
PERFORMANCE MANAGEMENT PROCESS

OVERVIEW

- 1) The goal of Performance Management is to improve employee job performance.
- 2) Supervisors must understand the Company has a Performance Management process, not a Progressive Discipline policy.
 - a) Performance Management is underscored by the company's At-will policy which states the employment relationship is for an unspecified period of time and may be terminated at-will at any time, either by the employee or the Company for no reason or for any reason not expressly prohibited by law. This at-will employment relationship includes the right to discipline, demote, or transfer an employee with or without advance notice.
 - b) Progressive Discipline implies that a sequential process (e.g., informal coaching, verbal warning, written reprimand, suspension) is expected to be completed prior to employee termination. That implied sequential interpretation is incorrect, is not part of any Company policy or procedure, and is contrary to the Company's commitment to best practices. The Company is capable of applying any type of performance management at its discretion.
- 3) Supervisor identifies employee's behavior as representing a policy violation or performance issue.
- 4) Supervisor verifies the policy statement, performance standard, and employee's behavior.
 - a) If the Supervisor determines that a policy violation has occurred, the Supervisor must verify that the employee was aware of the policy violation by affirming the employee signed the Employee Handbook Acknowledgment Form.
- 5) Supervisor evaluates incident and decides if it warrants informal coaching, verbal warning, written reprimand, or suspension based on similar incidents demonstrated within the company.
- 6) Supervisor confers with Human Resources to ensure consistent application of disciplinary action (e.g., informal coaching, verbal, written, suspension, termination).

1) INFORMAL COACHING

- 1) If the policy violation or performance issue is minor in scope, Supervisor may choose to provide informal coaching to the employee.
- 2) In many cases, informal coaching may be all that is necessary to facilitate improved performance.
- 3) The goal of informal coaching is to help the employee recognize and solve the problem early on.
- 4) When a problem exists, the Supervisor should discuss the situation with the employee before it becomes serious.
- 5) When coaching the employee, Supervisor must never raise his/her voice beyond a conversational tone or volume.
- 6) During such a discussion, the Supervisor must explain exactly what the performance expectation is and specifically how the employee's behaviors do not meet that performance expectation.
- 7) Supervisor must define the potential impact of the policy violation or performance issue on company business results (e.g., inefficient labor, lost job, poor job quality, decreased gross margin, bad team morale).
- 8) Once the employee agrees (or at least understands) that s/he is accountable for meeting the specific performance expectation, the employee and Supervisor agree on the approach that will be taken to solve the problem.
- 9) It is the Supervisor's responsibility to ensure the employee understands what s/he must do to prevent repeated policy violations or performance issues and the consequences for the employee if the problem is not resolved.
- 10) The Supervisor must inform the employee that the employee's behavior must demonstrate "immediate, significant, and sustained improvement. Failure to do so, can lead to additional performance management up to and including termination."
- 11) The Supervisor informs the employee how and when the Supervisor will provide the employee with follow-up to provide additional feedback on progress in support of the agreement.
- 12) Despite the fact that this is informal coaching, and not formal discipline, this event must have written documentation (i.e., Corrective Discipline Form signed by employee and Supervisor), that the event actually did occur and was acknowledged by the employee and Supervisor.
- 13) Supervisor delivers the completed Corrective Discipline Form to Human Resources for processing.
- 14) Human Resources verifies the Corrective Discipline Form was completed correctly.
- 15) Human Resources stores the Corrective Discipline Form in employee's personnel file.

