

SCI PHILIPPINES	Management Systems		Policy and Procedure
Document Title:	PERFORMANCE IMPROVEMENT PLAN	Document Number:	SCI-QP-056
Effectivity Date:	April 1, 2019	Revision Number:	00
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REVISION LOG

Revision Number	Effectivity Date	Description of Change	Change Initiator	Approval
00	April 1, 2019	New Policy	Malou Pacres	Kelly Chien

Policy and Procedure	Doc. No./Rev.: SCI-QP-056	Effectivity Date: April 1, 2019	2 / 10
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1.0 OBJECTIVE:

- 1.1. To establish a clear framework for the consistent management of under-performing employees and help reach their full potential by providing measurable goals and active support from management and HR.
- 1.2. To provide an avenue to address failures to meet specific job goals or to improve behavior-related concerns as well as help a capable employee get refocused and back on track.
- 1.3. To help a newly hired employee understand the standards and expectations in their role.
- 1.4. To develop a culture of excellence through continuous development and improvement.

2.0 SCOPE:

- 2.1. The policy shall start recommending employees for performance improvement plan (PIP), evaluate and determining if PIP is appropriate, developing, discussing with employee, implementing and monitoring the progression of the plan including up to the conclusion of the plan that may result to possible employment actions such as transfer, demotion or termination.
- 2.2. The policy applies to all employees of Sportscity International Philippines group of companies namely Feeder Apparel Corp., Feeder Apparel Corp.-CPRD, Feeder Apparel Corp.-FIT Printing, Metrowear Inc., Metrowear Inc.-Logistics Warehouse, Mactan Apparels Inc., Globalwear Manufacturing Inc., Globalwear Manufacturing Inc.-Central Warehouse, Vertex One Apparel Phils., Inc., Vertex One Apparel Phils., Inc.-Central Warehouse regardless of rank and status.

3.0 RESPONSIBILITY:

3.1. HR Manager:

- Shall determine whether a PIP is appropriate action based on the submitted recommendation and mentioned situations.
- Ensure that logical reasons and sound evidences have been provided on the purpose of placing the employee on PIP.
- Develop and administer all PIP in conjunction with the Managers/Supervisors to ensure impartiality of implementation.
- Provide assistance in providing any resources that the employee may need to meet the goals of the PIP. This could include making arrangements for training and support.
- Provide ongoing guidance to both the Manager/Supervisor and employee throughout the plan.
- Ensure that due process proceedings i.e. NTE, admin hearing and Notice of Disciplinary Action is taken before any disciplinary action is imposed which may include demotion.

3.2. Division | Department | Section Manager | Supervisor

- Shall make the recommendation to HRD for employee who will be subjected to PIP and ensure that problem/deficiencies and specific related-events or situations are clearly identified.
- To understand the logic of the policy that is to help the employee fill in his deficiency and address the gap to improve performance and succeed.
- Ensure to provide the needed support to help the employee get refocused and back on track.
- The required performance standards for the role are made clear, communicated and understood by the employee
- Feedback is given on an on-going basis both formally and informally and in a timely manner
- To clearly let the employee understand, with the assistance from HR Manager, the adverse consequences that he/she has to face if performance and/or behavior is not improved or rectified despite the support provided within the PIP period.

3.3 Employee on PIP

- Ensure they understand and perform the standard required for their role and ask if there is anything unclear and support needed
- Receive feedback openly and respectfully from Superiors and colleagues.
- Understand that if their work performance falls below the required standard for their role, managers will be obliged to address this.
- Bring to their managers attention, any concerns they have about their own level of performance or personal circumstances that may impact on their ability to perform their role to the required standard.
- Actively engage with their manager once this policy is applied and with the support of their manager making all reasonable efforts to positively improve their performance.

3.4 Central HR

- Ensure to provide necessary support for employee on PIP including needed trainings, consultative advice and handle case escalation
- To ensure that this guideline is being implemented fairly, effectively and consistently at all times.
- To monitor and audit policy implementation as well as ensure to address and provide gap intervention when needed

4.0 DEFINITIONS:

- 4.1. Performance Improvement Plan (PIP) - A tool to give an employee with performance deficiencies the opportunity to succeed and improve from his current poor performance. This tool outlines specific steps for the employee to take to improve and goals for them to work towards.
- 4.2. PIP Recommendation – A form used to make a recommendation for an employee to undergo PIP that clearly states the specific employee problem or deficiencies that needs to be addressed and improved, situations and scenarios happened supporting the identified problem and deficiencies, and measures to undertake to improve one's performance.

