Performance Merit Pay programs

Performance Merit Pay programs (PMP) are meant as an award for meeting or exceeding performance goals. The goals are not for “normal” performance. They are to recognize extraordinary performance. The annual goals may not be static from one year to another. The goals can be expected to increase each year, if attainable and resources can be provided to make them achievable.

Performance Elements
A set of performance elements important to your particular agency must be agreed upon and the tracked and included in the calculation of the final Total Performance Factor. For example, if the ultimate goal of your agency is to reduce SSO’s, what performance elements would you need to perform extraordinarily well to achieve this, i.e. cleaning lots of sewer line, television inspection, etc.

- What metrics are important to your agency
- What is the base level of performance below which no PMP will be paid
- What is the target goal; the level of productivity that reflects extraordinary performance

Group Q: What kind of performance measures are important to your agency?

Participants
Would this program apply to all bargaining unit members and unrepresented employees? Would there be any exceptions? Would it apply to the whole agency as one team or would it be broken down into work teams?

- Who can participate
- Pro-rating of participation
- Exclusions –

Group Q: Who would not qualify to participate or forfeit they’re right to participate?

Payments
How and when will you make the payments and what calculation do you use to determine the degree of success?

- What is the PMP year
- Formula for calculating payment
- How much of an award provides the incentive desired

Board and Union buy-in
Given your work culture, what is the best way to get buy-in from your Board and bargaining group

- Establish SMART goals
- Board discussion – benefits to the agency
- Bargaining group discussion – benefits to the represented worker