

Overview of Calibration Process

“Calibration sessions” are the discussions that a group of supervisors has about fairly and consistently setting performance expectations and rating performance. In the performance management program, calibration sessions are held among peer supervisors in a supervisory team (that is, all supervisors who report to the same manager).

As a supervisory team, you may already be doing something like this in a less formal way, or maybe you have been calling it something else. If you’ve had discussions about setting up work projects for the new year and assigning tasks, or setting new priorities, or adapting to “new orders from above,” or clarifying work rules, then you have been doing some form of calibration.

- **Goal Calibration** occurs at the beginning of the performance cycle and includes:
 - (1) reviewing institutional goals to clarify expectations for employees in similar positions, and
 - (2) setting individual goals for employees or employee groups that align with the strategic priorities of the work unit, the department, the School/Division, or the University.
- **Rating Calibration** occurs at the end of the performance cycle to apply performance ratings that reflect consistent, equitable, and fair assessments of work performed across similar positions based on the expectations decided upon and communicated at the beginning of the performance cycle.

What are “Similar Positions”?

“Similar Positions” are those in the same or similar job classifications, such as a group of Administrative Support Associates or a team of Tech Support Analysts. Because employees in similar job classifications may have similar duties and performance expectations, calibration helps to ensure all of the employees, even if reporting to different supervisors within the supervisory team, are being held to the same standards and will have their work rated accordingly.

Although calibration is not required for positions that are not similar, it is a best practice to discuss performance expectations across different types of positions, especially those that work together most often. In addition, some institutional goals, such as *Team-Oriented*, apply to all employees, regardless of their job classifications, so calibration should be held to discuss consistency for those expectations.

It is recommended that supervisory teams meet periodically throughout the performance cycle to ensure that performance expectations are being consistently and fairly applied to all employees.

Timeline for Calibration

Both performance plans and annual appraisals need to be completed in the months of April and May.

- Annual appraisals are due in the first 60 calendar days after the end of the cycle (March 31).
- Performance plans are due in the first 60 calendar days of the beginning of the cycle (April 1).

So, between April 1 and May 30, supervisory teams meet to calibrate ratings for the ending cycle and calibrate goals for the beginning cycle. These conversations can happen in the same meeting, in different meetings, or they could be broken down into smaller segments across regularly scheduled meetings. It is okay to begin calibration conversations in March if that is better for scheduling purposes.

Timeline for Calibrations, Performance Plans, and Annual Appraisals (*Suggested*)

Time Period	Preparing Annual Appraisal for the Ending Performance Cycle	Preparing Performance Plan for the Beginning Performance Cycle
Mid-March to Early-April	<ul style="list-style-type: none"> ➤ Supervisors may have initial conversations with employees to review accomplishments from the current performance cycle. ➤ Supervisory teams may have initial discussions about annual appraisals and/or set a schedule to discuss and complete evaluations. ➤ Supervisors could also request an employee self-evaluation, solicit feedback from customers or others who work with the employees, or review performance documentation collected throughout the cycle. 	<ul style="list-style-type: none"> ➤ Supervisors may have initial conversations with employees about individual goals and talent development goals for the next performance cycle. ➤ Supervisory teams may begin having discussions about strategic goals or priorities for the next cycle.
Early-to-Mid April	<ul style="list-style-type: none"> ➤ Supervisors use the ratings calculator to begin estimating ratings for their staff and/or begin drafting annual appraisals. 	<ul style="list-style-type: none"> ➤ Supervisors begin drafting individual goals for their employees.
Mid-to-Late April	<ul style="list-style-type: none"> ➤ Supervisory teams meet for calibration sessions to compare ratings for employees in similar positions and to ensure consistency, fairness, and appropriate justification for ratings. 	<ul style="list-style-type: none"> ➤ Supervisory teams meet for calibration sessions to discuss clarity of expectations on institutional goals, discuss strategic priorities, set performance expectations for individual goals, and assign weights to institutional and individual goals.
Late-April to Early-May	<ul style="list-style-type: none"> ➤ Supervisor completes draft of annual appraisal and sends to manager. ➤ Manager reviews annual appraisal and returns to supervisor. 	<ul style="list-style-type: none"> ➤ Supervisor completes draft of performance plan and sends to manager. ➤ Manager reviews performance plan and returns to supervisor.
Early-May to Mid-May	<ul style="list-style-type: none"> ➤ Supervisor meets with employee to review annual appraisal (may send to the employee in advance for review prior to meeting). ➤ Supervisor and employee sign annual appraisal. 	<ul style="list-style-type: none"> ➤ Supervisor meets with employee to review performance plan (may send to the employee in advance for review prior to meeting). ➤ Supervisor and employee sign performance plan.
Mid-May to Late-May	<ul style="list-style-type: none"> ➤ Annual appraisal is completed and entered into system of record. 	<ul style="list-style-type: none"> ➤ Performance plan is completed and entered into system of record.

