Yale University
Performance Management Guide
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Yale University’s Performance Management Program

Philosophy and Intent

Performance management is integral to creating a high performing organization and to supporting employee development. The performance management cycle and processes serve as the architecture that allows managers and employees to set expectations for the year and to discuss each employee’s potential contributions toward the achievement of departmental and University goals.

The University has adopted a process which includes feedback and on-going coaching to drive the goal setting and performance review portions of performance management. Through effective goal setting and performance assessment, the organization keeps focused on its key objectives, and employees are provided feedback that will help them grow and develop as professionals.

The features of the performance process are joint goal setting between the manager and employee, self-assessment, and the opportunity to engage in productive discussions regarding performance both at mid-year and at year-end. The objective of the performance review discussions is for managers and employees to have meaningful and constructive reflection and dialog while providing employees with relevant, specific, and timely information about performance strengths and opportunities for improvement.

Annual performance assessments are a powerful tool for employee development. The employee self-assessment helps the manager understand the employees’ observation of their performance, what employees value in their jobs, what motivates them to achieve, and how the job fits into their career plan. With that information, managers can engage employees in a discussion on how to achieve high performance in their positions and realize career goals.

Annual reviews and assessments are also important for the organization. They help the organization stay on course to achieve important departmental and University objectives, and provide tools to assess performance and provide appropriate rewards for employee contributions to University success during the year.

Note: Please visit https://your.yale.edu/work-yale/learn-grow for information and tools supporting Yale’s performance management process.
Annual Performance Management Cycle

Yale’s cycle begins with goal setting at the beginning of the fiscal year. The diagram below indicates time frames for the key activities in the cycle.
Starting with the End in Mind

All managers of staff are expected to set goals, evaluate, and provide feedback to managerial and professional employees annually. The annual cycle runs concurrently with the fiscal year, and goals are tracked for the period July 1 of the current year through June 30 of the following calendar year. The evaluation process includes a self-assessment by each employee and a review and assessment completed by the employee’s manager. Employees receive an overall evaluation rating based upon their annual assessment. Based on their ratings, employees may be recommended to receive an annual merit increase.

Because the performance management cycle runs annually for all managerial and professional employees, and it informs merit pay for performance, it is important to plan ahead and conduct the activities included in the performance management process in a timely manner. At the end of the cycle, recommendations for merit increases must be reviewed, calibrated and processed in time for managers to have the performance and salary discussion with employees prior to any change taking effect on September 30. The following is a table of all of the activities in the performance management cycle and the timeframes in which they occur.

Yale’s Timeline

<table>
<thead>
<tr>
<th>STARTS</th>
<th>ACTIVITY</th>
<th>ENDS</th>
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<tr>
<td>Mid May</td>
<td>The Human Resources Department reminds staff to begin working on their self-assessment and</td>
<td>Mid June</td>
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<td></td>
<td>communicates merit timeline, salary pool and merit increase process and guidelines for managers.</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>Performance Review and Merit Process</td>
<td>July</td>
</tr>
<tr>
<td></td>
<td>• HR Generalists assist department leadership with planning and setting internal timelines as necessary.</td>
<td></td>
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<tr>
<td></td>
<td>• Managers communicate performance management process to employees and confirm self-assessment process and due date.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employees complete self-assessments and return to manager.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Managers solicit feedback from faculty, dual</td>
<td></td>
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• Managers receive employee information, data and metrics
• Managers prepare written reviews and assessments and develop recommended merit increases.
• Individual departments conduct 2nd level reviews and calibrate performance and merit recommendations. Finalize performance review and plan to deliver to staff.
• Departments submit performance ratings and merit recommendations to Division/School.

<table>
<thead>
<tr>
<th>Mid August</th>
<th>Performance Review and Merit Process</th>
<th>Mid September</th>
</tr>
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| • Merit recommendations reviewed and finalized by the Human Resources Department to appropriate Officer/Provost.  
• All approvals completed at the Officer/Provost level.  
• Performance assessment and approved salary discussions take place.  
• Signed performance assessments are sent to HR Generalists or department HR Representative to be filed in University employee file. | |

**Goal Setting**

• New annual goals are established and communicated to staff (end of September).

<table>
<thead>
<tr>
<th>September</th>
<th>Merit increases are effective and new salary amounts are reflective in Workday and an employee’s pay.</th>
<th>September 30</th>
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</table>

| January   | Mid-cycle performance feedback is gathered and delivered. Goals are evaluated and adjusted as necessary. | February    |
Goal Setting

Performance management can improve two-way communication, individual and organizational performance, and align activities with the organization’s strategic priorities—and it all starts with goals.

