

HR Procedures

Learning outcomes

On completing this chapter you should:

- Be able to define what HR procedures are
- Know about the main HR procedures: capability, discipline, grievance and redundancy

What are HR procedures?

HR procedures set out the ways in which certain actions concerning people should be carried out by the management or individual managers. In effect they constitute a formalized approach to dealing with specific matters of policy and practice. They should be distinguished from HR policies, as described in Chapter 60. These describe the approach the organization adopts to various aspects of people management and define key aspects of the employment relationship. They serve as guidelines on people management practices but do not necessarily lay down precisely the steps that should be taken in particular situations. Procedures are more exacting; they state what must be done as well as spelling out how to do it.

It is desirable to have the key HR procedures written down to ensure that HR policies are applied consistently and in accordance with both legal requirements and ethical considerations. The existence of a written and well publicized procedure ensures that everyone knows precisely what steps need to be taken when dealing with certain significant and possibly recurring employment issues.

The introduction or development of HR procedures should be carried out in consultation with employees and, where appropriate, their representatives. It is essential to brief everyone on how the procedures operate and they should be published either in an employee handbook or as a separate document. Line managers may need special training on how they should apply the procedures and the HR department should provide guidance wherever necessary. HR will normally have the responsibility of ensuring that procedures are followed consistently.

The main areas where procedures are required are those concerned with handling capability and disciplinary issues, grievances and redundancy.

Capability procedure

Some organizations deal with matters of capability under a disciplinary procedure, but there is a good case to be made for dealing with poor performance issues separately, leaving the disciplinary procedure to be invoked for situations such as poor timekeeping. An example of a capability procedure is given below.

Policy

The company aims are to ensure that performance expectations and standards are defined, performance is monitored and employees are given appropriate feedback, training and support to meet these standards.

Capability Procedure

1. If a manager/team leader believes that an employee's performance is not up to standard an informal discussion will be held with the employee to try to establish the reason and to agree the actions required to improve performance by the employee and/or the manager/team leader. If, however:
 - it is agreed that the established standards are not reasonably attainable, they will be reviewed;
 - it is established that the performance problems are related to the employee's personal life, the necessary counselling/support will be provided;
 - it is decided that the poor performance emanates from a change in the organization's standards, those standards will be explained to the employee and help will be offered to obtain conformity with the standards;
 - it is apparent that the poor performance constitutes misconduct; the disciplinary procedure will be invoked.
2. Should the employee show no (or insufficient) improvement over a defined period (weeks/months), a formal interview will be arranged between the employee (together with a representative if so desired). The aims of this interview will be to:
 - explain clearly the shortfall between the employee's performance and the required standard;
 - identify the cause(s) of the unsatisfactory performance and to determine what, if any, remedial treatment (training, retraining, support, etc) can be given;
 - obtain the employee's commitment to reaching that standard;
 - set a reasonable period for the employee to reach the standard and agree on a monitoring system during that period; and
 - tell the employee what will happen if that standard is not met.
3. The outcome of this interview will be recorded in writing and a copy will be given to the employee.
4. At the end of the review period a further formal interview will be held, at which time:
 - if the required improvement has been made, the employee will be told of this and encouraged to maintain the improvement;
 - if some improvement has been made but the standard has not yet been met, the review period will be extended;

- if there has been no discernible improvement and performance is still well below an acceptable standard this will be indicated to the employee and consideration will be given to whether there are alternative vacancies that the employee would be competent to fill; if there are, the employee will be given the option of accepting such a vacancy or being considered for dismissal;
 - if such vacancies are available, the employee will be given full details of them in writing before being required to make a decision;
 - in the absence of suitable alternative work, the employee will be informed and invited to give his or her views on this before the final decision is taken.
5. Employees may appeal against their dismissal. The appeal must be made within three working days.

Disciplinary procedure

A disciplinary procedure sets out the stages through which any disciplinary action should proceed. An example is given below.

Disciplinary Procedure (part I)

Policy

It is the policy of the company that if disciplinary action has to be taken against employees it should:

- be undertaken only in cases where good reason and clear evidence exist;
- be appropriate to the nature of the offence that has been committed;
- be demonstrably fair and consistent with previous action in similar circumstances;
- take place only when employees are aware of the standards that are expected of them or the rules with which they are required to conform;
- allow employees the right to be represented by a representative or colleague during any formal proceedings;
- allow employees the right to know exactly what charges are being made against them and to respond to those charges;
- allow employees the right of appeal against any disciplinary action.

