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External consultants

The use of external consultants or external sources of information is recommended if the appropriate internal industrial relations (IR) or human relations (HR) expertise is not present in the organisation. External consultants can assist in developing organisational policies and procedures, providing legal advice, interpreting legislation and regulations, and advising on the rights and responsibilities of employers and employees.

External consultants may include:
- state and federal government sources
- state chambers of commerce
- recruitment and HR consulting firms
- industrial relations specialists
- private management consultants
- solicitors and legal experts.

Workplace relations

Australia has historically had a complex workplace relations system that is governed by either Commonwealth or state/territory legislation and is applied through one of many industrial awards or agreements that are based at either an industry level or with an individual employer.

The complexity of the workplace relations system was simplified when the provisions of the *Fair Work Act 2009* (Cth) were introduced from 1 January 2010. Since then, all states except Western Australia have referred their workplace relations powers relating to private industry to the Commonwealth, with the aim of creating a national workplace relations system. Complexities still exist on a state-by-state basis depending on whether a state handed all workplace relations powers to the Commonwealth or retained powers for crown employees.

In most situations, a workplace will be governed through the *Fair Work Act 2009*, but there are still complexities, as a workplace may be covered by multiple awards and agreements, and in some situations by different legislation.

Awards and agreements

The minimum wages and conditions that employees are entitled to is set out in awards (now referred to as modern awards). All employees in Australia are covered by an award, unless the employer has a separate enterprise agreement or registered agreement that covers the employee.

Enterprise agreements and other registered agreements set out minimum employment conditions and can apply to one business or a group of businesses. When a workplace has a registered agreement, the award doesn’t apply. However, the pay rate in the registered agreement can’t be less than the pay rate in the award and the National Employment Standards still apply.

There are currently 123 awards that cover most employees in Australia. Details of the most common awards can be researched through the Fair Work Ombudsman website at www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards.
1B Develop work plans in accordance with operational plans

An operational plan is derived from an organisation’s strategic plan. It is a detailed action plan to accomplish the objectives of the organisation. A work plan describes an individual’s responsibilities with regard to the operational plan and provides the opportunity for the individual to negotiate their agreed level of performance. Team members should have the opportunity to discuss their plan and make relevant amendments during its development and at performance appraisal sessions.

Create a work plan

A work plan is a set of criteria scheduled for individual or team performance over a specified term. The creation of the work plan should be in accordance with prescribed organisational guidelines or, in the absence of guidelines, to a set format (or template) that can be re-created in the future for reliability and consistency.

A work plan can be an agreement between an individual and a supervisor, a work group and an organisational representative, or even two organisations.

There is no prescribed format for the creation of a work plan; however, there are several elements that should be considered in order to facilitate a meaningful agreement between supervisor and employee.

An individual work plan should include:

- purpose
- performance objectives and measure
- short- and long-term goals
- time lines
- identification of any constraints that may impact the achievement of objectives
- identification of who is accountable for completing tasks
- strategies for overcoming restraints
- signatures of both manager/supervisor and employee.
Do not consider all the variables that may pertain to all organisations and cannot predict any certain outcomes.

In large-scale organisations, certain mathematical predictors can be applied to basic principles of probability, making the prediction of outcomes more reliable.

**Efficient allocation of work**

The effective allocation of work relies on the manager’s ability to schedule the right resource (person), to the right task (skills alignment), at the right time.

Efficiency can be thought of as the compromise between cost and quality. It is the balance between the fastest or most productive output and the ability of the workers to process the workload while maintaining the motivation to continue.

Motivation is influenced by a variety of external influences, such as positive workplace relationships, a healthy work–life balance, or incentives such as wage rises. Maintaining motivation to create a sustained level of output requires a careful balance between several variables. The particular balance depends upon the individual, context, task, and restraints placed upon management.

Gantt charts, PERT diagrams and work breakdown schedules can serve as effective time planning and monitoring tools, especially in the allocation of project-related work tasks with defined completion dates.

Maintain motivation by balancing between:
- competitive pay rates
- maximum/minimum output metrics
- social and other interactive experiences for staff
- training and education
- career development opportunities
- skills, knowledge and task alignment.

**Integrate scheduling tools**

Workplace knowledge management systems often include applications for the scheduling of tasks. To ensure that these systems are utilised for effective work allocation, the manager responsible must endeavour to incorporate use of the systems in everyday work activities such as daily reporting, individual task prioritisation, gathering of regular feedback, induction or ongoing training and skills analysis.

