

Pay for Performance

“Lehi Style”



Background





LEHI CITY
EMPLOYEE PERFORMANCE APPRAISAL

7) **Communication:** Accuracy and effectiveness of communication, presentation of ideas and information in formal oral presentations and informal discussions, written reports, emails, letters, and memorandum:

- a. Effectively conveys work-related information and ideas to others whether orally, written or in electronic communications. S E M N U
- b. Is an effective listener and answers questions well (even under pressure).
- c. Contributes to meetings and group discussions and does not use slang, derogatory, foul or inappropriate language.
- d. Consistently communicates changes and progress of work and communicates the necessary information to supervisors, support staff, and peers.

COMMENTS/JUSTIFICATIONS:

level in each area that most accurately describes how well the employee accomplished or did not accomplish that factor.

Performance Rating Levels:

(S) SUPERIOR: Always exceeds job requirements. This is the highest level of performance. This rating should be used very infrequently and only for superior work performance.

(E) EXCEEDS EXPECTATIONS: Frequently exceeds job requirements. Objectives are achieved above the established standards and accomplishments are made in unexpected areas as well. This rating should only be used when work performance exceeds expectations.

(M) MEETS EXPECTATIONS: Performs 100% of job duties satisfactorily. Normal guidance and supervision are required.

(N) NEEDS IMPROVEMENT: Occasionally fails to meet job requirements; performance must improve to meet expectations of position. Some work may be incomplete, of poor quality or quantity, or not submitted within acceptable time frames. Improvement is required.

(U) UNACCEPTABLE: Consistently fails to meet job requirements; performance clearly below minimum requirements. Work is often incomplete, of poor quality or quantity, or not submitted within acceptable time frames. Continued performance at this level may result in disciplinary action up to and including termination.

When evaluating each performance factor, consider only those aspects of the employee's performance in the specific area being evaluated. Upon the completion of rating each sub-factor, the supervisor will use the "Comments/Justifications" box to record remarks, specific examples, or explanations to support any rating other than an, "M." This justification will enable the supervisor to explain the rating with specific performance examples. Additionally, it will enable

Appraisal Philosophy

Assure that the position grade or category is within an acceptable **market range**



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Supervisors **evaluate** ...

Administration **compensates**



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COLAs may allow for mediocrity





Calculating the Increase

Appraisal Scoring for NON-SUPERVISORS			
% Increase	Score*	"Spread"	Description
0%	0-90		
1%	91	1	
1.25%	92	1	
1.50%	93	1	
1.75%	94	1	
2%	95-96	2	
2.25%	97	1	
2.50%	98-99	2	
2.75%	100-101	2	
3%	102+		

Appraisal Scoring for SUPERVISORS			
% Increase	Score*	"Spread"	Description
0%	0-102		
1%	103	1	
1.25%	104	1	
1.50%	105	1	
1.75%	106	1	
2%	107-108	2	
2.25%	109	1	
2.50%	110-111	2	
2.75%	112-113	2	
3%	114+		

* Where each "M" is given a score of "3"; the ratings are scored as follows: S = 5, E = 4, M = 3, N = 2, U = 1.

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[full description not available in this version]



Possible Strengths and Weaknesses

- Supervisors are not involved in the awarding of compensation
- Appraisers may seek to “game” the system by granting more “non-Ms” than necessary
- Standardization across departments
- Supervisors must know employees well
- Appraisals and goals must be reviewed often, not just once per year

“no system is perfect”



Final Thoughts

- Systems must fit the organization's needs
- Performance goals should be set according to individual jobs
- Appraisals and goals must be reviewed regularly, not just once per year
- It is said that compensation does not motivate, but it may serve to satisfy



Thanks!

"Gangnam Style" is a Korean neologism mainly associated with upscale fashion and lavish lifestyle associated with trendsetters in Seoul's Gangnam district (강남) which is often compared to Lehi, Utah and is considered to be the most affluent part of the metropolitan area. These trendsetters all utilize pay for performance systems to compensate their employees!*

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* Underlined content may or may not be validated by actual empirical evidence

