

**City of Memphis**

**Employee Performance  
Management/Recognition  
Program Policy  
2017**



## CONTENTS

- A. Purpose
- B. Scope
- C. New/Transferred Employees and Managers
- D. Training
- E. Format of Performance Reviews
- F. Performance Competencies
- G. Performance Goals
- H. Rating Scale/Target Distribution
- I. Calibration Process
- J. Completion of the Performance Management Process/Performance Rewards
- K. Calendar

## **A. Purpose**

The goals of the employee performance management/recognition plan are to:

- (1) ensure effective formal communication between managers and employees of job expectations and performance;
- (2) better align the rewards of City employees with their performance in competencies and goals/objectives related to their jobs;
- (3) compensate employees who are contributing at a high level to the success of their departments;
- (4) identify and address deficiencies in performance and provide improvement and development opportunities; and
- (5) increase overall organizational performance, efficiency, and effectiveness to support a culture of excellence.

## **B. Scope**

This plan applies to full-time, regular, non-represented employees excluding elected officials and employees in a probationary (non-administrative) or training capacity such as Recruits and Police Service Technicians.

Note: Represented employees may be able to participate in separate plans agreed to and implemented between the City and employee associations.

## **C. New/Transferred Employees and Managers**

Employees must be employed in a full-time, regular status in a position covered by this program for, at least, six months as of July 1 to be eligible to receive an annual performance reward.

For example, if an employee promotes from a non-covered position (such as Police Sergeant) to a covered position (such as Police Lieutenant) more than six months prior to July 1, an annual review is required. If the employee promoted less than six months prior to July 1, an annual review is not required.

In cases where an employee's six month probation has been extended, the annual review will not be finalized and the employee will not be eligible for an annual performance reward until the employee successfully completes their initial probation.

Newly hired full-time employees in positions covered by this program who have been employed for 6 to 11 months will have their performance reward amount prorated based on the number of months they have been employed.

In cases where an employee has reported to his/her current manager for less than 6 months, the current manager must attempt to collaborate with the previous manager or use valid performance documentation to complete the performance review, when possible. When this is not possible the manager at the next level up should conduct the review to ensure that employees covered by the program receive a review whenever possible.

**D. Training**

Human Resources will provide management training through multiple methods to ensure reviewers fully understand how to properly and fairly conduct an employee performance review.

Reviewers will be provided the opportunity and encouraged to attend instructor-led performance management training. All reviewers are required to study and gain a full understanding of the performance review training materials. All reviewers will be required to acknowledge that they fully understand the purpose, process, and principles of conducting accurate and fair employee performance reviews. All employees who will be receiving a review will receive information via electronic communication and division HR liaisons to educate them regarding this program.

**E. Format of Performance Reviews**

Performance reviews will be calculated based 40% on the rating of 5 standard performance competencies (equally weighted) and 60% on the rating of goals defined and weighted by the reviewer.

**F. Performance Competencies**

<b><u>Employee Competencies</u></b> (Non-Supervisor)	<b><u>Supervisor Competencies</u></b>
Customer Service	Customer Service
Results Focused	Results Focused
Quality	Quality
Teamwork	Leadership
Organization	Strategic Planning/Efficiency

The performance competencies are defined as follows:

Customer Service

- a. Strives to fully understand and satisfy customers (internal and external, including anyone who is receiving service or work product from the employee) needs by the established time.
- b. Responds to requests promptly (as determined by management); follows up to keep customers informed; and meets commitments.
- c. Fully communicates in easy to understand terms (verbally and in writing) with courtesy and sensitivity.

Results Focused

- a. Meets or exceeds productivity expectations in volume of work and completing work in a timely manner.
- b. Seeks out creative, innovative ways to meet customer needs in the most efficient manner.
- c. Achieves challenging goals and demonstrates persistence to overcome obstacles.

Quality of Work Performed

- a. Demonstrates attention to detail through a high level of accuracy and thoroughness.
- b. Produces results that fully meet and anticipate the customer's needs and manager expectations, as well as produces results that do not require correction.
- c. Utilizes job skills, expertise, and ability to learn to achieve high quality results.

Teamwork (non-supervisor only)

- a. Coordinates work well with others to produce overall desired results.
- b. Establishes and maintains effective, productive working relationships with diverse groups.
- c. Exhibits objectivity and openness to others' views and welcomes and learns from constructive feedback.

Working in an Organized Manner (non-supervisor only)

- d. Plans work in advance and is prepared in advance to perform work duties.
- e. Prioritizes work activities to achieve most critical results.
- f. Maintains an orderly, clean, and safe work area and works in an organized manner.

Leadership (supervisor only)

- a. Sets appropriate performance expectations and holds team members accountable for meeting them.
- b. Creates a motivational environment for others to meet and exceed performance expectations.
- c. Takes initiative to address and resolve challenges and identify and implement process improvements.
- d. Selects and develops high-performing, motivated subordinate employees.

Strategic Planning/Efficiency (supervisor only)

- a. Identifies best course of action based on fully understanding the organization and its' environment.
- b. Makes decisions that will maximize potential for success based on reliable data.
- c. Determines needed resources and manages resources efficiently to achieve results.

**G. Performance Goals**

Managers define and record employee performance goals for the performance period as well as the way the results will be measured. Employees must have at least two goals, however three to five goals is recommended. The manager weights the percentage the goals will contribute to the overall goal rating. Goal weights must add up to 100%. Goals should generally be set at the beginning of the performance period. However, goals can be added during the year. The employee must have adequate notice to complete the goal within the performance period.

All employee performance goals must meet the SMART goal criteria below.

<b>SMART Goal Criteria</b>	
<b>SPECIFIC</b>	The goal must be clearly communicated and the employee should understand exactly what results should be realized.
<b>MEASURABLE</b>	How will the results of the goal will be measured should be as quantifiable and objective as possible? "Stretch" results should be used to identify how the employee can exceed expectations.
<b>ACHIEVABLE</b>	The goal must be feasible - something that can realistically be achieved. The employee must have control or influence over resources necessary to achieve the goal.
<b>RELEVANT</b>	The goal must be relevant to the success of the organization and/or development of the employee. Employee goals should contribute to meeting organization goals at the service center, division, and City levels.
<b>TIME-BOUND</b>	The goal must have a specific due date to be completed that sets a clear, realistic timeframe. Completion before or after the due date should be considered in exceeding or failing to meet expectations.

## H. Scale/Target Distribution

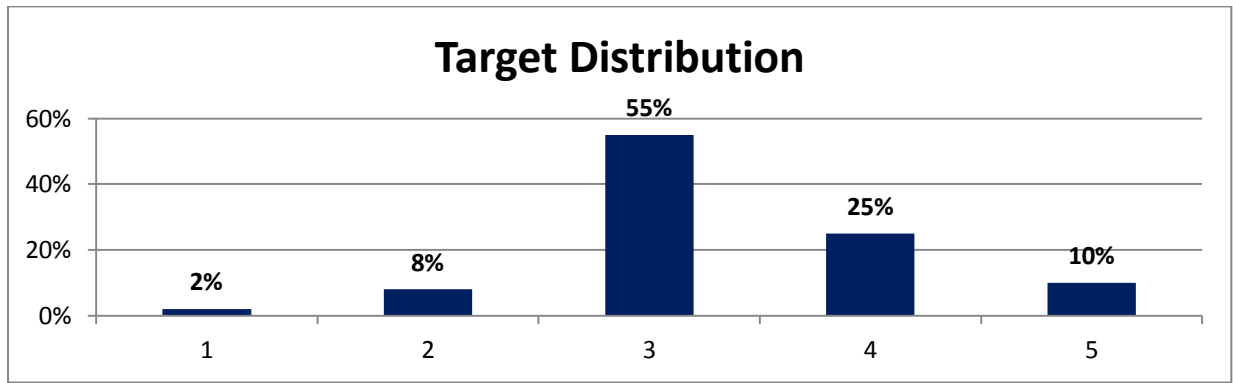
The performance rating scale is 5 (highest) to 1 (lowest), shown below with definitions.

<u>Performance Rating</u>	<u>Definition</u>
5-Consistently Exceeds Expectations	Consistently demonstrates exceptional behaviors; serves as a role model and mentor. Superior performer, takes on more than expected and successfully completes, requires little or no guidance, and seeks out and accepts greater responsibility.
4-Exceeds Expectations	Generally demonstrates effective behaviors and, at times, exceptional behaviors. Displays initiative, seeks job growth, requires little guidance, and occasionally takes on more than expected and generally completes.
3-Meets Expectations	Consistently demonstrates effective behaviors. Demonstrates acceptable performance, does a good job, meets job requirements, requires some guidance, completes assigned projects, usually performs the minimum requirements successfully.
2-Below Expectations	Demonstrates effective behaviors at times, but not consistently. Falls below minimal performance, does not consistently demonstrate ability to perform at expected levels, requires specific guidance, and shows some potential for improvement.
1-Consistently Below Expectations	Rarely demonstrates job competency in behaviors. Has not responded to previous efforts for improvement, usually does not demonstrate ability to perform at expected levels, requires significant improvement, and requires substantial guidance.

Ratings on specific competencies or goals above or below expectations require justification in the comments of exceeding or failing to meet the performance expectation. The overall performance rating will calculate from the ratings of the competencies and goals and round from the range shown below. In the case of bonuses, an employee earning a rating of 3, 4, or 5 will receive a lump sum bonus calculated as a percentage of the employee's base salary or other rewards. The percentage amount of any bonuses will be determined at the end of the year. Employees earning a rating of 1 or 2 will not be eligible for a reward.

