

# **Staff Performance Management and Salary Planning Guide**

## **FY 2021**

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# Introduction

GW's merit program is based on a pay-for-performance philosophy anchored in a robust performance review process. The performance management (PM) and merit process is an integral part of supporting and advancing the service framework at GW. This guide details the responsibilities of each stakeholder, providing key information, timeframes, and additional resources to support you.

This year, the effective date for merit has been updated to July 1, 2021 to closer align the year-end performance evaluations and merit awards.

## Part I. Stakeholder Roles and Responsibilities

The performance management and merit process relies upon the work of multiple stakeholders, each of whom has specific responsibilities and oversight.

<u>Deans/VPs</u>	<u>School/Unit Leadership</u>
<ul style="list-style-type: none"> <li>Set the merit strategy for the school/unit</li> <li>Empower HR Business Partners and serve as their point of escalation</li> <li>Monitor school/unit progress for completion and adherence to performance and merit strategies</li> <li>Participate in performance rating calibration and merit decisions for school/unit</li> <li>Endorse final ratings and merit spend</li> </ul>	<ul style="list-style-type: none"> <li>Set expectations within respective areas of the school/unit using the launch letter</li> <li>Monitor area progress and encourage timely execution of the program</li> <li>Participate in performance rating calibration</li> <li>Drive consistency and equity across the unit</li> <li>Effectively communicate PM/merit calibration changes and rationale to Managers ensuring that Managers can own final decisions</li> </ul>
<u>Finance Directors (FD)</u>	<u>Managers and Next Level Approvers</u>
<ul style="list-style-type: none"> <li>Support the performance and merit processes within respective school/ unit</li> <li>Attend Merit Calibration training</li> <li>Partner with HRBP and unit leader jointly, to ensure a collaborative and balanced process</li> <li>Review the school/unit merit submission (budget) prior to submitting to Compensation</li> <li>Authorize the school/unit final merit allocation (i.e., adhere to the school/unit budget)</li> </ul>	<ul style="list-style-type: none"> <li>Execute the PM program for all direct reports <ul style="list-style-type: none"> <li>Hold direct reports accountable for the timely completion of the PM program</li> <li>Complete manager reviews and assign performance ratings</li> <li>Conduct timely performance discussions with direct reports</li> </ul> </li> <li>Provide merit input on performance distinction</li> <li>Conduct timely merit discussions and provide merit letters to direct reports</li> </ul>
<b>Human Resource Management and Development</b>	
<ul style="list-style-type: none"> <li>Champion the PM and merit process within respective school/unit</li> <li>Set the overall schedule for the PM and merit process</li> <li>Serve as the reporting unit point of contact for PM and merit</li> <li>Provide and consume PM/Merit training to stakeholder groups</li> <li>Socialize the PM and merit processes with Deans/VPs</li> <li>Provide guidance to school/unit leadership on calibration strategies to achieve the desired performance and merit outcomes of the school/unit</li> <li>Manage PM actions through Talent@GW</li> <li>Monitor progress for reporting unit(s) and encourage timely execution of the PM/merit process</li> <li>Complete the school/unit merit submission, with the Finance Director</li> <li>Complete enterprise-level quality assurance of the merit submissions and merit letters</li> <li>Aggregate and load final merit and performance rating data into the system of record</li> <li>Distribute merit letters to Managers</li> </ul>	

## Part II. Performance Management and Merit Overview

GW's performance management period is coincident with the fiscal year, July 1 through June 30, and is anchored in setting goals and expectations, providing ongoing feedback and recognition, and evaluating work performance. Staff performance is assessed by managers through the performance management process and captured in [Talent@GW](#).

Managers must summarize staff members' accomplishments and assign performance ratings before providing input on merit increases. Further information and training on this are provided on the [Human Resource Management and Development website](#).

**New!** The merit effective date for both Biweekly and Monthly employees has been moved to *July 1, 2021*, and the performance management [timeline](#) has been condensed in order to support the new merit effective date.

