

Colorado Department of Labor and Employment
Employee Quality and Excellence Plan (EQEP)
Performance Management Program Policy
October 1, 2015

1. Purpose and Basis

The Colorado Department of Labor and Employment (CDLE) Employee Quality and Excellence Plan (EQEP) performance management program ensures the department's compliance with statute and as outlined in Chapter 6 of Personnel Board rules. It is further designed to increase organizational productivity by:

- defining a consistent mission and vision across the Department
- aligning employees' objectives with the Department's strategic plan
- engaging employees and their supervisors by clearly communicating performance expectations and development opportunities to accomplish Division and Department objectives

The EQEP tool enables effective performance management processes in our everyday work, and is based on CRS 24-50-104 and other applicable statutes. This plan is administered by the CDLE Office of Human Resources, with oversight and direction by the CDLE Leadership Team.

Beginning with the 2012-2013 performance plan year, CDLE replaced the old PPS form with a new Employee Quality and Excellence Plan (EQEP) to reflect our new vision and values, directly aligning the day-to-day work we all do with our strategic plan and initiatives. The EQEP plan was also the result of what we had heard from employees regarding employee engagement and accountability. The new performance plan aligns and directly relates employee objectives with their specific program, division and the department's strategic initiatives and goals. Every person, regardless of their job and role here at CDLE, is using the same form, incorporating the same values and behaviors.

The EQEP included three significant changes from the prior PPS program: The first section – Values – incorporates all of the competencies from the previous PPS plans, and also includes our values and related behaviors. The second section – Objectives – aligns daily work with the overall goals of specific programs, divisions and department wide initiatives. The third section – The coaching and development plan – replaced the previous part 3; the development plan.

In the spirit of a true performance contract, the EQEP is a “living” document subject to changes or tweaks based on conversations between employees and their direct supervisors/managers. Any and all changes will be discussed prior to inclusion. Rather than meeting twice a year, the EQEP program requires quarterly meetings to discuss progress, any needed changes and outstanding issues. While the initial planning meeting

continues to take place before April 1, we now have quarterly evaluation meetings on the plan in July, October, January, and March (final evaluation).

2. Methodology – Definitions, Implementation and Oversight

- a. For purposes of the EQEP program, “employee” is the individual being rated; “rater” is the individual responsible for evaluating the employee at the first level– typically the immediate supervisor; “reviewer” is the 2nd level supervisor/manager who is responsible for signing off on the immediate supervisor’s evaluation of the employee; “appointing authority” is the delegated appointing authority as specified in CDLE SPP 0114.
- b. Raters and reviewers are required to attend training offered by the Office of Organizational Development and Training (ODT) on the department’s EQEP program. New supervisors are scheduled for EQEP supervisor training shortly after being promoted to ensure facility with the department’s performance management process and tools. New employees are scheduled for EQEP training shortly after orientation. In addition, “employee handbooks” and a wide variety of resources on the EQEP program have been made available online - for all frontline employees.
- c. Appointing Authorities and designated raters are responsible for communicating the department’s performance management component to their employees.
- d. The Office of Human Resources and the Office of Organizational Development and Training (ODT) teach classes and offer consulting to assist the management staff in this function.
- e. An EQEP Steering Committee has been established to monitor the on-going operations of the EQEP program, oversee the quality of the performance management process and forms, review issues, and make recommendations to executive management on a regular basis. With oversight by the Office of Human Resources, the Steering Committee includes many members of the CDLE Leadership Team as well as representatives from HR and ODT.

