pAI

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Policy Title: Disciplinary & Grievance Policy

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9. Purpose

This policy establishes fair, consistent, and transparent procedures for addressing employee misconduct, poor performance, and employee grievances. Its purpose is to ensure a just and equitable work environment, promote adherence to company policies and standards, resolve workplace issues promptly, and comply with all applicable labor laws and regulations.

1. Scope

This policy applies to all pAI employees (full-time, part-time, permanent, and temporary) globally. It covers all instances of alleged misconduct, unsatisfactory performance, and employee grievances. This policy does not apply to employees during their initial probationary period for performance issues, which are covered under Policy HR-06.

1. Definitions

| **Term** | **Definition** |
| --- | --- |
| **Disciplinary Action** | Formal measures taken by pAI in response to an employee’s misconduct or unsatisfactory performance. |
| **Gross Misconduct** | A serious breach of company rules or conduct that is so serious it fundamentally breaches the employment contract, potentially leading to immediate termination. |
| **Grievance** | A formal complaint raised by an employee regarding a workplace issue, concern, or dissatisfaction related to their employment. |
| **Investigation** | A formal process of gathering facts and evidence related to an alleged misconduct or grievance. |
| **Misconduct** | Any behavior by an employee that violates pAI policies, rules, or standards of conduct (e.g., insubordination, theft, harassment). |
| **Performance Improvement Plan (PIP)** | A structured plan designed to address and improve an employee's unsatisfactory performance (See Policy HR-15). |
| **Retaliation** | Any adverse action taken against an employee for raising a grievance, reporting misconduct in good faith, or participating in an investigation. |
| **Witness** | An individual who has observed or has information relevant to an alleged misconduct or grievance. |

1. Policy Statement

4.1 pAI is committed to treating all employees fairly and consistently when addressing disciplinary matters and grievances.

4.2 Disciplinary actions shall be proportionate to the severity of the misconduct or performance issue, and shall follow a progressive approach where appropriate.

4.3 Employees have the right to raise grievances without fear of retaliation and to have their concerns addressed promptly and impartially.

4.4 All disciplinary and grievance processes shall be conducted with due regard for confidentiality, privacy, and legal compliance.

4.5 Employees are expected to cooperate fully and truthfully in any investigation related to misconduct or grievances.

1. Procedures / Guidelines

5.1 Disciplinary Procedure

The disciplinary procedure aims to correct unacceptable behavior or performance, rather than simply punishing.

5.1.1 **Informal Discussion:** For minor issues, the manager shall first address the concern informally with the employee, providing clear feedback and expectations for improvement. This discussion should be documented.

5.1.2 Formal Warnings: If the informal discussion does not lead to improvement, or for more serious initial offenses, formal warnings may be issued.

\* Verbal Warning (Documented): A formal discussion outlining the issue, expected improvement, and consequences of continued non-compliance. This is documented in the employee’s file.

\* Written Warning: For repeated minor offenses or a more serious single incident. This warning clearly states the misconduct/performance issue, the required improvement, a timeframe for improvement, and the potential for further disciplinary action, including termination. A copy is placed in the employee’s personnel file.

5.1.3 **Performance Improvement Plan (PIP):** For performance-related issues that require structured improvement, a PIP shall be initiated (See Policy HR-15). A PIP is a formal step in the disciplinary process for performance.

5.1.4 **Suspension:** For serious misconduct, or while an investigation into gross misconduct is underway, an employee may be suspended, typically without pay. The suspension letter will state the reason, duration, and that it is not a prejudgment of guilt.

5.1.5 **Demotion/Transfer:** In some cases, as an alternative to termination, an employee may be demoted or transferred to a different role if their skills or conduct are more suited to another position, with a corresponding adjustment in compensation.

5.1.6 Termination of Employment: Termination may occur for:

\* Failure to improve performance after a PIP.

\* Repeated serious misconduct.

\* A single incident of gross misconduct.

\* In accordance with the Employee Exit, Termination & Exit Interview Policy (See Policy HR-19).

