

Underperformance process

NB: These policy templates are provided as general examples for informational purposes only. We're not lawyers, and nothing in these documents should be taken as legal advice. The templates were created in 2025 and may not reflect future legal changes. Employment laws vary by country, state, and even city, so always check current regulations and consult professional legal or HR advisors before implementing any policies in your organization.

Overview

This section of our Employee Handbook is dedicated to helping both employees and managers constructively address underperformance. We recognise that performance hiccups can happen, and we're here to guide you through the process before reaching the Performance Improvement Plan (PIP) stage.

Discover proactive steps to identify, understand, and collaboratively tackle underperformance issues. Plus, learn about the PIP itself – a tool designed to outline clear expectations, provide support, and facilitate your journey toward improvement. We aim to foster an environment where challenges are seen as opportunities for growth, both for individuals and the team as a whole.

Step 1: Informal meeting & observation

This should be dealt with informally between you and your manager as part of day-to-day management. CultureAmp will be used as the platform to log the conversation points and consequential goals.

Informal discussions may help:

1. Clarify the required standards;
2. Identify areas of concern;
3. Establish the likely causes of poor performance and identify any training needs; and/or
4. Set targets for improvement and a time-scale for review.

While informal feedback is great for minor course corrections, it *must* transition to formal feedback when:

- The same feedback has been given multiple times with no improvement.
- The issue is impacting team performance, deadlines, or quality.
- The employee is not engaging with or acting on feedback.

At this point, feedback should no longer be a casual suggestion—it must be **explicit, structured, and documented**.

👉 A **check-in conversation** happens with the team member.

From this the Observation Period starts – this is not yet a formal PIP, but it marks a shift: feedback is now documented, and progress is expected within a defined timeframe (usually 4 weeks). The goal is to course-correct early, with clarity and fairness.

The employee is given the opportunity to demonstrate sustained improvement.

Step 2: Performance improvement plan

A performance improvement plan (PIP) is a motivational tool that offers individualised and actionable steps for team members to meet performance goals. It is an opportunity to improve through customised action steps.

We are committed to allowing you the opportunity to improve your performance and continuing to support you. We have set out a structured plan, with time-sensitive goals this is designed to:

- Be clear about the gap between your performance and the required performance
- Outline what improvements we expect of you, by when, and the support available to help you improve your performance
- Explain the next steps if your performance does or does not improve

During the PIP period, expect regular check-ins. You and your goals progression will be tracked via CultureAmp.

What are the benefits of an Employee Performance Improvement Plan?

There are a number of benefits, namely: engaging employees by providing them with the power to change their performance and behaviours; provides employees with detailed feedback and specific areas for improvement and shows the employee that the organisation recognises individuals' current challenges.

Step 3: PIP review

Once the performance plan has been completed, there will be a review meeting, where the manager and employee sit down to discuss its successes and failings.

Possible outcomes

1. All target areas for improvement are achieved, and the performance improvement plan is no longer required.
2. Satisfactory improvement has not been achieved.

If we consider that there are grounds for taking formal action over alleged poor performance, you will be required to attend a ****capability hearing.**** We will notify you in writing of our concerns over your performance, the reasons for those concerns, and the likely outcome if we decide after the hearing that your performance has been unsatisfactory.

We will give you written notice of the date, time, and place of the capability hearing. The hearing will be held as soon as reasonably practicable, but you will be given a reasonable amount of time usually three to five days, to prepare your case based on the information we have given you.

Procedure at capability hearings

The hearing will be held by the Direct Manager and the People team.

You may bring a companion with you to the hearing. Your companion may make representations, ask questions, and sum up your case, but will not be allowed to answer questions on your behalf.

Stage 1: Improvement Note

Following your first capability hearing if we decide that your performance is unsatisfactory, we will give you an Improvement Note, setting out:

- (a)** The areas in which you have not met the required performance standards.
- (b)** Targets for improvement.
- (c)** Any measures, such as additional training or supervision, will be taken with a view to improving performance.
- (d)** A period for review.
- (e)** The consequences of failing to improve within the review period, or of further unsatisfactory performance. The improvement note will normally remain active for ****six months**** from the end of the review period. After the active period, the warning will remain permanently on your personnel file but will be disregarded in deciding the outcome of any future capability proceedings.

