

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Performance Appraisals

POLICY NO: BOARD Prsnl 02

EFFECTIVE DATE: 07/13/06

I. POLICY & OBJECTIVES

It is the policy of the Public Employees' Retirement Board (the Board) that the Board's Personnel Committee, with input from the other Board members, will conduct annual performance appraisals of the Board's Executive Director using specific and measurable objectives and competencies designed to ensure consistent progress toward organizational goals.

It is further the policy of the Board that the Executive Director will conduct an annual performance appraisal of the Board's legal counsel using a format that reflects the Executive Director's ability to appraise the daily activity of the legal counsel.

Finally, it is the policy of the Board that the Executive Director will ensure that performance appraisals are conducted at least annually for every Montana Public Employee Retirement Administration (MPERA) employee.

II. DEFINITIONS

- A. For purposes of this policy, "**pre-appraisal process**" means the process by which the Personnel Committee and the employee's supervisor review the terms of the employee's performance appraisal document with the employee to ensure understanding of the performance objectives and competencies expected of the employee.
- B. For purposes of this policy, "**completed performance appraisal**" means that the appraisal period has ended, the employee's performance has been evaluated, a post-appraisal meeting with the employee has taken place, and that members of the Board's Personnel Committee, the employee's supervisor, and the employee have signed the document acknowledging that the employee's performance has been evaluated.

C. The employee's performance objectives and competencies will be evaluated using the following rating categories:

1. **Outstanding** – Performance **significantly** exceeds standards and expectations. Performance at this level is recognized by peers, customers, the public and others. The employee devised and implemented improvements, and performance resulted in major organizational improvements/successes. Performance is generally not equaled by other current and/or former employees performing work of a similar nature.
2. **Exceeds Expectations** – Overall performance of duties and responsibilities exceeded the performance standards established for the position. Performance definitely contributed to the achievement of the agency's mission, goals and objectives. This rating indicates the overall performance of the employee has been at a level that is **consistently** in excess of stated expectations.
3. **Meets Expectations** –The employee is competent at the expected levels of performance and is making valued contributions to the organization. Performance is consistent with what is routinely expected of the employee in the position, and the employee has successfully completed the goals and challenges outlined during the review period. Performance is good, not average, and the individual is considered a stable and skilled worker by peers and others.
4. **Needs Development** - The employee's performance is not meeting expected levels OR the employee is still training/learning and performance must improve to meet expectations. This area is a development priority until performance of deficiencies improves to a satisfactory degree.
5. **Unacceptable** - The employee exhibited **significant** shortfalls in professional behavior or job knowledge or performance. Performance at this level cannot be allowed to continue, and improvement is required. When assigning this rating, provide specific examples of unacceptable behavior or performance, steps to correct the problem, and consequences if the problem is not corrected.
6. **NB** – No basis or knowledge to evaluate a particular objective or competency.

III. APPRAISAL PROCESS

- A. The performance objectives and competencies of the Executive Director who has completed a probationary period shall be appraised during established appraisal periods of not more than one year's duration. The pre-appraisal process should be conducted within 30 days of the date of hire. Pre-appraisals must also occur whenever the objectives or competencies contained in the performance appraisal are amended.
- B. The performance appraisal of an employee in a permanent position who has not completed a probationary period shall be completed before the end of the probationary period.
- C. At the beginning of each appraisal period, the employee shall be informed of the objectives and competencies for which performance will be appraised, the method for observing and measuring attainment of the objectives, and the specific and measurable behavioral indicators for each competency. A professional development plan will also be completed. The appraisers are required to identify objectives and competencies, develop observation/measurement methods and behavioral indicators, and assess professional development needs, jointly with the employee. The appraisal standards must be in writing and signed by the appraisers and the employee.
- D. During the appraisal period, the appraisers shall either directly observe the employee's performance on each specified objective and competency or review reports, logs or other work samples. The appraisers have the responsibility to communicate with the employee on an ongoing basis on both observed superior and deficient performance. The appraisers and employee may agree to adjust the originally selected objectives and competencies, job duties and responsibilities as actual job related changes occur.
- E. At the end of the appraisal period, the appraisers shall determine the employee's performance on each objective and competency and, at a minimum, make written comments on the performance appraisal form explaining unacceptable and needs development ratings. If the objective was not evaluated during the Performance Appraisal cycle, a rating of NB must be noted on the Performance Appraisal form, along with communication as to why there is no evaluation for that objective.

