

Michigan Civil Service Commission

Regulation 2.06

Subject: Performance Ratings		
SPDOC No.: 17-11	Effective Date: January 1, 2018	Replaces: Reg. 2.06 (SPDOC 16-06, December 15, 2016)

1. Purpose

This regulation establishes procedures to conduct performance ratings.

2. CSC Rule References

2-3 Ratings

2-3.1 Rating System

(a) Regulations. The state personnel director shall issue regulations to establish a system of performance and interim ratings for appointing authorities to evaluate and report employee performance. Performance includes levels of performance, competencies, and behavior. Probationary ratings are addressed in rule 3-6.

(b) Ratings.

(1) Types. A rating issued under this rule is a single overall evaluation of the employee's performance for the relevant rating period:

(A) Performance. A performance rating rates the employee's overall performance as (high performing, meets expectations, or needs improvement. High-performing and meets-expectations ratings are satisfactory.

(B) Interim. An interim rating rates the employee's overall performance as satisfactory or unsatisfactory.

(2) Methods. Unless the regulations provide otherwise, an appointing authority may use any appropriate rating method approved by the state personnel director to evaluate and rate employees. If a method yields overall evaluation categories different from those in subsection (b)(1), the categories must equate to those overall performance categories. An appointing authority may also develop systems to provide ongoing feedback to employees on performance that are not ratings, but may form a basis for ratings under this rule.

(3) Component parts. If an overall rating is satisfactory, a non-satisfactory evaluation on a subpart of the rating, such as an objective, a competency, or a factor, is not grievable or reviewable in the agency review procedure.

- (c) **Review.** *A supervisor or designee shall review each performance or interim rating with the employee. Both shall sign each rating as evidence of the review. The employee's signature does not indicate agreement. An employee may file an explanatory statement with a rating.*
- (d) **Use.** *A performance or interim rating may be considered in making employment decisions, including appointment, promotion, retention, assignment, and training.*
- (e) **Report.** *Each appointing authority shall report or certify performance and interim ratings to civil service staff.*

2-3.2 Performance Ratings

- (a) **General.** *An appointing authority shall evaluate each non-probationary employee's performance and issue a performance rating as the rules and regulations require.*

- (1) **Timing.** *An appointing authority shall issue a performance rating at least once annually, but may issue performance ratings anytime. An appointing authority need not issue a performance rating for any period covered by an interim rating.*

- (2) **Performance-improvement plan.** *If an employee receives a needs-improvement rating, the appointing authority shall establish a performance-improvement plan to monitor the employee's performance. The plan must establish a date by which the appointing authority will issue another rating evaluating the employee's performance under the plan. If performance has not improved, the appointing authority may issue an interim rating based on performance under the plan.*

- (3) **Agency review procedure.** *Each appointing authority shall establish a procedure for employees to obtain a review of a needs-improvement rating by the appointing authority or a designee. If a rating is not grievable, the appointing authority's review is also not appealable.*

- (b) **Compensation plans with fixed steps.**

- (1) **Satisfactory rating.** *A satisfactory rating is not discipline and is not grievable or reviewable.*

- (2) **Needs-improvement rating.**

- (A) **Complaints.** *A needs-improvement rating is not discipline and cannot be grieved, unless it violated rule 1-8 [Prohibited Discrimination] or rule 2-10 [Whistleblower Protection]. An employee may request review of the rating in the agency review procedure.*

- (B) **Effects.** *An employee who receives a needs-improvement rating is eligible for a step increase, but is ineligible for reclassification until a later satisfactory rating is issued. A reclassification cannot be retroactive to a date before a new satisfactory rating is issued.*

- (c) **Performance-pay programs.**

- (1) **Salary review.** *An appointing authority shall complete a salary review for each employee in a performance-pay program after completing a performance rating. The appointing authority shall use the rating as one factor in determining the employee's eligibility for a base-salary increase or lump-sum award authorized in rule 5-3.4.*

(2) **Satisfactory rating.** A satisfactory rating is not discipline and is not grievable or reviewable.

(3) **Needs-improvement rating.**

(A) **Complaints.** A needs-improvement rating is not discipline (and cannot be grieved, unless it violated rule 1-8 [Prohibited Discrimination] or rule 2-10 [Whistleblower Protection]). An employee may request review of the rating in the agency review procedure.

(B) **Effects.** An employee who receives a needs-improvement rating is ineligible for a performance-pay award or reclassification until a later satisfactory rating is issued. Neither can be made retroactive to a date before a new satisfactory rating is issued.

(4) **Grievances.** Performance-pay awards are discretionary. An employee cannot grieve or appeal a performance-pay action, unless specifically permitted in this rule or regulations.

