Driving Change In Higher Education Through Implementing An Accountability Based Performance Management System

Presented by: San Jacinto College
Dan Mims, Board Chair
Larry Wilson, Vice Chair
Brenda Hellyer, Chancellor
Presentation Highlights

- Overview of San Jacinto College and our move to an accountability based performance management system
- What is accountability-based performance management?
- How did we design and implement?
  - Approach for administrator/staff performance management process
  - Guiding principles
  - Approach for faculty performance management process
  - Automating the process
- Continuous improvement and lessons learned
- What the Board reviews
- Questions
OVERVIEW OF SAN JACINTO COLLEGE AND OUR MOVE TO AN ACCOUNTABILITY-BASED PERFORMANCE SYSTEM
San Jacinto College Board of Trustees

Seven board members elected for six-year terms by citizens within the taxing district.

Dan Mims, Chair (14 years)
Larry Wilson, Vice Chair (9 years)
John Moon, Jr., Secretary (7 years)
Keith Sinor, Assistant Secretary (5 years)
Marie Flickinger, Member (21 years)
Brad Hance, Member (5 years)
Dr. Ruede Wheeler, Member (30 years)
San Jacinto College Location

San Jacinto College is in the hub of the industries that drive the Houston economy:
• Energy
• Manufacturing
• Maritime
• Aerospace (NASA)
• Healthcare
• Transportation

Created 54 years ago to serve six school districts
Credit enrollment as of 12th Class day
As of today, we are at 29,767 unique students.
Annually, we serve over 41,000 unique credit students.
We serve approximately 10,000 students annually in Continuing & Professional Development (CPD).
Approximately 185 technical & academic programs:
  • Workforce credential programs
  • 2-year academic transfer to universities
San Jacinto College
Business Entity Comparison

• San Jacinto College is an organization that rivals many of the large employers in the surrounding area
  • $252.4 million budget
    • $158.0 million unrestricted (operating)
  • 1300 full-time employees
  • $78.8 million full-time labor budget (no benefits)
  • $295 million capital plan nearly complete with $425 million under development

• Human capital (our people) is our greatest resource. “Our People” is one of our five strategic goals.

• We require leading edge “people” systems to accomplish our vision, mission, and strategic goals.
San Jacinto College People Systems

• Each year raises were determined based on an across the board cost of living adjustment (COLA) for all full-time employees.

• If significant budget cuts, no raises, which happened two times over last 15 years.

• Board asked about the College’s evaluation system.
  • Manual system with no follow-up on who had been evaluated.
  • Low performance not addressed nor was high performance recognized.
  • Problem employees moved throughout the organization without addressing issues.

• Board was concerned that there was a sense of entitlement.
San Jacinto College People Systems

• Board started having conversations about lack of accountability in our system and what could be done to address it.
  • Initial conversations occurred in 2004-2005.

• Board told administration that they wanted a different system put in place.
  • Raises based on how an employee performed his/her job.

• Administration tried to put a system in place using internal resources.
  • Occurred in 2006 – very little progress and no results to the Board.

• Administration hired a consultant to work with them on developing a system.
  • Occurred in 2007 – some progress made but high level of frustration. Consultant didn’t have first hand experience in operationalizing a system --- lots of theory; no results to the Board.
San Jacinto College Change of Course

• The Board declared during 2007-2008, there would be no more across the board raises moving forward. They wanted a plan on the implementation of a new system.

• Based on this declaration, the administration knew they needed a different approach.
  
  • Hired Performance Management facilitators who worked on-site, learned the culture, and worked collaboratively with leaders.
  
  • Adopted a 3-year phased-in approach and presented it to the Board.
    • Pilot a system for Administrators and Staff for 2008/2009 (still received COLA) with differentiated compensation for 2009/2010
    • Pilot a system for Faculty for 2009/2010 (still received COLA) with differentiated compensation for 2010/2011.
ACCOUNTABILITY-BASED PERFORMANCE MANAGEMENT

An Overview
What is Accountability Performance Management?

Accountability Performance Management is a strategic management system for human capital (talent, people assets)

- It is a defined process that links annual objectives and strategies to employee goals and actions.

