

# Questions and Comments with Answers from AVC Powell

**Webcast Topic: Performance Management & Merit Pay**

**Webcast Date: 13 April 2016**

Dear Administrative Staff,

As promised and in an effort to promote full transparency, I am disclosing all questions and comments submitted during my webcast on April 13, 2016, in raw/unedited format. Following each question, please find my written response to these inquiries.

I want to thank all staff for participating. We had over 200 colleagues signed onto the webcast, making it one of the highest attended webcasts since their launch. The [webcast](#) and accompanying [PowerPoint presentation](#) remain online for your continued viewing and reference.

If you have any additional questions or comments, please feel free to reach out to me directly.

Best regards,

Brian K. Powell

Assistant Vice Chancellor & Chief Human Resources Officer

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**Question 01: My supervisor hasn't given me an appraisal in two years. What happens if I don't get one this year?**

**AVC Powell's Response:**

- For represented staff, your respective collective bargaining agreement (CBA) governs: you are deemed to have met expectations for the year-in-review. Your salary increase is dictated by the CBA.
- For non-represented employees, by effect of PPSM-23 your overall performance for the year-in-review will be deemed "3 – Meets Expectations". The corresponding Merit Increase for non-represented staff who meet expectations is between 2.25% - 3.25%. You will be eligible to receive a salary increase within this range provided you meet the eligibility guidelines (see my response to Question 09 below for eligibility factors).
- I will also point out that administrative supervisors and administrative managers who fail to complete appraisals should see this failure reflected in their own core competencies (potentially impacted core competencies include: People Management; Communication; Resource Management & Sustainability; Quality Assurance & Assessment; and Teamwork and Collaboration) and in their own merit increase (if any). Providing feedback and establishing goals – in short, managing employees – are key responsibilities of administrative supervisors and managers. A highly visible and tangible expression of those responsibilities is the provision of an annual appraisal for each direct report and ongoing performance management.

**Question 02: What's the appraisal process?**

**AVC Powell's Response:**

- I would like to refer you to the slide deck from my April 13<sup>th</sup> webchat, which (1) outlines merit pay; (2) outlines the performance management timeline; and (3) introduces you to the new Summary of Accomplishments Form and the new Performance Appraisal Form. This should provide you with a comprehensive overview of this year's process from start to finish. Please see [http://hr.ucmerced.edu/files/page/documents/webchat\\_slide\\_-\\_performance\\_management\\_at\\_ucm.pdf](http://hr.ucmerced.edu/files/page/documents/webchat_slide_-_performance_management_at_ucm.pdf).
- To quickly summarize, the process is as follows:
  - The Summary of Accomplishments can be completed between April 27<sup>th</sup> and June 30<sup>th</sup>. Although the SOA is an optional component of the performance appraisal process, individual departments have the discretion to require all employees to complete the SOA. If you choose not to provide this feedback, then you have chosen to disengage your supervisor in a discussion about your accomplishments, your challenges, and your development. It will be a missed opportunity for you.
  - The Performance Appraisal opens on May 19<sup>th</sup>. Both manager and second-level reviewer must complete the appraisal and the review, respectively, on or before July 31<sup>st</sup>.
  - HR will provide feedback on or before August 15<sup>th</sup>.
  - Appraisal meetings and completion of all performance appraisals must be finished by August 31<sup>st</sup>.

**Question 03: So, because we are in the union, our job performance isn't worthy of a wage increase? So the only reward we get for hard, exceptional work is a negotiated wage?**

**AVC Powell's Response:**

- This is how collective bargaining works in America: your union negotiates the wages and benefits of employment on your behalf. You're getting an increase by operation of the collective bargaining agreement (CBA). It's simply untrue to assert that your job performance "isn't worthy of a wage increase" since you are receiving an increase by effect of CBA.
- Furthermore, your negotiated wage is but *one* reward for hard, exceptional work... it is not the *only* reward. Contributing to the UCM mission and working in a collaborative environment are non-monetary rewards that have value. Most importantly, in my opinion, is that hard, exceptional work does not go unnoticed. It's precisely by applying yourself that you gain skills, recognition, and reputation that leads to an investment in your professional development, which, in turn, further grows your skills and opens up advancement opportunities here or elsewhere. Hard, exceptional work is really how you pay yourself: it represents YOUR investment in developing your professional reputation and skill sets – developments that will propel you to a career of future successes and accomplishments.

**Question 04: So, if this doesn't apply to represented employees, are we required to participate in this system?**

**AVC Powell's Response:**

- Merit Pay and Performance Management are distinct processes. Although Merit Pay is uniquely a non-represented salary increase strategy, ALL STAFF – represented and non-represented – are required to perform at or above expectations.
- As such, participation in the Halogen performance management system is required of ALL staff regardless of represented status.

**Question 05: Will there be any transparency regarding overall ranking of employee performance by VC area? Will the campus see if one VC area is giving a disproportionate number of “Far Exceeds” (or “Unacceptable”) vs. other VC areas?**

**AVC Powell’s Response:**

- Good question. I’m certainly not opposed to it, but I will not be presumptuous and speak on behalf of our Vice Chancellors. Nonetheless, I will present this as a staff suggestion for consideration at an upcoming Cabinet meeting.
- I do caution you to keep in mind how Merit Pay works: by UCOP mandate, no division (and by extension, no campus) can exceed the overall 3% salary pool. I anticipate that all divisions here will have a similar – but not necessarily identical – distribution allocation. Should one division have more “far exceeds”, by sheer laws of economics, it would be expected that this division would also have more underperforming staff in order to stay within the overall 3% salary pool.
- My point here is that differences in distribution may occur, they will likely be modest differences, and they are acceptable so long as the overall 3% salary pool is not exceeded.

