MERIT RECOMMENDATION
PROCESS GUIDE

FOR MANAGERS
THE PURPOSE & PRINCIPLES OF STAFF MERIT

The University is committed to paying for performance, and our compensation and performance management programs have been designed in support of this principle. The annual performance appraisal process is integrated with the compensation program to provide performance-based merit increases.

The University regularly rewards staff members for their contributions to the University, one of which is performance-based merit increases.

Each year the University analyzes financial data, as well as external indicators relative to pay increases (e.g. CUPA-HR survey), and if appropriate, approves a merit increase budget. While the amount is generally expressed as a percentage of payroll, this amount is not necessarily what each individual staff member will receive.

Merit increases are intended to reward staff members for performance that contributes to individual, departmental, and University goals. A careful and thorough assessment of each staff member’s performance through the performance appraisal process should be conducted before an increase recommendation is developed. HR will provide annual merit increase information to assist supervisors, as well as performance management tools and processes.

BAYLOR COMPASS MERIT RECOMMENDATION PROCESS

Step 1
- Managers Prepare Merit Recommendations
- Starts at bottom of org and rolls up

Step 2
- HR Adds Appropriate Market Adjustments, if needed

Step 3
- Senior VP Reviews & Approves Final Worksheet

Step 4
- Managers Communicate Merit Approvals to Employees
**RATINGS**

Our Performance Evaluation ratings are on a 5-point scale. These ratings are converted to a number in order to calculate merit recommendations in the Merit Process.

<table>
<thead>
<tr>
<th>The Performance Indicator</th>
<th>Appraisal Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Significantly Exceeds Expectations:</strong> Performance consistently exceeds goals, job requirements, and expectations, and is significantly beyond the scope of the job requirements in ways that enhance or improve work assignments or work area.</td>
<td>5.00/5</td>
</tr>
<tr>
<td><strong>Exceeds Expectations:</strong> Performance consistently meets and frequently exceeds goals, job requirements, and expectations. Assignments are completed in a highly effective manner.</td>
<td>4.00/5</td>
</tr>
<tr>
<td><strong>Meets Expectations:</strong> Performance is dependable and meets goals, job requirements, and expectations. Occasionally some assignments are completed in a highly effective manner.</td>
<td>3.00/5</td>
</tr>
<tr>
<td><strong>Partially Meets Expectations:</strong> Performance does not consistently meet goals, job requirements, and expectations in essential areas. Improvement is required via a Performance Improvement Plan in coordination with HR and attached to this document.</td>
<td>2.00/5</td>
</tr>
<tr>
<td><strong>Does Not Meet Expectations:</strong> Performance does not meet goals, job requirements, and expectations. Immediate improvement is required via a Performance Improvement Plan and Observation Process (reference BUFP805, Staff Observation Process). Since continued performance at this level could result in disciplinary action or termination of employment, coordination with HR is required.</td>
<td>1.00/5</td>
</tr>
</tbody>
</table>

**Questions?** Contact your HR Consultant.

To identify your HR Consultant, log in to BaylorCompass at [www.Baylor.edu/compass](http://www.Baylor.edu/compass).
PREPARE COMPENSATION RECOMMENDATIONS - Please reference Appendix A and B on Pages 14-15.

Step 1.1: Prepare Compensation Recommendations

1. Log in to Baylor Compass.
2. Click on the task to Prepare Compensation Recommendations

3. Your merit worksheet will open and you will see the employees whom you are responsible for recommending merit listed with their job information.
4. Employee Views:
You can click on an employee’s name to pull up additional information about that specific employee. The **Salary Scale** view will show the merit rating recommendation provided by Baylor Compass. The **Profile** view will show the employee's profile information.

5. Click the “X” to close out of the Employee Views Screen.

The Job Salary Scale illustrates the pay band. Each pay band is divided into four segments. An employee’s salary will fall into one of these four segments.

The Merit Matrix provides recommended merit increase ranges based on two factors; (1) an employee’s performance, and (2) the employee’s placement in their assigned pay band.

The Appraisal Score is the numerical equivalent of an employee’s performance indicator.
6. Scroll to the right of the worksheet to view the employee's merit rating, current salary, system recommended merit percentage increase field and the manager recommended merit percentage increase field.

7. Review the recommended % and $ increases provided in the system - The system will automatically populate a merit percentage recommended for each employee based on their merit rating and the employee's placement within their assigned pay band.

8. If needed, edit the % or $ increase - You can edit the percentage increase or dollar amount increase fields to make your merit recommendations.

- The worksheet is defaulted to allow editing of annual salaried employees first. Make those edits and click Save.
- To edit hourly employees, click the “Hourly” button at the top of the screen. Make those edits and click Save.
9. Ensure that the overall budget for your Department remains within budget.

At the top of the worksheet, you will see the overall budget allocated for your Department. The amount currently allocated from that budget will be reflected in blue or red text at the top of the worksheet. The amount allocated will be blue if you are currently under budget and if you go over the allocated budget, the budget calculation will turn red.

NOTE: You need to stay within budget in order to submit your recommendations for final review.

10. Once you have made recommendations for merit on your worksheet, click Save to save your recommendations (and return to this task later) or click Complete to finalize the worksheet. (If you have Sub-Department groups listed in the Sub-Departments Summary on your worksheet, please see step 1.2 on page 8 – Review/Approve Sub-Department Recommendations) Once you click Complete, you no longer have access to this step of the process and it cannot be rolled back.
Step 1.2: Review/Approve Sub-Department Recommendations

1. If you have Sub-Department managers who will be making recommendations and then submitting them to you for approval, you will see all of your Direct Reports listed under the Direct Reports Summary and each Sub-Department Group will be listed under the Sub-Departments Summary. You can click on each Sub-Department Manager’s Group to expand that group of employees and see the recommendations submitted from that worksheet.

