

COLORADO SCHOOL OF MINES PERFORMANCE MANAGEMENT PROGRAM

Revised October 1, 2008



I. HISTORY

Since 1945, classified employees of the State of Colorado have been paid under a grade and step system where salaries were adjusted based on prevailing wages as determined by a salary survey, with merit increases given based on longevity and satisfactory job performance. During the 1996 legislative session, HB 96-1262 (CPP) became law and mandated changes to the way classified employees receive pay increases. In 1999, CPP was repealed because of the following concerns: cost neutrality, the plan was perceived as too complicated, fairness and equity, and the perception that too much latitude was given to departments and higher education institutions.

The Department of Personnel suggested an alternative approach that is based on a system of performance evaluation. This approach was approved under SB 00-211. As part of SB 00-211, a performance plan needed to meet certain criteria. Subsequent legislation has modified the criteria. C.R.S. 25-50-104(c) II provides:

- A system that is simple and understandable to employees in the state personnel system,
- A system developed with input from employees in the state personnel system, managers, and other affected parties,
- Emphasizes planning, management, and evaluation of employee performance, and
- Includes uniform and consistent guidelines for all state departments and institutions of higher education.
- Prohibits a forced distribution of performance ratings; and
- Authorizes individual and group performance awards.

In response to the initial legislation and in preparation for this historical change, the Colorado School of Mine's (CSM) Performance Management Steering Committee was established in the fall of 1999. The Committee's initial role and responsibility was to guide and advise the administration in the development and implementation of the School's Performance Pay Program. The original members of the Steering Committee were: Bob Baldwin, Department of Chemical Engineering and Petroleum Refining; Tim Cake, Plant Facilities; Carolyn Giarratano, Office of Financial Aid; Teresa Hall, Plant Facilities; Barby Halliday, Division of Engineering; Mimi Martin, Metallurgy Department; Eric Scarbro, Information Services; Marilyn Schwinger, Geology Department; and, Bob Slavik, Plant Facilities. The Committee was led and coordinated by Debby Page Lane,

then Director of Human Resources, and staffed by members of the CSM Human Resource Office.

This Committee developed CSM's Performance Pay Program, which consists of three components: performance management, performance-based pay, and dispute resolution. These components are described in detail below.

Subsequent to the development of the original Performance Pay Program, changes in state personnel rules caused revisions to some components of the Performance Pay Program to be effective for the performance management cycle beginning April 1, 2007. Further changes occurred to the plan after CSM gained some experience with the state's three tier performance evaluation rating system. This revised Performance Pay Program contains those revisions.

II. PERFORMANCE MANAGEMENT GUIDING PRINCIPLES

Performance management is a business tool to assist organizations, as well as individuals, in identifying their goals and objectives.

Performance management is a fluid process built on open, ongoing communication in order to build trust and develop a work environment that focuses on continuous improvement and productivity.

Training is a key component to a successful performance management system.

A performance management system should provide a consistent and flexible framework for aligning individual contributions to work unit objectives and strengthening the link between performance and rewards.

There shall be collaboration and communication during all phases of the performance management process.

Employees at all levels share responsibility and are accountable for the success of a performance management system.

Managers, supervisors, and employees must evaluate and clearly define **what** needs to be accomplished and **how** it will be done. These "what" and "how" objectives are interdependent.

III. PERFORMANCE MANAGEMENT PROCESS

A. PERFORMANCE MANAGEMENT PLAN

The Colorado School of Mines, in response to Senate Bill 00-211, developed the initial performance pay program to be implemented as of July 1, 2001. This version, in compliance with subsequent legislative and rules changes, was effective with the

performance cycle beginning April 1, 2005. This plan was created in accordance with the parameters set by the Colorado Department of Personnel and as directed by the State Director of Personnel.

CSM's Performance Management process includes planning, coaching and feedback, progress review, and evaluation. The process is used throughout the year to enhance employee performance, recognize the employee's contributions to the institution, and to appropriately determine annual performance awards.

