Managing under-performance in co-operatives

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Introduction

All organisations struggle sometimes with managing under-performing employees. Identifying and tackling the causes of lack lustre performance can be one of the hardest things for employers to deal with, particularly if it has been ongoing for some time, but poor performance is bad for business and must be dealt with if the organisation is going to grow and prosper.

Poor performance can manifest itself in a number of different ways, for example work not being completed to a satisfactory standard, low productivity, mistakes being made or too much time spent asking for guidance around common aspects of the role. It can also sometimes manifest in disruptive behaviour, which can emerge in many forms, from continual negative responses to colleagues or organisational changes, to refusals to adopt new working practices or failure to fulfil aspects of the role. Whatever the reason for poor performance, it can have a negative impact on the rest of the team:

- Resentment among team members
- Jobs being left undone or others needing to pick up the slack
- A confusing or unprofessional service to customers
- Poor productivity – lost efficiency, chances missed, mistakes being made

Performance management can often be more difficult in flat-structured worker co-operatives where members can find it difficult to hold each other to account. This guidance looks at the basic performance management process for all organisations, and gives some hints and tips for how members of flat-structured organisations can adapt it to suit their needs.

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Managing performance

The basic performance management process
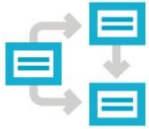
Performance management can invoke visions of complicated, time consuming and paperwork-rich processes, but it needn't be difficult to manage someone's performance. At the heart of all good performance management processes are a few basic steps:

- Understand clearly what the organisation wants to achieve;
- Ensure that the employee in question understands what they specifically need to do to help the organisation to reach these goals;
- Identify and rectify any gaps in the employee's knowledge or training;
- Communicate regularly and address issues early;
- Set clear expectations and allow the employee time to improve;
- Seek commitment for improvement from the employee;
- Keep accurate records of performance conversations;
- Issue formal warnings.

Performance management should never come as a surprise to an employee. If you have followed the above steps but still end up having to consider a capability dismissal you will know that a) the employee is fully aware of what they should have been doing and where they are falling short and b) you have plenty of evidence showing that you have tried to improve the situation.

Tools to help you to manage performance

1. Clear job descriptions

Developing clear job descriptions is a very useful way of making sure that everyone is clear about what is expected of them. Although it wouldn't be possible or appropriate to include every single task on a job description, including headline tasks and responsibilities means that you and the respective colleague both have a reference point for understanding what is required of them. You can find an example template job description in Appendix A.

2. Accessible policies and procedures

Having clear and accessible policies and procedures helps everyone to understand what is expected of them at work, and what they can expect in return. It will also help you to manage difficult situations if you have some clearly worded policies to fall back on. At the minimum, all employers should have disciplinary, grievance and absence procedures. Larger organisations may find it useful to have more policies, perhaps setting out their approach to discrimination, bullying and harassment in the workplace.

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Which policy should you use to manage performance?

As issues with performance can have different causes, some organisations find it useful to have a separate performance improvement process whereas others will use their disciplinary procedure to cover both capability and conduct issues. The advantages of having a separate procedure are:

a. Performance issues are not always a conduct issue (i.e. sometimes the employee is willing to do the role to the required standard but there are barriers in the way of this). Having a separate procedure to deal with this avoids the stigma and emotional connotations of using the disciplinary procedure.

b. You can go into more detail around the steps to be followed (including this in a combined policy would make the document unwieldy), which can be useful especially for relatively inexperienced managers or where you don't have a designated HR department/colleague.

The disadvantages of having a separate procedure are:

a. It's not always clear upfront whether a performance issue is due to conduct or capability (and sometimes it's a combination of the two) – you might need to adapt one of the policies to fit the circumstances or swap between the two mid-process if you decide that the issue falls into one camp or the other.

b. The more policies/procedures that you have, the more scope for confusion there is amongst colleagues and managers, especially if you find it hard to agree which is the appropriate one to use.