**Question 06: Does the salary pool mean that the entire department gets budgeted 3% for raises, so for one person to get more, some people will have to get less than 3%?**

**AVC Powell’s Response:**

- Each division is given a number that represents 3% of all eligible salaries within that division (e.g., “the pool”). The Chancellor has tasked each Vice Chancellor with distributing the money in the allocated pool without exceeding the allocated pool. Some staff will receive 3%, some will receive more, and some will receive less. It is performance driven.
- Please understand that the historical practice of 3% across-the-board (ATB) no longer applies. Yes, the salary pool is based on 3% of eligible salaries, but the allocation of Merit Pay is based upon the approved matrix. That means that you can “Meet Expectations (3)” and receive an increase above, at, or below 3%; the range for an overall rating of “3” is 2.25% to 3.25%. Unlike in across-the-board (ATB) allocation strategies, in Merit Pay 3% is not an entitlement: it is an earned merit-based increase that you may or may not be given.

**Question 07: Your response was pretty vague. The clear answer is “YES” in order for one person to be appraised at a higher level, someone else needs to be appraised at a lower level. The fact that it is merited is a different answer to a different question.**

**AVC Powell’s Response:**

- Not necessarily. While this could certainly happen, your statement presumes universal applicability of this occurrence that simply isn’t true. An entire unit could Meet Expectations (3) and even within that unit pay increases can vary between 2.25% and 3.25%. Likewise, a unit could be comprised of those who Meet (3) and Far Exceed (4) Expectations and still be within the 3% salary pool threshold given the corresponding salary increase ranges (2.25-3.25% for “3”; 3.5-6.0% for “4”).
- What cannot happen is an entire organization receiving an overall 4 assessment. Not everyone can be a 4. Not everyone is a 4. I believe that most of our staff are meeting high expectations and delivering very solid, very commendable performance. Some do more, some do less, and this is precisely what pay-for-performance is designed to recognize.

**Question 08: You say “that is not how merit pay works,” getting a 3%, but that is how it works for represented. They have received well over 3% each year and only have to be satisfactory, and their percentage does not affect someone else’s pay.**

**AVC Powell’s Response:**

- In my observation many of our represented employees are rendering very solid performance, and regardless of a negotiated increase, ALL represented employees must perform at or above expectations or must undergo rehabilitative improvement plans, corrective actions, or disciplinary measures. The bargaining units are not exempted from expected measures of performance.
- If you are non-represented, I would also say that your respective Merit Pay increase is not dependent upon the amount received by another staff member. The performance that YOU deliver directly corresponds to the increase that YOU earn. This is the functional heart of pay for performance methodologies: through application and aptitude, your hard work is rewarded in a way that across-the-boards (ATBs) and bargained-for wages cannot and will not.

**Question 09: For contract employees who have been with the university for many years but have been on 12-month year-to-year contracts, are they considered long term?**

**AVC Powell’s Response:**

- Yes. If you are (1) a non-represented employee (2) on a Career appointment or on a one-time or a recurring contract appointment that measures greater than 12 months, and (3) if you were hired on or before March 31, 2016, you are eligible for the Merit Pay program. The Chancellor and the Cabinet were unanimous in their desire to include this important cohort of employees in the Merit Pay program.
- Limited Appointments and limited engagement Contract Appointments (those less than 12 months) are NOT eligible for Merit Pay.

**Question 10: Does Merit Pay apply to Senior Management Group?**

**AVC Powell’s Response:**

- Yes, Merit Pay applies to the SMG. President Napolitano has implemented Merit Pay for all non-represented staff members and expressly included SMG members in this program. This is a top-down/bottom-up strategy that applies consistently to all non-represented staff.

**Question 11: Who can I contact to obtain the Halogen login information or change the supervisor in Halogen?**

**AVC Powell’s Response:**

- An important question and important housekeeping reminder.
- Please contact either your HR Business Partner or HR Consultant directly, or please send an email to [hr@ucmerced.edu](mailto:hr@ucmerced.edu). We will be happy to assist you with this.

**Question 12: How are managers/supervisors held accountable for ensuring that they are supporting staff with accomplishing the goals throughout the year? It seems like the only check in happens at the end of the year when the evaluation is happening again.**

**AVC Powell's Response:**

- Ongoing performance management is the shared goal of UCM leadership. This is a cultural shift at UCM and will take a few years to inculcate broadly. While the process began in Summer 2015, we know we have more work to do.
- Direct supervisors will be gauged on their effectiveness in achieving unit or departmental goals by their respective managers. Accountability is being built into the system.
- In the immediacy, you as a staff member are invited to ask your direct supervisor for a quarterly and/or mid-year check-in. That will help further the goal of ongoing performance management and feedback. I encourage you to ask for these meetings if they are not happening.
- You can also manage your own progress using Halogen. Likewise, your direct supervisor should also be doing this for all of his/her direct reports. To understand how to use the Halogen tool for your own ongoing monitoring, please see [http://hr.ucmerced.edu/files/page/documents/halogen\\_essential\\_functions\\_user\\_guide.pdf](http://hr.ucmerced.edu/files/page/documents/halogen_essential_functions_user_guide.pdf). I would encourage you to share this resource with your direct supervisor as well. Perhaps they are unaware of the ongoing management tools that simplify goal management and goal completion.
- In the future, we will be rolling out 360-degree (a/k/a "Multirater") assessments in which feedback will be solicited from colleagues and customers both inside and outside the unit. Feedback from direct reports regarding their respective supervisors will also be solicited. In this way, we gain a more holistic view of everyone's impact, effectiveness, and opportunities for improvement.

