

2008 Statewide Performance Management Plan

INTRODUCTION

The term *performance management* has different meanings to different people. For the purposes of this document, performance management is everything a manager or supervisor does to set clear job-related expectations, provide feedback to employees on how they are progressing toward meeting those expectations, and complete the organization's required process of regular performance evaluation¹.

Two focus groups were recently held by DPA-DHR, open to state employees of all levels (e.g. employees, supervisors, managers, HR professionals) to discuss performance management in its current state. There was open discussion about many topics, some of which were the perception of a forced distribution or quota system whereby only a certain percentage of employees are given an "exceptional", or the highest rating, unclear expectations as to how individuals may achieve the highest rating, the lack of distinction among all "successful" employees who actually reflect a wide range of performance, and lack of training for supervisors and for employees regarding expectations and proper implementation of performance management. Despite the numerous concerns that were expressed, the overriding sentiment of both focus groups was that performance management has been changed too much in recent years, and participants expressed a preference to work with the current system in order to give it time to take hold. Detailed notes from the focus groups can be found on our website at <http://www.colorado.gov/dpa/dhr/oversight/perfpay.htm>, under Performance Management Forums, June 2 and 4, 2008.

OVERVIEW OF THE CURRENT SYSTEM

The flexibility of the current framework for the performance management of state classified employees allows for significant discretion by departments and institutions of higher education with little to no change to the actual infrastructure of the rules or statutes. As the process stands now, departments may develop and adopt performance management programs to fit their unique needs. Further, there is no evidence to support the need for system-wide reform, but rather a shift in philosophy. An effective performance management system will focus on employee engagement to meet an organization's strategic goals and objectives, rather than on performance evaluation for the sole purpose of paying employees.

A strong emphasis on leadership's role in reinforcing the importance of good, meaningful, and regular employee engagement is key to the success of the state of Colorado's Performance Management System.

¹ Painless Performance Evaluations. A Practical Approach to Managing Day-to-Day Employee Performance, Marnie E. Green.

PROPOSAL

The existing performance management system will undergo changes to redirect the focus to be employee-centered and results-based, without violating the statutory requirement that performance is considered in administering pay. Employee performance will be managed through continuous feedback and coaching and a simplified, “no surprises” approach to conducting annual evaluations.

NEW APPROACH

The recommended approach to performance management is merely a shift in philosophy rather than a system change. Every employee has a right to know what is expected and how he or she is meeting those expectations. The current system already allows for this to be accomplished in a variety of ways. However, rather than focusing on the required mid-year and year-end evaluation process, the new approach is employee-centered, providing employees with ongoing and continuous feedback regarding how their performance is meeting the supervisor’s expectations. The new approach focuses on three elements: Performance Planning, Continuous Feedback and Motivation, and Evaluation.

These three elements will be the foundation for statewide supervisory and employee training on performance management offered through Department of Personnel & Administration, Division of Human Resources, Consulting Services.

Statute encourages state departments and institutions of higher education to implement performance evaluations of employees that are as objective as possible and that, as soon as possible and wherever feasible, include an assessment from multiple sources of each employee’s performance. Such sources include the employee’s self-assessment, the employee’s supervisor, subordinates, peers, customers, and any other applicable sources of an employee’s performance.

PERFORMANCE PLANNING

The key to an employee performing as expected is communicating what the expectations are. Rule 6-4.E requires a planning meeting with the employee. Every supervisor has a responsibility to provide an employee with a performance plan that details what the employee is expected to achieve over the next 12 months.

Performance plans must be in alignment with unit and division objectives, which should align with each department or institution of higher education’s strategic plans.

Performance planning is an excellent way of ensuring that organizational objectives are translated into individual objectives. This creates a “line of sight” and space for open and honest feedback and discussion about personal development.

Programs and processes (from goal setting to employee recognition and rewards) need to align individual employees’ goals with well-defined drivers of value for the business and provide targets that have appropriate stretch. Higher performing employees are

motivated to make a difference because they understand the impact of their performance on business results.

Training on performance planning will emphasize the supervisor's obligation to communicate what is expected by providing every employee with a performance plan. Plans are to focus on results and outcomes, not just volume of outputs or behaviors. Aligning performance plans with unit, section, division, and departmental strategic plans is a necessity in order for employees to substantially contribute to the overall mission of their work, their work group, their department, and the State of Colorado.

CONTINUOUS FEEDBACK AND MOTIVATION

In addition to knowing what is expected, all employees are entitled to know how they are performing. Supervisory feedback must be an ongoing process. In order for this to happen, supervisors must have regular meetings and conversations with their employees to discuss the employee's progress (positive and negative) and the nature of any difficulties the employee may be experiencing.

Training on performance feedback will include successful methods of communicating with employees, including the difficult conversations with employees who are not meeting expectations. Specialized training on coaching is currently available through DPA's Professional Development Center and is a core class in the State Supervisory Certificate program.

One of the most commonly asked questions by supervisors is how to motivate employees to perform well. A significant part of motivating employees is providing quality coaching and feedback on a regular basis.

The training provided will introduce different models of engaging and motivating employees. Supervisors will learn that motivation is not a "one size fits all" experience; rather, supervisors must identify the unique motivators for each of their employees and adapt their supervisory style to the employees' needs.

This portion of the system is ideal for the application of incentives and recognition. Every department is permitted and encouraged to develop and use an incentive program that meets and addresses its unique needs.

EVALUATION

While the focus of performance management will undergo a major shift to emphasize performance planning, coaching, and regular feedback, evaluation is a necessary component that must not be ignored. Although the focus will shift, performance evaluations remain a necessity in pay considerations, employment actions, employee development, and layoff decisions. Additionally, strong performing employees desire documentation of such performance, and supervisors rely on past performance documentation when considering hiring or promoting an employee.

In the evaluation portion of performance management training, supervisors will learn that the evaluation component is not intended to be the opportunity to surprise an employee by providing feedback, both positive and negative, on the employee's performance for the entire year, but rather a summary of the discussions and interactions that have already occurred over the past year. The ongoing discussions that take place throughout the performance year will result in a less labor intensive evaluation process and will lead the supervisor to the appropriate rating for each employee with greater confidence on the outcome on both sides. At the end of the performance year, employees will receive a rating that is consistent with a statewide standard (i.e., three-point scale). This statewide rating standard will facilitate consistency in applying pay increases, when employees move among state departments, and managers continuing to rely on these ratings in considering employee movements and development.

TRAINING

DPA/DHR has developed core training consistent with the above philosophy. The three core trainings offered are:

- Effective Performance Management for Supervisors
- Effective Performance Management for Employees
- Advanced Effective Performance Management for Supervisors

Course content for Effective Performance Management for Supervisors is also available in a Train-the-Trainer model which is offered to state-wide human resource agency representatives. These training courses are designed to be customized for individual agencies.

RULE CHANGES

A core competency of teamwork is highly encouraged to be added to performance plans as part of the effort to focus on organizational results. This competency will require employees to work well with team members and contribute to achievement of the team's mission. The addition of this competency will encourage the use of team recognition and incentives, which the rules currently allow. Rule 6-4, addressing performance program requirements, allows for the addition of this competency without rule change.

WORK PLAN

Implementation of these changes will begin with the development of statewide performance management training, with training beginning in the fall of 2008.

Fine tuning of performance programs and evaluation forms will be accomplished through consultation with agency HR staff.

Feedback on program effectiveness and measurement will be sought through various techniques including, but not limited to:

- The number and nature of disputes/complaints
- Direct survey of employees
- Direct survey of supervisors
- Audits of individual department performance management program implementation and compliance