2) VERBAL WARNING

- 1) If the policy violation or performance issue is significant in scope, Supervisor should apply a verbal warning to the employee.
- 2) The goal of a verbal warning is to inform the employee that the serious nature of the policy violation or performance issue requires the onset of the formal documentation process (i.e., completing and processing the Corrective Discipline Form).
- 3) Prior to distributing a verbal warning to the employee, the Supervisor should consult with Human Resources to discuss the nature of the policy violation, consider the employee's past behavior, and review the necessary steps of the disciplinary process to ensure it is conducted fairly (e.g., no retaliation, harassment, discrimination).
- 4) Supervisor reviews the employee's personnel file for documentation that may be related to the current policy violation or performance issue.
- 5) Supervisor conducts a prompt, thorough, and objective investigation concerning the facts related to the policy violation or performance issue by interviewing the employee, all potential witnesses, documenting their comments, and considering the impact of the policy violation or performance issue on company results (e.g., gross margin, customer service, team morale).
- 6) Once the investigation has been completed, the Supervisor summarizes the key points of the policy violation or performance issue, related company impact, and proposed action plan on the Corrective Discipline Form to the Human Resources within 24 hours.
- 7) Verbal warnings must always be conveyed to the employee in the presence of another Company employee (e.g., Manager, Office Manager, Safety Coordinator) serving as a witness to document process integrity.
- 8) Verbal warnings must always be conducted in a private, confidential setting.
- 9) Supervisor must never raise his/her voice beyond a conversational tone or volume; the witness should not have a speaking role, serving only as a scribe and observer.
- 10) When introducing the verbal warning, the Supervisor should frame the issue in terms of failing to meet a specific business goal, thereby directing focus onto organizational accountability for results and not on the employee's personal characteristics.
- 11) During the verbal warning meeting, Supervisor must:
 - a) inform the employee that this meeting is a formal disciplinary session,
 - b) state the facts gathered from the investigation,
 - c) explain exactly what the performance expectation is and specifically how the employee's behaviors do not meet that performance expectation, and
 - d) inform the employee of the potential impact that his/her behavior could have on company business results (e.g., inefficient labor, lost job, poor job quality, decreased gross margin, bad team morale).
- 12) Once the employee agrees (or at least understands) that s/he is accountable for meeting the specific performance expectation, the employee and Supervisor agree on the approach that will be taken to solve the problem.
- 13) It is the Supervisor 's responsibility to ensure the employee understands what s/he must do to prevent repeated policy violations or performance issues and the consequences for the employee if the problem is not resolved.
- 14) The Supervisor must inform the employee that the employee's behavior must demonstrate "immediate, significant, and sustained improvement. Failure to do so, can lead to additional performance management up to and including termination."
- 15) If necessary, the Supervisor should inform the employee how and when the Supervisor will provide the employee with follow-up to provide additional feedback on progress in support of the agreement.
- 16) At that point, Supervisor, employee, and witness all sign and date the Corrective Discipline Form.
- 17) Once the meeting has been dismissed, Supervisor and witness debrief the session to document any procedural errors, controversial comments (e.g., threats, claims of discrimination, allegations of retaliation), or noteworthy actions.
- 18) Supervisor delivers the completed Corrective Discipline Form to the Human Resources for processing.
- 19) Human Resources verifies the Corrective Discipline Form was completed correctly.
- 20) Human Resources stores the Corrective Discipline Form in employee's personnel file.