The Value of Calibration

When the calibration process is conducted in a fair manner, it encourages supervisors to think through expectations and ratings thoroughly before giving them to employees. It ensures that supervisors don't have to work alone in deciding expectations and ratings, and just knowing that they will be sharing and explaining decisions to their peers may help supervisors to think through their decision-making more carefully and conscientiously. Calibration can also help supervisors:

- to apply similar standards to all employees
- to use the rating scale effectively and be confident in the ratings assigned
- to ensure evaluations are supported by evidence of achievement
- to identify high performers and low performers and apply ratings appropriately
- to identify and correct potential rating biases or errors
- to highlight the accomplishments, strengths, and development needs of their employees
- to give feedback on performance of other employees who work regularly with their team
- to explain to their employees the rationale for their expectations and evaluations
- to discuss expectations and evaluations in a similar way with each employee
- to have more productive and on-going performance discussions with their employees, even when a difficult conversation is necessary

Setting similar standards

Ratings for employees at the end of the cycle are based on the performance expectations set at the beginning of the performance cycle. The supervisory team needs to agree on the performance level needed to meet business needs. This helps to ensure that the standards used to rate performance are balanced across the organization for identifying poor performers, successful performers, and exceptional performers.

The goal is to enable performance evaluations to be carried out in a fairer and more consistent way and to eliminate the issue of one supervisor's "easy" rating system versus another being a "tough" rater.

It is expected that, through discussion within the supervisor team, any supervisors who tend to give overly high evaluations and any who tend to give overly low evaluations will learn to rate their employees more fairly and consistently going forward and in alignment with the rest of the team.

Not a "quota" system

The University's rating system is not a "forced distribution" or "quota" system. These are ratings systems where only certain number of people can get certain ratings (for example, in a team of eight people, there could be a requirement that only two employees can get *exceeding*, four get *meeting*, and two must get *not meeting*). *The University is not using a system like this.*

In the University's performance management program, each employee is rated on performance expectations based on the business needs of the organizational unit. So, it is possible that many employees on a team might receive ratings of *exceeding* expectations, and it is also possible many employees on a team might receive ratings of *meeting* expectations, or *not meeting* expectations, depending how their individual performance compares to the defined business needs and performance expectations.

How employee comparisons can be used

Although employees are not competing against each other for rank in our program, supervisors can compare employees to each other during the calibration conversation. This can help supervisors see the differences in outcomes between high performers and low performers to determine if those differences also mean different ratings.

The Value of (Re)calibration

With this new program and with these calibration conversations, supervisors might discover that they have held their employees to different standards than other supervisors have set for their employees, that they have set the bar too high or too low for their employees, or that there are new performance expectations that they have never used in past evaluations.

That's okay. Because this new program is redefining how we approach performance expectations and evaluations, this is a great opportunity for management teams to rethink what the performance expectations need to be going forward based on current business needs and strategic priorities. It's okay if the expectations need to change. What's important is:

- (1) that the management team agrees on those new expectations at the beginning of the cycle;
- (2) that supervisors communicate these new expectations to their employees at the beginning of the performance cycle so that the employees have the opportunity to adjust to them and be able to demonstrate them throughout the cycle; and
- (3) that the management team rates employees consistently based on those expectations and the end of the cycle.

When communicating these changes to employees, it is important to acknowledge that either the expectations have changed, so the same level of work may not equal the same ratings received previously, or that some expectations that haven't been emphasized or enforced in the past will need to be going forward. These conversations are easier to have once the supervisory team is in agreement on what's important and what meets the business needs.