Regardless of whether you choose to have a separate performance improvement procedure or not, it is important that you follow the basic steps set out in the ACAS Code of Practice on disciplinary and grievance procedures. Please also remember that if you decide that your colleagues' under performance is linked to a disability, you will need to consider things that you can put in place to support them, before considering any disciplinary sanctions (see page 8 for more detail).

3. **Regular 1-2-1s**

Having regular 1-2-1 sessions between employees and managers, or between a colleague and a designated mentor, helps everyone to stay on track. These are a great opportunity for both people to raise issues, questions or concerns or to ask for clarification. Regularly sitting down to discuss how things are going in more general terms will also help everyone to feel valued and give you an opportunity to identify or raise things early on before they become a bigger issue. 1-2-1s don't have to be formal meetings, often they are a good opportunity to grab a coffee together and have a chat about day to day work, but do make a note of any important topics raised either by yourself or your colleague and, where appropriate, any agreed steps. If you do end up needing to address performance more formally, having had regular 1-2-1s (provided you have raised the issue in question during those meetings) will help to support your case and should make sure that the more formal process doesn't come as a surprise.

4. Setting objectives

Many organisations choose to set individual objectives in addition to the key roles and responsibilities outlined in the job description. Objectives are usually annual and should be clearly linked to the organisation's wider goals. Objectives might link to pay progression but don't always.

If you choose to set objectives, make sure that they are clear and upfront so that everyone knows what is expected of them. Many employers choose to involve the employee in the objective setting process; this helps to limit complaints further down the line if objectives are not met, by making sure that they clearly sign up to them at the start. To make sure that you are setting appropriate and useful objectives, it can help to use the following:

Specific
Measureable
Achievable
Realistic
Time-bound

5. Regular feedback/performance review sessions

Not connected to ongoing 1-2-1s, these should be more formal meetings where you review your colleague's work and progress towards their objectives. Always take notes during these sessions and save copies of these in your colleague's file. The sessions should give you both an opportunity to review progress and where necessary to highlight any areas for concern and discuss any required support, improvement, or changes. Most organisations that set formal objectives will have a formal review session in the middle of the year to check progress and then at the end of the year to determine whether or not the objectives have been met. There is nothing to stop you having more formal sessions than these two, although bear in mind the burden that too many formal meetings can place on operations.

6. Peer reviews

If you have a flat structure and choose not to delegate HR (see page 10 for more detail) it might not be possible or appropriate to have structured review sessions. An alternative to the traditional manager-employee review is to implement a peer review system. Through this method, individuals are asked to give feedback about their colleagues, which can then be amalgamated and anonymised before being shared with the individual concerned. It is up to you what questions you wish to ask the feedback to concentrate on, but it could cover things like:

- How productive are they?
- Are they a good team player?
- What are their key strengths/weaknesses?

- Can you give some suggestions for things they can Stop, Start and Continue?
- Can you give an example of something they have done really well?
- Can you give an example of something they could have done better?

You don't have to anonymise the feedback; some organisations will choose to present it as it is given so that the recipient can clearly see who has said what. Bear in mind, however, that people can be uncomfortable giving negative/constructive feedback if they know that the recipient will know who gave it so you may not end up with feedback that is as honest and helpful as it could be. On the other hand, knowing that the ability to give anonymous feedback will arise at the end of the year might prevent individuals from having more open and constructive discussions earlier on in the year if a problem occurs.

Identifying the cause of the problem

A crucial part of dealing with poor performance can be identifying the underlying reasons. An individual can find themselves falling behind because they are struggling to master the skills required for the role, or there may be external factors affecting their performance. In some cases, you may find that your colleague is simply choosing not to work at the level required. Identifying the reasons for poor performance early on can help you to work out how to approach the performance management process.

1. Do they need more support?

In most cases of poor or under-performance the individual will be willing but unable to do a better job, either because they lack the skills and experience needed to do the job to a higher level or because they haven't been provided with the correct resources (time, equipment, support etc.). Provided you have clearly explained what is expected of the colleague and that you are in regular communication with them, you should be able to identify the cause of the problem quite early on and take steps to remedy it.

