



City of Waukesha HR Policy

D3 Employee Performance

*Considering renaming this policy because “D3” is heavily associated with the concept of the 5% increase after six-months and the 2% annual increases over a three-year period. Transition to new policy would be effective immediately.

Purpose

~~WHEREAS, The City of Waukesha is desirous of establishing a written policy regarding employee development and job performance evaluation, and;~~

~~WHEREAS, The City of Waukesha created this policy~~ to improve on traditional performance-based compensation programs. ~~In order to improve,~~ it is necessary to increase the responsibility and accountability of Department Directors for salary decisions while providing adequate training and on-going support from policy makers, and;

~~WHEREAS, performance-based compensation systems can only work when there is a commitment to grant superior compensation and recognition to high level performers and minimize or forgo increases to poor performers.~~ ←Removing this language because there will be some cases where we do not grant anything (even to the high performers).

~~NOW, THEREFORE, BE IT RESOLVED,~~ that from the date of this resolution the following Employee Performance and Development Appraisal Policy is adopted:

~~I. Policy~~

The City of Waukesha will continuously strive to develop employee potential through a systematic and equitable employee performance evaluation program. ~~The program will be multi-level to focus on different aspects of performance.~~ It will provide accurate and timely recognition of employee performance. It will build a performance feedback environment and integrate managing employee performance into everyday operations. Such a program is valuable to both the employee and City and supports the City’s philosophy of fairness and honesty in dealing with all persons.

Summary

~~II. Objectives~~

The City’s performance feedback system provides for the timely recognition of an employee's job performance based upon certain predetermined factors. This program helps to assure that all employees are appraised on the basis of characteristics contributing to job accomplishment. It assists management in making decisions related to definite job-related factors, rather than those that may be related to subjective general impressions, assumptions, or casual opinions. ~~Performance evaluations will be discussed and acknowledged by both the employee and the supervisor to ensure that all strengths, areas for improvement and goals for the next review period are clearly communicated.~~

The Performance Feedback System will:

- Build a performance feedback environment
- Integrate managing employee performance into everyday operations

- Create a learning environment
- Support supervisors/managers in developing skills for performance evaluation discussions

III. Feedback Performance Model

The Feedback Performance Model is designed to create a work culture that encourages employees and teams to perform at their best as we strive to improve the quality of life for the citizens of the City of Waukesha. It is a continuous, ongoing process that:

- Aligns the employees' and supervisors' goals with those of the City
- Promotes ongoing dialogue between employees and supervisors **via quarterly check-ins**
- Increases employee engagement by creating a sense of personal ownership and accountability for success
- Builds trust by using a system that is fair and transparent
- Aligns employee performance with employee job descriptions and defined performance goals

~~Per policy,~~ Each supervisor is directed to provide continuous feedback and coaching throughout the year. **A system generated email reminder from NEOGOV will be sent to all supervisors to ensure that this task is completed on a quarterly basis. Any delay in meeting the deadlines of the quarterly check-ins and annual reviews will cause a delay in future tasks as well.**

The accomplishment of these tasks is established through creating a feedback loop. Each employee and supervisor shall perform the following functions each year:

1. Set Expectations through the creation of S.M.A.R.T Goals.
S.M.A.R.T. goals are Specific, Measurable, Accurate, Realistic and Timebound goals. 30 Days prior to the beginning of the fiscal year (January 1) the supervisor and employee are to collaborate on a set of individual goals that align with the department and city's overall goals.
2. Support Growth and Development.
The supervisor and employee will discuss learning needs and training based upon the individual's skill gaps, career interests and the organization's needs
3. Observe and Note Performance.
The supervisor is responsible for observing and noting the employee's performance based upon the goals established above and the organizational expectations. Objective performance observations shall be the only consideration in evaluating performance. The consideration of existing biases, general feelings or undocumented concerns shall not be considered when evaluating employee performance.
4. Summarize Performance Observations
The Supervisor and Employee are required to meet, discuss and summarize performance behaviors and goal progression in a formalized setting no less than quarterly and no more than 6 times per year. Each performance discussion must be summarized and retained by both the employee and supervisor.

IV. ~~Salary and Performance Relationship Policy: Relationship Between the Performance Appraisal and Salary Plan Administration Policies:~~

Through the combination of this policy and Policy F-2, it is intended that the job performance of an employee be a significant factor in determining their position within the salary range. Other factors that may be considered when making this determination are the job market and relevant training and experience.

