

PERFORMANCE IMPROVEMENT PLAN (PIP) POLICY

Prepared/Modified by	Role	Date of Preparation
Shubhangi Kesarwani	HR	08/02/2024
Reviewed by	Role	Date of Review
Parag Tribhuwankar	CEO	08/02/2024
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1. OBJECTIVE

The objective of this policy is to help employees and managers resolve performance issues. It aims to identify the causes of non-performance and provide employees with the opportunity to enhance their performance through support and training

2. SCOPE

This policy applies to all permanent employees of the organization. A PIP can be initiated for a minimum period of one month or more depending on the business need.

3. PROCESS

3.1. Initiation

- The manager has a conversation with the employee and sends an email to HR to initiate the PIP.
- HR holds a conversation with the employee upon receiving the email.

3.2. Plan Development

- The manager completes the PIP Template (See Annexure 1) and shares it with HR.
- The manager and HR discuss specific areas of improvement and the action plan with the employee.
- Employee inputs on required support are incorporated into the plan.

3.3. Formalization

- HR releases the formal PIP letter to the employee, copying the manager.
- The manager reviews performance at predetermined intervals.

3.4. Completion and Review

- Upon completion of the PIP, the manager holds a closure discussion with the employee and prides feedback.

4. REVIEW PARAMETERS

- **Satisfactory Improvement:** The employee meets the required standards, and a PIP clearance letter is issued.
- **Partial Improvement:** Significant improvement has been observed, and the review period may be extended as the employee might achieve the standards shortly.
- **No Improvement:** If no improvement is seen, further action will be taken to move the employee to the next stage of the PIP.

- Based on the final feedback, appropriate actions—closure of PIP, extension, or employment termination—are taken and communicated by the manager and HR.

5. RESPONSIBILITIES

5.1. Manager

- Initiate PIP after repeated instances of non-performance.
- Inform HR before placing an employee on PIP.
- Clearly communicate required performance standards to the employee.
- Ensure the employee receives access and support for relevant training and development.
- Set and communicate PIP expectations and outcomes to the employee and HR.
- Review the employee's performance at predetermined intervals.
- Provide formal feedback on the final PIP outcome to the employee.

5.2. Employee

- Fully understand the roles and responsibilities of their job.
- Take the improvement plan seriously and work to meet required standards.
- Understanding that if there is a decline in performance then the managers are obligated to review it.
- Communicate any performance concerns or personal circumstances affecting performance to their manager.
- Seek guidance from the manager on performance issues.

5.3 Human Resources

- Understand the cause of performance decline from the employee.
- Understand the need for PIP from the manager.
- Review the employee's performance in the previous appraisal cycle.
- Guide the manager on PIP policy and initiation process.
- Be present in PIP discussions and intervene if necessary.
- Release formal feedback letters to the employee post-PIP completion.

6. EXTENSION OF PIP

PIP can be extended in rare cases with valid reasons, with the final performance review decided by the end of that month. The same process as the initial PIP is followed.

7. CONDITIONS OF EXTENSION

- The manager cannot make a performance decision due to unavoidable reasons.
- Significant improvement is noticed, suggesting the employee will meet standards with additional time.

8. ROLE OF PERFORMANCE MANAGEMENT & REVIEW SYSTEM (PMRS)

Our PMRS module clarifies roles and responsibilities aligned with company objectives and facilitates performance evaluation against goals and expectations. For a comprehensive policy, refer to the Employee Handbook section on HROne.

9. CIRCUMSTANCES FOR IMPLEMENTING PIPs

- Consistent failure to meet performance targets over an extended period.
- Lack of significant improvement despite feedback and support.
- Receiving an average rating below '2' in any quarter.
- Decline in performance after previous placement on a PIP within 3 months following release from the initial PIP

10. APPROVING AUTHORITY

- Any policy deviations require approval from the HR Head and CEO. The company reserves the right to change, modify, add, or remove portions of these terms at any time by communicating the amended terms.

ANNEXURE 1
PERFORMANCE IMPROVEMENT PLAN

Employee Name:

Duration of PIP: __/__/____ **till** __/__/____

Reporting Manager:

Functional Manager:

Review dates: You will be reviewed on every _____

Any other comments _____

1. Define the task, skill, competency or value that needs to be improved.

2. Define the action for the improvement.

Acknowledgement:

The above PIP plan has been discussed with the employee, who is aware of their responsibilities and what is expected of them. If the employee fails to achieve the expected improvements, they will face the appropriate consequences accordingly.

Signature:

Employee:

Reporting Manager:

Functional Manager: