



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: 313-628-2535
FAX: 313-224-2135
WWW.DETROITMI.GOV

CFO ADMINISTRATIVE ORDER

No. 2018-101-014

SUBJECT: Performance Management in the Office of the Chief Financial Officer

ISSUANCE DATE: July 20, 2018

EFFECTIVE DATE: July 20, 2018

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2)(a), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.

2. OBJECTIVE

- 2.1. To promote a commitment to sustaining a culture of high performance.
- 2.2. To hold management and employees accountable for their performance.
- 2.3. To promote employee growth and development.
- 2.4. To align employee Performance Plans with the objectives, outcomes and strategies of the Office of the Chief Financial Officer (OCFO).

3. PURPOSE

- 3.1. To establish a Performance Management program for the OCFO that supplements policies developed by the Human Resources (HR) Department.

4. SCOPE

- 4.1. This Administrative Order applies to all non-probationary employees, Managers, Supervisors and Executives in the OCFO.
- 4.2. This Administrative Order applies to temporary staff and personal service contractors that are filling a vacant position; however, requests for salary increases for these individuals must follow the established processes that govern temporary staff and personal service contractors. It does not apply to personal service contractors or temporary staff performing special projects.
- 4.3. Probationary employees are not subject to this process until they complete probation. Any performance feedback during a probationary period in and of itself does not constitute passing of the probationary period or automatic movement to a permanent status. The probationary period is an extension of the recruitment process.
- 4.4. This Administrative Order should be read in conjunction with other rules and guidance from the HR Department. This Administrative Order should be implemented consistent with requirements imposed by applicable current collective bargaining obligations.

5. RESPONSIBILITIES

- 5.1. The CFO's Office shall be responsible for the administration and oversight of this Administrative Order and shall establish procedures and other relevant information regarding this Administrative Order.
- 5.2. All OCFO Executives shall review this Administrative Order and must adhere to the following:
 - Embrace and model the behaviors of effective Performance Management;
 - Provide their employees with information concerning the OCFO's strategic objectives, outcomes, strategies, programs, policies, and procedures;
 - Delegate appropriate authority to Managers / Supervisors, as required, to effectively implement and operate under this Administrative Order in a manner consistent with effective operations and sound management practices;
 - Develop and communicate the OCFO's strategic objectives, outcomes and strategies used in developing individual Performance Plans;
 - Assess organizational performance, communicate results to employees, and provide formal guidance to Managers / Supervisors on how organizational performance is considered when deciding employee ratings; and
 - Ensure appropriate Performance Management training is provided for Managers / Supervisors and employees within their division.
- 5.3. All OCFO Managers / Supervisors shall review this Administrative Order and must adhere to the following:
 - Establish individual Performance Plans for their employees, and foster a performance culture that supports a high performing work unit through effective management of individual and team performance;
 - Engage employees to provide their input into the development of their Performance Plan; be responsible for finalizing the Performance Plans for each employee;
 - Ensure Performance Plans are linked to the respective employee's position description;
 - Establish performance ratings based on consistency, fairness, objectivity, and completeness;
 - Complete each phase of the Performance Management process including to communicate performance expectations clearly with employees, ensure employees understand what is expected of them; hold employees accountable for their performance; monitor employee performance during the Evaluation Period; perform regular Feedback and Coaching Sessions; provide meaningful, objective performance-related distinctions for assigned ratings; use tools to recognize and reward employee performance as outlined in this Administrative Order; and take appropriate action – including disciplinary action – to address performance problems;
 - Ensure each Performance Plan includes SMART Goals linked to the OCFO's strategic objectives;

- Complete each phase of the Performance Management process for each Covered Employee in a timely manner throughout the Performance Management lifecycle;
- Ensure Evaluations are consistent with Division, OCFO, and City-wide performance; and
- Complete required ongoing Performance Management training.

