

COMMITTEE OF THE WHOLE (WORKING SESSION)- JUNE 13, 2006

PERFORMANCE MANAGEMENT PROGRAM

Recommendation

The Commissioner of Legal and Administrative Services and City Solicitor, in consultation with the City Manager and the Senior Management Team, recommends:

- 1) That this report be received;
- 2) That By-law 100-2002, the Management By-law, be amended to contemplate the possibility of providing annual incentive pay for excellence in job performance.

Economic Impact

There is no economic impact.

Purpose

To contemplate the possibility of providing annual incentive pay for excellence in job performance.

Background - Analysis and Options

Managing Performance of Employees to Develop our Staff & Succession Planning:

In the context of implementing and fulfilling the Vaughan Vision of Developing our Staff, and in particular, of 'attracting & retaining staff', 'encouraging learning & growth', and 'building positive staff morale', it is appropriate to introduce improvements into Vaughan's performance management processes.

A component of this is the introduction of a new Performance Planning Process and a revised Performance Appraisal Form.

The employee Performance Planning Process now begins with identification of key goals/objectives of the employee. These goals/objectives, which flow from the Corporate Initiatives identified in the Strategic Plan and which are further articulated in the Business Plans of the operating departments, are documented in the Performance Plan of the employee at the beginning of the cycle. At the end of the Performance Plan cycle, there is an annual appraisal at which employees are evaluated on the basis of their competencies and leadership abilities, as well as the achievement of their goals/objectives.

The new Performance Planning Process is being phased in as follows:

2006:	Commissioners, Directors and Direct Reports
2007:	Managers, Supervisors
2008:	All other Non-Union Employees

The new Performance Planning Process, along with the revised Performance Appraisal Form, has been presented to all Commissioners, Directors and Direct Reports for immediate implementation. A copy of the revised Performance Plan and Appraisal, the Guidebook, and an overview of the presentation is attached for information.

The Performance Planning Process contemplates the creation of development plans to redress performance which falls below expectations, and also to support the encouragement and learning

of new skills and the early identification of leadership abilities to begin to develop succession planning within the organization.

Under the Management By-law, By-law No. 100-2002, there is no capacity to award an Incentive Payment to an employee based on excellence in performance other than where extenuating circumstances exist (i.e. strike, natural disasters, etc).

S.13 An incentive payment will be available to those management/non-union staff that qualify under the following criteria:

- *A special circumstance arose during the year that required the employee to provide service/duty over and above the normal course of his/her responsibilities;*
- *The special circumstance required extraordinary performance on the part of the employee;*
- *The achievement on the part of the employee was deemed valuable and necessary to the corporation;*
- *Examples of these circumstances would include: a labour strike, a weather disaster, an environmental catastrophe, a major loss of staff resources, etc.*

The incentive payment would be a maximum of five percent (5%) of the employee's annual salary. The payment would be made upon the authorization of the City Manager. The incentive would be a lump sum payment to recognize the performance of the employee during the special circumstance and would not affect the employee's placement on the salary schedule.

In order to effectively implement a Performance Management Process, it is necessary to be able to recognize and reward the quality of job performance, including the application and acquisition of job knowledge and skills development, and demonstrated leadership.

The Management By-law criteria should be amended to contemplate incentive pay for excellence in job performance. This would be achieved by revising the criteria set out in the By-law as follows:

An incentive payment may be earned by those management/non-union staff who, based on the successful completion of the annual Performance Appraisal, qualify under the following criteria:

- *An employee exceeds expectations in the performance of assigned duties and/or job responsibilities; or*
- *A circumstance arose that required the employee to perform over and above the normal responsibilities of the job, which performance was deemed valuable to the Corporation.*

The incentive payment would be a maximum of five percent (5%) of the employee's annual salary. The payment would be made upon the authorization of the City Manager. The incentive would be over and above the base salary of the employee and would not affect the employee's placement on the salary schedule.

Relationship to Vaughan Vision 2007

This initiative supports the Vaughan Vision of Developing our Staff, and in particular, of 'attracting and retaining staff', 'encouraging learning and growth', and 'building positive staff morale'.

Conclusion

The Management By-law incentive payment criteria should be amended to contemplate incentive pay for excellence in job performance.