**Question 13: What is the incentive for represented employees to do this extra work? Seems like busy work.**

**AVC Powell's Response:**

- Managers have the discretion to require an SOA from all direct reports. I strongly believe that if you forego this opportunity to dialogue with your supervisor, then you sell yourself and your career management short and abdicate your role in the performance management process. How so? Because even if you resist the SOA process, your performance will be appraised regardless. It's in your best interests to participate.
- Furthermore, I challenge staff all the time with a repeated mantra: OWN YOUR CAREER. The overwhelming number of our staff – if not all of them – aspire to grow their skills, rise in the ranks of the organization, and increase their responsibilities and incomes. You cannot effectively own your career if you acquiesce in this process. This is where you communicate your accomplishments and challenges to your supervisor. This is where you identify how your performance and goals align with those of the campus. This is where you identify professional development opportunities for your own career advancement. Quite the contrary, this is not "busy work"; this is essential to your own success as a UCM teammate.

**Question 14: One concern is that unrepresented employees have to "far exceed," to get up to 6.25%, while represented employees only need receive a satisfactory to get whatever has been negotiated for them. They have exceeded 6% each year for the last couple of years.**

**AVC Powell's Response:**

- We have 14 different bargaining units at UCM, each of which has negotiated different wage increases for their membership. None of those have negotiated 6.25% base salary increases for any single year or for successive years. Such is a commonly held but wildly exaggerated myth.
- Yes, it is true that to achieve an increase of 3.5-6%, a non-represented employee must far exceed expectations. This is not impossible. Highly engaged, high performing staff members can achieve this standard. To do so you need to be engaged with your supervisor. Request check-in's. Request feedback. Monitor your goals using the Halogen tool for your own performance management (see my response to Question 12 for a link to this important "how-to" self-help feature). Halogen certainly permits this. And, know that such engagement is recognized, is noticed, and does identify you for professional development opportunities and career advancement opportunities. You'll be rewarded not only in merit increases but also in skills-building and career ownership. These are exciting and aspirational achievements!

**Question 15: Will no extensions be granted for employees on planned leaves?**

**AVC Powell's Response:**

- It depends on the nature of the planned leave.
- If we're talking about a scheduled vacation, then no. The vacationing employee and the supervisor need to make arrangements to complete the process in advance.
- Likewise, if a supervisor has a scheduled vacation during the appraisal cycle, it is his/her responsibility to complete their work in advance of departing for vacation.
- If an employee is going out on an extended medical or personal leave of absence (and these can be planned and unplanned), I encourage you to reach out to your HR Business Partner or HR Consultant to make arrangements. In these situations, HR will certainly partner with you to ensure that appropriate safeguards are put in place to suspend the appraisal process for that employee until s/he returns.

**Question 16: Who decides the exact merit increase percentage for a employee and how is it determined? The supervisor or HR?**

**AVC Powell's Response:**

- Thank you for this question, as it is important to clarify the role of HR in this process. Please let me be clear: HR DOES NOT DETERMINE YOUR RESPECTIVE INCREASE. That is not our role.
- Your direct supervisor will assess your performance. Based upon that assessment, your direct supervisor will make a recommendation to your division head (the Vice Chancellor) regarding your respective Merit Pay increase, and in consultation with your division head, merit increases will be determined and assigned. Again, this is done at the department level and not by HR.

**Question 17: Will the time line from SOA to actual increase in pay be similar in following years (eg: about 6 months delay)?**

**AVC Powell's Response:**

- I certainly hope not, as I share your seeming frustration. Right now, UCM does not process its own payroll; we rely on UCLA to provide this service. The UCLA system is somewhat manual and rather complex, and that is adding to the UCM timeline currently.
- When we migrate payroll processing to UC Path, it is my hope that Path will allow us to accelerate this process so that there isn't a retroactive payment as we will have in 2016. This is something that I promise I and HR will be working on to address in future appraisal years.

**Question 18: If the manger made unjustified comments and ratings, what process is available for employee to make rebuttal?**

**AVC Powell's Response:**

- You should first enter into a conversation with your supervisor. That is where all dialogue must begin. Explain your concerns, listen to your supervisor's explanations, and ask for reconsideration if you think it's warranted.
- Thereafter, you have the following remedies available to you:
  - If you are a represented staff member, certain union contracts allow for a rebuttal and/or comment period. You may also explore the formal grievance process as prescribed by your respective union contract.
  - If you are a non-represented staff member, PPSM-70 provides you with a complaint resolution procedure.
- Please note that prior to administering your appraisal, it will be reviewed by the second-level manager and also by HR.
- When HR reviews your appraisal, we are examining the supervisor's feedback to ensure that it is quantified/substantiated by specific facts and incidents.
  - Note: we are not *validating* the comments in this process; HR is only ensuring that there is sufficient feedback that substantiates the score.
  - Note: our recommendations to the supervisor may or may not be incorporated. While we strongly encourage supervisors to incorporate our feedback, if they choose not to do so, then the appraisal is administered as-is.
- Once you receive your appraisal, and if you dispute the narrative and/or ratings, please use the above process to seek explanation and potential relief.

**Question 19: Regarding the merit based pay, if a unit receives a total of 3% of salaries to spread across the department (the pool). How does the unit address differences in salaries in this overall dollar amount available? For example, if there is a recommendation (based on performance) for a person with a \$45,000 salary that a 0% increase takes place, then the unit has \$1,350 to spread across other salaries toward merit. If there is a person with a \$90,000 salary, then that does not equate to the same amount, so the percentages are not really accurate comparisons, but are based on the total dollar amount and then representative salary percentage. Is that correct? This clarification is critical as it's important to distinguish between the "percentages available" and "salary pool available".**

**AVC Powell's Response:**

- The salary pool is the total amount of dollars you are given to distribute amongst your non-represented staff pursuant to the Merit Pay Matrix (where you find the percentages available for each overall performance rating).



