

Nomination for NASPE Eugene H. Rooney Jr. Award - Innovative State Human Resource Management Program

- **Program Title** – Performance and Talent Management Initiative (*Performance Matters Initiative*)
- **State** - Florida
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Summary

In June 2012 the State Personnel System (SPS) policy team partnered with the administrators of the state's proprietary human resource information system (People First) to develop an online performance evaluation tool that would also support several key policy initiatives to move performance and talent management from a decentralized agency function to an enterprise strategic process. The new Performance Management module has streamlined and standardized the processes by which performance expectations and evaluations are prepared and reviewed, and then shared with and acknowledged by employees; helped shift accountability for performance management from the HR back offices to the managers and supervisors; and enhanced abilities to engage employees in the process. Apart from the need for an online tool, it was also recognized that a new approach to performance goal setting was critical for providing employees with clearer parameters and ensuring that evaluations were based on defensible, observable measures. The new methodology that was implemented focuses on **specific, measurable, achievable, relevant, and time-bound** (SMART) performance expectations, aligned with each agency's mission and the Governor's priorities. Also, all non-probationary employees are being migrated to one uniform evaluation cycle, which will further strengthen the state's ability to plan and execute performance and talent management strategies from an enterprise perspective. For more information on the *Performance Matters Initiative*, visit:

http://www.dms.myflorida.com/home_quicklinks/performance_matters_initiative

1) Please provide a brief description of this program.

The performance management component of the Performance and Talent Management Initiative offers employees and managers a uniform tool and methodology to administer performance evaluations. It also serves as a catalyst for applying an enterprise-wide approach to human capital management in order to improve individual and agency effectiveness. This initiative will provide the state workforce with new levels of accountability and consistency across all agencies. Specific, measurable expectations that align with each agency's mission and goals, as well as the priorities of the Governor, allow all employees to know exactly where they stand relative to their work productivity at any given point in time. Employees will realize how their contributions factor into the overall accomplishments of their agency and gain a sense of purpose and value as they serve the people of Florida. Crafting detailed and measurable performance expectations also fosters a higher level of accountability and productivity among employees. They will know the precise objectives set for their position and will also be able to recognize the metrics used to track their progress in completing daily tasks and long term projects; making evaluations more valuable to employees, managers and the agency as a whole. The new expectations will give managers more substantive content with which to improve communications and development planning with staff.

2) How long has this program been operational (month and year).

Agencies began using the online evaluation tool on July 1, 2013 for all non-probationary employees and for any probationary employee hired on or after July 1, 2013. The first rating cycle was July 1 – Dec. 31, 2013, a six month rating period used to get employees familiar with the online tool. Then the second rating period, Jan. 1 – June 30, 2014, also six months, was established to incorporate the new methodology of using SMART expectations.

3) Why was this program created? (What problem(s) or issues does it address?)

There was no consistent and shared strategic vision among agencies when administering evaluations. Agencies applied different practices and methodologies with varying degrees of enforcement. Additionally, some agencies conducted evaluations using their own in-house system, while most agencies used a manual, paper process. A 5-point rating scale was required, however all other factors associated with performance management; such as forms, length of rating period, evaluation dates, performance improvement techniques, etc., were left to the discretion of each agency. When an employee or manager moved between agencies, they were required to learn a new agency unique system and/or process. The inability to share information across agencies and inconsistencies with evaluation methods, expectation setting, and rater reliability led to pay inequities, over inflated or undervalued ratings, etc. The new online system requires agencies to use a standard evaluation process and evaluation period (or date). The system alerts managers and employees when an action is required and provides a reporting function for monitoring compliance. This decreases the likelihood of missed deadlines and supervisors failing to complete the evaluation process. The lack of uniformity in the administration of evaluations prevented a consistent approach to managing performance for the state workforce; and the lack of a standard statewide evaluation processes led to an inability to assess statewide performance data. Now that evaluations have been automated, performance history will follow employees throughout their career in state government. By encompassing a complete process that includes development and application of metrics-based expectations, we have facilitated the ability to effectively administer pay for performance; fortified rater consistency by requiring measurable expectations and second level reviews; and enhanced process credibility by focusing on objective measures as opposed to subjective supposition.