Attachments

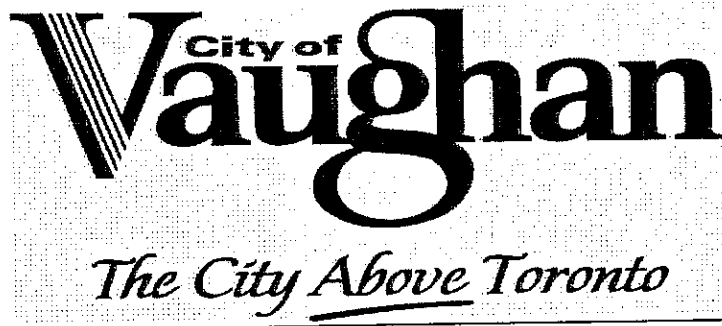
1. Employee Performance Plan & Appraisal Guidebook
2. Employee Performance Plan and Appraisal Form
3. Performance Planning and Appraisal For Non-Union Employees – An Overview of the Revised Process and Form

Report prepared by:

Janice Atwood-Petkovski

Respectfully submitted,

Janice Atwood-Petkovski
Commissioner of Legal and Administrative Services
and City Solicitor



**EMPLOYEE PERFORMANCE PLAN
& APPRAISAL GUIDEBOOK**

June 2006

1. WHY DO PERFORMANCE MANAGEMENT?

Recognizing that most of our business successes are directly or indirectly attributable to the efforts and achievements of our Staff, our business processes are built through the integration of employee performance planning and evaluation for our non-union and management employees.

Performance Management is a valuable process for both the supervisor and the employee. It consists of planning, ongoing coaching and results measurement. Objectives measure what you have achieved and competencies measure how you achieve these results. The Employee Performance Plan and Appraisal is an overall indication of your performance.

Performance Management provides:

- An opportunity to discuss the performance objectives and expectations of the employee for the next review period
- An opportunity for the employee to receive both positive and developmental feedback regarding his/her performance during the review period
- A forum to discuss areas requiring development and to set clear specific objectives to attain the required development by training, self-directed learning etc.
- A forum to encourage communication regarding performance between employee and supervisor throughout a prescribed period
- A means of incorporating the "Vaughan Vision" into the process. The "Vaughan Vision" is integrated into the Performance Plan Individual Goals & Objectives.

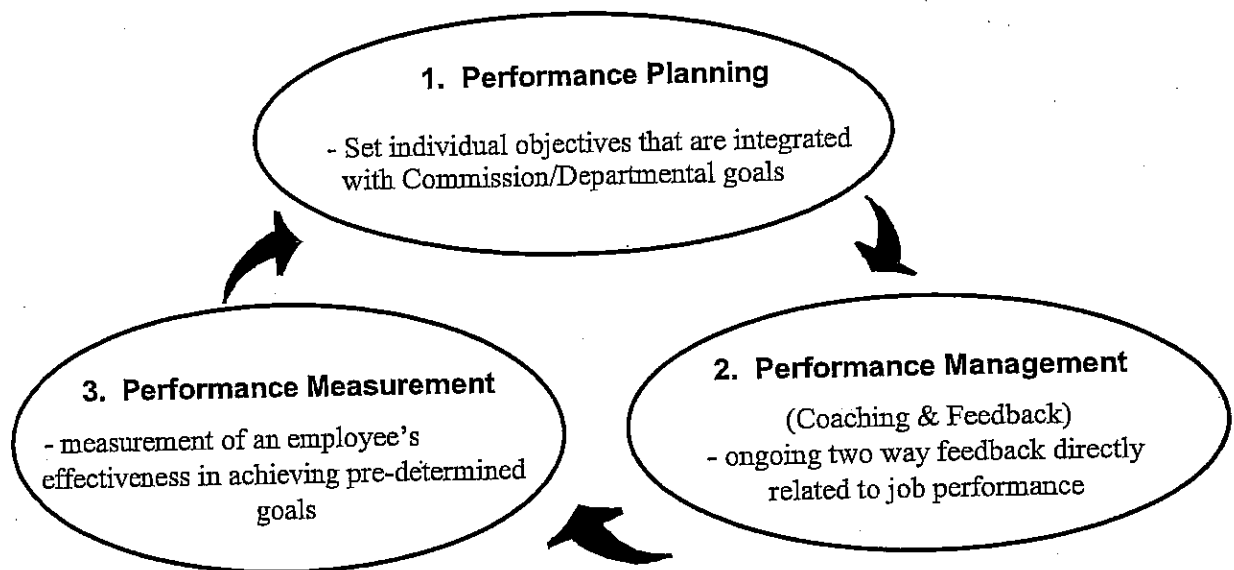
2. OVERVIEW OF THE PROGRAM

PURPOSE

This guidebook is designed to help employees and supervisors complete the steps required by the Employee Performance Plan and Appraisal/Performance Management Process. It applies to all non-union employees.