5.4. All OCFO employees shall review this Administrative Order and must adhere to the following:

- Understand the goals and objectives of the OCFO and their Division;
- Participate actively in the Performance Management process including to provide input related to the development of the Performance Plan, participate in their initial goal setting, Mid-Year Reviews and Annual Performance Evaluations, and ongoing Feedback and Coaching sessions; to provide input on their accomplishments and assist in identifying areas of development to enhance their performance;
- Identify work problems or other obstacles which may hinder the accomplishment of performance expectations, and communicate with their Manager / Supervisor to identify solutions;
- Ensure they have a clear understanding of their performance expectations and how performance relates to the mission of the organization, including asking questions and requesting clarification from their Manager / Supervisor, as necessary;
- Demonstrate the knowledge, skills, abilities, and competencies necessary to perform their duties and conduct themselves in accordance with the core values and ethics of the City and OCFO;
- Understand the consequences of underperformance, including but not limited to disciplinary action up to and including termination of employment. Actively participate in the Performance Improvement Plan (PIP) for an opportunity to demonstrate improved and sustained “achieved expectations” level, and;
- Take responsibility to improve their own performance, perform at their full potential, support team endeavors, and continue professional development to support their performance.

6. POLICY

- 6.1. Evaluations shall be performed timely by Managers / Supervisors for all Covered Employees, for each Evaluation Period through the completion of a formal evaluation form.
- 6.2. Covered Employees shall be evaluated against their individual Performance Plan. The Manager / Supervisor shall discuss with the employee how the Performance Plan relates to the employee’s job. At the end of the Evaluation Period, the Manager / Supervisor shall evaluate the Performance Plan based on the employee’s performance during the Evaluation Period.
- 6.3. Managers / Supervisors shall be evaluated within their own individual Annual Performance Evaluation against their ability to effectively establish and implement the entire Performance Management process as outlined in this Administrative Order.

- 6.4. Formal Feedback and Coaching Sessions shall be performed for each Covered Employee. These sessions serve as a mechanism for strengthening individual performance through ongoing communication, honest and respectful feedback, and coaching and mentoring. Formal Feedback and Coaching Sessions are required, at a minimum, quarterly during the Evaluation Period.
- 6.5. A Performance Improvement Plan (PIP), also referred to as Performance Improvement Agreement (PIA), is a management tool utilized to address employee performance problems. At the discretion of the Manager/ Supervisor, a Covered Employee may be placed on a PIP / PIA at any point during the Evaluation Period. The PIP / PIA shall identify areas within the Performance Plan an employee does not meet expectations. Employees should use this opportunity to demonstrate improved and sustained performance. If an employee fails their PIP / PIA, disciplinary action may take place including but not limited to demotion or termination. A vacant position must exist in the Division's official staffing complement, as maintained by the CFO's Office, in order to demote an employee.
- 6.6. Performance of probationary employees shall be assessed within the probation period. Managers / Supervisors are required to submit each probationary employees' probation report forms to the HR Department prior to the expiration of the probation period. The CFO's Office and the Executive in charge of the applicable OCFO division may actively monitor that probation report forms are promptly submitted.

6.7. Step Increases

- Only a one- or two-step increase is permitted within an Evaluation Period.
- The following criteria, in addition to any criteria defined in the relevant collective bargaining agreement for a union employee, must be met for an employee to be eligible and considered for a step increase:
 - There are budgeted funds within the Division to cover the costs of the increase.
 - The employee has "achieved expectations" or higher during their Annual Performance Evaluation. For a two-step increase, the following additional requirements must be met:
 - The employee has "exceeded expectations" or higher for more than half of their established SMART goals.
 - The employee has "exceeded expectations" or higher for more than half of their competencies.
 - The employee has "exceeded expectations" or higher on their overall rating.
 - The employee has no deficiencies in the competency requirements for the position and there are no "needs improvement" in the fulfillment of their competencies.
 - There are no attendance or other disciplinary actions in effect or anticipated during the current Evaluation Period.
 - Employees in the Management and Supervisory Service are only eligible for step increases within their current grade.

