NASPE Innovative Human Resource Management Program

Performance Evaluation System

Louisiana

Contact: Lindsay Ruiz de Chavez
                 Public Information Officer
                 Department of State Civil Service
                 P.O. Box 94111
                 Baton Rouge, LA 70804-9111
                 Phone: 225-342-8272
                 Fax: 225-342-8058
                 Email: Lindsay.Ruiz@la.gov

Program Summary

Louisiana State Civil Service (SCS) initiated a project in June 2011 for implementation on July 1, 2012, to create an updated performance evaluation system which would align individual performance to agency goals. The plan was to create a 3-level overall evaluation with a single rating date, eligibility for a single pay date, and elimination of the entitlement-for-pay culture. Tools would be provided to help supervisors establish clearly communicated and realistic expectations with measurable outcomes. The State's existing SAP Human Capital Management module is being used to electronically manage and report employee performance data.

The process began in June 2011 with 1) establishing a project team of SCS staff members, 2) having meetings between stakeholders and SCS to determine the purpose/components for a new performance evaluation system, 3) conducting research of public and private sectors' performance evaluation systems, and 4) developing a timeline for implementation.

The goals have been met with PES having a 3-level evaluation with a single rating date for all state classified employees. PES was communicated through presentations, workshops and webinars, along with on-line forms and training that was developed and delivered to state employees and supervisors. For more information on PES, visit:

http://www.civilservice.louisiana.gov/Divisions/ProgramAssistance/pes.aspx.

1. **Please provide a brief description of this program.**

    The Performance Evaluation System (PES) is a 3-tiered evaluation system that uses a fiscal-year based performance year and a single evaluation date for all state classified employees. The new performance system is designed to align individual performance with agency mission and goals to develop employees into high-performing individuals. It contains a 2nd level evaluation process to ensure supervisor consistency and accountability in the agency. Overall evaluation levels of performance are non-numeric, qualitative evaluations of Exceptional, Successful, or Needs Improvement/Unsuccessful to provide distinctions in performance. A "Not Evaluated" option has been included for when not enough time has elapsed to provide a sufficient evaluation. Emphasis has been placed on supervisor and 2nd level evaluator accountability for administration of the system as well as focus on frequent review and year-round coaching of the employee. Tools, such as the bank of expectations, web-enabled performance documents, and on-line learning, were developed to provide efficiencies and assist agency supervisors and employees. The "bank of expectations" tool provides a collection of expectations for work tasks and behaviors that are most likely representative of a particular job. The established expectations may be customized or individualized by each supervisor, if needed. PES also allows supervisors to use a combination of SMART goals, customized expectations, and workplace standards/behaviors to further foster communication offering an opportunity for employee feedback/planning for his own goals/expectations and professional development, and gives the employee an opportunity to recognize how his individual performance contributes to the agency mission.

2. **How long has this program been operational?**

    PES was launched on July 1, 2012.

3. **Why was this system created?**

    The previous Performance, Planning and Review (PPR) system was established in Louisiana in 1997 as a 5-tiered rating system based on individual anniversary dates and

performance factors that did not connect to the agency mission. The purpose of PPR was primarily to establish communication between supervisor and employee. In the PPR system, approximately 55,217 state classified employees statewide were provided ratings, and, of those, only 425 were rated less than satisfactory. With at least 99 percent of the total number of classified employees receiving satisfactory ratings, stakeholders felt the system needed enhancements.

One of the primary goals of the PES system is to also align individual performance to agency goals, and reflect how the outcomes of that performance contribute to the success of the agency. A greater efficiency was to move from an anniversary-date based performance system to a single, focused-date evaluation system having the performance year coincide with the fiscal year, as well as a single performance adjustment (pay) date. Another reason for creating this system was to revolutionize the method for creating performance expectations. Supervisors had difficulty in starting with a blank page and creating meaningful expectations; a "bank of expectations" was designed to contain performance standards and expectations that are most likely representative of a certain job. The expectations are categorized by work tasks and behaviors relevant to a job. PES also offers more flexibility to supervisors as well as establishes accountability for supervisors by including the 2nd level evaluator process.

4. **Why is this program a new and creative method?**

This program is a new and creative method of recognizing performance to foster a culture of communication and dialogue focusing on progress and development. This system and process encourage continuous coaching and communication throughout the performance year. Louisiana also moved to a non-numeric evaluation process so employees are given a qualitative evaluation of Exceptional, Successful, or Needs Improvement/Unsuccessful. PES provides for "eligibility for pay" rather than an "entitlement to pay" culture by allowing agencies to reward for performance how they see fit. Another creative component is the review process. Only Needs Improvement/ Unsuccessful evaluations are eligible for requests for review. Agencies now must take more

ownership in providing substantive reviews of these evaluations. Evaluations that are upheld with Needs Improvement/Unsuccessful may proceed to State Director review but only for rule compliance and not substance. The "bank of expectations" addition is a huge asset to supervisors as it offers "cut and paste" functionality for placement on the web-enabled PES form rather than having to develop their own expectations. Moving to a single evaluation date and single pay date allows budget officials to plan and project expenditures more precisely for a given year. On-line training was developed and delivered over the website through the Learning Solutions Option in SAP. For the first time, training was delivered to all levels of employees – administrators, supervisors and employees. PES project information was posted to the website to ensure transparency and inclusion of all stakeholders at each step of the project. For PES information, visit http://www.civilservice.louisiana.gov/Divisions/ProgramAssistance/pes.aspx.

5. **What was the program's start up costs?**

There were no costs associated with implementation of PES.

6. **What are the program's operational costs?**

There are no additional operational costs associated with operation of PES. Performance data and budget projections are contained in the state's SAP HCM module. Online learning is a component of the SAP Learning Solutions Option. There are no plans at this time for a specific performance evaluation application other than what is available in the state's SAP system.

7. **How is this program funded?**

Ongoing operational costs for SAP are funded through state agency budgets.

8. **Did this program originate in your state?**

Most states have some form of performance evaluation systems. Project team members researched other public and private entities to formulate ideas and plans as to what would work best for State of Louisiana.

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

Yes, other states have developed performance evaluation tools such as a "bank" or "storage" of already-established expectations, however, Louisiana took this a step further to actually develop and customize standard expectations for each possible job family or job group that is used in state government. Louisiana is also the first, to our knowledge, to have removed the numerical association to evaluations.

10. **How do you measure the success of this program?**

Success is measured by accounting for the number of employees receiving training through the LSO module. PES rules mandate training for all supervisory personnel and when training is not completed, consequences are applicable. The SCS Accountability Division has the capability to audit performance records via reporting and review of agency files to determine compliance with the performance management process. Records will be audited starting in 2014. Another measure of success for this program is in the required reporting to the State Legislature. Performance data is required to be updated in the SAP system; data is collected and an annual report is prepared to reflect performance data on each employee as well as compliance with components of the performance rules.

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

Since implementation, SCS entered into discussion with the Governor's Office, Division of Administration, to discuss additional functionality available in SAP HCM. Items considered for agency use are mass entry of planning/evaluation information; auto-processing of performance adjustments when employees attain eligibility resulting from performance evaluation; creating additional reports for tracking employee performance and employee development. SCS continues to provide on-line learning tools and aids that will assist supervisors and employees to better understand performance management.