

Shaw Trust Direct Payments Support Services

Information Sheet 9: Supervising your Staff

Sheet Outline:

- Conducting an Appraisal interview
- Discipline and Grievances

Outcome:

- To increase awareness of the benefits of and procedures for managing staff

Conducting an Appraisal Interview

(Source ACAS: www.acas.org.uk)

An appraisal is a way of assessing an employee's performance. Assessing performance is important because it helps employees to improve and identifies personal strengths and weaknesses. Appraisals are increasingly used to link an employee's performance to pay.

What are appraisals?

Appraisals regularly record an assessment of an employee's performance, potential and development needs. The appraisal is an opportunity to take an overall view of work content, loads and volumes; to look back on what has been achieved during the reporting period and agree objectives for the next.

What are the objectives of appraisals?

The main objectives of an appraisal system are usually to review performance, potential and identify training and career planning needs. In addition the appraisal system may be used to determine whether employees should receive an element of financial reward for their performance.

- **Performance reviews:** give employers and employees opportunities to discuss how employees are progressing and to see what sort of improvements can be made or help given to build on their strengths and enable them to perform more effectively.

- **Review of potential and development needs:** predicts the level and type of work that employees will be capable of doing in the future and how they can be best developed for the sake of their own career and to maximise their contribution.
- **Reward reviews:** determine the 'rewards' that employees will get for their past work. The reward review is usually a separate process from the appraisal system but the review is often assisted by information provided by the performance appraisal.

What are the benefits of appraisals?

Appraisals can help to improve employees' job performance by identifying strengths and weaknesses and determining how their strengths can be best utilised and weaknesses overcome. They can help to reveal problems which may be restricting employees' progress and causing inefficient work practices.

Some employers may talk to their employees regularly about their problems and performance at work and may not therefore see the need for a formal appraisal system. Regular dialogue between employers and their staff about work performance should, of course, be encouraged. However, in the absence of a formal appraisal scheme, much will depend on the attitude of individual employers. Some will give regular feedback on their employees' performance and potential while others will neglect this responsibility. An appraisal system can develop a greater degree of consistency by ensuring that employers and employees meet formally and regularly to discuss performance and potential. Experience shows this can encourage better performance from employees.

In addition appraisals can improve communications by giving employees an opportunity to talk about their ideas and expectations and to be told how they are progressing. This process can also improve the quality of working life by increasing mutual understanding between employers and their staff.

How often should appraisals take place?

Employee appraisal should be a continuous process and should not be limited to a formal review once a year. Most employees receive a formal appraisal annually, although more frequent appraisals are often needed for new employees, or for those who are below acceptable performance standards.

Should employees see their appraisal reports?

Employees should see all of their appraisal reports. Employees should have the opportunity to sign the completed form and to express their views on the appraisal they have received; in particular whether they feel it is a fair assessment of their work over the reporting period.

What are the legal considerations?

There is no legal obligation on employers to introduce appraisal systems. However, some aspects of employment legislation affect employee appraisal:

- The Data Protection Act 1998 covers the processing and use of personal information. Employees (prospective, past, current) may request from an employer what information is kept about him/her and expect that the confidentiality of this information is respected by the employer.
- In discrimination cases appraisal forms and procedures may be used by employees to support their complaints. It is important for employers to regularly monitor their appraisal systems to ensure that criteria used to assess performance are non discriminatory in terms of race, sex, disability, religion or belief and sexual orientation.
- Employees dismissed on grounds of inadequate performance and who subsequently complain of unfair dismissal sometimes indicate in their applications that they have received little or no indication of alleged unsatisfactory performance while in employment. The appraisal form is not the place to record details of verbal or written disciplinary warnings. These should be recorded separately as part of the disciplinary procedure. There should be space on the appraisal form to record unsatisfactory performance together with notes of action to be taken, both by the individual and by management, to remedy these deficiencies – see below.

What about the Appraisal paperwork?

Paperwork is not an end in itself but it is essential to have written records of the appraisal to provide feedback to employees. Most performance appraisal forms should contain:

- basic personal details, e.g. name, post, length of time in the job
- job title and overview of the job
- a review of the individual's performance against a set of job related criteria
- an overall performance rating
- comments by the employee

- a plan for development and action.

Ask your Support Officer for a copy of the *Appraisal Template* which you can adapt to suit your needs or go to www.shaw-trust.org.uk/dp.

Preparing for the interview

Employees should be given adequate notice of appraisal interviews. Self assessment forms completed by employees before their interviews can help them note what they think have been their strong and weak points; what they see as barriers to effective performance; their plans for the coming year and their development and training needs. Self assessment forms are an aide memoire to the individual and they do not have to be shown to the person conducting the appraisal.

