

PIP's - A Real Threat To Staff

The Bank has told LTU that it expects that as many as 1,300 staff will be placed on Performance Improvement Plans over the coming months.

This would be a seven-fold increase in the number of staff on PIP's throughout the whole of 2004.

LTU accepts that there will be staff who would benefit from Performance Improvement Plans - if the whole process were handled correctly. However, there is more than enough evidence to show that in many cases the threat of being placed on a PIP is designed to achieve nothing more than crudely coerce staff generally into 'better' performance.

The staff most at risk of being placed on PIP's, are those who were rated as 'Partially Met

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Expectations' for 2004 and who then fail to achieve a 'Met Expectations' rating for the first six months of 2005.

But in the sort of climate that's being created everyone is at risk and uncertainty is being used as a forcing tool for improved performance.

PIP's - The Good

Any organisation aspiring to be, or remain, successful needs to manage the performance of its employees effectively. Inevitably there will also be

times when an individual's performance clearly falls far short of what is required.

Applied fairly, consistently and with careful monitoring and control, there is no reason whatsoever why the use of Performance Improvement Plans could not be used as a fair and effective way of improving the performance of staff across the Bank.

The problem is that there is now a dislocation between what we were told the PIP policy was intended to do and how it is being applied in practice.

... And The Bad

What cannot be accepted is the use of the threat of PIP's (and an accompanying threat of dismissal) as a first recourse in dealing with perceived performance and sales issues combined with a proven inability to operate the process efficiently and fairly. Until these problems are resolved, the Bank should put on hold its plans for a seven-fold increase in the number of staff being subject to what is a disciplinary process.

Examples of unacceptable practices include:

- The use of 'forced distributions' of 'Partially Met Expectations' ratings. 10% of staff in some areas will be placed on PIP's simply because they are seen as the poorest performing 10% in their business units or even individual offices, irrespective of their actual performance;
 - Backdating of new, amended Performance Rating arrangements in some areas to allow more staff to be identified as under-performing;
 - Pressure on line managers to put more staff on PIP's if they themselves are to avoid their own performance being criticised.
- Staff being told that unless they meet daily targets on arranging appointments or achieving sales of specific targeted products - such as Loans or Credit Cards - they will be placed on a PIP. This is of course contrary to the principles of Balanced Scorecard.
 - The threat of PIP's being used to pressurise staff into working additional hours and carry out evening telemarketing.
 - In the overwhelming majority of cases where formal PIP's are begun, a failure on the part of the line managers concerned to provide properly documented evidence of how individuals were believed to have under-performed and the measures taken to raise performance. The PIP's should never have been started in the first place.

Risk Of Discrimination

LTU has told the Bank it is concerned that a disproportionate number of ethnic minority staff have been placed on Performance Improvement Plans. Figures for last year provided by the Bank indicate that ethnic minority staff were twice as likely to be placed on PIP's as their white colleagues.

LTU has insisted that until these apparently alarming figures can be accounted for reasonably - or the underlying causes are addressed satisfactorily - the Bank should suspend its plans to place substantially more staff on PIP's.

Legal Risks For Bank

Routinely declaring a fixed percentage of employees as producing below par performance and using Unsatisfactory Performance ratings as a tool to improve the performance of an organisation as a whole, is not an original idea. In a book published a few years ago, the Chief Executive of the American industrial giant GE, boasted of using just this technique.

Predictably, other business leaders attracted by the prospect of a cheap and quick fix to their problems have seized upon the idea.

However, like many other quick fixes that may, and I emphasise may, have worked elsewhere it doesn't

translate well into different cultures and different legal jurisdictions that have markedly different laws and standards of behaviour.

We're quite clear that if the Bank proceeds with PIP's in the same way it has up until now and dismisses staff in the same sort of cases we have seen, it will face an unprecedented level of Employment Tribunal applications and will lose in most cases. Unfair Dismissal is now an expensive pastime for large companies and one that can be extremely embarrassing: it would be very foolish for the Bank to underestimate this risk.

If You're Threatened With A PIP Or Want Advice

If you're threatened with a PIP or your performance is criticised and you're an LTU member you need to call us immediately. If you're not a member or you have joined after some sort of problem has arisen we will neither advise nor assist you in any way.

LTU has set up a specialist team of officials with additional resources just to deal with PIP cases and they will work with you to ensure that the Bank sticks to its own rules and meets its legal obligations. If your case needs local representation one of our consultants will prepare and present your case and if we believe your case has to be taken to an Employment Tribunal,

we will meet the legal costs involved and carry out the necessary work on your on your behalf.

If you're not concerned about your own performance situation but want general advice about handling PIP's for other members of staff we're happy to assist with that too.

Advice from LTU is professional, friendly and always totally confidential. Just call us on 01234 262868.

But please remember we can do more to help if you contact us as soon as you suspect a problem rather than just before you're about to be dismissed.

Ian Partridge
General Secretary