- Example: If all eligible salaries within a designated unit amount to \$900,000, then the salary pool available to distribute is 3% of that number, or \$27,000. That \$27,000 must be distributed in a manner consistent with the Merit Pool distribution matrix. Total distribution within designated unit cannot exceed \$27,000.
- If you are still unclear, please reach out to me and I will be happy to assist you. I recognize and agree that your clarification and understanding of this distinction is critical.

**Question 20: I am the manager of a 7 person, high-performance team. They all exceed expectations but were kept at MI last year at the preference of management. How do I recognize these folks adequately when we must balance at 3%. It would be my preference to provide at least a 3.25% increase to all. My questions is: is a high-performance team disadvantaged in this matrix/system?**

**AVC Powell's Response:**

- I don't believe that a high performance team is disadvantaged because we should always be striving for continuous improvement, even if it is incremental continuous improvement.
- I would also challenge that you have a high-performing team that is meeting your high expectations. Continuously raise the bar, or task an individual(s) with project-based work (perhaps ask for an innovative process improvement, efficiency, or other objective), identify professional development opportunities for completion, and/or ratchet up the goals if you wish to offer new opportunities for excelling. Even in a high performing team there may be differentiations in contributions. It is the responsibility of managers to recognize even subtle differences and assign Merit accordingly. Otherwise, celebrate your high performing team and allocate merit within the allotted pool, even if that means everyone gets 3%. Trust me: if your staff sees it the same as you, there will be no dispute or disappointment. Otherwise, they will let you know.

**Question 21: If a represented employee is exceeding expectations, is there a method for a supervisor to reward that employee in their salary or will represented employees only be able to receive negotiated increase via bargaining units?**

**AVC Powell's Response:**

- Unfortunately no, as base salary increases are exclusively dictated by the bargaining unit.
- Notwithstanding, you can award this individual with a Spot Award. And, if this individual is represented by the Coalition of University Employees/Teamsters (CUE) unit [these are our "blank" administrative assistants], they can now be recognized with STAR Awards. [Note that only CUE-represented staff are eligible for STAR Awards; the remaining bargaining units have not negotiated or adopted STAR participation as of this writing.]
- There are certainly non-monetary benefits for excellence in performance. Mentoring and career mapping are key means by which you can support and grow this dedicated teammate. Growing these individuals into the non-represented professional ranks is a watershed event for that staff member's development.



**Question 22: Is there a plan to assist managers in cultivating best practices for regular coaching of their employees? It is challenging to receive performance feedback once a year, usually right before the evaluation deadline.**

**AVC Powell's Response:**

- I agree that this is very important. I would refer you back to my answers to Question 12 in the immediacy of this question.
- Ongoing supervisory training is an identified concern from the 2012 and 2015 staff engagement surveys. We need to ratchet up our activity here, I agree. I'm currently working with my Talent Development Manager to identify such training opportunities in the new fiscal year (16-17) to continue building this culture of ongoing performance management here at UCM.

**Question 23: How are you encouraging everyone to complete a performance evaluation when not doing it means an automatic "meets expectation" and the subsequent increase range**

**AVC Powell's Response:**

- Absolutely not. Remember that supervisors and managers who do not complete appraisals for their respective direct reports will see decreases in their own appraisals and decreases in their corresponding merit increases. (Please see my answer to Question 01.) Therefore, it is in a supervisor's best interests to complete appraisals for all direct reports. This is the carrot – or the stick – that drives toward completion.
- Aside from this compelling financial incentive, all managers should be motivated to give feedback, a task that is an essential element of their jobs. This is especially important when managing underperformers. Underperformers deserve to know that they are not meeting expectations in order to give them an opportunity to rehabilitate. Avoiding difficult conversations such as these is bad management, and it's patently unfair to those staff meeting or exceeding expectations since that underperformer will be eligible for a larger merit increase as a result of managerial nonfeasance. In my opinion, managers who are uncomfortable with this essential function of their jobs should either reach out to HR and get training and support, or they might want to reconsider their career choices.

**Question 24: I may have missed this as I joined the webinar late, but it appears that the ranking is still very subjective; one supervisor's view of meets expectation or far exceeds expectations may be very different from another managers view. How is this going to be managed to develop some basic standards of ranking?**

**AVC Powell's Response:**

- Merit Pay combines with Performance Appraisals to naturally calibrate ratings across an organization. This occurs by sheer operation of the financial constraints of the allocated salary pool coupled with the very clearly defined criteria for each rating in our 4-point scale. Quantifying one's ratings should be monitored closely by the second-level reviewer and by the division head (e.g., the Vice Chancellor) to ensure consistency within the division.
- I would like to add that our 4-point scale, introduced in 2015, already gave us a commendable level of calibration in its first year of deployment – even though we were using an across-the-board salary increase methodology. Allow me to explain:
  - In the Summer of 2014 when we last had a 5-point scale untied to salary increases (e.g., no merit), our distributions were completely uncalibrated, as follows:
    - 19.0% of staff were told that they were a 5 (exceptional)
    - 44.0% of staff were told that they were a 4 (exceeds expectations)
    - 35.4% of staff were told that they were a 3 (meets expectations)

- 01.6% of staff were told that they were a 2 (needs to improve)
  - 0.00% of staff were told that they were a 1 (unsatisfactory)
- The above distributions are inconsistent with industry standards. This didn't just occur at UCM: all campuses in the UC System reflected similar ratings.
- Because of this lack of calibration across the UC System, when she announced Merit Pay, President Napolitano outlined what she believes is a properly calibrated distribution at our campuses:
  - Up to 5% of staff are truly exceptional
  - 75-80% of staff are meeting high expectations
  - Somewhere between 5-15% of staff need improvement
  - Somewhere between 0-5% of staff are performing unacceptably
- Absent any knowledge of President Napolitano's properly calibrated distribution model, our campus actually and organically calibrated under the 4-point scale last year. Here are our results from last summer (2015):
  - 4% of our staff were told that they were exceptional (a 4 rating); again, the President believes this population is up to 5%.
  - 81% of our staff were told that they were meeting high expectations (a 3 rating); again the President believes this population is between 75-80%.
  - 12.5% of our staff were told that they needed to improve (a 2 rating); again, the President believes this population is between 5-15%.
  - 2.5% of our staff were told that their performance was unacceptable (a 1 rating); again, the President believes this population is up to 5%.
- This calibration reflects a successful migration away from over-appraising (2014) to accurately appraising (2015) that is consistent with industry standard and consistent with UC System expectations (President Napolitano).
- HR will continue to monitor and share and will continue to partner and train to ensure calibration and consistency of the evaluation paradigm.

