



Capability Manager Guidance

This document may be used by managers in handling both formal and informal capability matters in the workplace. It should be used in conjunction with Hanover's Capability Policy and Procedure.

The guidelines are intended to support you throughout the process, but it is also recommended that HR advice is sought where appropriate.

1. Manager Responsibility

- 1.1 Managers are key to ensuring employees receive training and support during their tenure at Hanover. Your regular meetings with your team will help you identify individual skills, the areas for improvement, and ensure work is being delivered in line with Hanover's values.
- 1.2 You also have a role in managing any improvement plans when a capability issue comes to light. It is therefore important that you utilise your experience and skill set to establish the facts of any given situation and put appropriate measures in place to help the employee resolve them.
- 1.3 The supportive improvement plan should be carefully considered as you may have several options available ranging from on-the-job training, training courses, coaching or mentoring, however, not every employee learns the same way, so being open-minded and working with the employee is key. You are encouraged to reach out to the HR team for assistance where necessary.

2. What 'Capability' means and when to apply the policy

- 2.1 The term 'capability' in the workplace refers to an employee's ability to carry out their role to the standard required of them. It mainly relates to the skills, aptitude, and knowledge of an individual in relation to the work they are employed to do. A lack of capability (also regularly described as underperformance in this guidance) exists where an employee is not performing the job to the standard required, causing problems for the individual, their manager, and the wider team.
- 2.2 Right from the outset, an assessment of capability is made during the recruitment and selection process. Most new employees will require training during their induction phase to welcome them into Hanover, familiarise themselves with processes and help them adapt to Hanover's ways of working and values. Training needs will be addressed during the induction and also during the probationary review processes and meetings that are arranged during that time, to ensure the new starter's training requirements are adequately met so that the employee's capability is put on as firm a footing as possible for the remainder of their employment.

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- 2.3 As the manager, you will be continuously assessing capability and regularly providing and asking for feedback during performance reviews and 121 meetings.
- 2.4 The Capability Policy and Procedure provides a framework to address underperformance where this appears to be due to an employee's capability to do their job rather than conduct or behaviour i.e., in broad terms the employee 'can't' rather than 'won't' do something (see section 2.1).
- 2.5 It should be recognised that capability problems may be outside the employee's direct control and may be symptomatic of underlying work problems or other personal issues. Very few employees choose to perform their work badly, make mistakes or fail to complete tasks. Consequently, if an employee is underperforming, it is your role to examine the circumstances to identify underlying causes and give support to the employee to help them to improve to the required standard of performance.

3. Identifying Underperformance and linked policies

- 3.1 It is important to identify the correct procedure for managing performance issues as early as possible so that appropriate support can be offered to the employee. Whether performance concerns should be managed under the disciplinary or capability procedure will depend on the nature of the performance issues. This can normally be determined by holding an initial discussion with the employee and gathering further information.
- 3.2 Generally, you will know whether an individual simply lacks the skill, knowledge, or ability to carry out their role and therefore needs assistance, training, or support to improve, as opposed to where an individual is perfectly capable of doing their job (i.e., they know how to do their job and have the skills to carry it out) but they deliberately do something wrong or are careless or idle.
- 3.3 You can speak to the HR team if you are unsure which procedure is appropriate or believe you may need to follow a different procedure. If, while investigating an employee's underperformance it becomes clear that it would be more appropriate to continue under a different procedure, this should be discussed with the employee and confirmed in writing.

4. Disciplinary

- 4.1 In deciding whether the Capability or the Disciplinary Policy will apply, it is important to recognise the difference between:
- a deliberate failure on the part of the employee to perform to the standards of which they are capable (e.g., carelessness, negligence or lack of effort which is under the employee's control), in which case the Disciplinary Policy and Procedure will be appropriate; and
 - a case of incapability, where an employee is lacking in knowledge, skill or ability, which is outside of the employee's direct control, and so is unable to carry out their duties to the standard required, in which case the Capability Policy and Procedure will apply to support and improve performance.

5. Ill Health

- 5.1 In deciding whether the Capability Policy or Maximising Attendance Policy will apply, consideration should be given to how ill health is affecting the employee's ability to carry out their job to the required standard. If the issue is primarily that the employee has unacceptable levels of absence from work, then the Maximising Attendance Policy will apply. If the employee is largely attending work but their performance of their work is affected due to ill health, the Capability Policy will apply. For advice and guidance on managing cases related to ill health, please speak to the HR Team.