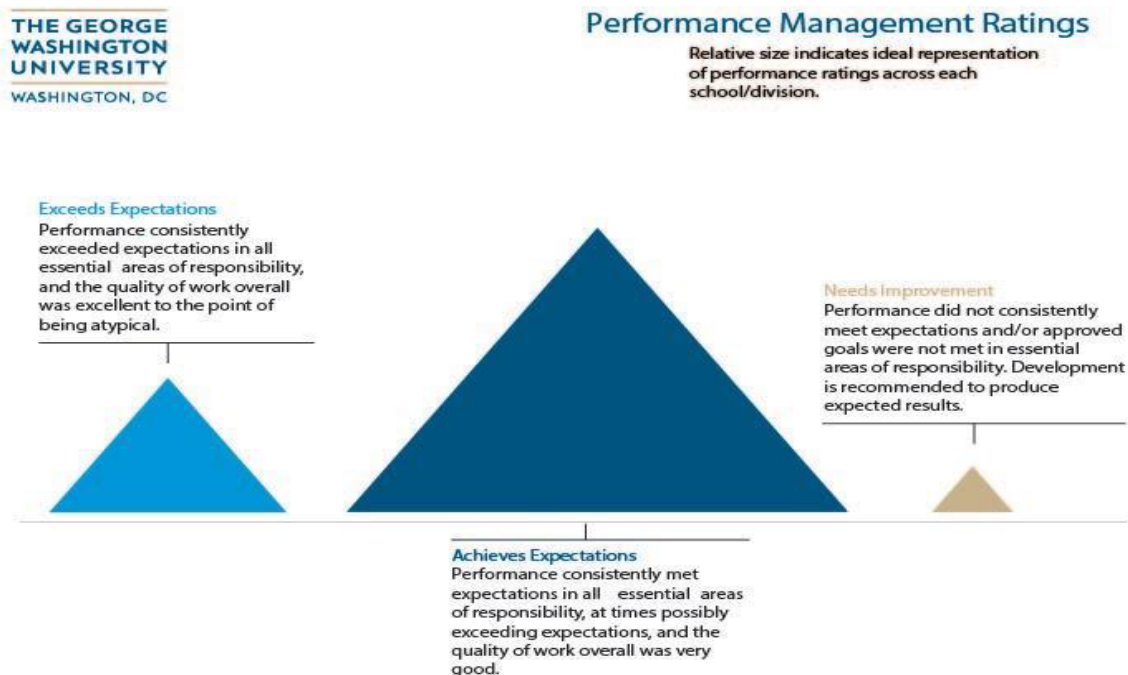
## Performance Ratings

Performance ratings are assigned to each staff member by their manager and are outlined below:

- **Exceeds Expectations:** *Performance consistently exceeded expectations in all essential areas of responsibility, and the quality of work overall was excellent to the point of being atypical.*
- **Achieves Expectations:** *Performance consistently met expectations in all essential areas of responsibility, at times possibly exceeding expectations, and the quality of work overall was very good.*
- **Needs Improvement:** *Performance did not consistently meet expectations and/or approved goals were not met in essential areas of responsibility. Development is recommended to produce expected results*

Assigning a performance rating provides the staff member with a summary of their performance over the course of the year. Managers and staff should communicate frequently throughout the year and have a shared understanding of ongoing performance, so that the year-end process holds no surprises. Performance ratings should accurately reflect the staff member's contributions and be supported by their self-assessment and the manager review.

We have created a graphic that demonstrates an ideal representation of rating distribution of all staff in a school/unit:



## **Merit Eligibility**

Eligibility for merit is dependent on a benefits-eligible staff member's start date in their job. If hired on or prior to December 31, 2020, the staff member will be eligible for the full merit percentage based on performance.

