

Subject: HRD- Merit Increase Received

**FY 2018 Proposed Budget
Budget Work Session Follow-up**

4/12/2017

The following information is provided in response to a request made by Mr. John Vihstadt at the work session on 3/16/2017:

What percentage of County employees and at what levels/pay grades are predicted to receive a Merit Increase for FY 2018? How many received such an increase in FY 2017 and FY 2016? Please break down the percentages of employees who received such increases by Department.

The data is provided in the tables below. In FY 2018, some departments will have 100% of their workforce that are eligible to receive a merit increase, but not all will. Additionally, a portion of these employees could be at their maximum or close to their maximum, and thus will not receive the full merit increase. In FY 2017, more employees are eligible to receive an increase because there was an increase to each grade/range as well as open pay ranges approved; the data shown below indicates those eligible but not those who received as the fiscal year is not yet complete.

Percentage of Employees Eligible to Receive an Increase Based on Current Range Max

Dept	FY 2018 Eligible	FY 2017 Eligible	FY 2016 Actual
AED	100%	100%	96%
CAO	86%	100%	100%
CBO*	88%	100%	100%
CCJ	90%	100%	100%
CCT	86%	100%	81%
CMO	87%	100%	90%
COR	80%	100%	83%
CPHD	92%	100%	98%
CWA	84%	100%	80%
DES	89%	99%	87%
DHS	89%	100%	91%
DMF	100%	100%	90%
DPR	93%	99%	89%
DTS	70%	99%	89%
FIR	81%	100%	79%
GDC	100%	100%	100%
HRD	100%	100%	87%
JDR	94%	100%	100%
LIB	90%	100%	90%
OEM	86%	98%	91%
POL	81%	100%	78%
REG	100%	100%	100%
RET	100%	100%	67%
SRF	90%	100%	89%
TRS	85%	100%	75%
TOTALS	87%	100%	87%

*CBO does not include County Board members

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What steps does the Department of Human Resources (HRD) take to ensure that (a) Merit Increase review and award is not just a default, check-the-box pro forma exercise and (b) Merit Increase standards are applied in a fair and even-handed way across all Departments? Under what circumstances would an employee not receive such an increase?

In order to receive an increase, a performance evaluation must be completed and an employee must receive a rating of meets expectations. The system requires that both supervisor and employee sign the evaluation, affirming that a discussion has taken place. The performance appraisal consists of two parts: 1) key work expectations that are tailored to each employee's job and are reflective of the major functions of that job; and 2) County-wide competencies that are given equal weight as the key work expectations and are the same for all employees. The competencies are further defined based on the level of the employee – individual contributor, supervisor, or senior management. An employee must receive an average rating of 3.0 in both sections in order to receive a “meets expectation” rating. If an employee's performance does not meet expectations or the employee is at the max of the pay scale, the employee would not receive an increase.

In addition, HRD provides guidance and training of performance reviews to ensure that it is not a “check-the-box” exercise and that it is applied in a fair way across all Departments. The following describes the principles and processes that relies on for performance management:

Transparency:

Every employee has access to the Arlington County Performance Management website. It includes information such as guides, forms, and presentations on how increases are determined, what criteria are used for the evaluation, and how performance is evaluated. Arlington County has standardized criteria through behavioral job competencies and key work expectations.

Training:

HRD conducts performance-management training sessions for all supervisors to standardize how supervisors develop key work expectations, conduct employee feedback, calibrate ratings, and deliver evaluations to employees.

Training is developed to provide supervisor understanding of the behavioral job competencies, and encourage effective and timely feedback. The training stresses the importance of feedback and how it is a critical component of the Arlington County performance management program. Specific, timely, and relative feedback should be given to employees on their progress towards their key work expectations. Training also encourages the use of precise performance management language to clarify understanding between the supervisor and employee.

Performance Management Cycle:

Through the use of a standardized planning, observation, and appraisal process, supervisors and employees work together to set expectations and manage accountability throughout the year. This allows both supervisors and employees to establish a clear understanding of the level of performance needed to achieve a rating of “meets expectation”.