- A. Entry Level. The beginning level of the salary range is the lower 20% of the range and is reserved for those employees who are at a developmental level of performance. This could include newly hired, reclassified or promoted employees. Persons in this level of the salary range are expected to demonstrate a sufficient level of knowledge and ability within a specific, predetermined period that will allow them to advance to the standard level of the salary range.
- B. Standard Level. This level of the range is reserved for employees who demonstrate a standard level of knowledge and ability. This is the broadest level of the range suggesting there is a variety of standard salaries that are indicative of an acceptable level of performance. The breadth of this level still allows room for development, however. Movement and position within this level of the range indicates a relative performance level and change in performance, but does not indicate an unusual level of performance. Employees whose level of performance is consistent from year to year will remain at the same relative position on the range.
- C. Advanced Level. This level is the top 20% of the range and is reserved for those employees who consistently exhibit a level of performance that demonstrates a superior job knowledge and ability resulting in enhancement to or improvement in the services provided to the community or the clientele served. Such performance should exceed expectations and show unusual interest in the work product. Employees whose performance remains at a high level will remain at the assigned level but may be reduced in level should performance over a period that includes two consecutive annual performance certifications not continue to justify placement in the advanced segment.

V. ~~Types of Evaluations:~~

- A. ~~Initial Performance Feedback Reports. Newly hired, reclassified or promoted employees will have their performance appraised at the end of the first six (6) months of such employment action, and a written report will be made and placed in their Human Resources file. Such appraisal will be based on a determination of acceptable and non-acceptable performance in essential areas of accountability. The appraisal will include an analysis of the employee's developmental and training needs. The appraisal will be completed on a form provided by the Human Resources Department.~~
- B. ~~Performance Feedback Reports. It will be the responsibility of Department Directors and supervisors to recognize and report on notable employee job performance related activities or incidents in accordance with the format and procedures promulgated by the Human Resources Department. Reporting will be on an ongoing basis as an activity or incident occurs. Each recognized activity or incident will be reported separately. Performance Feedback Report are~~

required to be filed not less than four times per year. Additional feedback reports are to be filed to record job performance related activities.

~~C. Annual Performance Feedback Report. Annually on or before December 15, each Department Director will certify the acceptability of each affected employee's performance. The feedback will be provided in the form of a formal evaluation report. The formal evaluation report will include a section for an employee self-evaluation, as well as a written report of the employee's performance. The feedback reports are subject to review by Department Directors, the Human Resources office, and the City Administrator.~~

VI. Effect of Evaluations – Salary and Pay

Performance appraisals will be conducted on an annual basis. Employees will receive a performance appraisal on or before September 30th of each year. If salary increases are awarded, the new rate will become effective *at the start of the fiscal year (January) as determined and authorized each year by leadership and the common council.*

Types of Evaluations

~~A. Initial Adjustments Program. All new hires and employees reclassified or promoted to a higher job classification shall receive a performance review of their work the end of a six (6) month evaluation time period. (Initial Performance Feedback Report). The employee will be evaluated in accordance with the procedures outlined above. Based on the employee's documented work performance, they may be considered for salary advancement within the established salary range. Salary advancement will take place upon the Department Director's recommendation and after approval by the City Administrator.~~

~~1. Three-Year Performance Adjustment Program. All new hires and employees promoted or reclassified to a higher job classification shall be eligible for performance-based adjustments each year on the anniversary date of their hire based upon their acceptable performance. Each adjustment shall be no more than 2% of their annual salary, and shall only be awarded upon an acceptable level of performance as indicated on their annual performance feedback evaluation. All increases shall be recommended by a Department Director and approved by the City Administrator. Upon completion of the third year of employment, promotion or reclassification, employees shall move into an open range merit-based system. The increases can be adjusted by the City Administrator in consideration of the economic condition of the city and budgetary constraints at any time.~~

~~B. Annual Market Adjustment Program. The Department Director, based upon acceptable performance ratings, shall certify employees, other than those demoted, for receipt of a market adjustment to their base salary. Those employees receiving an acceptable overall evaluation shall receive this adjustment effective January 1 or such other date as determined by the Common Council. The adjustment amount will be determined by application of the Market Adjustment percentage. Per Policy F-2, Section E.1 the Annual Market Adjustment is an adjustment to an individual's base salary in accordance with general economic conditions in the comparable market area and certification of minimal performance standards within the job. This component is not to be considered an automatic adjustment. This adjustment may be wholly or partially withheld based on performance.~~

- C. Merit Based Adjustment Program. All employees ~~after their third year of employment, promotion or reclassification~~ shall be eligible for merit-based increases in salary based upon their **own** level of performance during the previous evaluation period **and available funds**.