<b>Job Start Date</b>	<b>Merit Eligibility for Performance Period (FY21)</b>
Prior to 12/31/2020	Up to 100% of budgeted merit
1/1/2021 - 3/31/2021*	Eligible for up to 50% of budgeted merit, contingent on successful IEP completion and sustained performance through December <i>*Processed as a lump sum performance bonus, paid in December 2021</i>
4/1/2021 - 6/30/2021	Not eligible for merit for the FY21 performance period

Merit-eligible employees who are on approved leave, e.g., FMLA, should be included in the merit process. The following positions are excluded from the regular staff merit process:

1. Faculty
2. Temporary staff
3. Medical residents
4. Student employees
5. Other non-regular employees

## **Introductory Employment Period (IEP)**

Employees in their Introductory Employment Period (IEP) during the performance review period are typically not awarded merit increases, with the exception of employees with begin dates referenced in the chart above. For FY21, employees impacted by reorganizations (e.g. mapped to or in a new role) upon the implementation of a newly formed shared service unit, are eligible for consideration of 100% of budgeted merit, regardless of IEP status, based on their performance results and contributions.

## **Merit Budget**

The merit budget is 3% for the FY21 performance period. The budget is based on benefits-eligible employees with a job start date on or before December 31, 2020. In addition, regular benefits-eligible employees with a job begin date between January 1, 2021 to March 31, 2021 are eligible for a prorated lump sum merit award. This small group of staff will be eligible for up to 50% of the merit budget (up to 1.5%) delivered via a lump sum payment contingent upon successful IEP completion and sustained performance through December 2021. More information for this population will be provided late Fall.

The distribution of the merit budget is administered within each school/unit and the full 3% is to be used **exclusively to reward performance** via merit increases to base compensation, or lump sum payments in lieu of merit, for those over the maximum of the salary range for their position. The total merit spend for each unit may not exceed 3%. Schools/units may not reserve a portion of the merit budget to fund other employee lifecycle actions throughout the fiscal year. As school/unit operational needs change during the course of the fiscal year and/or managers identify the need for a resource change, contact the [HRBP](#) to initiate planning conversations. These requests will follow the current process and be reviewed by the Resource Allocation Committee (RAC).

## **Employees Over the Maximum (OTM) of the Salary Range**

Eligible employees who are over the maximum of their salary range are not eligible for a base salary increase, but are eligible for a Lump Sum payment in lieu of merit, based on their performance rating and leader merit strategy. The leader merit strategy should apply consistently based on performance rating, regardless as to whether the merit is delivered via an increase to base compensation or lump sum award.

## **Staff Funded by Sponsored Research**

Employees are eligible for merit regardless of the salary funding source. This is consistent with the university's merit philosophy and the [OMB Uniform Guidance for Federal Awards](#), which provides that our compensation practices should be consistent regardless of the source of funds.

## **Manager Input**

Manager assessments, including recognition of the variation of staff contributions, productivity, and overall performance is an integral part of the merit process and the university's ability to recognize and retain talent. As in previous years, managers may recommend specific merit percentages, in line with the school/unit merit strategy. This year, managers have the option of including merit feedback for staff with rating of "Achieves Expectations" in Talent@GW. Optional merit recommendations should include explanation of the request, should be consistent with the school/unit leader's merit strategy, and are subject to review and approval by the school/unit leader, HRMD, and Finance Director.

Examples of criteria to support differentiation of merit awards for those rated "Achieves Expectations" are as follows:

High	Medium	Low
<ul style="list-style-type: none"><li>• Performance is at the highest end of this performance rating,</li><li>• Effort is high impact and visible within the department and beyond,</li><li>• Exceeds some requirements of job, <i>or</i></li><li>• Competitive skill set</li></ul>	<ul style="list-style-type: none"><li>• Performance was well-categorized by performance rating, <i>or</i></li><li>• Effort is in line with departmental priorities</li></ul>	<ul style="list-style-type: none"><li>• Performance is at the lower end of this rating,</li><li>• Effort had limited impact, <i>or</i></li><li>• Employee received an out of cycle salary increase (typically within this calendar year) and merit was considered in pay change</li></ul>

Providing merit recommendations and communicating the reasons behind merit decisions can be challenging. Managers must own the final performance and merit decisions for their team members. If you need help constructing and practicing your message, your manager and [your HRBP](#) can assist you in understanding the school/unit merit strategy. See [Conducting Merit Conversation](#) section below.

