

## **Staff Performance Management (Appraisal) Framework**

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## 1.0 Introduction

One of West of Scotland Housing Association's (WSHA's) key business priorities is to improve performance. The Staff Performance Management (Appraisal) Framework will provide information on the principles behind organisational performance management, how it is managed and measured and how staff performance management aligns to this.

The framework clearly set out the process by which WSHA will manage staff performance and how this will help line managers to support individuals to maximise their contribution to the service we deliver to customers. This framework will explain how the Association, through a mandatory framework of discussions with teams and individuals; will embed a culture of high performance.

The framework will also describe the support that individuals can expect, from the organisation, to make their very best contribution towards us providing housing that people call home. It will also explain how WSHA will recognise hard work and success and how it will manage underperformance.

It is important that everyone who works for the Association recognises that they have a responsibility to improve performance at some level. The framework will make clear what those responsibilities are and how by working together we can achieve our vision.

## 2.0 Organisational Performance Management

Organisational performance management has a clear business focus, to achieve organisational goals and improve business performance through directing and coordinating individual employees' and teams' activities and behaviours. The purpose is to ultimately improve the quality of the services that are delivered to our customers.

**Staff Appraisal** is the process that is used to discuss manage and measure individual and team performance and is part of the overall framework for managing organisational performance.

*'Organisations that work at performance management are much more likely to provide good services to local people. They concentrate on the services that matter most and are quick to identify problems, find solutions and take actions to improve performance' (Audit Commission).*

Organisational performance management will support WSHA to:

- ensure that strategies and plans they are focused on achieving the right outcomes;
- improve delivery of outcomes for service users;
- track progress in delivering priorities;
- effectively manage risk;
- make informed decisions;
- communicate to staff what is expected from them and how they fit into the overall framework for managing service delivery;

- make clear our values and set a standard of behaviour at work that aligns with these;
- evidence to the Scottish Housing Regulator and/or relevant external organisations that WSHA is achieving outcomes in line with local needs and expectations;
- demonstrate whether our services are delivering value for money.

### **3.0 Creating a Culture of High Performance**

High level organisational performance is a key focus for WSHA. Although the Board and Corporate Management Team are responsible for setting the strategic goals for the organisation, it is important that there is a strong commitment from all staff to achieve these through excellent performance.

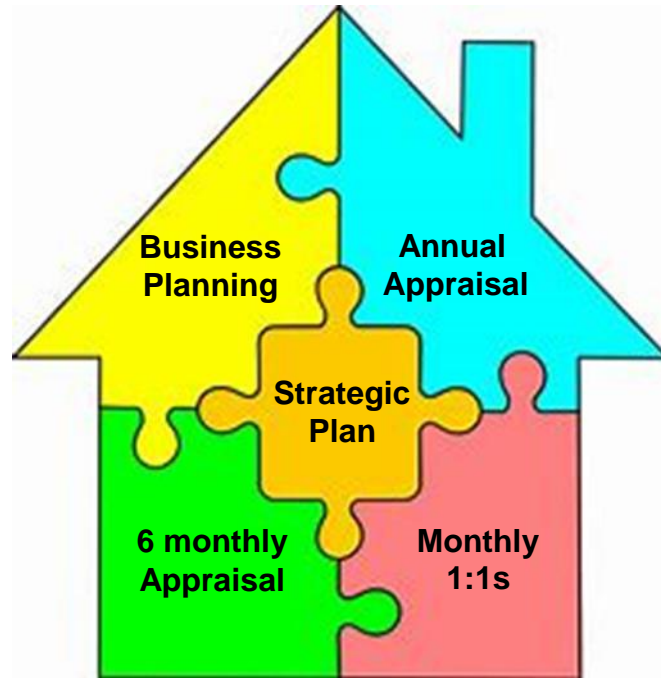
The appraisal process allows individuals to identify direct links between their efforts and achieving organisational strategic goals. WSHA strives to create a culture where individuals feel a sense of personal contribution and ability to be motivated by excellent organisational performance. Individuals should also be able to see that any lack of personal effort negatively affects overall organisational performance and that underperformance will be addressed through open and honest performance improvement discussions with their managers.

