

To: Department Heads

From: Eloise See McGaw
Assistant Vice President and Director of Human Resources and
Equal Opportunity

Date: April 30, 2008

Subject: Salary Worksheets for 2008-2009 Merit Increase Program

CC: Division Heads

Enclosed are the salary increase worksheets for your salary recommendations for the 2008/2009 fiscal year. The annual increase for administrative employees is a **merit-based increase** that should be based on the employee's progress and growth during the course of the year and a review of goal achievement during this period.

Program Objectives

The Valuing Work @ Wellesley program was designed to articulate, support and reinforce the value of work at the College. The Performance Management component is the centerpiece of the Valuing Work Program and promotes the importance of ongoing communication about work between employees and their supervisors. This ongoing performance management process is the basis for decisions made by managers about salary increases and bonus recommendations. The Human Resources website provides tools to assist you in the performance management process including: Guidelines for Effective Performance Management, the Performance Management Document, and Goal Setting Guidelines and the new Employee and Supervisor Self-Assessment Tool. These resources can be found under Forms under Performance Management on the Human Resources website. Exceptional performance should be recognized within the salary increase process. Supervisors, managers and department chairs report their recommendations for increases to their division head based on the performance of the individual in the role. The final approval for the increase is by the head of the division who considers performance on a division-wide basis.

The President and the Board of Trustees have approved a merit increase pool of 3.0%. In addition to the salary increase program, we have a bonus pool of \$50,000 (described at the end of this memo). This year, when the College is faced with challenging budgetary constraints, the availability of this bonus pool emphasizes the commitment of Wellesley College to a bonus program as a way of rewarding and acknowledging exceptional performance. Non-monetary ways of recognizing performance are highlighted in Employee

Recognition, which can be found under Managers' Resources under Performance Management on the Human Resources website.

Process

Enclosed are the salary worksheets for your salary recommendations for the 2008/2009 fiscal year. Employees who were on our payroll as of March 31, 2008 are eligible for a July increase. If an employee has announced plans to leave the College in the summer months, he/she is still eligible for a July 1, 2008 increase. Exceptions should be discussed with the Compensation Manager, Kathi Krajewski.

As in past years, the Human Resources Office evaluated Wellesley's administrative compensation program vis-a-vis our peer institutions and selected Boston area colleges and universities. The goal of this analysis is to determine if we are meeting our institutional objective of paying competitive salaries to our administrative staff. Our analysis demonstrates that we are achieving this goal. The Human Resources Office also reviews both internal and external equity with Division Heads.

Merit Increase Budget

The College salary pool for 2008/2009 is 3.0%. **This does not mean that every employee should or will receive a 3.0% increase. There should be differentiation in salary increase percentages for individual employees based on performance during the past year.** Employees whose performance is exceptional should receive the highest increase percentages. Employees whose performance falls short of expected results should receive a lower increase percentage or no increase. Performance issues should be discussed with the senior staff member and the Human Resources Office. Our office is also available to discuss salary increase recommendations.

It is important to communicate with your employees about their performance. The merit increase guidelines and bonus criteria will be posted on the HR website. We encourage you to share these guidelines and the merit increase process with your employees so that they understand the basis for your decisions. **You should discuss with your employees which description best describes their performance.** **As in past years, the merit process must be completed College-wide before it is finalized; therefore, no information about salary recommendations should be shared with employees until they receive their annual salary letters.**

Salary Worksheets and Recommendation for 2008/2009

Once the percentage increase has been determined, please enter the recommended increase percentage on the enclosed salary worksheets. Forward your merit increase recommendations to your division head. The division head forwards the salary recommendations for the division to the Human Resources Office.

There is a column labeled performance rating on the salary increase worksheet. Indicate on the salary worksheet the description from the Merit Increase Guidelines that best describes the employee's performance throughout the year. Only those employees whose performance is described in the annual performance appraisal as exceptional or who have extraordinary achievement above and beyond outstanding performance are eligible to be

nominated for a bonus. There is also the option for team bonuses for a group of employees who have worked together on a project whose impact is significant to the College.

Salary Letters

Based upon the salary recommendations of supervisors and Senior Staff, salary letters will be generated by the Human Resources Office over my signature and sent to home addresses to be received by all employees at the same time at the end of June. The salary letter from the Human Resources Office is strictly a statement of next year's salary and will not reference performance.

Deadline

All salary worksheets and bonus nominations should be completed and returned to Senior Staff by **Friday, May 16, 2008** to allow time for their review and submission to Human Resources. If you have any questions, please call a Human Resources Representative.

Performance Management Process

Evaluating and Documenting Performance in the Year Ahead

Supervisors are responsible for documenting the performance review discussions and sharing that documentation with their staff. The completed and signed reviews should then be forwarded to Human Resources for retention in individual personnel files. Do not e-mail copies of performance reviews as the signatures on the performance review serves as documentation that a performance discussion has taken place. Performance reviews should be completed according to the timing option chosen in your department. Human Resources will follow up with Senior Staff on any performance reviews not received.

Regardless of the timing option chosen for the completion of performance management reviews, all salary increase recommendations need to be submitted by the May 16th deadline. Annual salary increase recommendations are based on on-going performance throughout the year. All salary increases will become effective July 1, 2008.

Bonus Program for July 2008

This year we will again have a College-wide bonus program, and \$50,000 has been set aside for this program. The purpose of the bonus program is to reward extraordinary achievement above and beyond outstanding performance either by an individual or team of employees during the past year. A bonus should be offered only to the highest performing employees at the College who have made an outstanding contribution to the College during the past year.

The bonus program will be administered during the salary increase cycle. Unlike the past few years, no bonus dollars will be held for use throughout the year. The guidelines will be similar to those used in the past. Although we will have fewer bonuses than last year, we do not want to diminish the dollar value of any bonus so that it becomes insignificant.

The division head will nominate recipients. Human Resources recommends that division heads seek input from within their divisions or other sources that can provide relevant information. The process will remain largely informal without any forms or "official"

nominating paperwork. A paragraph or two outlining why the individual should receive the bonus and the requested amount of the bonus should be submitted to division heads by Friday, May 16, 2008.

The Human Resources Office will compile the bonus nominations and total the proposed amount. If necessary, Human Resources will contact the Division Heads to discuss the nominations and to make adjustments so that the bonus pool is not exceeded.

After the bonuses nomination process is completed, our office will notify the division heads regarding the approved bonuses and when the bonuses will appear in the paycheck. Our Office hopes to include the bonus in the July paycheck for full year employees and in the September paycheck for academic year employees but this will be dependent upon how long it takes to complete the bonus nomination and approval process.

We will provide standard letters to be placed in the employee's personnel file. I would recommend communicating the bonus directly to the employee and writing a personal note to the employee to make the bonus more meaningful.

My staff and I are available to assist with the salary increase process as well as with the performance management process. Please let us know how we can help you.

Thank you for taking the care to ensure that this process runs smoothly

Enclosures:

Salary Work Sheets for 2008/2009

2008/2009 Suggested Merit Increase Guidelines

Bonus Program for July 2008