6.8. Grade Increases

- The following criteria must be met for an employee to be eligible and considered for a grade increase:
 - There are budgeted funds within the Division to cover the cost of the grade increase.
 - The employee has “exceeded expectations” or higher for more than half of their established SMART goals.
 - The employee has “exceeded expectations” or higher for more than half of their competencies.
 - The employee has “exceeded expectations” or higher on their overall rating.
 - The employee has no deficiencies in the competency requirements for the position and there are no “needs improvement” in the fulfillment of their competencies.
 - There are no attendance or other disciplinary actions in effect or anticipated during the current Evaluation Period.
 - The work unit must have the workload to support the higher grade and that workload must be expected to be continued in the future as determined by the Executive in charge of the applicable OCFO Division.
 - The employee has shown the potential to perform the higher-level work by successfully completing higher-level work.
 - The employee is at a Level I or II. Promotion to a Level IV position is only through a competitive process.
- The new salary in the new grade is based on, at a minimum, the equivalent of a two-step increase in their current position, that matches the step in the new grade OR the first step of the new grade, whichever is higher.

7. PROCEDURE

7.1. Performance Planning

- At the beginning of each Evaluation Period, a Manager / Supervisor shall discuss with the employee how each section of the Performance Plan relates to the employee’s job. At the end of the Evaluation Period, the Manager / Supervisor shall evaluate each section based on the employee’s performance during the Evaluation Period.
- Communication between the Manager / Supervisor and employee is an essential element of effective Performance Management. Establishing meaningful Performance Plans requires participation of both the Manager / Supervisor and the employee.
- The final authority for establishing the Performance Plan rests with the Manager / Supervisor.

7.2. Performance Monitoring

Formal Feedback and Coaching Sessions

- Managers / Supervisors shall initiate Feedback and Coaching Sessions with each Covered Employee. These progress discussions must be documented on the employee's performance plan, and in any tracking system used by the OCFO to support established requirements for documentation and reporting.
- Employees shall actively participate in these sessions by providing their input, understanding the expectations of their role, and pursuing any recommended employee development opportunities.
- The CFO's Office and the Executive in charge of the applicable OCFO division may actively monitor that Feedback and Coaching Session are occurring throughout the Evaluation Period.

7.3. Performance Evaluation

Mid-Year Reviews and Annual Performance Evaluations

- An employee must have been under an established Performance Plan for the minimum Evaluation Period of ninety (90) days or more in order to be eligible for an Evaluation;
- Employees are encouraged to maintain a personal record of their accomplishments, achievements, and performance throughout the Evaluation Period which support the competencies and goals identified in their Performance Plan.
- Each Manager / Supervisor, at the specified timeframe, must evaluate the employee's accomplishments and issue a rating based on performance of the employee in comparison to the Performance Plan and demonstrated results for the Evaluation Period;
- At their discretion, each Covered Employee may submit a self-assessment to their Manager / Supervisor as input which may include their accomplishments, achievements, and demonstrated performance during the Evaluation Period;
- Employee self-assessments may be used by Managers / Supervisors to assist in more fully evaluating the employee's performance and the results of that performance;
- Managers / Supervisors shall discuss the completed evaluation form with the employee. The employee's signature on the form will serve as certification that such a discussion took place, however does not necessarily signify the employee agrees with the rating, and does not prevent the employee from following the provisions of HR Rule 17: Employee Grievances. The completed evaluation form is valid regardless of whether it has been signed by the employee which will be used to evaluate the employee's performance throughout the Evaluation Period.
- An Evaluation issued by a Manager / Supervisor may be subject to review and approval by the CFO's office or the Executive in charge of the applicable OCFO Division.

7.4. Recognizing and Rewarding Performance

Step Increases and Grade Increases

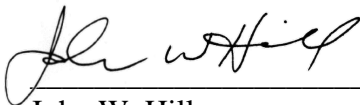
- Step Increases and Grade Increases shall only occur during the Annual Performance Evaluation unless otherwise determined by the CFO.
- Step Increases and Grade Increases are performance-based and, therefore, not guaranteed.
- All requests for Step Increases and Grade Increases shall be reviewed and approved by the Executive in charge of the OCFO Division and the CFO or their designee.

