

Getting it right



How to manage performance

Development

Engage

Feedback

Support

Planning

Recognition

Appraisal

inform

advise

train

work
with you

What if I get it wrong?

Failing to manage the performance of your employees effectively can lead to:

- reduced productivity and poor customer service
- less engaged and committed employees
- mistrust and lack of cooperation from employees
- employees' being absent or leaving and possible employment tribunal cases.

What are the legal requirements?

- You must not discriminate against employees in the way you manage performance because of their age, race, sex, disability, religion or belief or sexual orientation.
- The Data Protection Act will generally apply to information you keep about your workers. You should tell them what the information is and what it will be used for. Your workers have a legal right of access to information you hold on them.

How do I get it right?

- ✓ Have clear business goals and tell your employees what they are.
- ✓ Agree objectives with your employees. It's useful to remember the initials
 - **Specific** – state what employees need to achieve?
 - **Measurable** – say how you will know they have been achieved?
 - **Achievable** – are they achievable but also challenging?
 - **Relevant** – do they help the business succeed?
 - **Timebound** – is it clear when they will have been achieved?

- ✓ Make sure employees are clear not only about their objectives but also how they should be achieved:
 - employees need to be competent to carry out their duties in a way that helps the business thrive. Such competencies vary from business to business but commonly include:
 - focusing on customers
 - learning new job skills
 - focusing on goals
 - being flexible
 - self development
 - working as part of a team
 - being creative
 - communicating effectively
 - knowing the business.

- ✓ You want your business to succeed so think about how your employees need to develop:
 - personal development should be agreed with employees. It should cover what aspects they need to develop and:
 - how they will achieve this development
 - when it will be achieved
 - how the achievement will be measured.

- ✓ Make sure employees know how they are doing:
 - in small firms it is often easier to let employees know how they are doing informally but make sure you don't forget. You should also:
 - hold formal reviews of performance at least every six months including an annual appraisal where the work of the year is discussed and feedback is given. You can also give employees a formal rating of their performance for the year especially if you want to link performance to pay.

- ✓ Don't ignore problems with employees whose work is not up to scratch. Deal with this by:
 - agreeing practical solutions to overcome problems
 - not putting off those 'difficult conversations'. If you or others in your organisation are not confident in talking over problems with employees ask Acas how you can get trained
 - offering support and coaching.

If disciplinary action becomes necessary follow the Acas Code of Practice.

- ✓ Decide whether the formal rating of performance will be linked to pay:
 - whether you link pay to performance will often depend on your industry, culture, values and style of management. About a third of pay awards are based to some extent on a measure of performance. In the finance sector almost 70 per cent of pay awards are merit-based.
- ✓ Check the success of your performance management:
 - What do managers and employees think of it?
 - Are appraisals and reviews completed on time?
 - Are proper records kept?
 - How many appeals are there?
 - Are there signs of better employment relations such as lower absence or employee turnover levels?

Where can I get more information?

Acas Advisory Booklets *How to manage performance*, *Personnel data and record keeping*; Acas Code of Practice *Disciplinary and grievance procedures* – to order call Acas Publications on **08702 42 90 90** or order online at **www.acas.org.uk/publications**

Acas runs charged training for small firms and has a national helpline – **08457 47 47 47** – which gives free advice on employment matters.

This information is intended to be a brief introduction to the subject. Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law.

Acas can help with your employment relations needs

We inform

We answer your questions, give you the facts you need and talk through your options. You can then make informed decisions. Contact us to keep on top of what employment rights legislation means in practice – before it gets on top of you. Call our helpline **08457 47 47 47** or visit our website www.acas.org.uk.

We advise and guide

We give you practical know-how on setting up and keeping good relations in your organisation. Look at our publications on the website or ask our helpline to put you in touch with your local Acas adviser. Our Equality Direct helpline **08456 00 34 44** advises on equality issues, such as discrimination.

We train

From a two-hour session on the key points of new legislation or employing people to courses specially designed for people in your organisation, we offer training to suit you. Look on the website for what is coming up in your area and to book a place or talk to your local Acas office about our tailored services.

We work with you

We offer hands-on practical help and support to tackle issues in your business with you. This might be through one of our well-known problem-solving services. Or a programme we have worked out together to put your business firmly on track for effective employment relations. You will meet your Acas adviser and discuss exactly what is needed before giving any go-ahead.