**Question 25: How will halogen work if you dual report?**

**AVC Powell's Response:**

- If you currently report to two different supervisors, then those parties have a responsibility to partner with one another in the completion of your appraisal.
- If you have changed departments during the course of the year, your appraisal will be assigned to your current supervisor; however, your supervisor has a responsibility to solicit feedback from your former supervisor in the completion of your year in review.
- In some instances, the supervisors may decide to defer to one or the other. This is particularly true if you worked for one supervisor for 10 months and have only worked with your current supervisor for 1 or 2 months.
- If you have questions about this, I strongly encourage you to speak to your current supervisor(s) and outline this ahead of the appraisal opening date (May 27). If you do not hear back from your supervisor, please contact your HR Business Partner or HR Consultant for guidance.

**Question 26: I heard your response to contract pay but what does "long term" employees mean. How long must I be on yearly contracts to hit the long term threshold?**

**AVC Powell's Response:**

- A long-term contract employee is one who has a recurring/renewing contract year after year or who has been extended a 12-month or multi-year contract for work. Differentiate this from limited employees who are NOT eligible for Merit Pay because they are here on a limited duration of less than 1,000 hours. Also differentiate this from a short-term contract employee who is hired on a contract of less than 12-months duration (e.g., a 6-month contract).
- If you are (1) a non-represented employee (2) on a Career Appointment or on a one-time or a recurring contract appointment that measures 12 months or greater, and (3) if you were hired on or before March 31, 2016, you are eligible for the Merit Pay program.

**Question 27: How does the UC plan on dealing with compaction when bargaining units continue to receive well above 3% for satisfactory performance?**

**AVC Powell's Response:**

- In 2014, Chancellor Leland announced a 3-year Equity Program to address issues like salary compression. We are currently in year 2 of the program review. A key concern is where supervisors of represented units are experience compression with their direct reports. We will monitor this on an ongoing basis to address in the short- and long –terms.

**Question 28: What is considered a unit? I work in a school (SSHA, SNS, ENG), so does the entire school count as a unit? Or does the unit within?**

**AVC Powell's Response:**

- The Chancellor has tasked the EVC and VC's (who head UCM's six divisions) to define "unit" within their respective divisions. In smaller divisions (such as DAR or P&B), the Vice Chancellor may define the entire division as the sole unit for purposes of administering Merit Pay. The heads of larger divisions may elect to subdivide into units. For example, Provost Peterson may elect to define each school as a unit and allocate to each School their respective portion of the 3% salary pool. We are currently working with the EVC and VC's to identify their unit definitions so that we can prepare for Merit Pay distributions in keeping with their preferences.

**Question 29: Will the budget office automatically adjust for any merit increases through the department?**

**AVC Powell's Response:**

- For the person asking this question, would you mind contacting me directly? I would be happy to assist, but there is some ambiguity to this question, and I don't want to miss the intent of your question. Too, it would be improper of me to speak on behalf of my Budget colleagues without understanding the intent of your question.
- What I will say is that the Budget Office has committed to identifying the salaries of those employees eligible for Merit Pay increases when determining the applicable 3% salary pool.
  - Salaries that will be included in the 3% salary pool allocation: salaries of career employees hired on or before March 31, 2016; salaries of long-term contract employees hired on or before March 31, 2016 on contracts that meet or exceed 12-months in engagement.
  - Salaries that will be excluded from the 3% salary pool allocation: salaries of represented staff; salaries of short-term contract staff; salaries of limited appointments; salaries assigned to vacant positions; and salaries of staff hired on or after April 1, 2016.

**Question 30: Is there a cap at some salary level for merit increases for SMG? Seems like someone who makes close to 100K shouldn't receive as large of a merit increase if that would take away a large merit increase for those making closer to 40K.**

**AVC Powell's Response:**

- To your first question: members of the SMG are in their own 3% salary pool, so they are not in direct competition, if you will, with non-SMG staff.
- To your second comment: merit is merit. All performing employees deserve equal application of Merit Pay principles to encourage/incentivize ongoing and future high output.

**Question 31: In your view, what fundamentally distinguishes "Meets Expectation" from "Far Exceeds Expectation"?**

**AVC Powell's Response:**

- Please note that I believe that both *far exceeds* and *meets* are the identifiers of strong performers.
- The employee who far exceeds expectations is the one throughout the year that has been an innovator, a right-hand go-to person, and has achieved all goals (and perhaps more) before their respective deliverable dates. The employee receiving this rating can change from year to year and from person to person: this year's top performer may not be next year's top performer, and there may be a year in which no one achieved this status.

**Question 32: What prevents this from becoming subjective, department to department with built in unfairness or showing favoritism to key staff within a department?**

**AVC Powell's Response:**

- I would refer you to the detailed response I gave to Question 24 for almost all of the same answers.
- To summarize that response: the limitation of funds in the Merit Pay salary pool; the involvement of each division head (the VC's) in the process; and the requirements to quantify appraisal ratings by applying consistent standards (found in the 4-point scale) across all staff (represented and non-represented) will organically achieve a calibration and consistency that diminishes/supersedes favoritism.