Tips for a Successful Calibration Process

Facilitator Responsibilities. Generally, the manager of the supervisory team should be the facilitator for the conversation. The facilitator should:

- *Set the rules.* Review the process that the team will follow and hold the team accountable to the established ground rules.
- *Keep the discussion focused.* It is easy to get side-tracked on specific or unique situations that have occurred or could occur, and this could derail the conversation into unnecessary details or issues that aren't relevant to this meeting's purpose. The facilitator may need to table some conversations for another time, or have one-on-one meetings later to address specific concerns of individuals.
- *Ensure input.* Some highly outspoken supervisors may try to dominate the conversation or impose "their way" of doing things, right or wrong. The facilitator needs to get all voices in the conversation so that all perspectives can be heard.
- *Facilitate more than decide.* While they may provide input, the facilitator should be selective about how and what often they contribute during this meeting. Their most important role as a facilitator is to get the ideas on the table, then serve as a decision-maker once the conversation is over.

Ground Rules for Participants

- *Approach the calibration conversation as a management team.* This isn't a competition to see who has the best employees or worst employees or who is the best or worst supervisor. The goal is to get on the same page about how you describe strong performers and weak performers so that you can be consistent as a supervisory team. Employees will notice if you each are setting different standards, which weakens your success as a team.
- *Don't expect perfection.* You are not going to be able to address every possible variation, and not everyone will agree on everything. The team should strive for consensus on what's important and what's necessary. You may not get absolute agreement all the time, but it is important to get consistent alignment.
- *Focus on fairness, not happiness.* Giving an undeserved high rating may make that employee happy, but it won't make the other three employees happy who often have to do that person's work. The better path toward happy and productive employees is through being fair.
- *Think before speaking.* Listen actively so that you can understand the perspectives of your colleagues. Speak about what you know, not what you've heard. Any anecdotal information provided by a supervisor must be supported by evidence.
- *Keep it current.* Limit discussion only to the needs of the current cycle and to the employee performance during this cycle. This isn't the time to keep going over things employees did in previous years or how we used to do things – What are the business needs *this year*? What did the employee achieve *this year*?
- *Give (and receive) healthy pushback.* It is okay to challenge your colleagues about their expectation levels and their interpretations of employee performance. Your colleagues can add some objectivity to your decision-making and help you see things that you couldn't see

yourself because you are too close to the issue. Keep an open mind.

- *Be open and honest.* If you think an expectation is too high or too low, or someone's performance has or hasn't exceeded expectations, or some expectations or ratings are being handled inconsistently, or there are priorities that aren't being addressed, then say something.
- *Maintain confidentiality.* Information about specific employee performance can be shared with the supervisory team so that expectations and ratings can be applied consistently and fairly. Some employees may not be comfortable having their information shared with anyone outside their direct management chain. Supervisors should share only what is necessary. All participants are required to maintain confidentiality of this information. It is not to be shared outside of the calibration discussions. What's said in the room, stays in the room.
- *More than a ratings exercise.* Fully applying calibration provides greater focus and clarity on strategic business needs and also provides insight for attending to talent management, career development, and succession planning. Because the objective of performance planning is to make the university a more efficient and effective organization, you should pursue calibration as more than simple compliance exercise; pursue calibration as an opportunity to strengthen your organization to better serve the university and the citizens of North Carolina.

Structure of the Goal Setting Calibration Session

- *Pre-work:* The facilitator should be prepared to discuss priorities for the upcoming performance cycle based on information from university senior management or their own priorities for their team. The supervisors should be prepared to discuss priorities for the upcoming performance cycle based on the needs of their own team and suggestions from their employees.
- *Introduction.* At the beginning of the meeting, the facilitator explains the purpose of the session, the role of the facilitator, and the expectations for the participants.
- *Determine similar positions.* The team must decide which positions would be considered "similar" for the purposes of calibration. Remember that expectations for some institutional goals may be similar across many position types.
- *Discuss institutional goals.* The team should review each of the five institutional goals (*Expertise, Accountability, Customer-Oriented, Team-Oriented, and Compliance & Integrity*) separately. Use the three-column version of the institutional goals and come up with examples of how these levels might be demonstrated in the type of work that the employees do.
- *Define additional resources.* The team should clarify what additional resources are available for employees to explain performance expectations, such as policies, standard operating procedures, training materials, templates, etc.
- *Define individual goals.* The facilitator should review any strategic priorities from upper management, then provide each supervisor an opportunity to discuss priorities that they see in their own areas or across the supervisory group.
- *Define weights for goals.* Weights can be applied consistently across employee groups or can be left to supervisors to define separately based on specific needs.
- *Discuss talent development goals.* Particularly, discuss the amount of time and budget that can

be provided consistently to support employee development opportunities.