WSHA is equally interested in *how* performance is achieved and how staff achieve their goals. Our culture is one where there is an expectation that behaviours are a visible sign of our values. So, for a high performance culture to exist, it is important that everyone lives the values, feels supported to deliver excellent performance and is motivated to improve when this is not being achieved.

### **4.0 Managing and Measuring Organisational Performance**

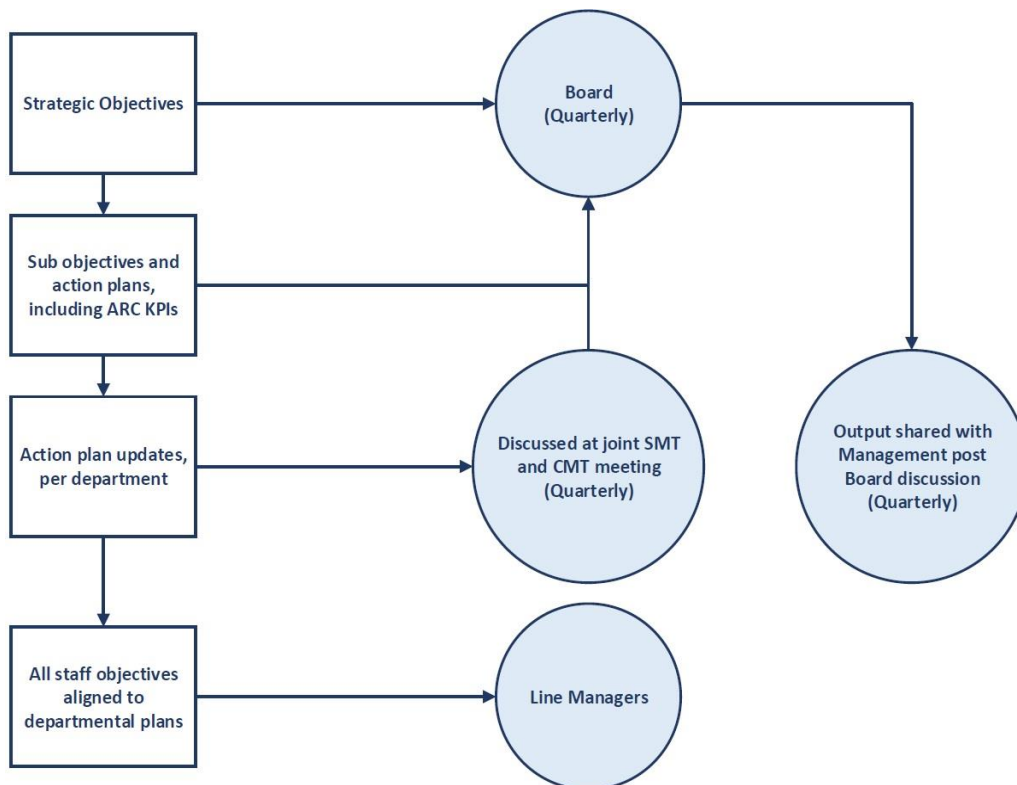
The Association has a vision to provide housing that people will call home. The purpose of managing performance is to ensure that the efforts of people are aligned with the vision. For this to be achieved WSHA has to ensure that people are clear about what is expected of them.

Every individual has a job description that reflects the requirements of their role. However, understanding the bigger picture allows people to understand how their contribution, or that of their team, makes a difference to the overall performance of WSHA. The principle being that, people will work better when they know what is expected of them and why.



### Annual Planning Overview

At the heart of the organisation’s performance management arrangements is the annual business planning process. This process is illustrated below:



### 5.0 The Appraisal Process

It is recognised that for there to be effective performance management regular, well managed and honest conversations need to take place between individuals and their line managers. The appraisal process is mandatory and an annual

framework of meetings exists that embeds the process allowing it to become custom and practice throughout the organisation.