CSM's Performance cycle is from April 1 to March 31. Supervisors must complete and implement plans for all permanent classified employees between April 1 and April 30. New employees must have a performance plan established within 30 days of the date of employment.

The supervisor and employee must meet for an initial planning session and jointly establish the performance plan. If the immediate supervisor fails to establish a timely performance plan, the next level supervisor or reviewer is expected to develop the plan. If the second level supervisor or reviewer fails to develop a plan in a timely manner, the reviewer's supervisor (up to the Vice President level) is responsible for completing the plan as required by law.

ANY CLASSIFIED SUPERVISOR WHO FAILS TO ESTABLISH A TIMELY PLAN WILL BE INELIGIBLE TO RECEIVE AN ANNUAL PERFORMANCE AWARD. FOR EXEMPT SUPERVISORS, FAILURE TO ESTABLISH A TIMELY PLAN WILL BE A NEGATIVE FACTOR IN THE SUPERVISOR'S OWN EVALUATION AND ANNUAL PERFORMANCE AWARD. DESIGNATED RATERS FAILING TO COMPLETE A PLAN OR EVALUATION WITHIN 30 DAYS OF THE ESTABLISHED DEADLINE WILL RECEIVE DISCIPLINARY SUSPENSIONS IN INCREMENTS OF ONE WORKDAY.

Performance management relies heavily on continuous coaching and feedback. Therefore, each supervisor is required to complete a written progress review for all permanent classified employees not later than October of each year.

A written performance evaluation for permanent classified employees shall be submitted to the CSM Office of Human Resources no later than the last working day in March of each year. The CSM Office of Human Resources will notify supervisors who fail to meet the March deadline granting those supervisors a 30-day grace period within which to comply. A copy of this notification will be submitted to the second level supervisor.

If the supervisor fails to comply within the grace period, CSM will invoke the State Personnel Director's Procedure which calls for sanctions to be applied:

Designated raters shall be evaluated on their performance management and evaluation of employees. Absent extraordinary circumstances, failure to plan and evaluate in accordance with the department's established timelines results in a corrective action and ineligibility for an annual performance award. If the individual performance plan or evaluation is not completed within 30 days of the

corrective action, the designated rater shall be disciplinarily suspended in increments of one workday following the pre-disciplinary meeting.

and/or, Colorado Revised Statute 24-50-104 (c.5) (II), which states:

“A supervisor, including a supervisory state employee not within the state personnel system, who does not evaluate subordinate employees in the state personnel system as required by this paragraph (c.5) on at least an annual basis shall be suspended from work without pay for a period of not less than one workday. The provisions of this subparagraph (II) shall only apply to supervisors who are state employees.”

The Department of Personnel system parameters provide that if the supervisor does not provide an evaluation for the employee, the next level supervisor, or reviewer is required to provide the evaluation. If the second level supervisor or reviewer fails to provide the employee with a performance evaluation, the reviewer’s supervisor (up to the Vice President level) is responsible for completing the evaluation as required by law.

Supervision/People Management will be a factor in the performance plan for all classified supervisors. This factor measures and evaluates the effectiveness of the supervisor’s use of performance management with their employees. It is suggested that exempt supervisors have this element incorporated into their evaluation process.

Statewide uniform core competencies are to be included in each agency’s performance pay program. These five competencies must be incorporated into every employee’s performance plan and must be considered during every employee’s evaluation. The Core Competencies include Accountability, Communication, Interpersonal Relations, Job Knowledge, and Customer Service. Unique competencies may be identified for each position, but all classified employees shall be evaluated on the five statewide uniform competencies.

There shall be three levels of ratings to be used for performance evaluations: Needs Improvement, Meets Expectations, and Exceptional Performer. Narrative documentation shall be provided for each factor and written justification must support the overall rating.

B. COMMUNICATION AND TRAINING

Training is a critical component to successful performance management and, in recognition that people have different learning styles and needs, the Colorado School of Mines will adopt different methods and make multiple opportunities available to its employees for the implementation of CSM’s Performance Pay Program.