(A) **Permitted.** An employee aggrieved by the following performance-pay actions may file a grievance:

(1) The employee's base salary is reduced.

(2) The appointing authority does not rate the employee's performance at least once annually.

(3) The performance-pay action violates rule 1-8 [Prohibited Discrimination] or rule 2-10 [Whistleblower Protection].

(B) **Prohibited.** Non-grievable performance-pay actions include:

(1) The amount of a performance-pay award.

(2) The failure to receive an award.

(3) The distribution of an award between base-salary increase and lump-sum award.

(4) Another employee's performance rating or award.

(5) The decision to include a position in or exclude a position from a performance-pay program.

(6) The performance-pay program itself, including performance standards, agency evaluation methods, rating categories, and agency salary-range subdivisions.

2-3.3 **Interim Ratings**

(a) **Interim ratings.** An appointing authority may evaluate the performance of an employee, including a probationary employee, and issue an interim rating anytime.

(b) **Rating period.** If an appointing authority issues an unsatisfactory interim rating but does not dismiss the employee, the appointing authority shall establish in writing a follow-up rating period. If an employee is suspended, on an unpaid leave of absence, or on extended sick leave, the period is automatically extended by a period equal to the absence. Within 28 days after its end, an appointing

authority may extend in writing the period's length to a total of up to six months. An extension cannot be grieved.

- (c) **Follow-up interim rating.** The appointing authority shall evaluate the employee's performance during the follow-up rating period and issue another interim rating. The appointing authority shall extend the rating period or issue the rating by 28 days after the period ends. If the appointing authority fails to timely issue the rating or an extension, the employee may request its issuance in writing to the appointing authority's human resources director. If the appointing authority fails to issue a rating or an extension within 14 days in writing after receiving a valid written request, the employee is returned to satisfactory standing, effective the end of the rating period.*
- (d) **Discipline.** Unsatisfactory interim ratings are discipline and may be the basis for additional discipline, up to and including dismissal.*
- (e) **Grievances.***
- (1) **Non-probationary.** A non-probationary employee who receives an unsatisfactory interim rating may grieve the rating.*
- (2) **Probationary.** A probationary employee who receives an unsatisfactory interim rating may grieve the rating only as provided in rule 3-6.4.*
- (f) **Effects.** An employee who receives an unsatisfactory interim rating is ineligible for a step increase, performance-pay award, or reclassification until a later satisfactory rating is issued. Any such action cannot be retroactive to a date before a new satisfactory rating is issued. The period under an unsatisfactory rating is not qualifying time for a step increase or reclassification.*

3. Definitions

A. Definitions in This Regulation.

1. **Competency** means the ability, skill, knowledge, and motivation needed for success on the job.
2. **Supervisor**, means the person with formal authority to enforce directives and ensure satisfactory performance of subordinates. A supervisor may be immediately superior in or removed but directly in the employee's chain of command.

4. Standards

A. General Standards.

1. Performance management plans and performance ratings are required for all career employees in the classified service.
2. All supervisory, managerial, and executive employees must have in their performance management plans a factor or competency establishing a performance expectation to conduct timely and effective employee ratings.
3. Meets expectations and high-performing ratings are satisfactory.

B. Forms.

1. An online performance management form accessible through MI HR Self-Service or NEOGOV is used for all performance ratings, unless the State Personnel Director has approved an alternative method, including continued use of the paper CS-1750 (Group 1); CS-1751 (Group 2); CS-1761 (Group-3 Managers); CS-1752 (Group-3 Supervisors); and CS-1719 (Group-4/SES).
2. A separate Interim Employee Rating form (CS-375) is used for interim ratings.

C. Performance Ratings.**1. General Requirements.**

- a. A rating of an employee's performance must be conducted at least once per year. The appointing authority shall determine if employees are rated on their anniversary date or a common date.
- b. If an employee receives an interim rating, the appointing authority need not issue a performance rating for any period covered by the interim rating.
- c. Supervisors shall review employees' performance and behavior under established, measurable, and specific performance factors, objectives, and competencies, except Group-1 employees require only competencies. The supervisor shall review rating criteria with the employee at the start of each rating period. The employee and supervisor must certify the review of the rating criteria.
- d. Modifications to performance factors, objectives, or competencies may be made anytime to reflect a change of assignments or expectations. When changes are made, the employee and supervisor must certify the revised rating form.
- e. Performance reviews should be conducted with regular feedback throughout the rating period. Employees in performance-pay classifications may receive a rating and pay review six months after appointment or conversion.
- f. A supervisor shall complete performance ratings within 28 days after a rating period ends. A supervisor shall review an employee's performance during the period covered and indicate whether the employee exceeded, met, or did not meet expectations.
- g. The employee and supervisor must certify the rating. The employee's certification does not indicate that the employee agrees with the rating. If necessary, the supervisor shall indicate an employee's refusal to sign, including an online refusal override certification, if applicable.
- h. An employee who disagrees with a performance rating may enter any exception in the online comments section or submit a written statement to the appointing authority.

