Performance Management Framework

Hexagon believes that effective and efficient performance management is vital to the success of maintaining good quality services for all our customers.

We embrace good performance management, and this is encompassed in our CARE Values:

- **Customer at the Heart** – we take ownership of the customer experience and seek to continuously improve by learning from customer feedback.
- **Appreciating Difference** - we are flexible in setting objectives and respect different ways of working.
- **Responsible and Accountable** - we set intelligent, SMART objectives and are results focused.
- **Empowering People** – we set clear priorities and expectations, and lead by example.

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1.0 Introduction

At Hexagon **everyone's contribution matters**. The framework describes the support that individuals can expect, from the organisation, to make their very best contribution towards us providing safe, decent housing and putting customers at the heart of everything we do. It also explains how Hexagon will manage underperformance

Because we want all employees to feel valued and perform at their best, we set high standards for work quality, capability and behaviour. This framework explains those expectations, how we measure success, and how we handle underperformance.

The framework supports Hexagon's compliance with the Competence & Conduct Standard by setting out how the Organisation manages, develops, reviews and assures the skills, knowledge, experience and behaviours required of all staff. Performance management at Hexagon considers both what employees deliver and how they conduct themselves when delivering services to residents, employees and stakeholders.

It is important that everyone who works for Hexagon recognises that they have a responsibility to improve performance at some level. The framework clarifies what those responsibilities are and how by working together we can achieve our vision.

1.1 Competence and Conduct

We look at both **what** employees deliver and **how** they deliver it. This helps us meet the Competence & Conduct Standard:

- **Competence:** Having the right skills, knowledge, qualifications, and training to do your job well.
- **Conduct:** Acting with professionalism, respect, and honesty, in line with our **CARE** values, Code of Conduct, policies and standards expected by residents, regulators and the Board.

We also make sure our contractors have the right skills and behaviours through regular contract checks, assurance reporting and performance meetings. Residents will also have opportunities to help us review and improve these standards through engagement and scrutiny arrangements.

Assurance on competence and conduct will be maintained through performance management review completion monitoring, one-to-one sample checks, mandatory training records, learning and development plans, performance improvement plans, conduct and capability case themes, customer feedback, complaints, audit findings and reports to the Leadership Team, Directors Group and Board as appropriate.

2.0 Organisational Performance Management

Organisational performance management has a clear business focus - to achieve organisational goals and improve business performance through directing and coordinating individual employee and team activities and behaviours. The purpose is to continuously improve the quality of services delivered to our customers.

Staff Appraisal (performance management review) is used to discuss manage and measure individual and team performance and is part of the overall framework for managing organisational performance.

Organisational performance management helps us:

- ensure that strategies and plans we are focused on achieve the right outcomes.
- improve delivery of outcomes for customers.
- track progress in delivering priorities.
- effectively manage risk.
- make better, more informed business decisions.
- communicate to staff what is expected from them and how they fit into the overall framework for managing service delivery.
- make clear our values and set a standard of behaviour at work that aligns with these.
- evidence to the Regulator of Social Housing and/or relevant external organisations that Hexagon is achieving outcomes in line with local needs and expectations.
- demonstrate whether our services are delivering value for money.

3.0 Creating a Culture of High Performance

High level organisational performance is a key focus for Hexagon. Although the Board and Executive Team are responsible for setting the strategic goals for the organisation, it is important that there is a strong commitment from all staff to achieve these through excellent performance.

The appraisal process allows individuals to see how their daily work directly supports Hexagon's goals. Hexagon strives to create a culture where individuals feel a sense of personal contribution and ability to be motivated by excellent organisational performance. Individuals should also be able to see that any lack of personal effort negatively affects overall organisational performance, and that underperformance will be addressed through open and honest performance improvement discussions with their managers.

Hexagon is equally interested in *how* performance is achieved and how staff achieve their goals. Our culture is one where there is an expectation that behaviours are a visible sign of our values (**our CARE behaviours**). For a high-performance culture to exist, it is important that everyone lives the values, feels supported to deliver excellent performance and is motivated to improve when this is not being achieved.

