Guide: Performance management

When you have confirmed your employee's employment as ongoing (after the trial or probation period) it is important to manage their performance. Delegate this to the employee's manager.

Feedback and Career Development Review

Career Development Review

Career development reviews are sometimes referred to as performance or employee appraisal. Career development reviews are regular reviews of your employees' performance. An annual career development review is often coupled with salary review.

Aims of Career Development Review

The aims of an employee's career development review are to:

- Facilitate communication between employee and the employer
- Give feedback on performance
- Identify training needs
- Document criteria used to allocate rewards
- Form a basis for salary increases, promotions, disciplinary actions, etc

Give regular feedback

To effectively manage performance, it's important that managers give team members regular and ongoing feedback both:

- Informally (day-to-day coaching), and
- Formally (as part of their career development review)

Regular feedback ensures that there are no surprises at review time and that any bad habits have not set in.

Performance and salary review

The best way to have an employee listen, accept and respond to feedback is to provide continuous and informal feedback. Saving your performance discussions for when you are setting remuneration is the worst way to get someone to engage with you, acknowledge a performance issue, and participate in designing a solution. If you save the performance discussion for remuneration-setting time, you are asking employees to put their income at risk.

Timeframe

We recommend you carry out a career development review for each team member once a year at the very outside.

This process should also incorporate annual salary reviews for team members.

Inputs

Collect the following documents you need to carry out the career development review process:

- Current position descriptions
- Employment agreements
- Copies of past reviews and action plans

Four weeks before review date

Email a Career Development Review form to the team member. Ask them to complete and return it to you.

Three weeks before review date

Request a written performance evaluation from the team member's team leader.

Two weeks before review date

Collect the review forms from team member and manager. Set a date and time for the review interview with the team member and manager (allow an hour).

Review both forms and note any suggested areas for development.

If training is needed, investigate options and costs (see the section on training).

If salary is also being reviewed, consider the current salary level and proposed increase (if any) and complete the Salary Review Form.

Review

Hold the career development review with the team member and their manager to cover all issues raised. Discuss areas and opportunities for development. If relevant, discuss salary review, outcome, and options with the team member.

Draw up an action plan.

After the review

when a salary review results in an increase to the team member's salary, complete a letter to the employee confirming the changes.

Personal File

Arrange for the Variation of Agreement to be signed by both parties and file on the employee's personal file together with the completed career development forms and the Salary Review form.

Payroll

Update the payroll system.

Training your team

One of the keys to successful performance management is a structured training and development programme for your team. This programme should meet professional and skills requirements. More importantly, it should be a foundation for the ongoing development of your team.

A structured training and development programme will probably include a mix of internal and external resources.

Use the training and seminars planner for an overview of training for individuals and the team as a whole. The planner helps identify when team members are available and ensure that all team members receive training.

Long-term development

Training needs are often identified during team members' career development/performance review (see the section on Career Development Review). This will help set training goals for up to a year in advance.

Continuous development

Sometimes spot training needs emerge. For training requirements identified outside the performance management development process, encourage your managers to evaluate training needs continuously using

the Training Requirements Checklist. Review these regularly.

Training Tools and Resources

Build up Training Tools and Resources Guides for key positions. Use the team's existing position descriptions to identify tasks commonly performed. Note relevant internal training resources and procedural guides which relate to training in required skills. This will cut time putting together a training session or sourcing external training agencies.

Use the Training Tools and Resources template:

Column	Description
Go To	Indicates if: • The business needs to determine the tool or • There is existing procedural content available • An external training agency is appropriate
Source	Electronic or physical form, storage location

Internal training:

Where cost-effective, implement internal training programmes for groups of employees.

Wherever possible, make sessions interactive. Use case studies or role-plays, or simply talk about client examples. Encourage participants to ask questions, particularly about how the training can be applied to your clients.

So participants make the most of each session, circulate pre-reading beforehand. Run the training programme using the internal training checklist. Evaluate the effectiveness of the training using the Course Review form.

External training

Where team members request training from an external provider, ask them to submit the Course Request form to the relevant manager for approval. Complete the registration forms and arrange payment.

Enter details onto the training and seminars planner.

Course Review

Ask team members attending external training programmes to complete a Course Review form.

If applicable, ask for a presentation on the programme to be made at the next team meeting or arrange internal training sessions on relevant items.

Once the training has taken place, collect the Course Review form and evaluate the effectiveness of the training.