- F. At the end of the appraisal period, the appraisers will complete the "Achieved?" and "Comments" columns of the "Professional Development Plan" section.
- G. The appraisers will solicit and include in the performance appraisals comments and other relevant input from all members of the Board.
- H. A "completed performance appraisal" shall take place no more than 60 calendar days after the close of the appraisal period, unless a new executive director is appointed during the appraisal period. If a new executive director is appointed, management may extend the appraisal period.
- I. A post-appraisal period meeting shall be held privately with the employee to review the written performance appraisal.
- J. The employee shall be asked to sign a statement on the performance appraisal indicating that it was received and reviewed with the employee. If the employee refuses to sign, one of the appraisers should note the refusal on the performance appraisal form or on a memorandum attached to the performance appraisal.
- K. The employee must be given a copy of the completed performance appraisal form.
- L. The employee shall be advised of the right to submit within 10 working days of receipt of the completed performance appraisal, a written response to the performance appraisal. The employee shall also be afforded the opportunity to appraise the job and supervision received in terms of what assists or impedes performance, the adequacy of the professional development offered, and the conduciveness of the job structure to effective performance. Both responses shall be attached to the employee's performance appraisal.
- M. The performance objectives and competencies in place at the close of the appraisal period will remain in place unless and until new objectives and competencies are established.
- N. Informal or formal disciplinary actions initiated in accordance with the Discipline Handling Policy, ARM 2.21.6501 et. seq. (also found in Policy 3-0130, Montana Operations Manual, Volume III, available from the Management Support Bureau) are not dependent upon the performance appraisal process being completed.

IV. GRIEVANCE OR REBUTTAL

- A. If the employee disagrees with the appraisal, the employee has the right to submit, within 10 working days of receipt of the appraisal, a written response to be attached to the document.
- B. The employee may grieve adverse employment actions taken as a result of performance appraisal in accordance with ARM 2.21.8011 et. seq., Grievances. (Also found in Policy 3-0125, Montana Operations Manual, Volume III available from the Management Support Bureau). The following procedural errors are grievable:
 - 1. Failure of the appraisers to inform the employee of the objectives and competencies to be appraised, the method for observing and measuring attainment of the objectives, and the specific and measurable behavioral indicators for each competency;
 - 2. Failure of the appraiser to make written comments explaining unacceptable and needs development ratings;
 - 3. Failure of the appraiser to provide the employee with an opportunity to review ratings and supporting comments, when completed;
 - 4. Failure of the appraiser to advise the employee of the right to submit a written response to be attached to the written appraisal. The notice on the employee performance form of the right to file a response is sufficient notice of the right to submit a response;
 - 5. Failure to make a copy of the written appraisal available to the employee.
- C. No employee may file a grievance based on the content of or comments on the performance appraisal.
- D. Employees who have not completed a probationary period may not grieve any aspects of the appraisal under ARM 2.21.8011 et. seq., Grievances.

V. CROSS REFERENCE GUIDE

The following laws, rules or policies may contain provisions that might modify a decision relating to Performance Appraisal. The list should not be considered exhaustive - other policies may apply.

Section 2-18-102, MCA-State Employee Classification, Compensation & Benefits

MOM 3-0110 Employee Record Keeping

MOM 3-0115 Performance Appraisal

MOM 3-0125 Grievances

MOM 3-0130 Discipline Handling

MOM 3-0155 Reduction in Work Force

MOM 3-0170 Probation

Board's Statement of Governance Principles

MPERA Performance Appraisal Policy to be adopted

VI. HISTORY

Originally Approved March 2004

Amended July 13, 2006