- It allows for evaluation of results and for providing rewards and recognition.

- It does not create the strategy; it drives the achievement consistently throughout the entire organization.

To Measure is to Communicate, and to Communicate is to Influence Behavior and Results.
How Strategic Potential is Lost

- Lack of leadership commitment – 1.9%
- Unclear actions – 4.5%
- Poor communication – 5.2%
- Unclear accountability – 4.1%
- Poor leadership – 2.6%
- Lack of resources – 7.5%
- Silos & culture – 3.7%
- Inadequate monitoring – 3.0%
- Inadequate consequences & rewards – 3.0%
- No formal approval of strategy – 0.7%

Average loss – 37%
Making the Shift

• Change to an accountability-based Performance Management philosophy was driven by Board of Trustees
  • Attract and retain talent
  • Identify and correct performance concerns
  • Reward employee contributions to the College
  • More effective use of compensation dollars

• Created ownership of the Performance Management process by facilitating the Strategic Leadership Team (SLT) in
  • Creating the PM & compensation philosophy
  • Designing the PM process
  • Communicating the change
DESIGN APPROACH

Phase One: Administrators and Staff
Getting Started Again…..Our Challenge

• Create a foundation and vision for the college-wide performance management system
• Design the process and forms for administrators and staff employees
• Develop training for the leaders of administrators and staff
• Train 150+ leaders
• Implement the system

• And… Do it all in 5 months!
Planning the Change

• Significant cultural and operational change requires incremental change or the institution will be overwhelmed.

• Faculty has different Performance Management criteria than administrators and staff.

• Ensure the process has integrity and is sustainable before linking pay to performance and contributions.
Performance Management:

Why Me? Why Now?

• We need to live our values.
• All employees need to focus on activities relating to student success.
• Employees deserve to be provided with better performance feedback.
• We want our employees to be productive and successful.
• Employees are recognized and rewarded based on their contributions and results; Performance Management has enabled us to do this.
• Communicated that this new system must go forward because of mandate by Board of Trustees (no excuses).
Performance Management Process

• Individual Performance Plan (IPP)

• Key Performance Indicators (KPI)

• Mid-year feedback and review

• Performance review and evaluation
  • Performance (leader and self-appraisal)
  • Values (leader and self-appraisal)

• Validation

• Meet with employee for performance discussion

• Secondary Review (appeal) is available
The College wants every employee to be successful. The IPP process helps ensure employee success because the IPP documents what the employee needs to achieve.

- Focuses every employee on the key annual objectives
- Uses a “cascading” approach to ensure IPP’s are aligned at every level
- Requires dialogue between employees and supervisors
- Clearly states what the employee needs to accomplish and how it will be measured

*The IPP is the Target for Success*
Individual Performance Plan (IPP)

• Recommend no more than 5-8 *Key* Performance Indicators (KPI)

• Aligned with annual priorities rather than job description

• KPI’s should be challenging, but achievable

• Employees with multiple leaders will have input and agreement for KPI’s from all Leaders
Mid-Year Feedback and Review

• The purpose of the mid-year feedback and review is to give employees on-going feedback about their achievements
  • KPI’s
  • Job description essential functions
  • Values

• It occurs in January/February

• Employees receive face-to-face feedback

• Progress regarding the KPI’s is updated on the IPP form
Performance Evaluation

• Employees are rated based on three value ratings:
  • Often
  • Sometimes
  • Seldom

• Employees are evaluated against the standards established in the five performance descriptors:
  • Exceptional Contributor
  • Notable Contributor (started as exceeds)
  • Valuable Contributor (started as meets)
  • Room for Improvement
  • Unacceptable
Our Values

Integrity: Ethical and Professional
We act in ways which instill confidence and trust.

Excellence: In Everything We Do
We achieve quality results in everything we do.

Accountability: It’s Up to Us
We take responsibility for our commitments and outcomes.

Innovation: Lead the Way
We apply our knowledge, skills, insights, and imaginations to recognize opportunities, solve problems and recommend new solutions.