**Question 33: Last year, if you managed students, supervisors were told not to evaluate you in the people management competency. Only professional staff counted in that competency. What if the majority of your job is to manage a large number of student employees?**

**AVC Powell's Response:**

- It depends on how you are managing students. Are you meeting with them regularly? Are you providing feedback? Are you establishing goals? Are you appraising performance? If you're only coordinating student work, in my opinion, you should not be evaluated on the People Management core competency.
- If you answer the above questions affirmatively, and if a majority of your job is this management of student employees (as opposed to an incidental component of your job), then I believe you should be assessed in your People Management competency. After all, how you perform here should be a strong indicator of how well (or not) you would perform supervising represented and/or non-represented staff. Additionally, it could identify professional development and succession planning opportunities in the long-run.

**Question 35: How is the appraisal accessed and processed and what determines the "right" amount of merit pay?**

**AVC Powell's Response:**

- All employees will be able to access the Halogen appraisal tool using the SSO (single sign-on) feature (your UCMNET ID and password) at the following website:  
<https://cas.ucmerced.edu/cas/login?service=https%3A%2F%2Fshib.ucmerced.edu%2Fidp%2FAuthn%2FRemoteUser>.
- The Summary of Accomplishments can be accessed for completion on April 27<sup>th</sup>.
- The Performance Appraisal can be accessed for completion beginning on May 19<sup>th</sup>.
- How you are assessed in your Core Competencies, how you achieved your Goals assigned, how you completed identified professional development opportunities, and other contributions (or challenges) will all combine to identify the overall rating and the recommended increase that will be reviewed and approved by your divisional head (the Vice Chancellor) or his/her designee.

**Question 36: When/how will employees be able to provide feedback on their supervisors performance? I think lack of performance appraisals noted earlier is something that is visible to HR and the Chancellor, but lack of meetings and guidance throughout the year, or unprofessional activity/behavior goes unnoticed.**

**AVC Powell's Response:**

- I believe we are about two years away from implementing 360-degree (a/k/a Multirater) appraisals. We have to walk before we can run, and ongoing performance management as a cultural norm is our first deliverable...and a multi-year commitment at that.
- In the interim, you are encouraged to ask for quarterly or semi-annual check-ins with your direct supervisor. In my opinion, this is critical to continuously align your work product with campus goals. I encourage you to ask.
- If you observe unprofessional activity/behavior, I encourage you to contact HR or the Campus Ombuds for guidance on how to register your concerns.

**Question 37: No matter how good our performance management program is, at the end we rely on managers and supervisors to honestly rate their subordinates...I have been at the UC for a short period of time I have seen many members who are simply too comfortable and have no sense of urgency to perform. How do we tackle these issues?**

**AVC Powell's Response:**

- I believe that the combination of the Strategic Academic Focusing Initiative and the Project 2020 goals will light a fire of action and innovation on campus, particularly since Long-Range Budget Models have identified finite monies to grow existing staff. The Workforce Planning process will further define those areas to which we can allocate these finite monies. As such, all units will be pushed out of complacency in order to achieve overarching goals of the unit, department, division, and campus. Managers and supervisors will be on the front lines of these efforts, and any perceived complacency in this environment will be addressed as we must all have a shared sense of urgency in order to meet very ambitious goals and to attain campus self-sufficiency. And, as indicated to my response to Question 01), it is in a supervisor's best financial interests to engage and challenge his/her respective team.
- I also believe that Merit Pay will motivate/incentivize staff members to raise their standards of output in order to attain higher recognition and, correspondingly, higher salary increases.

- Finally, I believe in many instances that people quit supervisors, not jobs. With exit interviews, UC Path, and the arrival of a true HRIS system, HR will be able to monitor turnover and feedback metrics to identify potential problem areas for review and redress.

**Question 38: What if a manager does not like you and bases his review on his personal opinion and not the employee's work?**

**AVC Powell's Response:**

- At the end of the day, the manager is going to have to substantiate/quantify his/her ratings using factual, objective examples. Vague/anecdotal/generalized references to performance deficiencies will be insufficient. I expect a few bumps, but I also recognize that there are appeals processes that go beyond a conversation with the manager/supervisor: represented employees can file grievances with their bargaining units, and non-represented employees can register PPSM-70 complaints with HR to explore allegations of impropriety to prevent abuse of the appraisal process.
- The act of being supervised is not, in and of itself, a marker of dislike. Sometimes employees themselves dislike being supervised and misperceive supervision (a clear managerial prerogative) as bias. So long as there are factual, objective explanations for the action, there is no evidence of bias.
- Notwithstanding, should personal bias be identified, we will work aggressively to stamp out such occurrences.

**Question 39: Halogen has been problematic since it's inception and many of us have little to no faith in it. Why are merit raises being provided on such a poorly chosen product. I give it a below expectations rating.**

**AVC Powell's Response:**

- I think it's only fair to point out that this is a highly subjective indictment with no substantiation. I have spoken to numerous managers who actually express appreciation for the product and the process.
- Notwithstanding, I will elaborate on the selection process. The process for choosing Halogen was actually very thorough and was the result of significant consultation between HR and managers from 2013 to 2014. The selected product, Halogen, gave supervisors a key requirement that they desired: electronic performance management. It has had measurable success at the Office of the President, and between UCOP and UC Davis we were able to leverage significant savings for our campus in the process of procuring Halogen.
- Is Halogen perfect? No, I don't think anyone would say that. But from v1.0 to v2.0, I firmly believe that we have seen marked improvements that will better assist our campus going forward. And, this is an iterative process: after we use Halogen 2.0, we will continue to calibrate to improve performance.
- Halogen has numerous features to encourage regular dialogue between managers and employees (for examples: Halogen provides tool to update goals and re-direct focus and to identify areas of professional development. It is also equipped with a feature to provide on-the spot recognition, as well as features to assist both employee and supervisor to stay on target/track with deliverables for the year.).
- Notwithstanding the above features, in the simplest of terms, please understand that Halogen acts as an electronic form – nothing more, nothing less. As such, your frustration may be understandable but it is rather misplaced. Halogen is a form, a recording device that is no



different from a piece of paper or a Word document. In fact, it is, essentially, an automated Word document that collects feedback for ongoing management in a database environment.