## **Merit Percentage Guidance**

GW is a pay-for-performance institution, where higher performance drives higher merit awards. The merit budget is 3% for the FY21 performance period and the total merit spend for each unit may not exceed 3%. The university supports flexibility in the distribution of the 3% merit budget within schools/units, and relies upon each school/unit leader to set the merit strategy for their organization. It is the expectation that managers provide input into the performance and merit process for their staff.

- A timely performance rating is required in order to award a merit increase.

- School/units have the discretion to establish a framework for allocating merit that is most effective and relevant to each respective area.
- Respective leader merit strategies must be applied in a fair and substantiated manner.
- In support of our pay-for-performance philosophy, merit awards for each rating should be greater than or equal to merit awards at a lower performance rating.
- Overall unit merit spend must stay within the merit budget.
- HRMD is available to provide additional consultation if needed.

Broad communication of the high-level merit strategy for the school/unit allows for manager ownership of the performance management process and merit decisions of their staff. Performance rating calibration will directly influence merit spend. If ratings are inflated, merit awards often must be calibrated down to remain within budget. Leaders should consider differentiating staff increase percentages based on accomplishments and contributions, with the goal of a meaningful distribution of ratings.

## **Calibration**

As the school/unit shares the merit budget, the merit strategy should be applied across individual teams within the school/unit. Ideally, this means that a small team of high performers won't have limited awards based on the size of the team; rather, the team contributions should be considered in the context of the whole school/unit. After the submission of the initial manager recommendations, the awards may need to be calibrated to stay within the school/unit 3% budget. Each school/unit leader should identify how the unit should calibrate, which should be synced to their identified merit philosophy.

## **Blackout Period**

In order to accurately process and award merit, there will be a pause in processing employee lifecycle changes on employee records from **May 27- June 11 (2 weeks)**. Employee lifecycle changes include non-competitive promotions, reclassifications, job duties changes, equity increases, etc. Changes to the employee record will impact the efficient and accurate application of a merit award. Managers are encouraged to engage with [their HR Business Partner](#) to plan any employee lifecycle changes that are identified during this period.

## **Conducting Merit Conversations**

An important final step in the performance management process is communicating ratings and merit awards. Managers and employees should meet to discuss and sign off on performance reviews from **June 18 to July 1, 2021**.

Managers should schedule a separate meeting from **June 23 to June 29** to complete merit conversations.

If conducted with care, conversations regarding merit can have a positive effect on staff engagement and retention.

Remember a few key components about these conversations, managers should:

- Understand the final merit award
- Conduct the conversation with care
- Be prepared to explain your decision and the philosophy (if applicable) used by your school/unit for merit
- Acknowledge positive and negative emotions and reactions—ensure your message and conversation with your staff member is consistent with your school/unit messaging
- Most importantly, understand the context, deliver with confidence, and own the decision



Merit recommendations are subject to approvals within the school/unit, Finance, and HR Management and Development. As a reminder, please do not communicate merit recommendations to staff until after receiving confirmation of the final, approved merit from HRMD.

## Part III. Performance Management Training Resources

### Training on Performance Management

We have compiled some of our Manager and Staff Training within this guide, in order to support our managers throughout each step. Additional resources and Talent Development's Office Hours can be found on [the HRMD website](#) and within Talent@GW.

#### For 2021 Performance Management Basics for Managers training:

- A [recorded version of the 2021 Performance Management Basics for Managers training](#)
- The [Performance Writing Guide toolkit](#)

#### For 2021 Performance Management Basics for Staff training:

- [2021 Performance Management Basics for Staff training available](#) in Talent@GW.

During this Performance Management cycle, we will also be offering a virtual training on **Giving and Receiving Feedback**. This training will be available to all staff members, and will ensure that you have the tools you need to complete a constructive performance review conversation with your manager. If you would like to attend this training, please select the session below that best fits your schedule.

