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 **Performance Management Manual**

**Metropolitan Government of Nashville & Davidson County**

**MAY 2017**

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**Purpose**

This manual provides assistance to supervisors and managers in the performance management process. It is a tool for management to help guide them through the process. This manual is also available to all employees to help them become more aware of the evaluation system and more knowledgeable about the process.

This manual consists of three parts:

1. Part 1 is recommended for all supervisors to read. It explains the performance management process.
2. Part 2 includes the civil service rules and policies related to performance evaluation.
3. Part 3 includes tools and techniques for the effective practice of performance management. It is recommended that first time supervisors or experienced supervisors looking for a refresher read this section.

Please be aware that all information and tools mentioned in this manual may not apply to all positions. Metro employs a wide variety of jobs, some having more rote and routine activities, and some with more dynamic and complex activities. Supervisors are encouraged to refer to this manual as a resource to assist with the process.

**PART 1: The Performance Management System**

It is Metro Government’s purpose to serve the community of Nashville and Davidson County. In order to do that in the best way, we must invest in our employees, as they are the greatest assets to our success. All employees are valued and we want to see them attain a high level of performance. The performance management system was created with the purpose of maximizing performance. This system is built around the FEAD (**F**ocus, **E**mpowerment, **A**ccountability, and **Development**) Model that seeks to:

* help employees focus their efforts and give them direction
* empower both employees and supervisors to play a role in managing performance
* hold employees accountable for their performance
* hold supervisors accountable for their role in the performance management process
* develop employees

This system constitutes a process of performance planning, ongoing feedback and coaching, and evaluating performance. To carry out each of these functions in the most effective way, forms were created to help in this process. While not required for every position, a Performance Plan form is available to help employees and supervisors collaborate on creating a career development plan for the year by establishing expectations and objectives. A Feedback Form is available for supervisors to provide, and record, ongoing feedback to employees. Finally, a Performance Evaluation form focuses on evaluation components that lead to a more accurate assessment of performance.

**Performance Evaluation System Improvements**

**Performance Plan Form:**

The Performance Plan form gives specific directives, with the goal of establishing a useful performance guide for the year. It gives clear sections to specify major responsibilities, developmental and performance goals, the plans to reach the goals, the benefits of the goals, and how the supervisor will help the employee attain the goals. This places an emphasis on career development and empowerment.

**Feedback Form:**

The Feedback Form provides a place where supervisors can regularly provide feedback to their employees throughout the year. The Feedback Form is an additional tool provided to supervisors with developing their employees.

**Performance Evaluation Form:**

**Rating Scale:**

The rating scale has several benefits. First, it utilizes a three-point scale, providing an easy and more concise method for ratings to be assigned. The ratings are:

* 3 – Exceptional
* 2 – Successful
* 1 – Needs Improvement

The highest rating of “3” is for employees who are clearly exceeding job expectations.

A rating of “2” as successful encourages the employee and shows them that if they earn this rating they meet job expectations and are indeed good performers. There needs to be emphasis given that receiving a rating of “2” means the employee is successful and meeting job expectations.

A rating of “1” indicates that the employee has not succeeded in fulfilling all the duties and responsibilities of the job. While supervisors may certainly include written commentaries for scores of “2” successful on the evaluation, written justification **must** be provided when designating scores of either “1” or “3”. For more information about the benefits of using a three-point scale, please refer to the section titled “The 3-Point Rating Scale”.

**Comments** **Boxes:**

On the form, a comment box is included for each individual rating. Supervisors should utilize these in order to provide specific and meaningful feedback to employees. Providing this level of documentation promotes both an accurate, and justifiable, evaluation.

**Core Competencies**:

The six core competencies reflect the fundamental skills that are most important for Metro employees to demonstrate. Additionally, the definitions of the competencies are part of the form so raters will not have to take time to refer to another form to find the definitions. Ratings are easier to designate with this information readily available.

**Goal Achievement:**

The system emphasizes goal setting. This helps employees focus their performance in a specific way and helps them achieve better performance and develop professionally.

**Ongoing Feedback:**

When applicable, the system emphasizes ongoing feedback through the inclusion of a quarterly feedback form. This tool fosters communication between the employee and supervisor and encourages supervisors to provide ongoing feedback to employees.

