A PRACTICAL GUIDE TO MANAGING THE CORRECTIVE ACTION PROCESS

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Human resource professionals in today’s workplace encounter a multitude of issues. Perhaps some of the most difficult to manage are employee problems that require formal corrective (disciplinary) action. More often than not, supervisors who have employees with these problems will consult with human resources. When this occurs, it is imperative that the HR professional be able to assist the supervisor in effectively diagnosing and appropriately responding to the problem. This paper provides a practical guide to help HR practitioners effectively manage the corrective action process.

Step 1: Performance or Behavior?

Employee problems that require corrective action generally can be classified as either performance or behavior problems. Appropriately classifying the problem into one of these two categories is an important first step and will enable the HR professional to more effectively determine an appropriate response.

Behavior Problems

Examples of behavior problems include misconduct, negligence, insubordination, poor attendance and other issues related to an employee’s general conduct and behavior.

Behavior problems are usually completely within the employee’s control. For
example, employees make conscious decisions every day to either leave home in sufficient time to arrive at work on time or not, to be truthful or not, to follow rules and procedures or not, to follow their supervisor’s direction or not. Management can do little beyond clearly stating its expectations and holding each employee accountable to those expectations. As a result, these problems should be addressed in a straightforward and direct manner. Specifically, when the employee’s behavior does not meet the minimum expectations, formal corrective action should be taken in the form of a verbal warning, a written warning or possibly termination. Regardless of the level of response, these formal actions should include the following items:

1. A clear statement describing the employee’s behavior deficiency, being careful to cite specific instances wherever possible.

2. A restatement of the minimum expectations/requirements with regard to the area of deficiency.

3. The consequences to the employee of future occurrences with this and/or related behavior deficiencies. Generally speaking, it is a good idea to state that future instances will result in further disciplinary action up to and including termination.

4. A memo (in the event of a written warning or final written warning) that the employee signs acknowledging that he understands the contents of the discussion.

When dealing with an employee’s behavior problem it is not advisable to attach timeframes to these formal warnings. Occasionally, supervisors make the mistake of making affirmative statements such as, “your attendance will be closely monitored over the next 30 days…” Doing so will often leave these employees with the opportunity to argue later that they thought they only needed to improve for the period of time specified in the warning. Instead, the supervisor should state that the employee’s behavior must immediately improve to a satisfactory level and improvement must be sustained.

Frequently, it is necessary to conduct a formal investigation as a result of an employee’s behavior problem. When the investigation concerns employee misconduct, negligence or illegal behavior, it is a good practice to suspend the alleged violator, with pay, pending the outcome of the investigation. When this occurs it is in the best interest of all parties concerned to conduct a thorough and expeditious investigation. If wrongdoing is found, it is appropriate to either go back and not pay the employee for the period of the investigation or terminate the employee effective the first date of suspension. This practice will foster a presumption of innocence until guilt is proven.
**Performance Problems**

Examples of performance problems are an employee’s poor productivity, poor sales performance or other issues related to the employee failing to meet performance standards in his job. Typically, hard metrics can be tied to performance problems and they are therefore usually easier to quantify than behavior problems (such as, make 50 widgets per day, generate $25,000 in new billed revenue per month, perform a thorough financial analysis on four major deal proposals per month, and so on).

Performance problems are different from behavior problems primarily because they are not always completely within the employee’s control. Often the employee is not meeting the minimum expectations of the position due to a knowledge, skill or talent deficiency. In such situations it is incumbent upon the supervisor to play an active role in assisting the employee to meet the minimum expectations of the position. This could include providing additional training, regular and frequent one-on-one meetings with the employee to provide feedback, accompanying the employee on sales calls or other similar activities.

When the employee’s performance does not meet the minimum expectations, formal corrective action should be taken. As is the case when dealing with behavior problems, this process generally begins with a verbal notification to the employee that he is not meeting the minimum expectations of the position. Continued unsatisfactory performance should be addressed with a performance improvement plan. This document should include the following items:

1. A clear statement describing the employee’s performance deficiency, being careful to cite specific data/examples where possible.

2. A restatement of the minimum expectations/requirements of the position.

3. A list of several tasks, activities and deliverables that must occur within a set time period (for example, must attend sales training 101, make 15 cold calls per week, book two new appointments per week, book $15,000 in new billed revenue for the company within the next 30 days, meet with supervisor every Friday to provide status on progress, and so on). The length of this time period may vary depending on the specifics of the situation and the expectations presented by the supervisor in the performance improvement plan. For example, a sales representative who is consistently failing to meet his quota may need 90 days to receive additional training and demonstrate improvement by satisfying his quota for two consecutive months. An assembly line worker, on the other hand, may not require as much time to establish a record of consistently and correctly installing glass windshields on a new car. For this employee, the supervisor may determine that 30 days is a sufficient amount of time.
for him to demonstrate consistent acceptable performance.

4. A scheduled date for formal follow-up. This will generally include a scheduled date in the future at which the supervisor and employee will formally review the employee’s progress toward the plan and determine whether or not the minimum expectations have been met. At this point decisions are usually made about whether to continue the performance improvement plan, discontinue the performance improvement plan because the objectives/expectations have been fully satisfied or terminate the employee.

5. The consequences to the employee if the minimum expectations outlined in the plan are not met. This usually includes a statement that says failure to meet the minimum expectations outlined in the performance improvement plan will result in further disciplinary action up to and including the employee’s termination.

