The following presentation will review the new performance appraisal process for staff and administrators and explain how merit pay can be achieved through performance.
Let’s first discuss merit pay.
Three important parts of the merit pay program you need to be familiar with are eligibility, process, and timeline.
Only full-time staff and administrative employees are eligible to receive merit pay. Part-time employees will not be eligible. Also, full-time employees must have six months of continuous service before becoming eligible for merit pay.
It is important to know that merit pay is determined based on the employee’s annual performance appraisal.
Merit pay is determined by the employee’s direct supervisor and will be based on the overall performance of the employee. This determination will be documented on the performance appraisal form and discussed with the employee during the performance appraisal meeting.
Goal setting is a crucial component to reaching strategic initiatives. Therefore, heavy emphasis will be placed on the quality of the goals set and employee attainment of those goals. While individual goals must be identified for administrative employees, hourly employees may or may not have identified goals. It is up to each department’s supervisor to determine if goals will be identified for hourly employees.

**Merit Pay**

- For administrative employees, there will be a major focus on the employee attaining the goals that were established between the employee and the supervisor.
- Hourly employees may not be asked to identify annual goals.
Overall assessment ratings of “Outstanding” or “Exceptional” are the only two ratings that will result in a merit pay increase. Employees who receive a merit pay increase will also receive the annual across-the-board increase. All employees rated as “Outstanding” will receive the same percentage merit increase and all employees rated as “Exceptional” will receive the same percentage merit increase. The percentage increase for employees rated as “Exceptional” may be a different percentage than employees rated as “Outstanding.” Employees rated as “Exceptional” will receive all available percentage increases. However, the specific percentages will not be determined until after the appraisal process is completed.
Employees rated as “Valuable” will receive the across-the-board percentage increase. An employee rated as “Valuable” will not qualify for a merit pay increase. Employees rated as “Developing” will receive the across-the-board increase the first year rated as “Developing,” but if rated “Developing” for a second year the employee will receive less than the across-the-board amount. Employees rated as “Not Meeting Expectations” will not receive an across-the-board increase and will need to engage in a Performance Improvement Plan with their supervisor.
### Merit Pay

**Review of Meritorious Employee Appraisals**

- **June 10:** Human Resources will submit to the Hiring Compensation and Review Committee (HCRC) all appraisal information for the employees who are to receive merit pay.

- **June 15:** The HCRC will complete its review of the appraisal information for merit recipients. Merit pay percentages will be established by the HCRC and then submitted to the President for approval.

- **July 1:** Senior staff members will sign the employee annual increase letters for their respective areas and send the letters to each of those employees.

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Timeline for determining merit pay increases.
Please contact HR at x1406 or hr@etown.edu if you have any questions.
Moving on to the New Performance Appraisal Process. First of all, the form is new! It’s shorter than the old form and easier to follow. Plus there’s only one form now. Everyone is evaluated using the same criteria. The self-appraisal form is also new! It consists of all open-ended questions, which gives the employee the opportunity to share valuable feedback. Lastly, as you now know, the performance appraisal process is now tied directly to merit pay.
The cover page of the performance appraisal form gathers basic information: Employee Name, Title, Department, Appraisal Period Covered, and Supervisor.
Part 1 reviews goal achievement over the recent appraisal period. Next to each goal the supervisor will list the results achieved and make comments to help support their conclusions. Supervisors may also present or attach documentation as evidence of the employee’s general performance or goal completion over the recent appraisal period. At the bottom of this section the supervisor will give one overall ranking for goal achievement.
Part II is an assessment of core performance factors. Employees are rated using the following definitions of performance levels for each core performance factor:

**Exceptional** – Considerably and consistently surpasses core performance factor,

**Outstanding** – Consistently exceeds and often surpasses core performance factor,

**Valuable** – Consistently meets and sometimes surpasses core performance factor,

**Developing** – Meets some or most of the core performance factor, and

**Not Meeting Expectations** – Does not meet some or the entire core performance factor. It is important to keep in mind that there is no “one size fits all” definition for evaluating employees. It is up to the supervisor to use his or her best judgment to use the definition that most closely matches the performance of the employee. Supervisors who need further guidance when making assessments should contact their direct supervisor or HR. Core Performance Factors on this page include: **Knowledge and Job Skills** – “Thoroughly understands the duties and responsibilities of the job; demonstrates technical, administrative, managerial, supervisory, or other specialized knowledge required to perform the job; is very knowledgeable about what is necessary to perform the job effectively; seeks new skills and demonstrates knowledge of processes, systems, and resources as necessary to perform job; actively keeps up-to-date with new developments, regulations, and standards.”