The focus of appraisal is not so much the mechanics of the process or the paperwork to be used, but rather on the purpose, which is to support organisational performance improvement. The appraisal templates provide a framework for meetings and support both parties to consider performance and development points and prepare for the discussions. They also provide a useful record of what has been agreed. However, they should not limit conversation or act as a barrier to constructive dialogue.

The appraisal process must consider not only achievements but equal emphasis should be placed on the way employees go about their role. Typically this is challenged by line managers less often. However, behaviour is just as important to manage as achievements. Putting emphasis on behaviours will support WSHA to create the desired organisational culture as employee behaviours send a strong message to customers that values are important to the organisation.

## **5.1 Managing Individual Performance**

The mandatory framework of discussions is as follows:

### **5.1.1 Regular discussion**

Day-to-day interaction between employees and managers is an essential part of staff performance management. Daily discussions around what tasks have to be achieved and how they are to be achieved provide opportunities to manage individual and team efforts and to give immediate feedback and support.

### **5.1.2 Monthly One to One Meetings**

Although progress will be reviewed formally every six months, a framework of mandatory monthly one to one meetings form part of the staff appraisal process. Having regular one to one meetings allows for more informal conversation and feedback about performance and wellbeing as they are a more natural part of the working day and this is encouraged as part of a continuous process. They are dynamic and tend to deal with emerging issues. They provide dedicated time each month to for staff and their manager to discuss performance and priorities as well as to discuss any support required. They also provide an opportunity to closely monitor any action for improvement that may have been previously agreed.

Everyone will be clear about the dates and times of the one to ones and commit to making them happen. One to ones are informally recorded by line managers and notes stored in line with GDPR requirements.

### **5.1.3 Annual Appraisal and Objective Setting**

This yearly review will take place during **April** of each year. The purpose is as follows:

- To review performance against what was agreed would be achieved over the previous 12 months. The discussion will include any challenges that were faced, risks that were mitigated as well as any achievements.
- To assess performance against the WSHA values considering specific examples of behaviours that have been shown or customer feedback (internal or external) received.
- Receive feedback on performance and, if applicable, discuss any areas of underperformance and agree how these will be addressed.
- To review any learning and development activity that has taken place, both at team and individual level, and evaluate the impact on performance.
- To review any learning and development that has taken place to develop an individual beyond their current role.
- To discuss health and wellbeing and how this has been positively or negatively impacted at work.
- To agree specific team and individual actions for the forthcoming year.
- To consider how any associated risks will be managed.
- To identify and agree what support or learning and development you will need to achieve this
- To discuss how an individual might be supported beyond their current role.
- To consider how health and wellbeing are being impacted at work
- To discuss any other issues with the line manager.
- To review any action to address improvement that may have been previously agreed.

#### **5.1.4 Six Monthly Reviews**

This review will happen in **October** of each year. The purpose of which is as follows:

- To use the mid-point of the year to reflect on progress against expected performance.
- To receive feedback on performance and if applicable, discuss any areas of underperformance and agree how these will be addressed.
- To discuss any unexpected changes, challenges and risks that may affect performance.
- To assess 'how' things are being done and are the behaviours in line with the WSHA values.
- To reflect on the learning and development support that has taken place and to ensure that it has added value.
- To identify any emerging learning and development needs.
- To consider how health and wellbeing is being impacted at work
- To agree priorities moving forward.
- To review any action to address improvement that may have been previously agreed.

#### **5.1.5 Appraisal ratings**

A ratings scale for overall performance can stand in the way of a meaningful discussion. Where the two sides fundamentally disagree on a rating judgement,

there is a danger they will sit in trenches and the appraisal may be perceived as a negative experience. WSHA expects the very best of performance from every member of staff. Where there is evidence to support that this not the case then there will be honest dialogue about the reason for the underperformance and action taken accordingly. Therefore, a manager will only have to decide whether or not an employee is under performing based on evidence and action and then work toward improving that performance.

Where performance of an individual or a team has exceeded expectations then this will be recognised using the WSHA Staff Recognition Scheme.