Since the inception of the Performance Pay Program, several forums have been held to advise employees of changes, seek input, and to allow the exchange of information regarding a performance pay system. In addition, ongoing training has been offered to

supervisors and employees each year. CSM will continue to use these methods of communication.

Each employee and supervisor shall receive training in performance management. Training sessions will be offered on multiple occasions to accommodate the various work schedules. Additional training shall be offered, as well as optional specialized training on specific areas as identified or requested. This training will focus on all aspects of performance management. One-on-one training sessions and consultations will be made available throughout the year for new supervisors and employees, as well as for current supervisors and employees who need and/or want a “refresher.”

Each employee and supervisor shall be given access to the CSM Performance Management Program, the Evaluation Form, and a CSM Performance Management User’s Guide (these may be provided through electronic means or through web link access). The User’s Guide will outline the procedures for performance planning, coaching and feedback, and the evaluation process. Managers and employees will find the necessary forms and general examples in the User’s Guide. Electronic information will be available through campus notices, the campus email system, and on the CSM Human Resources Home Page. New classified employees or supervisors will be provided access instructions to the CSM Performance Management Program and the CSM Performance Management Users Guide during their new employee orientation. The CSM Human Resource staff shall be available to provide small group and one-on-one training as needed or requested.

C. PLANNING PROCESS

The evaluation cycle for all classified employees at the Colorado School of Mines is from April 1 through March 31. A performance plan must be created for new employees within 30 days of the date of employment. New employees must attend a general Performance Management training program as soon as possible after employment and, preferably, before the performance planning is completed.

Employees who have received promotions, or have been assigned different duties, must have their performance plans modified as soon as possible after the change of duties. An employee who transfers from another state agency should be treated as a ‘new’ employee, and a performance plan must be created as outlined above.

D. WRITING GOALS, OBJECTIVES, AND STANDARDS

CSM Performance Pay Program revolves around identifying and planning a set of goals, objectives, and associated performance standards for individual employees. Goals and objectives are written statements of expected results. They tell how well a job responsibility (delineated in the PDQ) and/or competency is to be accomplished in order to meet expectations. When written effectively, they are challenging, attainable, observable and measurable. Individual, department, and school goals should be linked to each other. Goals and objectives should be specific and defined in terms of results that can be measured to the extent possible. However, they should also be flexible and changed as conditions warrant. The Office of Human Resources can assist supervisors