**The 3-Point Rating Scale**

It is important to provide accurate ratings on employee performance evaluations. The rating scale and how it is understood by the raters plays a crucial role in this process. There are a number of rating scales that can be utilized, but any scale with more than three increments creates an unnecessary complexity that leads to misinterpretations of the rating scale. This complexity creates challenges for the rater that may include:

* inability to effectively differentiate between rating definition
* increased reliance on subjective judgements of raters
* diminished accuracy of rating process

Using a 3-point scale helps mitigate these rater challenges in order to achieve a more accurate, honest, and realistic assessment of performance. Paired with measureable performance indicators, level of performance can be classified as not meeting, being successful, or exceeding expectations.

It is important to note that in the final analysis of any performance assessment, the employee either performs the job at the level expected, the employee performance, exceeds expectations, or the employee does not perform at an acceptable level.

Also, using a 3-point scale with clear rating classifications provides more accurate assessments of performance. Rating definitions are straightforward and clear in order to help supervisors facilitate the process. The 3- point scale assessment reduces discrepancies and employee increases engagement.

**The Performance Management Process**

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**Performance Plan**

**Definition and Expectations:**

A performance plan is intended to be developed at the beginning of the rating period. The purpose is to provide direction to employees, and it should serve has a guide for performance. It is a dialogue between a supervisor and an employee to:

* establish and agree upon performance expectations and goals
* clarify what the employee will be evaluated on
* set the stage for ongoing feedback and coaching throughout the year

**Performance Plan Form:**

In the first section of the form, major job responsibilities should be listed. This may be responsibilities taken directly from the employee’s functional job description or it may be other responsibilities that the supervisor and employee have agreed upon.

The next section of this form emphasizes goal setting. Setting goals gives employees direction and helps them focus their efforts. There are two types of goals that employees are encouraged to set: developmental goals and performance goals. Developmental goals may have to do with professional development, acquiring a new skill, gaining or improving knowledge on a certain subject, etc. Performance goals have to do with achieving a specific outcome in performing job tasks. To clarify, refer to the following definitions.

**Developmental goals:** are *learning-oriented.* They spell out the skills, knowledge and experiences the employee needs to either remain effective in one’s current job or support the employee’s ability to take on new responsibilities and grow in one’s career.

**Performance goals:** are *job-oriented*. They are results-based statements of the employee’s duties, as well as any important ongoing and special project responsibilities.

Additionally, employees should create an action plan to achieve each goal. This constitutes specific steps or behaviors that employees will engage in to achieve their goals. The expected benefits for the employees and the departments should also be specified. Also, the form provides a section where supervisors can specify actions they will take or behaviors they will engage in to support the employees in being successful at carrying out job responsibilities and successfully achieving goals. Once complete, the supervisor should retain a copy of this form and give a copy to the employee.

**Performance Feedback and Coaching**

Performance management is an ongoing process, and providing employees with ongoing feedback and coaching is a best practice. This helps employees become more aware of their performance and be successful. Also, it ensures there are no surprises on the performance evaluation at the end of the year. Ongoing feedback and coaching should focus on improving current performance and future employee development. It involves the supervisor and employee working together to share information about work progress, potential barriers and problems, possible solutions to problems, and how the supervisor can help the employee. The process involves informal conversations or notes, as well as formal feedback /coaching meetings and written documentation (e.g. using the Feedback Form). The process of providing timely feedback and coaching involves supervisors observing and documenting performance, providing instruction, directing employee’s efforts, providing encouragement, correcting poor performance, recognizing superior performance, listening to employee concerns, and removing barriers to performance.

Coaching should occur on a regular basis throughout the year, and can be initiated by either the supervisor or the employee. Supervisors and employees are encouraged to document these discussions as appropriate.

**Performance Feedback Form:**

The Performance Feedback form is used by supervisors to provide employees with feedback on performance, goal progression, and any changes in expectations or job responsibilities. Feedback may be given at any time and for many jobs, ongoing feedback is recommended. Specifically, the form is divided up to give supervisors a place to provide feedback quarterly. Each time after the form is used, a copy should be retained by the supervisor and a copy should be given to the employee.

**Performance Evaluation**

**Definition and Expectations:**

A performance evaluation is a final assessment of an employee’s performance for the year, and is the culminating discussion between the supervisor and employee regarding:

* where performance exceeded, met, or fell below expectations
* the learning and development needed and received
* objectives that were set and achieved by the employee

**Performance Evaluation Form:**

It is important to have a justifiable assessment of performance. The Performance Evaluation form allows us to meet that goal. Performance is evaluated using a three-point scale. The rating definitions are:

* 3 – Exceptional: Performance exceeds the performance standards of the position.
* 2 – Successful: Performance meets the performance standards of the position.
* 1 – Needs Improvement: Performance fails to meet the performance standards of the

 position.

