
**PARS HANDBOOK
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PURPOSE OF THE PERFORMANCE ASSESSMENT AND RECOGNITION SYSTEM

The purpose of the Performance Assessment and Recognition System (PARS) is to:

- facilitate joint planning between a manager and supervising manager on what the manager is expected to accomplish.
- establish clear, achievable, measurable, results-oriented performance objectives, consistent with the agency's priorities and mission, and considered fair by both the manager and the supervising manager.
- promote ongoing communication between the manager and the supervising manager concerning expectations, how well the manager is meeting these expectations, and what steps must be taken to ensure that objectives are met.
- guide regular evaluations of progress and promotion of the manager's professional development. Identify corrective action needed when a manager has not accomplished a performance objective.
- provide a basis for differentiating among levels of performance and thus serve as a basis for a manager's annual salary increase or bonus payment.
- improve individual job performance and thereby increase the effectiveness of the agency.

These actions should encourage job satisfaction through promoting a sense of common mission and recognition of the individual's contribution to it.

EVOLUTION OF THE PROGRAM

In 1978 the Connecticut General Assembly passed legislation allowing the Department of Administrative Services to establish an incentive plan for managerial employees. This new program was based upon the recommendations of the Gengras Commission Task Force on Management of Human Relations.

The State Personnel Division of the Department of Administrative Services encouraged agencies to develop their own Management incentive Plan (MIP) manuals in accordance with general guidelines. Agencies formed executive teams, wrote agency mission statements, and prepared MIP plans for approval by the Personnel Development Center. This office also provided training and technical assistance for the project

Basic features of the plan, then as now, included planning and objective setting, performance education based on meeting goals, and differential annual salary increases.

The Management Incentive Plan was implemented on a pilot basis in the first five agencies in 1979-80. The next year, additional payment guidelines were issued and 10 more agency plans were approved.

In 1982 an advisory committee reviewed the MIP experience and recommended changes in procedure; including the provision that managers at their salary group maximum would receive MIP payments as bonuses, not built into salary.

In 1983 the Legislature called for a joint study of MIP by the Department of Administrative Services and the Management Advisory Committee to “review the need for the Management Incentive Plan and the State’s ability to administer such a plan equitably...” in response to this study, DAS recommended a Quality Control Committee.

This committee was established by legislation. It recommended several major changes in MIP policy:

- simplifying the rating system to allow only five final rating categories;
- connecting those categories to specific percentages of payout.
- limiting to twenty percent those managers in each agency who could receive bonus payments
- redefining eligibility for the MIP and establishing the Professional Incentive Plan (PIP) for those in the managerial pay structure who did not meet the definition of manager

The Quality Control Committee established the statewide MIP manual to provide consistent statewide policies and procedures. In 1989 and 1990, years of severe budgetary constraint, payments to managers were limited, and the established payout percentages were superceded. Payouts were reestablished at lower rates over the next several years.

A focus group was established by the Department of Administrative Services in 1992 to recommend adjustments to MIP. The Management Advisory Council encouraged and sponsored these changes to the program. They are being incorporated in this 1994 manual. The program, now called the Performance Assessment and Recognition System (PARS),

- limits the final appraisal categories to four,
- eliminates the Professional Incentive Plan,
- allows more agency flexibility in the number and amount of payouts to managers.

We trust that through the evolution of this program it continues its original purposes of enhancing planning, accountability, communication; managerial performance appraisal; and recognition of excellence while refining the procedures used to achieve these goals.

THE PROCESS DEVELOPING OBJECTIVES

ELIGIBILITY

Managers are eligible for PARS if they work in an agency which uses the prescribed PARS plan, are excluded from collective bargaining, and are paid on a managerial pay plan.

WHY OBJECTIVES?

An objective is a statement of specific results to be achieved within constraints such as time and cost. Objectives should include performance measures which make possible an evaluation of whether the objective was satisfactorily achieved, and what is expected in a job well done. One of the advantages of setting objectives rather than rating skills is that results achieved are more definable than skill levels. The more specific objectives are, the more objective the appraisal can be.

SCOPE

The scope of PARS is the manager's entire job. Therefore, objectives should cover all basic duties and responsibilities of the position as well as important special projects.

TYPES

Types of objectives for PARS purposes are:

- Maintenance-- objectives concerned with fulfilling normal duties
- Problem Solving- objectives aimed at reducing problems
- Innovative- objectives for new directions.

Managers will not have equal opportunities to set innovative or-problem solving objectives each year. However, objectives can be set to define normal work responsibilities even when special projects or objectives are not realistic.