4.0 The Golden Thread

Our mission is to provide decent, affordable homes for lower income households in South London. To achieve this, every employee needs to see the "bigger picture" and understand how their role helps Hexagon succeed. We call this link the **Golden Thread**.

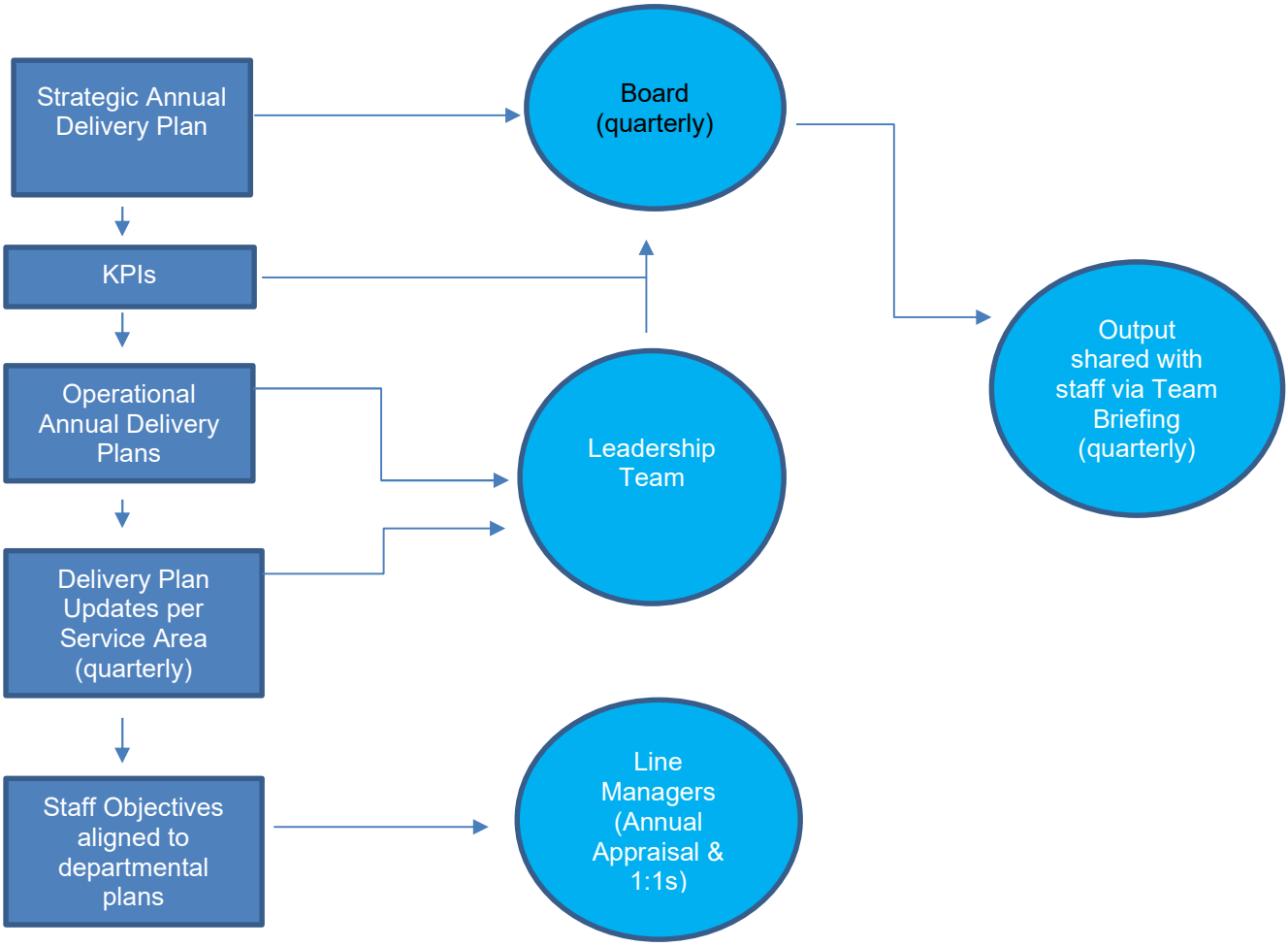
We have set out the following strategy as our approach to performance management:

