Employee Productivity Enhancement Program

The Productivity Enhancement Program (PEP), created under guidelines established by the Incentive Awards for State Employees Act (74. O.S. § 4111-4120), encourages state employees' participation in improving the efficiency of state government operations. The program recognizes those employees whose ideas result in increased productivity, cost containment, or improved safety, efficiency, or morale, or better services to the citizens of the State of Oklahoma.

I. Eligibility Requirements

A. Employees

All agency employees are eligible to participate in PEP with the following exceptions:

1. No employee who has the authority to review and recommend approval of nominations may be involved in any decision to adopt their own proposal.

2. Employees who submit proposals that could normally be expected in the performance of their duties and responsibilities, or which the employees have the authority to implement, are not eligible to receive cash awards.

3. Employees who submit proposals that are a result of assigned or contracted audits, studies, surveys, reviews or research are not
eligible for any award.

4. Members of the agency’s senior staff, including the director, are not eligible if the proposal involves agency operations. Only proposals which involve another entity are eligible.

B. Nominations

Nominations are eligible unless they:

1. Duplicate a nomination that was previously considered or granted an award;

2. Concern matters which are already being actively considered by management;

3. Involve routine maintenance matters or requests for supplies and services that should be reported through established channels;

4. Represent personal grievances or complaints;

5. Concern individual employee compensation or individual position classification; or

6. Result in increased costs or decreased services rendered in other departments or agencies.

II. Submission Process

A. Proposed Nominations

Any eligible employee may submit a proposed nomination to their supervisor.

In the case of the director, the proposed nomination will be submitted to the Board of Corrections.

B. Approved Nominations

The supervisor may submit an approved nomination by:

1. Completing the “Productivity Enhancement Program Nomination Form” (Attachment A, (HCM-102), attached), which must be signed by both the supervisor and the employee; and

2. Forwarding the nomination to the chief administrator of Employee Services.

III. Types of Nominations/Awards

Nominations may be made for any one of three award categories.
A. Individual Incentive Awards (Non-Cash)

1. Certificates and lapel pins will be awarded to eligible nominated employees whose implemented ideas resulted in improved services, efficiency, morale or safety.

2. Nominations must be recommended by the central Human Resources Unit, reviewed by senior staff and approved by the director.

B. Individual Incentive Compensation Awards (Cash)

Cash awards, consisting of 25 percent of the total dollar amount saved during the first year of implementation, up to a maximum of $10,000, may be recommended for award to eligible nominated employees whose implemented ideas resulted in real cost savings or revenue generated to the agency.

1. One lump sum payment will be made if the first year of implementation mirrors the fiscal year.

2. Two payments will be made if the first year of implementation spans two fiscal years. Calculation for two payments will be based on the number of months in the first fiscal year of implementation for the first payment. The second payment will come at the end of the first 12 months of implementation, which falls in the second fiscal year.

Nominations must be recommended by the central Human Resources Unit, reviewed by senior staff and approved by the director. The director must certify that funds for such awards are available and have been encumbered and approved by the Incentive Awards for State Employee Committee (the state PEP committee).

C. Unit Incentive Pay

Any division, unit or agency-identified work team which reduces its dollar cost of operations or increases its level of services during the fiscal year is eligible for a cash award of 25 percent of the actual dollar savings to the state. If awarded by the Incentive Awards for State Employee Committee, the award will be equally divided among the employees of that division, unit or work team. The maximum award is $10,000.

IV. Review Process

The central Human Resources Unit will review all PEP submissions to ensure the following:

A. Each nomination is considered and reviewed for merit and feasibility within 30 days of submission.
B. An assessment of the proposed benefits and anticipated savings is conducted by the appropriate staff and/or subject matter experts.

C. For every nomination involving a cash award which the committee plans to recommend, the chief financial officer will prepare a statement for the director's signature certifying that the cost savings or revenue generation is real and that funds for the award are available and encumbered.

D. Each nomination is to be forwarded to senior staff with a recommendation for approval or rejection within 30 days of the assessment being completed.

E. Nominations rejected by the director are returned to the affected employee with an explanation of the rejection within 30 days of the rejection.

F. Copies of the following are forwarded to the Incentive Awards for State Employees Committee within ten days of final disposition:
   
   1. Copies of all non-cash nominations reviewed by the agency noting final disposition of either rejection or approval;
   
   2. Completed form HCM-103 entitled “Productivity Enhancement Program Evaluation Report” (Attachment B, attached) for every cash nomination reviewed by the agency;
   
   3. Copies of all cash nominations rejected by the director; and
   
   4. All cash nominations approved by the director as indicated by his/her signature on the HCM-103 form (Attachment B).

V. Incentive Awards for State Employees Committee

The legislatively mandated, seven-person “Incentive Awards for State Employees Committee” will make the final cash award decisions.

The committee will consider cost savings that are real and not merely apparent for items such as, but not limited to the following:

A. Reduction in overtime;

B. Elimination of consultant fees;

C. Less temporary help;

D. Elimination of budgeted positions;

E. Improved methods of communication, improved systems, and improved procedures;

F. Elimination of unnecessary travel, printing, and mailing;
G. Better development and utilization of manpower;
H. Elimination of waste, duplication, and operations of doubtful value;
I. Improved space utilization;
J. Proven cost reduction techniques;
K. Elimination of unnecessary payments for advertising, memberships, dues, and subscriptions; and
L. Any other items representing true cost savings.

VI. References

74 O.S. § 4111-4120
State of Oklahoma's Productivity Enhancement Program (PEP) Rules

VII. Action

The division/unit head is responsible for compliance with this procedure.

The chief administrator of Employee Services is responsible for the annual review and revisions.

Any exceptions to this procedure require prior written approval from the director.

This procedure is effective as indicated.


Distribution: Policy and Operations Manual
Agency Website
<table>
<thead>
<tr>
<th>Attachments</th>
<th>Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attachment A</strong></td>
<td>“Productivity Enhancement Program Nomination Form” (HCM-102)</td>
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</tr>
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</tr>
</tbody>
</table>