Disciplinary rules

The company is responsible for ensuring that up-to-date disciplinary rules are published and available to all employees. These will set out the circumstances in which an employee could be dismissed for gross industrial misconduct.

Procedure

The procedure is carried out in the following stages:

1. **Informal warning.** A verbal or informal warning is given to the employee in the first instance or instances of minor offences. The warning is administered by the employee's immediate team leader or manager.
2. **Formal warning.** A written formal warning is given to the employee in the first instance of more serious offences or after repeated instances of minor offences. The warning is administered by the employee's immediate team leader or manager – it states the exact nature of the offence and indicates any future disciplinary action that will be taken against the employee if the offence is repeated within a specified time limit. A copy of the written warning is placed in the employee's personal record file but is destroyed 12 months after the date on which it was given, if the intervening service has been satisfactory. The employee is required to read and sign the formal warning and has the right to appeal to higher management if he or she thinks the warning is unjustified. The HR Manager should be asked to advise on the text of the written warning.
3. **Further disciplinary action.** If, despite previous warnings, an employee still fails to reach the required standards in a reasonable period of time, it may become necessary to consider further disciplinary action. The action taken may be up to three days' suspension without pay, or dismissal. In either case the departmental manager should discuss the matter with the HR manager before taking action. Staff below the rank of departmental manager may only recommend disciplinary action to higher management, except when their manager is not present (for example, on night-shift), when they may suspend the employee for up to one day pending an inquiry on the following day. Disciplinary action should not be confirmed until the appeal procedure has been carried out.

Disciplinary Procedure (part 2)

Summary dismissal

An employee may be summarily dismissed (ie given instant dismissal without notice) only in the event of gross misconduct, as defined in company rules. Only departmental

managers and above can recommend summary dismissal, and the action should not be finalized until the case has been discussed with the HR Manager and the appeal procedure has been carried out. To enable this review to take place, employees should be suspended pending further investigation, which must take place within 24 hours.

Appeals

In all circumstances, an employee may appeal against suspension, dismissal with notice, or summary dismissal. The appeal is conducted by a member of management who is more senior than the manager who initially administered the disciplinary action. The HR Manager should also be present at the hearing. If he or she wishes, the employee may be represented at the appeal by a fellow employee of his or her own choice. Appeal against summary dismissal or suspension should be heard immediately. Appeals against dismissal with notice should be held within two days. No disciplinary action that is subject to appeal is confirmed until the outcome of the appeal.

If an appeal against dismissal (but not suspension) is rejected at this level, the employee has the right to appeal to the chief executive. The head of HR and, if required, the employee's representative should be present at this appeal.

Grievance procedure

A grievance procedure spells out the policy on handling grievances and the approach to dealing with them. An example of a grievance procedure is given below.

Grievance Procedure

Policy

It is the policy of the company that employees should:

- be given a fair hearing by their immediate supervisor or manager concerning any grievances they may wish to raise;
- have the right to appeal to a more senior manager against a decision made by their immediate supervisor or manager;
- have the right to be accompanied by a fellow employee of their own choice when raising a grievance or appealing against a decision.

The aim of the procedure is to settle the grievance as near as possible to its point of origin.

Procedure

The main stages through which a grievance may be raised are as follows:

1. The employee raises the matter with his or her immediate team leader or manager and may be accompanied by a fellow employee of his or her own choice.
2. If the employee is not satisfied with the decision, the employee requests a meeting with a member of management who is more senior than the team leader or manager who initially heard the grievance. This meeting takes place within five working days of the request and is attended by the manager, the HR Manager or business partner, the employee appealing against the decision, and, if desired, his or her representative. The HR Manager records the results of the meeting in writing and issues copies to all concerned.
3. If the employee is still not satisfied with the decision, he or she may appeal to the appropriate director. The meeting to hear this appeal is held within five working days of the request and is attended by the director, the head of HR, the employee making the appeal, and, if desired, his or her representative. The manager responsible for HR records the result of this meeting in writing and issues copies to all concerned.

Redundancy procedure

A redundancy procedure aims to meet statutory, ethical and practical considerations when dealing with this painful process. An example of a procedure is given below.