You might identify that you need to provide additional training, support or equipment to allow your colleague to work at the level expected of them. In some cases you might conclude following your review that you need to recruit additional team members if you identify that current workloads are too high for effective delivery. You have an obligation as an employer to make sure that your employees have the relevant skills, resources and equipment to do their job effectively so it's important that you discuss any shortages with them and provide additional support if necessary.

2. Do they have a disability?

You will also need to make sure that there are no underlying barriers to the colleague performing at the expected level; do they have a disability that makes it difficult for them to complete the role to the standard required? Where this is the case you will need to consider whether there are any reasonable adjustments that you can make to their role or working conditions that will allow them to complete the role. Always discuss this carefully with your colleague and remember that everyone is different and an adjustment that works for one individual with a certain disability might not work for another so try to go into any discussions with an open mind. Reasonable adjustments might include things like:

- Changing your colleague's working hours or place of work;
- Changing their duties;
- Adjusting the expectations of the role (e.g. you may lower the expected output rate for piecework or accept that an additional checking step might need to be put in place);
- Making physical adjustments to the workplace such as installing a ramp instead of steps;
- Providing an additional piece of equipment or computer software

Please remember, however, that reasonable adjustments should be just that – reasonable. You have a legal duty to make reasonable adjustments for disabled colleagues but are under no obligation to make changes to the role or workplace that are unsustainable or that put an unreasonable pressure on the business or other colleagues. Only you can determine whether an adjustment is reasonable but please think it through carefully and take advice if you're unsure.

3. Do they have problems at home?

It can be hard to keep working and personal lives separate and if your colleague is experiencing problems at home this might be having an impact on their work. If you notice that your colleague's performance has deteriorated, and there are no immediately obvious reasons for this, you might want to explore whether there are things going on outside of work that are having a negative impact on their performance within it. Remember to be sensitive and empathetic in these situations; make sure that you are in the right situation (e.g. don't ask about potential personal problems in a room full of other people) and respect your colleague's right to privacy; you cannot force them to tell you something that they prefer to keep private.

If you do discover that it is an issue in the colleague's personal life which is having an adverse impact on their performance at work, you should discuss with them whether there is anything that you can do to support them. Perhaps agreeing some temporary flexible working arrangements might help the situation, or encouraging the colleague to take some time off. Some employers also choose to provide counselling or employee assistance programmes for their employees but these can be expensive options for small organisations. Whatever you choose to do, make sure that your colleague knows that you are willing to support them through this difficult time, but remember that you are under no obligation to accept sub-standard work indefinitely. If you feel that you have put everything in place that you can to support your colleague but their work is still suffering, you could consider starting a formal performance management process.

4. Do they just not want to?

If you have exhausted the above possibilities and your colleague is still under-performing, it may be that they are unwilling to work at the required level. This might be because of resistance to change, laziness, or a general poor attitude to work or colleagues. Whatever is driving this refusal to work in the desired way or to the desired standard, you will need to address it through a formal process.

Make sure that your meetings and discussions are well documented throughout the process and that your colleague is very clear on both your expectations of them and the potential consequences for failing to meet those expectations. Once you are confident that they understand, and if you still don't notice an improvement, you may wish to address their behaviour through your disciplinary procedure; a deliberate refusal to perform at the expected level is likely to be an example of misconduct.

Disciplining a peer; dealing with under-performance in flat-structured worker co-operatives

Members of flat-structured worker co-operatives can find it hard to hold each other accountable. Without the security of a hierarchical structure members can feel that they have no right to have these sorts of discussions with colleagues, but in flat-structured organisations it's even more important that members are able to rely on each other to be pulling in the same direction so it's important not to shy away from tackling issues.

Delegating HR

Some worker co-operatives will find it helpful to delegate HR to one or more of their members. This might be on a permanent or on a rotating basis depending on how the organisation wishes to structure its more specialised roles. These members might then be given the delegated authority to address issues and provide discipline to others. They might also be expected to take on the tasks of the 'manager' in discussions about performance which could then follow the stages explained above.

