purpose of this meeting will be to discuss the employee's performance and decide what appropriate actions should be taken depending on the circumstances and progress on their formal performance improvement plan.

The meeting will be conducted by the line manager and a member of the HR department. The employee is entitled to be accompanied by a colleague or a recognised trade union official.

At the meeting, the line manager should review the improvement plan and allow the staff member to have full opportunity to ask questions, comment on the issues and put forward any explanation they may have for the matters under review.

The outcome of the meeting may be:

#### **No action**

- In situations where there have been a significant and sustained improvement in performance, the formal performance management process will end.
- The staff member should be advised of the decision in writing.



## A First Written Warning

- In situations where there have not been a significant and sustained improvement in performance, the formal performance management process will be extended, and a formal warning issued in writing, with the reasons for it, along with any appropriate recommendations.
- The line manager must review the formal performance improvement plan again, set new timeframes, and make any other appropriate adjustments such as a review of targets and any support measures etc.
- An outcome letter will be provided stating the sanction, date for the next review meeting and details of the objectives.

The outcome will be notified within the meeting.

NB: Whilst the EFI Group will seek agreement with staff about the content of their formal performance improvement plan, it is not essential, and it reserves the right to insist on any reasonable aspect of the formal performance improvement plan if agreement is not reached.

If a formal sanction has been issued, it will be active on the individual's personnel record for 12 months from the date of issue.

Staff have the right to appeal the outcome decision at any of the formal stages.

## 7.2 Second Formal Performance Review Meeting

Following the review period set in the outcome letter and revised formal performance improvement plan as an outcome of the above referenced stage, the employee will be invited to attend a *second formal performance review meeting* in writing. This will be done up to five days before the formal meeting and inform the employee of the potential outcomes.

The date should tie into the timeframe set for improvement within the formal performance improvement plan (see previous section above).

The purpose of this meeting will be to discuss the employee's performance and decide what appropriate actions should be taken depending on the circumstances and progress on their formal performance improvement plan.

The meeting will be conducted by the line manager and a member of the HR department. The employee is entitled to be accompanied by a colleague or a recognised trade union official. The letter must include all set out sufficient information and examples, and any relevant available evidence of the person's performance and progress that will be considered at the meeting so that the staff member can fully prepare themselves for the meeting.

At the meeting, the senior manager should review the improvement plan (and any other relevant information including informal/previous improvement plans) and allow the staff member to have full opportunity to ask questions, comment on the issues and put forward any explanation they may have for the matters under review.

The outcome of the meeting may be:

- **No action**

- In situations where there have been a significant and sustained improvement in performance, the formal performance management process will end.
- The staff member should be advised of the decision in writing.

- **A Second Final Warning**

- A second and final warning will be issued if it is concluded that reasonable steps have been taken that should have allowed the person to perform to an acceptable standard, but that these measures have not worked.
- The warning will explain the nature of the improvement that is required in performance and state the timescale for making the improvements. It will also explain that, if the necessary improvement does not take place, the individual may be dismissed.
- The line manager must review the formal performance improvement plan again, set new timeframes, and make any other appropriate adjustments such as a review of targets and any support measures etc.

Formal sanctions will be active on an individual's personnel record for 12 months from the date of issue.

Staff have the right to appeal the outcome decision at any of the formal stages.

### **7.3 Final formal performance review meeting**

Where satisfactory improvement in performance is not attained after another reasonable review period following the previous formal stages, the employee will be invited in writing to a *final formal performance review meeting*, where their performance will be reviewed again and subject to the outcome, their ongoing employment with the EFI Group may be at risk.

The date of the final formal performance review meeting should tie into the timeframe set for improvement within the formal performance improvement plan (see previous section above).

The purpose of this meeting will be to discuss the employee's performance and subject to the outcome, a decision will be made as to the person's ongoing suitability for the job.

The meeting will be conducted by the line manager and the Head of Department will also be present and support the final decision. HR will be present to support the process and note take. The employee is entitled to be accompanied by a colleague or a recognised trade union official. The staff member must be informed of the possible outcomes of the review meeting in writing including that their ongoing employment with the EFI Group will be decided on depending on the outcome of their performance review. The letter must set out sufficient information and examples, and any relevant available evidence of the person's performance and progress, that will be considered at the meeting so that the staff member can fully prepare themselves for the meeting.

At the meeting, the line manager and senior manager will review the latest improvement plan (and any other relevant information including informal/previous improvement plans, support

measures, etc.) and allow the staff member to have full opportunity to ask questions, comment on the issues and put forward any explanation they may have for the matters under review.