3) WRITTEN REPRIMAND

- 1) If the policy violation or performance issue is severe in nature, Supervisor should complete a written reprimand on the employee.
- 2) The goal of a written reprimand is to inform the employee that the severe nature of the policy violation or performance issue jeopardizes his/her continued employment with the company.
- 3) Prior to distributing a written reprimand to the employee, the Supervisor should consult with Human Resources to discuss the nature of the policy violation, consider the employee's past behavior, and review the necessary steps of the disciplinary process to ensure it is conducted fairly (e.g., no retaliation, harassment, discrimination).
- 4) Supervisor reviews the employee's personnel file for documentation that may be related to the current policy violation or performance issue.
- 5) Supervisor/Human Resource conducts a prompt, thorough, and objective investigation concerning the facts related to the policy violation or performance issue by interviewing the employee, all potential witnesses, documenting their comments, and considering the impact of the policy violation or performance issue on company results (e.g., gross margin, customer service, team morale).
- 6) Once the investigation has been completed, the Supervisor/Human Resources summarizes the key points of the policy violation or performance issue, related company impact, and proposed action plan on the Corrective Discipline Form to the Human Resources within 24 hours.
- 7) Written reprimands must always be conveyed to the employee in the presence of another Company employee (e.g., Manager, Office Manager, Safety Coordinator) serving as a witness to document process integrity.
- 8) Written reprimands must always be conducted in a private, confidential setting.
- 9) Supervisor must never raise his/her voice beyond a conversational tone or volume; the witness should not have a speaking role, serving only as a scribe and observer.
- 10) When introducing the written reprimand, the Supervisor should frame the issue in terms of failing to meet a specific business goal, thereby directing focus onto organizational accountability for results and not on the employee's personal characteristics.
- 11) During the written reprimand meeting, Supervisor must:
 - a) inform the employee that this meeting is a formal disciplinary session,
 - b) state the facts gathered from the investigation,
 - c) explain exactly what the performance expectation is and specifically how the employee's behaviors do not meet that performance expectation, and
 - d) inform the employee of the potential impact that his/her behavior could have on company business results (e.g., inefficient labor, lost job, poor job quality, decreased gross margin, bad team morale).
- 12) Once the employee agrees (or at least understands) that s/he is accountable for meeting the specific performance expectation, the employee and Supervisor agree on the approach that will be taken to solve the problem.
- 13) It is the Supervisor 's responsibility to ensure the employee understands what s/he must do to prevent repeated policy violations or performance issues and the consequences for the employee if the problem is not resolved.
- 14) The Supervisor must inform the employee that the employee's behavior must demonstrate "immediate, significant, and sustained improvement. Failure to do so, can lead to additional performance management up to and including termination."
- 15) The Supervisor informs the employee how and when the Supervisor will provide the employee with follow-up to provide additional feedback on progress in support of the agreement.
- 16) At that point, Supervisor, employee, and witness all sign and date the Corrective Discipline Form.
- 17) Once the meeting has been dismissed, Supervisor and witness debrief the session to document any procedural errors, controversial comments (e.g., threats, claims of discrimination, allegations of retaliation), or noteworthy actions.
- 18) Supervisor delivers the completed Corrective Discipline Form to the Human Resources for processing.
- 19) Human Resources verifies the Corrective Discipline Form was completed correctly.
- 20) Human Resources stores the Corrective Discipline Form in employee's personnel file.

