

**COLORADO DEPARTMENT OF NATURAL RESOURCES
PERFORMANCE MANAGEMENT PROGRAM**

November 2008

Harris D. Sherman, Executive Director

Introduction

This introduction highlights the major components of a statewide performance management system developed in the fall of 2000 in response to SB 00-211. The statewide performance management system consists of three components: performance management, achievement pay, and dispute resolution.

The statewide plan was developed in August 2000 under the direction of an Executive Oversight Committee appointed by the Governor's Office with input from various stakeholders. This document required state departments to develop their own Performance Management Programs and program documents, describing how they would implement the new statewide performance management system at the department level.

Representatives from each Department of Natural Resources (DNR) division and the Executive Director's Office participated in reviewing the requirements of the new system that would encompass the overall plan development for the Department. This workgroup addressed performance pay allocation and distribution, developing a new planning and evaluation form to reflect the requirements of the new program, training requirements for supervisors, and the dispute resolution procedures and processes.

One area that the workgroup determined did not have to be revisited was performance management. The performance management planning requirements submitted to the Department of Personnel and Administration (DPA) under the previous program were deemed to meet the performance management standards required under the new Performance Management Program.

The first payouts in July 2002 were completed successfully. There were no payouts in 2003. Changes to DPA rules and guidelines were made in 2004, 2005, and recently in 2007. With each set of changes, DNR's Performance Management Program document has been reviewed and revised.

Evaluation Cycle

Beginning April 1, 2005, the performance appraisal period changed to the statewide standard, a 12-month period from April 1 to March 31 each year.

Specifics are as follows:

- Finalized performance plans are due to employees by April 30 (or within the first month of employment for new employees). A planning session between the supervisor and employee must occur during the preparation of performance plans, and before the performance plans are presented to reviewers and employees.
- All performance plans are subject to review by a performance plan reviewer, but review and approval is not required.
- Coaching and feedback to employees is required throughout the rating period in order to avoid surprises when the annual rating is issued.
- All supervisors must conduct at least one documented interim appraisal for each employee during the course of the evaluation year.
- If an employee moves to another appointing authority or department during a performance cycle, an interim overall evaluation must be completed and delivered to the new appointing authority.
- An initial evaluation conference (annual review) between the employee and the supervisor must occur before April 30 to determine employee accomplishments and to assist in completing the next year's performance plan. The use of multi-source assessments (e.g. peer assessments and customer feedback) should be considered where feasible.
- An initial quantitative appraisal must be submitted by the supervisor to the next-level reviewer. It is suggested that the appraisal be delivered to the reviewer by April 30.
- The reviewer's role is to consider the accuracy, internal equity, quality, and consistency of initial quantitative appraisals, and provide direction to supervisors regarding them, before supervisors meet with employees to discuss the final quantitative appraisals. Reviewers must provide this direction to supervisors by May 15.
- Supervisors must meet with employees to discuss final quantitative appraisals before submitting final appraisals to DNR HRO. It is suggested that supervisors meet with employees before May 31.
- Final appraisals must be signed by the employee, supervisor, and reviewer, and delivered to the HRO by May 31.

- Prior to the July payroll deadline or when prescribed by DPA, HRO will transfer the achievement pay information to the CPPS (payroll system).

NOTE: If a supervisor fails to plan and/or evaluate an employee's job performance, a reviewer is responsible for completing the plan and/or evaluation. If the reviewer fails to plan and/or evaluate in a timely manner, the reviewer's supervisor is responsible for completing the plan and/or evaluation and on up the chain of command until the plan and/or rating is completed as required by law. In the event that a supervisor fails to evaluate an employee by July 1, by default that employee is deemed to have a rating of "satisfactory".

Rating Levels

In the performance year beginning April 1, 2007, the performance rating levels will be defined by a statewide standard, as follows:

Level 3 (Outstanding) This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. Employees make exceptional contribution(s) that have a significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps others to do their jobs better. Peers, immediate supervision, higher-level management and others can readily recognize such a level of performance.

Level 2 (Satisfactory) This rating level encompasses a range of expected performance. It includes those employees who successfully develop in the job, employees who exhibit competency in work behaviors, skills, and assignments for the job, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, may exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Level 1 (Unsatisfactory) This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan, as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.