Societies can help to make sure that this method works in practice by being sure that all colleagues are comfortable with both the decision to delegate HR and the individual(s) who have been chosen to carry out this duty. It will also be helpful to support these colleagues through the development of:

- Clear job descriptions
- Clear and accessible policies and procedures
- A clear process for dealing with all grievances, including requests for disciplinary action

Some flat-structured organisations find that forming a committee to deal with disciplinary or grievance situations can work well, whether the committee deals with the issue itself or listens to complaints/requests and then delegates to specific individuals to follow up. Again, having a structure like this in place can help individuals to feel that they have the authority to hold difficult conversations with their colleagues.

Remember that a fair disciplinary or capability process will always include the right to an appeal, wherever possible with someone who hasn't previously been involved in the case. Co-operatives that choose to delegate HR might also choose to designate an appeals officer.

Managing HR through consensus

If delegation of duties isn't part of your co-op's make up, you'll need to think about managing HR through consensus. Arguably a much harder way to manage potentially difficult situations, this will work best if you agree a format and structure for dealing with conflict before a problem arises. Each member should know in advance how they can raise a problem, concern or

grievance with the rest of the group and what the group will do in response to that. Equally important, each member should know how they will be treated if they find themselves at the receiving end of a grievance or request for disciplinary action.

As with any other disciplinary or capability procedure, the member should be given the right to an appeal. Where the original decision has been taken by consensus, the society may wish to consider referring this to an external body to ensure impartiality. Making reciprocal arrangements with another co-operative can work well in these circumstances.

Dealing with situations as individuals
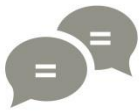
Regardless of how your co-operative chooses to structure formal HR conversations, there will be times when conflict arises between members of the team. It might be tempting to brush issues under the carpet but the longer matters are left to go unchecked, the harder it will become to deal with them. If you want your co-operative to be successful, you will need to be able to manage disagreement and resolve conflict in a productive fashion. This means that every member of the team needs to feel able to talk to colleagues about perceived issues or problems and to work with them to find a suitable solution. While there may be some times where it is appropriate to address an issue in a public forum (e.g. a weekly member meeting) it is likely that most issues will be more properly handled individually, between colleagues.

Paul, Gemma and Rashid work for ABC co-operative. ABC operates a flat pay structure so everyone receives the same pay. All members are expected to do everything, rotating between jobs on the shop floor, in the warehouse and in the office. ABC implements a new computer system in the office that will significantly speed up stock ordering times. Everyone is given a training session on how to use the new system. A few weeks after the new system is implemented, Gemma takes her turn in the office. She notices that Paul, who was on office duties immediately before her, hasn't been using the new system and has been processing orders manually in the old way. Gemma knows that it will take much longer than necessary for the new stock to arrive; she cancels the orders that Paul has made and puts them through the computer system instead. Gemma tells Rashid about this but doesn't mention it to Paul.

This continues over the next few months. It comes to a head one day when Gemma decides she has had enough and confronts Paul at their weekly members meeting. Gemma accuses Paul of being lazy and selfish by not using the new computer system and says that he is creating more work for her and for everyone else. Feeling backed into a corner, Paul admits that he is severely dyslexic and finds it difficult to use the new computer program and prefers to make his orders manually. Embarrassed and upset about being forced to make this public admission, Paul goes home sick and is off for the rest of the week. When he comes back to work, the other members are careful not to mention the row or Paul's disability, but he finds that Rashid has changed the rota so that Paul is no longer expected to work in the office and has more shifts in the warehouse instead.

In the example above, if Gemma had felt able to talk to Paul privately about why he wasn't using the computer software, they might have been able to come to an alternative working arrangement. Instead the issue resulted in a public argument, which led to Paul going home sick but didn't actually resolve the conflict.

There are wider ramifications here than just an ongoing conflict between colleagues. As Rashid has changed the rotas to exclude Paul from office duties and given him more shifts in the much more physically demanding warehouse without consulting him, Paul might argue that this is evidence of disability discrimination; he is being treated less favourably because of his disability.

