



## EMPLOYEE GUIDE TO PAY FOR PERFORMANCE

### **PERFORMANCE MANAGEMENT AND COMPENSATION PROGRAMS**

The health care environment is one of the most dynamic environments in industry today. It is drastically different than a few years ago and will be even more different a few years from now. External forces driving this change include: increasing costs to do business; managed care; regulations; legislation; employee, applicant, student and patient demographics; technology; and competition. In addition, healthcare and academic medical organizations everywhere continue to compete for patients and the best and the brightest employees.

For UTMB to be successful in an environment like this, all of our employees must be partners in our mission and goals and live the core values in all aspects of our work. UTMB's senior leadership sets the mission and goals of the institution into specific, measurable goals for UTMB collectively as well as for each entity. In turn, entity goals are then translated into core behaviors and specific work outcomes for each individual. These core behaviors and work outcomes are the foundation of the Performance Management Program (PMP).

The goals and objectives we strive for in our changing environment are challenging and require each and every one of us to excel in all that we do. A key factor in our success is a shared understanding of our performance management and compensation programs. Our PMP is the method we use to support and reward employees in accomplishing their objectives and delivering pay based on individual and group performance.

This guide is an important part of sharing information about our performance management and compensation programs. During your performance evaluation discussion, your supervisor will include a review of your most recent performance evaluation as well as discuss the link between your performance and your pay. While this guide is a summary and can answer many questions you have about your compensation, you may also want to discuss any additional questions you have with your supervisor or your Human Resources Consultant.

### **HIGH-LEVEL OVERVIEW OF THE PROCESS**

Performance Management and compensation delivery occur on an annual cycle at UTMB as follows.

- President's Council annual goal planning (August – October)
- Entity level goal and objective planning for fiscal year
- Individual performance planning (SMART Goals)
- Ongoing coaching - performance feedback and updates throughout the plan cycle
- Final performance assessment at end of plan cycle
- Base pay delivery
- Variable pay delivery (if applicable)

## **PERFORMANCE MANAGEMENT**

When evaluating an employee's contribution level based upon performance, the institutional Performance Management Program is used to ensure a consistent approach across UTMB. This toolkit will provide specific information for you on:

1. How to set goals and measure performance
2. How to document and coach employees on performance deficiencies and opportunities.
3. How to complete a performance management form.
4. How to conduct a collaborative performance review.
5. How to develop your employees to become the most productive they can be, for developing a high performance team.

Performance management is one of the most rewarding components of managing employees, because a supervisor can directly impact performance and job satisfaction through appropriate setting of expectations and coaching for success. The Performance Management Program provides the structure to deliver performance appraisals with the appropriate message.

## **COMPENSATION PHILOSOPHY**

It is critical to have a compensation system to attract, retain, develop and motivate our employees to effectively preserve the Institution's core purpose and to stimulate its progress. The value that UTMB places upon its human resources assets determines to a large degree our long-term success. Our compensation program looks broadly at all employees across the institution to ensure market competitiveness and takes into consideration individual performance when determining appropriate pay levels, according to an individual's contribution. The guiding principles in our compensation program are:

- UTMB employees are full partners in the fulfillment of our mission and are our most valuable resource.
- UTMB attracts, develops and retains quality employees through a total compensation system that includes competitive base salaries, benefits, career development, workforce development, rewards and recognition, and may include performance-based variable pay and rewards.
- UTMB salary ranges are based on the balance across external (market) competitiveness and internal equity.
- UTMB administers its compensation program in conformance with sound business practices and available resources, applicable laws and in a manner that is reasonable to implement and is understandable to all.

In order to effectively monitor the market value of a job, UTMB places an internal value on the job, through the role's job description and an appropriate salary grade. Salary grades are given a salary range minimum, midpoint (market value for a fully functional employee), and maximum to ensure that we are paying individuals within jobs the appropriate market rate, based on relevant experience, education, and licensure.

## **COMPENSATION AND TOTAL REWARDS**

UTMB's compensation program is designed to attract and retain the best and brightest employees. The compensation program consists of base pay, additional pay (such as overtime and shift differential), variable pay if applicable, and total rewards, including benefits and non-monetary rewards.