

# Performance Improvement Plan (PIP): Employer guide and template

Performance improvement plans can be effective in fixing employee performance problems. They provide struggling employees with an opportunity to get help in order to improve their performance rather than facing a negative outcome such as termination. Performance improvement plans can be used to address a number of common problems such as poor leadership, attendance issues, or low productivity.

Discover the benefits of a performance improvement plan and how to create one for your staff. We've also included a helpful template that you can use as a foundation for creating your own performance improvement plan for your employees.

## What is a Performance Improvement Plan?

A performance improvement plan (PIP) is an action plan that is put in place to help an underperforming employee improve and avoid termination or other disciplinary action. It's often a last resort when an employee has displayed ongoing behavior or performance issues.

The performance improvement plan is detailed in a formal document that lists exactly what the performance concern is and sets clear expectations for how the employee will improve throughout the duration of the plan.

A PIP also generally includes ongoing involvement from the employee's manager. The manager will agree to provide additional resources and support to help the employee improve their performance. Human resources may also be involved in the creation and implementation of the plan.

## What is the difference between a Performance Improvement Plan and a warning?

There is often some confusion on how a performance improvement plan differs from a standard warning. The key difference is that a performance improvement plan creates a more formalized process for how an employee's performance needs to improve.

A warning, or write-up, will often focus on an incident of poor performance without offering clear expectations and resources for improvement. These can still be effective, but if the employee continues to underperform, a more supportive formal process may be necessary.

## When to put employees on a Performance Improvement Plan

Performance improvement plans generally shouldn't be your first step in correcting performance issues. Engaging in a more informal conversation as soon as you notice a problem can help prevent the issue from growing to the point where a performance improvement plan would be needed.

This also provides an opportunity for you to check in and ask if there is anything that the employee needs help with. Sometimes simply initiating a supportive conversation can help the employee open up about struggles

they are having at work such as difficulty with time management or an area where they feel they need extra training.

Before you start drafting a performance improvement plan, try to identify the root cause of the employee's poor performance. If an employee is currently experiencing personal issues, such as health or family struggles, a performance improvement plan may not be appropriate or helpful.

If the employee feels comfortable sharing what is going on, try to work with them toward a solution. You should also get human resources involved as they can be a great resource for things like ADA accommodation plans for employees dealing with health issues or conditions, FMLA leave, and more.

Similarly, it's generally a bad idea to use performance improvement plans when the root cause of the performance decrease is employee disengagement.

If an employee continues to underperform after receiving warnings and coaching, then it's time to create an employee performance improvement plan.

## **What should a Performance Improvement Plan include?**

Here are the key components of a Performance Improvement Plan. There are a number of ways to write a PIP. Some templates include all of these items in great detail, while others are relatively brief. We have included a sample performance improvement plan template below.

### **Areas of concern**

Start the performance improvement plan, and the accompanying meeting, with a clear, concise description of the problem. Explain what has been occurring. You may also want to state your expectations for the employee's role and what strong performance would look like.

If there are specific instances or metrics that can be used to explain the issues, list them out. Using hard data or notable examples can help reduce the possibility of real or perceived bias in performance improvement plans.

Being too vague when explaining the issue can lead to the classic "the manager just doesn't like me" response. However, when you list out clear facts and explain how the employee's poor performance has impacted customers, coworkers, or the company it is easier for the employee to see and accept the problem.

If you've taken previous informal or formal action regarding this issue, it can be helpful to list that as well. This is beneficial for documentation purposes, as it creates a paper trail of your prior efforts leading up to the creation of the performance improvement plan.

### **Specific goals or outcomes desired**

This is arguably the most important part of the performance improvement plan. You'll need to clearly list out what you expect the employee to accomplish by the end of the performance improvement plan.

The best way to approach this goal setting is to use the S.M.A.R.T. goals method to create measurable, achievable goals.

### **S.M.A.R.T. goals are meant to be:**

- **Specific.** Be specific about what you want the employee to accomplish. Where possible, include details regarding how they will accomplish the goal and who else will be involved if applicable.

