

DEFINITIONS

Annual Appraisal – the performance evaluation conducted once a year that goes in an employee's permanent record.

Appointing Authority – Agency head or designee who is responsible for final review and authorization of performance appraisal. A performance appraisal is not final and cannot be shared with the employee until signed by this individual.

BARS – stands for Behaviorally Anchored Ratings Scale. It is the set of observable or measurable behaviors against which employees are evaluated to measure performance on the Competencies established in the work profile.

Competencies – the behaviors, skills and abilities required for success. Some Competencies are universal for all state employees; others are discretionary, based on the needs of the classification and agency. The universal competencies are job knowledge, customer service and teamwork.

Does Not Meet Expectation – the performance rating given to employees who fail to achieve any one or more key performance expectations/goals or cannot demonstrate proficiency in the Competencies needed for the job.

Evaluator – the first line supervisor responsible for conducting the performance management process.

Exceeds Expectation – the performance rating given to employees who exhibit high overall performance, routinely go beyond what is expected in order to substantially surpass all of their key performance expectations/goals and will have met or exceeded expectations on the Competencies.

Goal/Objective – statement of desired outcome or result along with the plan to achieve the desired outcome. A goal or objective should be SMART --Specific, Measurable, Achievable, Relevant and Timely. Performance expectations are expressed as goals or objectives.

Interim Appraisal – evaluations conducted as needed during the review period for communication purposes or to re-evaluate an employee's performance plan. It is recommended that an interim appraisal be done at least once in the middle of the review period.

Meets Expectation – the performance rating given to employees who (1) are fully successful in meeting all of the performance expectations/goals that are important to his or her job and (2) will have demonstrated a satisfactory competence in the Competencies.

Needs Improvement – the performance rating given to employees who sometimes perform at an acceptable level but are not consistent and need improvement to meet expectations.

Outstanding – the highest possible performance rating given to an employee who consistently exceeds expectations on all evaluation factors.

Performance Expectations – the set of criteria by which an employee’s performance will be evaluated, expressed as outcome-based, measurable goals or objectives.

Reviewer – the individual who reviews all written appraisals to ensure that they are objective, accurate and supported by facts. Typically the reviewer is the intermediate supervisor or member of human resources staff.

Review Period – the period of time over which the performance of the employee is assessed in a performance appraisal. That review period is typically the calendar year (January 1 through December 31), except in cases of new hires and certain leaves of absence.

Work Improvement Plan – an explicit action plan designed to correct performance deficiencies within a specified time period.

Work Profile – the identification of performance expectations, developmental needs and required competencies for an employee in the upcoming review period and documented on the Employee Work Profile and Performance Appraisal Report form.

Working Test Period – the initial period of time after appointment to a classification in the state classified service during which time it is determined whether the employee’s services have been satisfactory and whether the appointing authority will continue the employee’s employment.

Working Test Period Appraisal – a full performance appraisal conducted at least once during the working test period for employees in the classified service.

RESPONSIBILITIES

Employees are responsible for:

- Participating in all phases of the performance management process to include understanding their performance expectations, how the performance expectations will be measured, and how the performance expectations relate to the agency’s strategic objectives;
- Performing their work in a way that meets or exceeds performance expectations;
- Communicating successes and problems to their supervisors to assist their supervisor in measuring their progress; and
- Asking questions about their job, their performance expectations and the performance measures whenever they need clarification or additional information.

Employer is responsible for:

- Establishing an agency strategic plan which is tied to the administration’s strategic objectives and communicating the agency’s plan to employees frequently;
- Translating the agency strategic plan into individual employee goals that are specific, measurable, achievable, timely and framed as outcomes or results;
- Meeting with every employee at least annually to set measurable performance goals and documenting the goals on the appropriate form;
- Providing regular, frequent coaching and feedback to employees;
- Identifying development needs of each employee and establishing plans to address those needs;
- Conducting an annual written performance appraisal pursuant to the policy and procedure established by the state;

- Conducting working test period appraisals whenever required in the state classified service; and
- Conducting an interim performance appraisal whenever warranted, but in any case where performance issues indicate a Work Improvement Plan is necessary, and when an employee transfers, demotes or promotes resulting in a move to a new supervisor, and when an employee takes a leave of absence in excess of 30 calendar days.

PROCEDURE

Elements of the Performance Management Process

At the beginning of the Review Period, the supervisor and the employee shall meet to establish (1) the employee's performance expectations written as specific, measurable, achievable outcome-based goals linked to the agency's strategic objectives, and (2) the Competencies which the employee will need to demonstrate in order to be successful. The Expectations/Goals and Competencies shall be documented on the Employee Work Profile and Performance Appraisal Report [(State Form # 52403) Word / PDF].

Routinely, the supervisor and employee will track the employee's progress toward achieving the performance expectations/goals using the measures specified on the form. This information will enable the supervisor to provide regular specific feedback and coaching. It also will provide the employee with an opportunity to ask questions and clarify expectations, measurements and how they relate to the agency's strategy.

