

## Effective Performance Improvement Plans

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### 1. When (e.g., performance problems) might a PIP be an appropriate response?

Performance improvement plans (PIP) can be effective tools to address employees' performance deficiencies and are appropriate to implement when there is a likelihood, or at least possibility, of remedying those performance issues. To determine whether there is a path to improvement, it helps for managers to identify the employees' specific performance failures and the potential causes of those failures. Part of that process is determining whether the performance goals and standards at issue have been clearly identified (and whether proper training has been provided), whether management has previously addressed the performance issues with the employees, and if so, the employees response to the same. For example, depending on the nature of the issue, if the performance failure is a onetime event that has yet to be addressed by management, it may be too early to implement a PIP. However, if an employee is experiencing repeated or multiple performance deficiencies, a properly structured PIP can effectively provide employees with the necessary roadmap and support to meet performance objectives. This ideally requires management's buy-in and participation in the process with the goal of actually improving the employee's performance. Whether issued early or as a final step in the performance management process, PIPs are a valuable way for employers to clearly communicate expectations and a path to success within the organization.

### 2. When (e.g., insubordination, a safety threat) might an employer prefer to choose a fast termination instead?

There are times when it may be preferable to bypass a PIP for immediate termination. For example, a PIP is not typically effective if the employer has already repeatedly counselled the employee on various performance deficiencies and it is clear the employee cannot or is unlikely to perform the required job duties (and assuming there is no need for a reasonable accommodation). Furthermore, employers do not typically implement PIPs for serious misconduct such as:

- Theft;
- Actual or threats of violence;
- Violation of the company's anti-harassment/discrimination policy; or
- Refusal to following management's direction

### 3. What are some do's and don'ts with the content of a PIP?

#### Dos:

- Accurately describe the specific performance metrics/goals not being met by the employee
- Include examples, using *factual* information, of how the employee has failed to meet specific metrics/goals
- Include specific, measurable and attainable objectives relevant to their job duties
- Briefly describe the importance of performance goals and the how failure to meet those goals affects the business
- Include a specific and appropriate duration of the PIP (e.g., 30 - 90 days). The appropriate duration should be aligned with business goals and will depend in part on the performance metrics that need to be improved and whether the duration is sufficient to allow the employee to accomplish the objectives.
- Detail how frequently management and the employee will meet to review the progress during the PIP (e.g. weekly, bi-weekly).
- Describe the ways in which management and/or HR will be available to support the employee during the PIP
- Identify the repercussions if the PIP is not completed satisfactorily which may include: further disciplinary action, demotion, transfer or termination.
- Consider including a statement that the employee must demonstrate “immediate and sustained” improvement and that the Company may determine, at its own discretion, to end the PIP early if it becomes clear the employee cannot or is otherwise refusing to meet the goals of the PIP
- Include a statement that the PIP does not alter the at-will nature of employment
- Partner with HR to draft the PIP to ensure consistency across the organization

#### Don'ts:

- Do not include opinions or make conclusions about an employee's personality
- Avoid including milestones or assignments that do not actually correct the employee's performance issues
- Do not include durations which make it impossible for the employee to demonstrate immediate and sustained improvement

#### **4. What are some do's and don'ts with the implementation of a PIP?**

##### **Do's**

- While you want to choose an appropriate duration of the PIP, you should be flexible. For example, if the employee
- Reiterate to the employee the purpose of the PIP is to provide a structured process to support their performance improvement and that it is not the first step in inevitable termination.
- Openly and honestly discuss the performance progress with the employee so that they have a clear understanding of how they are progressing, if at all
- Regularly and accurately document the employee's performance throughout the PIP with factual details as the date, example of how their performance has progressed (whether it has improved, stayed the same or deteriorated)
- Obtain feedback from the employee about their performance and obstacles, if any, they have identified in progressing. If the need for additional training and support is identified, provide that as soon as possible.
- Be open to making changes to the PIP based on employee feedback
- Ensure the assessment of the employee's performance is consistent with assessment of similarly situated employees
- If the employee has sustained consistent improved performance, consider whether to end the PIP early
- If on the other hand the employee has failed to make sustained improved performance, consider whether to end the PIP early and whether other action should be taken

##### **Don'ts**

- Avoid skipping, showing up late, or otherwise cutting short the regular meetings and check-ins (e.g. weekly, bi-weekly) identified in the PIP
- Do not refuse to accept or otherwise belittle feedback from employees concerning obstacles they may be facing.
- Do not include feedback that is inconsistent with the stated goals of the PIP
- Do not include irrelevant information in progress reports as that can be seen as intentionally sabotaging the PIP process

**5. What's the main takeaway for employers with regard to PIPs?**

Before deciding on whether to implement a PIP, employers should determine the company's goal. If the goal is to provide a structured opportunity by which an employee can improve their performance in a timeframe that is consistent with business goals, a PIP can be a mutually beneficial tool for the employer and employee. PIPs can reassure employees that they will be provided the opportunity to improve their performance in a supportive and structured manner. Employers should understand that a properly implemented PIP process can require significant effort and patient by both the manager, HR and the employee.