Goals should be driven towards the overall objectives and mission of the University and aligned and linked with them as nearly as is possible. From the highest level of strategic priorities, goals and objectives cascade down through all levels of the organization, ultimately informing the goal setting process for the individual. Yale’s balanced scorecard tool can help managers articulate how departmental goals drive university performance. Details can be found https://your.yale.edu/policies-procedures/forms/mp-performance-feedback-resources. The following chart indicates how objectives can cascade throughout Yale.
Goal Setting Guidelines

Effective Goals Have the Following Characteristics:

- They relate to organizational and departmental mission and goals;
- They are focused on results and the outputs delivered to internal and/or external customers;
- They clearly define expectations for performance;
- They include a focus on developing and learning, encouraging all individuals to be the best they can be;
- They are developed with the involvement of staff, improving communication between managers and their teams;
- They not only include “what” needs to get done but the behaviors on “how” work is expected to be accomplished in Yale’s workplace;

While goals can provide individuals with direction and motivation, their effectiveness is significantly enhanced when:

1. The goal is clear and the individual understands what it entails.
2. The employee understands its relevance and connection back to Yale’s overall performance.
3. The goal is specific, and is challenging, yet achievable, for the individual.

Center for Creative Leadership

Yale’s Annual Performance Goals

Annual performance goals should be a written statement of what the manager and employee expect will be accomplished -- the results of the employee’s activities -- within a given time.

Goals can be written for specific one-time or on-going projects, new programs, improvements, committees or other assignments, as well as professional development. Goals should be developed in alignment with the mission of the department or organization.

Key deliverables and internal/external customer needs are good focal points for setting meaningful goals. When these types of goals are reached, they are likely to contribute to creating a high performing organization.

It is important to recognize daily job responsibilities yet not focus solely on them. Where possible, look for opportunities to develop meaningful, and inspiring annual goals that are beyond the routine job deliverables. Look to develop goals that make the most meaningful contribution to customers, the work group, the organization and the development of the individual.
Mid-Cycle Performance Feedback

One of the most useful parts of the performance process is the mid-cycle review. This is an opportunity to reinforce and encourage continued positive contributions and to make course corrections while there is time to effect change and improve results, so the purpose of this discussion is dynamic, rather than evaluative. For this reason, there are no ratings of performance issued.

A mid-cycle status review is typically conducted from 4 to 6 months after goal setting has occurred. This interim process gives managers the opportunity to provide mid-year feedback about an employee’s progress toward annual goals, to reinforce progress against the goals, to coach for improvement where necessary, and to revise goals or make goal adjustments if necessary. In periods of rapid change, goals set at the beginning of the annual cycle may need to shift, making way for new priorities critical to the organization. Flexibility and clarity are critical both when this occurs.

Valuable feedback is a powerful mechanism that supports the annual performance cycle, but can only truly be impactful if it is timely and specific. Feedback should be descriptive and constructive. Descriptions of events (what was the context) and behavior (how it was done) that are linked to results and impact (what was the outcome) create clear and motivating messages that drive the right behaviors and results.

Giving feedback is a crucial part of any open, honest working relationship. While it can take a little work for managers to prepare so that they can phrase feedback in productive and constructive ways, it is worth the extra effort to maintain a positive relationship to maximize the chances that employees will continue, correct or improve performance.

Coaching is particularly helpful during the mid-cycle review or at any time the manager and employee feels there is a reason to touch base. Yale offers several tools and courses to help managers prepare for and hold a feedback or coaching discussion with an employee. Go to https://your.yale.edu/work-yale/learn-grow for more information.
Year- End Performance Assessment

Overview

The annual performance assessment provides a final overview of results attained against goals set for the fiscal year. Feedback is both through dialogue and discussion, formalized on the performance appraisal form and is built upon observations, results and achievements made during the full course of the year. Preparation is important, and should involve both the employee and the manager.

Input

To prepare for the assessment, input should come from the employee and the supervising manager. There are a variety of other sources that should be tapped appropriately for useful information with which to develop an accurate and meaningful assessment: dual report managers should provide performance feedback, internal and external customers can provide valuable input for applicable situations, and peers who have collaborated with the employee to achieve important project or results.

Self-Assessment

A very important source of input to the year-end assessment is the employee’s own view of progress and achievement towards fiscal year goals. The employee’s perspective may provide insight and information unavailable through any other source, and should be requested by managers as part of the information gathering phase of preparation they undertake. This step also allows managers to properly prepare for the feedback conversation, calibrating an employee’s observation of their performance results as compared to the manager’s feedback. It’s both insightful and information, and a critical step as the manager prepares for the session.

