

The New Performance Management Process for the State of Kansas

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Need for Performance Management

During the work of the State Employee Compensation Oversight Commission (the Commission) last summer, the members of the Commission heard from State employees that the State's current performance review system does not work. Employees told the members of the Commission that they did not believe that their supervisors were capable of effective performance management and several expressed concern with the possibility of allowing supervisors to have an impact on employees' pay.

After hearing this information, staff from the Division of Personnel Services (DPS) began looking into the State's current performance review system and how agencies were utilizing the system in different ways. DPS found that there were 26 different systems in use by various agencies across the State, clearly indicating that there was a significant lack of consistency throughout the State with respect to performance management.

Performance management involves four key components: performance planning; coaching and feedback; reviewing and appraising; and recognition and reward. The State's current system is focused almost exclusively on the reviewing and appraising component, where the supervisor evaluates the employee's performance, fills out the form, and then meets with the employee to discuss what the supervisor has prepared. Although several agencies emphasize planning and coaching within their own systems, there are no statewide requirements regarding those critical elements of performance management.

As a result, the overall perception of the State's current process is negative and is largely perceived to be necessary or of use only in situations involving poor performance, and it is not seen as a cooperative process between the employee and the supervisor. In summary, the State's current system is inadequate as a tool to support the new pay system and does not engender confidence among employees.

Recognizing that the current system had to be changed, the Commission included a recommendation for the development of a new statewide performance management system as part of its report to the 2008 Legislature. Following the unanimous approval of the Commission's recommendations by a Joint Committee, the 2008 Legislature passed Senate Sub. for House Bill 2916, which authorized and directed the development and implementation of a new statewide performance management system as part of the implementation of the new pay plans.

Development of the New Process

Work on the design of a new system began shortly after the Commission's unanimous approval of its recommendations for the 2008 Legislature. Having been an instrumental part of the Commission's work, the Department of Administration partnered with the Hay Group to design this critical new process.

Knowing the importance of obtaining broad support for this new process, the team of staff from the Hay Group and DPS who began working on this project laid the ground work for acceptance by including regular employees and high-level decision makers in the design of the new system. One of the fundamental concepts regarding the design of this system from the outset was to involve actual employees and managers, to make sure that the system would work for the people who would actually be using it.

To this purpose, two groups of employees were formed, the first of which was the Design Team. This team was comprised of employees from different roles, agencies, levels of responsibility and representing classifications assigned to all five of the new pay plans. A number of these employees were selected based on their participation in classification focus groups, while several of the employees were recommended for the team by their agencies. The Kansas Organization of State Employees (KOSE) was also invited to select a representative to be a part of this team. The members of the Design Team can be seen on *Attachment I*.

As the name implies, the Design Team was responsible for the design of the new Performance Management Process. The team met six times over the course of several months, with staff from the Hay Group and DPS facilitating the meetings. The team began by reviewing the 26 different systems currently in place, and identified features from these systems that should be a part of the new statewide system.

The team then worked to design the new system, based on their own personal experiences and preferences as well as advice and knowledge about industry practices provided by staff from the Hay Group and DPS. The team specifically worked to address the concerns voiced by employees to the Commission, and their goal was to design a process that was a positive, collaborative tool for not only performance management, but also for the development of employees.

Once the Team had formulated a working draft, the members of the Team were encouraged to share the draft with their coworkers, obtain input and then return to finalize the new process. By the end of the Third month, the Team had designed a new process that they all agreed was a tremendous improvement on the State's current system.

The second team that was formed for the design of this process was the Steering Committee. This team was comprised of Agency Heads, or their non-HR designees, two HR Managers, an employee representative, and Senator Schmidt, who represented the Commission. The members of the Steering Committee can be seen on *Attachment II*.

As leaders in the State of Kansas workforce, the role of the Steering Committee was to insure that the work of the Design Team coincided with the best interests of State government, and once the new process was designed, to champion and support the new process as it is implemented statewide. The Steering Committee met as a group on three occasions, and had high-level discussions about the goals for the new process.

Once the Design Team completed their final draft of the new process, the draft was presented to the Steering Committee who then reviewed the work product and provided feedback. Staff from the Hay Group and DPS then met individually with each of the members of the Steering Committee to discuss their feedback and make sure that the members were satisfied with the final product.

Overall, the Steering Committee was in full support of the new process. The few changes proposed by the members were relatively minor and after they were taken back to the Design Team, were incorporated into the new process. At the conclusion of the design process, the State had a new Performance Management Process that had been designed by employees and was approved and supported by leaders from the highest levels of State government.

New Performance Management Process

The new Performance Management Process (PMP) for the State of Kansas incorporates all four of the core components of performance management, with a particular emphasis on performance planning, coaching and feedback. The new PMP is intended to be a cooperative system based on the employee and supervisor communicating to agree upon goals and objectives.

