

Merit Pay Program Overview

Administrative and administrative support employees are eligible to participate in the University's merit pay program. This program has two major components, the formal annual performance evaluation, and, during years where funding is available, a merit based compensation plan. Establishing goals, having open communication about performance, and focusing on outcomes or accomplishments are key to ensuring that the University's goals of excellence are maintained by providing an interactive process through which the following are achieved:

- Clear and measurable performance standards and expectations are established and communicated
- Structured performance feedback is provided
- University core expectations are an area of focus
- Constructive discussions related to areas in need of improvement are fostered
- Opportunities for growth and development are provided

While conversations about performance should be an ongoing process throughout the year, the formal annual performance evaluation process provides an opportunity to review performance and accomplishments for the past year, and establish common goals and expectations for the coming performance year.

The performance evaluation system is designed to include merit pay periodically when funding is available. The compensation component is intended to recognize and reward a high level of performance. Evaluations are used as the basis for awarding salary increases and performance bonuses, subject to the availability of university funds. Following are the parameters for the administrative and administrative support merit program. The following parameters have been developed so that the merit decision is based on both a quantitative score as well as judgement on the part of the unit supervisor and the divisional leadership.

- Two of our core values include excellence and learning. It is recognized that some employees will perform at a level where their performance "exceeds expectations" in one or more individual factors, however, the evaluation should also include suggestions for future growth and development and therefore the evaluation for any one employee should not represent an average score of 5.0.
- Deans/directors/AVPs are to review all evaluations in their unit before the evaluation is shared with each employee.
- The divisional VP is to review each evaluation with a composite score above a 4.0 before the evaluation is shared with the employee.
- To be considered for merit, an employee must have individual factor ratings that are satisfactory or above, and have a composite evaluation score of 3.5 or higher.
- To receive merit, the employee must also receive a positive recommendation for merit from the supervisor and the dean/director/AVP, and have that recommendation supported by the divisional VP. The divisional VP will make the final determination on whether an employee receives merit. Supervisors are to inform the employee whether or not they are receiving merit, after the final determination has been made at the VP level. Depending on timing of the process, this information may be available during the evaluation meeting, or it may need to follow that meeting, but occur before the June salary letters are sent out to employees.
- The number of employees to receive merit in each division is up to 35 percent of the administrative and administrative support employees in that division.
- In years when there will be merit pay, the University will establish the amount for merit awards, with the same amount to be applied to each recipient. The general intent is for merit to be in flat dollar amounts added to base pay; however, the university reserves the flexibility to apply merit as a percentage of salary or as one-time, additional pay

Performance Evaluation Process and Timeline:

- March or early April: employees may choose to complete a self-evaluation or a supervisor may require an employee to complete a self-evaluation before the supervisor completes the employee evaluation. The self-evaluation is not to replace the supervisor's evaluation.
- On or before May 1: The supervisor completes the evaluation form, and submits it to their dean/director/AVP, before the evaluation is shared with the employee.
- On or before May 15: The dean/director/AVP completes their review, and makes changes if and when appropriate to increase the consistency of evaluations across the unit or division. The dean/director/AVP either returns the evaluation to the supervisor for meeting with the employee, or if applicable based on the parameters above, forwards to the divisional VP for review.
- On or before May 22: The VP review is to be completed by this date to allow for the evaluations to be returned to supervisors, for supervisors to meet with the employee to discuss the evaluation, and to deliver the signed evaluation to Human Resources on or before June 1 each year.
- On or before June 1: All evaluations are due in Human Resources.
- Each June a letter is sent to each employee regarding their salary for the coming year. In years when there is a merit component this letter will include language on the merit pay component as well as any applicable across the board salary component.

Annually, supervisors use the guidelines and forms from Human Resources for administrative and administrative support to perform the employee evaluation. Performance ratings and related comments should reflect the overall performance for the last year, and not just the last few weeks or months.

Performance ratings range from *unsatisfactory* (1) to *consistently exceeds expectations* (5). If a factor is rated as *unsatisfactory* (1) or *needs improvement* (2), a performance improvement plan (PIP) should be developed, and reviewed by Human Resources before the evaluation is shared with the employee. A PIP may be developed at any time and is not reserved for use only during the annual performance evaluation process.

Ordinarily, an *unsatisfactory* rating (1) follows a PIP or discipline where the employee's performance has not improved. If an employee receives an *unsatisfactory* (1) rating in any factor he/she is ineligible for an across the board salary increase and ineligible for a performance merit increase.

The Staff Center for Training & Development will provide performance evaluation and merit pay training for supervisors. In addition, please contact Human Resources for more information.