

**Performance Management System: Performance
Evaluation
SOP# 1540**

Employment Discrimination Bureau
North Carolina Department of Labor

Procedure approved by:

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STANDARD OPERATING PROCEDURE MANUAL

1. PURPOSE and SCOPE

1.1. Purpose

This procedure establishes the process for annually evaluating the job performance of direct reports.

1.2. Scope

Once the strategic planning process is concluded then the performance evaluation process begins with the development of new work plans for each of the bureau's job classifications. New work plans are issued and signed by employees after their final performance evaluation has been completed by their immediate supervisor. Employees should be informed of job performance by monthly productivity reports that compare them to the performance standard on at least key strategic and operational objectives. Bureaus may publish individual and team employee productivity data but shall not include information that document an overall performance rating of individual employees. State statutes dictate that performance documentation and ratings are confidential personnel information. Supervisors also regularly maintain a performance log on each direct report. After six months, each employee receives an interim performance review for the first half of the performance evaluation year and a final evaluation at the conclusion.

2. PERSONNEL RESPONSIBILITIES

The following is a list of people who participate in the procedure and the overall responsibilities of each role.

Role	Responsibilities
Bureau Chief	<ul style="list-style-type: none">• The development of work plans for each job classification;• Scheduling a pre-evaluation conference prior to final performance evaluations for consistency and fairness in ratings with bureau management;• Completion of an interim and final performance evaluation for each bureau employee;• Proper maintenance of performance logs on every direct report; and;• Production of at least quarterly productivity reports for distribution to staff.

Bureau Chief in supervisor capacity	<ul style="list-style-type: none">Responsible for maintaining a performance log for each direct report that include: Enough entries to provide a good overview of a direct report's performance for the entire evaluation year; Observations in different settings and/or tasks to evaluate a direct report's job required skills and compliance with all appropriate procedures; and Observations on a direct report's behavioral conduct.
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3. HEALTH AND SAFETY ISSUES – N/A

4. PROCEDURE

4.1. Primary Procedure

- 4.1.1. On an annual basis, the job description for each job classification shall be reviewed and updated as needed.
- 4.1.2. The performance evaluation process begins with the development of *new work plans* based upon a current job description.
 - a. Every employee work plan includes at least one strategic objective in addition to other quantitative or qualitative operational measures.
 - b. The work plan is organized into one or more major headings called Key Responsibilities/ Results (KRR) which are prioritized in descending order according to their weight.
 - c. Each KRR or subKRR (if there is more than one key responsibility or result to be measured in a KRR) is measured on a three-point scale as follows: (1) Doesn't Meet Expectation; (2) Meets Expectation; and (3) Exceeds Expectation. The measurement of each scale on the three-point rating has to be mutually exclusive. Two or more subKRRs are weighted within a KRR.
 - d. Each KRR has a subKRR for dimensions (i.e., Attention-to-Detail, Efficient, Integrity, Judgment, Planning and Time Management, Professional Conduct, Safety, Service-oriented, and Teamwork). In addition, appropriate dimensions for supervisors include: Coaching, Innovation, Objective and Delegation.
 - e. Each KRR or subKRR should be primarily objective which means it is numerically-measured. For the subKRR dimensions which are qualitatively measured, the requirements for not meeting, meeting or exceeding expectation should be clearly explained.
 - f. All work plans in the bureau's hierarchy must be properly aligned for accountability in achieving the strategic plan and other operational measures. For those bureaus with management teams, bureau chiefs are accountable for the job performance of every employee while supervisors are accountable for the job performance of their direct reports.

