

# Capability Policy

## 1. Policy Aim

To ensure that the Company deals effectively with situations where an employee fails to meet the minimum performance standards of the job.

## 2. Scope

All Colart employees with performance issues related to their capability as opposed to their conduct. Where performance standards are not achieved to conduct, the company's disciplinary procedure will be applied.

## 3. Policy Principle

Where through lack of capability, employees fail to maintain satisfactory overall job performance standards, a timely, fair and effective solution will be determined and implemented through the Company's Performance Counselling System.

## 4. Policy Operation

### 4.1 Identifying a problem

4.1.1 The Company's Performance Review System in which Line Managers formally discuss performance, skills, achievements and requirements with employees is the best way to determine training and development needs.

4.1.2 Whilst the performance review may identify problems it is not the only trigger for commencing the Performance Counselling System. The Line Manager should however be aware of the "appraisal history" of the employee concerned, for example when was an appraisal last carried out, did it indicate satisfactory overall performance and have agreed actions been implemented?

### 4.2 Performance Counselling System

4.2.1 Once a problem has been identified the Performance Counselling System comes into play and this system consists of 4 stages:

- a) Preliminary Investigation
- b) Initial Performance Counselling Interview
- c) Performance Improvement Action Plan
- d) Final Performance Review Meeting

4.2.2 Further information about each of these stages can be found in Appendix 1 of this policy. The employee may be accompanied at any stage if requested and an invite letter should be sent to the employee prior to the initial Performance Counselling Interview.

## 4.3 Follow Up

- 4.3.1 Wherever reasonably practicable, the counselling system will be used to achieve the required job performance standards by helping to improve the employee's capability, for example, by developing performance improvement action plans and providing better training, supervision, coaching, etc.
- 4.3.2 If an improvement in performance however is not possible within a period of time and cost reasonable to the Company, the system will determine an alternative solution, eg. displacement, transfer, dismissal, etc.

## 4.4 Defining Job Standards

- 4.4.1 In all cases the Company has the right to define the required job performance standards, but where it is necessary to raise required job standards or to change ways of working for current employees, this will be done in a reasonable manner, for example, with appropriate training and consultation.

## 4.5 Records

- 4.5.1 Written records of all performance counselling interviews will be sent to the employee concerned and included in the employee's personnel file.

# 5. Responsibility

## 5.1 Line Managers are responsible for:

- a) The maintenance of satisfactory performance standards by all employees in their area.
- b) The effective application of Performance Counselling System procedures where minimum satisfactory performance standards are not maintained.

## 5.2 HR is accountable for:

- a) Advising Line Managers on all aspects of performance counselling.
- b) The maintenance of performance counselling documentation within the employee's personnel file.

**Colart reserves the right to amend this (as with any other aspect of its policies) at any time.**

## Appendices

Additional reference information for the Policy

### Appendix 1

#### **1. Preliminary Investigations**

- 1.1 The purpose of the Preliminary Investigation is to find out why an employee's performance is sub-standard and to determine what to do about it.
- 1.2 There may be other reasons unrelated to lack of capability, that may cause performance problems. Alternate appropriate solutions other than this procedure should be used in discussion with Personnel. The potential causes requiring support for the employee include:-
  - a) The changing nature of the job
  - b) Raised job standards
  - c) Lack of job training
  - d) Unclear objectives
  - e) Poor supervision or management
- 1.3 If, however, the cause is shown to be lack of capability, the Preliminary Investigation should also identify:
  - a) The areas (ways) in which performance is sub-standard.
  - b) The degree of shortfall against established job performance standards.
  - c) How seriously the sub-standard performance affects the department/company.
  - d) How long the employee can reasonably be given (with company assistance) to achieve the minimum required job performance standard.
- 1.4 The Preliminary Investigation should compare the employee's sub-standard performance against any established job standards, as defined in job descriptions, objective forms etc.
- 1.5 Evidence of sub-standard performance will normally include Performance Review reports, Line Manager's views, performance against established operating standards and other appropriate indicators.
- 1.6 If the Preliminary Investigation confirms that the sub-standard performance is due to lack of capability by the employee rather than some other cause, an Initial Performance Counselling Interview should be carried out in line with this Capability Procedure.

#### **2. Initial Performance Counselling Interviews**

- 2.1 The Initial Performance Counselling Interview is used to:-
  - a) To decide upon the correct solution to achieve satisfactory job performance.
  - b) To define the necessary action plan to achieve satisfactory job performance.
  - c) Ensure the employee is fully aware of the action plan, the job standards required and the time scale for the required improvement.