PROGRAM AT A GLANCE

The following diagram illustrates the three phases that make up the Employee Performance Plan and Appraisal Program. Each phase incorporates the components of performance: "what" is to be accomplished or produced (results), the plan for "how" and "when" the goals/objectives are to be achieved. All phases are important to successful Performance Management.



3. WHAT DO I NEED TO GET STARTED?

In order to complete the Employee Performance Plan and Appraisal Process, you will need the following materials

- Employee Performance Plan and Appraisal Guidebook
- Employee Performance Plan and Appraisal Form

Forms requiring completion are available on the "VIBE" under Human Resources. Hard copies are also available from Human Resources.

4. EMPLOYEE PERFORMANCE PLAN & APPRAISAL GUIDELINES FOR COMPLETING FORM

The Employee Performance Plan and Appraisal Form is a management tool for planning, monitoring and reporting on individual employee performance, goal achievement, knowledge, skill, ability, as well as opportunities and plans for development.

The following explanations provide guidelines for completing the Employee Performance Plan and Appraisal Program/Form.

1.0 PERFORMANCE PLAN - INDIVIDUAL GOALS/OBJECTIVES

1.2 The **individual goals and objectives** are to be a clear description of “what” is to be accomplished or produced. This should be described at a high level on the Form, without a breakdown of the actions that will be taken. Individual Goals/Objectives should also translate into measurable results which in turn support and are consistent with the “**Vaughan Vision**”/business unit goals, strategies, and values.

1.3 Goals/Objectives should follow the **SMART** criteria This means the goals/objectives should be :

- Specific – detailed about what is to be measured or achieved
- Measurable – defined in qualitative/quantitative terms
- Action Orientated – measured by outputs
- Relevant – related to organization’s objectives
- Time Bound – completed within clear timelines

1.4 **Key Milestones (Indicators of Success)/Timelines** are to describe the key activities and timelines that are planned in support of the goal achievement. The plan for “how” and “when” should be described, discussed and agreed upon by the employee and appraiser. Once the goals and key milestones are agreed upon, the employee and the appraiser should sign off on the plan.

1.5 A **Planning Meeting** between the supervisor and the employee is to be held at the beginning of the performance measurement period with a mid-year review and year-end completion meeting. Meetings should be scheduled in advance to allow time to plan and prepare for full discussion. The purpose of the **Planning Meeting** is to:

- Discuss Individual Goals/Objectives as drafted by employee
- Set a minimum of 2 and a maximum of 4 goals/objectives for the performance year as agreed upon
- Individual Goals/Objectives provide a working document for the mid-year review and year-end completion

2.0 ASSESSMENT OF KNOWLEDGE, SKILL & ABILITY

- 2.1 Assessment of Knowledge, Skill & Ability is to be completed at the end of the performance period/business cycle prior to setting Departmental Business Goals for the next business cycle.
- 2.2 This portion of the Employee Performance Plan and Appraisal Program evaluates core competencies of the employee as specifically required for success in their current position.
- 2.3 This portion of the Form is to be drafted by the immediate superior and followed by dialogue between the employee and the immediate superior.
- 2.4 All employees are evaluated based on the required technical knowledge, level of skill & ability to competently perform the job.
- 2.5 Up to three stated examples of the job knowledge demonstrated during the performance year are to be provided on the Form.
- 2.6 Where the assessment is "below expectation", a development plan must be included for implementation in the next performance year.

3.0 LEADERSHIP ASSESSMENT

- 3.1 This portion of the Form is to be completed only for individuals who manage or supervise others, and follows the relevant guidelines listed in 2.0 above.

4.0 INDIVIDUAL DEVELOPMENT PLANS

- 4.1 **Individual Development Plans** are recommended for all employees. When expectations are being met or exceeded in the performance year, these plans can be used to identify and prepare for emerging issues pertaining to the current position and/or the identification and preparation for future position opportunities.