Every supervisor is encouraged to meet with each employee at least once at the middle of the review period to conduct an interim performance appraisal. The purpose of this meeting is to make any adjustments in the performance expectations/goals needed as a result of any changes in direction and priorities of the agency, discuss the employee's progress toward each of the performance expectations/goals and initiate action toward improvement, if needed. It is recommended that this discussion be documented on the Interim Performance Appraisal [(State Form 52404) Word | PDF]. If the employee is assessed as Does Not Meet Expectations or Needs Improvement for a performance expectation or significant Competency, the supervisor should implement a Work Improvement Plan [(State Form 52405) Word | PDF]. Supervisors should complete an Interim Performance Appraisal when an employee transfers, promotes or demotes, resulting in a move to a new supervisor or when an employee takes a leave of absence anticipated to last more than 30 calendar days.

At the end of the review period, the supervisor must complete the performance appraisal form [(State Form 52403) Word | PDF]. The appraisal should be drafted only after the supervisor has met with the employee to collect information about accomplishments based on the goals and metrics previously established and has reviewed all of the information in the supervisor's fact file. The supervisor must rate each performance expectation/goal and Competency using the ratings of Meets Expectations, Exceeds Expectations or Does Not Meet Expectations. Then, the supervisor will rate the employee's overall performance using the five anchors referred to below and send the appraisal to the reviewer for review and comments. Once the reviewer is satisfied that the supervisor can articulate the reasoning behind the ratings, then the appraisal is sent to the appointing authority or designee for a global review of all appraisals in the agency to ensure that consistent standards have been applied. The appraisal is deemed complete when the appointing authority or his/her designee approves the appraisal. It is then returned to the supervisor who will then schedule a meeting to review it with the employee.

Rating Scale

The State Personnel director has established a uniform rating scale for the performance appraisal as a whole consisting of five levels and it shall be used by every agency covered by this policy and procedure. The five overall ratings are: Does Not Meet Expectations, Needs Improvement, Meets Expectations, Exceeds Expectations and Outstanding. They are defined in the Definitions section above. Action should be taken to address the deficiencies of an employee who receives an overall rating of either Does Not Meet Expectations or Needs Improvement. Appropriate action should be based on all of the circumstances and may include imposition of a Work Improvement Plan, reassignment to a position which better suits the employee's skills (which may result in a demotion or salary reduction) or termination of employment.

Distribution of Ratings

Grade inflation is a common side effect of performance appraisals. It is incumbent upon managers to accurately assess each employee's performance and contribution to agency goals and apply the rating scale appropriately. Overall ratings are tied to salary increases in base pay and budgetary constraints must be observed as there is a finite amount of money available for pay raises. Properly delineating each employee's performance and allocating available resources effectively is an essential function of supervisors and managers.

Pay for Performance Increases

Each year the State Personnel director, Budget director and the governor will determine the pay increases associated with the overall rating scale.

Special Circumstances

New Hires

Employees who commence state employment after January 1 but before July 1 in a review period will receive a full performance increase commensurate with the overall rating assessed on their appraisals.

Employees who commence state employment after July 1 will not receive a performance increase. Instead they would be eligible to receive an increase the following year.

Employees Appointed in the Classified Service

Working test period appraisals are required at least once during the working test period for each employee appointed to a classification in the state classified service.

Removal of an employee in the classified service from a promotional working test period is not appealable, unless the removal results in the employee's dismissal or layoff.

Leaves of Absence

In order to effectively manage performance and workloads throughout the year, supervisors should complete an Interim Performance Appraisal Report evaluating employees at the time the leaves are approved for any leave of absence anticipated to last more than 30 calendar days. This requirement applies without regard to the reason for the absence.

➤ **Medical Leaves:** Employees on family medical leave (FML) should be treated just like employees actively at work for purposes of the review period and the completion of performance appraisals and pay for performance increases. In order to effectively manage performance and workloads throughout the year, supervisors must complete an

Interim Performance Appraisal Report evaluating employees at the time the leaves are approved for any leave of absence anticipated to last more than 30 calendar days.

Employees on short-term disability leave who have exhausted family medical leave shall have their performance appraisals completed on the standard schedule described above, but the employee will not receive a pay for performance increase until the employee returns to work. The increase will be effective on the first full pay period after the employee's return to work. In order to effectively manage performance and workloads throughout the year, supervisors should complete an Interim Performance Appraisal Report evaluating employees at the time the leaves are approved for any leave of absence anticipated to last more than 30 calendar days.

Employees on long-term disability leave will not receive a performance appraisal or pay for performance increase. Employees returning to work from long-term disability will be treated like new hires as stated above for the review period during which they return to work.

➤ **Military Leaves:** Employees on military leave will have their performance appraisals completed and receive pay for performance increases as if they were at work. If an employee is on military leave for an entire review period, his or her overall rating will be the same as it was prior to taking military leave. In order for this procedure to be effective supervisors must evaluate employees at the time the leaves are approved.

REFERENCES

IC 4-15-2.2-12
IC 4-15-2.2-15
IC 4-15-2.2-34
IC 4-15-2.2-36

ADDITIONAL INFORMATION

The State Personnel Department maintains a performance management page on its web site and all employees are encouraged to visit it frequently for up-to-date information. It is <http://www.in.gov/spd/2394.htm>.

State Personnel also offers training on performance management. Check the SPD web site at <http://www.in.gov/spd/2366.htm>.