- An established and clear set of key performance indicators (KPIs).
- Rigorous performance review - targets are monitored, reported upon and, where necessary, shortfalls addressed.
- Coherent measures and targets - achievable targets which focus, stretch, and motivate teams and individuals.
- Established service improvement plans.
- Clear ownership and accountability - teams / individuals understand and own their targets and take responsibility for delivery. This commitment starts at the top and, by example, cascades throughout the organisation to front-line staff supported in training and development plans and through the 1 – 1 process.
- Staff objectives clearly cascaded down and linked back to strategic objectives – the 'Golden Thread' (see illustration below).
- Embedded internal controls with assurances provided at Board level.
- Feedback and learning - recognising good performance, sharing best practice, and coaching teams / individuals to support, motivate and encourage ideas and innovation.



5.0 Annual Planning and Performance Management Overview

At the heart of Hexagon's performance management arrangements is the annual business planning and performance monitoring process. This process is illustrated below:



5.1 Key Performance Indicators

All service areas have targets against which their performance is measured. These targets are our key performance indicators (KPIs). Targets specify time bound desired levels of improvement. Efforts have been made to set realistic targets which sufficiently challenge Hexagon to continuously improve services.

We have created and revised KPIs in line with the requirements of the Regulator of Social Housing. We have also created KPIs which measure and provide targets to ensure that our overall corporate objectives are met.

Key Performance Indicators are reported to the Leadership Team monthly and the Board quarterly. A summary report is also published in the residents' annual report. Each KPI has a clear owner who takes responsibility for delivering improved performance and following up any areas of under-performance.

Key improvement priorities are measurable so that there is no ambiguity as to whether performance has improved. They measure what matters and makes a difference to achieving service excellence.

Quarterly KPI reports compare results over time and establish a trend in performance. We also compare performance with our peers either through benchmarking clubs or via Housemark. We recognise that results benchmarked against other organisations within the sector reinforce how well we deliver our services compared not only to our objectives and improvement plans but also against the national and local agenda.

The Data Quality Manager reviews KPI reports to ensure the calculation methods are accurate; this includes testing and interrogation of the housing information system, and all other sources where data is captured. Where gaps are found recommendations are made and reported to the Leadership Team and the Board. This testing and review are done continuously throughout the year. Periodically (approximately every 2-3 years) we will seek third party assurance to verify the reliability and accuracy of our data.

5.2 Service Improvement Plans

Service Improvement Plans (SIPs) are developed by the Leadership Team as required, to address areas of under-performance against KPIs and Operational Plans etc. These Service Improvement Plans, detail recommendations needed to improve our service and to gain continuous improvement.

Progress against Service Improvement Plans is monitored monthly by the Head of Service responsible. The status of the SIPs implementation is reviewed at monthly Directors Group meetings and an end of year evaluation of outcomes and impact is provided to the Board.

6.0 Managing Individual Performance

Annual performance management reviews and regular one to one meetings provide structured opportunities to review whether employees remain competent in their roles, demonstrate appropriate behaviours and receive the support needed to maintain and improve performance. Where development needs, conduct concerns or performance gaps are identified, managers will agree clear actions, record the discussion, monitor progress and escalate matters in line with the **disciplinary or capability policy** where required.

The mandatory framework of discussions is as follows:

6.1 Regular discussion

Regular discussion between employees and managers is an essential part of staff performance management. Regular discussions around what tasks must be achieved and how they are to be achieved provide opportunities to manage individual and team efforts and to give immediate feedback and support.

6.2 One to One Meetings

Mandatory one to one meetings to be held at least every 8 weeks forms part of the staff performance management process and is set out in our **1:1 Procedures**. Having regular one to one meetings allows for more informal conversation and feedback about performance and wellbeing as they are a more natural part of the working day. They are dynamic and tend to deal with emerging issues. They provide dedicated time for staff and their manager to discuss performance, priorities and any support required. They also provide an opportunity to closely monitor agreed actions for improvement.

Everyone will be clear about the dates and times of the one to ones and commit to making them happen.