Marginal performance requires substantial monitoring to achieve consistent completion of work, and requires more constant, close supervision. Though these employees do not meet expectations, they may be progressing satisfactorily toward a level 2 rating and need coaching/direction in order to satisfy the core expectations of the position.

Core Competencies

The Performance Management Program for DNR will use the “Core Competencies” as developed by the Department of Personnel and Administration. Employees must be rated as passing on each of the Core Competencies in order to be considered for achievement pay. Every employee must be rated on these competencies, and each competency must be rated as passing in order for the employee to be eligible to receive achievement pay, regardless of the final overall rating received on the evaluation.

The Core Competencies are considered to be basic requirements common to all state employees. The supervisor must check each competency if the employee meets the criteria in a satisfactory manner. If any competency is not checked, a written explanation must be provided to the employee. The Core Competencies are “pass/fail.”

The Core Competencies are:

- Communication
- Interpersonal Relations
- Customer Service
- Accountability
- Job Knowledge

All supervisors must have a core competency in their own performance plans to evaluate their performance management of their employees. Furthermore, all employee performance plans should align with Department/Division goals and objectives.

Accountability and Sanctions

As required in the State's Performance Management System, failure by any supervisor, including supervisors in the Senior Executive Service (SES), to provide timely plans and evaluations in accordance with the timelines established in the DNR Performance Management Program will result in a corrective action and their ineligibility for achievement pay. If the performance evaluation(s) or plan(s) are still not completed by the deadline established in the corrective action (30 days from issuance), the rater or supervisor shall be disciplinarily suspended in increments of one workday following the disciplinary meeting. Furthermore, supervisors who fail to complete evaluations within 30 days of the corrective action are subject to Section 24-50-104 (c.5), C.R.S. (current statutory requirement for increments of one day suspensions for all supervisors failing to evaluate employees at least once per year). Supervisors who fail to complete evaluations for two consecutive years shall be demoted to a non-supervisory position, as required by statute.

Allocation

- The personnel director determines the uniform percentage of any base and non-base achievement pay.

Distribution

Prior to the payment of annual achievement pay, the Director of the Department of Personnel and Administration will specify and publish a percentage for base and non-base achievement pay based on the available statewide funding.

Parameters for distribution are as follows:

- Any employee who receives a rating other than “passing” on any of the “core competencies” will not be eligible for a achievement pay.
- Level 1 (Unsatisfactory) performers will receive no achievement pay. A level 1 rating denoting unsatisfactory performance will result in a performance improvement plan or a corrective action
- Level 2 (Satisfactory) performers will only be eligible for base-building achievement pay, and only up to the grade maximums for the job classes for those performers.
- Level 3 (Outstanding) employees will receive achievement pay, regardless of salary in relation to range maximum. Achievement pay will be base-building up to the maximum of the employee’s pay range, and paid as a lump-sum non base-building payment above that point. This level represents only those employees who consistently exhibit exceptional performance or achievements beyond the regular assignment.
- Level 3 employees who are at the statutory lid may receive non-base building achievement pay.
- Achievement pay will be based on final overall rating of record.
- Employees in the Senior Executive Service are paid according to their contracts and are ineligible for achievement pay.
- Temporary employees are also paid according to their contracts. Hence, temporary employees are not eligible for achievement pay.
- Quotas or forced distribution processes for determining the number of ratings in any of the three performance levels is prohibited.
- All distributions of achievement pay are limited by the funding restrictions and limitations imposed by the General Assembly.
- DNR will encourage the use of non-base or non-cash rewards and incentives currently available in the state personnel system to supplement achievement pay. Additionally, DNR will communicate that teamwork can be measured as a

component of an individual's performance plan and salary adjustments (base and non-base) proportioned appropriately.

Payout

The payout process will be conducted as follows:

- Achievement pay is effective July 1 and will be paid from the cost center of record as of that date, regardless of where the employee was working when the achievement pay was earned. An employee must be employed on July 1 to receive payment.
- An employee who earns an overall Level 2 or Level 3 rating shall be eligible for achievement pay and shall not be denied the achievement pay because of a corrective or disciplinary action issued for an incident after the close of the previous performance cycle.
- Employees will not have an option concerning the timing of the achievement pay adjustments. All base-building achievement pay will be applied as an increase to base pay commencing with the July payroll. All one-time, non-base building achievement pay will be paid as a lump sum to employees receiving them in the July paycheck.
- Level 2 and 3 employees will receive base-building achievement pay for which they are eligible up to the maximum of the employee's pay range. For eligible employees, achievement pay which extends beyond the range maximum will be paid in a one-time lump sum.
- Level 3 employees will receive additional non-base building lump-sum achievement pay.
- The achievement pay for an employee who received final evaluations from more than one supervisor will be that amount associated with the level which results from prorating the ratings from each supervisor.
- Employees hired into the state personnel system during the performance cycle are eligible to receive the full percentage of base building achievement pay on July 1st (based on the overall rating received). Non-base achievement pay will be prorated based on the number of months of employment during the performance cycle.

Dispute Resolution Internal Process

A written Request for Dispute Resolution can be initiated within seven (7) calendar days of receipt of or due date of performance plan, appraisal, or interim evaluation. The Request must be specific about the reason for dispute and must provide adequate detail to define the basis for the dispute and allow for a meaningful response from the supervisor. A Request for Dispute Resolution is limited to:

- The employee's individual performance plan or lack of plan at the time a plan is due or revised.
- The employee's individual final overall performance evaluation, including the lack of a final overall evaluation.
- The application of DNR's Performance Management Program (including processes) to the employee's plan or evaluation.

The Request for Dispute Resolution must be distributed by the employee to each of the following:

- The employee's supervisor
- The agency's appointing authority
- The Director of Human Resources

Matters that are not disputed through this process are:

- The content of DNR's Performance Management Program.
- Matters related to the funds appropriated.
- Performance evaluations and achievement pay of other employees.

By Day 10:

The DNR Director of Human Resources will be responsible for reviewing whether the Request for Performance Dispute Resolution falls within the issues deemed appropriate under performance management. The Director of Human Resources shall render such decisions within ten calendar days. If the dispute is deemed to fall within the Performance Management Program, the Director of Human Resources will provide the employee, supervisor and appointing authority with information about the responsibilities and obligations of each party to the process as well as the timeline for completion of required process elements.

During ten calendar days following the filing of a request for dispute resolution, the employee and supervisor are encouraged to pursue resolution through informal processes, including but not limited to:

- Meeting and discussing the issues.
- Mediation/facilitation using department resources.

The timeframes described below are suspended if the employee and supervisor agree, in writing, to pursue informal/alternative dispute resolution.

By Day 15:

Selection of panel members - If the dispute is not resolved between the employee and supervisor by day fifteen, both parties (the employee initiating the dispute and the supervisor) must designate a panel member and alternate to participate on a three-member dispute resolution panel. The employee and supervisor must notify each other and the Director of Human Resources with the name of the selected panel member.

Supervisor's Written Response to Request for Dispute Resolution - The supervisor's written response is due by day fifteen. Copies of this response are due to the employee, the division's appointing authority or designee, and DNR's Director of Human Resources

By Day 20:

Selection of Third Panel Member - The panel member selected by the employee is responsible for contacting the panel member selected by the supervisor to facilitate the selection of a mutually agreeable third member. If the two members are unable to agree on a third panel member, the Director of Human Resources shall make the selection. The employee, supervisor and Director of Human Resources must be informed of the identity of the third panel member.

Distribution of Information – Upon notification of final panel member selection, the Director of Human Resources will distribute to the panel all documents previously submitted by the employee and supervisor.

Final Employee Submittal - By day twenty the employee may provide additional written information in response to the supervisor's response to the conflict. Copies are to be provided to the employee's supervisor, the appointing authority or designee, DNR's Director of Human Resources and all panel members.

NOTE: Any current employee of DNR may participate as a panel member. The only employees who may not sit on the dispute resolution panel are employees of DNR's Human Resources Office and appointing authorities or their designees in the dispute resolution process.

The employee's selected panel member is charged with convening the panel and for making any necessary arrangements (conference calls, meeting rooms, etc.). Oral presentations may be made to the panel if panel members decide they are necessary or useful in assisting them in making a decision.