5.0 MID-YEAR PROGRESS REVIEW

- 5.1 As part of an on-going process throughout the year, the **Individual Goals/Objectives**, as agreed to during the Planning Meeting, should be reviewed by the immediate superior and employee to ensure they are still relevant and attainable. This review should occur at least once throughout the performance period or whenever significant changes to the employee's objectives are necessary. These changes should be agreed to and documented on the Form. Any issues or concerns of the employee and/or immediate superior should be discussed at this time.

5.2 In summary, the purpose of the **Mid-Year Progress Review** is to:

- Report on progress and achievements
- Validate key milestones/timelines
- Adjust key milestones as required & identify reasons for adjustments (i.e. impediments, unforeseen circumstances)
- Augment key milestones as required
- Sign off the progress review

6.0 **YEAR-END REVIEW**

6.1 This is the part of the process where the employee is measured on all components of the Employee Performance Plan and Appraisal/Performance Management Process. This is done at the end of the performance period.

6.2 The sections of the Form that were started during the planning meeting should now be completed.

6.3 In summary, the purpose of the **Year-End Review** is to:

- Report on activities and achievements
- Identify if goal was met
- Identify if goal was exceeded
- Sign off the completed sheet

7.0 **RESPONSIBILITIES**

7.1 **The Employee** is responsible for:

- ✓ Developing draft Individual Goals & Objectives, based on Departmental Business Plans
- ✓ Engaging in discussion to reach agreement with the appraiser on Individual Goals & Objectives
- ✓ Ensuring open communications and participating in appropriate review processes (mid year, year end and other occasions as may be requested by either party)
- ✓ Engaging in discussion with the appraiser regarding the year end assessment of knowledge, skill & ability
- ✓ Participating in the development of appropriate development plans and ensuring full participation in the implementation of the plan

7.2 **The Appraiser** is responsible for:

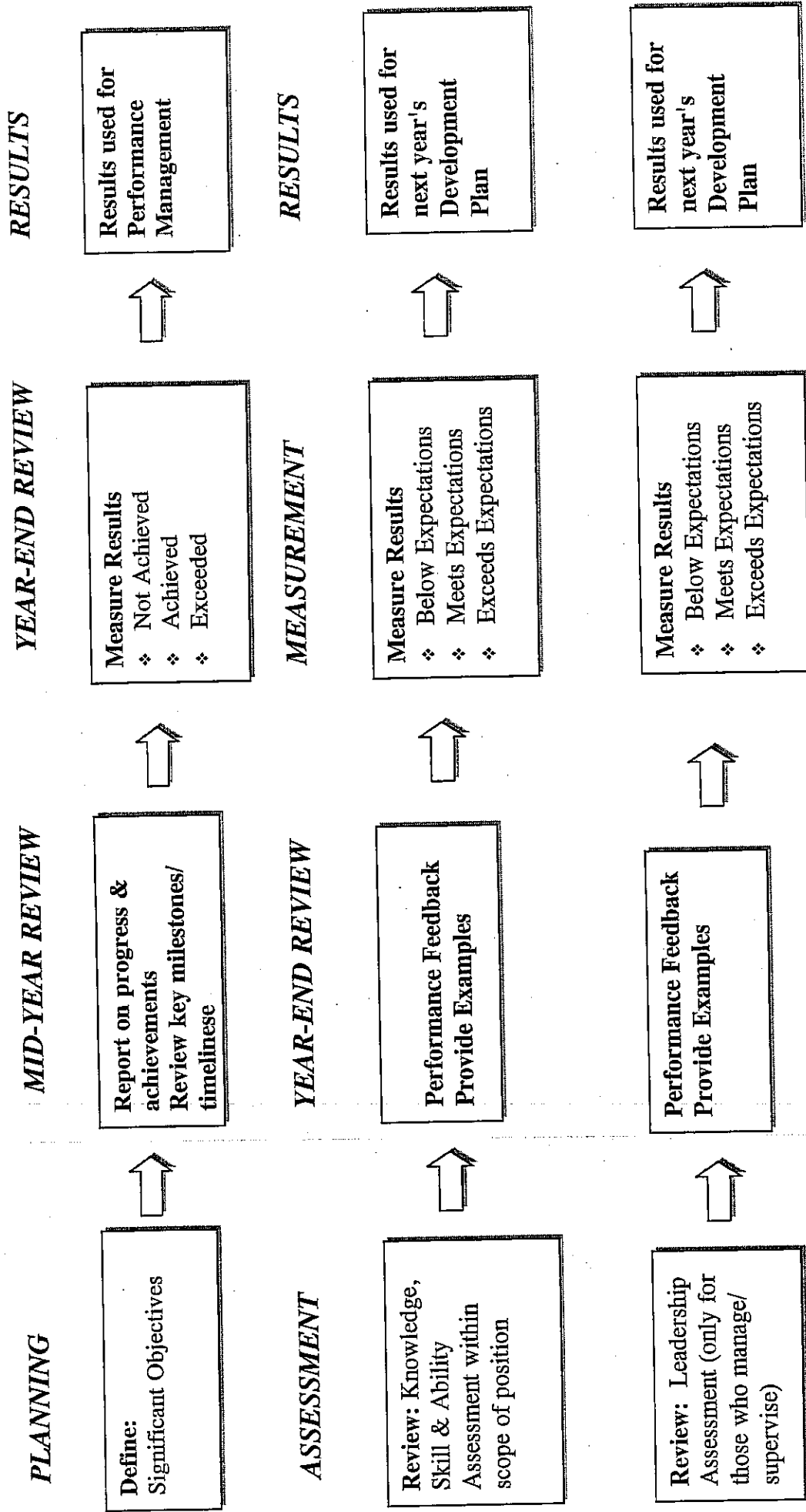
- ✓ Ensuring the completion of Performance Appraisals for all of their non union & management staff (direct and indirect reports)