Ratings

Overall performance ratings per objective are assigned by the manager once all information has been gathered and evaluated:

- **Exceptional**-performance noticeably exceeded expectations and made a unique contribution to the University, School or Department objectives. Individuals who achieve this performance rating are recognized by higher levels of management, their peers, and staff that report to them, as “stand out” performers. This rating is typically awarded only to the top 10-20% of all Yale employees and is reserved for the very best performer(s) for the year.

- **Met/exceeded expectations**-performance consistently met or exceeded Yale’s high standards and expectations. All critical annual goals were achieved. Individuals who
achieve this performance rating are widely recognized as a strong and valued contributor. Generally, 70% to 80% of Yale employees will fall into this category.

- **Needs Improvement**-performance often met, but did not consistently meet, position expectations. One (or more) of the most critical annual objectives was not met. Incumbents who receive this performance rating need further coaching and development to fully meet position expectations, or are sometimes new to their position. On average, approximately 10% of Yale employees fall into this category.

- **Unsatisfactory**-performance was below expectations in essential areas of responsibility, with key goals and objectives missed. The contribution of individuals who receive this performance rating is typically below that of peers or incumbents in comparable positions. Less than 5% of Yale employees fall into this category.

Numerical ratings are attached to each of these categories so that each goal area can be valued and counted toward a rating for overall performance during the year.

**Merit Recommendations**

The Human Resources Department determines guidelines for merit increases each year, based on available funds, rating levels and the position in range of the current salary. Managers make recommendations for merit increases using the overall performance rating they have assigned and applying the Classification and Compensation department guidelines. See the Pay for Performance section below for more details.

**Approval**

Performance appraisals should be evaluated and approved by one over one leadership before being issued to staff. The manager’s manager provides oversite and further clarity around feedback which is instrumental in the appraisal’s delivery. This also allows for a calibration assessment relative to the department peer group and keeps the leader informed on individual contributions to the department.

**The Performance Assessment Discussion**

Once all approvals have been given, the performance feedback discussion can take place and an employee receives the annual appraisal. This discussion is a critical dialogue between an employee and manager and one that should be thoroughly prepared for. Tools are available on the Learn and Grow website to help managers prepare on this conversation. This may also be the time that new objectives and goals for the coming year begin to be discussed and plans formulate on how to prepare for the next fiscal year’s cycle.
Pay for Performance

The University is committed to merit pay for performance and the performance management cycle of goal setting, mid-year review and year-end performance assessment outlined here serves as the foundation for achieving that result. The Human Resources Department supports managers in applying annual merit pay, based on performance assessment, through a coordinated process involving the efforts of several key roles. An understanding of those roles and responsibilities is helpful for managers involved in the performance review and assessment process, and they are described in the section that follows.

Roles and Responsibilities

Manager

The manager has primary responsibility for and owns the following parts of the review process:

- Requests and receives employee self-assessment
- Solicits informal 360 feedback from other key stakeholders who can properly provide insight into the individual’s performance
- Drafts assessment materials, recommends rating, and recommends salary increase
- Discusses assessment information with 2nd level reviewer
- Adjusts assessment materials/ratings/salary based on feedback and discussion with 2nd Level Reviewer and/or from departmental calibration process
- Once approval, holds feedback meeting with employee
- Responsible for "owning" and delivering the rating, assessment message, and salary, as approved

Dual Report Manager

This is a manager with dual supervisory authority who provides input into the ratings, reaches consensus with all supervisors, and approves the assessment and rating. Involvement can vary greatly based on circumstances. Identifying the primary manager in the performance appraisal process should be clearly established well in advance.

2nd Level Reviewer

This is typically the manager’s manager and has responsibility for the final approval and sign off on the rating, assessment, and salary adjustment, if applicable. The 2nd level reviewer has primary responsibility for the following parts of the review process:

- Reviews and approves the rating, assessment message and salary recommendation; the approval signifies agreement and support of the rating, assessment feedback and salary in the broader context of the larger department or unit.
• Responsible for considering performance distribution and salary guidelines for the larger group. In departments with a calibration process, the 2nd level reviewer often participates in calibration.
• Responsible for working with the manager(s) to resolve and questions arising from the performance feedback, calibration, or merit cycles.

The 2nd level reviewer may be the manager’s manager, a higher-level manager, or other University official who may or may not be in the direct supervisory organizational hierarchy.