3. Timelines and milestones within the EQEP cycle.

- a. The first step in the performance management process is the development of the Department’s strategic plan by the department management team. Updates to this plan, if necessary, are typically completed in August in conjunction with the annual budget submission to the Office of State Planning and Budget. Divisions will develop their own business plans and Division-specific objectives by November 1st based on the department strategic plan. Work units will develop their plans and objectives based on their next higher level’s plan no later than February 1 . By February 1st the unit planning cycle will be completed and individuals/teams may begin drafting their self evaluations and performance plans.

b. There are a number of goals to be accomplished during the development of the individual performance plan. The foremost includes an open communication regarding what is to be completed during the plan year, the priorities for completion and how the work is to be done. The second main goal is that the process will be a learning experience for the employee, rater and reviewer. The mutual understanding accomplished by this communication and the focus on objectives/competencies that support the organization mission are crucial to the efficiencies brought about by performance management. The plan is a working document that affords opportunities to improve efficiency of operations during the year. Raters and/or reviewers will engage employees to discuss any plan changes throughout the performance year, as required by the dynamic nature of business today.

In general terms, the process begins when 1) an experienced employee makes the first draft of the individual performance plan and presents it for approval to the rater; or 2) The rater prepares the plan for a more inexperienced employee (as a rule of thumb, this would mean an employee in the job less than three months but circumstances will vary depending on job complexity and prior experience of the employee.) The first meeting to discuss the plan must occur during March. There may be additional planning sessions but the rater must submit the plan for the reviewer's examination and possible modifications before returning the completed plan to the employee. The reviewer is the direct manager of the rater. Even at this point there may be additional changes. The plan must be in place and signed by all parties by April 1st.

The rater and reviewer are responsible for the timely completion of these steps. Either may impose a plan if the subordinate does not complete the plan or timely agreement cannot be reached. Responsibility will fall on the reviewer if the rater fails to meet the deadline. If both these parties fail to produce a plan by May 1st, the reviewer's supervisor is responsible for completing the plan. This continues up the chain of command until the plan is completed as required by law. Disputes over the plan must be settled during the month of April. Disputed plans will be settled and implemented no later than May 1st. (See "Dispute Resolution Guidelines")

The statewide performance cycle is April 1 through March 31. A minimum of three documented quarterly reviews must be conducted during the plan year, preferably in the months of July, October, and January. The Office of Human Resources strongly recommends that the employees' progress towards meeting the goals and objectives in their plan and the possibility of needed changes be reviewed during the times of these quarterly progress review discussions.

c. Employees are to complete a self-appraisal of the previous year's performance and present it to their rater no later than March 31st. It is recognized that many evaluations will be completed before March 31st; however, this self-appraisal deadline is necessary for the final completion of the evaluation by May 1st. **Raters must consult with reviewers before presenting the final evaluation to their employees.** Appointing authorities must conduct a review process to monitor the quality and consistency of performance ratings within their division before final ratings are provided to employees.

After final evaluations with employees are conducted, the scores must be submitted to the Office of Human Resources (OHR) by May 1st. If the rater fails to evaluate the employee by May 1st then the reviewer is responsible for completing the evaluation. If neither the rater nor the reviewer does an evaluation by May 15th then the reviewer's supervisor is responsible for completing the evaluation. This continues on up the chain of command until the rating is completed as required by law. If a rating is not given, the overall evaluation should be handled via the Department's EQEP dispute process until a final rating is completed. The lack of a plan or rating should be appealed through the Appointing Authority. Raters (supervisors/managers) governed by the State Personnel system who fail to evaluate their employees by July 1 are subject to action under CRS 24-50-104. Personnel Rule 6-5 allows for, absent extraordinary circumstances, failure to plan and evaluate in accordance with the department's established timelines results in a corrective action and ineligibility for a performance salary adjustment. If the individual performance plan or evaluation is not completed within 30 days of the corrective action, the designated rater shall be disciplinarily suspended in increments of one workday following a pre-disciplinary (R6-10) meeting.

4. **Rating Procedures**

The scoring for each item has changed from a 1-to-3 Rating to a 0-to-6 Rating system. With this change, no decimals will be used. This scoring will be used for both the Values and Objectives sections. This allows for greater flexibility in evaluating performance. It is also much more useful for measuring progress over time. Objectives can be weighted to reflect their importance in the employee's duties. The weight of the Values section is fixed. While no decimals may be used in scoring, they can be used in the weights. Weights are the percentage that an Objective or Value comprises in relation to the whole EQEP. Scores reflect how well the employee did on the objective or Value. If the total scoring results in the score containing decimals because of the various weights applied, the score will be rounded to the nearest .5 points. To reflect the new rating scale, the maximum number of total points is now 600.