Redundancy Procedure (part I)

Definition

Redundancy is defined as the situation in which management decides that an employee or employees are surplus to requirements in a particular occupation and cannot be offered suitable alternative work.

Employees may be surplus to requirements because changes in the economic circumstances of the company mean that fewer employees are required, or because changes in methods of working mean that a job no longer exists in its previous form. An employee who is given notice because he or she is unsuitable or inefficient is not regarded as redundant and would be dealt with in accordance with the usual disciplinary or capability procedure.

Objectives

The objectives of the procedure are to ensure that:

- employees who may be affected by the discontinuance of their work are given fair and equitable treatment;
- the minimum disruption is caused to employees and the company;
- as far as possible, changes are effected with the understanding and agreement of the unions and employees concerned.

Principles

The principles governing the procedure are as follows:

- The trade unions concerned will be informed as soon as there is a possibility of redundancy.
- Every attempt will be made to:
 - absorb redundancy by the natural wastage of employees;
 - find suitable alternative employment within the company for employees who might be affected, and provide training if this is necessary;
 - give individuals reasonable warning of pending redundancy in addition to the statutory period of notice.
- If alternative employment in the company is not available and more than one individual is affected, the factors to be taken into consideration in deciding who should be made redundant will be:
 - length of service with the company;
 - value to the company;
 - other things being equal, length of service should be the determining factor.
- The company will make every endeavour to help employees find alternative work if that is necessary.

Redundancy Procedure (part 2)

The procedure for dealing with employees who are surplus to requirements is set out below.

Review of employee requirements

Management will continuously keep under review possible future developments that might affect the number of employees required, and will prepare overall plans for dealing with possible redundancies.

Measures to avoid redundancies

If the likelihood of redundancy is foreseen, the company will inform the union(s), explaining the reasons, and in consultation with the union(s) will give consideration to taking appropriate measures to prevent redundancy.

Departmental managers will be warned by the management of future developments that might affect them so that detailed plans can be made for running down the numbers of employees by allowing natural wastage to take place without replacements, retraining, or transfers.

Departmental managers will be expected to keep under review the work situation in their departments so that contingency plans can be prepared and the HR Manager advised of any likely surpluses.

Consultation on redundancies

If all measures to avoid redundancy fail, the company will consult the union(s) at the earliest opportunity in order to reach agreement.

Selection of redundant employees

In the event of impending redundancy, the individuals who might be surplus to requirements should be selected by the departmental manager with the advice of the HR Manager on the principles that should be adopted.

The HR Manager should explore the possibilities of transferring affected employees to alternative work.

The HR Manager should inform management of proposed action (either redundancy or transfer) to obtain approval.

The union(s) will be informed of the numbers affected but not of individual names.

The departmental manager and the HR Manager will jointly interview the employees affected, either to offer a transfer or, if a suitable alternative is not available, to inform them they will be redundant. At this interview, full information should be available to give to the employee on, as appropriate:

- the reasons for being surplus;
- the alternative jobs that are available;
- the date when the employee will become surplus (that is, the period of notice);
- the entitlement to redundancy pay;
- the employee's right to appeal to an appropriate director;
- the help the company will provide.

Redundancy Procedure (part 3)

An appropriate director will hear any appeals with the manager responsible for personnel.

The HR Manager will ensure that all the required administrative arrangements are made.

If the union(s) has/have any points to raise about the selection of employees or the actions taken by the company, these should be discussed in the first place with the HR Manager. If the results of these discussions are unsatisfactory, a meeting will be arranged with an appropriate director.

Alternative work within the company

If an employee is offered and accepts suitable alternative work within the company, it will take effect without a break from the previous employment and will be confirmed in writing. Employees will receive appropriate training and will be entitled to a four-week trial period to see if the work is suitable. This trial period may be extended by mutual agreement to provide additional training. During this period, employees are free to terminate their employment and, if they do, would be treated as if they had been made redundant on the day the old job ended. They would then receive any redundancy pay to which they are entitled.

Alternative employment

Employees for whom no suitable work is available in the company will be given reasonable opportunities to look for alternative employment.

Questions

1. What are HR procedures?
2. What are the characteristics of a good procedure?
3. What would you expect a capability procedure to cover?
4. What would you expect a disciplinary procedure to cover?
5. What would you expect a grievance procedure to cover?
6. What would you expect a redundancy procedure to cover?