AGENCY MISSION

Each manager's objectives should interface with those of other managers to form the agency's mission. To facilitate this, agency heads and/or executive teams should review the agency mission statement and communicate to managers any new or revised directions for the agency at the beginning of the objective setting process, at the start of each fiscal year. Basic organizational functions will vary little from year to year. Other innovations, improvements and projects will be one-time objectives. This top-down approach enables agency heads to convey priorities to managers at the beginning of the yearly planning process.

STEPS

To formulate objectives, the manager should group basic functions and projects into a workable number of categories (3-8 is recommended). Those functions will be stated as desired outcomes.

A complete objective:

- ❑ begins with an action verb (e.g. to increase, reduce, install, implement, develop, submit...);
- ❑ states a desired result which will define the achievement of the objective (e.g. a 10 percent reduction in cost, a report acceptable to the committee...)
- ❑ is as specific and measurable as possible in terms of cost, time, percentage)
- ❑ relates to the agency mission.

Sometimes it is helpful to break down complex objectives into smaller and more specific achievement milestones. An action plan is an excellent organizing tool.

PRIORITIES

Each completed objective should have a priority number assigned to it based upon its **relative importance**. Managers may also indicate relative weights (in percentages) for their objectives, based on time involved, or importance of results, to help determine the yearly composite rating. For example, a very high rating on a first priority objective will carry considerable weight toward a high final rating. However, the same high rating on a low priority objective would carry less weight. The manager and supervising manager should discuss the amount of difference between the priorities. Is priority two nearly the same level of importance as priority one, or only half as important?

PERFORMANCE MEASURES

The more concrete and specific the objective is, the easier it will be to identify performance measures. To do this, ask "How can I tell the difference between a good job and a poor job on this objective?" Quantity, accuracy, efficiency and timeliness are typical considerations. A performance measure defines quality on the objective, which may have many aspects. For example, in a major report, performance measures might include: completeness, timeliness, style and format, input from others, and how it is received by its users. Performance measures can refer to both the product and the process.

CONSTRAINTS

The constraints section of the form provides room for a safety valve. Constraints are **anticipated obstacles**, outside the control of the manager, which may affect progress toward achieving the objective. Examples of constraints are- budget cuts, cooperation of other agencies, approval by other entities, etc.

TARGET DATE

The target date reflects the date **when an objective should be completed**. For an ongoing objective, the date will be the point at the end of the fiscal year when the evaluation will occur.

ACCEPTANCE

Once agreement is reached with the supervising manager on a manager's objectives, signatures and dates should be placed on the front of the PARS form to indicate acceptance.

PROGRESS REVIEWS

Periodic progress reviews ensure continuing feedback to managers during the year. It facilitates communication between the management levels, and allows the system to be responsive to emerging problems, new opportunities, and changing priorities.

Formal quarterly progress reviews are strongly recommended. Results of these reviews should be noted on the PARS form with the date of the meeting and the initials of manager and supervising manager.

Face-to-face progress meetings between the individual manager and the supervising manager are essential to make the PARS process effective. Managers benefit from the opportunity to review their progress on each objective, to plan any revisions which will be needed to reach their goals, and to seek the advice and counsel of supervising managers. Quarterly progress reviews are also an opportunity for supervisors to deal with areas in which the managers work is not meeting the supervisor's expectations, or to reprioritize the work.

TOPICS

Any or all of the following topics could be on the agenda of a progress review meeting:

- update on progress toward established objectives
- removal of obstacles to progress
- identification of performance problems and proposed solutions
- revision or deletion of an objective
- addition of a new objective
- discussion of overall performance to date

Any variance between expected and actual progress should be discussed and reconciled. Any major new development may signal the need to hold a progress review.

ANNUAL REVIEW

The annual review concludes the PARS cycle for the fiscal year. In this step the manager and supervising manager meet to discuss, summarize and document the results achieved during the year.

MEASURING RESULTS

PARS measures results achieved on objectives rather than an individual's management skills to reduce the subjectivity inherent in any performance appraisal system. By using mutually agreed upon performance criteria, both parties use the same yardstick for measuring the manager's performance. If the criteria have been made clear, and the communication of expectations has been open, no surprise should occur at the annual review.

Determining a manager's annual rating requires care and skill. The annual review is an occasion for communication, motivation, and learning. Although the evaluation is primarily the responsibility of the supervising manager, the annual review should be structured to enable the manager to participate in the assessment of his/her job performance.

RATING ONLY ON ASSIGNED WORK

It is important to remember that each manager can only be rated on his or her assigned responsibilities and objectives. This precludes comparison of the worth or importance to the agency of one manager's job over another's. The high ranking manager should already be compensated for heavy responsibilities by the level of position classification and salary group. The PARS rating should be based on how well the tasks assigned to the manager for this year were performed, not on how important those tasks were relative to those of other managers.