Integration of an effective scheduling tool can assist staff and managers to maintain the focus on organisational objectives by incorporating key performance measures into the efficient scheduling of tasks.

Integrated scheduling tools may include:
- customer relationship management (CRM) systems
- marketing/management information systems (MIS)
- knowledge information systems (KIS)
- earned value systems (EVS)
- office applications, such as Entourage, MS Outlook, Lotus Notes, Task Manager, Agile, MS Access, MS Project, SAP, or Seibel.
**Code of conduct**

Most organisations have a code of conduct that outlines the responsibilities and proper practices for individual and team behaviour within the organisation. This includes the way in which employees interact and behave towards one another, customers, and other external stakeholders.

In a diverse workforce, individual differences may cause conflicting behaviours. Where there is a greater risk of conflict due to natural biases, managers must ensure effective behaviour measures are in place to eliminate any poor conduct in the most efficient manner.

Staff must agree to the code of conduct as terms of their employment prior to commencing work with the organisation. It is not only a manager’s right to demand appropriate behaviour in the workplace; it is their obligation under federal work health and safety (WHS) legislation and state anti-discrimination legislation.

Keep accurate records of all instances where employee behaviour contradicts the code of conduct to be used in performance review processes.

Code of conduct rules may relate to:
- punctuality
- ethical practices
- trust and confidentiality
- anti-discrimination
- language
- specific organisational conditions, such as dress code.

**Work outputs**

While quantitative and qualitative measures confirm output during and after the event, a manager can avoid the need for reactive measures by confirming expected levels of performance with teams and individuals prior to work commencement.

As agreed performance standards and codes of conduct provide a framework for the employee to operate within, confirming the work output sets the performance metric for the employee from the start of their employment. It is important for a manager to align an individual’s work plan with the team requirements, as well as the broader organisational goals, to produce optimum results.
She establishes that a mixture of sales and services must be applied to obtain the appropriate profit margin. Services are a much higher margin than product sales, but are also the most time consuming.

Louise holds a meeting with her staff and negotiates a level of services and product sales for each hairdresser, and level of product sales only for each casual. The agreed values for each staff member are formalised into KPIs, with incentives and penalties attached for below- and above-standard performance.

This method generates complete buy-in from all staff, as they are able to see the value for the business and themselves, as well as negotiate their own targets. Louise is able to set a standard of performance that meets her business goals.

### Practice task 5

Read the scenario, then complete the following task.

**Scenario**

You are the manager of a four-member sales team in a small business selling widgets to the public. Your organisation’s objectives are to sell 500 widgets per month at a profit margin of no less than 20%. Market research indicates that the maximum expected margin is 28% and competitors sell for as low as 10%.

Using this table, create a set of KPIs for two of the team members by negotiating with them and dividing the labour based on skills and ability.

Be creative and try to develop meaningful KPIs that will achieve the company’s objectives and the individual’s objectives.

<table>
<thead>
<tr>
<th>KPIs for Sarah</th>
<th>KPIs for Natalie</th>
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</tbody>
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Employee conflict

Allocating work tasks requires knowledge of potential conflict scenarios to avoid putting individuals in situations where emotional or physical harm may occur. Ignorance of potential conflict is not a defence if it can be established that a reasonable person would have believed conflict would have occurred.

The risk of employee conflict is high when:

- communication between managers and staff is poor
- skills and knowledge are poorly aligned with the work tasks
- differences exist between personal belief systems of employees.

Staff retention and loss of intellectual resources

Staff members may choose to leave the organisation if they feel they are not receiving the treatment or fulfilment they perceive as their right. Critical roles within the organisation must be identified as a priority for the purposes of retention of valuable skills and knowledge. Staff retention is one of the costliest risks associated with human resource management. When a staff member is lost, recruitment, training and enculturation can take months and cost tens of thousands of dollars.

