

## Introduction

ABCA Systems Ltd recognises the need to support employees to set and maintain high standards of performance in their roles in order to ensure our continued success.

Where underperformance has been identified, ABCA will in the first instance wherever possible, address this through an informal approach to help support the employee achieve the required standards, before progressing to the formal process.

## Scope

This procedure applies to all employees of ABCA Systems.

Where it is believed that under-performance is the result of wilful, deliberate disregard or negligence, the Disciplinary Policy will be applied.

The Capability Policy does not form part of any employee's contract of employment or otherwise have contractual effect. The Company reserves the right to make additions or alterations to the policy from time to time without notifying the employee.

The Company also reserves the right not to apply this policy or apply a modified process at its discretion where it deems it appropriate to do so.

## Informal process

### 1. Informal Counselling, Review and Objective Setting

1.1 Where a line manager has identified that an employee is underperforming, they should discuss this without delay with the employee. Ideally in an informal manner if possible in the first instance.

As part of the discussion the line manager should establish whether there are any issues which are contributing to the employee's underperformance, if they are having difficulties with a particular type of work, what the causes are and what suitable support mechanisms can be put in place to support them.

1.2 During this discussion the line manager and employee should:

- Identify the areas where improvement is required;
- Agree areas for improvement, what actions will be taken, what support will be provided to assist with this and who will be responsible for providing the support;
- Set clear and measurable objectives and timescales for improved performance (the review period);
- Discuss the consequences if the employee continues to fail to meet the required standards of performance (i.e. that the formal procedure may be commenced);
- Incorporate all of the above details in an improvement plan (which will include, where appropriate, details of any coaching/training which will be provided); and
- Make a note summarising the meeting and keep it with a copy of the performance improvement plan.

The line manager and employee should meet at regular intervals to review how the employee is progressing, throughout the review period.

1.3 If the employee has any concerns with the above they should raise them with the line manager, to ensure they are addressed.

1.4 If at the end of the review period, the required improvement has been met, the matter will be closed and no further action will be taken. If the standards have not been met despite the required support being put in place, the case should progress to the formal process.

## **Formal process**

### **2. Stage 1 – First Formal Review and First Warning**

2.1 Employees may be accompanied by a fellow work colleague or a recognised trade union official in any of the below formal review meetings and appeals.

2.2 Where the employee's performance is unsatisfactory, and informal steps have either failed to resolve the issue or are not appropriate, a first Formal Review Meeting will be held. The employee will receive a written invite to the Formal Review Meeting.

2.3 At the Formal Review Meeting, the following will be discussed:

- The precise nature of the poor performance;
- The reasons for the poor performance;
- A review of any performance improvement plans that have been in place
- The level of improvement and remedial action required from the employee;
- The period the employee has to make the required improvement (the review period);
- The performance improvement plan (PIP), which will include objectives and measurements for improvement (and will include, where appropriate, details of any coaching/training to be provided to the employee);
- The consequences of failure to achieve or maintain the improvement in performance, including the fact that dismissal is the ultimate sanction; and
- The date on which the employee and line manager will meet at the end of the review period, to assess whether or not sufficient progress has been made by the employee.

Should the formal process follow unsuccessful completion of an informal process the formal review meeting will discuss the failure to achieve that performance improvement plan.

2.4 Following the review period, the employee and line manager will meet to assess whether or not sufficient improvement has been made by the employee. If there has been an unsuccessful informal process the Formal Review Meeting may be the meeting to assess progress. The employee's performance will be formally reviewed at the end of the agreed review period and provided that the performance improvement plan has been met, the process will end and no further formal action will be taken.

If following the review, the line manager does not believe sufficient improvement has been made they may issue the employee with a First Written Warning. This warning will be accompanied with an updated improvement plan detailing the objectives the employee is required to meet in the new review period.

The outcome of this meeting will be confirmed to the employee in writing, with details of the employee's right to appeal.

2.5 A copy of the First Written Warning will be kept on file for 12 months and disregarded after this time.

2.6 If the employee is very close to attaining the required performance standards, the review period on one occasion only, may be extended at the Company's discretion.

2.7 If the employee has not met the required standard as detailed in the performance improvement plan, stage 2 of this process will be implemented. As documented in section 3.

2.8 Stage 2 of the process will also be implemented where the employee demonstrates further performance issues whilst their first formal warning is active.

### **3. Stage 2 – Second Formal Review and Final Warning**

3.1 At the second Formal Review Meeting, the following should be discussed:

- The precise nature of the poor performance, confirming whether this stage has been implemented due to a lack of progress from stage one, or whether this process has been started due to further poor performance whilst the employee's first warning was active for the period of 12 months;
- The reasons for the poor performance, including, where appropriate, why the measures so far have not led to improvement;
- The level of improvement and remedial action required;
- The time limit for achieving the improvement (the review period);
- The terms of a performance improvement plan, which will include objectives for improvement (and will include, where appropriate, details of any coaching/training to be provided);
- The consequences of failure to achieve or maintain the improvement, namely that a failure to improve may result in dismissal;
- The date on which the employee and line manager will meet at the end of the review period, to assess whether or not sufficient progress has been made by the employee; and
- Their Performance Improvement plan will also be included during the review process.

