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PERFORMANCE REVIEWS & DISMISSAL

Performance reviews are common place in workplaces. They are an opportunity for:

- the employer to give feedback to the employee on their progress and performance over the past year
- the employer and employee to set targets for the next year
- the employer and employee to discuss future training and development of skills, etc.

They are also an opportunity for the employee to provide the employer with their feedback on what is working or not working for them in the workplace.

Performance reviews can help an employer to identify employees that are performing their role and responsibilities above what is expected of them. This in turn helps the employer determine which of their employees deserve a salary raise, promotion etc.

However the flipside is that performance reviews also identify those employees who are under performing. This can be a positive as it gives the employer the chance to discuss with the employee how they are under-performing, what they could do to improve, the steps to be taken to help the employee improve, and to put in place a plan for continuing assistance

and supervision of the employee's work.

What if there has not been a significant improvement in the employee's work despite a plan being put in place to assist them to improve? Then the employer could make the decision to dismiss the underperforming employee.

If the employer decides to dismiss the employee, then the employer needs to ensure that a fair process was followed before dismissing for poor performance. It is likely that an employer has followed a fair process in coming to their decision if they inform the employee of their poor performance and how it needs to improve, put in place a system for assistance and monitoring, and provide a reasonable timeframe in which the employee is expected to improve.

If the employer does not follow a fair process in deciding to dismiss an underperforming employee then it could be very costly, so it is worth the employer investing time and money into a good performance review and management system.

20 MINUTE FREE

WANT to review your Family Trust structure? THEN call us and take advantage of our 20 Minute Free interview