- Merit increases do not derive from Halogen; they come directly from your manager:
  - Halogen does not assess performance. Your manager does.
  - Halogen does not assign ratings. Your manager does.
  - Halogen does not outline goals. Your manager does.
  - Halogen does not make recommendations on merit pay. Your manager does.
  - Halogen does not approve the recommended merit increase; the division head does.
  - Halogen may not be perfect, but all operational drivers and derivatives start and end with the manager using the tool.

**Question 40: Where are you at with the 2nd round of pay increases?**

**AVC Powell's Response:**

- HR should be presenting our recommendations in May 2016 with action immediately following. We actually believe that our analyses will provide guidance for Equity Year 2 AND Year 3, which actually puts us ahead of the curve for the Year 3 proposal (FY 16-17).

**Question 41: I work mainly with faculty. Will they be able to give feedback through halogen?**

**AVC Powell's Response:**

- Once we launch the 360-degree (a/k/a Multirater) appraisal process, yes they will.

**Question 42: What do you recommend if some have been doing the work of multiple people, in an effort to be a team player. As a result, your actual job performance appears mediocre. In the appraisal it is deemed as "needs improvement" how can this be addressed?**

**AVC Powell's Response:**

- In such a situation, there is a combined responsibility of the staff member and his/her supervisor: the supervisor should be managing the situation and should modify workload and/or goals assigned in order to assist the staff member, and if that doesn't occur, the staff member should request a meeting with his/her supervisor to prioritize the workload. Conversation – ongoing conversation – is key, and it is a responsibility of both parties.
- The staff member is strongly encouraged to identify this perceived overload in his/her Summary of Accomplishments in the "challenges" section (question 2).
- I also encourage the reviewing manager to factor this in to his/her appraisal and feedback.

**Question 43: if you received a reclassification within the year are you still able to receive a Merritt increase?**

**AVC Powell's Response:**

- Yes, you are.

**Question 44: If you received an reclassification or equity during the year or are in process of a reclassification or equity review, are you *ineligible* for merit?**

**AVC Powell's Response:**

- No, you remain eligible for merit increases provided you meet the eligibility criteria (see my response to Question 09).
- Equity increases have nothing to do with your performance; they are responses to historical underpayment when compared to applicable market-based data.



**Question 45: If you are a current UCM employee hired into a new position prior to June 30 how will merit pay work?**

**AVC Powell's Response:**

- You will be eligible provided you meet the eligibility criteria (see my response to Question 09).
- However, in your new position you may or may not still be in your learning curve. If you are in your learning curve and not quite meeting expectations, that is okay and, quite frankly, expected. In such situations, you would be an overall 2 rating with a potential increase of 0-2%.
- Regardless of where you are in your learning curve, I would strongly encourage your current supervisor to consult with your previous supervisor in crafting your overall year-in-review appraisal.

**Question 46: What is the timeline for equity increases this year? When will employees learn whether they are eligible for an equity increase?**

**AVC Powell's Response:**

- As stated in my response to Question 40, I believe an announcement will be made in May 2016 regarding the Year 2 Equity Program.

**Question 47: Not a question, but a positive comment for those who are doubting this program. My supervisor has been utilizing Halogen and it is effective and helpful in updating goals, motivating me to continue to work hard, and remind me of tasks I wish to complete. Thank you Halogen!**

**AVC Powell's Response:**

- Thank you for this feedback! I commend your unit for adopting ongoing performance management (check-in's, goal monitoring, etc.) as a cultural norm! I believe that all staff will benefit from this model and encourage you to share your experiences with others to promote bilateral conversation between supervisors and direct reports. This is how we work together and win together as a team!

**Question 48: Bell curve-based performance appraisal refers to forced rankings which compare employees' performance relative to others and require that managers plot team members along a distribution curve. Will the managers be to rate their employees on a bell curve?**

**AVC Powell's Response:**

- HR does not require a bell curve forced distribution model. Absolutely not. If your manager adopts that model, then such is independent of HR consultation.
- I would actually discourage a bell curve forced distribution model. While I believe that we will have a distribution akin to the one outlined by President Napolitano (see my response to Question 24), that will be a snapshot of the aggregate ratings of the entire operation – not individual departments per se.
- The only requirement that HR has is the only requirement that President Napolitano has: a division cannot exceed its allocated 3% salary pool. Whatever the distribution is within a division will be based entirely upon individual performance and not upon a forced distribution model.

**Question 49: You seem to keep answering the same type of questions over and over, which has wasted the short period of question answer time.**

**AVC Powell's Response:**

- I'm sorry, but there were a lot of recurring concerns.
- Too, moderating the questions as they came in admittedly proved confusing: the questions were constantly scrolling across my screen as I spoke, requiring me to try to go back to where I was previously. That made it appear as if I was cherry-picking questions. I certainly was not, and to neutralize such concerns, I had promised to post all questions and comments online in their raw form.
- In future webchats I will have a moderator who will ask me the questions from off-screen. That will allow me to answer more questions much more effectively.