Sense of Community: Caring for Those We Serve and Ourselves
We demonstrate genuine concern for the well-being of our students, our community, and ourselves.

Student Success: Our Ultimate Measure
We enable students to achieve their goals.

Diversity: Celebrate the Differences
We celebrate the diversity of ideas and culture.

Collaboration: We Work Together
We work together for the benefit of the college.
## Definition of Performance Categories

<table>
<thead>
<tr>
<th>Performance Category</th>
<th>General Description of Performance Measures</th>
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| Unacceptable (Leadership Decision) | The employee provided Unacceptable performance because he/she:  
  - Did not complete the majority of his/her KPI’s. Those he/she did complete were not completed to the standard stated in the measures.  
  - Did not meet the basic expectations of his/her job as listed in the job description.  
  - Did not demonstrate professional values and work ethic that are aligned with the College’s expectations. |
| Room for Improvement         | The employee demonstrated Room for Improvement performance because he/she:  
  - Did not complete all of his/her KPI’s or did not complete them to the standard stated in the measures.  
  - Did not perform all of the tasks and responsibilities listed in his/her job description very well; he/she either did not have the skills to do the job or did not put much thought and effort into doing the job. The enthusiasm and passion for his/her job were not demonstrated.  
  - Required supervision and follow-up to get his/her job done on time.  
  - Sometimes did not get good results on his/her tasks. His/her supervisor, colleagues, or students might have complained about the quality or timeliness of his/her work.  
  - Did not provide reliable and dependable customer service. He/she was not always enthusiastic and did not go out of his/her way to help students, colleagues, or the public. He/she only did what was needed to get by. |
| Valuable                      | The employee demonstrated Valuable performance because he/she:  
  - Completed all of his/her KPI’s or had a justifiable reason why it could not be completed.  
  - Performed all of the tasks and responsibilities listed in the job description and did it with enthusiasm and a good attitude.  
  - For Faculty, also refer to the Faculty Performance Evaluation Reference document.  
  - Functioned independently in completing assigned tasks and required minimal supervision to get the job done.  
  - Provided good and reliable customer service to students, colleagues, and the public.  
  - Looked for ways to improve his/her work performance by doing things such as making work processes more efficient, finding new ways to improve customer service, engaging in professional development so he/she could learn new job skills, or seeking feedback and then using it to make constructive changes. |
| Notable                       | The employee demonstrated Notable performance because he/she:  
  - Completed all of his/her KPI’s and exceeded the stated measures for most of them or had a justifiable reason why it could not be completed.  
  - Did more than the tasks and responsibilities listed in his/her job description.  
  - Knows the job well and rarely required supervision to accomplish assigned tasks and responsibilities. Had almost no errors in the work he/she completed.  
  - Got his/her job done on time and communicated the status/completion of tasks to supervisor, colleagues, or students; no one had to follow up to be sure the job was completed. Everyone knows that any job he/she does will be completed on time and to the highest possible standard.  
  - Consistently explored new or improved ways to maximize performance, including cost efficiencies and continuous improvement. Not only looked for ways to improve his/her work performance; but, in addition to achieving the expectations listed in the Valuable category, the employee contributed at an even higher level. Examples may include mentoring less experienced staff or faculty, sharing knowledge and expertise with others, sharing improvements he/she made within his/her job so that others could use these ideas in their jobs, providing strategic solutions to issues, being a role model for customer service, assuming interim duties, and leading special projects. |
Performance Review and Evaluation

• Overall rating is based on a combination of values, KPI’s, and job description essential functions

• Calculating the overall rating:
  • Leader appraisal = 75%
  • Self-appraisal = 25%
  • Rating anchors on performance first (job objectives and KPI’s) and then values. Not living the college values can lower evaluation rating.
<table>
<thead>
<tr>
<th>SCALE</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>Exceptional (Leadership Decision)</td>
</tr>
<tr>
<td>Blue</td>
<td>Notable</td>
</tr>
<tr>
<td>Purple</td>
<td>Valuable</td>
</tr>
<tr>
<td>Green</td>
<td>Room for Improvement</td>
</tr>
<tr>
<td>Yellow</td>
<td>Unacceptable</td>
</tr>
</tbody>
</table>

Performance on Values Based Behavioral Competencies

<table>
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<tr>
<th>Often</th>
<th>Sometimes</th>
<th>Seldom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room for Improvement</td>
<td>Valuable</td>
<td>Notable</td>
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Performance on Job Description and KPI's

3x3 Matrix Model
Guidelines for Writing Fair & Balanced Performance Evaluations

• All ratings must be supported or justified through comments. Leaders must provide specific examples that justify the rating against the definitions for performance and values.