6. Disability

- 6.1 Consideration must be given to whether underperformance may be caused or exacerbated by a disability under the Equality Act. Disability is defined under the Act as a physical or mental impairment that has a 'substantial' and 'long-term' (12 months or over) negative effect on an individual's ability to do normal daily activities. Where this is the case, care should be taken to avoid discrimination arising from the disability. In practice, this means that any action taken in response to a particular performance concern will need to be proportionate and appropriate in relation to the performance objectives set. Consideration must also be given to whether there are reasonable adjustments that could be made to the employee's working arrangements, including changing duties or providing additional training, as well as making adjustments to the application of the Capability Policy itself where appropriate. It is advised that you speak with the HR Team for further support around this.

7. Potential causes of underperformance

- 7.1 Once you have identified underperformance, you have to make a balanced assessment of the causes and contributing factors. You will of course do this during a meeting with the employee, however, it is important to recognise the potential organisational factors that can affect performance against what the employee is accountable for.

Organisational Factors:

- Lack of or inadequate training
- Poor explanation of job role and objectives
- Poor work systems and processes. Using outdated practices, policies, procedures, an unsafe workplace, or workstation
- Unclear instructions
- Unrealistic organisational/departmental targets and deadlines
- Bullying or harassment
- Poor working relationships and a culture of not working in line with the values
- High workload/lack of resource
- Unsafe working environment

If you find that one or more of these factors could be contributing towards the underperformance, you may find that more than one member of your team is impacted. You should include how you intend to support and develop the employee through these in the Performance Improvement Plan (see section 4)

8. Addressing any underperformance and creating an improvement plan

- 8.1 The capability policy and procedure should be followed when you are addressing informal and formal capability processes. It will guide you through the process and timescales. You can also ask your HR Business Partner for support on areas such as:
- How to prepare for and hold the meeting
 - What would be considered reasonable evidence
 - Keeping evidence factual and how to present it
 - How to deal with difficult situations
 - When to issue warnings
- 8.2 Before arranging a meeting to discuss the performance issues, you should assess whether you feel there is sufficient evidence of underperformance. This would include examples of an inability to carry out work to a satisfactory level after training/explanation being provided. You may have trained/explained a task several times and find that the same issues occur. Whatever the scenario, you will find it useful to confirm your explanation of the task in writing as this can be used as evidence to clearly explain what you believe the underperformance issues are to the employee. Other examples could be missing deadlines, repeatedly making impacting mistakes,
- 8.3 When you have sufficient, factual, evidence, you should arrange a meeting, as per the Capability Procedure. During the meeting, you should make sure that the focus is on the facts and use the evidence to clearly show where the required performance levels have fallen short and are clear about what you need it to look like going forward. You should also explain the impact on the service and record it.
- 8.4 The employee should be given the opportunity to ask questions, present their understanding of the situation, and be given a safe space to disclose any factors that they feel may be contributing to their performance. The approach you take will influence how honest the employee feels they can be with you. The main goal of the meeting is to understand what issues the employee is faced with and what support can you provide to bring their performance up to a suitable level.
- 8.5 Once you have established whether there are any organisational factors and the employee has acknowledged the need for improvement, you should complete the Performance Improvement Plan (Appendix B) with them, detailing what the expected improvements are, how the employee will achieve this, the agreed support you will provide, and the dates in which you will review. The employee is responsible for working through the solutions offered to improve their performance and skillsets.

9. Support for Employees and managers

- 9.1 When completing the Performance Improvement Plan (Appendix B), consideration should be given to the wide range of support available to assist in improving and enhancing their performance. This may be in-house or provided by external providers. Examples include training, mentoring, coaching, work-shadowing, re-training, job rotation, and secondment. The employee should agree on the solution that they feel would work for them as well as what can realistically be provided by Hanover.
- 9.2 Listed below are suggestions for you to consider with the employee:
- 9.3 **Training**
Training can be delivered in a number of ways, it can be offered on a one to one basis or delivered in a group setting and it can take place at the place of work or away from it. Facilities should be provided where possible for employees to undertake training, such as access to a computer and a quiet room to undertake training.
- 9.4 **On-the-job training**
On-the-job training typically involves learning through observing and/or being assisted by a colleague with more experience of performing a task. It should be planned, structured, and a defined period of time allocated to it with an emphasis on learning rather than work output. It is usually delivered on a one-to-one basis at the place of work. On-the-job training is useful as it is immediately relevant to basic job needs and can be delivered by you or a peer. When delivering on-the-job training it is important to ensure that the employee is able to practice what they have learned immediately so that they remember what they have been taught, that instructions are paced to avoid information overload, and that positive feedback is given for encouragement.
- 9.5 **Off-the-job training**
Personal and Professional Development (PPD) provides a centrally organised programme of employee development courses and activities.
- 9.6 **Re-training**
Employees may wish to consider re-training opportunities, particularly where this would assist them in meeting the requirements of a new position or a potential redeployment opportunity. Consideration may be given to reasonable requests for re-training, taking into account the benefits to the employee and Hanover and considering the length and cost of the training.
- 9.7 **Coaching and Mentoring**
Coaching and mentoring are development techniques based on the use of one-to-one discussions to enhance an individual's skills, knowledge, competencies, or work performance, often for the current job, but also to support career transitions. You may want to look both internally and externally for a supplier.