#### Select Your Training Session

<p>Giving and Receiving Feedback <a href="#">Tuesday, June 15, 2021</a> 11:00 a.m. - 12:00 a.m.</p> <p>*Selecting the link automatically registers you for this course*</p>	<p>Giving and Receiving Feedback <a href="#">Wednesday, June 16, 2021</a> 11:00 a.m. - 12:00 a.m.</p> <p>*Selecting the link automatically registers you for this course*</p>
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## Part IV. Timeline and Merit FAQs

This section provides a timeline for the performance management and merit process. As noted earlier, the timeline has been condensed to meet our new **July 1, 2021** merit effective date. In order to ensure the efficient completion of both the Performance Management and Merit processes, this timeline is designed to keep all stakeholders accountable and informed.

Step	Dates	Duration	Task	Responsible Party
1	April 1	1 day	Send Performance Management announcement email to all staff <b>**COMPLETED**</b>	HRMD
2	April 23 – May 4	1.5 weeks	Deliver performance management training to managers <b>**COMPLETED**</b>	HRMD
3	April 29 - May 5	1 week	Complete and submit self-assessments for final check-ins in Talent@GW <b>**COMPLETED**</b>	Staff
4	May 6 - May 19	2 weeks	Review final check-ins, and include optional merit input and comments	Managers
5	May 20 - May 25	1 week	Review ratings and merit input to confirm submissions appear fair & accurate.	Next Level Approvers
6	May 27 – June 11	2 weeks	<b>Blackout period for pay actions</b> Includes promotions, reclassifications, and equity adjustments	
7	June 2 - 8	1 week	Meet and execute performance rating and merit award calibration, based on the identified leader merit strategy	HRBPs & school/unit Leadership
8	June 10 - June 17	4 days	Update ratings and comments as needed with a final catch-up period to fix any remaining issues in Talent@GW	Managers
9	June 18	1 day	Release Final Performance Ratings in Talent@GW	HRMD
10	June 21 - 23	3 days	Upload merit increases and associated performance ratings from spreadsheets into the system of record.	HRMD
11	June 18 - July 1	13 days	Managers and employees meet to discuss and sign off on reviews	Managers
12	June 23 - June 30	6 days	Distribute merit letters to Managers	HRBPs
13	June 23 - June 29	1 week	Complete merit conversations with staff	Managers
14	July 1	<b>Merit increase effective date</b>		
15	July 23	First biweekly paycheck reflecting new pay rate		
16	July 31	First monthly paycheck reflecting new pay rate		

**Note:** \*Managers and Next Level Approvers should complete the performance and merit review processes even if a staff member does not submit a self-review.

## **Merit Process Frequently Asked Questions**

### **Q: How do I know whether an employee is eligible for merit?**

A: Merit eligibility criteria are outlined on page 3 of this guide. All employees that are eligible for merit based on these criteria will be included on the merit spreadsheet. Additionally, a Y/N indicator has been added to the Active Employee Report to specify merit eligibility. Schools/units should not develop individual eligibility criteria and should adhere to these university-wide criteria.

### **Q: Can I award merit to an employee that does not meet the eligibility criteria?**

A: No. The merit budget was developed based on university-wide merit criteria and should be adhered to in order to ensure a consistent, equitable merit practice.

### **Q: Can I alter the calibration spreadsheet?**

A: No, the calibration spreadsheets should remain intact; please do not add or delete any rows or columns. The only data that should be adjusted in the spreadsheet is the merit percentage and/or performance rating, accompanied by supporting justification, where applicable. If you need to alter the spreadsheet to facilitate your analysis, please make a copy of the file or duplicate the workbook and work in the alternate tab. Any spreadsheets received that are not in the original source formatting will be returned.

### **Q: How can I resolve discrepant or missing employee data?**

A: The current owner of the record (home org, labor distribution, etc.) must initiate the correction through PeopleAdmin (PA7).

### **Q: What are some common reasons that an employee may be missing from the calibration spreadsheet?**

A: The most common reasons that would cause an employee not to populate on the calibration spreadsheet is that the employee does not meet the eligibility requirements, a change in position, or incorrect timesheet org on their job record.

