**Performance Management Policy**

December 2018

**Purpose**

Daniel Thwaites Plc ("the Company") operates the following policy in relation to probationary periods and capability. The Company is committed to encouraging employees to maintain the required performance standards so as to deliver the best possible service for our customers. Where the Company believes that an employee’s performance has fallen below the standard required, we will look to take steps to establish the facts and reasons for this decline in performance and we will look to identify ways in which we can address the issue.

**Scope**

The policy is a guide only and not contractual and applies to all employees within the Thwaites group of companies.

**Principles**

Employees should be aware that poor performance can cost the business. The purpose of a capability procedure is to assist employees who are underperforming in meeting the standards required and to provide encouragement to improve. Employees should reflect on any issues raised about their performance as constructive criticism and recognise that their line manager is ensuring that their team or department meets the Company’s objectives or targets.

**Probationary Period**

All employees are subject to a probationary period of 13 weeks, while having a 4, 8 and 12 week review. During this period, employees will be given appropriate support and development opportunity to help them reach the required standards.

Employees who successfully complete their probationary period will be notified of this in writing.

Employees who do not successfully complete their probationary period may be granted a probation extension to enable the required standards to be achieved, but failure to do so could result in the termination of their employment. The employee has the right to appeal the decision, see ‘Appeal’ below.

# Capability Procedure

**Informal**

In the first instance, performance issues will be dealt with informally between the employee and their line manager, discussing the decline in performance and looking to understand why this has occurred. A Performance Improvement Plan will then be agreed with the employee, setting out the areas for improvement, the timescale for improvement and what steps the Company can take to assist.

Where the issues cannot be resolved informally or where the employee’s performance has not improved within the agreed timescales, formal action will be required.

**Formal**

The employee will be invited to a formal capability hearing in writing and be given the following information:

* A summary of the evidence gathered as part of an investigation into your performance;
* Copy of all relevant documents to be used at the hearing; and
* Copies of any witness statements.

As part of the capability hearing, the Company will look to confirm the following:

* Details of the required standards and the evidence which suggests the employee has failed to meet those standards;
* Provide the employee with an opportunity to ask questions and to present evidence on their own behalf;
* Establish the possible causes of poor performance;
* Identify whether any further measures can be taken to assist with the employee’s performance standards;
* Discuss, and seek to agree with the employee targets for improvement and a timescale for review.

Where it is clear that standards of performance have fallen below the levels expected by the Company, the following warnings may be issued along with a Performance Improvement Plan:-

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| Stage 1 – verbal warning  | If the Company decide that the employee’s performance is unsatisfactory, they will be issued with a verbal warning. This warning will set out the areas of performance which the employee has not met, targets for improvement, any measures to be taken such as training, the period for review and the consequences of failing to improve. This warning will remain active on the employee’s file for a period of six months after which the warning will be disregarded for capability purposes. |
| Stage 2 – first written warning | If the Company decide that the employee’s performance is unsatisfactory, they will be issued with a first written warning. This warning will set out the areas of performance which the employee has not met, targets for improvement, any measures to be taken such as training, the period for review and the consequences of failing to improve. This first written warning will remain active on the employee’s file for a period of six months after which the warning will be disregarded for capability purposes.  |
| Stage 3 – final written warning | If there is no improvement in the employee’s capability or the required standard has not been met by the required timescale or where there is further evidence of poor performance whilst the first written warning is active, the employee will be issued with a final written warning. This warning will set out the areas in which the employee has not met the required standards, targets for improvement, any measures which could be taken such as training, the period for review and the consequences of failing to improve. The final written warning will remain active on the employee’s file for a period of 12 months after which it will be disregarded for capability purposes.  |
| Stage 4 – Dismissal | If there is still no improvement in the employee’s capability, their performance is still unsatisfactory whilst the final written warning is active, or their performance has been grossly negligent, the employee may be dismissed. The company may consider alternatives to dismissal including redeployment or extension of a final written warning depending on the circumstances. Where dismissal is appropriate, this will normally be on full notice and/or payment in lieu unless the employee’s performance has been so negligent so as to amount to gross misconduct.  |

Note that at all stages of the capability process, employees are entitled to bring a trade union representative or a fellow work colleague as a companion. If the employee or companion are unable to attend the hearing, the employee must inform their line manager immediately so that an alternative date can be arranged. Should the employee or companion be persistently unable to attend the hearing, the Company reserves the right to make a decision in the employee’s absence based on the evidence available.

**Appeal**

The employee has the right to appeal about any formal decision made. The appeal must be made in writing, stating the full grounds for appeal, within 5 working days of receiving the decision letter. The Company will then look to arrange an appeal meeting within 7 days of receiving the written notice. The outcome of the appeal hearing is final and will be confirmed in writing to the employee.

In the event that the employee has been dismissed, the date of dismissal will not be delayed pending the outcome of an appeal. In the event that their appeal is successful and the decision to dismiss the employee is revoked, they will suffer no loss of continuity or pay.