



TO: Committee of the Whole

FROM: Jennifer Taylor, Chief Administrative Officer

DATE: February 12, 2021

RE: **Performance Evaluation Policy Draft**

ISSUE:

Administration is preparing a draft human resource manual and is presenting the performance evaluation policy (attached).

BACKGROUND:

Annual performance reviews are conducted for employees. The Operational Review conducted by HMC Management in 2019 recommended updating and adding several policies and drafting of these policies is part of HMC's service agreement.

ALTERNATIVES:

- 1) Committee of the Whole can recommend approval of Policy No. HR-EC08 to Council.
- 2) Committee of the Whole can provide feedback and direct changes to the draft Policy No. HR-EC08.

FINANCIAL IMPLICATIONS:

There are no financial implications.

ANALYSIS:

The CAO job description specifies that the CAO directs, supervises, and reviews the performance of all employees of the Town along with managing the human resources function in accordance with Council policy.

Annual performance reviews of all Level 2 and Level 3 staff were completed in January 2021. The evaluation process involves a self-assessment completed by the staff member and a performance review based on the specific job description of the position completed by the manager. The self-assessment provides an opportunity to review the job description and note any significant changes to ensure that job descriptions are updated as positions evolve. This also provides an opportunity to address challenges and find solutions to improve operations and job satisfaction. Each staff member and their manager also work together to set performance and development goals for the upcoming year. Performance goals are typically project or operational goals, and development goals are typically training related. These goals assist in preparation of the budget, are monitored with the employee throughout the year and adjusted annually at performance review time.

The Town does not have a performance management policy, as referenced in the CAO job description. A Performance Evaluation Policy has been drafted to provide a structure, format and process to evaluate staff, including providing a standard template to assist Council with consistent evaluation of the CAO.

The draft policy also ties performance to salary increases for out-of-scope staff which is suggested to be implemented in 2022 after one year applying the performance evaluation policy. A performance rating of 75% is suggested, as well as 3 paid days off for employees that have reached the top of their salary grid.

Administration is drafting a complete Human Resources Manual which will be brought forward as individual policies making up the manual. This policy is part of the HR Manual.

ADMINISTRATIVE RECOMMENDATION(S):

That Committee of the Whole provide feedback to Administration on the draft policy.

“THAT Policy No. HR-EC08 be adopted as presented.”

ATTACHMENT:

Draft Policy No. HR-EC08 Performance Evaluation



| | | | |
|---|----------------------------------|---|------------------------|
| POLICY NAME: Performance Evaluation Employee Code of Conduct | | LAST UPDATED: XXX XX, 2021 | |
| | | SUPERSEDES POLICY: Not applicable | |
| POLICY AREA: Human Resources HR | POLICY NUMBER: HR-EC08 | APPROVAL DATE: XXX XX, 2021 | PAGE: 1 of 7 |

PURPOSE

Council believes that its employees are its most valuable resource essential for the effective and efficient operations of the Town and for the provision of services to its residents. Council further believes that there is a need to ensure that staff is well trained, knowledgeable about their work and effective in the performance of their duties and that all employees are entitled to give and receive regular feedback concerning their performance, related training needs, career goals and organizational goals.

The Town also recognizes that very good performance should be rewarded. To that end, the purposes of this Policy are:

1. To provide a structure, format and process by which staff are evaluated;
2. To provide the basis for staff to move to the next step in their salary grid; and
3. To ensure accountability for work done at all levels.

SCOPE

This policy applies to all departments.

POLICY

1. All full-time employees shall undergo a formal review of their performance at least once in the calendar year. Reviews will also be conducted before termination of employment.
2. New employees shall have their performance reviewed:
 - at the mid-term of their probation period; and
 - prior to taking the employee off probation.
3. The overall performance review process includes:
 - A review and update of the current years job description that outlines primary duties to ensure they are correct.
 - Clarification of duties, responsibilities and expectations for each position.
 - For Management staff, identifying major goals for the ensuing 12-month period.
 - Ongoing performance monitoring and feedback.
 - Annual performance appraisal.
 - Determination of rewards if applicable.
4. For out-of-scope employees, a performance evaluation that attains the minimum percentage requirement (75% as identified in Appendix A) shall be the basis for advancing the employee to the next salary grid step pay increment if the employee is still eligible for such an increment or if the top of their salary grid, paid days off.