### **Q: What do I do if an employee does not have a performance rating?**

A: A performance rating is the starting point for merit. A merit award cannot be submitted for an employee without a performance rating via the merit spreadsheet. Once the performance rating is finalized, the review task needs to be reopened and finalized with the rating in Talent@GW. If this is complete by the time of the merit upload, the record should be successfully updated. If not, a Personnel Action Form (PAF), together with a copy of the performance evaluation, should be submitted to award merit, which will result in manual entry.

### **Q: Will the employees on FMLA populate on the merit spreadsheets?**

A: Yes. Employees on FMLA will populate on the merit spreadsheets if they otherwise meet the merit eligibility criteria.

### **Q: What is the current guidance pertaining to merit for employees on leave?**

A: If an employee is on paid leave, merit must not be prorated. Managers should work directly with HR Directors on merit for employees on unpaid leave.

### **Q: Will international employees populate on the calibration spreadsheets?**

A: International employees paid via GW payroll in Banner will populate on the spreadsheet, but may need to be uploaded via a separate process. HRIS will coordinate this effort on a case-by-case basis. International employees not in Banner (paid via third party international payroll) will need to be handled via PAF. Please work with your HRBP for any such employees.

### **Q: Will union employees populate on the calibration spreadsheets?**

A: No. Union employees will be excluded from the spreadsheet and managed through a separate process, the timing of which is contingent upon negotiations dictated by each union's Collective Bargaining Agreement.

**Q: Can an employee in their Introductory Employment Period (IEP) receive merit?**

A: No. Based on the job begin date eligibility criteria, typically an employee must have completed the IEP in order to receive merit. If hired with a start date between January 1, 2021 to March 31, 2021 and successfully complete their IEP, an employee is eligible for a lump sum bonus up to 50% unit merit ranges, to be paid in December 2021.

**Q: If an employee completed their IEP and meets the merit eligibility criteria, but does not have an official rating based on the timing of their IEP, can they still receive a merit increase?**

A: If the employee successfully passed their IEP and was hired prior to January 1, 2021, they may receive merit. With no rating due to the timing of the IEP and performance management schedule, the merit percentage guidance that should be considered is up to Meets Expectations. If hired with a start date between January 1, 2021 to March 31, 2021 and successfully complete their IEP, an employee is eligible for a lump sum bonus up to 50% merit ranges, paid in December 2021. More information for this population will be provided late fall.

**Q: Is there guidance pertaining to employees paid over the maximum for their current position?**

A: If an employee is at or over the maximum pay for their position, they are not eligible for a merit increase to their base salary and will receive a lump sum payment in lieu of merit. This is a university-wide practice that must be applied consistently across schools/units.

**Q: Are lump sum payments in lieu of merit optional for employees over the max?**

A: Over the max lump sum payments are not discretionary payments. It is important to recognize staff contributions, even if their base salary is over the maximum for their position. These lump sum payments are part of the merit allocation and pay for performance process.

**Q: What is the current guidance on performance bonuses?**

A: If an employee provides outstanding and exemplary performance that the manager would like to recognize with a bonus, it is best practice to offer the bonus during the year, as close as possible to the specific effort being rewarded for maximum impact. Performance bonuses are not to be included on the FY21 merit spreadsheets. Performance bonuses are separate from the merit process and should be managed through the school/unit [HRBP](#); guidance on performance bonuses can be provided by your HR Business Partner.

**Q: Can the merit letters be altered?**

A: No. The Compensation-issued merit letter is the employee's official notification regarding their merit increase and compensation. This letter will be saved to the employees' employment record for compliance and audit purposes. If a school/unit wishes to provide a personalized message, they may create a cover letter to be delivered together with the official merit letter.

**Q: Can I share the Salary Planning Guide with my team and/or client area?**

A: Yes. We encourage you to cascade the Salary Planning Guide throughout your school/unit.

**Q: Who should I contact if I have questions or concerns about the merit process, data in my spreadsheet, etc.?**

A: Please contact Annie Hess, Director of Compensation, ([ahess@gwu.edu](mailto:ahess@gwu.edu)) with any questions or concerns.