UNC General Administration
SPA Performance Management Policy and Procedure
December 1, 2010

Policy
The University of North Carolina General Administration administers a program in which the work planning and performance appraisal of a permanent employee subject to the provisions of the State Personnel Act ("SPA" employees) is conducted no less than annually by their immediate supervisor and reviewed by their second level supervisor. By adopting this policy, the University seeks to achieve the objectives listed below.

Objectives
The objectives of the performance management program are to ensure that:

1. The work performed by employees accomplishes the work of the University;
2. Employees have a clear understanding of the quality and quantity of work expected from them;
3. Employees receive ongoing information about how they are performing relative to expectations;
4. Performance based awards and salary increases are distributed appropriately;
5. Opportunities for employee development are identified; and
6. Employee performance that does not meet expectations is addressed.

An operative performance management program shall consist of:

1. A process for communicating employee performance expectations, maintaining ongoing performance dialogue, and conducting annual Performance Appraisals;
2. A procedure for addressing employee performance that falls below expectations;
3. A procedure for encouraging and facilitating employee development;
4. Training in managing performance and administering the program; and
5. A procedure for resolving performance pay disputes.

Covered Employees
The Performance Management Policy applies to all permanent SPA employees, including probationary, time-limited and trainee, who are regularly scheduled to work 20 hours or more each work week (0.5 FTE).

Definitions
Performance Management – A management process for ensuring employees are focusing their work efforts in ways that contribute to achieving the University’s mission. It consists of three phases: (a) planning; setting expectations for employee performance, (b) managing; the majority of the performance cycle which is focused on keeping the employee’s performance on track by use of routine performance progress updates, as well as coaching, interim reviews, and improvement plans, and (c) appraising; measuring actual performance relative to performance expectations.


**Work Plan** – A document that describes the work to be completed by an employee within the performance cycle, the performance expected, and how the performance will be measured.

**Performance Improvement Plan** – An action plan that is initiated when an employee’s performance fails to meet expectations. Its purpose is to achieve an improvement in performance.

**Development Plan** – An action plan for improving an employee’s level of performance in order to succeed in the current job or prepare for new responsibilities.

**Performance Appraisal** – A confidential document that includes the employee’s performance expectations, a summary of the employee’s actual performance relative to those expectations, an overall rating of the employee’s performance, and the supervisor’s and employee’s signatures.

**Performance Documentation** – A letter, memo, completed form, or note by which the supervisor indicates the extent to which the employee is currently meeting expectations and provides evidence to support that conclusion.

**Work Cycle** – The annual performance management work cycle begins April 16 and ends April 15 of the following year.

**North Carolina Rating Scale**
Supervisors will use the 5-level rating scale for writing the employee’s Work Plan and assessing overall performance during the appraisal. The Work Plan shall be written at the “Good” level, the level at which all employees are expected to perform in order to meet the job expectations.

**Outstanding** - Performance is far above the defined job expectations. The employee consistently does outstanding work, and regularly goes far beyond what is expected of employees in this job. Performance that exceeds expectations is due to the effort and skills of the employee.

**Very Good** - Performance meets the defined job expectations and in many instances exceeds expectations. The employee is performing very well and requires little, if any, correction. Performance that exceeds expectations is due to the effort and skill of the employee.

**Good** - Performance meets the defined job expectations. The employee performs in a satisfactory manner and is performing at the level expected for employees in this position. The good performance is due to the employee’s own effort and skills.

**Below Good** - Performance may meet some of the job expectations but does not fully meet all job expectations. The employee is performing at a minimal level and improvement is needed to fully meet expectations. Performance is deficient and lapses in performance are due to the employee’s lack of effort or skills.
Unsatisfactory - Performance fails to meet the defined expectations or requires frequent, close supervision and/or the redoing of work. The employee is not performing at the level expected for employees in this position. Unsuccessful job performance is due to the employee’s lack of effort or skills.

The Performance Management Process
The Performance Management Process is the sequence of actions that supervisors take when interacting with employees regarding their performance. The three parts of this dynamic, ongoing process are Planning, Managing and Appraising.