5.0 PROCEDURE:**5.1. EMPLOYEE RECOMMENDATION FOR PIP**

- 5.1.1. Manager may recommend an employee to undergo PIP who is under-performing, with recurring behavior-related concerns and/or struggling in a certain area that he/she sees may not merit employee action such as demotion or termination but could use improvement to remain an engaged employee.
- 5.1.2. Manager shall fill out the PIP Recommendation form (Form No. HRD-008) and discuss with HR Manager for further evaluation and assessment if it necessitates PIP and ensure it is and will be done in good faith and intentions as well as ensure that it should not be in any form of retaliation.
 - a. Clearly state the identified problem or deficiencies in performance or behavior.
 - b. Specify situation or scenario to support the identified performance or behavior problem or deficiency.
- 5.1.3. Provide examples of the behavior or performance in question. Always provide examples and provide documentation if possible.
 - a. NTE's served to employee
 - b. KPI results
 - c. Demerit records
- 5.1.4. Avoid vagueness and should be direct to the point

Policy and Procedure	Doc. No./Rev.: SCI-QP-056	Effectivity Date: April 1, 2019	4 / 10
-----------------------------	------------------------------	------------------------------------	--------

5.1.5.HR Manager shall evaluate and assess the PIP recommendation.

- 5.1.5.1. If for PIP, call the employee and discuss the details of the PIP recommendation together with the Manager. Ensure that the employee understands and his/her questions and clarifications are clearly answered before letting him/her sign the PIP recommendation.
- 5.1.5.2. Let the employee fully understand the objective of PIP and how the employee can benefit from this.
- 5.1.5.3. Explain to the employee the impact of their performance or behavior in question
- 5.1.5.4. Ensure to detail in the recommendation other action plans, if based on assessment or evaluation, PIP is not necessary.

5.2. DEVELOPING EMPLOYEE PIP

5.2.1.HR Manager shall work with the Manager on developing the PIP focusing on the following:

- a. Area of performance / concern – identify the specific area of performance / concern that the employee needs to improve
- b. Specific task / actions – detail task and actions that the employee shall perform and help address the gap. Identify specific and measurable steps that the employee can easily understand.
- c. Support / dependencies – identify the support and resources available to assist the employee to achieve the goals of the PIP including training, job shadowing or mentoring or coaching
- d. Expected outcome – indicate measuring standards in achieving the PIP goal (specific, measurable, achievable based on agreed timeline, relevant, time bound)
- e. Progress review date – establish a specific dates for a follow-up meeting to evaluate progress and goals. Provide details on how often the manager and employee will meet to discuss progress. This may be done once a week, but may vary depending on the circumstances.
- f. Progress review notes – detail progress update and status. Ensure to take note on any agreement for changes of the plan every after review.

5.2.2.Once the employee PIP has been completely done, HR Manager shall then process the approvals of the PIP before discussion with the employee.

5.3. IMPLEMENTING THE PIP

5.3.1.HR Manager and the recommending Manager shall set a meeting with the employee to discuss his/her PIP.

5.3.2.Manager and HR Manager must explain to the employee what must change and identify the measuring standards for the identified performance or behavior.

5.3.3.Feedback from employee should be encouraged during the meeting to help identify the areas of confusion and to help foster ownership.

5.3.3.1. Manager must be open to changes of the PIP based on the employee's reasonable input and agree to revise the plan.

5.3.3.2. Once both party agreed on the changes, HR Manager shall revise the plan and call the employee and Manager to confirm the changes and process the signature approvals.

5.3.4.Manager shall agree with the employee on how progress review shall be monitored and the duration of the PIP.

5.3.5.HR Manager and Manager must ensure to clearly explain to the employee the consequences if ever the employee did not meet expectations and unable to commit during and/or after his/her PIP.