Step 2: Risk assessment

Assessing the likelihood of a risk event occurring can be a very subjective task. The risks associated with any single action can vary dramatically given variables such as prevailing workplace relations or employment environment. The likelihood of a risk occurring can be expressed as a rating value A to E as shown below.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Descriptor</th>
<th>Equates to</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Extremely likely</td>
<td>The incident will most probably occur under almost all circumstances. Risk has more than a 75% chance of occurring.</td>
</tr>
<tr>
<td>B</td>
<td>Likely</td>
<td>The incident will probably occur under most circumstances. Risk has 50–74% chance of occurring.</td>
</tr>
<tr>
<td>C</td>
<td>Possible</td>
<td>The incident may occur under certain circumstances. Risk has 25–49% chance of occurring.</td>
</tr>
<tr>
<td>D</td>
<td>Unlikely</td>
<td>The incident will probably not (is unlikely to) occur. Risk has less than 25% chance of occurring.</td>
</tr>
<tr>
<td>E</td>
<td>Rare</td>
<td>The incident is highly unlikely to occur, or will only occur under the most exceptional circumstances.</td>
</tr>
</tbody>
</table>
Many organisations implement an effective performance management and review process within their policies and procedures. This ensures a consistent approach is adopted across functional business units, providing a standard for:

- recruitment and selection
- professional development and training
- career progression
- wage and salary decisions
- performance management and termination.

A limitation of this integrated approach is that managers can slip into a habit of ‘doing performance management’ as opposed to really managing performance. There are steps that can be taken to avoid this.

**Performance management system**

Before developing a performance management system, you should consider whether or not your organisation has human resource management practices in place to support the performance management process. These include well-designed job descriptions, effective supervision, comprehensive employee induction and training opportunities and a positive and supportive work environment.

The establishment of a well-designed performance management system requires time and resources and the support of senior management.

An effective performance management system should:

- be job specific, covering a broad range of jobs in the organisation and align with the organisation’s strategic direction and culture
- be practical and easy to understand and implement, and provide an accurate picture of each employee’s performance
- include a collaborative process for goal setting and reviewing performance based on two-way communication between managers and team members
- provide training and development opportunities for improving performance, and monitor and measure results and behaviours
- establish clear communication between managers and team members about job role expectations
- include positive and constructive feedback and provide continuous feedback on performance
- identify and recognise employee accomplishments, identify areas of poor performance and establish plans for improvement
- support team members in achieving their work and career goals by identifying training needs and development opportunities
- support administrative decision-making about promotions, terminations, compensation and rewards
- provide legal documentation to demonstrate due diligence for legal challenges relating to dismissal or vicarious liability.
Provide feedback about individual performance against KPIs, how the individual views their performance, and what has impacted on that performance since the last review.

Review performance against generic skills such as the ability to problem-solve, meet deadlines, prioritise and organise work.

Describe short- and long-term goals.

Identify training and development needs relating to the position and the business needs of the organisation.

**Example: design a performance management and review process**

Amanda is the office manager for Flyhigh Aerospace. She conducts biannual performance appraisals of the 16 employees in her department with the assistance of her two supervisors.

Her performance appraisals are due to be held with the staff members in the first week in May, when she holds one-on-one interviews.

In February she begins formulating her reports based on her notes on staff KPIs (key performance indicators). In the first two weeks of April, Amanda talks with her supervisors to gain feedback on their observations of the staff’s performance, and completes first drafts of the appraisals, plus the first drafts of her supervisors’ appraisals. She also seeks feedback on staff performance from managers in other sections of the organisation for which their office provides administrative support.

Finally, in the days leading up to the interviews, Amanda asks the staff members to think of their personal highlights for the last six-month period, plus their goals for the six months ahead, and make note of them to bring to their interview. She then provides an interview session outline for all staff on the noticeboard, detailing the interview and appraisal process, plus a ‘booking time sheet’ with allotted time slots so staff can nominate when they would prefer an interview to be held.
It is essential that performance management processes are conducted in accordance with organisational policies and procedures. This includes protocols relating to:

- conducting informal reviews throughout the year
- the timing of formal appraisals
- informing staff of a formal review
- conducting the review appropriately
- providing information if there is a dispute
- follow-up action after a formal review
- documenting and storing performance appraisals.

Large organisations often have schedules for the conducting and submission of performance reviews by line managers, supervisors and senior staff. Input from the specific performance cycle can then be entered into the organisation’s information management system for reporting purposes. Improvements in overall performance can be gauged quickly and shortfalls can be analysed and addressed at the highest level. While smaller organisations may not have such a rigid timetable, performance reviews should be regularly conducted, recorded and followed up.

**Organisational policies and procedures**

The organisational policies and procedures relating to performance management process should provide a framework to value staff within the organisation, foster a working environment that acknowledge staff contributions and build competence to ensure organisational effectiveness.

