

Nomination for NASPE Rooney Award: Innovative State HR Management
Washington State Department of Personnel: Performance Management Confirmation

Program Summary

The Personnel System Reform Act of 2002 reformed and modernized Washington State's civil service system. A key element of reform was the transfer of rule-making authority from an independent Governor-appointed board to the director of the Department of Personnel (DOP). In 2005, DOP Director Eva Santos adopted new compensation, leave, and layoff rules that allow agencies, for the first time, to use performance-based factors after receiving 'confirmation' from the Department of Personnel.

The purpose of the confirmation process is to assess and evaluate an employer's readiness to fairly and objectively factor performance into compensation and layoff decisions. Once confirmed, agencies can use these tools to improve overall agency performance.

Performance-Based Tools

Performance management and accountability are central to Governor Gregoire's and agency leaders' efforts to build trust and confidence in state government. With confirmation, agencies may use a variety of performance-based tools as part of their overall performance management strategy. Agencies also have the flexibility to request confirmation to use these tools in all or part of an organization. Specific performance-based practices allowed with confirmation include:

- Accelerated and deferred progression increases
- Performance recognition pay in the form of lump sum recognition, goal sharing, and gain sharing
- Recognition leave
- Factoring performance into layoff decisions

Confirmation Criteria

Ten criteria have been established for confirmation. These criteria are specifically designed to ensure that the agency has: (1) determined specific outcomes for their performance management program that are linked to agency business goals and outcomes; (2) established roles, responsibilities and accountabilities for operation of their performance management program, and (3) created a system in which rewards and consequences are tied to each employee's job performance. The criteria can be found on page two.

Confirmation Process

1. Each requesting agency develops a Performance Management Implementation Plan that outlines the key policy and program decisions, action steps and timelines. DOP staff provide consultation, advice, and support as they prepare their plan.
2. A representative of the requesting organization presents their plan to a Confirmation Review Group, comprised of DOP staff and other representatives.
3. The Confirmation Review Group makes a recommendation to the DOP Director.
4. The DOP Director makes the final decision whether confirmation is granted. Once an organization has received confirmation, it will have authority to administer the approved tools. Additional tools may be implemented at a later date if approved by the Director.

NASPE Rooney Award Nomination: Innovative State HR Management

Program Title: Performance Management Confirmation

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1. **Please provide a brief description of this program.** In 2006, the Washington State Department of Personnel (DOP) launched the nation's first public-sector Performance Management Confirmation system. Before DOP grants confirmation, agencies must meet a series of rigorous criteria that link individual performance to the organization's mission, vision and strategic goals. DOP provides guidance and consults with candidate agencies throughout the application process. Once confirmed, agencies may use one or more performance-based tools as part of their overall performance management strategy, including: accelerated/deferred salary progression increases, lump-sum recognition pay, recognition leave, and factoring performance into layoff decisions.

All employees are accountable for understanding how their performance contributes to the achievement of division and agency goals and for taking personal responsibility to achieve expectations. Managers are held accountable for the full scope of employee performance management and for ensuring they themselves are appropriately trained to manage the performance of their staff.

Two agencies have achieved confirmation. Ten more are seeking confirmation by spring 2008.

2. How long has this program been operational? Washington's Performance Management Confirmation system has been operational since June 2006 (10 months at time of nomination).

3. Why was this program created? What problem or issues does it address? The program was created as a key step toward making Washington State a high-performing organization on pace with our state's other globally-competitive businesses. Performance management and accountability are central to Governor Gregoire's and agency leaders' efforts to build trust and confidence in state government. Because confirmation is granted only to agencies with proven leadership and solid management accountability, it shows citizens that its government is transparent, accountable and delivering on its goals.

4. Why is the program a new and creative method? The 2002 Personnel System Reform Act reformed and modernized Washington State's civil service system. A key element of the reform was transferring rule-making authority from a Governor-appointed board to the director of the Department of Personnel. In 2005, DOP Director Eva Santos adopted new compensation, leave and layoff rules that allow agencies, for the first time, to use performance-based factors after receiving "confirmation" from the Department of Personnel.

5. What was the program's start up costs? The program's start-up costs required only staff time devoted to developing the program, consulting with candidate agencies and reviewing proposals for confirmation. The approximate breakdown:

- 25 percent of 1 HR professional's time over two years (research and ground work)
- 25 percent of 4 HR professional's time over two years (plan development)

6. What are the program's operational costs?

- 100 total contact hours per confirmation proposal on (consultation)
- 150 total contact hours per confirmation (confirmation proposal review)

7. How is the program funded? Confirmed agencies absorb the costs with available funds within their own budgets. Among the criteria for confirmation is a requirement that candidate agencies have a long-term plan for ensuring funds are available to sustain the program. In addition, DOP HR staff lead a two-day workshop specifically on developing funding strategies.

8. Did this program originate in your state? Yes. Washington is the only state that requires agencies to undergo a rigorous confirmation process prior to using these types of performance-based tools.

9. Are you aware of similar programs in other states? Washington is unique. A few states, notably Colorado, Florida and Georgia, set aside a fixed percentage of their budgets for individual pay based on merit. Washington is the only state in the nation that has a performance management confirmation system. In our state, the primary emphasis is on linking individual performance with the agency's mission, vision and goals and providing a clear link for employees to see how their work contributes to the success of the agency. Recognition awards to staff encourage a high-level of accountability and performance which also improves the organization.

10. How do you measure the success of the program? Each agency develops its own measures as part of the confirmation process. Those measures are traced regularly. Depending on the agency, DOP has 6-9 measures that gauge the effectiveness of confirmed agencies in meeting their goals. If a confirmed agency consistently fails to meet its goals, it will lose confirmation and subsequently its ability to provide recognition awards. The ultimate measure is when all agencies are confirmed and can show employees' goals are tied to the goals of the agency.

11. How has the program grown and/or changed since its inception? Because the program is still new (less than one year), it is going through continuous quality improvement based on input from confirmed agencies.

In 2008, the confirmation process will become similar to the Washington State Quality Award (WSQA) assessment process that state law requires of all state agencies. The goals and performance measures for confirmation will be similar to criteria for the Baldridge Quality Award. This will make the process nearly seamless for confirmed agencies applying for the WSQA and visa versa.

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