Policy and Procedure	Doc. No./Rev.: SCI-QP-056	Effectivity Date: April 1, 2019	5 / 10
-----------------------------	------------------------------	------------------------------------	--------

5.4. MONITORING OF PIP PROGRESSION

- 5.4.1. Manager shall ensure that all agreed progress review meetings are scheduled and occur on time as well as shall ensure that employee is informed if there are any changes of schedule. As much as possible, HR Manager should discourage cancellation of progress review meetings.
- 5.4.2. All progress improvement should be documented while discuss the difficulty or further support needed for identified improvements not performed along the way.
- 5.4.3. Encourage employee to lead his/her PIP through bringing up of other needed support to make them effective, do self-report on how they believe they are doing and what realizations they might have made, or what else they feel they need to succeed.
- 5.4.4. After progress review and with the employee's feedback and input, the improvement plan may need slight modification. The Manager and employee should sign the PIP once the changes to the plan have been made.
 - 5.4.4.1. The changes must be recorded on the original PIP as reference for easy tracking.
- 5.4.5. Ensure that PIP has been updated prior to each PIP progress review meeting.

5.5. PIP CONCLUSION

- 5.5.1. HR Manager together with the Manager shall ensure that all PIP shall have a plan conclusion. The plan can be concluded through Manager's recommendation on the same PIP document and should also include the comments of the employee based on the recommendation.
 - 5.5.1.1. If the employee responded well by meeting plan objectives before the end date of PIP, HR Manager together with the Manager shall formally close the PIP and no employment actions shall be taken.
- 5.5.2. Manager should determine whether or not the PIP is successful once it has been completed.
 - 5.5.2.1. If the employee is unable to improve or the performance worsens, the PIP should be closed and employment actions shall be taken based on the specific circumstances. Before any disciplinary action is to be imposed, due process should be followed i.e. NTE, admin hearing and Notice of Disciplinary Action
 - 5.5.2.2. If the employee shows commitment to improve but falls short of the objectives within the established timeline, HR Manager, Manager and employee shall agree to extend the plan to give the employee enough time to succeed.
- 5.5.3. In the comments portion of the PIP, employee must commit that continued performance after PIP shall be expected.

5.6. GENERAL GUIDELINES

- 5.6.1. PIP timeline should be minimum of one (1) month and maximum of six (6) months. Management reserves the right to extend the employee's PIP to a longer period as it deems necessary.
- 5.6.2. If the employee refuses to commit to the PIP process, he/she shall be dealt with accordingly (refer to employee handbook and QSP-06-029/03). It should be made clear to the employee that refusal to undergo the PIP shall mean that he/she waived his/her right to due process and the chances provided for him/her to improve his performance or behavior.
- 5.6.3. HR Manager shall coordinate with Central HR (Training, OD, Employee Relations) for any necessary support needed by the employee on PIP that includes training and other consultative advise.
- 5.6.4. If the employee is unable to improve and did not meet the expectations, the following employment actions shall be observed depending on the specific circumstances AFTER due process proceedings:

Policy and Procedure	Doc. No./Rev.: SCI-QP-056	Effectivity Date: April 1, 2019	6 / 10
-----------------------------	------------------------------	------------------------------------	--------

- a. Demotion – ensure that proper documentation has been observed
- b. Termination of employment – employee did not meet required expectations and set standards. Ensure to follow due process (refer to QSP-06-029/03) in handling termination of employment.
- c. Re-assignment – this employment action shall be the last option to be considered, unless otherwise, receiving department or section concurs. No re-assignment shall be made without the concurrence of the receiving department /section. Employee Change of Status Recommendation (ESCR) must be signed by releasing and accepting division / department / section Manager.

6.0 DOCUMENTATION

HR Manager shall ensure that all related documents should be file in the employee's 201 file.

7.0 CONDUCT OF AUDIT

HR Communication Audit Team shall also ensure that this policy has been rightfully disseminated to the employees through random interviews and walkthrough in the shop floor. Audit shall also include the proper and fair implementation of the policy.

8.0 COMMUNICATION

Create a venue to communicate and disseminate this policy and procedure to ensure proper and consistent implementation to all factories. An attendance shall be required that an orientation of this policy has been conducted.