Weighting Institutional Goals

Institutional goals must total 50% of the final overall rating. For non-supervisory employees, that normally would be 10% for each of the five institutional goals. For some jobs, certain institutional goals may be more important than others, so supervisors can determine how great a percentage they apply to each goal. **Remember: Each goal must be weighted at least 5%.**

During calibration, supervisors should discuss if there is a business need to change the weight of any goals for particular positions or groups of positions. For example, there may be a position that is heavy on customer contact, so maybe *Customer-Oriented* has a 15% or 20% weight of the overall rating. This would mean that you'd have to reduce the weights of other institutional goals so that the total weight for institutional goals remains at 50%. Here are some examples of ways that weights could shift based on the type of work an employee does.

DIFFERENT WAYS TO APPLY WEIGHTS TO INSTITUTIONAL GOALS	Position without weight adjustments	Position with high customer focus but with little decision-making authority	Position requiring high attention to detail and strict rule enforcement	Position requiring heavy coordination within teams to complete projects
EXPERTISE	10%	5%	15%	10%
ACCOUNTABILITY	10%	10%	10%	15%
CUSTOMER-ORIENTED	10%	20%	5%	5%
TEAM-ORIENTED	10%	10%	5%	15%
COMPLIANCE & INTEGRITY	10%	5%	15%	5%
TOTAL	50%	50%	50%	50%

For employees who are supervisors, there are a total of six institutional goals (adds *Supervision*), which means that to keep the overall weight at 50%, some weights will have to be adjusted. *For example: A supervisor might have weights of 8%, 8%, 8%, 8%, and 8% for the first five goals and then 10% for the supervision goal, for a total of 50%.*

Weighting Individual Goals

Individual goals also must total 50% of the final overall rating. Supervisors can determine how great a percentage they apply to each goal. Employees must have no less than three individual goals and no more than five. **Remember: Each goal must be weighted at least 5%.**

During calibration, supervisors should discuss the appropriate weight of goals, especially any goal shared across several positions. Decisions on weighting can be based on the scope or complexity of a goal, the priority or criticality of the goal, the alignment of a goal with university strategic priorities (compared to other goals), the time commitment for completing a goal, etc.

Changing Weights

Weights should not be changed at or near the end of a performance cycle unless it is due to a significant extenuating circumstance, such as an individual goal that was removed for reasons outside the employee's control. Weights can be changed during the performance cycle, but the employee must be notified at the time of the change. ***Weights must not be altered for the purpose of manipulating the final overall rating.***

Structure of the Rating Calibration Session

- ***Pre-work:*** The supervisors should prepare draft ratings for each of their employees to be able to discuss during the meeting. There is a ratings calculator spreadsheet that they can use to record these preliminary ratings. They do not necessarily need to write out comments at this stage, but for ratings of *exceeding expectations* or *not meeting expectations*, the supervisor must be prepared to explain why those ratings are justified or if there are any other external factors that have affected the ratings.
- ***Introduction.*** At the beginning of the meeting, the facilitator explains the purpose of the session, the role of the facilitator, and the expectations for the participants.
- ***Discuss institutional goals.*** The team should discuss each institutional goal separately. It is usually easier to discuss the higher and lower ratings first, then use that discussion to make decisions about the ratings that fall in-between.
 - Start with those employees who were rated at the *not meeting expectations* level. Supervisors need to explain why the employee is receiving the rating at this level and what documentation they have to support it.
 - Then, the discussion should move to employees who were rated at *exceeding expectations*, with supervisor explanations for the appropriateness of the ratings.
 - Lastly, the discussion should address employees who were rated at *meeting expectations*.

Supervisors should politely challenge ratings that seem outside the expectations set at the beginning of the cycle or that lack sufficient justification. (This helps the supervisor to be able to write comments in the review and answer questions employees may ask later.) Ratings can be adjusted as needed. The facilitator/manager may need to make a final decision if there is widespread disagreement within the group.

- ***Discuss individual goals.*** If there are goals that are shared across employees, these should be discussed first, following the same process (*not meeting*, then *exceeding*, then *meeting*).
- ***Review final overall ratings.*** The team should next look at the overall ratings and address any that seem to be out of scope based on the conversation so far. Remember that employees who received disciplinary actions during the performance cycle or employees who received any rating of *not meeting expectations* cannot have an overall rating of *exceeding expectations*, regardless of their calculated score.