

# PERFORMANCE MANAGEMENT -

## THREE STRIKES AND YOU ARE OUT OR THREE MONTHS AND YOU ARE OUT?

***Documents have recently come to the attention of Unite regarding a sharper and more aggressive approach being taken by the Royal Bank of Scotland to Performance Management. The new approach raises a number of grave concerns in terms of its reasonableness and fairness, as well as in relation to the Group's intentions for such a procedure.***

### Performance Management

Performance Management should be used as a positive tool to identify at an early stage, cases of underperformance, whilst offering support and training to bring performance back to a satisfactory standard within a reasonable timescale. Addressing underperformance at an early stage will usually prove successful in rectifying any performance issues.

Improvements in performance should be staged, i.e. a member of staff cannot be expected to go from performing at 50% of target one week, to 100% of target the next week, therefore a phased increase in performance over a reasonable timescale would be appropriate. Development plans or Action Contracts should be reasonable and achievable; plans should not simply set people up to fail.

### Robust Performance Procedure

The bank have released to managers across the bank a Robust Performance Procedure which in essence enables the bank to exit a member of staff from the employment of the Group by way of capability and through the disciplinary procedures in as little as 12 weeks. The procedure is contained within four steps:

- Step 1/Week 1 Informal Stage – underperformance identified, Action Contract implemented for a period of four weeks;
- Step 2/Week 5 Formal Stage 1 – if performance has not improved, disciplinary action will be invoked and a first written warning will be issued, along with a further action contract for four weeks;
- Step 3/Week 9 Formal Stage 2 – if performance has not improved, disciplinary action will be invoked and a final written warning will be issued, along with a further action contract for four weeks;
- Step 4/Week 13 Formal Stage 3 – if performance has not improved, disciplinary action will be invoked and the member of staff will be dismissed, with notice.

Typically Action Contracts would normally be between 8 and 12 weeks long, which means that the timescales from beginning to end of a performance dismissal under the new procedure would be slashed from between 24 to 36 weeks to 12 weeks. Within the process the bank have inserted comments such as "this process can be implemented provided that good quality discussions and documentation can be evidenced" to ensure that members of staff who have not had their performance effectively managed in the past do not fall foul of this process. However as we have seen with procedures such as the sickness procedure there is a tendency to follow laid down procedures such as these slavishly, without taking into account personal circumstances or applying discretion.

## Unite Comment

Unite's objections to this Robust Performance Procedure are too numerous to go into detail within this newsletter, however RBS have rejected the union's claim that in the face of major job losses across the Group that this procedure is merely a cheap way to reduce headcount without paying redundancy.

The policy refers to tackling Serial Underperformers (2 or more years as a level 2 or below performer), but makes it clear that first time level 2 performers are also in the frame.

The bank's approach is flawed on many levels, not least that the bank's performance framework is predicated on up to 25% of staff being rated at level 1 or 2 and in 2008 over 9,000 staff were rated in these categories.

On this basis over 9,000 staff could be vulnerable to this procedure based upon their 2008 rating as well as any members that begin to under-perform in 2009.

This Robust Performance Procedure exposes whether RBS favours the carrot or stick approach to performance management and if these proposals are not designed to reduce headcount cheaply, the union is puzzled at why the bank would seek to introduce such a procedure when the bank requires a fully engaged and motivated workforce to lead the bank out of their current difficulties.

Whilst Unite recognises the importance of effective performance management for the employee and employer, the trade union cannot accept that the new process is either fair or reasonable.

## What Next

Unite has always argued that members, when unfairly awarded a level one or two performance rating, should challenge their rating with the support of the union, as this impacts salary increases and bonuses.

Performance ratings are also included within redundancy selection and of course underperformance can lead to disciplinary action and potentially dismissal. The existence of this Robust Performance Procedure heightens the need for members to challenge their performance ratings and Unite will robustly support members through this process, including where appropriate legal recourse.

Unite will continue to raise this issue with the bank with a view to reverting to a more reasonable and supportive performance management procedure, in the meantime any members wishing to challenge their performance rating should in the first instance raise this with their line manager and if this proves unsuccessful contact their local Workplace Rep or the Unite RBS Helpline on 08702 414425.

Members should also consider raising a grievance when they are presented with an Action Contract at Step 1 of the process if they disagree with the reason for the contract or indeed the content of the contract and again this can be discussed with your Workplace Rep or on the helpline.

## Not a Member?

Join Unite's two million members and have a voice on this and other issues, as well as receiving support, advice and representation, for £9.95 a month for full time staff and £5.78 per month for part time staff working less than 20 hours a week. There is also a young persons rate for the under 21s of £4.98 a month.

Membership forms can be obtained by phoning **0845 850 4242** or e-mailing

**rbsinfo@unitetheunion.com**, plus you can join on-line at **www.unitetheunion.com**