6. A statement that the employee signs acknowledging that he has read and understands the contents of the document.

**Step 2: Appropriately Apply Corrective Action Policy**

Many organizations use progressive discipline policies to guide the application of their corrective action process. These policies generally include a series of increasingly severe penalties for repeated offenses. This process typically begins with a counseling or a verbal warning. Organizations considering instituting such a policy should be careful to avoid a policy that is too rigid and does not allow for judgment to be applied based upon the circumstances of each situation.

For example, the automatic response to an employee who has failed to follow instructions given to him by his supervisor may not be a verbal warning, the traditional first step in many progressive discipline policies. To determine an appropriate response to this situation, additional questions should be asked by the HR professional to determine things such as: What was the business impact of the employee’s behavior? What was the employee rated on his most recent performance review? Were other employees and/or customers harmed or endangered due to this employee’s behavior? Also ask any other questions that will obtain additional supporting information about the specifics of the situation. After the right probing questions have been asked, the supervisor and the HR professional may determine that a more severe response is warranted.

Because most situations are different, the application of an organization’s corrective action policy should allow for various corrective action options to be employed based upon the facts and circumstances of each situation. Specifically, the following options
should be available for supervisors to use when facing an employee’s behavior and/or performance problem:

1. Verbal warning. This consists of a discussion with an employee that clearly states a problem exists, clarifies the minimum expectation(s) and outlines the consequences of not correcting the problem. It is a good idea for supervisors to document this discussion in their own file.

2. Written warning. This action addresses behavior problems and consists of a discussion accompanied by a letter or memo to the employee stating the behavior deficiency and clarifying the minimum expectation(s). This document should also state that continued instances of unsatisfactory behavior will result in further corrective action up to and including termination.

3. Performance improvement plan. This action addresses performance problems and consists of a discussion accompanied by a letter or memo to the employee stating the performance deficiency. The performance improvement plan should specifically outline the performance deliverables and minimum expectation(s) that must be achieved within a given timeframe. This document should also state that continued unsatisfactory performance will result in further corrective action up to and including termination.

4. Final written warning. There is little difference between a written warning and a final written warning. As a result, some organizations elect to not include this option as part of their corrective action process. Nevertheless, this document should include all the same items as a written warning but should clearly state that further instances of unsatisfactory behavior/performance will result in termination.

Some organizations include suspension without pay or decision-making leave as part of the final written warning process. Essentially, these practices require an employee to take time away from work to think about his actions and management’s expectations of him. The employee should decide during this time whether or not he can and will commit to meeting the expectations set forth. HR professionals have differing points of view on the effectiveness of these practices. As a result, caution must be taken to ensure that suspension without pay practices support the objectives of the corrective action process. Suspending an employee who has an attendance problem, for example, may in fact have the opposite intended effect.

5. Discharge or termination. It is important to never summarily discharge an employee without affording him due process (which will be discussed in more detail later). All the facts must be promptly and thoroughly investigated and documented
before making the termination decision.

Most employee issues that require corrective action involve a variety of factors that differ with each situation. The HR professional and the supervisor must carefully consider all these factors prior to deciding on an appropriate response. In the end, the response should be both fair and consistent with the way in which other similarly situated employees have been treated in the organization.

**Due Process**

It is important when facing an employee issue that may require corrective action or termination to afford the employee appropriate due process.

Due process, within the context of corrective action, is essentially a process that involves the supervisor, HR and frequently the employee for whom corrective action is being considered. Specifically, it can be viewed as a process by which:

1. The performance/behavior standard has been established and communicated to the employee.

2. The performance or behavior discrepancy has been identified and persuasive evidence of the employee’s culpability or negligence has been obtained.

3. The employee is informed that his performance and/or behavior do not meet standards.

4. The employee is given an opportunity to present his viewpoint.

5. Corrective action is imposed that is fair and consistent with other similarly situated employees.

6. Communication of expected standards is repeated.

7. The consequences of failing to meet expected standards are communicated.

8. Appropriate action is taken if standards continue to not be met.

**Step 3: Appropriately Document the Corrective Action**

Documentation is a critical step in the process of managing employee issues. Effective documentation will provide a record of facts, circumstances and discussions that have taken place leading up to and often following the corrective action.
Effective documentation will be helpful in the event of a supervision change, future performance reviews, additional corrective actions that may be taken and legal challenge.

Corrective action documents, much like performance reviews, should be made a permanent record of an employee’s personnel file. In general, if an employee maintains an acceptable level of behavior and/or job performance for 12 months or more, he has demonstrated that he has addressed the problem and has established a record of consistently meeting the expectations given to him by his supervisor. At this point, it is not advisable to use this documentation to guide future corrective actions. General exceptions to this would be instances of egregious or inappropriate behavior (harassment or other forms of serious misconduct). Nevertheless, it is still critical to maintain this documentation in an employee’s permanent record in the event that the HR professional or the organization is ever asked to account for it.

Corrective Action Process–A Review

To summarize, HR professionals should take the following approach when assisting supervisors in dealing with employee issues in the workplace:

1. Determine whether the problem is behavior or performance related.

2. Afford the employee appropriate due process.

3. Respond appropriately to the situation by generating the best possible solution to the problem (corrective action option).

4. Appropriately document the corrective action to the employee’s personnel file.

5. Take further corrective action or terminate employment, if necessary.

When an employee issue that requires formal corrective action arises, it is important that HR professionals be prepared to respond appropriately. By following this basic process, HR professionals and supervisors can more effectively manage these performance and behavior problems in the workplace.

SHRM wishes to thank Michel J. Voigt for contributing this paper. It is intended as information only and is not a substitute for legal or professional advice.

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