#### **5.1.6 Following the appraisal**

Line managers are required to forward complete **annual and 6 monthly** appraisals to HR/Organisational Development Department. The timeous return of these will be measured by an organisational KPI. These will be held securely in the employee's HR file in line with GDPR requirements.

All identified learning and development requirements will be recorded on the draft organisational wide L&D plan. In order to continually improve and develop practice, a random sample of completed forms will be moderated by the HR/OD department twice in the year. Any key themes will be reported to CMT/SMT and any action to improve quality will be put in place.

Where underperformance is identified the line manager, supported by the HR/OD department, will manage performance in line with organisational policies and procedures.

### **5.2 Managing Team Performance**

The same principles apply to managing the performance of teams as to individuals. Good communication, support, feedback, recognition and tackling underperformance are all essential. As with individuals, the teams' contributions need to be managed and coordinated in order to achieve organisational goals.

Team Reviews are always conducted in a group setting, and will be structured within business streams. Team performance reviews will be reviewed formally annually in April and at the 6 month mid point in October. For jobs of a routine nature, team performance may form the substantive part of an individual's role and therefore, team reviews may be required more frequently. This will be at the discretion of the line manager.

The Team Review examines progress and performance against all aspects of the team's projects and tasks:

- Any performance indicators (KPI's) and their associated targets
- Any team projects, tasks and milestones
- Any other short term performance measures

The objectives of a Team Review are to:

- review the progress of actions from previous team reviews

- assess and analyse performance , particularly
  - departmental project progress
  - departmental key performance indicators
  - departmental risks
- identify the cause(s) of any under-performance
- put in place and establish monitoring mechanisms for remedial action
- learn from problems and successes
- look ahead to risks and challenges in the next period and put in place action to mitigate them.
- identify any learning and development requirements
- reflect on the impact of any learning and development that has taken place since the last review.

### **5.3 Managing Underperformance**

#### **5.3.1 Managing Individual Underperformance**

Where underperformance is identified in an individual, the line manager should ensure firstly that there is constructive challenge, with a focus on solving issues rather than apportioning blame. This judgement should be based on evidence and the line manager must be prepared to consider if the expected level of performance has fallen short for reasons other than employee capability, for example, a lack of resources or training.

There may, however, be situations where employees have been supported and still do not achieve the expected level of performance. Line managers will then be expected to start the process of managing underperformance. Early intervention gives more opportunity to resolve issues. Managers who ignore under performance will not help the individual or their team, as delayed interventions may escalate interpersonal conflicts and result in more formal approaches being required to address problems. Ignored underperformance sends bad signals to all employees and ultimately affects everyone's morale. Colleagues of underperforming individuals may be under additional pressure if they have to cover workloads. This may lead to a culture of poor performance, low morale, high absenteeism and high turnover.

The aim should be to support employees to achieve the expected level of performance. The process starts from having an informal meeting, during which the manager should explain exactly what aspects of performance are unsatisfactory and evidence this, what targets and standards are expected and within what timescale. This may take place at a one to one appraisal meeting. The manager should encourage employees to explore what could be preventing them from achieving what is required and then explore together how such gaps can best be addressed.

Simply reorganising workloads or prioritising work may help achieve improved performance. Or, there may be a need for training or another form of learning and development or there may be personal circumstances which are contributing to underperformance. If an employee does not want to speak to their line manager about a personal matter then an employee can be referred to HR/OD or the Employee Counselling Service. However ultimately, responsibility lies with



the employee to fulfil their contractual obligations and it is not incumbent on the employer to provide endless forms of support .

The manager should establish whether the underperformance is of a “cannot do” or “will not do” nature. Whilst the former is a problem of capability and may be able to be addressed by an underperformance management process, the latter is an example of misconduct and may be dealt with by our disciplinary process.

In the first instance informal action will be taken. The outcomes from an underperformance discussion should be confirmed in writing so that both parties are clear about the expectations. To make sure that there is clarity about what is required to improve performance the meeting will be followed up with an informal action note. This will give details of the points discussed, actions required, timescales for achievements (normally not more than 6 months), support required and learning and development which will be provided.

