FRONTIER BUILDING

Manager and Supervisor's Guide for Performance Improvement

Background: Performance improvement plan (PIP), also known as a performance action plan, is a tool to give an employee with performance deficiencies the opportunity to succeed. It may be used to address failures to meet specific job goals or to ameliorate behavior-related concerns.

Outcomes may vary, including improvement in overall performance; the recognition of a skills or training gap; or possible employment actions such as a transfer, demotion or termination.

HR's role includes:

- Determining whether a PIP is the appropriate action for the situation.
- Administering all PIPs in conjunction with the manager to prevent bias.
- Providing ongoing guidance to both the manager and employee throughout the plan.

Step 1: Determine if a PIP is appropriate

A PIP should be used when there is a commitment to help the employee improve, not as a way for a frustrated manager to start the termination process. Used as the latter, it's nothing more than a document trail that should already exist, and it signifies to all employees that no such help is available. Bottom line: HR needs to assess if a structured plan with time-sensitive goals is the appropriate next step, or if a PIP will be more of a detriment than an aid.

To assess whether a PIP is warranted, HR should consider the following:

- Is there an actual performance or behavioral issue that can be substantiated? Ask the manager to create a list of the performance deficiencies, including dates, specific data or detailed explanations, and any previous guidance given to the employee. Review the most recent performance appraisal to see if the issue is new or ongoing. Has the manager met expectations to prevent the need for a PIP?
- Do you feel the manager is committed to helping the employee succeed, or is his or her intention focused on terminating the employee? This can be tricky to assess, but listen for whether the manager is concerned about the employee and wants to help, or if he or she is at the end of their rope and no longer able to manage the situation. Insecure managers may feel threatened by some employee's behaviors or may not understand that managing includes supporting and developing employees. If the manager doesn't want employees to succeed, there is little point in starting a PIP.
- Is it likely that the issue can be "fixed" through a formal improvement plan? Problems with sales goals, quality ratings, quantity objectives and similar issues may be well-suited to a structured plan that helps identify why the deficiencies occur. Insubordinate and insolent behaviors, on the other hand, might not lend themselves to improvement using the goal-oriented process of a PIP.

- Does it appear the employee has received proper training to succeed at the task? A leave of absence or other time off may have resulted in missed training or informative meetings that were not later made available to the employee. Additional training may be warranted to correct the oversight.
- Is there a known personal issue that may be affecting the employee's performance? When personal difficulties strike, employees may have a dip in performance that employers often accommodate. If the reasonable time frame for accommodation has ended, a PIP may serve to help a capable employee get refocused and back on track.

Step 2: Develop a Draft Plan

Once the need for a PIP has been established, have the manager create a draft of the plan for HR to review. An improvement plan should include:

- Information on what acceptable performance levels are and how the employee's current performance is deficient. Specifics regarding the unacceptable performance should be given, including dates, data and detailed explanations. Attach the job description and any relevant employer policies to further clarify expectations.

- Specific and measurable objectives that are achievable, relevant and time-bound (otherwise known as SMART goals). PIPs usually last 30, 60 or 90 days, depending on how long it would reasonably take to improve the specific issue. Examples might be:
    - *In May, June and July, Jane Smith's quality errors must not exceed 3 percent each month, and she must produce at least 150 units each month*.
    - *During this 90-day performance evaluation, John Smith must have perfect attendance, with the exception of approved medical or family absences. This means that he must clock in and be ready for work by the start of each scheduled shift, return from all scheduled breaks on time and remain at work for his entire shift.*
- Guidance on what management will do or provide to assist the employee in achieving these goals, such as additional resources, training or coaching.
- Details on how often the manager and employee will meet to discuss progress. This is often done once a week, but may vary depending on the circumstances.
- Clearly stated consequences for not meeting the objectives of the plan. Options may include demotion, transfer to a different position or termination.

Employers may choose a letter format or use a standard form when creating a PIP. See two samples below:

1. Performance Improvement: Action Plan (PIP #1)
2. Performance Improvement: Action Plan (PIP #2)

Step 3: Review the Plan

HR should review the plan with a focus on removing any bias against the employee. Is the performance issue clearly stated and well-substantiated? Are the objectives fair and the time frames reasonable? For example, is a salesperson given a sales goal that far surpasses the projected sales of the clients assigned? Is the employee being given the proper tools and training needed to improve? If it's a relatively new employee, was an adequate onboarding effort in place to help the employee become acclimated? If HR has a role in making those provisions, that process should start immediately. The key to this step is to ensure that the plan is attainable and fair and not just a means to terminate an employee.

Step 4: Implement the Plan

It's time to meet with the employee to discuss the plan and expectations. While not the most pleasant of meetings, it helps if the manager conveys his or her own commitment to the plan and to the employee's success. Employee feedback should be encouraged to help identify areas of confusion and to help foster ownership. Be open to changes based on the employee's input; the perspective of a valued employee (one worth the time and effort of a PIP), is no less valuable here and may lead to a more-effective plan.

After fully discussing the plan, the manager may make modifications based on employee feedback. Once HR has reviewed any changes, the final plan should be signed by both manager and employee and forwarded to HR for approval.

If the employee is unable to commit to the PIP process at this point, the employer will need to determine whether termination, demotion or another appropriate employment action should be taken.

Step 5: Monitor Plan Progression

The manager should ensure all progress meetings are scheduled and occur on time. Cancelling meetings or showing up late would convey a lack of importance and commitment on the manager's part. Progress toward goals should be documented and discussed, seeking to identify why improvements have or have not been made. If gaps in training or required tools become apparent, provide those as soon as possible. Encourage employees to lead these meetings, to self-report on how they believe they are doing and what realizations they might have made, or what else they feel they need to succeed.

Successful progress made toward the goal should be recognized as a means of motivating the employee to continued improvement.

Step 6: Plan Conclusion

When the employee has responded positively by meeting plan objectives, possibly before the expiration date of the plan, the employer should formally close the PIP, recognize the employee's success and allow the employee to continue employment. While a positive occasion for the employee, the manager must be sure the employee understands that continued good performance is expected.

If an employee is unable to improve or if his or her performance worsens, the PIP should be closed, and a possible reassignment, demotion or termination should be considered, based on the specific circumstances.

When the employee is committed to improvement, but falls short of the objectives within the established timeline, it may be worthwhile to extend the plan to give him or her a bit more time to succeed. Additionally, if objectives were found, in retrospect, to not be realistic or fully within the employee's control, the plan might be ended successfully, based on the improvements achieved.