VALUE OF ANNUAL REVIEW

The real value of the annual rating lies in communication between manager and supervisor concerning what has been done well, and where further growth should be directed. Summarizing the year's performance, providing constructive feedback on strengths and weaknesses, identifying accomplishments, and specifying corrective, action and avenues for professional growth are key managerial appraisal tasks.

RATING CATEGORIES

in the PERFORMANCE ASSESSMENT and REVIEW SYSTEM

❑ **Exceeds Expectations**

Reserved for those managers whose achievements substantially exceed acceptable performance levels. Objectives and job requirements are met in all areas. Quality of results is superior.

❑ **Meets All Expectations**

Achieves all objectives and job requirements. Competent in all responsibilities of the position. Requires minimal direction.

❑ **Needs Improvement**

Objectives and job requirements are not fully achieved. Requires substantial direction. Manager may be developing in the position.

❑ **Unsatisfactory**

Objectives and job requirements are not achieved. Requires continuous direction. Overall performance is unacceptable.

ANNUAL PAYOUT

MEETS EXPECTATIONS

Managers should expect that fulfillment of all objectives will result in a Meets All Expectations rating. This rating will merit a salary increase within the manager's salary range. This increase is usually equivalent to an annual increment for bargaining unit employees.

SALARY GROUP MAXIMUM

A manager at the maximum of his/her salary group will be eligible for the same amount received by one within the salary range, but payments above the maximum will be made as lump sum bonuses, not built into base salary.

EXCEEDS EXPECTATIONS

Only if the manager's performance is extra-ordinary because of obstacles overcome, achieving particularly difficult objectives, or reaching a truly outstanding quality of achievement, should the supervising manager recommend the highest rating Exceeds Expectations. Rater's standards should be high enough to ensure that only a limited percentage of managers exceed expectations. The exceptional achievements of the manager who receives an Exceeds Expectations rating should be obvious. **Those in this category will receive a Performance Recognition Award in addition to their salary increase if funds are available for these awards statewide.**

NEEDS IMPROVEMENT

A first-time Needs improvement rating will merit one half of the Meets All Expectations salary increase. A second consecutive rating of Needs improvement will not merit any increase.

UNSATISFACTORY

No payout will be made to those rated unsatisfactory. Two unsatisfactory ratings will be considered grounds for dismissal.

REVIEW

Recommendations for ratings, particularly those of Exceeds Expectations, must be reviewed by the agency head or executive team. In addition to reviewing supervisors' decisions, this is to ensure that the limits of the agency bonus pool are not exceeded. It is not appropriate to give an Exceeds Expectations rating without an accompanying bonus payment, if other managers with the same rating will receive a bonus.

The final rating and payout information should be shared with the manager only after the final approval by the agency head.

PERFORMANCE RECOGNITION AWARDS

Performance Recognition Awards are bonus awards (compensation not built into base salary) which will be paid in addition to a salary increase to managers selected for their outstanding performance.

POOL ESTABLISHED

For each eligible PARS manager in a participating agency, a fixed dollar amount will be placed in the agency's Performance Recognition Award pool.

Eligibility is based on having been a manager with objectives in place for at least six months of the rating year.

AWARD NOMINATIONS

Supervisory managers will nominate potential award recipients to their agency head or designee. These nominations will be supported by a brief written recommendation.

UPPER AND LOWER AWARD LIMITS

To make meaningful, minimum and maximum award limits will be established. The maximum award will be approximately twice the minimum award. Within these limits, awards will be determined by the agency, depending on how many awards are given and at which level, and provided that the total does not exceed the amount in the agency pool.

AUDITS

The Department of Administrative Services, Bureau of Personnel and Labor Relations will audit the PARS process. This may include ensuring

- that objectives are being used
- that face-to face progress meetings are held between managers and their supervisors, and
- that the PARS pool is appropriately distributed.

Agencies not abiding by the established guidelines will not be allowed to use Performance Recognition Awards.

APPENDIX

FORMS



STATE OF CONNECTICUT

PERFORMANCE ASSESSMENT and RECOGNITION SYSTEM

PLANNING AND APPRAISAL RECORD

MANAGER		
TITLE	SIGNATURE	DATE
AGENCY AND UNIT		
RATING PERIOD:	FROM	TO
SUPERVISING MANAGER		
TITLE	SIGNATURE	DATE

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GOALS AND OBJECTIVES - THE PLANNING PROCESS

The manager, together with the supervising manager, will list the manager's performance objectives for the fiscal year in order of priority. Each objective should state what the manager plans to accomplish, identify performance measures to determine whether the objectives are accomplished, and specify the target date for completion.(Use additional sheets if necessary.)