The employer should consider the overall results attained by the employee and, where the results have been significantly greater or lower than expected, possible reasons for variations in performance. This will be easier if notes have been made throughout the year of the employee's successes and failures, and any performance related developments beyond the employee's control.

At least one hour should be set aside for the interview. The interview should be free from interruptions.

The structure of the interview

The interviewer should:

- explain the purpose and scope of the interview
- discuss the job in terms of its objectives and demands
- encourage the employee to discuss his or her strengths and weaknesses
- discuss how far agreed objectives have been met
- agree future objectives
- discuss any development needs appropriate to the existing job or the individual's future in the organisation, for example: training, education, work experience
- summarise the plans which are agreed
- if there are disagreements explain how the employee can appeal against his or her appraisal markings.

During the interview

It is essential to ask questions that draw out the employee's reactions and ideas. Leading questions or questions which only require a 'yes' or 'no' response should be avoided.

Employers should put employees at ease by beginning their interviews with fairly casual, routine remarks. It is preferable to discuss employees' strong points first and to place emphasis on good work already done. Employees should be encouraged to suggest ways in which their good work can be continued and their views sought on how they can achieve further improvement. Another way to start the interview is for employers to ask employees what successes they feel they have achieved during the past year and which things they are least pleased with.

If it is necessary to improve performance it will be counter productive to gloss over employees' weak points and stress their good features in order to make the interview as friendly as possible. It is important to encourage employees to discuss their weaknesses openly and to encourage them to suggest ways in which they can improve. Interviewers should not impose their own solutions. These should emerge as a result of joint discussion.

After the interview

Shortly after the interview the employer should summarise in writing the main points of the discussion and the action which was agreed, and give a copy to the employee. If the appraisal scheme is to have credibility, it is essential that employers follow up any points arising from the interview and carry out any agreed action. For example, it may be necessary to organise training or help to overcome any obstacles to the employee's effectiveness which were mentioned at the interview

Speak to your Support Officer about further guidance and support with appraising staff and for a copy of the Appraisal Template which you can adapt to suit your needs or go to www.shaw-trust.org.uk/dp.

For further information and detailed advice go to:
<http://www.acas.org.uk/index.aspx?articleid=350&detailid=535>

Discipline and Grievances

(Source ACAS: www.acas.org.uk)

All organisations should set standards of performance and conduct reinforced by rules. Problems when standards are not met or where grievances are raised by employees may often be dealt with informally but if a formal approach is needed then procedures help employers to be fair and consistent.

- **Disciplinary Procedures** may be used for problems with employees' conduct or performance.
- **Grievance Procedures** are used for considering problems or concerns that employees wish to raise with their employers.

This Information Sheet gives you some information and guidance about how to handle discipline and grievances at work. For further information and detailed advice go to:

<http://www.acas.org.uk/index.aspx?articleid=894>

Disciplinary Procedures

The detailed advice given by ACAS is based on the three following principles:

- rules and procedures provide a framework for behaviour and performance;
- discipline and grievances are about people not processes; and
- in most cases employers should aim to improve and not to punish.

In a well-managed organisation disciplinary procedures may not be needed very often. But, if a problem does arise then they are vital. Good procedures can help organisations to resolve problems internally – and avoid employment tribunal claims.

The following example procedures are given for illustrative purposes. Actual cases you deal with should be considered in the light of all the circumstances.

The statutory Disciplinary procedures and the ACAS Code of Practice

Although organisations can be flexible about how formal or extensive their procedures need to be, there is a statutory procedure they must follow as a minimum if they are contemplating dismissing an employee – or imposing certain kinds of penalty short of dismissal such as suspension without pay or demotion. Unless employers follow the statutory procedure, employment tribunals will find dismissals automatically unfair.

The statutory procedure involves the following three steps:

- a statement in writing of what it is the employee is alleged to have done;
- a meeting to discuss the situation; and
- the right of appeal.

The statutory procedure is the minimum standard. Employment tribunals expect employers to behave fairly and reasonably. ACAS strongly advises employers and employees to start talking to each other long before the dismissal stage – for example, through counselling or working out an 'improvement note' for an employee's performance.

Disciplinary procedures are an aid to the effective management of people, and should not be viewed primarily as a means of imposing sanctions or as leading to dismissal. Where dismissal does occur, employees may make a complaint to an employment tribunal if they believe they have been unfairly dismissed, although ordinarily the employee must have one year's service. It is for the employer to show the reason for the dismissal and that it was a fair reason.