Performance management policies and procedures may include:

- objectives in the form of a policy statement
- audience and applicability
- context in relation to conditions and legislative requirements
- responsibilities and delegations for all staff and managers
- monitoring, evaluation and reporting requirements
- time lines
- contact details of human resources department.

**Performance management methods**

There is a range of methods managers can use to obtain information about a person’s workplace performance. Details of each of these methods is shown here.
Performance management by definition is not a one-off system for success. It requires a program of continual monitoring and evaluation of a person’s progress. Progress is measured against agreed outcomes over a set period, at which time a formal review is conducted and a new set of goals agreed to, to support continuous improvement.

The basic process of continuous improvement from a manager’s perspective is represented in the following diagram of the continuous improvement cycle.

**Monitor performance against standards**

The purpose of agreeing to specific standards is that all parties (supervisor, employee and organisation) are aware of the required standards for conducting work. The standards are in place to support the organisation’s overall objectives. The importance of meeting the objectives should be emphasised when the team member’s work plan and KPIs (key performance indicators) are developed.

Once the standards have been agreed upon, the period for implementation and monitoring is established. This is generally the reporting period and should be no more than 12 months between reviews. This period allows the employee to evaluate their skills, knowledge and attitudes towards the tasks and whether they are equipped with the necessary resources to complete the tasks to the agreed standard. The manager uses this time to observe the employee in the workplace and monitor the daily or weekly progress they are making towards the set standards.
Provide informal feedback to staff regularly

Effective management involves the provision of regular and useful feedback. You want your staff to understand that feedback is a technique you will employ frequently. They must be comfortable receiving it and expect it as a matter of course. When your employees anticipate feedback as the rule, and not the exception, they are less likely to be intimidated by it and more likely to see it as a beneficial summary of exactly how they are performing.

Benefits of feedback

Feedback allows employees to know what they do well, and what areas are in need of improvement.

Benefits of feedback:
- Helps improve job performance while promoting professional and personal development
- Improve employee morale and reduces confusion regarding expectations and current performance
- Reinforces good behaviour
- Maintains goal-directed behaviours
- Influences future performance goals and increases desire to achieve even higher goals
- Creates awareness of poor performance or inappropriate behaviour

Types of feedback

There are several types of feedback that can be delivered regularly and informally as shown below.

Positive feedback

This type of feedback reinforces good behaviour by describing how and why certain actions have resulted in a positive outcome. Often, people don’t know why they have done a good job. While a ‘pat on the back’ is appreciated, it does not highlight the specific area of activity that should be reinforced. Positive feedback provides this information.

For example, ‘That last report to the client on their advertising yield was excellent. You presented the data well and they’ve told us that it was easy to read and very thorough! Well done’.
## Strategies to manage poor performance

1. **Conduct an informal feedback session**
   
   An appropriate action to take when poor performance is identified is to have an informal discussion with the employee. In some instances, the poor performance may be due to circumstances outside the work environment over which the person has no control. A discussion may involve:
   - arranging a private and quiet location where no interruptions will occur
   - checking information and determining the consequences relating to the poor performance or non-performance of the standards to be discussed
   - ensuring any documentation sticks to facts and avoids emotive statements or generalisations
   - documenting possible solutions for improving the employee’s performance.
   
   The first session should be conducted one-on-one and in an informal manner if possible.

2. **Conduct a formal feedback session**
   
   If the matter cannot be addressed at an informal level, or no improvement is shown, then a formal session should be held and a witness (third party) brought in to sign a record of conversation or similar procedural form.
   
   A formal performance review may include:
   - a statement and agreement as to the specific area of performance issues
   - record of previous sessions read and signed (or noted on the record of conversation that they have been read)
   - discussion about future options for the employee and for the organisation:
     - methods for improvement
     - additional training options
     - dismissal or relocation procedures for consistent failure to meet standards
   - formal (signed) agreement as to the chosen path of the employee
   - signed and witnessed record of conversation (usually presented and signed within 24 hours of the meeting).
   
   A formal process highlights the severity of the performance issue with the staff member and provides a record trail for the organisation to refer to if needed.

3. **Provide accurate documentation**
   
   If you are reporting poor performance of a team member to your manager you need to complete the appropriate documentation that highlights and provides evidence of the poor performance. In some circumstances, follow-up actions may include dismissal so you need to ensure that your report is based on fact, is concise and clearly written with accompanying evidence. In some instances, the employee may be asked to sign the report as being an accurate account.
Organisational guidelines for documenting performance should indicate the type of written documentation that must be provided, storage requirements and location, privacy and confidentiality requirements, retrieval methods, and the people authorised to access the data.