Your performance will be monitored during the review period and we will write to inform you of the outcome:

- (a)** If your Manager is satisfied with your performance, no further action will be taken;
- (b)** If your Manager is not satisfied, the matter may be progressed to a ****Stage 2**** capability hearing; or
- (c)** If your Manager feels that there has been a substantial but insufficient improvement, the review period may be extended.

In the event of a clear and serious poor performance, this procedure may be shortened and we may go directly to the Final Written Warning stage.

Stage 2: Final written warning

If we decide your performance has not improved within the review period set out in your improvement note or if there is further evidence of poor performance while your improvement note is still active, we may decide to hold a second capability hearing. We will send you written notification of this hearing in the same way as your first capability hearing.

Following this second hearing, if we decide that your performance is unsatisfactory, we will give you a final written warning, setting out:

- (a)** The areas in which you have not met the required performance standards;
- (b)** Targets for improvement;
- (c)** Any measures, such as additional training or supervision, which will be taken with a view to improving performance;
- (d)** A period for review; and
- (e)** The consequences of failing to improve within the review period, or of further unsatisfactory performance.

A final written warning will normally remain active for ****twelve months**** from the end of the review period. After the active period, the warning will remain permanently on your personnel file but will not be used directly in deciding the outcome of future capability proceedings.

Your performance will be monitored during the review period and we will write to inform you of the outcome:

- (a)** If your Manager is satisfied with your performance, no further action will be taken;
- (b)** If your Manager is not satisfied, the matter may be progressed to a ****Stage 3 capability hearing****; or
- (c)** If your Manager feels that there has been a substantial but insufficient improvement, the review period may be extended.

Stage 3 Hearing: dismissal/redeployment

We may decide to hold a Stage 3 capability hearing if we have reason to believe:

- (a)** Your performance has not improved sufficiently within the review period set out in a final written warning; your performance is unsatisfactory while a final written warning is still active, or
- (b)** Your performance has been grossly negligent such as to warrant dismissal without the need for a final written warning.

We will send you written notification of the hearing in the same way as your previous capability hearings.

Following the hearing, if we find that your performance is unsatisfactory, we may consider a range of options including

- (a)** Dismissing you.
- (b)** Redeploying you into another suitable job at the same or a lower level.
- (c)** Extending an active final written warning and set a further review period (in exceptional cases where we believe a substantial improvement is likely within the review period).
- (d)** Giving a final written warning (where no final written warning is currently active).

Dismissal will normally be with full notice or payment in lieu of notice unless your performance has been so negligent as to amount to gross misconduct, in which case we may dismiss you without notice or any pay in lieu.

Appeals

If you feel that a decision about poor performance under this procedure is wrong or unjust you should appeal in writing, stating your full grounds of appeal, to your manager within one week of the date on which you were informed in writing of the decision.

If you raise any new matters in your appeal, we may need to carry out further investigation. If any new information comes to light we will provide you with a summary including, where appropriate, copies of additional relevant documents and witness statements. You will have a reasonable opportunity to consider this information before the hearing.

Disabilities

Consideration will be given to whether poor performance may be related to a disability and, if so, whether there are reasonable adjustments that could be made to your working arrangements, including changing your duties or providing additional equipment or training. We may also consider making adjustments to this procedure in appropriate cases.

If you wish to discuss this or inform us of any medical condition you consider relevant, you should contact your manager.

Confidentiality

Our aim is to deal with performance matters sensitively and with due respect for the privacy of any individuals involved. All employees must treat as confidential any information communicated to them in connection with a matter which is subject to this capability procedure.

You, and anyone accompanying you (including witnesses), must not make electronic recordings of any meetings or hearings conducted under this procedure.

You will normally be told the names of any witnesses whose evidence is relevant to your capability hearing, unless we believe that a witness's identity should remain confidential