• The departure point is a “Valuable Contributor” rating.
  • It is assumed every employee is a valuable contributor and comments will clearly justify any other rating.

• No surprises regarding “Room for Improvement” or “Unacceptable” ratings.
The Validation Process (Calibration)

To ensure consistency and fairness:

• Every full-time employee will be validated

• Validation meeting(s): two-level process
  • One College validation meeting led by the respective SLT member
  • SLT validation meeting

• SLT reviews unacceptable, room for improvement, and exceptional ratings and disparate ratings

• HR supports and attends all validation meetings
Validation Process Outcomes

The validation process provided the following benefits to senior leaders:

• Learn more about their leaders and all employees in their respective teams.

• Better understand the functions they lead.

• Better understand the workload and special projects within their respective teams.

• Assess the consistency of leaders in setting expectations and measuring performance against the performance descriptors.
Next Steps

• After completion of validation process, leaders meet with employees for performance discussion.

• Secondary review (appeals) process is available if employee requests within ten days of evaluation meeting. Process includes reconvening of validation team.
FACULTY DESIGN PROCESS

Phase Two of Performance Management
Meeting the Needs of Faculty in PM

• Recognized that evaluating the performance of faculty is uniquely different than evaluating the performance of administrators and staff.

• Brought together a team of 15 faculty and administrators to develop a performance system specifically designed to meet their needs.
  • 2 faculty from each campus (6 faculty)
  • 1 department chair from each campus (3 chairs)
  • President of the Faculty Organization
  • Chancellor
  • Vice Chancellor of Learning and Student Success
  • Vice Chancellor of HR
  • Director of Compensation
  • Vice President of Organizational Development
Meeting the Needs of Faculty in PM

• Faculty Design Team used the foundation elements designed by Strategic Leadership Team

• Formed three sub-teams for efficiency in designing the process
  • Job Description Team – wrote new job description & performance definitions
  • Communications Team – e-mail blasts, department chair meetings, training
  • Process & Implementation Cycle Team – components of the faculty system, timing of activities, validation process
Deliverables from the Faculty Design Team

The Implementation Team was charged with providing the following deliverables:

• Develop transparent communication plan for faculty performance management
• Define performance definitions for faculty
• Identify success factors and key performance indicators for faculty
• Develop performance management cycle for faculty
• Develop implementation and training plan for faculty
• Confer and review work with the Guidance Team
• Submit a plan to the SLT
Job Description Sub-Team

- Prepared new job description for faculty
  - Teaching – 9 dimensions
  - Professional development – 1 dimension
  - Service to the College – 1 dimension

- Designed the evaluation around these 11 dimensions
  - Teaching = 70% of overall rating
  - Professional development = 15% of overall rating
  - Service to the College = 15% of overall rating

- Prepared performance definitions for each dimension
Communications Sub-Team

• Established a Blackboard site and posted continuous updates

• Developed and disseminated informational e-mail blasts

• Solicited input and feedback from faculty on the process design

• Developed and conducted training & presentations at key faculty meetings
  • Instructional Affairs Committee
  • Department Chair Meetings
  • College Community Day
Process & Implementation Cycle Team

• Recommended changing from a 2-year evaluation period to a 1-year evaluation cycle to integrate differentiated compensation

• Decided the calculated rating of 75% department chair appraisal and 25% self-evaluation was appropriate for faculty

• Recommended classroom observations be conducted from 1 every 2 years to 2 observations every academic year.