Employees are rated on how successful they were at performing their major responsibilities, how well they engaged in core competencies, and if they met an acceptable level of performance for the expected job behaviors.

The major job responsibilities should be thought of as what is expected of employees on the job, and the core competencies can be thought of as “how” they go about performing their jobs. The expected job behaviors include attendance, compliance with rules, and observance of work hours. These are required behaviors and employees must meet an acceptable level to avoid corrective or disciplinary action, to qualify for a step or pay increase, or to pass probationary/work test/targeting status.

An average rating is calculated for the major job responsibilities (A) and an average rating will be calculated for the core competencies (B). In order to qualify for a step or pay increase, all of the following conditions must be met:

* Section A must have an overall (average) rating of “2.0” or greater.
* Section B must have an overall (average) rating of “2.0” or greater.
* Section C - all three items must be rated as “acceptable.”

The final section of the form addresses goal achievement. If the Performance Plan form is used at the beginning of the rating period to set goals, this section allows for goal achievement to be evaluated. This section does not contribute to the overall performance rating and is only intended for developmental purposes.

**The End-Result of the Evaluation Period:**

The result of a successful evaluation process is that the supervisor and the employee feel that the outcome has been objective, using objective criteria related to the position requirements, and that you both have had the opportunity to respond to the assessment. While this will not always mean that the employee agrees fully with the results of the performance review, the employee should be able to leave the performance evaluation meeting with the belief that the evaluation process has been communicated adequately and fairly.

The completed evaluation form is maintained in the employee's regular file in the department’s Human Resources Office, and another copy is sent to Metro HR. The employee should receive a copy of the completed form with the designated signatures.

**PART 2: Metro Performance Evaluation Policies**

The following are Metro’s policies on performance evaluation taken from Section 3.3 of the Civil Service Rules. Following that are policies on the relationship of evaluations to pay increases and advancement taken from Section 5.5 of the Civil Service Rules.

**Policy:**

In accordance with the Metro Charter, each employee's job performance shall be evaluated on at least an annual basis. Additional evaluations may be done when necessary. The requirements of the position constitute the standards of performance or the basis upon which supervisors will rate the efficiency of employees. The standard of performance against which observed performance is compared shall be the performance that may be expected after a reasonable period of training of a fully qualified, competent and acceptable employee.

**Purpose:**

Performance evaluations are used to give employees feedback on their job performance, to help them improve future performance and to document performance for the following purposes:

* to complete probation or work test
* to determine whether or not an increment will be granted
* to determine eligibility for promotions and advancement
* as an aid in determining layoff actions
* to determine reemployment eligibility
* to facilitate other HR decisions which may be appropriately influenced by employee performance

**Types and Frequency of Evaluations:**

1. Probationary/Work Test - An employee is evaluated in the last month of his probationary or work test period, prior to the person gaining Civil Service status in the classification. Employees in this status shall be evaluated more than once during the six-month period and be given clear opportunities to reach an acceptable standard. This will not apply in the event of major disciplinary violations.
2. Annual - Each employee is evaluated within the month prior to the anniversary date of his original appointment, promotion, or demotion, to his present position, whichever date is more recent or the adjusted date in case of re-employment or a break in service. This is to be done even if there is no increment possible.
3. Change of Rater - An employee whose rater changes may be given an evaluation by the out-going rater to cover the period of time since the employee’s last evaluation.

**Appeals of the Performance Evaluation:**

Per civil Service rules, the employee is required to sign the evaluation after it is discussed. The employee’s signature documents that the evaluation has been discussed and does not reflect the employee’s satisfaction or dissatisfaction with the evaluation. Additionally, the employee may indicate agreement or disagreement with ratings on the evaluation form when it is discussed. If the employee feels that this is insufficient he/she may attach a separate statement to the evaluation form. The written statement will be maintained with the evaluation form in the employee’s departmental personnel file, as well as in the Human Resources department.

An employee may appeal a performance evaluation based on the following grounds:

* The procedures for completing the evaluation have not been properly followed.
* Explanation was not given for below standard ratings.
* The performance evaluation prevents the employee from receiving an increment. In such a case, the employee should be prepared to substantiate the ratings believed to be appropriate.
* The employee was rated as not meeting expectations on a section.