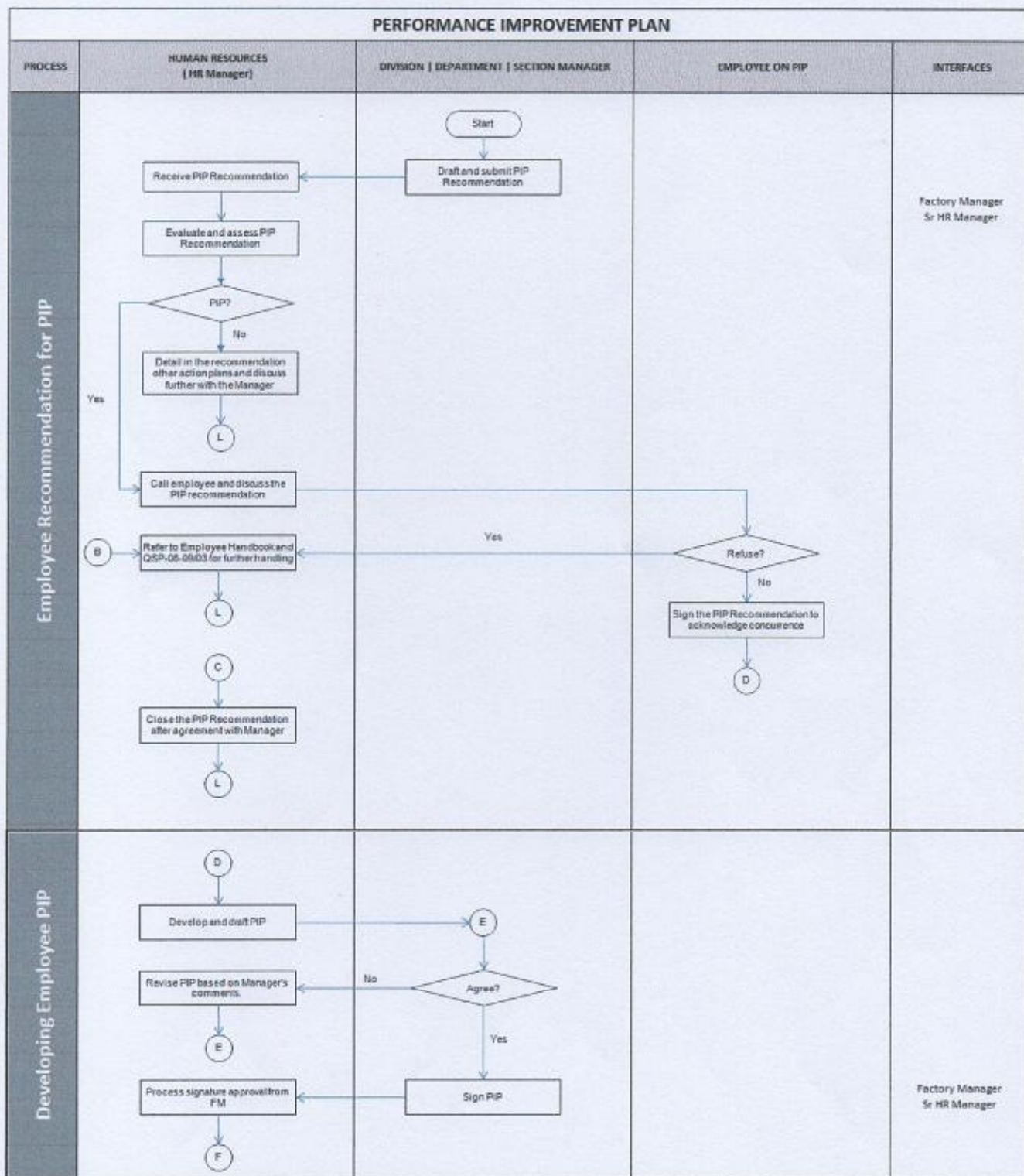
9.0 REPORTING FOR NON-COMPLIANCE

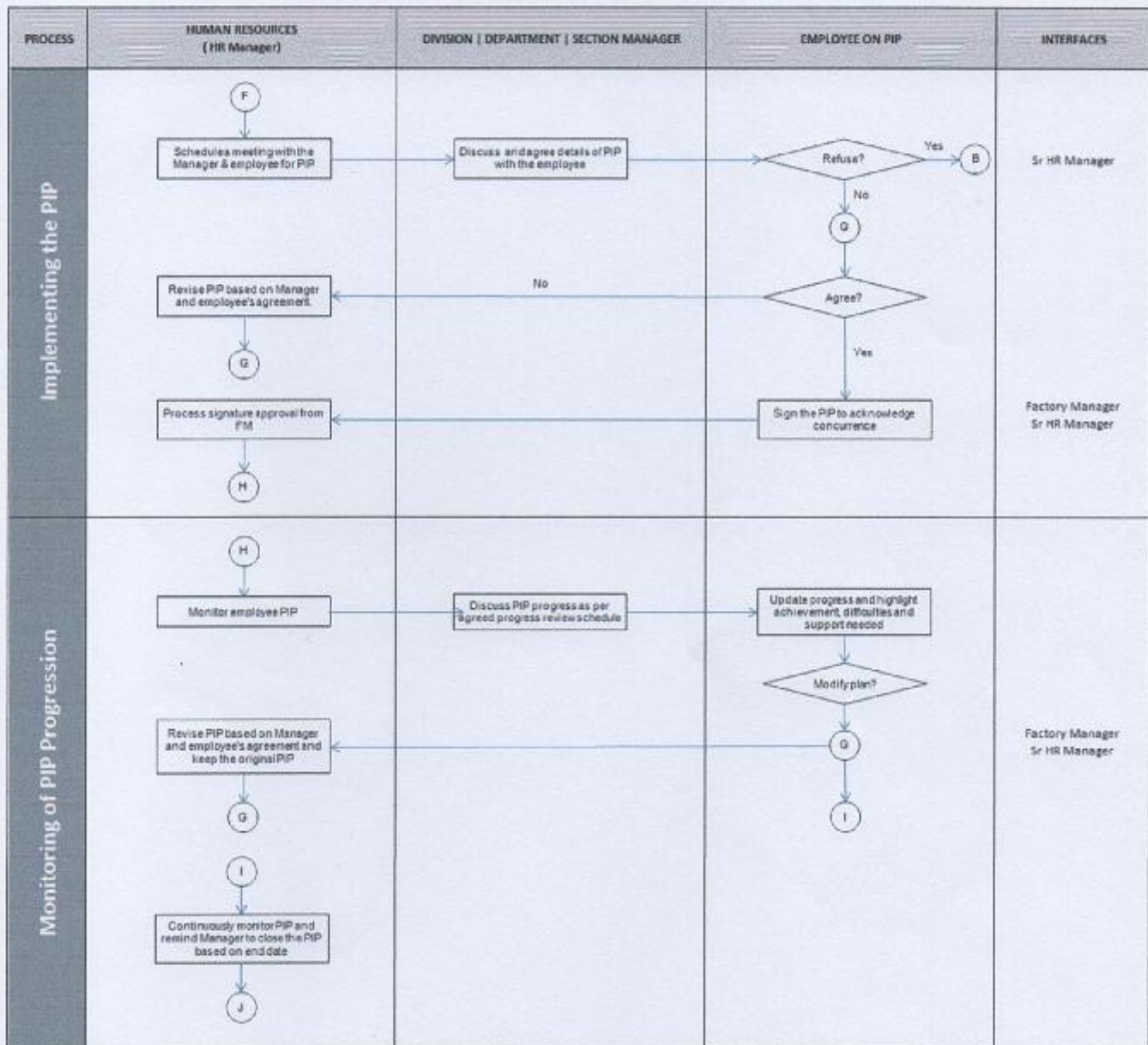
Violation of aforesaid guidelines particularly on the partiality of the implementation shall be reported to existing communication channels: Open-door Policy, Pulong-Pulong, SCI Hotline (text/e-mail) or through Factory Helpdesk and shall be given appropriate action.