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- g. Those responsibilities assigned in action plans must be incorporated into a KRR.
 - h. A new work plan must be issued if there are any changes made to an employee's work plan during the performance evaluation year. Each change from the original work plan must be initialed and dated by the employee, the supervisor and the bureau chief. The original and revised work plan should be maintained by the supervisor.
 - i. See NCDOL Human Resources' Probationary Period Standard Operating Procedure – Item 9 for developing a probationary work plan for a new employee.
http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/probationaryPeriodProcedures.pdf
 - j. Every work plan includes the statement: "A written warning issued during the performance evaluation year will result in *at least a one-step drop* in the final performance evaluation score. A final written warning issued during the performance evaluation year will result in a "Does Not Meet Expectation" for the final performance evaluation." The final evaluation score for anyone with a written warning will depend upon the nature of the warning, along with other relevant factors such as an employee's prior history.
- 4.1.3. For those bureaus whose performance evaluation year runs from April 1 to March 30, final evaluations are completed and new work plans reviewed with direct reports by April 31. For those whose performance evaluation year runs from May 1 to April 31, final evaluations are completed and new work plans reviewed with direct reports by May 31.
- 4.1.4. Any employee who is being investigated by Human Resources and/or Legal Affairs will not be issued a final written performance evaluation until the investigation is concluded.
- 4.1.5. Each supervisor is to complete a *written performance evaluation* for each direct report.
- a. An employee has to be on the job for at least six months to receive a final performance evaluation.
 - b. Evaluations are based on only two sources of data which include information from the bureau's electronic management information system and a supervisor's performance log.
 - c. The scoring for each KRR and/or subKRR must be clear and easy to understand.
 - d. Comments are written in the second person and provided for each KRR and for the Overall Summary.
 - e. Each subKRR is addressed in the written comments for the KRR.
 - f. Each comment is prefaced by positive comments. Employee achievements should receive positive comments.

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- g. At least some comments include opportunities for improvement or personal development.
 - h. Any employee who has a KRR or subKRR that "Doesn't Meet Expectation" must be issued a Performance Improvement Plan (PIP). See NCDOL Human Resources' Performance Improvement Plan Standard Operating Guidelines. http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/pipGuidelines.pdf
 - i. Every final written performance evaluation includes the statement: "Employees wishing to dispute their overall performance rating (other than 'Exceeds') must do so in writing to the Employee Development Specialist (EDS) or HR Director within 15 calendar days of the date they sign the appraisal, as outlined in NCDOL's Performance Management Policy and Procedures."
- 4.1.6. The bureau chief schedules and presides over a *pre-evaluation conference* of his management team. The purpose is to review all drafts of employee performance evaluations to determine if the written evaluations meet standard and to determine fairness and consistency in ratings among supervisors.
- 4.1.7. A supervisor simultaneously reviews a new work plan with a direct report face-to-face after completing an annual performance evaluation.
- a. Using teleconferencing technology, such as Skype, for face-to-face performance evaluations and reviewing new work plans is encouraged;
 - b. Every employee is given the opportunity to make written comments on their final performance evaluation;
 - c. A completed final written performance evaluation is signed by the employee, the employee's supervisor, and the supervisor's supervisor;
 - d. If an employee refuses to sign a completed final written performance evaluation then the supervisor's supervisor will verify that the discussion took place and that it was properly noted on the written evaluation;
 - e. Employees are given a photocopy of their final performance evaluation including signatures;
 - f. Employees are required to sign a work plan indicating they reviewed it with their supervisor and they clearly understand what is expected of them in the next performance evaluation year.
- 4.1.8. Completed final written performance evaluations are delivered promptly to the Human Resource Office no later than the deadline date published each year by the HR Employee Relations Manager.
- 4.1.9. A bureau should provide employees a *monthly productivity report* but must do so quarterly on at least the strategic objectives for employees to gauge and compare their individual performance among their peers.
- 4.1.10. Supervisors must frequently "observe and evaluate" direct reports on their job performance and to identify opportunities for employee development and job performance improvement. Areas for improvement not only include job-required skills, but also personal and dimensional skills.

