

A Performance Improvement Plan (PIP) can be used when you have identified a performance problem, and are looking for ways to improve the performance of an employee. PIPs provide:

- A tool to monitor and measure the employee's deficient work productivity
- Clear written evidence that a subsequent termination (if it becomes necessary) is for performance and business related issues
- Evidence that the employee was aware of the issues, and failed to improve, lowering the risk he or she will prevail in a wrongful termination claim
- The employer with a chance to rehabilitate an employee with whom the company has a considerable investment.

Key items for creating a PIP:

1. Describe the problem.
2. Identify the duties in which immediate and sustained improvement is required.
 - What are the aspects of performance required to successfully perform these duties?
 - Which skills need improvement?
 - What changes need to be made in the application of skills that an employee has already demonstrated?
3. Establish the priorities and clarify expectations.
 - Create or clarify priorities and the frequency for which the duties need to be performed.
 - What are the possible consequences for errors associated with these duties?
4. Develop an action plan.
 - What will the manager do to help the employee accomplish the goals within the desired time frame?
 - What will the employee do to facilitate improvement in their performance?
5. Establish short-term and long-term goals, and timetables for accomplishing these required changes.
6. Establish periodic review dates.
 - Monthly or quarterly review dates can be made with performance issues. If this is accompanied with a final written warning, remember to state that both immediate and sustained improvement is necessary, and failure to do so will result in termination.
7. Do not put the employee "on probation" as part of the PIP. Probationary periods may erode At-Will Employment.
8. Keep the PIP in the employee's personnel file.

Disclaimer:

The above information is a summary providing guidance on the key aspects of the law. Federal and state laws are more complex than presented here. This information is simplified for the sake of brevity and is not intended to be a substitute for legal advice. This information is provided with the understanding that (1) the author and publisher are not rendering legal advice and (2) this information is not a substitute for the advice of competent legal counsel. For more information, please contact a human resource professional or an employment law attorney.