OTHER

1. The Mayor and Council shall evaluate the performance of the Chief Administrative Officer (CAO) and in accordance with the CAO Performance Review Template (Appendix B).
2. The performance evaluation of a Manager shall be conducted by the CAO.
3. Performance evaluation of employees in a Department shall be conducted by the Head of the Department.
4. Those conducting the performance evaluation of a particular employee shall meet in person with the employee for the purpose of reviewing and evaluating the employee's performance. In the case of the CAO, this could involve all of Council or the Mayor if so desired by the majority of Council.
5. All performance reviews shall be completed by the evaluators and reviewed by staff by no later than January 15th of any year.
6. A written evaluation, duly signed by the evaluator, shall be provided to the employee who shall have the right to make written comments on the form about any aspect of the evaluation.
7. The employee shall sign the form to confirm that the report was discussed with the employee and that the employee has read it and is aware of and understands the contents. The report shall be dated.
8. If an employee refuses to read the performance evaluation report, the evaluator shall read the report to the employee and note that this was done.
9. If an employee refuses to sign the report, the evaluator shall so note on the report.
10. A copy of the duly signed performance evaluation report shall be provided to the employee at the conclusion of the evaluation.
11. A copy of the employee's performance evaluation report shall be placed in the employee's confidential personnel file.
12. A consolidated report to Council shall be submitted upon completion of all employee performance evaluations by the CAO.
13. An employee may appeal the performance evaluation, in writing, to the CAO who shall meet with the employee and evaluator and render a decision within five (5) working days of the receipt of the appeal.
14. In the case of the CAO being dissatisfied with their evaluation, the decision of Council is final with no appeal.
15. This policy shall be reviewed after every fourth year in unison with reviewing the salary grid.

APPENDIX A

Criteria for Assessing Out-of-Scope Employee Rewards (after year 1 of policy implementation)

For Employees who have not reached the top of their salary grid.

- 1) There shall be three (3) elements that will be considered to determine if an employee shall be recommended to move to the next step in their salary grid:
 - a) Review and rating of the primary duties of the employee as identified in their job description to determine if the employee is meeting the minimum requirements of the position. Employees must “meet the requirements” for all primary duties identified on their job description in order to be considered for salary grid movement.
 - b) Review of the areas of improvement and requirements from the previous year’s performance review to determine if improvement has been made in some or all areas identified and agreed to with the employee (50%);
 - c) Evaluator’s written judgment with respect to the overall performance of the employee considering intangible elements of performance such as employee attitude, work ethic, punctuality, and any other related factor the Evaluator deems appropriate (50%).
- 2) In order for an employee to be eligible to be placed in the next step of their salary grid for the next calendar year, they shall be required to achieve an overall performance rating of at least 75% as determined by the cumulative total of 1(b) and 1(c) elements identified above.
- 3) For the first calendar year that this policy is in effect, only elements 1(a) and 1(c) shall be considered. For the first-year element 1(c) shall have a score of 100%. You must “meet the requirements” for all primary duties and attain a rating of 75% total in order to move to the next step of the salary grid.

For Employees who have reached the top of their salary grid.

- 1) Employees who have reached the top of their grid and have performed to a higher level shall be eligible for up to 3 paid days off for the ensuing calendar year. These days off shall not be considered vacation and may not be carried over from year to year.

Changes in Salary

Changes to base salaries for current employees can take three forms:

1. An annual Cost of Living adjustment to be implemented on January 1st each year;
2. Employee achievement of personal performance objectives; or
3. Changes in position or promotions.