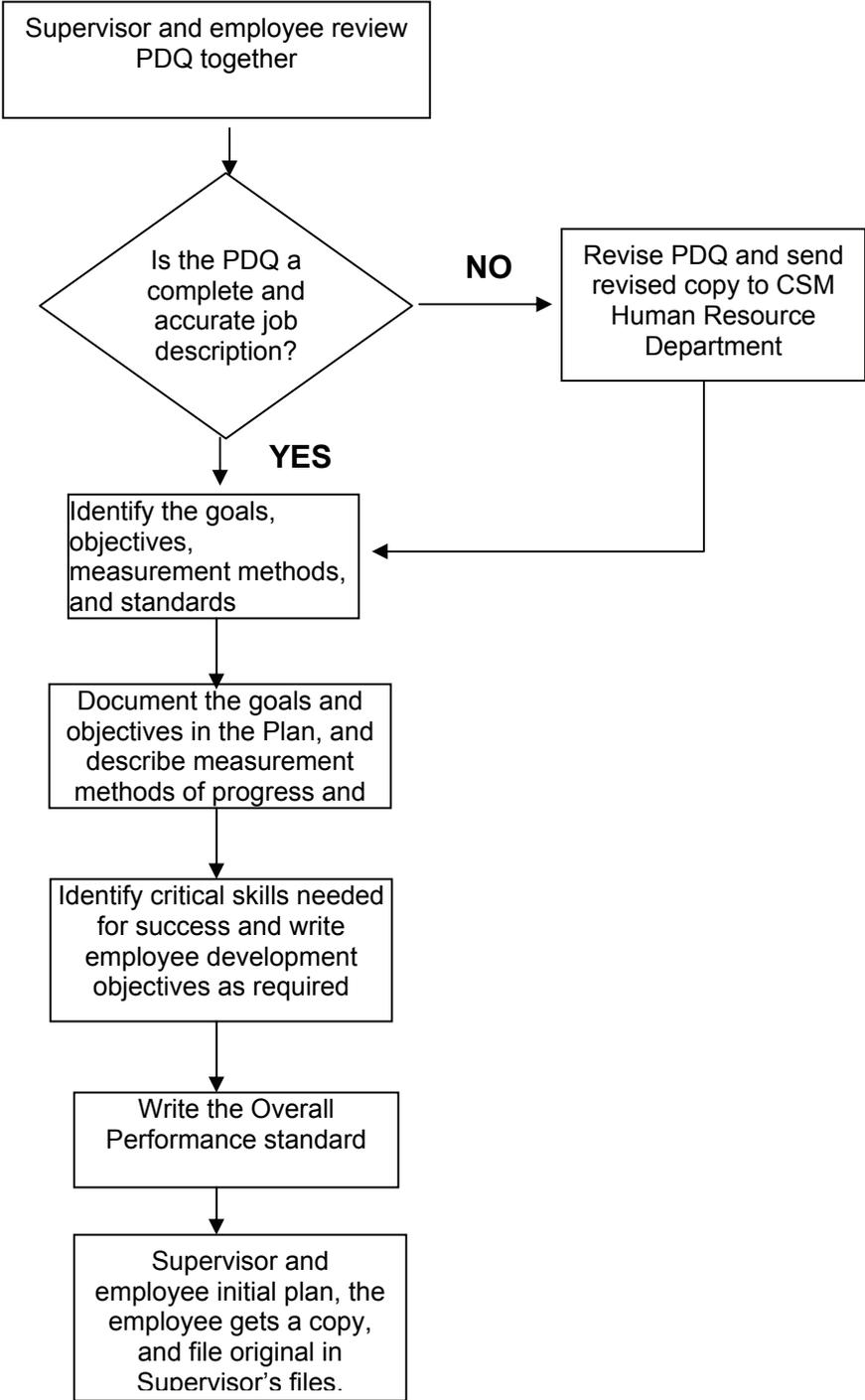
in writing goals and objectives as well as provide access to the state's performance management on-line library.

CSM has a Strategic Plan that provides direction and institutional priorities toward which each CSM department's, and by extension each employee's, activities should be oriented. Departments are strongly encouraged to develop departmental goals and objectives and to align individual employee goals, objectives and performance plan with these departmental priorities.

Goals and objectives are written to achieve five basic outcomes: to complete routine assignments; to resolve identified problems; to support innovation; to encourage professional development; and, to align with institutional and departmental goals and objectives. Examples of developing goals and objectives are found in the CSM Performance Management Users Guide.

Standards are statements that describe how well results and outcomes are achieved. They typically include elements of time, quality, or quantity. Well written standards help assure that supervisors and employees will judge performance consistently and will help reduce the incidence of disagreements that can lead to disputes.

Performance Planning Steps



E. COACHING AND FEEDBACK

Coaching and feedback are essential components of a successful performance management system. Coaching should be used and feedback provided on a continuous basis throughout the evaluation cycle. While the manager/supervisor is responsible for providing performance feedback and coaching, the individual employee is responsible for actively soliciting feedback and using the data to improve performance. A highly effective manager will regularly provide feedback and coaching, but an employee can still solicit assistance and eliminate potential problems by initiating a coaching session with the supervisor.

Just as the manager/supervisor is responsible for providing feedback and for revising the performance plan as appropriate, the employee also has an obligation to communicate with the supervisor, identify training needs, and provide follow-up to achieve identified objectives.

F. PROGRESS REVIEW

Performance management relies heavily on continuous feedback and communication. Therefore, each supervisor shall complete a written progress review for all permanent classified employees not later than October for each evaluation cycle.

