

Staff recommendations on structuring the pay for performance system

This year, Colorado College will be transitioning to a pay for performance system. In October, staff on the compensation committee met with Staff Council to discuss the new system and have the following recommendations regarding how it should be structured.

We recommend that the new system divide employees into four different categories as noted below:

- 4: (appx. 20% of employees), up to double the average raise
- 3: (appx. 70% of employees), average raise
- 2: (appx. 9% of employees), only CoBGS (flat dollar amount)
- 1: (appx. 1% of employees), zero raise

- Benchmarking research should be done at other organizations to inform the more exact distribution – this is approximate.
- The above distribution approximates how it should look college wide, not necessarily within each department.
- The results in the first year are likely to look different than this intended distribution – this should be handled by adjusting the raise amounts accordingly, and NOT by changing scores after the fact in order to make the numbers work.
- Ratings on the new evaluation form should use a corresponding 1-4 scale for each component category and for overall rating.
 - More discussion is warranted on this issue – for example, the numbers need specific definitions (i.e., 4=exceptional, etc.)
- No part of the new evaluation form should be mathematically calculated. In other words, the overall score should be assigned independently of the component section scores. No weighting or averages.
 - As part of this, we recommend that the “supervisor comments” section be dedicated to explaining the choice of overall score.
- We advocate that bonuses (flat dollar amounts not added to base pay) are also used:
 - If a person is at the top of his or her band
 - For a specific contribution to the institution during a performance year
 - In some combination with percent-based raises