**Question 50: Supervisors may give some employees higher merit increases to fix equity issues. Can you please stress to supervisors and managers that these merit increase should not be used for this.**

**AVC Powell's Response:**

- I am happy to stress this: MERIT PAY IS ABOUT PERFORMANCE. IT IS NOT ABOUT EQUITY.
- Managers should NOT use the merit pool to offset real or perceived inequities; such is the responsibility of HR through the 3-year Equity Program.
- **PLEASE DO NOT USE MERIT FUNDS TO CORRECT EQUITY CONCERNS.** That is an improper use of these monies.

**Question 51: This new system sounds very similar to the "stank ranking" system that Microsoft just abolished. Microsoft abolished their system because it caused coworkers not to collaborate together because only a limited # could have an increase (devalues teamwork). Therefore, how will this work with the UC vision of encouraging collaborative work if the incentive can only be given to a selective few?**

**AVC Powell's Response:**

- Our program is not like Microsoft's Stack Ranking System. Microsoft's appraisal system actually had a forced distribution model that I have expressly discouraged (see my response to Question 48). In their program, they REQUIRED a certain percentage of their employees to be rated "Poor", to be rated "Fair", etc. UCM does NOT require this, nor should we.
- Microsoft, Amazon, Google, GE, and others employ or employed forced distribution models that REQUIRE(D) Y% of their employees to be appraised as "the worst" and then REQUIRE(D) their termination of employment.
- WE DO NOT DO THIS, AND WE WILL NOT BE DOING THIS. It goes against everything that I believe in from an HR philosophy, and it goes to your point: the practice promotes a predatory operation and not a collaborative one.
- Merit Pay is a UC System mandate in response to staff feedback in the 2012 and 2015 Staff Engagement Surveys. I believe that pay-for-performance methodologies are positive, and given our emphasis on the core competencies of communication, teamwork, and collaboration in our evaluation model, and absent a forced distribution model, I believe that we can and will avoid the pitfalls that plagued Microsoft and others.
- I will close by reminding everyone that the Chancellor has outlined Performance Management as one of three (or more) subjects for this year's Innovation Awards Challenge. I encourage any staff member reading this to put forward thoughtful and comprehensive proposals that we WILL consider. Your feedback helps us to continuously calibrate this model for your benefit; it will not be ignored. You have my word on this.

**Question 52:** In our unit all of the directors/managers were told by the head of the department that they were not submit or give any performance appraisal for their staff with an overall 4 score on it . In fact some performance appraisals were submitted with a total 4 score and were rejected by the head of department requesting to be entered with a lower score (3). The reason given to managers for the rejection was that HR had communicated that this score was not be use because there will be no room for improvement or room to grow. Was this correct information? I feel very discontented and disappointed that this was required because the appraisal was not a true appraisal. This was an unfair process and in my opinion against UC policy. Most of the staff from this units were appraised base on what was requested and not about their true job performance. And because of this request they will not receive the merit increase they should deserve. This unfair and illegal process has affected the moral of the unit, and it has sent a very bad message to all of the employees that go above and beyond their duties and expectations. If this was a mistake or a misunderstanding will HR allow the unit to reenter the true and deserved performance appraisal score? If not what can it be done to make this right? What can a staff member do if they know they got an unfair score due to this request?

**AVC Powell's Response:**

- If what you say is an accurate representation of what your manager told you, then all I can say is that either your manager misunderstood our role in the process, or your manager misled you. I won't speculate further.
- HR does NOT have any authority over what rating a manager gives to an employee. The manager has SOLE ownership of the ratings that s/he assigns (in consultation with his/her respective supervisor), and we have been clear about that since before the inception of Halogen.
- HR has never said that a certain score "could not be used." If you are told something contrary to this at any time going forward, I encourage you to reach out to me directly for notification and clarification.
- HR will provide consultative services as we review appraisals:
  - We may ask a manager to provide additional detail to quantify the rating.
  - We may ask what growth opportunities have been identified. This is good from professional development and succession planning perspectives, which is a perfectly standard HR best practice.
  - We may remind managers of specific accomplishments or commendations that an employee received throughout the year-in-review so that they are incorporated into the appraisal.
  - And, we may remind managers of problem areas and documented performance deficiencies so that those, too, are incorporated in the appraisal.
  - Accountability is one of my favorite words, and that means holding you accountable for what you accomplish (merit) and holding you accountable if you fail to accomplish (demerit).
- But make no mistake: HR has NEVER said that a rating cannot be used. Never. And, HR does not reserve a veto override of a manager's individual and/or overall rating assigned. HR consults; HR does not own.
- I do not believe that there is any reason for HR to reopen last year's appraisals. Your manager assigned the "true and deserved" rating that s/he saw fit. HR had no authorship or ownership of those ratings. Keep in mind, the ratings received last year did not impact salary increases, as last year's salary increases were distributed across-the-board (ATB). This year's ratings will impact this year's salary increases. As such, I encourage you to inform your manager of my response

and establish an expectation that you will be appraised for FY15-16 consistent with your *manager's* assessment of your performance. After all, s/he assigns and owns the ratings – not HR.

- I'm sincerely sorry that you were misinformed or misled, and I understand that the miscommunication resulted in what is obviously a profound emotional reaction to what you've viewed (based upon your manager's comments) as an unfair process. But, I also have to say that I find it pretty careless to be throwing around allegations of illegality that have no basis in fact. Nothing could be further from the truth. The appraisal and management of performance is an established and respected process across industries – one that is wholly legal, proper, and appropriate. It is one that President Napolitano, herself an accomplished attorney and respected legal mind, has adopted for the UC System. The practice is both lawful and ethical. Furthermore, by measuring all staff against universally applicable core competencies, we achieve a standard of equal application and consistency unmatched in other appraisal methodologies. This is precisely why core competency-based evaluations are effective and considered as HR best practice.