




Policy Title	Performance Management
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Approval	 <div style="text-align: right;">State Personnel Director</div>
References	IC 4-15-2.2-12 IC 4-15-2.2-15 IC 4-15-2.2-34 IC4-15-2.2-36 IC 20-28-9 IC 20-28-11.5 31 IAC 5-3 31 IAC 5-9-23(c) The State's Salary and Performance Management for Teachers policy

PURPOSE

To facilitate the creation and promotion of a performance-based, learning culture where:

- each employee's performance is aligned with agency and administration objectives;
- feedback is utilized to enable the success and development of each employee;
- employees are recognized for the results and outcomes they achieve; and
- employees actively contribute toward or improve organizational efficiency and service.

SCOPE

This policy applies to employees in the state civil service.

POLICY STATEMENT

Performance management defines the relationship that should exist between state employees and their Managers. To be effective, employees must understand how their work contributes to the success of the organization. Performance management is an interactive process where Agency Leadership communicates the agency's strategic vision and objectives to every Manager and employee, who then develop program, division, and individual goals designed to align with the agency's strategic objectives.

Everyone is responsible for the implementation and administration of the performance management process defined in this policy and its accompanying procedure(s).

Key components of an effective performance management culture include:

- clearly defined goals for the agency, which are cascaded to Managers to create specific, aligned

performance goals for their teams.

- Specific, measurable, achievable, relevant, and timely performance goals expressed as an outcome or result of agency goals.
- Statewide, supervisory, and role-assigned competencies that aid employees in successfully achieving performance and development goals.
- Ongoing feedback and communication between the employee and the Manager to regularly track observations and progress on performance goals.
- Formal assessments of performance, conducted at regular intervals during the review period, with the most common being the Interim Review and Performance Appraisal.
- Timely and meaningful recognition of successful performance outcomes.
- Timely, appropriate intervention when performance is less than Successful.

DEFINITIONS

Appointing Authority: The agency head or designee who is responsible for the final review and authorization of Performance Appraisals.

Cascade: The process and action performed to align organizational strategy and goals to the individual employees' activities and goals.

Competencies: The behaviors, skills, and abilities required for success. Some competencies are based on the core values set for all state employees; others are role-related, based on the needs of the classification; others are discretionary, based on the needs of the classification and agency. The core value competencies are Meeting Basic Work Expectations and Serving Customers. Role-related competencies can be found in the employee's Job Profile in SuccessFactors.

Exceeds (performance rating): The employee consistently demonstrates a high level of performance and accomplishments. Performance is at a level that exceeds expectations and the quality of work is consistently high.

Exemplary (performance rating): The employee's performance levels and accomplishments clearly and substantially surpass expectations. Performance serves as a desirable model and consistently demonstrates the highest quality of work.

Fact File: Any document, electronic or otherwise, containing any relevant job performance information occurring during the performance appraisal review period and that supports ratings.

Goal or Objective: A statement of desired outcome, along with the plan to achieve the desired outcome. Performance expectations should be expressed as goals or objectives. Goals or objectives should be SMART— Specific, Measurable, Achievable, Relevant, and Timely.

Goal Plan: A transparent, interactive tool used by managers and employees to document an employee's goals and experiences making contributions, overcoming challenges, and achieving success.

Interim Review: An overall assessment of each employee's performance, conducted around the mid-point of the annual appraisal review period to document relevant, specific observations or feedback for specific goals and competencies.

Manager: The individual responsible for directly supervising and managing employee development, work activities, and performance with the goal of optimizing the efficient use of talent.

Needs Improvement (performance rating): The employee's performance is less than expected. The employee may meet some job requirements, but is not otherwise successful. Further development and improvement are necessary for continued employment in the position.

Performance Appraisal: an evaluation conducted annually to record the employee’s overall performance rating for the Review Period. Performance Appraisals are maintained in the employee’s personnel records.

Performance Improvement Plan (“PIP”): An action plan designed to correct performance deficiencies within thirty, sixty, or ninety days.