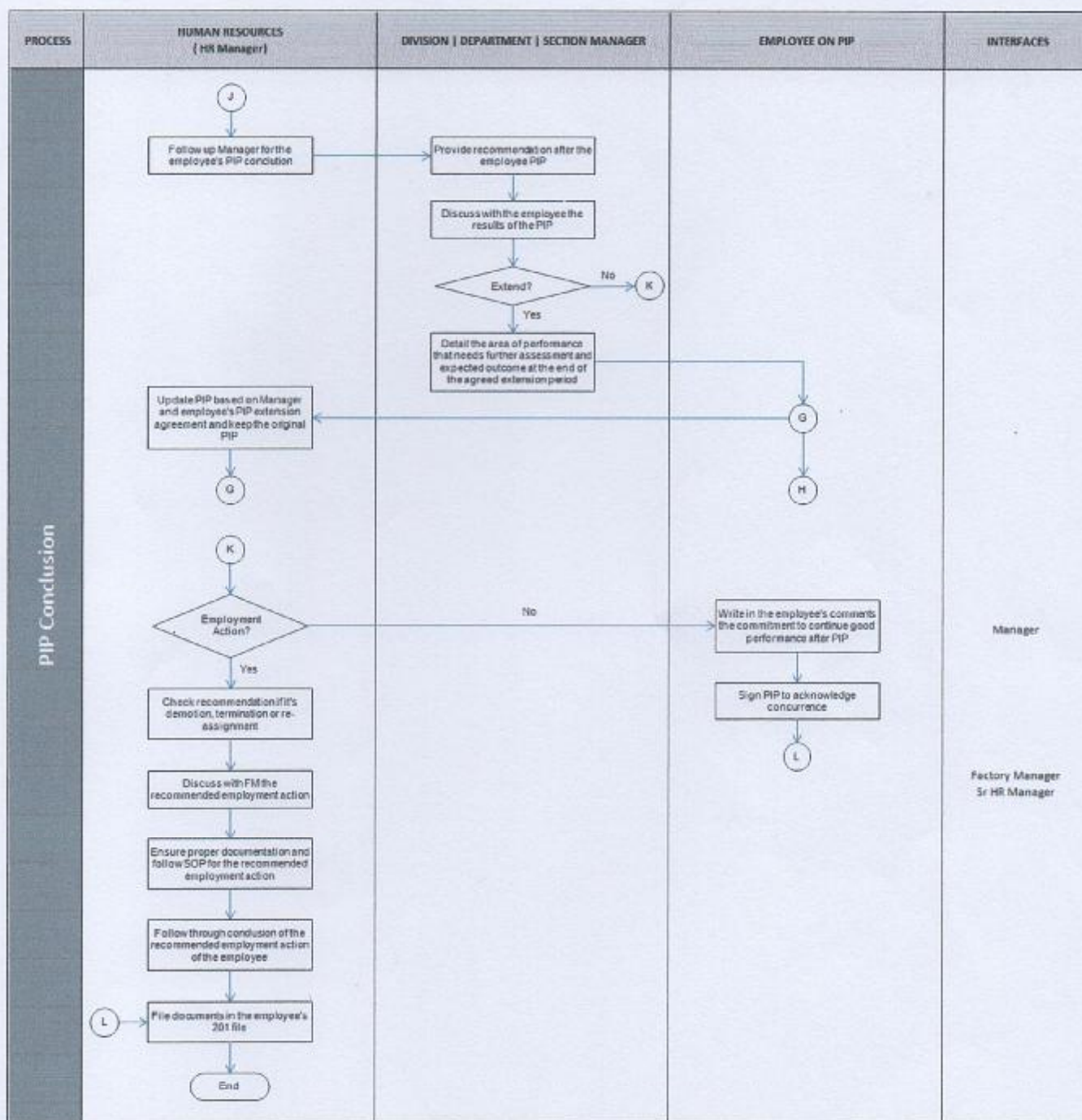
10.0 ADMINISTRATION AND REVIEW:

This policy is subject for regular management review every two years in the last quarter of the 2nd year, and/or as the need arises if there are additional provisions or updated requirements from the buyers or update from local laws. Furthermore all the decisions during the Management Review shall be put into the records of the Minutes of the Meeting.

11.0 FLOW CHART







Policy and Procedure	Doc. No./Rev.: SCI-QP-056	Effectivity Date: April 1, 2019	10 / 10
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12.0 FORMS

- Performance Improvement Plan
- PIP Recommendation
- Employee Change of Status Recommendation
- Notice to Explain
- Disciplinary Action
- Termination Notice

13.0 REFERENCES

- Employee Handbook
- Grievance Handling Policy (QSP-06-029/03)
- Labor Code of the Philippines
- Employee Disciplinary Records (NTE, DA)
- Employee Demerit Records
- Employee's Performance Evaluation
- Key Performance Indicator