**Appeal Procedure:**

An appeal filed on the above grounds begins with the rater. The employee should discuss their feelings with the rater and request adjustment to the appropriate evaluation ratings. If the rater believes the initial ratings were correct and does not believe that a change is needed, the employee may request that the reviewer consider the desired changes. If the reviewer upholds the original rating, the employee can appeal to the Appointing Authority or his designee who has the final decision. If changes are made at any time in the process, they shall be in writing and initialed by all parties involved with a copy given to the employee. All aspects of the appeal are handled within the department, as people in outside organizations (such as HR or the Civil Service Commission), would have no effective way of accurately assessing the employee's performance. However, the employee may ask the Director of HR to review the issues to determine if a major policy or procedural violation exists.

**Appeal Limitations:**

An employee may not appeal an evaluation simply because he disagrees with particular ratings unless such ratings result in the grounds listed above*.* Employees may indicate agreement or disagreement with ratings on the evaluation form when it is discussed*.* Employees that feel this is insufficient may attach a separate statement to the evaluation, as previously mentioned, in accordance to the Civil Service Rules.

**Relationship of Evaluation to Pay Increases and Advancement**

1. Step/Merit Increase: To be eligible for an increment increase or promotion/upgrade, an employee must have attained an acceptable rating on the most recent evaluation. An employee's increment date may change as a result of a pay plan implementation and the annual evaluation may no longer correspond with the increment date.
2. Open Range Increases**:** The salary ranges for open range positions, designated by the Civil Service Commission, consists of the minimum and maximum salary only. Employees will be compensated anywhere in the range commensurate with experience, performance level, skills, and abilities. The employee’s performance evaluation, as given by the immediate supervisor should be considered when allocating merit raises. Performance evaluations will be conducted on an annual basis, in June of each year. Open Range increases may be granted effective July 1 of each year based on performance reviews and other criteria relevant to the position.
3. Delayed Pay Increases: A delay of increment will be based on the employee's last evaluation. The employee must be notified in writing at the time of the evaluation that his increment will be delayed. An increment date can only be delayed if the employee does not receive an acceptable evaluation. The employee will be reevaluated three months after his increment date. If the employee's performance has improved to a level considered to be acceptable, the increment will be granted at that time. If at the end of the three months the employee's performance evaluation has not improved to an acceptable level, the appointing authority shall take appropriate action. Employees who fail their three-month re-evaluation are not eligible for an increment for a period of one year from the time the original increment would have been due.

**Appeals of Performance Evaluation:**

Employees may appeal their evaluation using the process for performance evaluation appeals under the Civil Service Rules. Employees carry the burden of proof in such appeals.

**PART 3: Effective Performance Management Practices**

**Introduction to Performance Management**

The underlying principles of an effective performance management system include:

**Principles:**

* Performance management is a shared commitment to high performance. Performance management balances autonomy and accountability at the individual and organizational levels.
* Effective performance and ongoing learning should be encouraged and supported.
* Effective performance management should be in alignment with organizational values throughout the department.
* Performance management should be based on clearly identified core competencies and job responsibilities for all employees.

**What Employees Need for Success:**

* Employees need to know what supervisors expect them to do, when, and how well.
* Employees need regular, specific feedback on their performance. They need to know where they are excelling and where they could improve.
* Employees need to understand how their work fits in with the work of others, the goals of their department, and the overall mission and purpose the organization. This aspect is of key importance because it is motivating to feel part of a larger purpose and to have sense of contributing to achieve that purpose.
* Employees need to play an active role in defining and redefining their job. First, it is motivating to do so. Second, employees, particularly experienced ones, know their job better than anyone else and often know best how to remove any barriers to their success.
* Employees need to know their levels of authority. When they know what decisions they can make on their own, what decisions need to involve others, and what decisions are reserved for leadership, they can operate with greater confidence. This knowledge also speeds up processes.
* Employees need to have opportunities to develop their skills and grow. An employee who is learning new things and applying them is more likely to be retained and more likely to be motivated.

**Components of Best Practices Performance Management:**

1. **Performance Planning:** A dialogue between a supervisor and an employee to establish clear, specific performance expectations and to set goals at the beginning of the performance cycle.
2. **Observation & Documentation:** Monitor and appropriately document performance to assist in performance coaching, feedback, and evaluation.
3. **Feedback & Coaching:** Two-way discussions which focus on providing information on performance, recognizing employee excellence and areas for improvement and learning, as well as identifying barriers to performance.
4. **Performance Evaluation** A summative two-way discussion and written documentation focusing on the employee’s performance.