Performance Progress Review: An evaluation conducted when an employee changes supervisors or goes on leave for more than 30 consecutive days. It may also be conducted as needed during the review period.

Review Period: The period over which the performance of the employee is assessed in a Performance Appraisal. That period is typically the calendar year (January 1 through December 31), unless an agency has established another review period that better meets operational needs.

Successful (performance rating): The employee’s overall quality and quantity of work satisfies the expectations of the role. Work outcomes are consistently thorough and timely, and the employee successfully met the goals and competencies established by their Manager.

Unsuccessful (performance rating): The employee’s performance is substantially below that which is expected in this role.

Working Test Period: The initial period after appointment to a classification in the State classified service. Managers use this time to closely observe the employee’s work to determine whether the employee’s performance warrants continuation in the position.

Working Test Period Appraisal: A performance appraisal conducted at least once during the Working Test Period. This is separate from an Interim Review and the Performance Appraisal, although there may be overlapping time periods, goals, and expectations.

RESPONSIBILITIES

Employees are responsible for:

- Actively participating in all phases of the performance management process, which includes:
- Understanding performance expectations, measurement, and alignment to the agency’s strategic goals;
- Performing their work in a way that successfully meets or exceeds performance expectations and goals;
- Communicating successes, opportunities, and barriers to their Managers to assist in measuring their progress; and
- Asking questions and seeking/considering feedback about their job, performance expectations, and success measures to obtain clarification and improve performance.

Agencies Leadership and Managers are responsible for:

- Establishing an agency strategic plan and communicating the agency’s plan to employees;
- Cascading the agency strategic plan into individual employee goals that are SMART, framed as outcomes or results, and measured;
- Providing regular, frequent coaching and feedback to employees regarding their performance;
- Identifying the development and performance improvement needs of each employee and establishing plans to address those needs;
- Reporting an overall service rating for each employee no less than once each calendar year based on Performance Appraisal results and documenting that rating in the employee’s personnel records;
- Conducting a Working Test Period Appraisal whenever required in the state classified service; and
- Conducting a Performance Progress Review whenever warranted.

PROCEDURES

For each review period:

1. Agency Leadership should communicate agency goals/objectives to Managers and employees to ensure alignment between organizational strategy and employee goals.
2. Managers and employees should regularly discuss job expectations as expressed through performance goals and competencies to ensure each understands what activities must be performed and outcomes must be achieved during the Review Period. Quality, quantity, and timeliness standards should be defined in a measurable way using SMART goals. Performance goals should be set for all employees within the first quarter of the Review Period or within the first thirty (30) days of the employee entering the role
3. Managers should conduct an assessment of each employee's performance through an Interim Review. This ensures employees have a clear understanding of expectations and can take steps to achieve success during the remaining Review Period.
4. Managers shall evaluate each employee's performance for the Review Period and document an overall appraisal rating and any individual ratings assessed for specific goals and competencies.
 - a. The impact of absences on the production standards for quality, timeliness, and quantity of work may be considered when determining ratings except those absences designated as family-medical leave or leave for military service. Absences due to military service or family-medical leave must be counted and appraised as if the employee was working and performing at the same level as they performed when not on leave. These absences shall not have any negative impact on an employee's performance assessment.
5. To effectively manage performance Managers should complete a Performance Progress Review evaluating employees upon notice of transfer to another Manager or approval of any leave of absence anticipated to last more than thirty (30) calendar days. This requirement applies without regard to the reason for the absence. If an employee transfers between state agencies that are both in the state civil services, the receiving agency is responsible for preparing a Performance Appraisal for the Review Period and for gathering relevant information about the employee's performance at the previous agency to include in the appraisal. Employees who transfer into an entity not in the state civil service (e.g., separate bodies—corporate and politic, legislative, or judicial branches) are subject to the performance review period and policy decisions of that entity, regardless of the timing of the transfer.
6. Managers should provide employees with timely, appropriate intervention, including but not limited to, documented feedback or coaching, fact file entry, a PIP, reassignment, or demotion, when performance is deemed not successful for reasons related to knowledge, skill, ability, or competency.
 - a. A PIP is intended to provide employees with a detailed plan and time frame to improve performance and meet expected outcomes. The PIP should identify gaps in performance as described by observations of the employee's current knowledge, skill, ability, and competency compared to the expected level of performance. It is the employee's responsibility to actively participate in the PIP by clarifying expectations, utilizing resources, seeking feedback and coaching, and sharing challenges as soon as they come to the employee's attention. Managers should regularly observe the employee's performance, provide timely feedback and/or correction, and determine whether progress made during the designated time period is sufficient to continue employment in the current role.
7. To develop a talented workforce, Managers should provide employees with learning opportunities to improve or strengthen their knowledge, skills, abilities, or competency for the role they are currently in