If improvements in performance have been achieved, no further action needs to be taken although a discussion around the issues is still recommended to determine whether further performance targets need to be set and performance monitored, any support needed and ensure that both have a clear understanding of expectations.

If the results are not satisfactory, reasons for this should be discussed with HR/OD for advice and support. At the next one to one meeting new targets and standards may be set. This would again be confirmed in writing with clear expectations of tasks/behaviours explained. The employee should be informed that continued underperformance may lead to formal disciplinary action. Where further review(s) shows unsatisfactory results, it may be decided that the formal Disciplinary Procedure (A13 of the Terms and Conditions of Employment) should be invoked.

In summary, in order to comfortably justify any formal action against the underperforming employee, the organisation must ensure that the following have taken place:

- The process has started at the early signs of the employee not meeting required standards.
- A discussion has taken place with HR/OD who will advise and support throughout the process.
- The employee is given opportunities to address the issues and improve their performance.
- A period of informal performance management precedes any formal disciplinary action.
- The employee should be advised in writing, exactly what aspects of their performance were unsatisfactory and why, what is expected of them and by when.
- The organisation has endeavoured to identify any appropriate support (including L&D) with regular reviews.

### **5.3.2 Managing Team Underperformance**

There are different approaches to managing team underperformance. People eventually get demoralised when they observe some of their colleagues underperforming and this is not challenged by management. Presuming the team objectives need to be achieved regardless, individual underperformance puts a strain on other team members. Management inaction towards individual underperformance, misconduct or poor attendance eventually results in the rest of the team losing confidence and disengaging with the organisation. It is very important that whilst teams are given varied levels of autonomy to self-manage, individual underperformance is identified and challenged by line managers.

Line managers should make best use of strengths and weaknesses in their teams. Whilst detailed job descriptions fundamentally dictate the role, there may be a division of tasks in some teams that is more flexible. Line managers should take time to get to know individual employees and understand strengths and weaknesses. Whilst uniformity may be necessary, for achieving an acceptable standard of performance in the job, it is more often more satisfying for individual team members, and far more effective to utilise strengths. It not only helps to secure the best results for the organisation but, also enhances job satisfaction. Everyday observations should help line managers discover this and discussions during appraisal meetings may also be very helpful.

#### **5.4 WSHA Staff Recognition Scheme**

Recognising hard work and success, and rewarding employees for them, is part of the culture of the Association. The Staff Recognition Award Scheme enables staff across the Association to nominate another person or team to receive a small gift when they have gone above and beyond their day to day duties.

Anyone at any level within the organisation can nominate any other person or a team for a recognition award. It might be because they have taken on a new and challenging task, performed beyond expectations, achieved external recognition for an aspect of work, helped out another team, been a good role model, organised an event or anything else you think deserves a 'thank you'. The scheme will let you give you that person or team a small gift, such as a pizza lunch, a bunch of flowers, cinema ticket box of chocolates, or gift voucher. There is also a supply of 'thank you' cards so you can tell the person what they have done well and why they have been nominated.

#### **5.5 Roles and Responsibilities**

##### **5.5.1 The Role of Leaders**

To be effective, performance management needs visible, enthusiastic and unrelenting commitment from the Board Corporate Management Team and Managers. Leaders will show, by their actions as well as their words, that:

- Managing and improving performance is a priority.
- Managing risk will be taken seriously
- Poor performance will be tackled and achievements and successes celebrated.

- Performance management is carried out within a culture of open debate and constructive challenge, with the focus on solving problems rather than apportioning blame.
- They take seriously wellbeing at work.
- Board members, CMT and managers regularly reflect on what they need to do differently as a Board, as a team and as individuals.