8. DEFINITIONS

- 8.1. *Annual Performance Evaluation*: the formal process under which employee performance is reviewed and evaluated against the performance expectations established in the Performance Plan for the Evaluation Period. Annual Performance Evaluations shall be issued to each Covered Employee within two months of the end of the Evaluation Period, July/ August of each year, the exact date of which will be established by the HR Department.
- 8.2. *Competencies*: the universal, enterprise-wide values outlining the core employee behavioral competencies by which an employee is evaluated including Integrity and Ethics, Customer Service, Professionalism and Credibility, Initiative and Self-Management, Dependability and Reliability.
- 8.3. *Covered Employee*: all individuals listed under Section 4: Scope.
- 8.4. *Evaluation Period* – the period of time covered by the Performance Plan, during which performance will be evaluated, and for which a rating will be prepared. It aligns to the beginning to the end of the fiscal year, July 1 to June 30. Annual Performance Evaluations occur July/ August; Mid-Year Reviews occur February/ March.
- 8.5. *Executives*: an executive-level position that leads and manages a Division within the OCFO; an individual having authority, in the interest of the OCFO, to hire, direct, assign, promote, transfer, reward, layoff, suspend, recall, or discipline Managers/ Supervisors, or responsibility to direct them, or to adjust employee grievances or effectively recommend such action, if the exercise of authority is not merely routine or clerical in nature, but requires consistent exercise of independent judgment.
- 8.6. *Evaluation*: A Mid-Year Review and/ or Annual Performance Evaluation
- 8.7. *Feedback and Coaching Sessions*: sessions between a Manager / Supervisor and a direct report where information about performance is exchanged that will enable the direct report to change their performance. Key features of effective feedback include: Understanding and supportive; Planned, timely, and regular; Encourages self-assessment; Focuses on modifiable behavior; Constructive and non-judgmental; Focuses on desired actions; and Private.
- 8.8. *Individual Development Plan*: identifies assignments, activities, training courses for the employee's development.
- 8.9. *Manager / Supervisor*: an individual having authority, in the interest of the OCFO, to hire, direct, assign, promote, transfer, reward, layoff, suspend, recall, or discipline employees, or responsibility to direct them, or to adjust employee grievances or effectively recommend such action, if the exercise of authority is not merely routine or clerical in nature, but requires consistent exercise of independent judgment.

- 8.10. *Mid-Year Review*: a required progress review between a Manager / Supervisor and employee to discuss the employee's performance and development conducted halfway through the Evaluation Period.
- 8.11. *Performance Improvement Plan*: a written development tool that provides an employee an opportunity to demonstrate an improvement in their performance.
- 8.12. *Performance Management*: the systematic process by which the OCFO involves its employees to ensure organizational effectiveness in the accomplishment of OCFO's strategic objectives, outcomes and strategies.
- 8.13. *Performance Plan*: the written document which sets forth the performance expectations and development objectives each Covered Employee is expected to accomplish during the Evaluation Period by which the employee will be evaluated. The performance plan consists of the following:
- Competencies which are the universal, enterprise-wide values outlining the core employee behavioral competencies by which an employee is evaluated.
 - SMART Goals which shall be created for all employees during the Initial Goal Setting process and during the annual development of the Performance Plan. SMART Goals shall be linked to the OCFO's strategic objectives.
 - An Individual Development Plan for the employee which shall identify the tools and training an employee needs in order to enhance the knowledge, skills, abilities, competencies, and experience necessary to perform their duties and align work with the OCFO's strategic objectives.
- 8.14. *Performance Rating*: the formal rating assigned to each performance expectation and summary rating of an employee's overall performance based on a Manager / Supervisor's assessment of an employee's performance during the entire Evaluation Period.
- 8.15. *SMART Goals*: targets or objectives that are **Specific, Measurable, Attainable, Results-oriented and Time-bound**.

APPROVED



John W. Hill

City of Detroit, Chief Financial Officer