<u>Performance Rating</u>	<u>Range</u>	<u>Target Distribution</u>	<u>Reward Level</u>
5-Consistently Exceeds Expectations	4.75 to 5.00	10%	To Be Determined
4-Exceeds Expectations	3.75 to 4.74	25%	To Be Determined
3-Meets Expectations	2.75 to 3.74	55%	To Be Determined
2-Below Expectations	1.75 to 2.74	8%	Not Eligible (Performance Improvement Plan Recommended)
1-Consistently Below Expectations	1.00 to 1.74	2%	Not Eligible (Performance Improvement Plan Required)

The population of City employees in this program will be expected to approximately match the target distribution shown in the chart above and graph below. This distribution is deemed to be consistent with the definitions of the performance ratings and general expectations of the performance of City employees. Requests to deviate from this distribution will be addressed during the calibration meetings and managers will be required to provide justification.



### **I. Calibration Process**

Managers are responsible for completing initial reviews for all employees reporting to them and submit tentative performance ratings in mid-May. Human Resources will review the tentative ratings to ensure fairness/consistency addressing the following:

- (1) Do the divisional/service center ratings approximately match the target distribution?
- (2) Are ratings of employees in the same or similar positions across departments or divisions consistent?
- (3) Are high ratings, four and especially five, and low ratings, two and especially one, justified based on sufficient documentation?
- (4) Are employee goals aligned with and support achievement of the organizational goals of the department, division, and the City of Memphis?

The Human Resources Division will schedule meetings with members of management of each division at multiple levels (first-line supervisor, mid-level management, and upper management) to the extent that fairness and consistency across the performance management process and the specific items above need to be addressed. These meetings will be held from mid-May to Mid-June, when final performance ratings will be determined.

### **J. Completion of the Performance Management Process/Performance Rewards**

Managers will conduct performance review meetings with their employees by July 1. During these meetings, managers will discuss the employees' final ratings on each competency and goal and inform them of their overall rating, including discussing areas that were strengths and those that need improvement. The majority of this meeting should be opportunities for the



employee to improve performance in the coming year and also to address goals for the coming year. An employee who wishes to appeal his/her overall rating may do so by completing a standard form provided by Human Resources and submitting it to their manager by the 3rd (business) day in July. The appeal will be reviewed by the Division Director or designee by the 8<sup>th</sup> (business) day in July, whose decision will be final.

Also prior to July 1, the City will announce the specific types and amounts of performance rewards for the year.

Human Resources and Finance will administer the payment of any monetary rewards for the last pay period beginning in June.

NOTE: For non-exempt (hourly) employees, this annual bonus will cause their regularly hourly rate pay over the past year to effectively increase. Therefore, the exact bonus amounts for non-exempt employees would include a recalculation of their overtime pay for the past 12 months.

**K. Calendar**

<b>Calendar for Completing Performance Review Cycle for FY 2017</b>	
March 20 - April 7	<p><u>3rd Quarter Employee Performance Meeting</u></p> <ul style="list-style-type: none"> <li>● Checkpoint to discuss employee performance and progress toward goals through the first three quarters of the year.</li> <li>● After three quarters, employee should have good understanding of how performance is being evaluated.</li> </ul>
April 25 - May 8	<p><u>Training For Reviewers (In Current City Oracle System)</u></p> <ul style="list-style-type: none"> <li>● Training will be (1) Technical System Training, (2) Employee Meetings/Communication/Goal Setting, and (3) Pay-For-Performance/Target Distribution/Calibration Process.</li> <li>● Step-By-Step Documentation (possibly videos) will be provided to all reviewers.</li> <li>● For those who need additional Instructor-led training, this will be provided at multiple division locations.</li> </ul>
April 17 - May 15	<p><u>Manager conducts Initial Performance Review On-line</u></p> <ul style="list-style-type: none"> <li>● Goals that were set at beginning of review period or added/amended are entered into system.</li> <li>● Competencies and Goals are rated for employee including specific results of goals.</li> <li>● This rating will be TENTATIVE. No meetings are held with the employee at this time.</li> <li>● Any changes to the review/rating will be made through the Calibration process (below), not by the manager.</li> </ul>
May 15 - June 16	<p><u>Calibration Process/Meetings Held</u></p> <ul style="list-style-type: none"> <li>● Divisional Meetings will be held starting with supervisors to middle managers and then top management.</li> <li>● Average departmental ratings will be discussed, as well as very high or very low ratings.</li> <li>● Consistency with target rating distributions and meeting budget parameters will be discussed.</li> <li>● Adjustments to reviews/ratings may be required at this time.</li> </ul>
June 16	All approved, final ratings must be in the system.
June 19 - June 30	Managers hold employee performance review meetings.
June 26 - July 6	Employee may submit standard one-page "Appeal" form to Division Director or designee. This must be based on specific criteria (performance examples, areas of performance that should be weighted more heavily, etc.)
July 13	Division Director or "designee" responds to employee and to HR (if rating is being changed). Performance rating is now final.
July 14	In the case of performance bonuses, bonus appears on pay check.