Annual Cost of Living Adjustment

The employee’s salary range should be adjusted annually on January 1st each year based on Consumer Price Index for Saskatchewan as at December of the preceding year. The CAO will review the salary ranges every four years and make recommendations to the elected Council regarding overall salary budget adjustments required based on market comparisons.

Changes in Responsibility or Promotions

Where a position has been changed to include additional responsibilities or where there is a business or operational need to support a higher-level position and an employee has demonstrated the necessary competencies and the potential for growth into that new position, a position evaluation or promotion may occur.

In this case, salary would be reviewed and adjusted as deemed appropriate by the CAO and job description and grid will be drafted or amended as required.

Evaluation Rating Table Example – Year 2

| | | | | |
|---------------|--|-----|-----|--------------------|
| Element 1 (a) | “Meets the requirements” for all primary duties. | | Yes | |
| Element 1 (b) | TOTAL Max 50% | | | |
| 1 | Improvement 1 | Yes | 10% | |
| 2 | Improvement 2 | Yes | 10% | |
| 3 | Improvement 3 | Yes | 10% | |
| 4 | Improvement 4 | Yes | 10% | |
| 5 | Improvement 5 | No | 0% | |
| | | | | 4/5=40% |
| | | | | |
| Element 1 (c) | TOTAL Max 50% | | | |
| Example 1 | Attitude | Yes | 10% | |
| Example 2 | Work Ethic | Yes | 10% | |
| Example 3 | Punctuality | Yes | 10% | |
| Example 4 | Working with coworkers. | Yes | 10% | |
| Example 5 | Public Relations | No | 0% | |
| Example 6 | Flexibility | Yes | 10% | |
| Example 7 | Good communication skills | Yes | 10% | |
| Example 8 | Judgement | No | 0% | |
| Example 9 | Initiative | Yes | 10% | |
| Example 10 | Delegation (management) | N/A | | 7/9=77%/2=39% |
| | | | | |
| Total | | | | 79% |
| | | | | Move to next step. |

Appendix B - Probationary and Annual Review Form CAO

EMPLOYEE INFORMATION

Name of Employee Being Reviewed: _____

Name of Person Performing the Review: _____

Date of Review: _____ Review Period: _____ From: _____ To: _____

REVIEW GUIDELINES

Areas that are deemed to not meet requirements should contain specific examples of where the performance was such so that appropriate corrective actions can be identified and followed up on by the next performance rating period.

While generally this performance evaluation should be based on performance, and not personality, it should be recognized that personality characteristics cannot be divorced from performance. Personality will dictate to a great extent how other individuals interact with the position, and to a great extent will reflect on the ultimate performance of the organization.

EVALUATION

| Area | Meets Requirements | Does Not Meet Requirements |
|---|--------------------------|----------------------------|
| Demonstrates required job skills and knowledge | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Provides professional leadership and direction to Council | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Uses resources available in an effective manner | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Responds effectively to assigned responsibilities | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Approachable to Council and responds well to directions | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Effectively directs and supervises the performance of all employees in accordance with Municipal policy | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Takes responsibility for actions | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | <input type="text"/> | |
| Honours commitments | <input type="checkbox"/> | <input type="checkbox"/> |

| | | |
|--|--------------------------|--------------------------|
| Comment | | |
| Demonstrates effective problem-solving skills | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Generates creative ideas and solutions | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Meets challenges head on | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Sound decision making ability | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Offers quality advice to Council | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Compliance with policies | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Is organized and ensures assigned work gets done | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Effectively communicates with all of Council | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Identified and develops policy where required | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Works well with staff and contractors | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Sets good example for staff | <input type="checkbox"/> | <input type="checkbox"/> |
| Comment | | |
| Established a positive relationship with community members | <input type="checkbox"/> | <input type="checkbox"/> |

Comment

Report writing skills

☐☐

Comment

Technical requirements of the position

☐☐

Comment

Budget management & control

☐☐

Comment

Additional Comments: