

PERFORMANCE MANAGEMENT PROCESS

It is not merely evaluation.



STATE OF OKLAHOMA
TRAINING AND DEVELOPMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
HUMAN CAPITAL MANAGEMENT

About HCM Training and Development

Members of the Human Capital Management (HCM) Training & Development Team assess the supervisory and managerial training and development needs of state employees and develop and administer training courses and developmental activities to meet those needs. Team members also coordinate efforts among state agencies to share training and educational resources.

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Performance Management Process

Performance management is a communication process by which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organization. More than just an annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing ongoing coaching and feedback to ensure that employees are meeting their objectives and career goals.

There is much more to performance management than the annual performance review meeting. Performance management is a continuous process of planning, coaching and reviewing employee performance.



Planning Phase Overview

The planning phase is a collaborative effort involving both managers and employees during which they will:

- Review the employee's job description to determine if it reflects the work that the employee is currently doing.
- Identify and review the links between the employee's job description, his or her work plan, and the organization's goals, objectives and strategic plan.
- Develop a work plan that outlines the tasks or deliverables to be completed, the expected results and the measures or standards that will be used to evaluate performance.
- Identify critical areas that will be key performance objectives for the year. The choice of areas may be determined by the organization's strategic plan, by the employee's desire to improve outcomes in a certain part of his or her job or by a need to emphasize a particular aspect of the job.
- Identify training objectives that will help the employee grow his or her skills, knowledge and competencies related to the work.
- Identify career development objectives that can be part of longer-term career planning.

Write S.M.A.R.T. Goals

Often, the most difficult part of the planning phase is developing clear and appropriate language to describe performance objectives and measures or indicators of success. Supervisors need to ensure that the performance objectives are a good representation of the full range of duties carried out by the employee, especially everyday tasks that take time, but are often not identified as significant accomplishments.

The objectives and indicators need to be **S.M.A.R.T.**



SPECIFIC

S

Clearly specify the task to be done, when it must be completed, who is to accomplish it, and how much is to be accomplished.



MEASUREABLE

M

Use multiple measures if possible, for example, quantity, quality, time frame and cost. Ask questions such as: How much? How many? How will I know when it is accomplished?



ATTAINABLE

A

Ensure there is a reasonable path to achievement and an excellent chance that objectives will be accomplished.



RELEVANT

R

Goals should be aligned with the organization's overall mission or strategy. Goals measure outcomes, not activities.



TIME BASED

T

Set a clear time frame for achieving performance objectives/goals. In most cases, objectives must be completed by the end of the performance review period.

EXAMPLE

Well-Written Performance Objective/Goal

By Sept. 10, 2013, use instructional system design methodologies to design and develop a one-day PMP course for state employees, so participants are able to constructively build their knowledge about the performance management process in the course being offered in fall 2013.



SPECIFIC

What: Design and develop a one-day PMP course for state employees.

How: Use instructional system design methodologies.

Why: So participants are able to constructively build their knowledge about the performance management process in the course being offered in fall 2013.



MEASURABLE

The metric (measure) is whether the course is ready by Sept. 10, 2013, and whether the goal is met. More details are available in the following section, *Set Performance Standards*.



ATTAINABLE

The employee must be knowledgeable in the area of instructional design to understand the nature of the goal. Additionally, in order to remain interested and committed to accomplishing the goal, it must present a challenge to the employee.



RELEVANT

The goal is aligned with the overall mission of the organization.



TIME BASED

Sept. 10, 2013, provides a time-bound deadline.

Set Performance Standards

While goals tell employees what they have to do, performance standards tell them how well they have to do it. Listed below are some principles of writing good standards that can be used effectively to evaluate employee performance:

Quality: addresses how well the work is performed and/or how accurate or how effective the final product is. Quality refers to accuracy, appearance, usefulness or effectiveness.

Quantity: addresses how much work is produced. A quantity measure can be expressed as an error rate, such as number or percentage of errors allowed per unit of work or as a general result to be achieved. When a quality or quantity standard is set, the criteria for *Exceeds Standards* should be high enough to be challenging, but not so high that it is unattainable.

Timeliness: addresses how quickly, when or by what date the work must be produced. Timeliness standards should be set realistically.

Cost-effectiveness: addresses dollar savings to the organization or working within a budget. Cost-effectiveness standards may include such aspects of performance as maintaining or reducing unit costs, reducing the time it takes to produce a product or service or reducing waste.

Manner: addresses the way or style in which a task is performed or produced.



ASK YOURSELF

Supervisors should apply at least two characteristics to each of the objectives/goals. Decide which type of performance standards are important to the performance of the task by asking the following questions:

Is quality important? Does the stakeholder or customer care how well the work is done?

Is quantity important? Does the stakeholder or customer care how many are produced?

Is it important that the task be accomplished by a certain time?

Is it important that the task is completed within certain cost limits?

Is it important that the task is completed in a certain manner?

EXAMPLE

Performance Standards for Answering Phone Calls and Emails

The following examples illustrate how performance objectives/goals are enhanced by the use of strong Performance Standards:



Every effort should be made to respond to all voicemail messages the same business day. When this is not possible, messages should be returned no later than the following business day.



All email inquiries or requests for information must receive a response within 24 hours. In the event the information requested is not immediately available, a courtesy response acknowledging the request/inquiry must be sent within 24 hours along with a message indicating when the requested information can be forwarded.



Customer requests/inquiries often require additional research or consultation. The representative who received the request/inquiry is responsible for researching the issue or consulting with appropriate team members and providing a response to the customer.

In some cases, a representative is unable to assist a customer with a request/inquiry. When this occurs, the call must be transferred to another representative. Department procedures require the representative transferring the call to remain on the line with the customer until the other representative answers the call and confirms the ability to assist the customer.

EXAMPLE

Performance Standards for filling a Vacant Position

Time to fill: Vacant staff positions should be filled within a 45-day timeframe. This deadline may vary depending on the complexity level of the position and the availability of hiring officials.

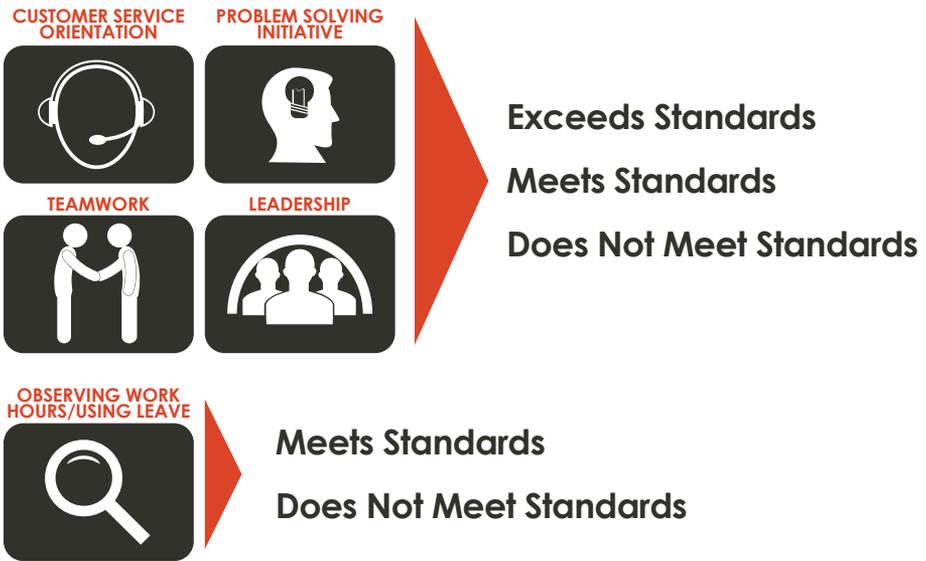
Employment requisition and posting process: When a requisition is received at HCM Recruiting, the position is posted to the agency website within 24 hours. If there are reasons why this cannot occur or questions that must be answered first, the recruiter must contact the hiring department no later than the next business day following the submission of a requisition.

Recruiting process: All open positions are posted on our website for a minimum of seven calendar days, which must include five business days. Resumes are screened by HCM Recruiting on a weekly basis unless a request is made by the hiring manager for more or less frequently.

Hiring process: Offers of employment are extended by the recruiter only upon the candidate's satisfactory completion of a background screening. Background screenings typically take 3-5 business days depending on the receipt of results from criminal background checks and the availability of professional references.

Define Behaviors

With the PMP, all employees will be rated on the following behaviors:



Rating for *Leadership* should be reserved for employees who are in a position to demonstrate this behavior. *Leadership* is not equivalent to being a supervisor of other workers. Following are some questions a supervisor and employee should discuss during the Planning Session to decide whether this Behavior applies:

- Does the job involve training other employees, even newly hired people at the same level?
- Do customers (external customers, co-workers and people in other agencies) turn to the employee in this position for expertise on projects?
- Does the employee act as a leader on various projects within the agency and deserve recognition for these contributions?

EXAMPLE

Customer Service Orientation

Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer's expectation.

Behaviors that might be rated *Meets Standards* include:

- Develops a clear understanding of customers' needs and goals
- Maintains clear communication with customers regarding expectations and time frames
- Follows through and responds to customers' requests, questions, and complaints in a timely manner
- Follows up with customers after a problem has been resolved to inform them of any action taken
- Takes personal responsibility for meeting commitments and correcting problems
- Responds calmly under pressure



EXAMPLE

Teamwork

A team player is one who puts personal goals second to team goals and works in coordination with other members of a group or team to reach a common goal.

Examples of behaviors that might be rated *Meets Standards* include:

- Offers to help and pitches in to get the job done
- Does not hesitate to praise and give credit to the project team for a job well done
- Keeps others informed and up-to-date about tasks or projects
- Gives support to others by providing detailed instructions or clarifications
- Works effectively with others to resolve common issues or problems
- Listens to and seeks input from others on how to complete work assignments or accomplish goals



EXAMPLE

Problem Solving Initiative

Employees are expected to take initiative to efficiently solve all kinds of problems related to their work.

Examples of behaviors that might be rated *Meets Standards* include:

- Solves problems timely
- Identifies the causes of problems and finds the necessary resources and information to resolve them
- Uses experience to recognize immediate problems and issues
- Breaks problems down into lists of tasks, issues or activities
- Sets priorities on tasks and activities that compete for attention
- Recognizes when information is missing, incomplete or inaccurate
- Understands and is able to discuss the logical sequence of events when solving problems or working on a project
- Revises priorities based on changing needs or new requests



EXAMPLE

Leadership

Leadership is the art of leading and influencing others to deliberately create a result that wouldn't have happened otherwise.

Examples of behaviors that might be rated *Meets Standards* include:

- ▶ Sets priorities to align work with and in support of agency or division goals
- ▶ Plans and leads meetings to ensure that issues are discussed and agendas are followed
- ▶ Provides others with timely and accurate feedback
- ▶ Accesses resources in a timely manner
- ▶ Recommends changes in work methods to improve performance within the agency or division
- ▶ Solicits the opinions, ideas, and recommendations of others in improving the work situation

EXAMPLE

Observing Work Hours/Using Leave

Examples of behaviors that might be rated *Meets Standards* include:

- ▶ Arrives at work on time
- ▶ Is punctual with lunch hour and break periods
- ▶ Makes productive use of work time and focuses on assigned duties and tasks
- ▶ Ensures work does not suffer if personal business interrupts the work day
- ▶ In use of sick leave, notifies supervisor in a timely manner in accordance with agency policy
- ▶ Considers work flow issues when requesting annual leave or taking break periods

Coaching Phase Overview

Performance management includes coaching employees to address concerns and issues related to performance so that there is a positive contribution to the organization. Monitoring day-to-day performance does not mean watching over every aspect of how employees carry out assigned activities and tasks. Managers should not micro-manage employees, but rather focus their attention on results achieved, as well as individual behaviors and team dynamics affecting the work environment.

During this phase, the employee and supervisor should meet regularly to:

- ▶ Assess progress made toward meeting performance objectives
- ▶ Identify barriers that may prevent an employee from accomplishing performance objectives and what can be done to overcome them
- ▶ Share feedback on progress relative to the goals
- ▶ Identify changes in the work plan that may be required as a result of a shift in organization priorities or when an employee is required to take on new responsibilities
- ▶ Determine if any extra support is required from the managers or others to assist the employee in achieving his or her objectives

Provide Feedback

Feedback is specific information provided to the employee that communicates how the employee's behavior is affecting the workplace. Feedback can be factual (based on observations of the employee's behavior and its resulting consequences) or emotional (based on how other people react to the employee's behavior). Ideally, both types of feedback should be shared with the employee in a feedback meeting.

Positive feedback involves telling an employee about good performance. Make this type of feedback timely, specific, and frequent as recognition for effective performance is a powerful motivator.

Constructive feedback alerts an employee to areas in need of improvement. Feedback should be descriptive, detailed, and focused on the action, not the person. The main purpose is to help people understand where they stand in relation to the expected performance and behaviors.

If an employee is not meeting performance expectations, managers need to provide constructive and honest feedback. It's important to do this before an issue escalates into a significant problem. On the next few pages, you will find a few points to consider when giving constructive feedback.

Give Effective Feedback

Prepare and State the Facts

- ▶ Consider the issue(s) you want to address in the meeting and confirm the facts of the performance or behavior problem. Make sure you know and can describe the details of the event(s) that necessitated the coaching session.
- ▶ Select a meeting location that provides privacy and minimal interruptions.
- ▶ Approach the discussion calmly with objectivity and clarity.
- ▶ Speak in a non-threatening tone.
- ▶ Describe performance or behavior issues in an objective, factual, and nonjudgmental fashion.
- ▶ Provide specific examples.
- ▶ Identify the impact the employee's actions/behaviors have on coworkers or the organization as a whole.

EXAMPLE

Consider the differences in the following statements:

“You are always late.”: This statement is general and judgmental. It does not address the performance issue effectively.

“You were late 3 times last week. When you arrived late for the staff meeting, you missed an important discussion about our new fundraising campaign.”: This statement is factual and specifically addresses the performance issue and the impact of being late.

Listen

- Have the employee describe the situation from their perspective and provide an explanation. Be open to any new insights that might be relevant to the issue.
- Respond to denial, blaming of others, etc., by restating factual information and the effects of the performance or behavior issue on co-workers or the organization.

Although we may sympathize with an employee's unique personal circumstances and their reasons for poor performance, it is important to remain focused on the performance issue. If you alter what is required of one employee, i.e., bend the rules, you have to be prepared to do so for all employees. As a supervisor, try to avoid placing yourself in a position that requires you to judge which circumstances warrant special treatment and those that do not.

Agree on an Action Plan

- Ask the employee to suggest a plan that addresses the issue and offer your suggestions when necessary.
- Agree on a specific plan of action that details the steps the employee must take toward improvement, the plan to implement change and the agreed upon time frame for completing the action plan.
- Document the action plan and keep it in the employee's performance management file. If the plan also serves as a type of formal discipline, it must be placed in the employee's personnel file as well.
- Specify the consequences to the employee if the performance/behavior issue is not resolved.

Reviewing Phase Overview

The performance assessment or appraisal meeting is an opportunity to review, summarize and highlight the employee's performance over the course of the review period.

Self-assessment is a standard part of most performance appraisals. By using the performance plan and assessment form as a guide, employees can evaluate their performance in preparation for the appraisal meeting. This process can help identify gaps between the employee's self-perceptions and the manager's views and facilitate an in-depth discussion of performance issues.

Managers should review their performance management notes and other documentation generated throughout the year in order to more effectively assess the employee's performance. Only issues that have previously been discussed with the employee should be part of the assessment documentation and meeting. This helps ensure managers address performance issues as they arise and assures the employee there will be no surprises during the performance assessment meeting.

- Summarize the work accomplished relative to the goals set at the beginning of the performance period. This includes capturing key results, accomplishments and shortfalls for each objective.
- Document challenges encountered during the year and identify areas for training and/or development.
- Identify and discuss any unforeseen barriers to the achievement of the objectives.

Avoid Rater Bias

Our judgments about many things are affected by our perception. When a person evaluates someone else, his or her evaluation reflects not only the person being assessed but also their own built-in biases. Managers should be aware of their possible evaluation biases so they can work to eliminate them from the assessment process.

Some common biases include:

Halo: A tendency to form a generalized positive impression of an employee, e.g., rating the employee highly on all criteria rather than independently rating each item.

Horns: The tendency to form an overall negative impression of an employee that results in artificially low ratings. This is the opposite of the halo effect bias.

Central tendency: A tendency to use only the mid-point of the rating scale.

Leniency bias/Strictness bias: A tendency to be more lenient or more strict than one's peers when evaluating employees, or to be more lenient or strict with one employee when compared to another.

Same-as-me: A tendency to rate employees who are perceived to be similar to the rater more favorably than employees who appear dissimilar. **IMPORTANT:** If this tendency is based on grounds for discrimination under human rights legislation (for example race, gender, nationality), it is a violation of human rights, and it is illegal.



LEGAL REQUIREMENTS

- ▶ State employees must use the form provided by OMES HCM for employee evaluations.
- ▶ The immediate supervisor of the employee must perform the evaluation.
- ▶ A performance evaluation must be conducted for every regular, classified and unclassified employee. Each agency is allowed three specific exempt positions: executive director, principal assistant or deputy director and executive secretary. Only a few executive branch entities are wholly exempt. Temporary employees are not required to be evaluated.
- ▶ Evaluations must be performed annually based on a 12-month evaluation period. More frequent evaluations are allowed, but an evaluation period longer than 12 months is not acceptable.
- ▶ Supervisors must identify accountabilities and behaviors applicable to each employee and communicate them to the employee. A copy of the planning PMP must be provided to the employee.
- ▶ Supervisors must hold a meeting with each employee for a mid-year review of performance to that point.
- ▶ Supervisors must identify performance strengths and areas for development in the final evaluation.

- Supervisors must hold a meeting with each employee to review and discuss the final evaluation. Each employee must be provided with a copy of the evaluation.
- Employees must be given the opportunity to provide written comments regarding their evaluations.
- Classified employees who are in probationary status must receive an evaluation at least 30 days prior to the end of the probationary period.
- Supervisors must not consider leave taken in accordance with the Family and Medical Leave Act (FMLA) when rating *Observing Work Hours and Using Leave*. Additionally, FMLA taken must not influence any other ratings given.



TIPS FOR EVALUATIONS AND MEETINGS

- ▶ Give specific examples to support your ratings.
- ▶ Be realistic about past accomplishments and future goals.
- ▶ Avoid references to age, race, ethnicity, gender or disability.
- ▶ Avoid implied promises.
- ▶ Consider the performance during the entire review period and not just the performance during the last few months.
- ▶ Avoid the use of other people's names during performance reviews; use job titles and organizational names.
- ▶ Ensure each employee understands the criteria on which he or she is being evaluated.
- ▶ Reevaluate goals with each employee a few months prior to the final evaluation. Modify goals as necessary to reflect shifting priorities or responsibilities.
- ▶ Keep notes on the performance of employees throughout the year; save emails or other correspondence that document good or bad performance. Keep notes on when activities were completed and on the circumstances of absences or disciplinary actions.
- ▶ Allow employees to evaluate their own performance.
- ▶ Treat a performance review meeting as a focused business meeting, and keep all conversations confidential.

- ▶ Show respect to each employee by preparing for the performance review. Schedule meetings at least a week in advance at a time that is convenient for the employee. Conduct performance reviews in a private office or conference room. Have all documentation completed and provide a copy to the employee.
- ▶ Do not wait until the meeting to inform an employee of unsatisfactory performance. There should be no surprise issues raised during the meeting.
- ▶ Maintain a professional approach when completing your evaluation documentation. Remember this document can be used as evidence in grievance hearings and other legal proceedings. Do not include humorous anecdotes, personal information, judgmental statements or offensive or discriminatory language.
- ▶ Include all pertinent information. Do not omit information because it is uncomfortable to discuss or potentially contentious.
- ▶ Keep control of the meeting. Do not enter into a debate with an employee. As the supervisor, you make the decisions about the ratings, and if you have been fair in your assessment, you must stand by your rating.
- ▶ Provide a copy of the evaluation to each employee prior to the meeting, allowing time to review your ratings/comments. Begin the meeting by providing a recap of the employee's overall performance in a positive and supportive manner. Next, explain that the remainder of the meeting will focus on accomplishments, areas of concern and setting future goals.
- ▶ Encourage employees to share their thoughts and suggestions. Be open-minded and look for opportunities for improvement.



FINAL CHECKLIST

As stated previously, performance management has a variety of purposes, one of which is documentation should there be a legal challenge related to performance. To ensure that your performance management process is fair and defensible:

- ▶ Base each evaluation on well written job descriptions and job related activities.
- ▶ Collaborate with employees when setting objectives.
- ▶ Develop observable measures for the established objectives/goals and behaviors.
- ▶ Ensure employees keep a copy of the initial PMP document which includes the expectations set at the beginning of the performance management cycle.
- ▶ Provide employees with ongoing monitoring and feedback on performance.
- ▶ Provide support (training, coaching, etc.) and adequate time for improvement when performance problems are identified.
- ▶ Work to reduce biases and errors in assessments.
- ▶ Ensure the performance assessment form accurately documents performance.
- ▶ Periodically review the performance management process to ensure it is applied consistently and fairly.

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Sources

- ▶ Performance Management Process Manual of the State of Oklahoma
- ▶ HR Council (hrcouncil.ca)
- ▶ HR Department of the University of Virginia
- ▶ HR Department of Case Western Reserve University



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