G. PERFORMANCE EVALUATION PROCESS

The evaluation elements within an employee's performance plan and evaluation may be qualitative or quantitative. Depending on the performance element, a set amount of production or output as defined numerically may be established to determine the level of performance. Or, for performance elements that cannot be easily quantified, the level of performance may be determined by qualitative measures, generally described by the use of examples and adjectives to model intended behaviors.

The purposes of the evaluation process are to provide information important to the planning process; assess the employee's performance; provide a basis for pay adjustments; allocate time for communication, feedback, and coaching; and identify training and development needs for employees. If done properly, the evaluation will provide a detailed and accurate picture of the employee's performance. Employees, supervisors, and managers will be trained in the performance evaluation process as outlined in communication and training section.

The evaluation cycle for all classified employees at the Colorado School of Mines is from April 1 through March 31. Prior to completing and delivering a performance evaluation to a classified employee, the supervisor is required to discuss the evaluation with the reviewer. It is important for consistency in evaluation ratings across the campus, that reviewers have the opportunity to assure that supervisors are applying standards fairly among employees.

When a written performance evaluation for permanent classified employees is completed (delivered, signed by the supervisor, employee and reviewer), it shall be

submitted to the CSM Office of Human Resources. If a supervisor fails to evaluate an employee, that employee shall receive a default rating of “Meets Expectations” until a final rating can be given.

Effective with the April 1, 2007, performance cycle, three rating levels will be used for final evaluations for annual performance awards (achievement pay) payable on July 1. The three rating level definitions are:

Definition of Level 3 – Exceptional Performer

This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. Employees make exceptional contribution(s) that have a significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps others to do their jobs better. Peers, immediate supervision, higher-level management and others can readily recognize such a level of performance.

Definition of Level 2 – Meets Expectations

This rating level encompasses a range of expected performance. It includes employees who are successfully developing in the job, employees who exhibit competency in work behaviors, skills, and assignments, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Definition of Level 1 – Needs Improvement

This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.

Marginal performance requires substantial monitoring and close supervision to ensure progression toward a level of performance that meets expectations. Although these employees are not currently meeting expectations, they may be progressing satisfactorily toward a level 2 rating and need coaching/direction in order to satisfy the core expectations of the position.

The evaluation process includes preparing for the evaluation, writing the evaluation, reviewing the proposed evaluation with the reviewer, discussing the results with the employee, and forwarding to next level supervisor or reviewer. If an employee receives a Needs Improvement rating, a performance improvement plan and/or corrective action must accompany the evaluation form.

Information about the employee’s job performance should be obtained from multiple sources including peers, internal and external customers, and direct reports if

appropriate. If the employee reported to more than one supervisor during the evaluation period, feedback from both should be considered when preparing the evaluation. Supervisors must determine the credibility and reliability of the information provided.

Supervisors are not required, but are strongly encouraged, to assign a performance rating to new employees beginning in January through March. If the supervisor does not give a rating, the default level of Meets Expectations will be given to the new employee.

Employees functioning under a 'matrix' organization or as part of a team offer special challenges. The User's Guide provides suggestions and guidance for managers and employees working in these environments.

CSM's Performance Management Program stresses the importance of completing the narrative section of the performance evaluation. This portion of the evaluation should describe in detail the basis for the evaluation decision, provide feedback to the employee, identify training needs, and provide direction for the performance plan for the next evaluation period.

SIGNATURES AND INSTITUTIONAL REVIEW

After discussing proposed evaluations with the reviewer, immediate supervisors will meet with their employees as part of the evaluation process to discuss results over the performance cycle. This meeting should take place early enough in March to ensure that the final overall rating can be completed by the end of March. Both the employee and the supervisor should prepare for this meeting. The final overall rating is not given at this time. The supervisor should consider all information, complete the CSM Performance Management Form with a recommended rating, and provide the form to the reviewer.

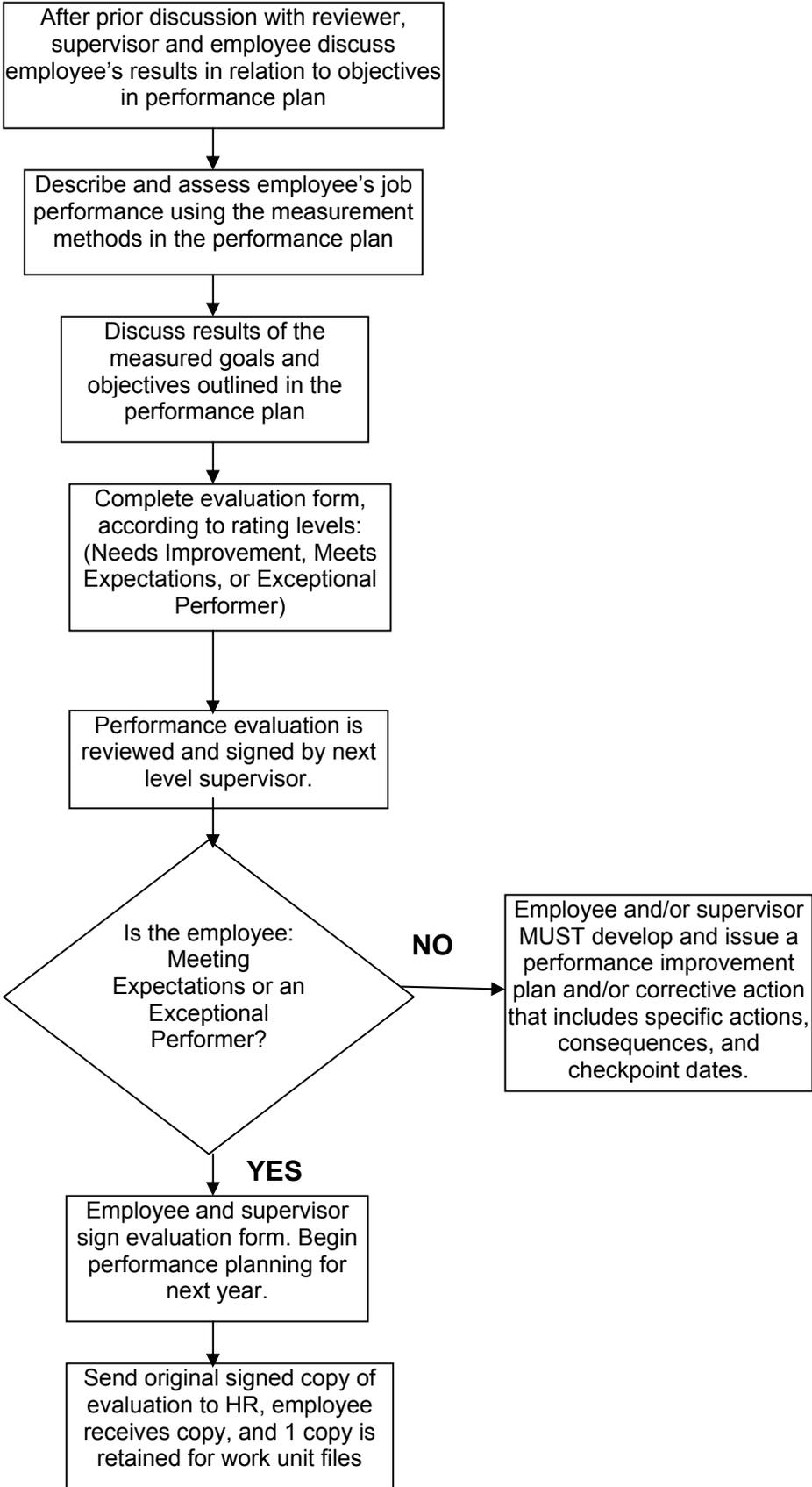
A designated reviewer will review an employee's completed evaluation. Usually, the 2nd level supervisor is the reviewer. This is to be accomplished before the final evaluation is given to the employee by the immediate supervisor. Reviewers are encouraged to meet with other designated reviewers to ensure completion of evaluations with some consistency throughout the school.

CSM'S Performance Program includes an institutional review of all evaluations by the Vice Presidents, or their designees, prior to final evaluations being given to the employee to ensure the evaluations comply with Program guidelines.

REPORTING REQUIREMENTS

Statistics will be maintained in the Office of Human Resources and will be reported to the State Personnel Director as requested.

Performance Evaluation Process (March of each year)



IV. ACHIEVEMENT PAY

Pay associated with the Colorado School of Mines Performance Pay Program is governed by the following statewide requirements:

1. In accordance with State of Colorado Personnel Rules, prior to the payment of annual performance awards, the Director of the Department of Personnel and Administration shall specify and publish the percentage ranges or other salary adjustments for performance levels based on the available statewide performance pay funding.
2. Any permanent employee is eligible for an annual performance adjustment, except as provided below. All performance awards are effective on July 1. The adjustment is based on the final overall rating. The employee must be employed on July 1 to receive payment of an adjustment. The employee's current department as of July 1 is responsible for payment of the adjustment.
3. If the final overall rating is Exceptional Performer, the adjustment to base pay shall not exceed the grade maximum. Any portion of the annual performance award amount that exceeds grade maximum shall be paid as a one-time lump sum in the July payroll. The statutory lid does not apply to any non-base building portion of the award.
4. If the final overall rating is Meets Expectations, the adjustment cannot exceed the grade maximum. If base pay is at grade maximum or in saved pay above the maximum, the employee is ineligible for an annual performance award.
5. If the final overall rating is Needs Improvement, the employee is ineligible for an annual performance award.
6. An employee granted an annual performance award shall not be denied the adjustment because of a corrective or disciplinary action for an incident after the close of the previous performance cycle.
7. Base building adjustments are permanent and paid as regular salary.

No quotas or forced distributions for determining the number of ratings in any of the three performance levels shall be established. CSM also encourages the use of non-monetary increases to supplement base-building annual performance awards.

Transferring employees without a break in service and employees promoting from other state employers shall be entitled to a full annual performance award based on their final performance rating. Consideration may be given to the rating received from their former employer. As a condition of employment, hiring supervisors should have an agreement with the transferring/promoting employee whether the former evaluation will be considered.

Employees transferring or promoting between CSM departments are entitled to a full annual performance award based on their final performance rating. Consideration shall be given to the interim rating given by the former supervisor. The new supervisor/department shall be financially responsible for any increase received by the new employee.

V. DISPUTE RESOLUTION PROCESS

Employees and managers may have differences of opinions related to performance standards and evaluation ratings. Employees may question certain matters regarding performance plans and ratings through the dispute resolution process. The purpose of the dispute resolution system is to create an open, impartial, and non-confrontational opportunity that allows the parties to have issues heard. Retaliation against any person involved in the dispute resolution process is prohibited and will be dealt with according to CSM policy.

Employees may only dispute the following issues:

- **Their own performance plan (or lack of a plan)¹;**
- **Their own final performance evaluation or the lack of a final evaluation; or**
- **Application of CSM's Performance Management Program, policies, or processes to the individual employee's performance plan or final evaluation.**

The following issues are NOT disputable*:

- **The content of CSM's Performance Management Program;**
- **Matters related to the funds appropriated; or**
- **The performance evaluation and salary adjustments of other employees.**

**Although these issues are not disputable, supervisors and managers are encouraged to make sincere efforts in responding to, and/or addressing any concerns raised by their employees.*

There are two stages within the Dispute Resolution Process – the Internal Stage and the External Stage. Only the issue(s) as originally presented in writing shall be considered throughout the dispute resolution process. CSM believes in resolving concerns as quickly as possible and at the lowest level possible. Therefore, CSM will attempt to solve all issues related to performance management at the Internal Stage. The Internal Stage will address issues concerning the individual's performance plan (or lack of a plan) and the individual's performance evaluation or lack thereof. These issues will be addressed at the institution level, and employees will have no further recourse for resolution of these matters.