The tribunal will determine whether the dismissal was fair or unfair and will take into account the size and administrative resources of the employer in deciding whether they acted reasonably or unreasonably. The tribunal will take account of the guidance given in the ACAS Code of Practice (see below) and consider how far the statutory three-step procedures have been followed.

The ACAS Code of Practice explains why organisations need rules and disciplinary procedures and gives an overview of how to handle discipline. It looks in depth at:

- Informal action.
- The disciplinary hearing.
- Taking action: unsatisfactory performance and misconduct.
- Appeals.
- Dismissal etc: the new statutory procedures.

The Code of Practice also gives advice on handling absence, unsatisfactory performance and particular cases – such as those involving trade union representatives, criminal charges or employees in remote locations.

Speak to your Support Officer about further guidance and support or go to the ACAS website to access the ACAS Code of Practice.

Grievance Procedures

Anybody working in an organisation may, at some time, have problems or concerns about their work, working conditions or relationships with colleagues that they wish to talk about with management. They want the grievance to be addressed, and if possible, resolved. It is also clearly in management's interests to resolve problems before they can develop into major difficulties for all concerned.

Issues that may cause grievances include:

- Terms and conditions of employment.
- Health and safety.
- Work relations.
- Bullying and harassment.
- New working practices.
- Working environment.
- Organisational change.
- Equal opportunities.

Employees should aim to settle most grievances informally with their employer. This has advantages for all workplaces, particularly where there might be a close personal relationship between an employer and an employee. It also allows for problems to be settled quickly.

In some cases it may be helpful to use a neutral mediator to help sort out a grievance and maintain working relationships. Mediation is often most effective if used early on but may not be suitable if you want to enforce a legal right or want someone to decide the rights and wrongs of an issue for you. For more information about mediation see the ACAS leaflet "Mediation explained" available on the ACAS website or from the publications orderline on 08702 42 90 90.

The statutory Grievance procedures and the ACAS Code of Practice

Step 1: The employee informs the employer of their grievance in writing.

Step 2: The employer invites the employee to a meeting to discuss the grievance where the right to be accompanied will apply. The employer notifies the employee in writing of the decision and notifies of the right to appeal.

Step 3: The employee informs the employer if they wish to appeal. The employer must invite them to a meeting and following the meeting inform the employee of the final decision. (Employees must take all reasonable steps to attend meetings.)

Employment tribunals may adjust any award of compensation by usually between 10 and 50 per cent for failure by either party to follow relevant steps of the statutory procedure where it applies.

A written procedure can help clarify the process and help to ensure that employees are given their rights such as to be accompanied at grievance meetings.

The ACAS Code of Practice considers why organisations need procedures and gives advice on how to handle a grievance hearing. Guidance is also given on special cases – such as those to do with bullying or harassment, discrimination and whistleblowing. In these sensitive areas some organisations may wish to develop separate procedures.

Speak to your Support Officer about further guidance and support or go to the ACAS website to access the ACAS Code of Practice.

The right to be accompanied

The right to be accompanied is the statutory right for a worker to be accompanied, by a fellow worker or trade union official, at certain disciplinary and grievance meetings. Workers may be overawed or feel intimidated by some hearings, and the accompanying person can help the individual to make all the necessary points.

It has always been good employment relations practice to allow a worker to be accompanied or represented, and many organisations include such rights in contracts as a matter of course, sometimes extending the right to include representation or accompaniment by spouses, partners, carers, or friends. Recognition agreements with trade unions will normally include rights for members to be represented by either a lay or full-time official at disciplinary hearings.

The right to be accompanied does not depend on the length of time a worker has worked for an employer.

Prevention is better than cure

Although it is important to deal with discipline and grievance issues fairly and effectively it is more important to prevent problems arising in the first place.

The first step is to understand the relationship between discipline and grievance issues and wider issues like communication, induction and training. For example, if employers and staff are in the habit of talking to each other openly about what's happening at work then specific problems – like lack of

training or poor motivation – can be resolved before any disciplinary action becomes necessary.

Equally, if staff are given contracts of employment when they start work – including rules for absence, timekeeping and discipline, as well as details of pay, holidays etc – then there will be less opportunity for ambiguity if problems arise in the future.

The use of the formal disciplinary and grievance procedures should be considered a 'last resort' rather than the first option. Many problems can be sorted out through informal dialogue between employers and staff – a 'quiet word' is often all that's needed.

Ask your Support Officer for a copy of the Contract of Employment Template which includes a sample Discipline and Grievance procedure which you can adapt to suit your needs or go to www.shaw-trust.org.uk/dp.