Basic legal compliance must be met by all businesses operating in Australia. This includes adherence to the Privacy Act 1988 (Cth), the Fair Work Act 2009 (Cth) and the various federal, state and territory anti-discrimination legislation.

**Types of documentation**

An organisation’s performance management system may require you to complete and store a variety of documentation.

Types of documentation associated with performance management include:

- records of formal performance appraisals
- summaries of informal meetings by managers
- skills assessment and audits
- performance management reports, appraisal documents or review summaries
- records of personal goals and objectives; for example, personal development plans, work plans, job descriptions, KPIs (key performance indicators), or professional development plans
- copies of documents used in training programs, certificates, statements of attainment and attendance, verification or recognition of competencies
- employee complaints, appeals or grievances
- current legal requirements and compliance standards.

**Maintain records**

Keeping track of all activities within an organisation is crucial. If performance reviews, achievements and progress are not recorded, supervisors and managers may have difficulty determining whether an employee is competent in a particular area, whether a person is regularly achieving their KPIs (key performance indicators), where skill gaps lie and what type of training has been completed.

For example, a new manager would find it extremely useful to be able to access the files of their team and identify the action agreed on after their last performance review or the type of training they had completed to fill a skills gap.

Organisations may also need to maintain records that verify any training that has taken place in order to complete an end-of-financial-year audit. Complete all records according to the organisation’s policies and procedures.
Dealing with misconduct:

1. Identify the incident of misconduct.

2. Isolate the offender (in an office or away from the scene).

3. Conduct brief interviews with third-party witnesses to gather information.

4. Avoid talking with any party accusing the offender of the misconduct, as their testimony will often be biased – rather ask any witnesses to stick to factual accounts only.

5. Prepare yourself emotionally (allow any heightened emotions to settle).

6. Organise for a third party to be present at the session (must not be a lawyer – preferably someone with no vested interest in the events).

7. Conduct the feedback session by asking the offender to describe the events.

8. Ask the witness to take detailed notes of the conversation – make sure you give them time to write important points – don’t rush.

9. Agree on a process with the employee in accordance with company policy.

10. When the record of conversation is completed, all parties should sign and date.

11. Store the record on the employee’s personnel file for future reference.
6. Review the PIP with the employee to ensure they understand all of the elements and are prepared to accept the consequences should the PIP objectives not be achieved.

7. Ensure the employee and manager both sign the PIP to acknowledge its review and receipt.

Document the objectives

When the objectives are agreed upon, you need to document them using the organisation’s performance development planning template and ask the employee to sign off on the agreed terms. They also need to understand they will be monitored over the period of the performance plan. In many organisations, the employee is expected to sign the document to show they understand and agree with their new KPIs.

Example: write performance improvement and development plans and obtain agreement

If an employee is consistently achieving sales of between 10% and 15% below budget, some examples of SMART KPIs for this individual would be:

• Complete a one-day sales training session on 29 May.
• Achieve 95% of budgeted sales for the month of June. (June is the next reporting period.)
• Achieve 100% of budgeted sales for the month of July.
• Report on the methods used to achieve 100% of budgeted sales no later than 10 August.

The KPIs should be developed in consultation with the employee so they understand where the shortfalls are in their performance and what standard of performance is required. Arrange a time with the employee and let them know the purpose of the meeting.
Gifts of monetary value

Holidays, wine, vouchers, gym memberships and parking privileges are all examples of monetary gifts. These can often be highly motivating for staff, but there are fringe benefit tax implications for organisations. Gift vouchers (while GST free) are considered monetary gifts.

Non-monetary gifts

This includes rewards for recognition or service, performance or other qualities fostered by the company such as:
- an article in the company newsletter
- an announcement at a staff meeting.
For example, ‘Employee of the Week’ award.

Time in lieu

Provide time off for exceptional performance. Time off is often regarded as one of the highest motivators for employees in Australia.

Personal recognition

Many recognition systems are incorporated in the organisation’s information management systems such as:
- a card automatically sent to the employee on their birthday or anniversary of employment
- a birthday cake and small celebration held for each employee
- Christmas bonuses.