The new ratings are defined as follows:

Definition of 0 (Needs Improvement)

This rating level encompasses those employees whose performance does not *consistently and/ or independently* meet most expectations set forth in the performance plan as well as those employees whose performance is *clearly unsatisfactory* and *consistently fails* to meet outlined requirements and expectations. This rating also applies to those employees who willfully fail to perform or are unable to perform. Performance at this level requires substantial monitoring to achieve completion of work, and requires constant, close supervision.

Definition of 1 (Needs Improvement)

Though employees at this level do not meet minimum standards, they are progressing satisfactorily toward a "meets expectation" rating. They do, however, need to demonstrate improvement in order to satisfy the core expectations of the position.

Definition of 2 (Meets Expectations)

This rating level includes employees who are successfully developing in the job and meet the minimum standards in behaviors, skills, and assignments, but further growth is expected. The employee may have minimal documented impact beyond their regular assignments and performance objectives that directly supports the mission of the organization.

Definition of 3 (Meets Expectations)

This rating level describes performers who exhibit the desired objectives and behaviors effectively and independently. This is the employee who *reliably performs* the job assigned and may have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Definition of 4 (Exceeds Expectations)

This rating level describes performers who regularly exhibit *full proficiency* in behaviors, skills, and assignments, effectively and independently. These performers are meeting *all* the expectations, standards, requirements, and objectives on their performance plan and, often, exceed them. These employees may have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Definition of 5 (Consistently Exceeds Expectations)

This rating represents consistent, exceptional, documented performance. Employees *consistently* make contributions that have a *significant* impact on the success of the unit or the organization and *materially advance* the mission of the organization. Peers, immediate supervisor(s), higher-level management and others can readily recognize such a level of performance.

Definition of 6 (Peak Performer)

This level includes all of the standards described in "Definition of 5", and, in addition, the employee exhibits *superior* achievement well *beyond* the regular assignment. Employees *consistently* make exceptional contributions that have a significant impact on the performance of the unit or the organization and *materially advance* the mission of the organization. This employee provides a model for excellence and helps others improve their performance.

Point totals will mean the following upon final reporting to the Department of Personnel

and Administration:

- 0-199 = Needs Improvement
- 200-500 = Meets Expectations
- 501-600 = Exceeds Expectations

Beginning in the performance cycle April 1, 2012, the designation of Peak Performer became an automatic process for any employee attaining an overall final score of 501 or higher, and after signed approval by the Appointing Authority on the EQEP form. There are no quotas or forced distribution processes for determining the number or percentages of employees in any of the three performance levels.

5. **Fairness in Rating**

Each rater has a reviewer with a twofold responsibility. First, at the time the performance plan is designed, the reviewer will analyze it to ensure it aligns with the agency's and work unit's business plans and the Department's strategic plan. The review must ensure that the objectives and values are: measurable, within the influence of the employee, achievable (challenging yet reasonable and based on historical standards of performance) and realistic. The reviewer's second responsibility is to ensure that evaluation standards are applied consistently at the time of the final evaluation. The reviewer will go over the evaluation before the rater presents it to the employee. Periodically, the Department Leadership Team will review the Department's program, unit business plans and individual performance plans for quality, accuracy and consistency. Pay decisions will be based on the evaluations completed by raters and reviewers and within system boundaries. Raters are encouraged to consider multi-source assessment processes, where feasible, for evaluating employees.

Non-salary Awards

CDLE encourages the use of the non-salary (non-base cash or non-cash) incentives currently available in the state personnel system and in the Employee Recognition and Awards policy posted on the Intranet, to supplement salary-based achievement pay.

6. **Performance Management Program and Process**

The CDLE views performance management as a process for establishing and using a shared understanding of objectives and values in a participative culture to achieve success for both the organization and the individual. This process develops our "line of sight" or "focus".