Performance Management – Related Topics

Unsatisfactory Performance

Managers should address performance issues with employees when they arise and should not postpone discussion with the employee until the mid-year or annual review. The manager should contact the HR Generalist regarding specific issues and work with the Generalist to develop a plan for communicating the issues to the employee, documenting them appropriately, and preparing a performance improvement plan if appropriate. At the mid-cycle and year-end performance assessments, these performance issues should be noted appropriately on the appraisal form and further discussed.

Too New to Rate

All newly-hired staff employees of the University are on probationary status for the first 90 calendar days of their employment. For the purposes of the annual year-end performance assessment, employees who started in their jobs on April 1 or after will be considered too new to rate. See additional information on probationary status at https://your.yale.edu/work-yale/staff-workplace-policies/employment#probationary-period.

FAQs: Frequently Asked Questions

1. How does the University’s performance management process benefit employees?

The performance management process is a mechanism by which employees can understand what is expected of them in their jobs and how their performance relates to the success of the unit and the University. It provides for regular communication between managers and employees to assess job performance and to help the employee develop skills that are critical to effective performance in the current or future job.

2. Why does Yale need a performance management process?

Every organization needs to achieve certain goals to be successful. With a performance management process, Yale can monitor progress toward achieving its goals and determine the work and activities that were most important in achieving or not achieving them. This
knowledge can be used by the organization to redefine goals or to set new ones, and to keep building on the successes achieved.

3. **What is the role of the manager in the performance management process?**
   Managers must set clearly defined, measurable, realistic and time-framed goals with input from their employees. On a regular basis, managers must provide an objective evaluation of the work of each employee that fairly assesses the employee's success in demonstrating skills and achieving goals. When an employee fails to meet expectations, the manager must explain why, and provide recommendations on how the employee can enhance effectiveness in his/her role.

4. **Why does Yale require overall performance ratings of M&P staff?**
   Most organizations have adopted formal performance management processes that link salary adjustments directly to an individual’s success in accomplishing established goals (for individuals, departments, divisions and the entire organization). Pay for performance, or requiring ratings of employees, enables Yale to reward high-level performance and motivate employees to meet individual and organizational goals.

5. **Is an overall performance rating tied to merit?**
   The overall performance rating an M&P receives is an important component of our pay for performance philosophy and influences an employee’s merit increase.

6. **Who has access to the performance management form/employee record?**
   Only the employees, their managers, and University officials with a business need, e.g. HR Generalists, will have access to this information.

7. **What do I do if I disagree with my manager’s assessment or rating?**
   If you do not agree with your manager’s rating, you have several options. The comment section of the assessment allows employees to add their feedback to the final performance record. Employees are encouraged to have constructive dialogue with direct managers to discuss the disagreement -- often the disagreement ends once a more clearly articulated discussion between a manager and employee takes place. If a discussion with your manager does not end the disagreement you have the option of discussing this with your manager’s manager and/or your HR Generalist.

8. **Is there a difference between performance goals and development plans?**
   Yes! Performance goals are the results you wish to achieve within your current position and development plans target how you want to grow and develop professionally. The University’s Human Resources Organizational Effectiveness and Staff Development department has created an Individual Development Plan (IDP) process and tools to help employees and managers assure that every employee has a plan in place to encourage their growth and development. Details regarding the IDP process can be found on the Learn and Grow website.

9. **Do my manager and I evaluate on the same goals?**
   Employees and their manager assess the same goals during the performance management process.
## Glossary of Terms

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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Assessment</td>
<td>University term for the annual evaluation or performance review.</td>
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<tr>
<td>M&amp;P</td>
<td>University classification for managerial and professional employees. M&amp;P employees all participate in the performance management process at Yale.</td>
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<tr>
<td>Merit Pay</td>
<td>A percentage increase to be added to an individual’s base pay to recognize and reward performance.</td>
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<tr>
<td>Mid-Cycle Status Review</td>
<td>Midyear check-in with employees to review status on goal achievement, potential need to change or modify goals, reinforce positive progress on goals, and provide feedback. No ratings are issued.</td>
</tr>
<tr>
<td>Pay for Performance</td>
<td>Practice of recognizing and rewarding performance with merit pay.</td>
</tr>
<tr>
<td>Ratings</td>
<td>Numeric values used to evaluate performance during the annual assessment.</td>
</tr>
<tr>
<td>Self-Assessment</td>
<td>An employee’s evaluation of how he/she has performed in relation to the annual goal(s).</td>
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