

# Managing Underperformance Checklist

## Introduction

This checklist provides ANZ Mobile Lending franchisees with guidelines to managing the poor performance of employees in a fair and consistent manner. Information in this document is important as failure to adhere to correct procedural fairness may result in a dismissal being considered unfair and leave you open to claims of compensation, regardless of whether or not the reason for termination itself was justifiable.

Equally, delaying or ignoring performance management is one of the most costly mistakes a business can make. Decisions should be made promptly to develop and improve team members to a higher standard and remove any poor performers or ill-disciplined workers from the business in a legally compliant manner.

## Informal steps

Depending on the nature and seriousness of the instance of underperformance, it may be adequate for the ANZ Mobile Lending franchisee to address underperformance via informal strategies before embarking on a formal disciplinary process with the employee.

Informal strategies may include:-

- Providing regular constructive feedback and monitoring performance.
- Identifying training and development needs and arranging appropriate on or off-the-job training, coaching or support.

Suggestions to follow when engaging in informal strategies:-

- Advise the employee the specifics of the behaviour and how the behaviour is affecting their work.
- Be specific and compare current performance to expected performance or behaviour. Give examples.
- Avoid comparing the employee with other employees.
- Show empathy – explain your understanding of the situation.
- Be a positive listener – let the employee know your understanding of the situation.
- Establish how and when to follow up on commitments for improvement.
- Close on a friendly note ensuring that anything raised in the discussion will be kept confidential.
- Encourage the employee to keep open lines of communication for future discussion.

**Note:** - Following any informal conversations around underperformance, the manager should complete a **file note**, recording factual details of the conversation that took place. If using **Employment Hero**, there is a section under an employee's record for **Management Notes**. Managers and admins can add notes specific to a single employee. The employee will not be able to view these notes. Any future manager or admin will see these notes.

## Formal steps

If you have followed the informal steps' and your employee's performance has not improved or if the performance issues require a more serious intervention, it may be time to move to the 'formal steps' in the process.

The following checklist has been created to help you plan and conduct a formal underperformance meeting with your employee, and document the issue.

By far the most common reasons for undertaking 'formal step' include:-

- Not performing the job to a standard that is acceptable to the employer.
- Continually arriving late for work.
- Having a poor attitude towards management or fellow employees.
- Unexplained or excessive absenteeism.
- Breach of occupational health and safety requirements.
- Negligence or failure to comply with the policies and procedures.
- Refusal to obey a lawful and reasonable instruction.
- Verbal abuse of another person at work.

### Before the meeting

- Arrange to meet with the employee at a time and in a place where you will not be interrupted, overheard or rushed. Consider having a senior employee to attend as a witness and note-taker.
- Tell the employee why you want to meet with them and who will be at the meeting.
- Allow the employee to bring a support person of their choice to the meeting, if they want to.

**Note:-** A support person may be a co-worker, family member, friend or union representative. Their role is to support the employee during the meeting, not to speak or advocate for them.

- Carefully plan what you want to say at the meeting.
- Gather relevant information (e.g. job description) and any documents that demonstrate the underperformance (e.g. work examples, complaints or performance statistics).

**Note:-** You have unlimited access to the ANZ Mobile Lending Workplace Advice Line provided by **Employment Innovations** for any advice in relation to this matter – either call **1300 21 21 95** or email **hr@employmentinnovations.com**.

### During the meeting

- Clearly explain why you are meeting with the employee.
- Describe the underperformance in issue and clearly explain why it is an issue, using specific examples and focusing on facts.
- Set out any steps you have taken so far to resolve the issue (e.g. informal steps) as well as the support you have provided (e.g. training).
- Invite the employee to respond to what you have said and to explain their performance, and ask them what they think can be done to improve it.
- Consider what the employee has said.

**Note:-** If you need more time to think about or look into what the employee has said, close the meeting and agree to meet again in a day or two.

- Decide on a way forward with the employee, including if you will provide any further assistance or support or make any adjustments.
- Tell the employee if you will be issuing a verbal or written warning. Provide them with a written warning or performance improvement plan.
- Explain what will happen next if the employee's performance does not improve (e.g. a further warning or the possibility of termination).

### After the meeting

- Confirm the outcome of the meeting in writing and invite the employee to respond. Include:

1. What was discussed (including any issues raised by the employee).
  2. What the employee needs to do to improve their performance.
  3. Any support or assistance you will provide.
  4. Whether a written warning was, or will be, issued.
  5. What will happen next if the employee's performance does not improve.
- Keep thorough notes of the meeting and copies of any letters, emails or warnings, and sign and date these documents. Ask the employee and any witnesses to do the same. If the employee refuses, make a record of the refusal.
  - Give the employee a reasonable period of time to improve their performance (typically 4-8 weeks depending on the circumstances).
  - Regularly check-in with the employee over that period to discuss how they're progressing.
  - Formally meet with the employee again at the end of the period to review their performance. Should any conduct during the review period bring this process into disrepute, reserve the right to initiate these discussions as soon as practicable.
  - If the employee's performance has improved enough, close the process. Follow up in writing and clearly explain that they must maintain the improvement.
  - If the employee's performance hasn't improved, consider taking further action, up to termination of employment with notice, should that have been made clear upfront that this was a possibility.

**Note:-** There is no legislative requirement specifying a period of time during which a warning remains valid and there are also no strict rules governing the exact number of warnings an employee must receive before being terminated. This all depends on the circumstances, including:-

- The length of service of the employee.
- The nature and seriousness of the issues.
- The reasonable period required to rectify this behaviour or performance.

**Note:-** The following **HR documents** are available in **Employment Hero** to update and send to the employee where appropriate:-

1. Written Warning – Conduct and Behaviour
2. Written Warning – Failure to Attend Work
3. Written Warning – Misconduct
4. Written Warning & Performance Improvement Notice
5. Termination Letter
6. Extension of Probationary Period