**Time Management and Dependability** – “Adheres to responsibilities in a timely manner; meets deadlines; manages multiple tasks with accuracy and efficiency; effectively accomplishes assignments with minimal supervision; dependable work attendance and completes work as required.”
Core Performance Factors (continued):  **Initiative and Adaptability** – “Independently contributes ideas and projects; takes on new responsibilities; willing to assist co-workers; adapts to change; demonstrates ability to modify behavioral style and approach to goals.”  **Organization and Planning** – “Actively engages in planning and assessment processes based on reaching established goals and objectives; plans work for efficiency; develops a systematic approach in carrying out assignments and coordinating multiple activities; appropriately develops schedules and action plans to coordinate and use resources effectively.”  **Judgment and Decision Making** – “Ability to clearly isolate, define and seek solutions to problem areas; effectively identifies and evaluates alternative solutions; makes decisions consistent with skills and experience; recognizes when decisions that have to be deferred until all pertinent facts are gathered and analyzed.”
Core Performance Factors (continued): **Human Relations, General Performance** and **Other Expectations**. General Performance can be based on any performance factor not included in the core performance factors. Other Expectations can be any expectations not covered in the core performance factors. These additional categories are optional and will be determined by the supervisor.
Part III is the Overall Appraisal section. This is where the supervisor will comment on employee’s overall performance strengths and areas of development. Areas of development can be integrated into goals for the next appraisal period and/or the employee’s development plan. The feedback given in this section is meant to help the employee improve future performance and aid in their professional development.
The Overall Performance Assessment is the rating that determines what level increase, if any, the employee will receive. Remember, employees rated as “Exceptional” or “Outstanding” will receive a merit increase in addition to the across-the-board increase. Employees rated as “Valuable” will receive the across-the-board increase only. Employees rated as “Developing” will receive the across-the-board increase the first year rated as “Developing,” but if rated “Developing” for a second year the employee will receive less than the across-the-board amount. Employees rated as “Not Meeting Expectations” will not receive an increase of any amount.
Part IV is where goals for the next appraisal period are set. The supervisor and the employee should work together in developing SMART goals (specific, measurable, attainable, realistic, and timely). Setting goals in a collaborative manner and working together to develop an action plan for achieving the goals that have been set will greatly increase the likelihood for success. Goals that are unclear, unattainable or can't be measured are not beneficial and unacceptable.
The cover page of the self-appraisal form gathers basic information: Employee Name, Title, Department, Appraisal Period Covered, and Supervisor.
The employee will review their own goal achievement over the recent appraisal period. Next to each goal the employee will make comments to help support their conclusions. The employee may also present or attach documentation as evidence of general performance or goal completion over the recent appraisal period. Not all supervisors may require employees to complete a self-appraisal, but all employees may complete one if they choose.
Open-ended questions give the employee an opportunity to provide candid feedback.
The last section of the self-appraisal allows for the employee and the supervisor to make general comments.
The performance evaluation period is July 1 through June 30 of each year. Goals must be set at the start of the evaluation period, but can be added, deleted or modified anytime throughout.
It is extremely important for supervisors and employees to communicate often about goals and expectations throughout the evaluation period. Supervisors should be providing employees with feedback about their performance and employees should be asking for feedback as they work towards goal achievement. A supervisor-employee relationship that is open, honest, and focused on the same goals will likely be successful.
All performance appraisals must be completed and submitted to HR no later than May 31st of each year.
Please contact HR at x1406 or hr@etown.edu if you have any questions.