**Effective Observation and Documentation of Performance**

Performance management is a year round process which means meetings should be held with employees throughout the year to discuss and reassess the employee’s progress toward achieving goals and performance objectives.

Listed below are some of the tools that can be used to capture performance.

**Observation:**

It is recommended that managers observe their employees with the intent of documenting behaviors related to performance. Here are some examples of things to look for:

* **Trends in performance**
* Is it steadily improving or declining?
* Does the individual have “peaks and valleys” – spurts of excellent performance followed by extended periods of mediocre performance?
* **Critical Incidents**
* Outstanding successes or failures
* Performance events that stand out from typical behavior

**Documentation:**

Supervisors should document performance for each employee throughout the year. This may consist of keeping a log of task/project outcomes, behaviors, etc., and whether or not these things are positive or negative. Documenting performance regularly will help create a cohesive story of each employee’s performance helping supervisors to accurately evaluate performance at the end of the rating period. Below are some ways performance could be documented.

**Effectively Conducting a Performance Evaluation**

Performance evaluations succeed under the following conditions:

* The supervisor takes on the role of helper and problem solver, rather than only an evaluator.
* The employee is actively involved in the partnership and engaged in realistic self-evaluation.
* The supervisor uses appropriate interpersonal skills to involve the employee.
* The employee understands what to expect, in terms of content and process, before walking in the door for the evaluation meeting.
* The supervisor treats the evaluation meeting as important, something that should not be delayed and rescheduled.
* Both parties understand the purpose of performance evaluation and that it is not to punish, but to improve performance so everyone wins.

**Context Awareness:**

Aside from the employee’s own ability and behaviors, it is important to be aware of other factors that affect performance. If supervisors focus solely on employee performance and do not look at context or conditions that limit performance, then efforts at ongoing improvement fail.

Supervisors need to recognize that individual performance is not completely (or even mostly) under the control of the employee. Job performance is influenced by multiple factors, which may include individual effort and skill, decisions of others, resource availability, and work systems and processes

**Filling out the Form:**

When filling out the form, supervisors should refer to notes and documentation of performance they have kept throughout the rating period. If performance is properly documented then supervisors should easily be able review behaviors and key points to make an assessment of the employee. It is important to make assessments based on behaviors employees actually engaged in or concrete examples rather than making subjective judgments or comparing to the performance of other employees. Additionally, supervisors should make sure that they completely understand the form before using it to make an evaluation. It is recommended to review the performance management guidelines before making any evaluations for the year. This will help ensure the right mindset for the rating process.

The following actions may be taken to help you in making a successful evaluation:

* Collect information from the employee by having them fill out a self-evaluation.
* Gather and review the performance documentation you made throughout the rating period.
* Review the major job responsibilities and goals that were determined at the beginning of the rating period and start to match documented events to each one.
* Solicit information from the employees’ coworkers, team members, co-supervisor or others they may have interacted with throughout the rating period.

**Providing Comments on the Evaluation Form:**

It is important to write specific comments supporting the performance factors. Vague, general, or judgmental comments will not be of any value to the employee. Also, statements should be written using third person. Below are examples of how to provide appropriate feedback in the comment sections.

**Effectively Conducting the Performance Evaluation Meeting**

Performance evaluations are most productive when they are collaborative, both people are prepared ahead of time, and there have been discussions about performance throughout the year. The performance evaluation meeting should be a two-way conversation.

**Setting the Tone:**

**Be prepared** – know the objectives and goals of the meeting.

**Time and place** – choose a quiet, private spot with limited interruptions.

Supervisors should put the employee at ease by acknowledging that these sessions can cause anxiety but the purpose is to improve performance and to gather information on how to help in these efforts. Supervisors should approach the employee they are evaluating as a partner rather than a judge. Tell the employee that the performance evaluation meeting is a two-way discussion, not one-way.

Maintain a positive focus. If an employee’s overall performance is satisfactory, focus on the factors that led to that success. If an employee’s overall performance is not satisfactory, focus on problem-solving rather than point out faults.

**PART 4: Forms**

The Performance Plan, Performance Feedback, and Performance Evaluation forms are intended to guide managers, supervisors and employees through the evaluation process.