

**Rooney Award Nomination—Innovative Program
Pay for Performance Bonus Program**

Program Title: Governor’s Public Service Achievement Awards
State: Indiana
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1. A Brief Description of the Program: The Governors Public Service Achievement Award is a new bonus program to reward and recognize individuals or teams who have stretched tax dollars, improved government efficiency or engaged in outstanding customer service in a way that has been measured and documented. This program is one element of a larger pay for performance agenda and will be administered on a semi-annual basis. Up to three nominations can be submitted by each agency within the executive branch of government each time the awards are given and there will be about 50 awards granted on each occasion. Recipients must have been employed by the State for at least six months in order to be eligible for nomination. The final selection is made by a cross-functional committee of four members, representing the Governor’s office, State Personnel and the Office of Management and Budget. The selection committee was directed by the Governor to attempt to balance the number of executive and non-executive recipients. Each recipient receives a check for \$1,000.00, a medallion, and a photo with the Governor.

2. How long has program been operational? The program was launched in December 2005 and the first awards were given on February 22, 2006.

3. Why was this program created? The Governor's Public Service Achievement Awards were created to reward and recognize outstanding performance and facilitate a larger cultural change that embraces pay for performance and individual recognition. The State of Indiana had implemented compensation programs that spread money like peanut butter for over 15 years. The consequences have bred a culture that drives performance to mediocrity rather than excellence. The new leadership team that joined Governor Daniels last year is instilling a philosophy of measurement and continuous improvement and a culture of excellence. The leadership team desired tools to help them implement that philosophy. In addition to this program, an agency level spot bonus program and a new performance management program with merit based increases tied to performance levels are also being implemented.

4. Why is this program new and creative? State employees are accustomed to receiving an established salary for their work, and the only types of increases extended in the past 15 years or so have been general salary adjustments and special adjustments for health care. There are three new and creative elements to this program: (1) the recipients are selected based on their individual or team **accomplishments**; (2) those accomplishments represent **results** rather than **activities** and the results have to be measured and documented; (3) and the recipients receive a bonus check of \$1,000 which is above and beyond their normal salary.

5. Start-up Cost: The start-up costs were minimal. Approximately 10 to 12 hours of time from senior members of State Personnel, the State Budget Agency and the Governor's Office were expended in planning the program. Communication of the program was done via email and the State Personnel newsletter.

6. Operational Cost: The operational costs consist of the bonus payments, which are grossed up to yield a \$1000 check for each recipient, the medallions, the program for the awards ceremony which included a photo and written summary of accomplishments for each recipient and the photos with the Governor. In addition to these costs, approximately 35 to 40 hours were spent by the selection committee in reading the nominations and discussing the merits of each. With 100 recipients each year, that is about \$130,000 for the bonus payments, \$1600 for the medallions, and about \$400 for the programs and photos.

7. How is program funded? The program is funded through money allocated by the legislature to cover salary increases, employer contributions to benefits and similar items.

8. Did this program originate in your state? We are not aware of other states having such a program.

9. Are you aware of similar programs in other states? No.

10. How do you measure the success of the program? A key objective of the program, as stated above, is to effect a cultural change. Hence, success of this program will be demonstrated by the following cultural factors: (1) increased reliance on setting quantifiable goals, measuring the achievements pursuant to those goals, and documenting and posting the achievements in such a way that an entire work group can appreciate the significance of the accomplishment; (2) on the part of managers, an increased comfort level with individual recognition and an appreciation by them of the disincentives created when all employees are rewarded equally regardless of outcome; and (3) a better understanding among employees of the difference between engaging in activities and achieving results. We also will be measuring the dollars saved from increased efficiencies and the improved accessibility of citizens to state government services through better customer service.

11. How has program changed? Because this program is in its first year, it has not yet changed.

State of Indiana
Governors Public Service Achievement Award
Attachment to Rooney Award Nomination

Governor's Public Service Achievement Award:

- Awards of same amount: \$1,000 (100 recipients)
- Will attempt to strike a balance of recipients from both the executive and non-executive ranks.
- Each agency head can nominate up to three individuals or teams in January and then again in July.
- Awarded in State house ceremony during February and August.
- Criteria for selection:
 - Recipient has been a state employee since at least July 1, 2005 for the first round of awards—a new threshold date will be set for the awards given in the summer.
 - Recipient made a significant contribution to advancing the Governor's agenda –stretching tax dollars, increasing government efficiency or improving customer service.
 - Contribution has led to *measurable result that has been documented.*
- Selection process:
 - Agency head to submit written nomination on prescribed form by the date set by the Personnel Director.
 - Nominations to be reviewed by State Personnel Director, Division Director of SPD, a representative of Governor's office and representative of Office of Management and Budget.