

Performance & Appraisals Guide

Overview

Composite Legal Expenses Insurance provides advice to thousands of businesses and individuals each year through its legal advice helpline. The vast majority of calls to the helpline come from businesses seeking help on employment related matters.

Our expert lawyers have used their years of experience dealing with these matters to create this guide for you to use as a reference tool. The guide gives a general overview of some of the main issues that arise when dealing with performance and appraisals in the workplace.

The guide has been condensed as much as possible to make sure you only get an overview of the area, for that reason it should not be viewed as comprehensive or as a substitute for specific legal advice.

If you have the benefit of a legal expenses policy with us, then the guide can be used in addition to the advice we provide and you should contact our advisors for advice in relation to any specific situations.

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PERFORMANCE & APPRAISALS

Performance & Appraisals

When it comes to dealing with performance in the workplace, it is always important to set clear standards and ensure those standards are communicated effectively to staff.

Once clear standards have been set, staff will be aware of what is expected of them and what they need to do to ensure they do their job to the correct standard. They should also be given encouragement to improve and develop additional skills to help the business thrive.

Ideally, any standards should be fair and measurable to ensure consistency within the workplace. It can be easier to justify objective standards than relying on subjective opinions.

The Line Manager

The employee's line manager will usually be responsible for ensuring that employees reporting to them are performing to the required standards.

Therefore, it will be important for managers to be fully aware of their responsibilities and they will need to be given adequate training on the business appraisal systems and understand what objectives they have in relation to ensuring adequate performance from staff members.

The line manager should be familiar with all the relevant policies and procedures that relate to performance and appraisals.

Appraisals

In order to ensure adequate ongoing performance, it can be beneficial for any organisation to put in place an appraisal system and make sure appraisals are undertaken on a regular basis (at least yearly).

It can be appropriate to link an appraisal system to a benefits package or a bonus scheme to give employees an added incentive to do what is expected of them, or more.

While a formal appraisal might only take place yearly, regular meetings between the line manager and the employees will make sure everyone is aware of what is expected. This is also a good way for the line manager to keep track of how the employee is progressing.

Regular meetings can also be useful for identifying any performance or training needs that are required and can be a useful tool to address those issues before they become more serious.

If there are any serious concerns they should be addressed as soon as they arise and where necessary, the disciplinary procedure should be invoked (for further information see our **Disciplinary Guide**). Allowing performance issues to continue without being addressed may have an impact on your ability to take action at a later date.

When dealing with poor performance it is important that employees are made aware of the concerns from an early stage and are given an adequate opportunity to improve. Where necessary additional training should be provided.

Termination for poor performance would usually only be appropriate following a series of staged warnings. If you are considering taking disciplinary action as a result of a performance issue you should contact our Legal Advice Helpline.

If an appraisal system is used correctly, you will have access to detailed records of how employees are, and have been performing throughout their employment. This can be very useful in a redundancy situation. Often managers will have a good idea who they think the best and worst performing employees are, but without documented appraisals they may not be able to demonstrate why they feel that way.

Key Points

- Set clear objective standards that are reasonable and measurable
- Ensure managers are provided with adequate training on managing performance
- Consider rewarding good performance through an appraisal system and/or giving incentives for employees to do even more than just a good job
- Ensure employees have regular meetings/reviews with their line managers
- Address performance concerns without delays
- Ensure the disciplinary procedures are followed when dealing with serious performance concerns
- Ensure employees are aware of what is expected of them and when they are not doing something adequately
- Ensure where there are performance concerns employees are given a fair and reasonable opportunity to improve and provided with appropriate training
- Termination for poor performance will only be appropriate as a last resort