• Created an evaluation cycle that accommodates a 9-month evaluation period.
AUTOMATED SYSTEM

SOAR – during initial implementation
SuccessFactors - current
Going from Paper to Electronic

• Started out with paper forms

• Realized quickly the rigorous process required on-line administration in order to be successful

• Integrated PM into our existing PeopleAdmin system called San Jacinto On-line Application and Review (SOAR)

• Began design and development of the system in the Fall 2008

• Implemented in May 2009

• Converted to SuccessFactors in 2012
CONTINUOUS IMPROVEMENT
Focus Groups

Conducted Focus Groups:

- Administrators and staff in fall 2009
- Faculty in fall 2010
- Faculty and staff in fall 2012

What We Learned:

- Found the automated system confusing to use
- Did not understand the process
- Did not understand and felt threatened by the validation process
- Did not understand how differentiated compensation would apply
- Thought “Valuable” = C
Changes We Made

• Provided more training for all employees
• Provided training using multiple methodologies
• Improved the automated system based on user input
• Evaluating other online Performance Management systems to accommodate future improvements:
  • Individual Development Plans
  • 360 Feedback
  • Competencies
• Created a secondary review process
• Revised ratings nomenclature to more adequately represent contributions
• Revised the Matrix for final ratings
Changes We Made

• Assistance for employees with language barriers to complete evaluation
• Ongoing performance management training and expectations for leaders
• Assistance to employees (especially faculty) on completing the IPP and evaluation process
• Revised validation process for faculty; no longer by campus but by college-wide divisions
• Revised secondary review process to be less intimidating for both employee and leader
• Ongoing conversations on what is important – more emphasis on teaching and learning conversations and data review

Note: Continue regular conversations with faculty organization officers on concerns with system.
LESSONS LEARNED
What We Got Right

• Pilot the program

• Phase in differentiated compensation after the performance management process is established

• Be aware of organizational readiness for an accountability based system; phase in the performance management components over time.

• Involve leaders and faculty in design

• Train leaders and faculty/staff
What We Learned

• They won’t really “get it” until they have experienced it
  • Rating the Values and why their behaviors are an important part of the evaluation
  • Validation; “You mean you talk about me in front of others?!”
• Train leaders and faculty/staff; Train again; Train again.
• Threatening to some and appreciated by others
  • Expect an increase in concerns and complaints taken to HR
• Validation goes faster the second and subsequent years
What Does the Board Review?

• Compensation pool is approved by the Board during budget process (i.e. $2.4 million for raises).
  • Merit increase percentages are communicated to Board but as informational only.
    • For 2010-2011, 6% exceptional; 4.5% exceeds; 3% meets; 1.5% room for improvement; and 0% for unacceptable.
    • For 2015-2016, 4.15% exceptional; 3.65% notable; 3.15% valuable; 0% room for improvement; and 0% for unacceptable.

• Board reviews pre and post-SLT validation results.
  • Example on next slide

• Board is briefed on personnel matters as needed.
Validation
<table>
<thead>
<tr>
<th></th>
<th>Unacceptable</th>
<th>Room for Improvement</th>
<th>Valuable</th>
<th>Notable</th>
<th>Exceptional</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013-14 One College</strong></td>
<td>0.88%</td>
<td>2.00%</td>
<td>48.76%</td>
<td>38.03%</td>
<td>10.33%</td>
</tr>
<tr>
<td><strong>2014-15 One College</strong></td>
<td>0.40%</td>
<td>1.43%</td>
<td>46.03%</td>
<td>37.54%</td>
<td>14.60%</td>
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In Summary

• Transformational change is never done easily.

• Performance management is one of the systemic transformational change tools employed by organizations to make incremental changes in reaching outcomes and results.

• The prior system was benign as it had no impact on an employee’s values (behaviors), performance (job security), or compensation (reward/incentive).

• This system is designed for improvement on all of those fronts.

• The Board and leadership must be ready to weather the impending storm.

• Not everyone will be able to make the change.

• The fact is we might lose a few good employees.

• But we must be bold and courageous and push for the goal.
QUESTIONS?

For more information please contact:

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