4) Why is this program a new and creative method?

This program delivers a more measurable method of establishing expectations so that performance results can be tied directly to the accomplishment of agency missions as well as the priorities of the Governor. Also, metrics-based expectations were used with a very diverse set of positions, based on the tenet that measuring what matters was relevant to all manner of public sector occupations (e.g. nurses, law enforcement officers, senior managers, as well as clerical staff). As such, we consider our use of SMART methodology to be unique in the broadness of its application, as well as an iterative process rather than a static tool. We will continue to evolve our use of this methodology through development of additional performance management strategies, ongoing training, and standardization of expectations for comparable occupations throughout the enterprise. With respect to the online tool, until its implementation there had been no standard method to track performance statewide. Although we purchased an “out of the box” software program, this was not without its challenges, as we had to work extensively with the vendor to make necessary customizations to meet the needs of a public sector employer, (e.g., caring for the evaluation of probationary employees who serve a standardized probationary period based on the date of hire).

5) What was the program's startup costs? (Provide detailed information about specific purchases for this program, staffing needs and other expenditures, as well as existing materials, technology and staff already in place.)

The startup costs were minimal since we already have access to the needed technology (albeit needing substantial redesign), we leveraged the expertise of curriculum designers from across our agencies to create common course content and using that content tasked all 32 agencies with training their managers and employees. Online training was created for the new system functionality; while instructor led training was created to deliver the performance management and SMART methodology training. A host of other communication and change management materials were also provided. An online version of performance

management and SMART methodology training will be released soon to support new managers and as a refresher course. Because we did not use external consultants and we eliminated the manual processing of evaluations, the state saved an estimated \$498,783 by internally implementing the new process and methodology.

6) What are the program's operational costs?

Going forward, the state will save an estimated \$677,850 each year as managers set employee expectations and complete evaluations using this new online system. The total estimated savings equates to \$2,532,333 over fiscal years 2012 – 2016.

7) How is this program funded?

Through the existing annual appropriated budget.

8) Did this program originate in your state?

No. Most states as well as private industry have some form of evaluation system. However, we worked with our HRIS provider to customize the online tool to meet the needs of our diverse workforce; to include over 32 different agencies, 24-hour operations, employees serving individualized probationary periods, employees with limited access to computers, as well as a host of other challenges to standardizing a process for more than 100,000 employees.

9) Are you aware of similar programs in other states? If yes, how does this program differ?

Yes, other states are using an online tool for performance evaluations. However, some of the unique features Florida is using include the ability for agencies to assign agency-wide expectations using the system to all employees within their agency in addition to any job-specific expectations that may be assigned; the use of a rating rubric to identify what level of performance constitutes success and what measures would be need to be met to achieve above expected or below expected performance; and auto-notification of the need to set expectations when employees attain eligibility resulting from the successful completion of their probation. As

previously mentioned, we are also using metrics-based expectations for all employees and from our research we have not found other states that fully use this approach.

10) How do you measure the success of this program?

The online tool has reporting capabilities that provided some key performance indicators of project success. For example, we knew that within the first 60 days following implementation, over 82% of all employee had already had their expectations set within the new system (a majority of the remaining 18% were at agencies who provided their managers additional time to complete this process); and that within 60 days following the end of the first evaluation period completed using the new system, approximately 90% of the agencies using the system had completed at least 80% of the evaluations for the rating period. Additionally, we conducted pulse surveys of various stakeholder groups. For example, 85% of managers surveyed during the implementation of the process agreed that the new SMART methodology would benefit performance management. As the workforce becomes more familiar using the online system we expect to see a reduction in the number of evaluations that are closed by default due to missing deadlines which will be another indicator of success as we move toward establishing a robust performance management process as opposed to a solely once-a-year evaluation. We also expect to see a rise in performance levels, thereby positively impacting the long-term achievement of agency goals.

11) How has the program grown and/or changed since its inception?

Again this is an iterative process and we continue to develop continuing communications, training programs and system enhancements as needed. On July 1, 2014, we will transition to a yearly evaluation cycle based on fiscal year and with access to reporting features through the system, we will continue to monitor agencies for compliance with performance management concepts.