So how could that situation have been handled better?

> Gemma notices that Paul hasn't been using the new ordering system. She doesn't know whether there is a specific reason for this and so decides not to change Paul's orders. Instead, she finds a time when she and Paul are alone together, mentions that she has noticed that he hasn't been using the new system and asks whether she can help. Gemma explains to Paul that making orders through the system dramatically improves order times and offers to give him an individual training session if he feels that would help.
>
> As Gemma has approached Paul privately he feels able to explain to her about his dyslexia and how it makes using the new system very difficult. Paul tells Gemma that he doesn't want to make problems or make life harder for anyone but that he really doesn't feel able to use the system in the way he has been shown. Gemma suggests that Paul could concentrate on other tasks during his shift in the office and leave the ordering to the next person. Paul is nervous about this as he doesn't want his colleagues to think he is being lazy by deliberately leaving the ordering to others but he doesn't feel comfortable telling everyone else about his disability. As a compromise they agree that they will tell Rashid, who is in charge of setting the rotas, and ask him to make sure that either himself or Gemma always have the office shift after Paul.

By choosing to talk to Paul privately as soon as she has noticed the problem, Gemma has avoided the uncomfortable public confrontation and has resolved the issue in a professional and amicable way. Paul is happy with the adjustment that has been made to working practices on account of his disability and also feels comfortable that he hasn't had to share details of his dyslexia with the whole team.

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Dealing with difficult people

Sometimes resolving a problem can be more difficult than simply having a private conversation with a colleague and there may be times when you find yourself dealing with someone who is being (sometimes deliberately) difficult. There are some suggestions below for how to approach a conversation with someone you find it hard to deal with:

1. **Talking through the situation**

If possible, try to work out why they're being difficult – are they concerned about potential or actual changes to the organisation? Do they feel that they have valid points about decisions that have been or are being made but that they are not being listened to?

Acknowledge your differences – if you have different styles or ways of approaching things, acknowledge this up front and ask whether you can work together to find a way of working through the issue.

Listen to them. If they feel that they are not being listened to or respected, giving them some time to put their views across will help them to feel more valued.

Be open to criticism – they may have legitimate complaints about you, others, or decisions that have been made. Deal with them as far as possible. This might involve explaining in clear, rational, terms why things are the way they are, or accepting that they have a valid point and making a change.

Deliver constructive negative feedback – explain how their behaviour impacts the organisation, customers and other members. Give clear examples of the impact of what they are doing or how they are acting – for example if they always respond to suggestions in a negative way, explain how that can shut down conversations and make them less productive.

2. **Using yourself as the example**

Talk to them using 'I' instead of 'you' – explain the impact of their behaviour or attitude by referring to yourself rather than using accusatory language which will immediately put them on the defensive. Don't say things like 'you make me angry' or 'you never pull your weight' as they will be immediately on the back foot and looking to defend themselves.

Instead, make specific and objective observations of their behaviour, explain your response to that behaviour and make a clear request for change:

"When you hadn't read my paper ahead of the meeting, I felt frustrated and disappointed because I had spent a lot of time working on it and had had to work late to get it finished on time. Would you be up for making sure you read the papers in advance of meetings in future and letting me know if you won't have enough time to do this?"

3. Listening actively

Making sure that you take the time to really listen to what the other person is saying can help to break down barriers between you. Although this technique might not help you to resolve conflict on its own, when used in conjunction with other methods it can help you to understand their perspective as well as making them feel respected and that they are being taken seriously.

Create a safe atmosphere for you both – as with the example above, don't try to have difficult conversations in a room full of other people. Find a quiet space and minimise distractions.

Be clear about any limits from the start – if you have to leave at a certain time, say so. If you can't make a decision on your own but will need to go back to a committee or elsewhere for the final say, make sure this is clear.

Make the mental space – don't think about what you are planning to say in response and don't allow your mind to drift. Actively pull your attention back to the speaker if you find your mind beginning to wander.