Between Day 20 and Day 28:

Panel Discussion - The panel must review submitted statements and if necessary *may* request oral discussion. The panel may request additional written information/clarification from the employee and/or supervisor.

By Day 28:

Panel Decision - The panel must render its written consensus or majority decision and deliver it to the Director of Human Resources. The Director will then distribute the decision to the employee and supervisor. NOTE: In the event consensus among all panel members cannot be reached, a majority decision prevails. If at least two of the members of the panel cannot reach a mutually acceptable finding or decision, the disputing parties have two options:

1. They may agree to convene another panel, or
2. Refer the dispute to the appointing authority (or the appointing authority's designee) for a decision.

The panel's role is limited to review of the rater's judgment or action within the established performance pay process, considering only the facts surrounding the current evaluation.

- The panel cannot change the rating.
- The panel may instruct the rater to follow the plan or process, correct an error, or reconsider a rating or plan.
- The panel may also suggest informal/alternative dispute resolution processes.

The panel's decision is binding among the parties unless the employee or supervisor desires review of the panel's decision by the appointing authority or his/her designee. If a review is not requested, the supervisor is accountable for implementing the panel's decision. The employee or supervisor must request a review by the appointing authority within five calendar days of the panel's written decision. A written decision by the appointing authority or his/her designee is due within fourteen days of the panel's decision. The appointing authority or his/her designee in the conflict resolution process is limited to the same parameters as the panel. Copies of this written decision must be filed with the employee, the supervisor and the Director of DNR's Human Resources Office.

General guidelines to be considered within this process are as follows:

- Informal resolution is encouraged and should be sought throughout this process.

- The use of facilitators to assist in clarifying issues or interest, mediators in some instances (e.g. planning and interim appraisal issues), and/or continuing dialogue between the supervisor and the employee, are some of the avenues available to the parties.
- A waiver of deadlines outside of the mediation process may be granted with each party's mutual consent and agreement of the panel.
- If either party or their representative fails to meet their obligations at any time within the process, the process will be terminated and the opposing party's position will prevail.

Dispute Resolution External Process

ONLY those original issues involving the application of DNR's Performance Management Program to the individual performance plan and/or evaluation are eligible for external review.

- Within five (5) calendar days from the date of DNR's final decision, an employee may file a written request for review with the Director of the Department of Personnel and Administration at:

State Personnel Director
Attn: Dispute Resolution Process
1313 Sherman Street, First Floor
Denver, CO 80203

- The request for external review shall include a copy of the Request for Dispute Resolution and the final panel/appointing authority decision. The Director or designee shall retain jurisdiction but may select a qualified neutral third party to review the matter. The neutral third party has 30 days to issue a written decision that is final and binding. This individual shall not substitute their judgment for that of the rater(s) or for the internal decision-makers in DNR.

Representation

Each party represents himself/herself in this process but may have assistance from another person. As set forth in the Department of Personnel's guidelines, no party has an absolute right to legal representation, but may have an advisor present. The parties are expected to represent and speak for themselves. Some participants may need assistance during the process; therefore, an advisor may assist the party by explaining the process, helping the person clarify and identify issues/concerns, preparing documentation, and attending meetings.

Retaliation against any person involved in the dispute resolution process is prohibited.

Training and Communication

Training will be available to managers and supervisors and will include detailed information about the elements of the DNR Performance Management Program, development of performance plans, coaching and feedback, development and presentation of evaluations, and dispute resolution. In addition, the department will use its intranet to communicate to employees about this program.

Training is mandatory for all raters.

DEPARTMENT OF NATURAL RESOURCES

PLANNING AND PERFORMANCE APPRAISAL FORM

Appraisal Period	From _____ to _____	Interim _____	Annual _____
Employee _____		Social Security No. _____	
Class Title _____		Position No. _____	
Working Title _____		Date PDQ last reviewed (Optional) _____	
Agency Name _____		Agency No. _____	

Performance Planning Section

The employee has been provided a Performance Plan that is acceptable to both the rater and the employee.