2. Needs-Improvement Rating.

- a. The appointing authority must certify any needs-improvement rating.
- b. If a needs-improvement rating is issued, the appointing authority must establish a plan within 28 days after the rating—in HRMN, if possible—for improving the employee's performance or behavior. A performance or interim rating evaluating the employee's performance under the plan must be conducted by 28 days after the plan period's end.
- c. During the plan period, regular progress reviews should be provided.
- d. If the employee's performance is satisfactory at the plan period's end, a satisfactory performance rating is issued.
- e. If performance is not satisfactory, (1) another needs-improvement rating is issued and regular progress reviews continue under another plan or (2) an unsatisfactory interim rating is issued.
- f. If the appointing authority does not issue a rating by 28 days after the plan period's end, the employee may request in writing to the agency's human resources director that one be issued. If the appointing authority does not issue a rating within 14 days after a request is received, the employee receives a meets-expectations rating, effective the plan period's end.
- g. A needs-improvement rating does not impact eligibility for step increases.
- h. An employee under a needs-improvement rating is not eligible for reclassification until a later satisfactory rating is issued. A reclassification action cannot be made retroactive to before a new satisfactory rating is issued. Time under a needs-improvement rating is not creditable toward reclassification.
- i. Performance ratings and progress reviews are not discipline and are not grievable. An employee may request a review of the rating under the agency review procedure.

D. Interim Ratings.

1. Interim ratings may be conducted, using form CS-375, anytime to document an employee's unsatisfactory performance or behavior.
2. An unsatisfactory interim rating must address specific performance or behavior problems, identify specific expectations for improvement, and establish a timeframe for improvement during a follow-up rating period.
3. An unsatisfactory interim rating is typically preceded by counseling, reprimands, or corrective action regarding the employee's performance or behavior.

4. An unsatisfactory interim rating is discipline and must be issued in accordance with rule 2-6.
5. The appointing authority and employee must sign and date an interim rating form. If necessary, the supervisor shall indicate an employee's refusal to sign.
6. The appointing authority must enter any interim rating in the employee's HRMN record (ZP26.1). Any subsequent satisfactory rating must also be entered on the ZP26.1.
7. An employee who disagrees with a rating may submit a written statement to the appointing authority.
8. The appointing authority must notify Civil Service of an interim rating within 28 days of the rating.
9. A follow-up rating period must be established if an unsatisfactory interim rating is issued and the employee is not dismissed. Unless a different period is established, a follow-up rating period is three months.
10. If an employee is suspended, on a leave of absence, or on extended sick leave, a follow-up rating period is automatically extended by that period of time.
11. The employee should be provided feedback on performance and behavior during the follow-up rating period.
12. If an employee performs satisfactorily during a follow-up rating period, the appointing authority shall issue a satisfactory rating effective the end of the rating period.
13. If an employee's performance is unsatisfactory during the follow-up rating period, the employee may receive (1) counseling, reprimands, and other corrective action during the period and (2) another unsatisfactory interim rating and other discipline, including dismissal. An appointing authority may dismiss an employee before the end of a follow-up rating period, if appropriate.
14. By 28 days after a follow-up rating period's end, the appointing authority must either (1) extend the rating period and notify the employee or (2) issue a rating. If the appointing authority does neither, an employee may request a rating in writing to the appointing authority's human resources director. If the appointing authority does not issue a rating within 14 days after an employee's request is received, the employee is returned to satisfactory standing effective the end of the rating period.
15. An employee under an unsatisfactory interim rating is not eligible for a step increase, a performance-pay award, or reclassification until a later satisfactory rating is issued.

16. A step increase, performance-pay award, or reclassification action cannot be made retroactive to a date before a new satisfactory rating is issued. Time under an unsatisfactory interim rating is not creditable toward reclassification.
17. An unsatisfactory interim rating is grieved under regulation 8.01 or an applicable collective bargaining agreement.

E. Audit and Compliance.

1. All ratings are subject to audit by Civil Service.
2. Interim ratings must be maintained in the employee's personnel file for at least four years.
3. Performance ratings must be maintained for four years from the date of issuance. Ratings completed online are stored for at least four years.

CONTACT

Questions on this regulation may be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone at 517-241-0837 or 517-284-0102; or to MCSC-Compensation@mi.gov.