The outcome of the meeting may be:

- **No action**

- In situations where there have been a significant and sustained improvement in performance, the formal performance management process will end.
- The staff member should be advised of the decision in writing.

- **Redeployment**

- If there has not been a significant and sustained improvement in performance, the person will be deemed unsuitable to continue to remain in their job, and if it is reasonable and subject to suitable available roles, redeployment to another job may be considered, only if such a move will not have a detrimental impact on the EFI Group's.

- **Demotion**

- If the person's performance is still unsatisfactory then if it is reasonable and subject to suitable available roles, a demotion to a more junior or less demanding role may be considered, only if such a move will not have a detrimental impact on the EFI Group's.

- **Dismissal**

- If the staff member's performance is assessed as still being unsatisfactory and failing any other reasonable alternatives, they will be dismissed by reason of performance or capability.
- Any dismissal will be with full notice, or a payment in lieu of notice.

Staff have the right to appeal the outcome decision at any of the formal stages.

## **8. DISABILITY AND ILL-HEALTH**

The EFI Group's Sickness Absence Policy should be invoked in cases where staff are on long-term sickness absence and cannot perform their roles.

Where an individual is at work, but their health negatively impacts their performance, or they have a chronic illness or disability that has a detrimental impact on their performance, their condition should be explored fully to adequately assess the extent to which it affects their performance.

Appropriate independent professional advice should be obtained through Occupational Health as well as the person's GP, and where necessary reasonable adjustments should be considered in relation to the work they do or their working arrangements.

Having clear performance standards in place for adjusted jobs or working arrangements and holding staff to account to those standards are still important.

Where reasonable adjustments have been made and performance is still below acceptable standards then the stages of this policy should be followed as standard, with a review of any reasonable support as part of and as set out in each of the performance review stages.

Where a person has several short-term unrelated absences that negatively affects their performance and they have hit the trigger points in the sickness absence management policy then the short-term absence procedure should be followed.

Persistent unjustified absences constitute a conduct matter, and the disciplinary procedure may be invoked.

It is recognised that being the subject of any formal procedure can be upsetting and staff may become unwell during any of performance management stages. In such cases, HR can best advice on the appropriate procedure, and will likely invoke both the sickness absence procedure and the performance management procedure in parallel to ensure that staff are being treated fairly, consistently and in accordance with the appropriate EFI GROUP policy and procedure.

## **9. ONGOING MONITORING**

In cases where the performance of staff improves and brings an end to any of the formal performance review stages, if, at any stage during the following 12 months, performance starts to fall short again, then the line manager may commence the formal process at the formal stage the person was last managed at. This should be put in writing to the person at the point when their performance reviews end.

## **10. REDEPLOYMENT**

Any offer of redeployment will be entirely at the EFI Group's discretion. Such an offer will be made only where the EFI Group's is confident that the individual will be able to perform well in an alternative role.

It will normally be offered as an alternative to dismissal only in circumstances in which the EFI Group's is satisfied that the employee should no longer be allowed to continue to work in their current role.

Staff may refuse any offer of redeployment, in which case the only alternative available will be dismissal. If there is no suitable alternative role the person may be dismissed.

## **11. APPEAL**

Staff have a right of appeal against any formal sanction issued under Stage 2 of this procedure.

A request for an appeal should be sent in writing to the Head of HR within 1 week of being informed of the sanction.

The appeal letter should set out the grounds on which the individual believes that the decision was flawed or unfair.

An appeal hearing will be convened to consider the matter. It will be chaired by an appropriate senior manager/Director/SLT member.

Staff will be entitled to be accompanied by a fellow employee or a recognised trade union official. At the hearing, the decision to impose the sanction will be reviewed and staff will be entitled to make representations about the appropriateness of that decision.

The result of the hearing will be either to confirm the sanction or substitute any outcome that was available at the time which the sanction was imposed on the individual.

The outcome of the appeal will be confirmed in writing, explaining the grounds on which the decision was reached. The outcome of any appeal will be final.

## **12. RECORDS**

EFI Group's processes personal data collected during the performance improvement and management procedure in accordance with our it's Data Protection Policies which can be accessed via the Hub.

Any data collected is held securely and accessed by, and disclosed to, individuals only for the purposes of completing the performance improvement procedure.

Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with our data protection policy immediately. It may also constitute a disciplinary offence, which will be dealt with under the disciplinary procedure. Contact [dpo@EFI Group.ac.uk](mailto:dpo@EFI Group.ac.uk) if staff have any concerns about the processing of their personal data at the EFI GROUP.

## **13. SUPPORT, ADVICE, AND INTERPRETATION**

The HR team can provide advice and support on the interpretation of this policy.

Colleagues may also seek independent advice from ACAS.