____ Agree	____ Disagree	_____	
		Employee Signature	Date
____ Agree	____ Disagree	_____	
		Supervisor Signature	Pos. # Date
____ Agree	____ Disagree	_____	
		Reviewer Signature (if Plan not prepared by Supervisor)	Date

Interim Performance Evaluation Section

An Interim Performance Evaluation has been conducted:

_____	_____	_____	_____
Employee	Date	Supervisor	Date

NOTE: Optional Employee/Supervisor comments regarding the Interim Performance Evaluation may be made in Section VI.

Annual Performance Evaluation Section

TOTAL POINTS RECEIVED FOR ANNUAL PERFORMANCE EVALUATION _____

____ **0-60: Unsatisfactory** ____ **61-180: Satisfactory** ____ **181-200: Outstanding**

The employee ____ is ____ is not eligible for a Performance Award (Supervisor check one).

_____	_____	_____	_____
Supervisor Signature	Date	Reviewer Signature	Date

I agree/disagree (circle one) with the annual performance evaluation rating.

_____	_____
Employee Signature	Date

NOTE: If an employee disagrees with the performance rating, the Dispute Resolution Process should be reviewed. Refer to the Request for Dispute Resolution form or the DNR Performance Pay Program document.

Performance Planning and Evaluation Form

The Performance Planning and Evaluation Form has been designed to allow a high degree of flexibility and creativity in developing employee Performance Plans. Employee Performance Plans must contain the section on the State of Colorado Core Competencies, and must contain at least one Individual Performance Objective (IPO). Other optional Performance Evaluation Systems that may be used include Performance Factors and Performance Areas, Performance Level Definitions, and Multi-Source Assessments. These optional systems may be used within this form, or may be attached separately. More information regarding these evaluation systems may be found in Attachments A, B, and C of the instructions. All assessments of performance, including separate attachments pertaining to Performance Factors and Areas, IPOs, and Multiple-Source Assessments, must be numeric.

Section I Core Competencies

A competency is a measurable pattern of skills, knowledge, abilities, behaviors and other characteristics that an individual needs to perform work roles or occupational functions successfully. The Colorado State Personnel Director has developed the following five uniform, statewide Core Competencies. These must be included in every employee's Performance Plan and Evaluation. Each Core Competency should be checked only if the employee meets the Core Competency in a satisfactory manner. If a Core Competency is not checked, provide a written explanation in Section VI. The employee will not be eligible to receive a Performance Salary Adjustment. More information regarding Core Competencies may be found in Attachment A.

- _____ **COMMUNICATION:** Effectively communicates by actively listening and sharing relevant information with co-workers, supervisors(s), and customers, so as to anticipate problems and ensure the effectiveness of the Colorado Department of Natural Resources.
- _____ **INTERPERSONAL RELATIONS:** Interacts effectively with others to establish and maintain smooth working relations.
- _____ **CUSTOMER SERVICE:** Works effectively with internal and external customers to satisfy service/product expectations.
- _____ **ACCOUNTABILITY:** Employee's work behaviors demonstrate responsible personal and professional conduct, and contribute to the overall goals and objectives of the Department.
- _____ **JOB KNOWLEDGE:** The employee is skilled in job-specific knowledge which is necessary to provide the appropriate quantity and quality of work in a timely and efficient manner.

As required in the State PPS Plan, failure by any supervisor, including supervisors in the Senior Executive Service (SES), to provide timely plans and evaluations in accordance with established timelines will result in a corrective action and their ineligibility for a performance award. Furthermore, supervisors who fail to complete evaluations within 30 days of the corrective action are subject to CRS 24-50-118. **Performance Evaluations for all DNR supervisors must contain the following competency:**

- _____ **SUPERVISION AND PERFORMANCE MANAGEMENT:** Performs supervisory duties in compliance with all applicable laws, rules, policies and procedures. Develops performance plans, conducts progress reviews, and annual performance appraisals in accordance with established timeframes.

Section II Performance Factors and Performance Areas

Performance Factors form broad categories of employee behavioral expectations. Performance Areas provide more specificity to the Performance Factors. Examples of these may be found in Attachment B. Performance Level Definitions must comply with the statewide standard definitions described in Attachment C. All assessments must be numeric.

_____ U S O