Each year, the first step in our performance management program is goal analysis. We receive our mission and objectives from the state legislature through the Governor's office. These are the things we must do by statute and things we need to do to exist as an organization. From these, we develop the Department's strategic plan initiatives and mission and vision statements, all of which provide an orientation for the future of our organization with our stated organizational values. The strategic initiatives and mission statement describe what we are to do. The Values stemming from our values statement

provide an understanding of how things are to be done. Values define the organizational culture. The values piece in the Employee Quality and Excellence Plan form has been designed so that it is consistent for all employees. Every employee has a role in creating the culture and every employee has a responsibility to uphold the culture. The Values section of the Employee Quality and Excellence Plan document signals the organizational emphasis placed on work values and organizational culture at CDLE.

The next step at the division and work unit level is to develop goals that align with the Department's strategic initiatives. Division and work unit level goals express business objectives in terms of quantity, quality, cost and time and must be aligned with the Department's five strategic initiatives: Employee Engagement and Accountability, Customer Service, Process Improvement, Technology, and Partnerships & Stakeholders.

The final step in the planning phase is development of the individual performance plan or EQEP. Employee involvement is strongly encouraged in the writing of the performance plan. The employee uses the Department, Division, and work unit plans and aligns these with his/her primary job duties and responsibilities and his/her own intimate knowledge of the job to develop an individual performance plan. These documents should be made available to the employee by management in a timely manner so s/he may successfully complete their EQEP plan. The employee will have (at a minimum), a planning session with the supervisor to finalize the plan. There are five sections in the EQEP but only the first two are scored. **The maximum point total is 600. Total weights must equal 100 (%).**

The first section of the plan contains Value behaviors . Values are how the objectives or job will be done and are critical in the success of our work together. These are extremely important to communicate and enforce. To help with this effort, the CDLE Values Team has created examples of behaviors for each of the values. This makes the comprehension of the concepts more concrete in people's minds. The Department of Personnel and Administration (DPA) has designated five core competencies which were aligned to the Values by the CDLE Values Team, and are also included in all individual and team plans and evaluations. These competencies are 1) communication 2) interpersonal skills 3) customer service 4) accountability and 5) job knowledge.

This section will be weighted at forty-two (42) percent of the overall evaluation score. Weights for this values section are standard for the entire Department and can not be changed by the rater or reviewer.

The second section is Objectives.

The second section of the plan contains statements of objectives to be accomplished during the year measured by the critical success factors of cost, time, quality and quantity. This section will be weighted at fifty-eight (58) percent of the overall evaluation score. Objectives are aligned to division and unit goals which roll up to the Department's strategic plan initiatives. It is not necessary that every task performed by an employee be listed on the EQEP. The purpose of the plan is to give guidance to the employee about

what must be done for the unit to achieve its objectives, help set priorities and enable the management staff to determine where an employee fits on the evaluation scale.

Raters and reviewers, with the concurrence of their appointing authority, determine the percentage of weight given to each objective.

The numerical total of the scores given for the objectives and values will be the total score for the employee for the rated period. The total score will determine where an employee fits on the evaluation scale. The score and any included commentary will impact decisions concerning pay, promotions, transfers, assignments, training and layoffs.

The third section deals with an employee's personal/professional development, a tool designed to assist employees achieve the agency's strategic initiatives. For example, for CDLE to achieve the goal of establishing a culture of employee engagement and accountability resulting in high performance, employees must continually improve their skills and knowledge. Employees who are learning and growing tend to be more highly engaged and accountable. Also, professional development is key to achieving the Strategic Initiative of Process Improvement. You cannot learn how to make a process better without learning new ideas and ways of doing things. For this reason, a Coaching and Development Plan is required for all employees. The Coaching and Development plan section is not given a numerical rating. This section does not impact pay but may contribute greatly to an employee's morale and future performance as well as the development of better supervisors/ managers for the state government.