- ✓ Reaching agreement with the employee on Individual Goals & Objectives
- ✓ Ensuring open communications and appropriate review processes are followed (mid year, year end and other occasions as may be requested by either party)
- ✓ Completing the year end assessment of knowledge, skill & ability
- ✓ Developing appropriate development plans and ensuring their implementation

7.3 The Human Resources Department is responsible for:

- ✓ Ensuring that the Employee Performance Plan and Appraisal form is available electronically through the VIBE
- ✓ Acting as a resource to the organization with regard to effective employee performance management
- ✓ Continuing to advise departmental managers with regard to salary progression thresholds for their departmental staff

EMPLOYEE PERFORMANCE PLAN & APPRAISAL PROGRAM - OVERVIEW



NOTES

**City of Vaughan
Employee Performance
Plan and Appraisal**

(For use with all non-union/management employees)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

PERFORMANCE PLAN INDIVIDUAL GOALS & OBJECTIVES

(To be initiated at the beginning of the performance review
Period with mid year review & year end completion)

GUIDELINES FOR COMPLETION

INDIVIDUAL GOAL / OBJECTIVE

A clear description of "what" is to be accomplished or produced is described at a high level without a breakdown of the actions that will be taken.

VAUGHAN VISION AND/OR BUSINESS UNIT GOAL REFERENCE

Identify the specific relevant links by title and/or numeric reference to validate "why" goal achievement will contribute to strategic objectives and/or business unit goals.

KEY MILESTONES (INDICATORS OF SUCCESS) / TIMELINE:

List the key activities and timelines that are planned in support of the goal achievement. The plan for "how" and "when" should be described, discussed and agreed upon by the employee and the appraiser.

Once the goals & key milestones are agreed upon, the employee and the appraiser should sign off on the plan.

MID-YEAR PROGRESS REVIEW

(Documents the outcomes from a pre-scheduled meeting between the employee and the appraiser)

1. Report on progress and achievements.
2. Validate key milestones/timelines.
3. Adjust key milestones as required & identify reasons for adjustments. (i.e. impediments, unforeseen circumstances)
4. Augment key milestones as required.
5. Sign off the progress review.

YEAR-END REVIEW/COMMENTS

1. Report on activities & achievements.
2. Identify if goal was met.
3. Identify if goal was exceeded.
4. Sign off the completed sheet.

TIPS FOR SUCCESS!

- Goal setting should be done as a shared activity between the employee & the appraiser
- Schedule meetings in advance to allow time to plan & prepare for full discussion
- Be realistic! Set a minimum of two and a maximum of four goals for the performance year.