- 2.2 An Initial Performance Counselling Interview is non-disciplinary in nature but may eventually lead to the dismissal of the employee on grounds of lack of capability if no improvement in performance is seen.
- 2.3 The interview must therefore be conducted in accordance with best practice and legal guidelines namely. The employee must be:-
- a) Informed about their performance weaknesses, the job standards required and the possible consequences of failure to achieve standards, particularly if their job is at risk.
  - b) Allowed to put their point of view and ask questions about the sub-standard performance.
  - c) Given the opportunity to be accompanied by a fellow employee during the performance counselling to observe the fair application of this procedure and, if requested, to record proceedings, but not to participate in them.
- 2.4 The outcome of the Initial Performance Counselling Interview should normally be to define and establish a Performance Improvement Action Plan. This may be in the nature of training, job re-design or some other form of assistance.
- 2.5 The details of the Performance Improvement Action Plan should be confirmed in writing to the employee within 5 working days of the Initial Performance Counselling letter (see appendix 2). This should confirm:
- a) The main points of the discussion, including (especially) any points of agreement/disagreement which emerged during the interview.
  - b) An explanation of the ways in which performance is sub-standard.
  - c) A statement of the required performance improvements.
  - d) The period within which the required job standards must be achieved.
  - e) The likely consequences of failure to achieve standard, especially if employment is at risk.
  - f) Details of training or other company assistance to be provided.
- 2.6 There are EXCEPTIONAL occasions when it would be considered reasonable to remove the employee from a job immediately following the Initial Performance Counselling Interview, e.g. where there is a high risk to safety, product quality, commercial secrets etc.
- 2.7 Such cases need to be discussed with the Personnel Director before taking action and depending on the nature and level of the sub-standard performance, may require transfer, displacement, dismissal etc.

### **3. Performance Improvement Action Plans**

- 3.1 Performance Improvement Action Plans follow the Initial Performance Counselling Interview and are a systematic way of implementing (in a reasonable manner) the improvement actions decided upon. They consist of four elements:-
- a) A Performance Improvement Period
  - b) Improvement Actions
  - c) Intermediate Performance Counselling Interviews and confirming letters
  - d) A Final Performance Review Meeting and confirming letter.

- 3.2 During this period the employee has the opportunity to achieve satisfactory job performance and the employee's performance is closely monitored by his Line Manager and regular performance counselling meetings take place to help to improve performance.
- 3.3 The duration or the monitoring period is not standard for all cases since that must be determined by the individual merits of each case, for example:
- a) From the Company's point of view:-
- Are there any critical marketing, cost, quality, customer service, I.T., safety or manufacturing risks?
  - Will training be extremely expensive and time consuming?
  - Are personal relationships in work being severely disrupted?
- b) From the employee's point of view:-
- Does he/she have long service?
  - Have the required job standards been raised without warning?
  - Has there been insufficient training?
  - Has there been an element of ineffective supervision or unclear objectives?
- 3.4 The key requirement is that the duration of the monitoring period must be a reasonable balance between the Company's need to have satisfactory job performance at the earliest possible moment and the employee's need to be given a fair chance to improve.
- 3.5 Prompt action should be taken to implement any improvement actions determined as necessary via the Initial Performance Counselling Interview; for example special training, supervision or other support as needed.
- 3.6 Intermediate Performance Counselling Interviews should take place as often as necessary and at least on a monthly basis during the Performance Improvement Period but, depending on circumstances, may need to be more frequent.
- 3.7 It follows that there is no pre-determined number of Intermediate Performance Counselling Interviews following the Initial Performance Counselling Interview. They should take place as often as is necessary to ensure that both the Company and the employee are fully aware of whether or not improvement is taking place at the required rate.
- 3.8 In every case the results of Intermediate Performance Counselling Interviews should be confirmed in writing within five working days of the interviews via Intermediate Performance Counselling letters (see Appendix 3). These letters must clearly explain:-
- a) The main points of discussion, including any areas of agreement or disagreement
- b) Progress achieved to date, if any.
- c) Progress still to be made.
- d) Further actions required or to be taken.
- e) Any risk to the employee's continued employment.
- f) The employee's responsibility to advise the Line Manager if any further help is required or if anything is unclear.

- 3.9 If the employee shows little sign of improvement, subsequent Performance Counselling letters will place greater stress on the increasing risk of dismissal on grounds of capability.