PRIORITY NO.	TARGET DATE	OBJECTIVE
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OBJECTIVE (continued)

CONSTRAINTS

PERFORMANCE MEASURES

PRIORITY NO.	TARGET DATE	OBJECTIVE
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OBJECTIVE (continued)

CONSTRAINTS

PERFORMANCE MEASURES

PRIORITY NO.	TARGET DATE	OBJECTIVE
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OBJECTIVE (continued)

CONSTRAINTS

PERFORMANCE MEASURES

PRIORITY NO.	TARGET DATE	OBJECTIVE
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OBJECTIVE (continued)

CONSTRAINTS

PERFORMANCE MEASURES

PLANNING AND APPRISAL RECORD

PROGRESS REVIEW - THE COMMUNICATION PROCESS

In addition to informal discussions of progress, the supervising manager should periodically review the progress toward meeting objectives set by each manager. Quarterly reviews are recommended. The purpose of this discussion is to review accomplishments, identify obstacles, determine appropriate future actions, and, if necessary, to revise objectives.

PRORITY NO.	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
ACTIONS STEPS TAKEN and/or ADJUSTMENTS NEEDED				
Mgr. And Supv. Initials Date				

PRORITY NO.	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
ACTIONS STEPS TAKEN and/or ADJUSTMENTS NEEDED				
Mgr. And Supv. Initials Date				

PRORITY NO.	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
ACTIONS STEPS TAKEN and/or ADJUSTMENTS NEEDED				
Mgr. And Supv. Initials Date				

PRORITY NO.	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
ACTIONS STEPS TAKEN and/or ADJUSTMENTS NEEDED				
Mgr. And Supv. Initials Date				

STATUTES and PROCEDURES

Statutes and general letters which set guidelines and procedures for the PARS process are cited here for easy reference.

Connecticut General Statutes Section 5210(d) establishes the program.

The Commissioner of Administrative Services may establish one or more state incentive plans for employees whose positions have been designated managerial or confidential. Notwithstanding the provisions of this section (5-210(a,b,c)), annual salary increases or lump-sum payments for employees whose positions have been designated managerial or confidential may be based on annual performance appraisals made by agency heads or their designees in accordance with state incentive plans approved by the Commissioner of Administrative Services. Such salary increases shall be in accordance with the provisions of the compensation schedule then in effect. Such employees shall receive an increase for "good" performance up to the position rate.

General Notice 90-4 concerns promotion and new hires into the Management Pay Plan:

- 1) Promotions to the Management Pay Plan between January 1 and June 30 for those who previously had a January annual increase date:
 - a) Adjust the manager's rate of pay, effective the beginning of the pay period which includes July 1, by one-half of the percentage paid to fully successful managers the previous July.
 - b) Adjust the employee's rate of pay, effective the beginning of the pay period which includes January 1, by one half of the percentage paid to fully successful managers the previous July.
 - c) The employee will be given a permanent increase date of July 1 thereafter, and will receive increases in accordance with the standard procedure.
- 2) Promotions between July 1 and December 31 for those who previously had a January increase date:
 - a) Adjust the employee's rate of pay by one-half of the percentage paid to fully successful managers in the previous July, effective with the beginning of the pay period which includes January 1.
 - b) A manager will be given a permanent increase date of July 1 thereafter...
- 3) New hires in management classes
 - a) If hired between January 1 and June 30, the employee will receive an increase of one-half of the percentage paid to fully successful managers in the previous increase effective with the beginning of the pay period including January 1 following, and will then be given a permanent July 1 increase date thereafter.
 - b) If hired between July 1 and December 31, the employee will have a permanent July 1 date.

A letter of August 18,1982 to Agency Heads established rules on the computation of bonus payments.

"Incentive compensation for managerial personnel at or above position rate maximum must be in the form of a lump sum payment which is to be based on the position rate of the salary group involved... The actual salary rate of a manager above position rate will not be used in this computation."

A letter of March 20,1991 concerns participation in incentive plans by Executive Assistants.

Executive Assistants should no longer be included in State incentive pro-grams for managers. ...When annual increases are available, all executive assistants will be eligible for a standard percentage increase in salary...This action will remove the Assistants from consideration for differential performance ratings and bonus payments associated with the incentive plan.

A letter of March 8,1993 concerns participation by Durational Project Managers.

Certain Durational Project Manager (DPM) positions are filled by individuals from outside the State classified service. They are similar to contractual employees working on a project for a limited amount of time.

These employees should not be included in your incentive plan. Other DPM positions are filled by classified State managers who assume responsibility for a special project. This places them in this unclassified position for a period of time with the expectation that they may return to a classified position. Employees in these positions should be included... Agencies are asked to assess the appropriate status of their Durational Project Managers.