

NEW ANNUAL PERFORMANCE REVIEW EXEMPT W/DIRECT REPORTS

We are beginning to change our performance review process this year. This review is geared toward “Exempt with Direct Reports.” The new performance review is designed to facilitate constructive discussion between an employee and their manager to clarify performance objectives, provide performance feedback, identify employee development plans, and serve as a foundation for merit increase decisions. The information contained in this document is for performance reviews related to *Exempt with Direct Reports*.

HOW IT WORKS

A supervisor/manager will receive an email reminder with a link to access the performance review document. The document will automatically populate basic information like the previous review links have done. A copy of the new form is attached for your reference. Do not use it to complete a performance review. We will continue to complete the reviews electronically.

The performance review can be accessed through employee.paulmuller.com. If you encounter difficulty accessing the performance review document, contact Cameron Mills (IT) at X9219 or cmills@muel.com. If you have other questions about the new form, contact Chris Dickerson (HR) at X9474 or cdickerson@muel.com.

When you are sharing peer review comments, by either writing them down or sharing them orally, avoid sharing the comments word for word. Instead, summarize comments in a way that retains the peer reviewer’s original intent.

PREPARATION FOR THE PERFORMANCE REVIEW

About six weeks before a person’s annual review, they will receive a self-evaluation form for their own personal use and reflection on the previous twelve months and what they need to do to develop their career at Paul Mueller Company, Mueller Field Operations, and Mueller Transportation. They are not required to bring this form to the review, however, some may elect to do so.

DETAILS ABOUT THE NEW ANNUAL REVIEW FORM “EXEMPT WITH DIRECT REPORTS”

Six Competencies

There are six competencies to consider on the new annual review form:

Cooperation • Attitude

Initiative

Communication

Reliability • Results • Productivity

Judgment & Fiscal Responsibility

Supervisors Only Section

Each of the six competencies have subsections that include a few descriptive sentences that provide a frame work to evaluate the person’s performance as it relates to that particular competency. Each of the six competencies have a drop-down menu that offers four performance levels: Exceptional, Successful, Focused Target, and Significant Deficiency.

Under the *Supervisors Only Section*, there are three segments: Leadership, Supervision, and Safety. The Supervisors Only Section contains a list of skills to check off for successful accomplishment.

Performance Levels for The Six Competencies

Exceptional

Clearly and consistently produced standout accomplishments. Performed well above and beyond expectations — even when presented with exceptional circumstances during the review period. During this review period, he/she has continually distinguished themselves as an exceptional performer. Demonstrated competency at an expert level of knowledge, skill or ability. Actual performance example(s) is required.

“Exceptional” performance level ratings are centered on standout accomplishments in performance. These individuals display exceptional ability and performance every day. Performance at this level in organizations is less frequent, as the person is required to perform well above expectations.

Performance Review Tip: Consider a development plan for career advancement and explore cross training or mentoring activities. The plans should be identified by the manager and individual to enhance the person’s promotability.

Successful

Performance demonstrated is a successful accomplishment of their role and a thorough fulfillment of their responsibilities. Consistently achieved goals and objectives. Solid performance achieved during this review period. Demonstrates thorough competency of knowledge, skill or ability based on experience and tenure in the position.

“Successful” signifies an excellent performance level. If an individual consistently met, and even exceeded at times, performance expectations, then it is appropriate to choose “Successful.” It does not mean that the person never has an off-day (but it is a rarity) when they do not entirely meet that standard. If you can definitely answer “Yes” that the vast majority of the time the statement describes the person, then they should be regarded as “Successful.” One exception to that may occur if during the year, the person (even one time) severely deviated from the performance described. If the situation was severe enough, it may warrant choosing “Focused Target” instead. If so, be sure to describe the event in the review that led to that assessment.

Performance Review Tip: To enhance job skills and performance, plans should be identified by a manager with the individual to provide opportunities to further enhance job-related skills and performance. In such a case, the person is already “Successful” in the competencies; these development plans are created in order to obtain an expertise level – Exceptional.

Focused Target

There are areas that need additional developmental focus during this review period. Performance requirements were inconsistently met and/or fell moderately below what is required long-term. Further development of knowledge, skill or ability will be targeted. A description of specific area(s) for development is required.

A “Focused Target” is simply an area that warrants further development. We would expect it to be common for managers to select that performance level in many cases. In general, it is simply an area that is still under development. However, if for consecutive years the person has not been able to develop that particular competency further, or they are regressing, then the supervisor and the person must address this. Continued underdevelopment is not acceptable. At that point, it may in fact be a “Significant Deficiency.” Those are discussions that managers will need to bring forward so we can address the situation fully.

Performance Review Tip: For competencies identified by the “Focused Target,” the manager and direct report are collaborating to advance progress in a competency that the person has not yet mastered. Some level of progress may have been noted in previous reviews, but greater gains still remain to be made. In such a case, the development plan should outline competency goals created for progression to the “Successful Level.”

Significant Deficiency

Performance consistently showed significant deficiencies during this review period. Immediate and sustained improvement is required. Actual performance example(s) is required.

When “Significant Deficiency” performance level is identified, it is an issue that must be addressed immediately with the individual. Several ‘Significant Deficiency’ ratings or one ‘Significant Deficiency’ that continues to occur is cause for evaluation of position fit and/or employment with the company. If someone has this performance rating, we need to discuss providing 30, 60 or 90-day performance improvement reviews to evaluate progress in the area. Immediate and sustained improvement is required. It should not be addressed just at an annual review.

Performance Review Tip: To close significant performance gaps: the manager, in conjunction with the direct report, should identify development plans for any goals, skills or behaviors which are assessed at the “Significant Deficiency” performance level. Development plans which address performance at this level should be reviewed and handled via ongoing performance discussions and documentation.

Goal Setting & Progress Reviews

Goal setting is an essential part of the review process. Reviews look at the past, but we also want to focus on the coming 12-months. Included in the new form is a place for you, along with your direct report, to write down their goals for the upcoming 12-months.

There will be a place for two individual goals and, and a place for two team goals. You may choose to just list one each in each area, depending on the scope of the goal. It is difficult to focus our attention on too many goals in a year. Choosing one or two, individual and/or team goals, allows us to concentrate our efforts.

After the review, at three, six, and nine months, you and your direct report will each receive an email regarding the goals that were established. This is a reminder to evaluate the progress toward the agreed upon goals.

Ratings for the New Annual Review

You will not find an overall rating on the new review. The goal is to focus on each competency, offering praise and constructive feedback where appropriate for each one.

HR will calculate the rating of each of the Six Competencies and use that to get an overall rating.

The overall rating and where the person's pay is within the pay grade are used to determine the maximum percentage increase possible, according to our salary increase matrix. This matrix is an "up to" increase in percentage of pay. In other words, it only identifies the maximum that can be awarded without further equity approval.