Merit based increases will range from 0% to a maximum of 4%. The maximum percentage increase can be adjusted by the City Administrator in consideration of the economic condition of the city and budgetary constraints. The salary adjustments will be based upon the outcome of the annual employee feedback report, of which the evaluation form and scoring criteria will be distributed by the Human Resources office. Merit increases shall be included in the employee's base salary.

- D. Bonus Payment Program. All employees ~~after their third year of employment, promotion or reclassification~~ shall be eligible for a bonus increase based upon their level of performance during the previous evaluation period. Bonus increases will range from 0 to a maximum of 4%. The maximum percentage increase can be adjusted by the City Administrator in consideration of the economic condition of the City and budgetary constraints. Bonus payments will be based upon the outcome of the annual employee feedback report, of which the evaluation form and scoring criteria will be distributed by the Human Resources office. Bonus payments **are not included** in the employee's base salary but are a one-time lump sum payment given in recognition of an employee's superior performance in a particular assignment or project.

Performance appraisals do not result in automatic salary increases. Employees with satisfactory performance ratings ("Meets" or "Exceeds" expectations) are eligible to receive, but not guaranteed, annual salary increases based on their own job performance, salary level relative to position responsibilities and available budget funds. Employees with an overall unsatisfactory performance rating ("Needs improvement" or "Does not meet") are not eligible to receive annual salary increases and will be placed on a mandatory Performance Improvement Plan.

VII. Off-Cycle Salary Adjustment

Off-cycle salary adjustments are discretionary increases in base pay used to remedy salary issues such as internal salary inequity, salary compression, and/or retention considerations. These increases occur at any time during the year outside of the normal merit/performance appraisal cycle. Such requests should be treated as the exception, not the rule.

If a manager wishes to recommend an off-cycle salary adjustment, they must discuss the request with the Department Director, Human Resources and the City Administrator to determine if the salary increase is justified, compatible with the market, consistent with the City's pay guidelines and can be funded by the department's budget.

- **Equity, compression or retention adjustments** can be made when there is a salary concern that cannot be corrected through the merit/performance appraisal cycle.
 - A salary inequity exists when an employee's salary is significantly lower than that of others in the same job title with similar knowledge, skills, experience, and performance.
 - Salary compression occurs when there is only a small difference in pay between employees regardless of their skills or experience. A common cause of salary compression is when pay increases for current employees have been low and/or new employees are paid a higher wage to attract them to the organization.
 - Retention salary adjustments receive case-by-case review by the Department Director, City Administrator and Human Resources Director. Retention requests are for employees who are being actively recruited by other organizations, or where there is compelling evidence that preventive action is necessary to prevent the loss of a valued

employee. All retention salary adjustment requests must be submitted to the Human Resources department and include:

1. an assessment of the individual's merit and value to the organization
2. circumstances warranting a retention adjustment
3. proposed adjustment amount
4. effective date

Additional documentation may be requested on an as needed basis.

Note: An employee may not receive a retention salary adjustment for a period of three years from the effective date of the most recent retention adjustment.

- **Market Adjustments** are made to recognize changes in the competitive market salary for a job. They typically do not occur very often because the salary range structure is based on market analysis and is updated regularly to ensure continued competitiveness. However, unusual market circumstances may warrant an adjustment.

In relation to all salary adjustments, including merit increases, managers must obtain all written/electronic approvals prior to discussing any proposed action with the employee.

VIII. Preparation of Performance Feedback Forms

Employee performance evaluation is most effective when conducted by a properly trained immediate supervisor of the employee; by a properly trained Department Director for directly supervised employees and by the City Administrator for Department Directors, etc. The City of Waukesha will place a premium on providing the proper training and supervision of evaluators to assure the goals of this policy are achieved.

Just as importantly, employee input is an important part of the evaluation process. Employees shall be trained in goal setting and self evaluations. Employees will be trained on the expectations of an employee feedback meeting and their role in their annual employee performance evaluation.

~~IX. Appeals of Performance Evaluations~~

~~Employees who feel that an evaluation or report is not a true reflection of their work performance, should try to resolve differences in discussions with their supervisor and, if necessary, the reviewer (the rater's supervisor). If agreement cannot be reached informally, the employee will be given the opportunity of appeal by utilizing the procedure outlined in City Policy G-5.~~ **Removing this language because the G-5 policy states that evaluations cannot be appealed.**

~~X. Performance and Development Appraisal Forms~~

Additional Information

All evaluating supervisors shall use the ~~forms and~~ format promulgated by the Human Resources Department.

Passed this ____ day of ____, 2019.

Approved this ____ day of ____, 2019.

Mayor

ATTEST:

City Clerk