

# Section 3: Compensation & Performance

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## Policy #3: Performance Management

Effective Date: July 1, 2011

### I. Purpose

The purpose of the Town's Performance Management System is to ensure that all Town employees are evaluated in a fair and equitable manner and that opportunities for development and communication are provided.

### II. Scope

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be hired or appointed by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

### III. Background

None

### IV. Definitions

Manager – any employee who has the responsibility of completing another employee's performance appraisal.

### V. Legislation

None

### VI. Policy

It is the Town of Mooresville's policy to set performance expectations, coach employees to reach those expectations, provide feedback to employees and then review and recognize those performance results. Performance management shall be conducted throughout the year.

### VII. Provisions

#### A. Purpose of the Performance Management Process

The Town's Performance Management Process is a performance management and development process designed to support the overall goals and objectives of the Town. The process is designed to provide individual performance feedback in a positive manner. The process is a tool for supervisors and employees to plan professional and career development with the Town. The Employee

Performance Appraisal Form is the tool used to administer the process, as well as document results of the process.

## B. Components

The process has five major components:

1. Core Competencies – five fundamental abilities every employee should have. These competencies are set by the Town:
  - a. Commitment to the Town’s vision, values, quality work and achieving outcomes
  - b. Customer Service
  - c. Safety
  - d. Self Management
  - e. Teamwork
  
2. Management Competencies – five fundamental abilities every manager should have. These competencies are set by the Town:
  - a. Coaching/Mentoring
  - b. Leadership
  - c. Managing Work and Performance
  - d. Resource Management
  - e. Safety & Security Management
  
3. Job Specific Competencies/Accountabilities – an unlimited number of abilities and responsibilities that are specific to each employee. These competencies and accountabilities are set by the employee’s supervisor with input from the employee.
  
4. Development Plan – designed to help the supervisor and employee prepare for future success by setting up an annual action plan for improving skills, increasing knowledge and/or gaining experience.
  
5. Performance Ratings –performance on each competency will be evaluated according to the following five levels:
  - a. Exceptional Performance
  - b. Exceeds Expectations
  - c. Meets Expectations
  - d. Below Expectations
  - e. Does Not Meet Expectations

## C. Consistency

The goal of supervisors in each department should be to achieve as much agreement and consensus on what constitutes each performance level in order to achieve as much consistency as possible among his/her employees.

Department Directors/Managers should create a common understanding of the performance levels among his/her supervisors.

#### D. The Performance Management Process

The Performance Management Process involves ongoing communication throughout the year. The process focuses on three areas of performance: core competencies, management competencies (if applicable) and job specific competencies/accountabilities. The process also includes a development plan aspect that allows for discussion and documentation of individual development needs and activities. Such activities include specific job-related developmental activities, individual competency development and training activities.

An employee and the immediate supervisor, called evaluator, will jointly participate in the process, which includes the following meetings between an individual and the evaluator:

- Individual planning meeting
- Informal mid-year feedback session (suggested, not required)
- Formal year-end summary meeting. The individual planning meeting for the following year may be combined with this meeting.

Feedback discussions, however, should occur throughout the year. Critical events should be documented and discussed with an employee as they occur. The competencies provide an excellent foundation for discussions of desired behaviors while accountabilities provide a foundation for discussions of desired outcomes. The development plan is used to document developmental goals of the employee.

The process has five sections (A, B (if applicable), C, D and E). It is usually completed in three working sessions over the yearlong performance period.

##### 1. Planning for Performance

The supervisor will go over his/her expectation on the core competencies and manager competencies if applicable. The employee will work with his/her supervisor to develop his/her own job specific competencies/accountabilities and development goals for the next year. The core competencies are recorded on the Employee Performance Appraisal Form in Section A. The manager competencies (if applicable) are recorded on the Employee Performance Appraisal Form in Section B. The job specific competencies/accountabilities will be recorded on the Employee Performance Appraisal Form in Section C. The Development Plan will be recorded in Section E.

2. Mid-Year Performance Update

In January, the supervisor and the employee may meet for an informal mid-year performance update meeting. In this meeting, the competencies and accountabilities will be reviewed and modified, if needed. The supervisor will provide feedback to the employee regarding their performance against the accountabilities and the competencies. Discussion may also occur on the developmental plan. Written feedback during the mid-year performance update is optional.