9.8 **Coaching**

Coaching is a teaching or training process in which an individual receives support while learning to achieve a specific professional goal. It is designed to help facilitate professional and personal development to the point of individual growth and improved performance. Coaching focuses on improving performance at work and on developing specific skills and achieving goals, although it may also have an impact on an individual's attributes (such as social interaction or confidence). Coaching can be undertaken by a trained manager, colleague, external coach, or more senior employee; the process typically lasts for a relatively short period.

The following are some general principles of coaching at work:

- It focuses on improving performance and developing an individual's skills.
- Personal issues may be discussed but the emphasis is on performance at work.
- Coaching activities have both organisational and individual goals.
- It provides people with feedback on both their strengths and their weaknesses.
- It is a skilled activity, which should be delivered by people who are trained to do so. However, this can be managers and others trained in basic coaching skills.
- It is normally a non-directive form of development.

9.9 **Mentoring**

Mentoring is typically a professional relationship in which an experienced person (the mentor) assists another (the mentee) in developing specific skills and knowledge that will enhance the mentee's professional and personal growth. The mentor is often a more senior employee from a different part of the organisation than the mentee. Mentoring relationships tend to be longer term than coaching arrangements and are most effective when there is a learning opportunity for both parties.

A mentor can be someone outside the normal working hierarchy, usually more senior, and chosen because of their breadth and depth of experience, a network of contacts, and the support and guidance they can offer for career development. More recently peer mentoring is becoming more widely used; this involves colleagues on a similar level providing mutual support and guidance to each other to assist with personal growth and development.

9.10 **Job rotation, secondment, and shadowing**

Secondment is the temporary loan of an employee to another department or role (or, sometimes, to an external organisation). The learning associated with the experience of secondment is recognised as being valuable for both employee development and organisational development. Job rotation and shadowing are similarly useful forms of development, particularly in supporting employees in developing the skills and competencies required for moves to new or higher-level roles.

9.11 **Self-assessment and reflection**

By asking themselves a series of open questions, an individual can discover their own strengths, mistakes, learning needs, and successes. This kind of analysis and self-reflection can assist individuals in reviewing and improving their own performance without the need for management intervention.

9.12 **Hanover support services**

There are also a range of support services for employees including Occupational Health Service, Counselling Service, Dignity at Work Policy, and Mediation Service.

9.13 **Advice for managers supporting employees**

When managing capability processes, you may find that upskilling yourself can be of great benefit. It is widely recognised that handling difficult conversations and preparing for them can be challenging. The following are areas that you find training or support from an HR Business Partner or the OD Manager beneficial in:

- 1) How to complete a Performance Improvement Plan
- 2) How to undertake a self-review of performance and development
- 3) Understanding the key principles for capability meetings
- 4) Giving feedback
- 5) Receiving feedback
- 6) Handling challenging conversations including stages of a meeting
- 7) Dealing with emotions
- 8) Management styles
- 9) Learning styles and development activities
- 10) Setting performance standards
- 11) Setting objectives

9.14 **Other options - Redeployment**

Where underperformance continues despite support and assistance, alternative employment may be considered. However, an employee cannot be redeployed to another role without their express agreement and cannot be forced to move. Redeployment would have to be a decision agreed upon between Hanover and the employee. Employees who wish to be considered for redeployment will be offered advice and assistance in preparing job applications, updating CVs, writing cover letters, and interview preparation over a reasonable period of time.

10 **Recording**

- 10.1 One of the most crucial aspects of managing performance is accurate recording. It is important that you keep the performance improvement plan up to date and schedule the review meetings appropriately. All documents should be saved on the employee file and is necessary for the fair and consistent management of underperformance.