The fourth section of the plan allows for documentation of several interim coaching and feedback reviews. These reviews are an opportunity to note progress and arrange for any additional support needed to re-emphasize the values or accomplish the objectives. Both parties may record comments during interim reviews. There are three mandatory interim reviews (quarterly in July, October and January) in addition to the final year-end review. Human Resources strongly encourages more frequent reviews.

The fifth section, the end-of-cycle review, provides separate space for comments by the employee and the rating official.

Employees Changing Position or Rater when in position for less than 90 days in the current performance year

- When an employee has been in a position for less than 90 days and moves to a new position or receives a new rater, there is typically an insufficient opportunity for the preceding supervisor to accurately provide a numeric rating for that employee. Under these circumstances, **the preceding rater is required to** provide a performance narrative that, at a minimum, describes the employee's performance in general terms, but must include specifics regarding performance that is considered to be a 5 or 6 rating, or unsatisfactory at any level. While not actually scoring the evaluation per se, it is appropriate for a rater to provide an approximation of the score they would have assigned to the employee's

performance. For example, a rater who wants to make sure that an employee gets credit for peak performance during a short term assignment could include a statement like “If I were to score this employee, it would be in the 500-525 range”. Again, a numeric score is not required, but may be used by the rater for purposes of clarity in cases of unsatisfactory or peak performance. If a rater chooses to include a score in this manner, the “score” must be substantiated by the performance narrative. The performance narrative must be provided to the new supervisor within two weeks of the employee’s last day with the unit.

- **The new rater is then responsible for:**

1. Rating that employee for the remaining rating periods (i.e. quarters) going forward. The employee’s performance narrative for the time in position for less than 90 days would be considered by the new rater at the time they are determining the final numeric score. The new rater must use their judgment to determine what, if any bearing the previous performance narratives may have on the final score.
2. Providing the employee with an EQEP *plan* within 30 days of the position/rater change. The plan may have the same or different objectives, weights, etc. depending on the specific situation. The new rater should also make a notation in the “Interim Log” section of the employee’s new EQEP plan that states, e.g. “*No evaluation required from 4/1/12 – 6/10/12 due to insufficient time in position. Employee meets expectations for this period*”, or similar.

Employees Changing Position or Rater when in position for 90 days or more:

- If an employee has been in position for 90 days or more **and changes positions** during the performance cycle, an interim, scored rating must be completed and forwarded to the new rater and HR.
- If an employee has a **change in rater** during the rated period and the outgoing rater has been in that position for 90 days or more, the outgoing rater must complete and score an evaluation.
- At the end of the rated period all the evaluations will be prorated and totaled for the employee’s total score. Guidance and examples of how to prorate EQEP scores, can be found on the HR EQEP web site. During such periods, an employee’s performance plan should be reviewed continually because objectives will be completed at different times during the year. Emphasis should be placed on measurement that is as objective as possible as this is critical for the success and credibility of performance management. It results in a year-round management system.

In accordance with State Personnel rules, a rating of 0 or 1 or “Needs Improvement” will result, at a minimum, in a performance improvement plan or a corrective action.

Performance plans for all raters and reviewers will have a mandatory standard objective that measures the effectiveness of their performance management efforts. All raters are evaluated on their performance management of employees.

A link to CDLE's Employee Quality and Excellence Plan Form (EQEP EZ) is posted on the CDLE HR EQEP website .

- Raters and/or reviewers should consult with the HR Special Projects unit with any questions in these cases of less-than-90-days in a position.

7. Dispute Resolution Process.

A copy of CDLE's EQEP Dispute Resolution Process is posted on the CDLE HR EQEP website and is incorporated herein by reference.

8. Training.

EQEP training is mandatory for all CDLE employees and is available in many formats including online resources (the HR EQEP intranet site), introductory and "refresher" training for Supervisors, mandatory new employee EQEP training, and support from the HR Special Projects Unit. The Office of Organizational Development and Training (ODT) offers additional training in performance management practices - check their website for current training offerings on the CDLE EQEP and performance management in general .