### **5.5.2 The Role of Line Managers**

Line managers are responsible for carrying out appraisal reviews as well as strong day to day management. They play a crucial role in cascading the organisational, departmental and team goals to individuals and supporting them to achieve these through making appropriate resources and support available. Line managers are responsible for having honest and open dialogue with those who report to them and for recognising successes and equally tackling underperformance. The relationship the line manager has with employees is often reflected in the level of performance people offer in their roles. Therefore, managers need to be aware of how their own behaviours and attitudes influence teams and the individuals they manage.

Line managers will ensure that the people in their team:

- Have a clear pattern of appraisal meeting dates scheduled throughout each year
- Know and understand what is expected of them.
- Have the opportunity to contribute ideas on planning and implementation of what has to be achieved.
- Have the skills, knowledge and ability to meet expectations.
- Are supported to achieve high performance in line with WSHA values
- Are given regular feedback on performance
- Are clear when there is underperformance and what will be done to address this
- Are recognised and rewarded for achievements above and beyond their role
- Feel supported in their personal development
- Feel positive about their health and wellbeing at work.

### **5.5.3 The Role of Employees**

Individuals will ensure that they:

- actively prepare for, and participate in, appraisal discussions about progress towards achieving team and individual goals.
- approach performance appraisal in a positive, open and honest manner
- are prepared to discuss what is going well, what is not and why.
- take underperformance seriously and work hard to improve
- demonstrate behaviours in line with WSHA values
- take responsibility for managing their own learning and development
- are proactive in managing their health and wellbeing at work

## **5.6 Other Aspects of Staff Performance Management**

### **5.6.1 Learning and Development Plans**

Learning and Development plans are an important part of the appraisal discussion as they will support individuals to improve performance in a tangible, measurable and visible way.

Some individuals will look to use their L&D plan as a means to progress in their careers. It is correct to say that there are not always going to be internal promotion opportunities for individuals. Indeed, many employees will be content with their career choices and will have no desire to progress to promoted posts. However, this does not mean that people will go without learning and development plans. Others may be underperforming and the L&D plan provides support to individuals to improve performance.

The L&D Policy makes clear the Association's commitment to encouraging individuals to pursue business relevant development either as part of their role or over and above their current job role and that L&D is offered on a fair basis to all employees ensuring that no individual receives less favourable treatment or consideration to L&D on the grounds of their gender, sexual orientation, racial group, marital status, disability, age, religion or religious beliefs, or any other unlawful criteria or circumstances.

The Association will use a variety of approaches to addressing development needs and they will not be limited to traditional training courses. A creative approach to identifying appropriate L&D activity as part of the appraisal process will be supported by the Association. As well as supporting mandatory L&D identified as part of the Mandatory L&D Matrix, consideration will be given to L&D that equips staff to improve their performance both in the present and for the future responsibilities.

This could be in relation to performance in their current role or other areas which have a direct impact on the employee's role to provide them with skills and knowledge to improve current performance or progress in their career. It may simply be about learning new things or refreshing current knowledge, to benefit employees at work. It could be about lateral moves, secondments, job shadowing, increasing responsibilities, getting involved in new aspects of team working or corporate working groups.

Line managers and employees should ensure that learning and development plans are realistic and business relevant to avoid raising expectations or not making best use of resource.

### **5.6.2 Succession Planning**

It is important that line managers are honest and manage the career aspirations of others to ensure that they have realistic career paths. Employees will be clear that promotions cannot be guaranteed, as opportunities arise mainly as a result of staff turnover. The Association will operate in line with regulatory requirements and policies and procedures at all times, ensuring the highest standard of governance and compliance.

The organisation will ensure equality, in that **all** employees will have the opportunity of a Learning and Development Plan which primarily will be designed to support business outcomes. The plan will be developed and agreed with line managers as part of the Appraisal process.

The opportunity to agree an individual L&D plan may allow those in particular who wish to develop their careers, the benefit of building a portfolio of skills and experience beyond their role. Where an individual can be supported in terms of career advancement the plan may include exposure to aspects of a role that they aspire to perhaps through a job shadowing programme. Whilst the Association is committed to staff achieving their highest potential, it should be recognised that it may not always be possible to support individuals to develop certain skills, in particular for high level or specialised posts.