4) **SUSPENSION**

- 1) Suspension from work is the temporary removal of an employee from performing his/her work duties and from receiving pay, as a disciplinary response to misconduct (e.g., harassment, violence, drugs or alcohols, violations of state or federal laws, and major safety infractions that present serious danger in the workplace).
- 2) The goal of a suspension is to remove the employee from the workplace to minimize potential organizational harm and/or conduct a disciplinary investigation free from the employee's influence.
- 3) Employee suspensions must be interpreted uniquely based upon the employee's position classification: non-exempt vs. exempt.
 - a) Non-exempt employees may be suspended without pay in hourly increments (i.e., "the rest of the day," "the rest of this week," "3½ days").
 - b) Exempt employees should only be suspended in full-day increments or for an entire work week.
- 4) Due to the extreme nature and rare occurrence of an employee suspension, all proposed suspensions must be approved in advance by the Company President (i.e., Executive).
- 5) While approval by the Company President is sufficient to warrant a suspension, the Supervisor and Human Resources should be involved throughout the deliberation process to benchmark the grave nature of the offense, discuss suitability of the suspension and its duration, consider organizational impact, and review the necessary steps of the disciplinary process to ensure it is conducted fairly (e.g., no retaliation, harassment, discrimination). Baseline questions include the following:
 - a) Is there credible reason to believe the employee was involved in the infraction?
 - b) Is the alleged infraction of a serious nature?
 - c) Is there a possibility the employee may interfere with witnesses?
 - d) Is there a possibility the employee may tamper with evidence?
 - e) Is there a possibility the accused employee may retaliate against the complainant, especially if the complainant is in a lower position than the accused employee?
 - f) Is there a possibility the employee may commit further similar infractions if s/he is not suspended?
- 6) Depending upon the nature of the offense and time availability, Supervisor/Human Resources should conduct an investigation verifying the extreme nature of the offense prior to administering the suspension or conduct an investigation while the employee is on suspension.
 - a) A summary of gathered evidence, related company impact, and proposed action plan must be captured on the Corrective Discipline Form and forwarded to Human Resources within 24 hours.
- 7) Suspensions must always be conveyed to the employee in the presence of a of another Company employee (e.g., Manager, Office Manager, Safety Coordinator) serving as a witness to document process integrity.
- 8) Suspensions must always be conducted in a private, confidential setting.
- 9) The Supervisor must never raise his voice beyond a conversational tone or volume; the witness should not have a speaking role, serving only as a scribe and observer.
- 10) When introducing the suspension, the Supervisor should frame the issue in terms of failing to meet a specific business goal, thereby directing focus onto organizational accountability for results and not on the employee's personal characteristics.
- 11) During the suspension meeting, the Supervisor must:
 - a) inform the employee that this meeting is a formal disciplinary session,
 - b) state the facts gathered from the investigation,
 - c) specify the exact violation and how the employee's behaviors caused that violation,
 - d) inform the employee of the potential impact that his/her violation has on company business results (e.g., illegality, safety breach, harassment, violence against employees).
 - e) provide the employee with an opportunity to give reasons for not suspending him/her,
 - f) define the terms (e.g., relinquish and/or return keys, computer access, phone access, customer/employee contact, work-related documents) and length of the unpaid suspension, and
 - g) explain what will happen at the end of the suspension or as soon as the investigation has been finalized.
- 12) Once the employee agrees (or at least understands) that s/he is accountable for the violation, the employee and Supervisor agree on the approach that will be taken to solve the problem.
- 13) It is the Supervisor 's responsibility to ensure the employee understands what s/he must do to prevent repeated policy violations or performance issues and the consequences for the employee if the problem is not resolved.

- 14) The Supervisor must inform the employee that the employee's behavior must demonstrate "immediate, significant, and sustained improvement. Failure to do so, can lead to additional performance management up to and including termination."
- 15) The Supervisor informs the employee how and when the Supervisor will provide the employee with follow-up to provide additional feedback on progress in support of the agreement.
- 16) At that point, the Supervisor, employee, and witness all sign and date the Corrective Discipline Form.
- 17) Once the meeting has been dismissed, the Supervisor escorts the employee off company premises.
- 18) Supervisor and witness debrief the session to document any procedural errors, controversial comments (e.g., threats, claims of discrimination, allegations of retaliation), or noteworthy actions.
- 19) Supervisor informs Company President of the incident and action steps that were taken.
- 20) Human Resources reminds Supervisor not to divulge any detail of this process to anyone in that such dissemination could compromise the integrity of any follow-up investigation, may lead to a claim of retaliation, and could result in termination of any employee who discusses any aspect of this process with anyone.
- 21) Supervisor delivers the completed Corrective Discipline Form to the Human Resources for processing.
- 22) Human Resources verifies the Corrective Discipline Form was completed correctly.
- 23) Human Resources stores the Corrective Discipline Form in employee's personnel file.