Planning
At the beginning of the twelve-month Work Cycle, supervisors shall meet with their employees to discuss and record the employee’s current responsibilities, the performance goals that describe successful completion of each responsibility and the method of measurement (how actual performance will be measured and their success determined). This will be documented within the Online Performance Management System.

Key Responsibilities are those four to six major responsibilities that the supervisor has determined are critical to successful performance of the job. Those responsibilities that are more significant should carry more weight than responsibilities that are less significant. The percentage weight signifies how important this job duty is during the Work Cycle, so the percentages can vary from year to year for the same Key Responsibility. All the Key Responsibilities must add up to 100%. See example below:

(a) 35% - Project Management
(b) 20% - Training
(c) 20% - Customer Service
(d) 15% - Office Support
(e) 10% - Committee Work

100%  TOTAL

Performance goals shall be written at the “Good” level (“meets expectations”) and should be written using the SMART technique:

- Specific – Does the goal clearly state expectations?
- Measurable – Can the goal be addressed using some type of measurement?
- Attainable – Is the goal realistic? Can it be achieved in within the Work Cycle?
- Relevant – Is the goal related to organizational goals and to the employee’s job responsibilities?
- Time-bound - Is there a clear timetable/deadline for performance to be achieved?

Methods of Measurement must be well defined and have one or more indicators for measuring (quality, quantity, timeliness, cost, etc.). The measurement must be frequent enough to see trends that might indicate the need for a Performance Improvement Plan during the Work Cycle.

Work Plans shall be electronically signed and dated by both the employee and the first and second level supervisor via the Online Performance Management System.
If the employee refuses to sign his/her work plan, the Performance Management Coordinator will document the refusal of signature in the individual’s work plan.

**Managing**
Employees shall be responsible for meeting their performance expectations. Employees should keep their supervisor informed of any changes that occur that impede expectations based on justifiable circumstances. Employees also can collect performance documentation, such as samples of work or work products, in support of established performance activities and responsibilities.

Managing includes supervisor tracking of an employee’s progress toward achieving performance goals. Supervisors are expected to use appropriate supervisory techniques to support employee efforts to meet or exceed their performance expectations, such as modeling, coaching, informal period reviews (monthly, quarterly) to more frequent feedback, on-the-job training, and impromptu open-door meetings.

Progress toward meeting expectations shall be measured, reported, discussed, and documented throughout the Work Cycle.

When expectations change during the course of the Work Cycle, supervisors shall communicate these changes and modify Work Plans as necessary. Modifications shall be signed and dated by the employee and first and second level supervisors. Supervisors have the option to conduct and document an *interim appraisal(s)* meeting with employees. During this interim appraisal, the supervisor reviews the employee’s progress toward the expectations and development goals documented on the Work Plan and discusses the current overall rating. This review is intended to be informal; however, the supervisor must document any performance that falls below the “Good” level and immediately establish a Performance Improvement Plan for the employee, document the date of the discussion, and consider appropriate disciplinary action to ensure performance expectations will be met.

**Appraising**
At the end of the Work Cycle, supervisors shall evaluate employees’ performance during the past year compared to the performance expectations using the Online Performance Management System. The purpose of the Performance Appraisal is to:

- Clearly communicate performance feedback to employees, evaluating both work behaviors and results;
- Help ensure fairness of the appraisal process by providing written Performance Documentation for the entire Work Cycle that support rating decisions; and
- Facilitate Development Planning by identifying training needs and career planning.

The annual Performance Appraisal shall use the 5-level rating scale for reporting key responsibility and overall performance ratings. A rating at the midpoint (“Good”) of the scale shall indicate that an employee’s performance has met expectations.
Prior to discussing a completed Performance Appraisal (an appraisal containing ratings and descriptions of actual performance) with an employee, a supervisor shall review the appraisal with the second-level manager to ensure that ratings are appropriate and consistent.

Supervisors shall discuss the appraisals with their employees. Both the employee and the first and second level supervisor shall electronically sign and date the completed Performance Appraisal via the Online Performance Management System indicating that the discussion has taken place.

If an employee is refusing to sign his/her appraisal, it is important to communicate to the employee that signing the document only denotes receipt of the document not agreement with the appraisal. Should an employee still refuse to sign the appraisal, the Performance Management Coordinator will document the refusal of signature within the individual’s appraisal.