#### **4. Final Performance Review Meeting**

- 4.1 If needed, a Final Performance Review Meeting is held, towards the latter part of the Performance Improvement Period, but only if it has become clear that the employee is unlikely to achieve an acceptable job performance standard within the Improvement Period.
- 4.2 Before a Final Performance Review Meeting is convened, the Line Manager should review with the Personnel Director, the employee's situation and the manner in which the meeting will be conducted.
- 4.3 The purpose of the Final Performance Review Meeting is to:
- a) Remind the employee of the period given for improvement.
  - b) Explain that, despite the previous counselling interviews (Initial and Intermediate) and any assistance provided by the Company, the employee is still failing in certain areas (which must be re-emphasised) to achieve the required performance standard.
  - c) Warn the employee that unless an acceptable performance standard is achieved by the end of the Improvement Period, termination of employment will be the result unless an alternative suitable job can be found.
- 4.4 The discussions and the decision of a Final Performance Review Meeting must be confirmed in writing to the employee within 5 working days using a Final Performance Counselling letter (see appendix 4). This letter will confirm, as a minimum:-
- a) The continuing areas of sub-standard performance and the required improvement.
  - b) That, unless performance improves to an acceptable level by the end of the Improvement Period, employment will be terminated by reason of incapability unless alternative employment can be found.
  - c) That the employee should advise the Line Manager if any further points of clarification concerning the Final Performance Review Meeting or its outcome are required.
- 4.5 Should transfer or displacement be necessary, all established company and statutory requirements in relation to the fair treatment of employees must be met.
- 4.6 If dismissal action is decided upon, it must be carried out in accordance with the requirements and the principles of the Company's Disciplinary Procedures related to dismissal. In particular, employees have the right to appeal against dismissal decisions.

## Appendix 2

DATE

NAME

Dear NAME

I am writing to inform you that you are required to attend a performance counselling interview at ..... on ..... in my office. This interview follows on from previous discussions, and is to outline areas of unsatisfactory performance with regard to:

LIST GENERAL DISCUSSION AREAS

You are entitled, if you so wish, to arrange to be accompanied at the meeting.

Yours sincerely,

## Appendix 3

Dear .....

I am writing to confirm the outcome of the initial performance counselling interview held on (insert date) to discuss your job performance.

As I explained, you are not performing your job of (insert job title) the minimum required standards and this is adversely affecting department efficiency. The areas of poor performance are as follows:- (Insert appropriate text).

- a)
- b)
- c)

You are therefore required to improve your performance in the following ways: (Insert appropriate text).

- a)
- b)
- c)

In X weeks/months time, i.e. on the (insert date), a further review will be held in order to determine whether the required standards have been met.

I must inform you that, if they are not achieved, it may be necessary to transfer/displace you or, should alternative work not be available, to terminate your employment on grounds of capability.

During this period your performance will be closely monitored and you will be kept informed as to your progress in meeting those standards via regular meetings with myself. The results of those meetings will be confirmed in writing so that you are fully aware of your performance against the required improvement goals.

In order to help you to improve your performance the Company will take the following actions: (Insert appropriate text).

- a)
- b)
- c)

At the same time you will also be required to ensure that you: (Insert appropriate text).

a)

b)

c)

Please contact me if you are unclear as to the performance standard expected of you, or how you are to improve your performance, or if you feel the Company can further assist you in meeting the required standards.

Yours sincerely

## Appendix 4

Dear .....

I am writing to confirm the outcome of the latest progress counselling interview held on (insert date) to discuss your job performance. This followed the monitoring period established after the Initial Performance Counselling Interview attended by yourself on (insert date).

As discussed at your last interview, you have undoubtedly achieved some progress in the following areas: (Insert appropriate text).

- a)
- b)
- c)

However, you have not yet achieved the required standard(s) in respect of (Insert appropriate text).

- a)
- b)
- c)

Consequently, your overall job performance does not yet meet the Company's requirements. If this situation continues it could result in your termination from your employment on grounds of capability.

We will meet again on (insert date) for the next of our regular reviews. In the meantime, if there is anything you wish to discuss or if you have any queries please do not hesitate in contacting me.

Yours sincerely

## Appendix 5

Dear .....

I am writing to confirm the outcome of the Final Performance Review Meeting held on (insert date) to discuss your job performance.

As discussed during the performance review meeting you have not achieved the required standards for your job in the following areas: (Insert appropriate text)

- a)
- b)
- c)

Unless your performance improves to an acceptable level by (Insert Date) which is the end of the Performance Improvement Period established in your Initial Performance Review Meeting held on (Insert Date) you will be removed from your current job.

If a suitable alternative job cannot be found, you will be dismissed on grounds of capability.

Please let me know if you are in any way unclear about your position or if you feel there is any further way in which the Company can be of assistance to you.

Yours sincerely

LINE MANAGER