Table 1 – Progressive Disciplinary Actions

| **Stage** | **Typical Application** | **Action** |
| --- | --- | --- |
| **1. Informal Discussion** | Minor misconduct, first instance of minor performance issue. | Verbal feedback, clear expectations, documented by manager. |
| **2. Verbal Warning** | Repeated minor misconduct, failure to improve after informal discussion, more serious minor misconduct. | Formal verbal discussion, documented in file, clear warning of next steps. |
| **3. Written Warning / PIP** | Continued minor misconduct, serious misconduct (first instance), failure to meet performance expectations. | Formal written notice, detailed improvement plan (for PIP), warning of potential suspension/termination. |
| **4. Suspension** | Investigation of gross misconduct, repeated serious misconduct. | Temporary removal from duties, typically unpaid, pending investigation outcome. |
| **5. Termination** | Gross misconduct, failure to improve after PIP/warnings, severe policy violations. | End of employment. |

5.2 Investigation Process (for Misconduct or Grievances)

5.2.1 Initiation: Upon receiving a report of misconduct or a formal grievance, HR will determine if an investigation is required.

5.2.2 Investigator: An impartial investigator (typically HR or a designated manager not involved in the matter) will be assigned.

5.2.3 Fact-Finding: The investigation will involve:

\* Interviewing the complainant/accused.

\* Interviewing witnesses.

\* Reviewing relevant documents, emails, and other evidence.

5.2.4 Confidentiality: All parties involved are expected to maintain confidentiality to protect the integrity of the investigation. Information will be shared only on a "need-to-know" basis.

5.2.5 Fair Process: All parties will have the opportunity to present their side of the story and provide relevant information.

5.2.6 Conclusion: The investigator will prepare a report summarizing findings and recommend appropriate action based on the evidence.

5.3 Grievance Procedure

This procedure provides a formal mechanism for employees to raise concerns and seek resolution.

5.3.1 Informal Resolution: Employees are encouraged to first attempt to resolve grievances informally by discussing them directly with their immediate manager.

5.3.2 Formal Grievance Submission: If informal resolution is not possible or appropriate, the employee may submit a formal written grievance to their manager or HR. The grievance should clearly state the nature of the complaint, relevant dates, and desired resolution.

5.3.3 Grievance Meeting: The manager (or HR, if the grievance is against the manager) will hold a meeting with the employee to discuss the grievance within a reasonable timeframe. The employee may be accompanied by a colleague or union representative (if applicable).

5.3.4 Investigation (if needed): If the grievance requires further investigation (as per 5.2), it will be conducted promptly.

5.3.5 Decision: Following the meeting and any investigation, the manager/HR will provide a written decision to the employee, outlining the findings and proposed resolution.

5.3.6 Appeal: If the employee is dissatisfied with the decision, they may appeal in writing to a higher level of management or a designated HR senior leader, whose decision will be final.

1. Responsibilities

| **Role** | **Obligation** |
| --- | --- |
| **Employees** | Understand and comply with pAI policies. Raise concerns promptly and formally if needed. Cooperate fully and truthfully in investigations. |
| **Managers / Supervisors** | Address misconduct and performance issues promptly. Follow disciplinary procedures fairly. Encourage informal resolution of grievances. Escalate complex issues to HR. |
| **Human Resources** | Administer this policy. Conduct investigations. Advise managers on disciplinary actions. Manage grievance process. Ensure legal compliance. |
| **Senior Leadership** | Support fair and consistent application of policies. Ensure resources are available for effective disciplinary and grievance management. |

1. Compliance & Consequences

7.1 Adherence to this Disciplinary & Grievance Policy is mandatory for all employees and managers.

7.2 **Non-Compliance with Disciplinary Action:** Failure to improve performance or conduct after disciplinary action, or repeated violations, will lead to further disciplinary measures, up to and including termination.

7.3 **False Accusations:** Individuals found to have made intentionally false or malicious accusations during a grievance or disciplinary process will be subject to disciplinary action.

7.4 **Retaliation:** Any form of retaliation against an employee for raising a grievance in good faith or participating in an investigation is strictly prohibited and will result in severe disciplinary action, up to and including termination of employment.

7.5 **Legal Compliance:** All disciplinary and grievance actions will comply with applicable local labor laws and regulations.

1. Review & Revision History

| **Version** | **Date** | **Description** | **Author** |
| --- | --- | --- | --- |
| 1.0 | 2025-07-01 | Initial release | HR Director |