or the role they may seek to obtain. For more information about how to provide learning opportunities for their staff, please see the state's WHOLE policy.

Rating Scales:

The State Personnel Department has established a uniform rating scale for the Performance Appraisal as a whole consisting of five (5) levels: Unsuccessful, Needs Improvement, Successful, Exceeds, and Exemplary; these are each defined in the Definitions section above. Managers shall take action to promptly address identified performance deficiencies for those with an overall rating of either Unsuccessful or Needs Improvement. Appropriate action should be based on all of the circumstances and may include a PIP, reassignment to a position that better suits the employee's skills (which may result in a demotion or salary reduction), or dismissal from employment.

Use and Reporting of Performance Ratings:

Managers shall accurately assess each employee's performance and contribution to agency goals and apply the rating scale appropriately.

Managers should take the following steps each review period:

- Create goals with clear, objective measures of success;
- Ensure consistency of goals for employees in the same role or working on a similar project;
- Ensure employees are receiving frequent feedback and opportunities to discuss performance progress and development;
- Document observations and performance progress throughout the year; and
- Provide Performance Appraisal comments that objectively support the rating selected.

An overall performance rating and completed Performance Appraisal for each employee must be recorded no less than once each review period in the employee's personnel records.

Each year the state will determine whether funds are available to recognize successful performance and, if so, the manner in which performance will be recognized.

Employees who worked at least six (6) months during the Review Period are eligible for performance-based financial recognition. For purposes of this calculation, 6 months' work means consecutive or non-consecutive calendar period(s) totaling at least 180 calendar days where the employee was either present at work performing duties or absent using approved military, family-medical, or new parent leaves. Time spent on short-term or long-term disability under Option 3 (using accrued leave in lieu of disability benefits) is also counted as time worked; however, time spent on short-term or long-term disability under Options 1 and 2 is not counted as time worked, except for any time charged concurrently to family-medical leave.

Special Circumstances

Classified Service

Classified employees should receive a Working Test Appraisal shortly after completing six months of employment, along with a decision whether to: (1) grant status in that classification, (2) extend the Working Test Period, or (3) terminate employment. The Working Test Period is the initial period of time after appointment to a role in the state classified service, during which time it is determined whether the employee's performance has been satisfactory and whether the appointing authority will continue the employee's employment.

A favorable Interim Review, Performance Appraisal, or Working Test Appraisal does not by itself grant an employee permanent status in the classified service, nor is permanent status automatically granted after six months of employment. Six months is the minimum Working Test Period, but it can be extended up to one year. An employee gains permanent status in the classified service only if the Appointing Authority has recommended permanent status or the employee has been employed in that position for longer than one year.

Working Test Period goal and competency discussions are essential to support an employee's training and acclimation to the role, team, and agency. Working Test Period goals are created by considering the knowledge, skills, and abilities an individual will need to be successful in the role and should outline the performance standards for working with an individual's team, customers, and agency stakeholders.

Working Test Period goals should be SMART and set within the first thirty (30) days of entering the role; progress should be measured and discussed frequently. In addition, behaviors should be observed throughout the review period to ensure they meet the standard of success described by each competency description.

ADDITIONAL RESOURCES

The Indiana 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 www.in.gov/spd/performance-management.

The Indiana State Personnel Department also offers training on performance management. Those resources are found at www.in.gov/spd/trainingopportunities/managers-supervisors.