

How to Create a Performance Improvement Plan



Using performance reviews to help employees improve—or lawfully fire them if they don’t.

HR Law, 101: Poor performance is generally just cause for termination, **provided that** you give employees ample feedback, warning and a fair opportunity to improve. Implementing a so-called Performance Improvement Plan (PIP) can be an effective way to help poorly performing employees turn things around; and if things don’t work out, being able to show that you had a clear and specific PIP in place can help you beat back a wrongful dismissal case and show that you had just cause to terminate an employee for poor performance. Based on [Best Practices and court cases involving termination for poor performance](#), there are 6 things a PIP should do. ([Click here](#) for a sample PIP incorporating the correct elements that you can use as a guide in creating your own plans).

1. Identify the Performance Problem

What the Law Requires: To fire for poor performance, you must let employees know exactly what they’re doing wrong.

PIP Strategy: The PIP should come after a [performance review](#) and include a “deficiency statement” that describes the employee’s performance problem(s) as specifically as possible (Model, para. A).

2. Explain the Skills that Need Improvement

What the Law Requires: You must give employees a fair chance to improve before firing them for poor performance.

PIP Strategy: List the skills, duties and behaviours the employee needs to improve to fix their performance problems and keep their jobs (Model, para. B).

3. Identify Performance Standards

What the Law Requires: You can’t fire employees for poor performance unless you establish and clearly communicate an [objective and reasonable performance standard](#).

PIP Strategy: Describe the expectations of how the job should be done and what

acceptable performance looks like. Make sure these standards are [reasonable, measurable and consistent](#) with what's expected of employees with comparable roles and skills (Model, para. C).

4. Describe Action Steps

What the Law Requires: You must give employees a fair chance to live up to your expectations and support their efforts.

PIP Strategy: List the steps the employee must take to achieve the performance goal and a timetable, and what supervisors or management will do to support the employee and help her achieve the performance goals (Model, para. D).

5. Establish Schedule to Measure Progress

Create a schedule for reviewing the employee's performance and progress (Model, para. E).

6. Explain What Happens If the Employee Doesn't Improve

What the Law Requires: To terminate for poor performance, you must clearly warn employees their job is in jeopardy and that they'll be terminated if they don't improve.

PIP Strategy: Describe the consequences if the employee doesn't live up to the PIP goals. If termination is the next step, specifically say so (Model, para. F).