INDIVIDUAL GOAL / OBJECTIVE

VAUGHAN VISION REFERENCE / BUSINESS UNIT GOAL REFERENCE

KEY MILESTONES (INDICATORS OF SUCCESS)

TIMELINE

INDIVIDUAL GOAL / OBJECTIVE

VAUGHAN VISION REFERENCE / BUSINESS UNIT GOAL REFERENCE

KEY MILESTONES (INDICATORS OF SUCCESS)

TIMELINE

GOALS & OBJECTIVES SET

Date: _____ Employee: _____

Appraiser: _____

MID-YEAR PROGRESS REVIEW/COMMENTS

Mid-Year Review Sign Off: Employee _____

Date: _____ Appraiser _____

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

YEAR END REVIEW/COMMENTS

Year End Review Sign Off: Employee _____

Date: _____ Appraiser _____

ASSESSMENT OF KNOWLEDGE, SKILL & ABILITY & INDIVIDUAL DEVELOPMENT PLANS

(to be completed at the end of the performance review period)

GUIDELINES FOR COMPLETION

KNOWLEDGE, SKILL & ABILITY ASSESSMENT

1. Evaluate the employee based on the required technical knowledge, level of skill & ability to competently perform the job.
2. Provide up to three stated examples of the job knowledge demonstrated during the performance year.
3. Where the assessment is "below expectation", a learning plan must be included for implementation in the next performance year.

Note: One project/assignment may demonstrate multiple skills/abilities.

LEADERSHIP ASSESSMENT

(to be completed only for individuals who manage or supervise others)

Tip for success!

Learning and development plans are recommended for all employees. When expectations are being met or exceeded in the performance year, these plans can be used to identify and prepare for emerging issues pertaining to the current position and/or the identification and preparation for future position opportunities.

Knowledge, Skill & Ability Assessment

(To be completed only for individuals who manage or supervise others)

Knowledge - Demonstrates familiarity and knowledge within scope of position. Applies current techniques and methodology. Maintains awareness of emerging trends and external issues.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Planning and Organizing - Identifies key tasks and forms sequential steps to achieve objectives. Establishes priorities, effectively allocates time and resources. Delivers assigned responsibilities on target.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Initiative - Demonstrates initiative, capable of performing assigned responsibilities in an independent manner. Cognizant of issues, matters and situations and takes appropriate action. A self-starter, does not require constant guidance and intervention.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Problem Solving/Decision Making - Demonstrates sound judgment, identifies and analyzes problems. Considers alternatives to issues. Provides viable and effective solutions. Achieves desired outcomes.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Versatility - Demonstrates a flexible and versatile manner. Skilled at effectively coping with evolving and changing priorities. Demonstrates willingness to assume new and challenging responsibilities.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

DEVELOPMENT PLAN (must be completed where below expectations)

Description of Development Initiative(s)	Responsibility for Initiative: Individual/Organization/Shared	Completion Date

Leadership Assessment

(To be completed only for individuals who manage or supervise others)

Direction and Leadership - Skilled at achieving cooperative and cordial manner from staff. Delegates responsibilities appropriately. Ensures department and corporate goals are conveyed to staff and related expectations are clearly outlined, including Performance Appraisals of all subordinate staff.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Employee Morale - Motivates employees and encourages high standards of work quality and quantity. Identifies and promptly addresses staff performance issues or problems. Coaches and encourages staff. Provides recognition.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

Equitable Practices - Exercises equal and fair employee management practices. Manages within the parameters of collective agreement and corporate policies. Ensures corporate guidelines and expectations are conveyed and practiced.

BELOW EXPECTATIONS MEETS EXPECTATIONS EXCEEDS EXPECTATIONS

SPECIFIC EXAMPLES IN SUPPORT OF ASSESSMENT

- 1.
- 2.
- 3.

DEVELOPMENT PLAN (must be completed where below expectations)

Description of Development Initiative(s)	Responsibility for Initiative: Individual/Organization/Shared	Completion Date

Employee Comments:

Appraiser Comments:

Employee Signature: _____ Date: _____

Appraiser Signature: _____ Date: _____

Director Signature: _____ Date: _____

Commissioner Signature: _____ Date: _____

City Manager Signature: _____ Date: _____

PERFORMANCE PLANNING AND APPRAISAL FOR NON UNION EMPLOYEES

An Overview of the Revised
Process and Form

Agenda for Today

PROCESS

- Overview of the current non union performance appraisal process
- Discuss the reasons for changing the current process
- Introduce the business cycle for employee performance planning and evaluation
- Review the phased in Implementation Plan

FORM

- Review the revised Employee Performance Plan and Appraisal form
- Review examples of "good" and "poor" individual goals and objectives
- Introduce the development plan approach

ROLES & RESPONSIBILITIES

- Review the roles and responsibilities of the employee, the appraiser and the Human Resources Department