Training Requirements Checklist

Manager to evaluate training needs

1.	Key area/s for training	_____ _____
2.	Who needs this training?	_____ _____
3.	Is it a performance problem rather than a training need? Give details.	_____ _____
4.	Is training the solution or does the system need	_____

	amending? Give details.		_____
			_____
5.	How urgently training is needed? Note any risks or impact on the business if timely training is not delivered.	☐	Immediate
		☐	Medium term
		☐	Long term
		Target date: _____	
		Risk assessment: _____	
		_____	
6.	Strategy to meet this training need?	☐	Internal training programme
		_____	
		☐	Develop internal programme
		_____	
		☐	Outsource training
		_____	
		_____	
7.	Recommendation and costs involved	_____	
		_____	
		_____	

Completed by: _____ Date: _____

Checked by: _____ Date: _____

Training Tools and Resources Guide

Tools and Resources for [Position Title]

Task	Go To	Source
[Example] Compile and produce high level correspondence, documentation, presentations, and reports	Business style guide External computer training	G://Training/Office Style Guide ABC Office Trainers
[Example] Organise any travel requirements: flights, accommodation, and rental cars	Business Travel handbook	Office Procedures

Internal Training Checklist

Before the Training Date

		✓
1.	Inform all participants of the time, location, and topic of the training	☐
2.	Ensure the training room is booked	☐
3.	Prepare your training notes	☐
4.	Prepare any training literature and print or email copies for all participants	☐
5.	Prepare the Course Review Form and print copies for all participants	☐
6.	Are the training facilities comfortable and appropriate?	☐
7.	Are there enough seats and desks/tables?	☐

On the Day of the Training Session

		✓
1.	Check all equipment/visual aids are set up and working	☐
2.	Check that the room is set up so that all everyone can see and hear the training	☐
3.	Check all supplies necessary for the training. For example, pens, notepaper, handouts, information booklets	☐
4.	Is the temperature of the room comfortable?	☐
5.	Are refreshments available if necessary?	☐
6.	Have you eliminated all potential distractions? For example, noise from other rooms, visual distractions. Have the administration team been told that only vital messages should interrupt the training?	☐
7.	Are feedback forms available for distribution at the end of the session?	☐
Completed by (Trainer): _____ Date:_____		
Checked by (Personnel Manager):_____ Date:_____		

Solving problems

In an ideal world, businesses manage performance using tools such as regular informal feedback and formal review, supported by a well-planned and implemented training strategy.

In the real world, however, sometimes problems arise and it is important to manage them proactively.

Types of problems

Problems which can arise include:

- Poor performance, where the employee is not meeting the reasonable expectations of their job
- Incapacity, where an employee is incapable of doing their job for a period that the employer

cannot reasonably be expected to sustain. Usually, incapacity occurs for health reasons

• Incompatibility, where there is a fundamental breakdown in the relationship between two or more individuals, such that they can no longer work together

• Misconduct, or some form of wrongdoing. Usually it will involve deliberate wrongdoing, but there may be circumstances where an employee acts so carelessly that it amounts to misconduct (ie gross negligence or recklessness)

Seek advice

Where problems arise, seek advice as soon as possible. Open and clear communication with the employee, a good process for managing communication and follow-up, and documentation of each stage of the process are given. However, in the same way that common sense is often not as common as we'd like, it is often much easier to see with hindsight how a difficult situation could have been managed better.

Any of the problems mentioned above could conceivably lead to a disciplinary or dismissal process. If an employee feels they have been unjustly treated, they may lodge a personal grievance. If an employer is found to have managed the situation without a fair and reasonable process, they are potentially liable before the Employment Relations Authority or Court.

Employment agreements

Every collective and individual employment agreement must contain a clear explanation of processes for resolving employment relationship problems. This does not need to be complex or long. It should be written clearly, so everyone knows what processes to follow and what their rights are.

Mediation

It is important that all parties try to resolve any problems directly in good faith. Some may be able to settle their differences quickly through a mediator with less formal support and cost. The Ministry of Business, Innovation, and Employment provides a free mediation service which can help.

Grievances

The Employment Relations Act gives all employees the right to pursue a personal grievance complaints including:

> • Unjustifiable dismissal
>
> • Unjustifiable action which disadvantages the employee
>
> • Discrimination
>
> • Sexual harassment (by someone in authority or by co-workers)
>
> • Racial harassment
>
> • Duress over membership of a union or other employee organisation

An employee has a right to raise a personal grievance case. This must be done within 90 days of when the problem occurred or came to their attention.

As noted above, if the employee has been given notice of dismissal during a trial period, a personal grievance may not be raised for unjustified dismissal though one can be raised for other reasons such as disadvantage, discrimination, or harassment.

Test of justification

If an employee brings a personal grievance against an employer, the test of justification is applied to assess the fairness of an employer's actions in relation to a disciplinary action or dismissal.

The Employment Relations Authority or Court must consider the following minimum requirements of a fair and reasonable process in deciding as to whether the actions of the employer were what a fair and reasonable employer could have done in all the circumstances.

The Authority or Court must consider whether the employer:

- Having regard to the resources available, sufficiently investigated the allegations against the employee

- Raised their concerns with the employee

- Gave the employee a reasonable opportunity to respond to those concerns

- Genuinely considered the employee's explanation (if any) in relation to the allegations

Other factors may be considered by the Authority or the Court. The law also makes clear that an employer's action cannot be viewed as unjustified solely because of mistakes made in the process, if those mistakes were minor, and they did not result the employee being treated unfairly.

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