2. Changes submitted for Sub-Department merit recommendations:
   You can change recommendations of any Sub-Department group by expanding the Sub-Department worksheet and entering changes there.

   **NOTE**: If you change a previously-completed recommendation from a lower-level, the message below will appear to the lower-level submitters and approvers.
   All changes are tracked and can viewed by any submitter or approver in the process by clicking on the History Icon next to an employee’s name in a process.

Once all changes have been made, you are ready to approve the Sub-Department merit recommendations.
3. Approve Sub-Department merit recommendations on your worksheet

You **must** approve the recommendations of all Sub-Departments listed in the Sub-Departments Summary on your own worksheet in order to complete the task.

- Click the **check box** next to that Sub-Department Manager’s group
- Click **Approve** above that group listing - This will approve the recommendations that have been made on those worksheets and notify the system that those recommendations are ready to move forward with the recommendations you have made for your own direct reports.

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**Check box first, then click “Approve”**

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4. After you have approved all Sub-Department Groups on your Worksheet and you have finalized the recommendations for all employees in your Direct Reports Summary, click “Complete” to finalize your recommendations.

Your input of recommendations are complete!

Your recommendations will now move to the next level of management approval in the Merit Recommendations Process in Baylor Compass.

**MARKET ADJUSTMENTS AND FINAL WORKSHEET**

**Steps 2 & 3** are completed by HR and the Senior Vice President of Finance & Administration
**COMMUNICATE MERIT INCREASE TO EMPLOYEES**

**Step 4: Communicate Compensation Changes to Employees**

Once the final worksheets have been approved, you will receive an email notification to **Communicate Compensation Changes to Employees**. You should run a report of the changes and then communicate to your employees the changes to their compensation.

**To access a report of the final approved compensation changes:**

1. Log in to Baylor Compass.
2. Click on Reports in the top menu.
3. Find the **Compensation Details Report** in the list and click on the pencil icon next to this report.
4. In the Filters section on the left, click on Add Filters. This will open a menu.
5. Click on Process Title. This will open a menu.
6. Click on the Merit Compensation Process for this year.
7. Click on the blue play button.

This will generate a report of employees that report to you. It shows their starting salary, % increase, comp-ratio, % in range, new salary, and their overall performance appraisal rating in numeric format. The employee’s name is on the right side of the report, but you can move the columns around by click-and-drag. Be sure to communicate the figure in the **New Salary** column.

You can save or print this report as a PDF by clicking on the PDF icon in the top right corner.

You can export this report to Excel or as a CSV file by clicking on the relevant icon directly above the column headers.

8. Communicate the appropriate information to your employees and/or to your Sub-Department Managers to communicate this information to their employees. This communication should occur before September.
Once you have met with your employee and communicated the compensation change:

1. Log in to BaylorCompass

2. Click on the task to **Communicate Compensation Changes to Employees**

3. Once the conversation has occurred, click on **Mark as Completed**.

All steps in the Staff Merit Recommendation Process are now complete!

**Questions?** Contact your HR Consultant.

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### APPENDIX A: COMPENSATION RECOMMENDATIONS WORKSHEET - LEFT-SIDE

**Employees under your recommendation for merit**

<table>
<thead>
<tr>
<th>Department</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sub-Departments List:**
Click to view Department reporting to you

**Sub-Department:**
Click to view Sub-Department’s Worksheet

**Appraisal Rating**

Click to view additional information on each employee
### APPENDIX B: COMPENSATION RECOMMENDATIONS WORKSHEET - RIGHT-SIDE

<table>
<thead>
<tr>
<th>Current Salary</th>
<th>Matrix Recommended Merit Percentage Increase</th>
<th>Matrix Recommended Merit Dollar $ Increase</th>
<th>Percent Increase</th>
<th>Dollar Increase</th>
<th>New salary calculated with the percent/dollar increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD105,000.00</td>
<td>2.99%</td>
<td>USD5,528.00</td>
<td>3.00%</td>
<td>USD5,560.00</td>
<td>USD105,560.00</td>
</tr>
<tr>
<td>USD100,000.00</td>
<td>3.13%</td>
<td>USD3,130.00</td>
<td>3.00%</td>
<td>USD3,160.00</td>
<td>USD103,160.00</td>
</tr>
<tr>
<td>USD100,000.00</td>
<td>2.25% - 4.00%</td>
<td>USD2,250.00 - USD4,000.00</td>
<td>3.13%</td>
<td>USD3,130.00</td>
<td>USD103,130.00</td>
</tr>
<tr>
<td>N/A</td>
<td>2.82%</td>
<td>USD2,398.00</td>
<td>3.00%</td>
<td>USD2,430.00</td>
<td>USD102,430.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Matrix Recommended midpoint for an employee**
- **Matrix Recommended percentage range for an employee**
- **Matrix Recommended dollar range for an employee**
- **Enter employee’s Percentage or Dollar Increase HERE**

- **Percent/Dollar average increase for entire division/dept.**
- **Percent/Dollar average increase for all employees**
- **Sub-Departments’ cumulative percent/dollar increase**
- **Specific Sub-Department percent/dollar increase**