

APA MERIT PAY – FREQUENTLY ASKED QUESTIONS

1. Q. **What is the purpose of the merit pay program?**
A. Merit increases are intended to link pay with performance, thereby encouraging higher levels of performance by positively reinforcing them. This is increasingly important to the University’s ability to achieve maximum organizational effectiveness and accomplishment of our mission.
2. Q. **Who should be involved in determining merit increase allocations?**
A. First-line supervisors/managers should have input into the merit increase process. Using this input, unit administrators and other second-level reviewers make the final determinations because they are responsible for assessing unit achievement, comparative levels of achievement in different areas, etc.
3. Q. **What flexibility do Major Administrative Units (MAUs) have in allocating the merit pool?**
A. MAUs may choose to keep a portion of the pool centrally to address certain special needs, such as:
 - Allowing units with one or two APA employees to obtain extra allocations to reward high performers.
 - Allowing units with overall exceptional performance of APA employees to obtain additional allocations (i.e., where the spread of ratings would otherwise not allow adequate merit).
4. Q. **What if performance appraisals are not current and how important are they to the merit pay process?**
A. Performance appraisal discussions are extremely important to the success of the merit pay program. Without them:
 - Employees may not understand or accept the linkage between their performance achievements and the resulting merit allocation.
 - Units may lack objective and mutually understood performance information on which to base merit allocations.
 - Opportunity for thoughtful discussions regarding employee development, which could have resulted in enhanced performance, may be missed.

If performance appraisals are not current, immediate action should be taken to thoughtfully complete them.
5. Q. **Employees often expect to receive the “average” of the merit pool, which negates the ability to reinforce higher levels of performance. How can this be addressed?**
A. Explain that merit increases are allocated on the basis of performance, not “across-the-board.” This means that no one is guaranteed the “average” of the merit pool. Your discussion might also address performance standards so that employees clearly understand what performance results will be considered exceptional.
6. Q. **How can I respond to criticism that the merit pool is not large enough to adequately recognize performance?**
A. Although some feel that merit increases must be large in order to be effective, it is the University’s opinion that even conservative merit increases reinforce higher levels of performance. Departments should note that merit increases are only one of a variety of ways to recognize high levels of performance. Other important methods include a lump sum payment, providing public recognition for exceptional contributions, written commendations which may be shared with second level administrators and included in personnel files, special assignments which may provide visibility or additional growth opportunities, promotions, etc.
7. Q. **What should an employee do if he/she is concerned about his/her merit pay increase?**
A. The employee should first discuss his/her concern with his/her supervisor. Particular focus should be on what the employee can do in the future to improve performance and merit increases. If the issue is not satisfactorily resolved, the employee can initiate a similar discussion with the second-level reviewer. If the issue is still not resolved, the department or the employee may contact Human Resources for guidance.

The APA will monitor the merit program with regard to its effect on all members of the Association and will address questionable adjustments with Employee Relations. The preceding information is provided to assist you in this important process. If you have any questions, you should contact Human Resources/Staffing Services at 3-3720.