The External Stage addresses disputes concerning the application of the CSM Performance Management Program, policies or processes to the individual employee's

¹ Note: Performance plans may be disputed, but only within ten days of their creation and provision to the employee. At the time of evaluation, the lack of a performance plan may form the basis of a dispute regarding the final performance evaluation.

performance plan or final evaluation. Discussions about these disputes should begin at the Internal Stage. If there is no resolution at the Internal Stage, the issue may proceed to the State Personnel Director.

Performance evaluation disputes that allege discrimination must be submitted to:

Colorado State Personnel Board
633 17th Street, Suite 1320
Denver, CO 80202-3604
Fax: 303-866-5038

The Colorado School of Mines Performance Dispute Resolution Form and instructions for the process will be given to CSM employees annually as part of their performance evaluation process. An employee wishing to initiate the Dispute Resolution Process, regarding the appropriate issues identified above, will advise his/her supervisor within **three working days** of the event. The employee must complete the CSM Performance Dispute Resolution Form and provide a copy of the form to the immediate supervisor, Division and/or Department Head of the employee's work unit, and to the CSM Associate Vice President for Human Resources.

The supervisor will have **five working days** upon receipt of the Dispute Resolution Form to schedule a meeting with the employee, the supervisor, and the next level supervisor (or reviewer) to discuss the issues. Extension of this time frame is allowed only if both parties agree, or in the event that the reviewer is away from CSM (in such a case, the meeting must be scheduled within five working days of the reviewer's return to CSM).

Three working days following the meeting, the supervisor will provide the employee with a written response to the employee's concerns. The written response shall include the issues discussed, possible resolutions, and the collective decision of the supervisor and the reviewer. A copy of this response must be provided to those who took part in the meeting and to the CSM Associate Vice President for Human Resources.

If the employee is not satisfied with the initial decision, he/she can request a second review, submitted in writing, to their appropriate Vice President. This request for a second review must occur within **three working days** of receipt of the initial decision. The Vice President will have **five working days** to meet with the employee and the two supervisory employees.

The Vice President will review the facts surrounding the current action but shall not substitute his or her judgment for that of the rater and/or reviewer. The Vice President will issue his/her decision within **three working days** of the meeting. This decision shall be binding on all issues except those that allege that the CSM Performance Management Program was not followed. For those that allege that the program was not followed, the employee may proceed to the External Stage.

No party has an absolute right to legal representation, but an advisor may accompany the employee at any step within this process. The role of the advisor is to assist the

employee in the process, but the employee is expected to present his/her issues in these meetings.

The Director of the State Department of Personnel and Administration administers the External Stage. Only original issues involving the application of the performance management program may advance to this stage.

Within **five working days** from the date of the agency's final decision, an employee may file a written request for external review with the Director addressed to: Appeals Processing, 1313 Sherman Street, First Floor, Denver, CO 80203. The request shall include a copy of the **original** issue(s) submitted in writing and CSM's written final decision issued at the internal review stage. All requests for review are subject to an initial screening to determine if the review is warranted. Such screening is based on specific criteria published by the Director. If a determination is made that further review is not warranted, it is final and binding and the employee will be notified accordingly. If further review is warranted, the Director or designee may select a qualified neutral third party to review the issue(s). The director has 30 days to issue a written decision, which is final and binding.

Throughout the dispute resolution process, the scope of authority of those responsible for making final decisions is limited to reviewing the facts surrounding the current issues, within the limits of CSM's programs. For an issue being reviewed at the external stage, individuals responsible for making decisions shall not substitute their judgment for that of the rater, reviewer, or CSM's dispute resolution decision maker at the internal dispute stage. External decision makers have the authority to instruct the rater to: a) follow CSM's program; b) correct an error; or c) reconsider an individual performance plan or final overall evaluation. Additionally, other processes, such as mediation, may be suggested.