3.2 Following the review period, the employee and line manager will meet to assess whether or not sufficient improvement has been made by the employee.

If following the review, the line manager does not believe sufficient improvement has been made they may issue the employee with a Final Written Warning. This warning will be accompanied with an updated performance improvement plan detailing the objectives the employee is required to meet in the new review period.

The outcome of this meeting will be confirmed to the employee in writing, with details of the employee's right to appeal.

3.3 A copy of the Final Written Warning will be kept on file for 12 months and disregarded after this time.

3.4 If at the end of the agreed review period the performance improvement plan has been met, the process will end and no further formal action will be taken.

3.5 If the employee is very close to attaining the required performance standards, the review period may be extended, at the Company's discretion.

3.6 If the performance improvement plan has not been met to the standard required by the Company or if there is further poor performance while the Stage 2 warning remains active, Stage 3 of the procedure will be implemented.

### **4. Stage 3 – Final Formal Review**

4.2 If the performance improvement plan under Stage 2 has not been met to the standard required by the Company, or if there is further poor performance while a Stage 2 warning is active, the employee's line manager will arrange a Final Formal Review Meeting, during which consideration will be given to dismissal for lack of capability.

4.3 At this meeting, before any decision is made:

- The manager must be satisfied that the employee has failed to meet the required standards as documented in the performance improvement plan;
- The manager must be satisfied that every reasonable and practicable step (including the provision of appropriate coaching and training) has been taken and there are no further steps that could reasonably be taken;
- The employee has been given a full explanation of the case against them and given every opportunity to put forward any mitigating circumstances which may have affected their performance; and
- The manager will define the performance which remains unacceptable, specifying how the employee has failed to meet the required standards.

4.4 If it is believed that the employee has failed to either attain or show substantive progress towards reaching their objectives, the line manager will decide whether dismissal is appropriate.

4.5 Where a line manager believes dismissal is appropriate, the employee's employment will be terminated on full contractual notice or with pay in lieu of notice. This decision will be confirmed to the employee in writing with details of their right to appeal.

## **5. Appeal**

5.1 Employees have the right to appeal against decisions taken at each formal stage of the procedure. If an employee wishes to appeal they must inform the Company in writing, stating the grounds for appeal within seven calendar days of the date of the letter confirming the outcome. Employees appealing after this period will be required to state the exceptional circumstances which caused such a delay, and the Company will, at its discretion decide whether to accept the appeal in those circumstances.

5.2 Following receipt of an appeal, the employee will be invited to an appeal hearing and advised of the name of the Appeal Manager. The appeal hearing will take place as soon as reasonably possible.

At the appeal hearing the employee and their representative will be offered the opportunity to state their case and put forward reasons and supporting arguments for the appeal. If required, further investigation will be undertaken after the appeal hearing.

5.3 Following the appeal hearing the hearing manager will decide whether or not the appeal should be upheld. The employee will be notified of the outcome of the appeal as soon as reasonably possible after the meeting. This decision will be final and the employee will have no further right to appeal.

5.4 Where an employee successfully appeals against their dismissal, they will be reinstated. If their notice has already expired or if they received no notice, they shall receive a payment to cover the period where they were without pay. Additionally the employee's period of service would be unbroken.

### **Performance improvement plan (PIP)**

The performance improvement plan (PIP) is the tool used to clarify areas of underperformance and set objectives for an employee to achieve. It will also detail any support that will be given to the employee and the timeframe for the objectives to be met by. The PIP itself is not a formal sanction but is instead a constructive tool to support performance improvement. A PIP should be implemented once informal action has been unsuccessful and more guidance on improvement is needed. A PIP should be implemented and monitored prior to Formal action being taken where appropriate.

During the formal stages of the Capability Process, the PIP may run concurrently with a written warning.

A good PIP should;

- Clearly and objectively explain the areas of underperformance.
- Give clear details of what improvement is required providing SMART objectives.
- Provide a timescale for review.
- Detail whether any support or training is to be provided.

The PIP document related to this policy and procedure is ASLGN166.

### **Personal development plan (PDP)**

The personal development plan (PDP) is a tool to help employees who are meeting or exceeding expectations to grow their talents and abilities further. It also supports the succession planning of the business. A PDP does this by establishing aims and objectives (or goals), identifying support and training needed to realise these, setting how success will be measured and the expected timeframe.

The steps of a good PDP should include;

1. Defining and prioritising goals
2. Setting deadlines
3. Understanding strengths
4. Recognising opportunities
5. Identifying support
6. Measuring progress

A PDP may be agreed at any time between employee and line manager and may run alongside the appraisal process.

The PDP document related to this policy and procedure is ASLGN222.