3. Formal Year-End Performance Evaluation

The end of the formal review period is June 30. In May or June, the formal year-end summary meeting occurs. Prior to the meeting, the employee may evaluate his/her performance by completing the Comments portion under each competency/accountability section. An employee self-assessment is optional. The employee will receive a copy of the signed form.

E. Evaluator Comments/Ratings

The evaluator's ratings and comments will be completed and approved by the Department Director/Manager prior to meeting with the employee.

1. Ratings

Each performance level has a single score that is attached to it:

- Exceptional = 100
- Exceeds = 90
- Meets = 80
- Below = 70
- Does Not Meet = 60

While each competency may have several parts, the only score possible for a particular competency or accountability is 60, 70, 80, 90 or 100.

Once each competency or accountability is scored in a particular section, the scores should be added together and divided by the number of competencies or accountabilities to come up with a final average score for that section.

In the event the employee brings up new information during the formal year-end performance evaluation that causes the evaluator to question any rating(s), the evaluator must first get the approval of the Department Director/Manager prior to making any rating changes.

2. Comments

All Evaluator Comments should be discussed during the formal year-end meeting. Any rating of "Meets" does not require additional

documentation; however any rating other than “Meets” is required to have sufficient comments to support the rating.

F. Employee Comments

Employees should be encouraged to provide comments in Section D once the formal year-end evaluation has been completed. This is an opportunity for the employee to provide formal feedback to the supervisor, general comments or responses to specific elements of the evaluation. These comments can be typed, hand written or attached in whatever format the employee prefers. The point is to make it as easy as possible for the employee to comment.

G. The Overall Rating Process

The evaluator will complete the Overall Performance Rating, and will discuss the rating with the employee during the formal year-end meeting. The rating will be based on an average of Sections A, B (if appropriate) and C. The Department Director/Manager has responsibility/authority for the overall performance ratings of his/her employees.

H. Documentation and Filing

The employee and the evaluator sign and date the form on the signature lines only after all sections are completed. The Department Director/Manager will have already signed the form when approval for the evaluation was received. The employee will receive a copy of the completed form. The Department Director/Manager is responsible for sending the original copy of the form to the Human Resources Department.

I. Communication and Approval of the Process

Communication is critical to the management of the process. Supervisors, managers and department directors should communicate with each other prior to any evaluation meetings and assigning of overall ratings to ensure consistency and equity of evaluations within the department.

J. Transfers

Employees transferred within the rating period will receive joint evaluations. Prior to the transfer, the current supervisor is expected to do a close-out evaluation with the employee with a copy going to the receiving supervisor. The department receiving the employee is responsible for the Overall Performance Rating and administering any applicable merit increases.

K. New Hires

Supervisors should provide newly hired and promoted or transferred employees with a Performance Planning Session upon hire. Newly hired employees will participate in the process according to the regular schedule.

L. Probationary Employees

An employee will receive a performance appraisal upon completion of the probationary period. If the evaluation is completed more than 3 months prior to July 1, another full performance appraisal will be completed. If the appraisal is completed less than 3 months prior to July 1, an addendum may be added to the existing appraisal if necessary. If no addendum is added, the probationary score will be used for the July 1 effective date.

M. Merit Increases

Merit increases shall be based on the overall performance rating and the availability of funds. Whenever possible, merit increases will take effect the first full pay period of the new fiscal year (July).

1. Pay Chart

As soon as funding for merit increases is approved, a pay raise chart will be distributed.

2. Poor Performance

Employees receiving an overall performance rating of less than "Meets" as of June 30th are not entitled to a pay increase and may be subject to disciplinary action.

3. Proration

Merit increases for employees will be prorated according to the number of pay periods worked in the fiscal year prior to July 1. In the situation of a reclassification when a salary increase was given, the merit increase will be prorated according to the pay periods worked in each classification during the fiscal year. In the situations of a new hire, promotion or demotion the increase will be prorated according to the pay periods worked after regular status was achieved and a probationary increase was given. Employees at the maximum of the pay range will receive a lump sum check for the full percentage of the merit increase.

**VIII. Authorization**

Approved by:

Erskine Smith

Town Manager

July 1, 2011

Date