Achieve performance excellence through feedback

If an employee regularly performs at a standard higher than that expected within their prescribed standards, positive feedback should be immediate, genuine and offer recognition in front of their peers and supervisors. This creates a performance cycle of excellence, where the individual seeks to replicate the behaviour that received the recognition. This is outlined in the following diagram.
Example: monitor and coach individuals with poor performance

Brandon has worked at a city department store for three years with mixed performance reviews during that time. The organisation runs regular feedback sessions, performance meetings, annual appraisals, and sets PDPs with all full-time staff. Brandon’s last PDP indicated that he would like to change departments from men’s clothing to music.

Over the last month his performance has fallen dramatically, so much so that his department manager conducts a formal review of his performance to set down some strict performance improvement measures. The measures include his adherence to the store’s dress code, attitude and punctuality – all of which are a major issue that affect his team and the store image.

It is agreed that the store will trial Brandon in the music department for three weeks. During that time, his dress, attitude and punctuality will be monitored on a daily basis. He is to report to the music department manager no less than five minutes before his shift starts for a brief and dress inspection.

As the three-week trial draws to an end, the music department manager reports than Brandon’s level of commitment to the role is above average and that he has not once arrived late or in a below standard manner of dress and bearing. It is evident that the work environment and renewed interest in Brandon’s performance have reinforced the positive behaviour expected by the store.

As a result, his employment continues within the new department, his old team are happy to see him doing well and the store manager has a more productive team in both department
Example: provide support services

Luke’s progress since his formal review has been steady, but he has not met all the required standards agreed to in his development plan. His manager Cheryl is worried about him as he seems distant and lacks focus when he’s at work.

Cheryl is a competent, long-term professional engineer but her people skills are not as developed as she would like, so she decides to approach her HR specialist for advice on helping Luke. Diane, the HR specialist for the firm, encourages Cheryl to talk with Luke in a non-confronting manner and in a non-threatening environment. She suggests that this could be in the park across the street during a morning tea break.

Cheryl takes Diane’s advice and approaches Luke before the break. ‘Can we meet in the park for 10 minutes? I’d like to ask you about your progress.’ Cheryl carefully words her request so Luke clearly understands her.

The meeting is productive, as Luke shares that his father passed away last week and he is not dealing with it well. Cheryl empathises, as her parents had passed away not that long ago and she can recall the feelings at the time. Cheryl recommends a free-call support service for Luke to call and recommends he seeks comfort with friends and other relatives.
The final step in an ongoing performance management issue when satisfaction cannot be realised is employee termination. Termination is the cessation of the contract of employment between an employer and an employee, at the initiative of the employer within relevant industrial agreements. For legal compliance, termination must be accompanied by several legal and organisational documents.

Organisational and legal requirements for termination

Procedural and documentation requirements when terminating an employee for misconduct or ongoing poor performance are described below.

<table>
<thead>
<tr>
<th>Paid or unpaid leave</th>
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<tr>
<td>Paid or unpaid leave is a right of the employer based on existing employment policy. Where policy dictates that an employee, for security, performance or confidentiality reasons, cannot remain in their place of work once the termination process has begun, then leave must be granted. Often, an employer will pay for the required leave as per normal employment arrangements. Where no employee leave days remain, or the employee is not entitled to leave (such as casual or short-term contracted employees) then leave without pay may be enforced. Commonly, contractual arrangements will enforce attendance at the workplace during the notice period, with sometimes one day off provided to seek other employment. This is a choice of the employer but must be documented in organisational policy for fairness and reliability.</td>
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<th>Notice of termination or dismissal</th>
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<tbody>
<tr>
<td>Notice of termination/dismissal is the formal letter required under law to be sent or handed to an employee whose employment contract has been terminated. A copy must also be kept on record along with payroll records of termination, for no less than seven years. The termination pay statement must be given to the employee on or shortly after the time of termination. An ‘abandonment of employment’ letter is an organisation’s administrative action for employees who have (for no apparent or good reason) failed to turn up for work for a period of time. That period is typically two weeks, but may be longer or shorter depending on organisational policy. The letter is sent to the employee’s last known address. The letter informs the employee that disciplinary proceedings will occur (usually along the same process as gross misconduct) if the employee does not contact the employer within a given time; this can be up to one month after the letter is sent. A notice of termination follows a letter of abandonment of employment if nothing is heard from the employee. Note that every effort should be made to contact the employee or their designated next of kin to ensure that any letters do not go out to families grieving a relative who has suffered severe injuries, illness or death. In these cases, a termination on the grounds of ill health or death may be enacted. These letters are less to do with performance issues and more to do with consideration of the needs of the organisation and the employee’s family.</td>
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