6.3 Annual Appraisal and Objective Setting

It is recognised that for there to be effective performance management, regular, well managed and honest conversations need to take place between individuals and their line managers. The appraisal process is mandatory and an annual framework of meetings exists that embeds the process throughout the organisation. All Managers and employees are expected to follow the agreed **Appraisal Process.**

The focus of appraisal is not so much the mechanics of the process or the paperwork to be used, but rather on the purpose, which is to support organisational performance improvement. The appraisal templates provide a framework for meetings and support both parties to consider performance and development points and prepare for the discussions. They also provide a useful record of what has been agreed. However, they should not limit conversation or act as a barrier to constructive dialogue.

The appraisal process considers not only achievements, but also the way employees go about their role. Putting emphasis on behaviours will support Hexagon to create the desired organisational culture, as employee behaviours send a strong message to customers that values are important to the organisation.

Where underperformance is identified the line manager, supported by the HR department, will manage performance in line with organisational policies and procedures.

7.0 Role-Specific Competence Requirements

Role-specific competence requirements will support employees and managers to understand the skills, knowledge, experience, qualifications, training and behaviours needed to deliver safe, effective and customer-focused services.

Each job description will set out the core duties and responsibilities of the role. These will be supported, where appropriate, by role profiles, person specifications, objectives, mandatory training requirements, professional or technical standards and any regulatory, health and safety, safeguarding, data protection, equality, diversity and inclusion, or customer service requirements relevant to the role.

Managers are responsible for ensuring that employees understand the competence requirements of their role when they join Hexagon, when they move role, when responsibilities change, and during regular performance management discussions. This includes identifying any role-critical knowledge, systems access, technical skills, resident-facing responsibilities, compliance duties and behavioural expectations needed to perform the role effectively.

Role-specific competence requirements will be reviewed through probation, one-to-one meetings, annual performance management reviews and learning and development planning. Where gaps are identified, managers and employees will agree clear actions, timescales and support. This may include coaching, shadowing, formal training, refresher learning, supervision, mentoring, changes to workload, or other appropriate development activity.

Evidence that role-specific competence requirements have been considered and maintained will be retained through recruitment records, induction records, probation reviews, performance management review documentation, one-to-one notes, learning and development plans, training completion reports, performance improvement plans and relevant HR case records.

Heads of Service, supported by HR, will review role-specific competence requirements periodically and when there are material changes to services, legislation, regulation, technology, ways of working, risk profile or customer expectations. This will help ensure that competence expectations remain current, relevant and aligned to Hexagon's strategic priorities and regulatory obligations.

8.0 Learning and Development

Learning and development activity will reflect the competence requirements of each role and Hexagon's strategic and regulatory priorities. This includes ensuring that relevant staff complete required training, refresh their knowledge where appropriate, and can demonstrate up to date skills, knowledge, experience and behaviours in their work.

Learning and Development plans are an important part of the appraisal process as they will support individuals to improve performance in a tangible, measurable and visible way. All employees will have a learning and development plan which will be designed to support business outcomes. The plan will be developed and agreed with line managers as part of the Appraisal process.

In accordance with the **Learning & Development Policy**, a variety of approaches will be used to address development needs and they will not be limited to traditional training courses. In addition to supporting identified mandatory training, consideration will be given to L&D that equips staff to improve their performance both in the present and for future responsibilities. This could include secondments, job shadowing, increasing responsibilities, getting involved in new aspects of team working or corporate working groups.

Line managers and employees should ensure that learning and development outcomes are clearly identified in relation to measurable performance improvement.

9.0 Managing Team Performance

The same principles apply to managing the performance of teams as to individuals. Good communication, support, feedback, recognition and tackling underperformance are all essential.

As with individuals, the teams' contributions need to be managed and coordinated to achieve organisational goals.

Team Meetings are held at least every 8 weeks to examine progress and performance of the team including:

- Performance indicators (KPI's) and their associated targets
- Team projects, tasks and milestones
- Any other short term performance measures
- Identifying the cause(s) of any team under-performance
- Establishing monitoring mechanisms for remedial action
- Learning from challenges and successes
- Looking ahead to risks and challenges in the next period and putting in place action to mitigate them.
- Identifying any team learning and development requirements
- Reflecting on the impact of any learning and development that has taken place.