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- 4.1.11. A supervisor regularly maintains a *performance log* on each direct report. (See NCDOL Human Resources' Performance Log Guidelines.)
http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/performanceLogGuidelines.pdf
- a. "Regular" documentation means at least 10 entries throughout the 12-month evaluation period. More specifically, regular documentation means a supervisor has enough entries to make an informed judgment regarding a direct report's performance for the year, especially on the behavioral dimensions because these are qualitative not quantitative assessments.
 - b. Each log entry identifies its source, whether it doesn't meet (Work On), meets or exceed expectation and the applicable KRR, subKRR and/or dimension.
 - c. Generally, a single log entry can only apply to one subKRR, especially if the notation is a "Work On" and will deduct from the overall evaluation score.
 - d. Notations are clearly written and fully explanatory.
 - e. For probationary employees, supervisors must make notations regarding the training progress of the employee (according to the written training procedure) and must note performance reviews at the second, fifth and seventh months of employment. (See NCDOL Human Resources' Probationary Period Standard Operating Procedure – Item 9.
http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/probationaryPeriodProcedures.pdf)
 - f. The performance logs maintained by supervisors are reviewed and critiqued at least twice annually by the bureau chief or assistant bureau chief. The review and critique is then documented by the bureau chief or assistant bureau chief in the supervisors' performance logs.
- 4.1.12. A supervisor conducts an *interim evaluation* for every direct report during the seventh month of the performance evaluation year. For performance years beginning April 1, interims are conducted in the month of October. For performance years beginning May 1, interims are conducted in the month of November.
- a. Supervisors provide their direct reports a copy of their performance log prior to the interim review meeting.
 - b. An interim evaluation is conducted face-to-face. During the meeting, a supervisor and employee discuss the employee's six-month performance on each KRR and subKRR.
 - c. Any employee who has a KRR or subKRR that "Doesn't Meet Expectation" must be issued a Performance Improvement Plan (PIP). See NCDOL Human Resources' Performance Improvement Plan Standard Operating Guidelines.
http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/pipGuidelines.pdf
 - d. Supervisors are to review with each employee their performance log.
 - e. For probationary employees, a supervisor conducts a performance review at the second, fifth and seventh month of employment. (See NCDOL Human Resources' Probationary Period Standard Operating Procedure – Item 9.

http://10.21.81.244/intranet/Human/hr_guidelines/performanceManagement/probationaryPeriodProcedures.pdf

- f. The supervisor must document the interim review discussion and the overall rating for the six-month period. The employee must sign the document and sign the performance log indicating the log was shared and reviewed with them by their immediate supervisor at their interim evaluation. It is recommended that the interim discussion and overall rating be written in the performance log as the final entry for the six-month period. The employee signs and dates the log acknowledging the interim review notation and indicating the performance log was shared and reviewed by their immediate supervisor.

4.2. Alternative Procedures – N/A

4.3. Exception Procedures - N/A

5. CUSTOMER SERVICE REQUIREMENTS

The following table lists the customer service requirements that must be satisfied for each Customer of the procedure.

Customer	Requirements
Investigator	<ul style="list-style-type: none"> • Work Plans, Performance Logs and Interim and Final Evaluations are clearly written and provide enough information to be self-explanatory to the reader. • Feedback to employees based upon observation or other sources should be accurate and timely so that an employee receives recognition for a job well done or can correct any deficient performance or behavior. • Performance Logs and Interim and Final Evaluations are written in the second person. • Every written performance evaluation is “individualized” which means that every employee is deserving of personal feedback assessing his or her performance, skill level and behaviors for the year. A final evaluation should indicate that the supervisor has properly assessed performance and that he or she has identified opportunities for the direct report to continue to develop and grow in their current position.

6. DATA AND RECORD MANAGEMENT

6.1. Data and Record Management

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- 6.1.1. An electronic folder shall be created with the supervisor's name followed by the title Direct Reports. For example: Andy Frazier Direct Reports. Each employee will have a separate file name and date within the electronic folder. For example: Jack Given 2013.
- 6.1.2. Signed copies of work plans, performance logs, interim and final performance evaluations are maintained as electronic files by supervisors.
- 6.1.3. Each KRR and subKRR is weighted as a percentage for evaluation purposes.
- 6.1.4. Each KRR and subKRR is rated on a three-point scale (i.e., 1 = Doesn't Meet Expectation, 2 = Meets Expectation, 3 = Exceeds Expectation).
- 6.1.5. The final evaluation rating is determined by:
 - a. Multiplying the weight for each subKRR by its evaluation rating (i.e., 1, 2 or 3);
 - b. Adding the weighted evaluation score for each subKRR for an overall evaluation rating for the KRR;
 - c. Multiplying the weight for each KRR by the overall evaluation rating for each KRR; and,
 - d. Adding the weighted evaluation score for each KRR for an overall evaluation rating for the entire performance evaluation.

7. Exhibits – N/A