- **Measurable.** Define clear metrics for how progress towards these goals will be measured. Include quantitative metrics where possible.
- **Achievable.** Set realistic and achievable goals. A Performance Improvement Plan is not the time to create stretch goals to really challenge the employee. Aim to set goals that would help the employee match their team members' average output or performance.
- **Relevant.** The goals set should be relevant to the employee's role and the current areas of concern. Any goals not related to the identified areas of concern should be saved for the employee's annual goals (often set during performance reviews) rather than the performance improvement plan.
- **Timely.** All goals should have a clearly defined time frame including a specific deadline date. The deadline could be the end date of the performance improvement plan, or it could be a milestone that you set along the way.

It's good to go into the meeting with some goals and objectives in mind. However, it can be beneficial to leave this portion of the plan blank or leave open spots on the document so that you and the employee can collaborate on some goals together. Getting the employee involved in the process can make a performance improvement plan feel less like an attack and more like a collaborative professional development process.

### Available resources

It's very important to understand the employee's needs and provide the resources necessary to help them improve. Ask the employee if there is any training or assistance that they need in order to reach the established goals.

Often employee performance issues can be the result of inadequate training during the onboarding phase or after a promotion. While the employee should ask for help before the issue reaches the point of needing a performance improvement plan, sometimes employees are hesitant to ask or are not aware of the training resources available to them.

### Improvement timeline

It's important to set a concrete timeframe for the performance improvement plan. Give the employee an adequate amount of time to make changes. Though remember that the PIP process is meant to create a sense of urgency for the employee to improve, so it shouldn't be too wide of a timeframe. Usually, PIPs last for 30, 60, or 90 days.

It's important to have regular check-ins with the employee throughout the timespan set for the performance improvement plan. This is helpful in facilitating ongoing communication between the manager and employee throughout the plan. When the PIP process concludes, neither party should be surprised by the outcome as they should be reviewing the employee's progress frequently and addressing any concerns promptly.

## Sample Performance Improvement Plan template

**Employee Name:**

**Employee Title:**

**Direct Manager:**

This performance improvement plan is intended to help [employee name] improve their work performance in the area of [specific performance concern].

**Areas of Concern:**

List specific areas of concern. Use examples of prior incidents and how they negatively impacted the business or other team members where possible.

**Performance Improvement Goals**

- 1. List out the agreed upon S.M.A.R.T. goals.
- 2. Goal
- 3. Goal

**Resources:**

In a clear easy-to-read format like bullet points, list out the resources that the employee will utilize to improve their performance.

**Performance Plan Duration:**

Tell the employee how long the plan will be in effect here. You can also mention potential outcomes if the employee does not successfully complete the PIP.

**Key Milestones:**

If you want to break out the plan goals into smaller goals with milestones throughout the PIP plan process, list them here. Some employers choose to use a 30-60-90-day format similar to the one that is often used for employee onboarding.

Milestone:

Deadline:

Outcome:

**Acknowledgment:**

I understand that failure to comply with the set employee performance plan may result in disciplinary action, up to and including termination.

Employee Name:

Employee Signature:

Manager Name:

Manager Signature:

## **What to do at the end of the Performance Improvement Plan**

The performance improvement plan should conclude with a final check-in to review whether the employee adequately improved their job performance.

### **If the employee achieved their performance goals**

If the end result of the performance improvement plan is that the employee met their goals, then the performance improvement plan has served its purpose and should conclude. Employees that complete their improvement plan typically should not remain on any type of probation.

It's a great idea to ask for feedback from the employee at the conclusion of the PIP. This can help you improve the experience for employees in the future.

### **If the employee did not achieve their performance goals**

Unfortunately, some employees will not be able to make adequate progress to reach their outlined performance goals within the desired timeframe. While termination is a common outcome of a failed performance improvement plan, managers do have a number of different options when this happens.

It is helpful to start out by looking at what they did achieve. Employees that made decent progress but didn't reach their final milestones or metrics may benefit from a deadline extension. Managers and employees can regroup and adjust the initial PIP to update the goals and timeframe of the plan. This is also a good time to re-evaluate whether the goals set are reasonably achievable within the timeframe set. Don't expect a struggling employee to become a top performer overnight.

If the employee made some progress and displayed genuine effort throughout the process, it may make sense to explore a possible demotion or transfer as an alternative to termination.

Lastly, sometimes termination simply is the right answer when an employee has failed to successfully complete their performance improvement plan. Terminating employees is an unfortunate part of management and human resources, but sometimes it is the right option.