10.0 Managing Underperformance

Where individual underperformance is identified, the line manager should ensure that there is constructive challenge, with a focus on solving issues rather than apportioning blame. This judgement should be based on evidence and the line manager must be prepared to consider if the expected level of performance has fallen short for reasons other than employee capability, for example, a lack of resources or training.

There may, however, be situations where employees have been supported and still do not achieve the expected level of performance. Line managers will then be expected to start the process of managing underperformance in line with the **Capability Procedure**. Early intervention, including putting a clear, structured and timebound performance improvement plan in place, gives more opportunity to resolve issues. Managers who ignore underperformance will not help the individual or their team, as delayed action may escalate interpersonal conflicts and have a detrimental effect on team morale.

11.0 Roles and Responsibilities

To be effective, performance management needs visible commitment from the Board, Leadership Team and Managers. Board members, Leadership Team and managers should regularly reflect on what they need to do differently as a Board, as a team and as individuals.

11.1 The Board

The Board is responsible for monitoring Hexagon's performance in relation to agreed objectives, plans and budgets, as set out in the corporate plan.

11.2 Leadership Team

The Chief Executive and the Leadership Team have the day-to-day responsibility for ensuring that performance management cuts across the whole organisation, using the 'Golden Thread Approach'.

The respective Heads of Service are responsible for achieving the performance targets specified and taking the required action for improvement. Heads of Service are also responsible for setting and agreeing personal objectives for their direct reports. As such they manage individual and team performance through effective leadership and coaching and take appropriate action in the event of poor performance results.

Leaders will show, by their actions as well as their words, that:

- Managing and improving performance is a priority.
- Managing risk will be taken seriously.
- Poor performance will be tackled, and achievements and successes celebrated.
- Performance management is carried out within a culture of open debate and constructive challenge, with the focus on solving problems rather than apportioning blame.
- They take seriously wellbeing at work.

11.3 Line Managers

Line managers are responsible for carrying out appraisal reviews as well as strong day to day management. They play a crucial role in cascading the organisational, departmental and team goals to individuals and supporting them to achieve these through making appropriate resources and support available. Line managers are responsible for having honest and open dicussions with those who report to them, for recognising successes and equally tackling underperformance. The relationship the line manager has with employees is often reflected in the level of performance people offer in their roles. Therefore, managers need to be aware of how their own behaviours and attitudes influence teams and the individuals they manage.

Line managers will ensure that the people in their team:

- Have a clear pattern of 1:1 meeting dates scheduled throughout each year.
- Know and understand what is expected of them.
- Can contribute ideas on planning and implementation of what must be achieved.
- Have the skills, knowledge, and ability to meet expectations.

- Are supported to achieve high performance and are clear when there is underperformance and what will be done to address this.
- Feel supported in their personal development.
- Feel positive about their health and wellbeing at work.

Line Managers will ensure they:

- Set clear expectations for performance, competence and conduct, ensuring that each employee understands their role, objectives, mandatory training requirements, CARE behaviours and the standards expected when delivering services to residents, employees and stakeholders.

- Review competence and conduct regularly through probation, one-to-one meetings, annual performance management reviews, team meetings and day-to-day supervision, using evidence such as work quality, customer feedback, complaints, audit findings, training completion and observed behaviours.

- Identify performance, competence or conduct concerns at the earliest opportunity and consider whether the issue relates to capability, misconduct, wellbeing, reasonable adjustments, training, workload, resources, systems or other organisational barriers.

- Agree clear, proportionate and timebound actions to address gaps, including coaching, feedback, supervision, training, mentoring, changes to work allocation, reasonable adjustments or a formal performance improvement plan where appropriate.

- Keep accurate and timely records of performance discussions, agreed objectives, development actions, one-to-one meetings, performance management review outcomes, performance improvement plans and any conduct or capability concerns.

- Escalate concerns promptly to HR and the relevant Head of Service where informal support has not resolved the issue, where risks to service delivery or residents are identified, or where formal capability or disciplinary action may be required.