The intent is to involve the employee in the performance planning process so that they not only have a role in setting their goals, but they also have a clear understanding of what is expected of them. This helps to enhance the amount of face-to-face communication between the employee and the supervisor as well as to ensure that there are no surprises in the evaluation stage, as the employee would have agreed on what was expected of the employee in the planning stage of the process.

The new PMP has several important differences from the State's current system. The first of these is the incorporation of five core competencies for all employees and two additional leadership competencies for managers and supervisors into the PMP. These competencies provide a way to evaluate and recognize not only the duties that the employee performs, but also the manner in which those duties are completed. Both the Design Team and the Steering Committee felt that the incorporation of competencies into the new PMP was a necessity, as *how* duties are performed are often as important as *what* duties are performed.

Another important feature of the new PMP is the inclusion of two Essential Requirements which will be required of all employees. These two requirements are Dependability and Agency Values. The inclusion of these requirements was one of the suggestions from the Steering Committee which was quickly supported and adopted by the Design Team. These Essential Requirements are basically two pass/fail measures for all employees, and if they are not passed, the employee cannot obtain a satisfactory performance rating.

Yet another important feature of the new PMP is that there will be five overall ratings which an employee can receive, as opposed to the three ratings that are currently in place. Both the Design Team and the Steering Committee had a number of discussions about this issue and both finally agreed that adding two additional rating levels would be beneficial.

One of the biggest complaints about the State's current system is that there is no real distinction between satisfactory performers and exceptional performers, so the additional performance level between the middle and highest ratings was thought to be one more way to recognize good work. Similarly, there have been complaints expressed that there should be a rating level between unsatisfactory and satisfactory, as there are many situations that fall somewhere in between those two labels. The adoption of five rating levels will address both of these concerns.

Finally, the last of the major differences from the State's current system is the timing of the performance review cycle. Currently, each employee is to be evaluated annually, and the employee's anniversary date is used as the measuring date for this process. This timing element had originally been adopted to coincide with the State's system of step movement for compensation, and upon review during the development of the new PMP, was no longer viable in the State's new systems.

Instead, all employees will have their performance review conducted between October 1st and December 31st each year. This "focal point" is a common practice in many industries and helps to ensure that employees receive their reviews annually by allowing the employee and the supervisor to agree on the time that works best for them during this time period.

All of these factors have been incorporated into a new form, which will be required to be utilized on a statewide basis. The new form is included as *Attachment III*. The form itself contains explanations of many of the new measures and practices, but if a supervisor needs additional information or assistance, there is also a Resource Guide that will be available on the website should it be needed. This Resource guide can be seen at the following link: <http://www.da.ks.gov/pmp/mgrresguide.pdf>

Implementation

The two most important aspects of implementation are communication and training. With respect to communication, there have already been a number of things done to get the word out to employees about the new PMP. The first of these has been the development of the project website which contains all of the information pertaining to the development and implementation of the new PMP and is updated regularly as new information becomes available. The link to that website is: <http://www.da.ks.gov/pmp/>

Employees have also received color brochures about the new PMP and posters about the new PMP have been put up in offices across the State. These documents contain general information about the new PMP as well as a link to the website so that employees can stay informed about the implementation of the new process.

Finally, staff from the Department of Administration have held several informational meetings with employees at locations across the State, and are scheduled to hold several more in the coming months. So far, there have been meetings in Dodge City, Manhattan and Topeka and meetings in Hutchinson, Pittsburg and Wichita are scheduled for November, and meetings in Salina are scheduled for December. Additional meetings in Manhattan, Topeka and Wichita will be scheduled as will meetings in the Kansas City area. To date, there have been eight meetings with over 1,300 employees.

In addition, the first of four scheduled train-the-trainer sessions on the new PMP will be taking place this Friday. Staff from DPS will be presenting training developed by staff from the Hay Group and DPS to trainers from State agencies who will then take that training and deliver it to supervisors and managers across the State.

Given the challenge of reaching all managers across the state, this is the most effective method of delivering this training available. This method will also ensure that while the actual trainer may vary, the curriculum, materials and presentation used in the training will be the same for all supervisors and managers throughout the State.

The goal is for the training process to be complete by the beginning of FY2010, with the actual implementation of the new PMP being effective on October 1, 2009. Supervisors and managers who have completed the training will be encouraged to begin utilizing the features of the new PMP as soon as possible, to allow for more familiarity and experience with the new system before it is actually implemented.

This overall schedule will allow for enough time to make sure that all supervisors and managers have been trained, as well as to amend policies and regulations, make the necessary changes to the State's payroll and accounting system and continue with communication efforts for employees.

We would like to thank the Committee for the opportunity to present this information today and we would be happy to stand for any questions.