If strong feelings come up, acknowledge them to yourself – you might feel upset, embarrassed, angry, by what the other person is saying but ty not to let these emotions prevent you from hearing what the other person is saying. Acknowledge them to yourself and move on.

Focus on the main ideas – try to think about the essence of what they are saying, not the specific details. If they have a list of grievances about another colleague or the organisation, what is the key issue here?

Ask questions – it's good to ask questions that demonstrate that you are listening and interested in what the other person is saying. Clarifying or open questions are best – try not to ask closed questions that will elicit only a yes or no answer except where this is unavoidable.

Don't respond with your own story – or give opinions or advice, particularly in the middle. When they have finished speaking you may have the opportunity to say your piece but don't expect this or take it for granted – remember that this is an exercise in listening.

Show that you're listening – be attentive and make eye contact. Don't fidget or otherwise indicate impatience, by looking at your watch for example.

Summarize briefly what they've said – this shows that you have understood the key concepts and recognised their emotions. It's best to do this by offering tentative conclusions, "so would it be fair to say that..?" rather than making bald statements, "so you feel that…" in case you're wrong and offend the speaker by proving that you haven't been listening properly.

4. Giving clear feedback

Always make sure that you have specific examples of actions or behaviour that cause problems within the organisation and address those actions; don't make sweeping statements about your colleague's personality.

Give clear examples of the results of the actions or behaviour – for example the impact on colleagues, customers or the organisation and try to keep this as specific as possible. "When the customer order form isn't filled in correctly, we can't process our customers' orders and have to ring them for clarification. This means that the process takes longer and is an inconvenience for the colleagues making the calls and the customers receiving them."

Ask your colleague to share any unresolved reasons for their actions or behaviour with you and take steps to resolve this wherever possible.

Provide concrete examples of your expectations – this might feel more difficult in a flat-structured organisation, but it's important to clearly explain how everyone else behaves to make sure that the colleague knows where they are falling short: "We all need to make sure that we fill in all the fields when we complete the customer order form so that we can process the orders as efficiently as possible."

5. Talking to someone when you can't get a word in edgewise

We've all been in the situation where we desperately want to get our message across but the person we are talking to won't pause for long enough for us to get a word in. If you find yourself in this situation you could:

- Pre-interrupt them – "I have a question about that, but go on…"
- Ask them to pause to let you think – "Can you hold on a moment? I just want to think that through…"
- Stall their interruption of you – "Hang on a second, let me just finish my thought…"
- Use body language or hand gestures to indicate that you would like to speak.
- Make a note of what you would like to say so that you can come back to it at the end.
- Ask them to pause so that you can deal with one issue at a time – "Can you hang on a moment? Let's just think about that point…"

6. Using mediation

If you have tried some or all of the methods above and you are still struggling to deal with a colleague or a difficult situation, you might want to think about using mediation. This can be informal mediation where an independent colleague agrees to act as the mediator or a formal session where you contact an external organisation for help and support. ACAS can provide mediation services for employers and have plenty of

information about [mediation and what it is](#) on their website.

7. Having a clear policy on how membership can be terminated

Ultimately there may be situations where the conflict has become so entrenched that there is no way to save the relationship. In these circumstances it is important that your co-operative has a clear policy on how membership can be terminated and by whom.

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Appendix A – template job description

You can use the below as a starting point for developing your own job descriptions. Only include the sections that are relevant to your role, so if there are no direct reports, you could remove the 'responsible for' section.

For flat-structured co-operatives, you may wish to amend the 'Reports to' section to read 'Responsible to' and include a brief description of your governance/decision making structure and processes.

Job title
Reports to
Responsible for (I.e. numbers and types of direct/indirect reports)
Based at/location
Job purpose (This should ideally be no more than one or two sentences explaining the main purpose of the position)
Main roles and responsibilities (Include 8-12 bullet points of the key duties within the role) • • • • • • • • • • • •

Acknowledgements

www.seedsforchange.org.uk

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