- Model the standards expected of others by demonstrating Hexagon's CARE behaviours, acting fairly and consistently, supporting wellbeing, encouraging learning and maintaining a culture of constructive challenge, accountability and continuous improvement.

- Provide assurance to Heads of Service, HR, Leadership Team and Directors Group by completing required reviews, monitoring agreed actions, addressing overdue training or performance management review activity, and contributing to reporting on competence, conduct and performance themes.

11.4 Employees

Individuals will ensure that they:

- Actively prepare for, and participate in, appraisal discussions about progress towards achieving team and individual goals.
- Approach performance appraisal in a positive, open, and honest manner.
- Are prepared to discuss what is going well, what is not and why.
- Take underperformance seriously and work hard to improve.
- Demonstrate our CARE behaviours.
- Take responsibility for managing their own learning and development.
- Are proactive in managing their health and wellbeing at work.

12. Internal Controls

Forms of assurance are obtained from the following:

- Internal and external auditors reports.
- Reports and reviews by independent consultants and professional bodies,
- Risk management (see Risk Policy)
- Management reports on operational and financial matters

13. Compliance Mapping Table

Competence & Conduct Standard requirement	How the performance management framework addresses this	Evidence and assurance	Lead responsibility
Relevant staff have the required skills, knowledge, experience and behaviours to deliver landlord services.	Role expectations are set through job descriptions, objectives, performance management reviews, one-to-one meetings and learning and development plans.	Job descriptions, performance management reviews, one-to-one records, training records, development plans and performance monitoring information.	Line managers, Heads of Service and HR.
Competence is maintained and developed over time.	Annual performance management reviews and regular one-to-one meetings are used to review competence, agree development actions and monitor progress.	Performance review completion reports, one-to-one sample checks, development plans and mandatory training compliance reports.	Line managers, employees and HR.
Conduct expectations are clear and embedded.	Conduct is linked to Hexagon's CARE values, Code of Conduct, policies,	Appraisal records, conduct and capability case themes,	All employees, line managers and Leadership

	professionalism, accountability, respect, equality, diversity and inclusion, customer care and safe service delivery.	customer feedback, complaints, policy compliance and audit findings.	Team.
Poor performance, capability issues and conduct concerns are identified and addressed.	Managers are required to identify concerns early, agree clear actions, record discussions, monitor progress and escalate matters under the relevant disciplinary or capability policy where required.	Performance improvement plans, HR case records, one-to-one notes, capability records, disciplinary records and trend reporting.	Line managers and HR.
Learning and development supports competence and regulatory priorities.	Learning and development plans are aligned to role requirements, mandatory training, service priorities, regulatory expectations and future skills needs.	Training needs analysis, learning and development plans, mandatory training reports, refresher training records and evaluation of learning outcomes.	Employees, line managers, Heads of Service and HR.
Service providers and contractors working on Hexagon's behalf are appropriately competent.	The framework requires appropriate assurance that relevant external staff have the necessary skills, knowledge, experience and behaviours to deliver good quality services.	Contract requirements, service monitoring information, performance meetings, contractor assurance reports and follow-up actions.	Contract managers, Heads of Service and Leadership Team.
Policies and conduct expectations remain up to date, accessible and fit for purpose.	The framework, associated policies and Code of Conduct are kept under review and updated when needed.	Policy review records, approval records, staff communications, intranet publication and review logs.	Head of HR & Facilities and Directors Group.
Residents can influence Hexagon's approach where competence and conduct affect landlord services.	Resident engagement and scrutiny arrangements are used to inform development and review where staff competence and conduct affect service quality.	Resident feedback, complaints, scrutiny outcomes, consultation records and service improvement actions.	Leadership Team, Heads of Service and relevant service managers.
Board and leadership have assurance on competence and conduct.	Assurance is provided through monitoring of performance management reviews, one-to-ones, training, conduct and capability themes, customer feedback, complaints, audits and performance reports.	Leadership Team, Directors Group, People & Culture Committee Reports, Board reports, audit findings, KPI reports, HR reports and action tracking.	Leadership Team, Directors Group, People & Culture Committee, Board and HR.