**Performance Improvement Plans**
At any time during the performance cycle, the supervisor shall document (a) when an employee’s overall performance falls below the “Good” level or (b) when an employee’s performance on 25% or more of the Key Responsibilities falls below the “Good” level. The supervisor is to document the performance deficiency and take actions, including (if appropriate) disciplinary action, to assure that performance expectations will be met within a reasonable period of time.

1. The supervisor shall document the performance that falls short of expectations by preparing a Performance Improvement Plan. The documentation will specify (a) the performance problem, (b) the steps to be taken to improve performance, including the timeframe for improvement, (c) the consequences of failure to improve, and (d) a follow-up date for review.

2. Development activities may be made mandatory as part of an employee’s Performance Improvement Plan.

3. A Performance Improvement Plan shall be considered successfully completed only when the employee’s actual performance has improved to the point where expectations are being met and are at the good level.

4. Performance deficiencies that occur during the performance cycle shall be referenced in the annual Performance Appraisal.

**Employee Development**
Supervisors shall work with employees to prepare individual Development Plans. Individual Development Plans should specify how employees can more fully apply their strengths in their current positions, improve performance in areas of weakness, enhance their performance in their current positions, and develop the skills and experience they will need for possible future assignments.
Transitions
When employees move into or out of their positions, relevant performance information shall be communicated in a timely way.

1. Employees shall have Work Plans within 90 days of starting a new position. For a probationary employee, the supervisor shall provide Performance Documentation that the probationary employee's performance is at minimum meeting expectations prior to the end of the probationary period. New Employees and employees whose responsibilities are changed substantially, either within their current position or by movement to another position (promotion, lateral transfer, or demotion), shall have Work Plans established within a 90 days following the new assignment.

2. When an employee transfers from UNC General Administration to another University or agency within state government, UNC General Administration shall send to the receiving university/agency Performance Documentation summarizing the employee's performance from the last appraisal up to the date of transfer. This Performance Documentation shall be provided within 30 days of the employee’s transfer. The receiving supervisor may use this Performance Documentation when completing the employee’s end-of-cycle appraisal.

3. When a supervisor leaves a work unit, the next-level supervisor shall ensure that Performance Documentation concerning the employees’ supervised by the departing supervisor is made available to the employees’ new supervisor.

Personnel Files
A copy of the SPA Appraisal will be kept in a confidential folder within the employee’s personnel file in Human Resources. Performance Appraisals are confidential documents and are subject to General Statute Chapter 126 Article 7. The appraisal will be maintained in the Human Resources personnel file for three years and then disposed of in accordance with General Statute 121.5 (b and c).

When current or former UNC General Administration employees are being considered for hire or promotion at another University or State Agency, their past appraisals may be obtained for review by those involved in making the hiring or promotion decision. This right to access is based on State policy (Employment and Records, Section 3) and on the employee’s signature on the state application that authorizes the release of information relevant to job requirements.

Relationship of Performance Management to Other Personnel Decisions
Information from the Performance Management Program pertaining to SPA employees will be one of the factors considered in making other personnel management decisions. The Human Resources Division will monitor recommended actions and require justification by supervisors and managers for any actions (e.g., promotions, disciplinary actions, reductions-in-force, etc.) requested which are inconsistent with an employee’s Performance Appraisal rating.

Appeal Rights
A permanent SPA employee who is not satisfied with his or her overall performance rating of Good or below or the associated performance increase may submit a grievance through UNC General Administration’s grievance process (see GA Policy Manual, Section 7, SPA Employee Mediation and Grievance Policy and Procedure).
Training
The key to successful management and participation in the Performance Management process is both supervisor and employee training. Thus, UNC General Administration has established a comprehensive employee and manager training program for first and second level supervisors, as well as employees.

Upon hire, new supervisors and employees will be encouraged to participate in an online tutorial outlining the Performance Management Processes as well as the functionalities of the Online Performance Management Tracking System. The Performance Management Coordinator will also offer annual classroom training to all employee and supervisors.

The Performance Management Coordinator is also available year round for individual consultation and technical assistance, to assist supervisors in preparing performance plans and conducting performance evaluations.

This policy has been reviewed and approved by:

[Signature]
Thomas Ross, President
3/2/2013
Date