5) EMPLOYEE TERMINATION

- 1) Employee terminations are usually based on unsatisfactory job performance or violation of a Company policy.
 - a) With reference to unsatisfactory job performance, the Supervisor/Human Resources must conduct a review of the employee's personnel file to ensure suitable documentation of previous feedback sessions exists.
 - b) With reference to a policy violation, the Supervisor/Human Resources must conduct a fair, timely, and complete investigation of the alleged violation.
- 2) Based upon adequate information gathered from the previous step, the Supervisor must inform the Company President (Executive) of the recommendation for employee termination.
- 3) Upon approval, the Supervisor must ensure the employee's personnel file contains current versions of the following signed documents: (a) Employee Handbook Acknowledgment Form, (b) Confidentiality, Non-disclosure, and Non-solicitation Agreement, and (c) Arbitration Agreement.
- 4) Supervisor contacts Human Resources regarding the termination decision.
- 5) As appropriate, Human Resources reviews the following EPLI information about the employee:
 - a) Birth date
 - b) Hire date
 - c) Position title
 - d) Ethnicity if available
 - e) Gender if available
 - f) Reason for anticipated termination
 - g) Dates and details of previous feedback sessions status
 - h) Any extenuating circumstances (e.g., FMLA, workers' compensation status, retaliation, Top 40)
- 6) Human Resources informs Supervisor regarding decision to terminate the employee.
- 7) Supervisor collects all relevant paperwork (e.g., Employee Termination Form, final paycheck, reimbursement paycheck, Employee Termination Checklist, Confidentiality Agreement, COBRA information).
- 8) All employee terminations are conducted in a two-on-one format, led by a Supervisor and supported by a witness (e.g., Office Manager, Safety Coordinator, Human Resources).
- 9) Employee terminations should be conducted in a private location away from on-going activities.
- 10) Supervisor must remain calm and confident, showing appropriate eye contact to the employee.
 - The less the supervisor says, the better the result will be.
- 11) Upon employee arrival, explain the meeting purpose to the employee.
 - Use Statement 1 for a chronic performance problem or Statement 2 for a major policy violation.
 - Statement 1:
 - "As you know, you and I have had several meetings over the past several weeks/months to discuss your performance-related issues (e.g., interpersonal skills, accuracy of work).
 - Despite that coaching, your performance has not improved to the required level of your position.
 - Due to that fact, today will be your last day of employment with the Company."
 - No employee should ever be surprised by a termination; if so, proper coaching did not occur.
 - Statement 2:
 - "An investigation has provided us with evidence that you violated company policy (e.g., sexual harassment, alcohol use, timecard fraud) on (specify date).
 - As stated in the Employee Handbook that you signed on (specify date), that policy violation has the consequence of employee termination.
 - Due to that fact, today will be your last day of employment with the Company."
- 12) Allow the employee to share his/her opinions.
 - Be prepared for any possible response from the employee (e.g., swearing, verbal attack, crying).
 - Let the employee vent, express shock, or ask questions; remain calm regardless of the response.
 - While stressful to you, it is potentially catastrophic for the employee (e.g., lack of income).
 - Do not respond emotionally to the employee; stay focused only on the issue at hand.
 - When in doubt remain quiet; when challenged, simply restate the evidence and the decision.
- 13) After the responses and rebuttals have occurred, introduce the administrative part of the meeting.
 - Complete all relevant items on the Employee Termination Checklist and retrieve all company materials (e.g., keys, cell phone, files, tools, gas card).
 - Present the documents (e.g., paychecks, COBRA, Confidentiality Agreement) to the employee.
 - Have the employee sign the Employee Termination Form.

- If the employee refuses to sign the Employee Termination Form, the witness must document that point on the form with his/her signature and date.
- 14) As the meeting comes to a close, state "I wish you the best as you continue in your career."
 - 15) Escort the employee to retrieve all personal belongings or to the exit.
 - Never leave the employee unattended (e.g., fake workers' compensation claim, theft, IT virus).
 - 16) Once the meeting has been dismissed, Supervisor and witness debrief the session to document any procedural errors, controversial comments (e.g., threats, claims of discrimination, allegations of retaliation), or noteworthy actions.
 - 17) Supervisor and witness inform Human Resources of the termination process.
 - 18) Supervisor gives all related paperwork to Human Resources.
 - 19) Human Resources verifies that all paperwork was completed correctly.
 - 20) Human Resources verifies that all actions outlined on the Employee Termination Checklist are completed correctly.
 - 21) Human Resources stores all paperwork in the employee's personnel file.