

Transition to Performance Based Compensation through Exempt Staff Evaluation - A Guiding Framework for Boards of Education and School Districts

Preamble

This document was developed in response to the Provincial direction to align compensation increases with performance management. The guiding framework is intended to assist districts and boards with development of this process, with the overarching intent that there be some consistency across the province. The document recognizes, however, that individual Boards of Education will implement policy that best meets the needs of their school district, and that further changes and additions may also be necessary in the coming years as the situation matures or new provincial requirements are mandated.

Background

On September 13, 2012, the provincial government, through the Ministry of Finance and under the authority of the [Public Sector Employers' Act](#), issued common [policy direction](#) to all public sector employers (including school districts) regarding future compensation improvements for all non-union employees (i.e. exempt staff). This direction to all public sector employers remains in effect today.

The 2012 directive had little in the way of immediate implications for employers, though, due to the concurrent imposition of a wage freeze for all public sector exempt staff. Preparation for a post-freeze environment began in 2013 when the BC Public Schools Employers' Association (BCPSEA) revived the Exempt Staff Compensation Working Group. The October 2014 report of this working group (which included representatives from each of the organizations representing exempt staff) articulated a compensation philosophy aligned with the PSEC policy guidelines as well as creating regional wage grids for K-12 exempt staff.

On June 25, 2015, the Public Sector Employers' Council (PSEC) issued an update to their member organizations, including the BC Public Schools Employers' Association (BCPSEA), outlining the requirements and next steps for 'reaffirming the *BC Public Sector Compensation Review's* findings that shared principles would encourage greater rigour and consistency in the determination of compensation'. As part of the terms of the policy, public sector employers were directed to prepare 'compensation plans consistent with the Minister's direction.'

Subsequently, employers were asked to update and align their compensation plans with the following core principles established by government:

- **Performance:** *Compensation programs support and promote a performance-based organizational (merit) culture.*
- **Differentiation:** *Differentiation of salary is supported where there are differences in the scope of the position within an organization, and/or due to superior individual and team contributions.*

- **Accountability:** *Compensation decisions are objective and based upon clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.*
- **Transparent:** *Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.*

Detailed information can be found in the [Employers' Guide – Implementing a Common Compensation Philosophy for the B.C. Public Sector](#) as well as the BCPSEA report [Realities, Risks, and Rewards: Taking a Systems Approach to Executive and Exempt Staff Compensation in the K-12 Public Education Sector](#).

In June 2015, PSEC announced amendments to the management compensation freeze that allowed for modest compensation improvements during the 2015/2016 and 2016/2017 school years for eligible employees. School districts were, however, still required to observe these core principles as well as the related PSEC regulations when implementing any compensation improvements for their exempt staff. It is important to note that the increases permitted are not to be applied as a general wage increase, but as increases up to the permitted maximum that are differentiated on the basis of high achievement/performance, recruitment/retention risks, and demonstrated salary compression or inversion.

Future wage increases for exempt staff will need to be based at least in part on the requirement for differentiation due to superior individual and team contributions supporting a performance-based organizational culture. Other factors to be considered include: experience, tenure, changes in job complexity or responsibilities, recruitment and retention. Although initial compensation improvements approved under this plan could be based only on demonstrated salary compression or inversion and/or recruitment/retention risks, all subsequent improvements are subject to the differentiation requirement.

In short, future wage increases for exempt staff in the K-12 public education sector will have to be based at least in part on individual employee performance, resulting in differentiated individual employee compensation improvements.

B.C. school districts must put in place a comprehensive plan to evaluate the work performance of all exempt staff on a regular basis, and to fairly and accurately articulate different levels of individual performance in part for the purpose of assigning appropriate (varied) wage increases to eligible employees. Failure by a district to put in place such evaluation and reporting measures will almost certainly result in the district being denied the opportunity to provide eligible exempt staff with compensation improvements under current PSEC guidelines.

In other words, BCPSEA is very unlikely to approve wage increases for exempt staff if they are proposed as a general compensation improvement for all members of a category of exempt staff (e.g. all school based administrators or all senior district staff).

Purpose

The purpose of this suggested *Framework* is to provide boards of education and their school districts with the guiding principles and resources necessary to fulfill the PSEC requirement, while respecting the need for both local decision-making and an evaluation model that is context appropriate. It should be emphasized that the *Framework* is not a 'fill in the blanks' or 'cut and paste' model. Individual boards, in consultation with their senior staff, will need to establish local policy to guide this work. We would also like to emphasize our belief that the establishment of local policy and processes is best done in consultation with the exempt staff affected by the decisions.

Initial Steps and Considerations

While each school district will want to create a process that reflects local needs, circumstance, and preferences, there are common steps and considerations that we recommend be followed by all boards in reaching a final determination of local policy and procedures. These include:

1. The formulation of policy in consultation with the members of your senior district team and exempt staff employee group(s).
2. A clear delineation of roles and responsibilities between the board and superintendent (in their role as CEO representing the district management team) as early as possible in the development process.
3. The development by staff of specific district and school procedures through to operationalize the board's policy direction.
4. Annual reporting and review processes (at both the staff and board levels) to ensure the district's policy and procedures are meeting both the external requirements and your internal objectives.
5. Evaluation processes must align with the expressed terms of employment contracts. Should a school district wish to adopt policy or procedures that do not align with current employment contracts, there must be a full review and possible revision of employment contracts to avoid legal liabilities as well as to ensure fairness and transparency for affected employees.

Key Elements

As school districts set out to create the policy and procedures needed to guide the evaluation of exempt staff (within PSEC requirements), there are a number of key elements or parameters that should be met. These include:

1. **Job Descriptions:** Districts must have formal, accurate and up-to-date job descriptions (including specific roles and responsibilities) in place for all exempt staff before individual evaluation processes are initiated. Exempt staff must be made fully aware of their current individual roles and responsibilities as well as any other expectations expressed by their employer (i.e. their school district).
2. **Known Criteria:** The criteria that inform the performance review should be clear and known in advance by both the supervisor and person undergoing review. The criteria and process should be adhered to from the beginning to the end of the process. Consideration of criteria for each of the major employee groups of principals and vice-principals, business officials, and senior educators are referenced later in this document.
3. **Clear Procedures:** Evaluation and reporting processes must be clearly articulated, transparent and followed by all involved. Step by step written procedures known to everyone in advance of any process beginning are required. Such processes and procedures should be developed by the Superintendent or their designate, in support of policy implemented by the board of education.
4. **Regular Review and Reporting:** The evaluation process should include a regular review and reporting process for all exempt staff members. It is recommended the reporting process include procedures for the collection and storage of final documents and any supporting data at the district level (rather than the school or building level).
5. **Evidence Based:** The final outcome of each evaluation process must include the data and determinations needed to justify differentiation in both the individual's level of job performance and resulting compensation improvements. In short, evaluation processes must generate the objective evidence necessary to help determine and justify differentiated levels of individual performance and resulting compensation improvements.
6. **Confidentiality:** Confidentiality must be maintained at all times. Individual results should only be shared on a need-to-know basis, including with senior staff and trustees.
7. **Roles and Responsibilities:** There should be a clear indication of roles and responsibilities for each level and step(s) of the evaluation process articulated in district policy and procedures. It is recommended that responsibility for all district evaluation processes be assigned to the Superintendent/CEO (other than their own review which should rest with the board of education), who may then reassign the specific oversight work to another senior staff designate.

8. **Supervisor Focused Process:** Whenever possible, the person completing the evaluation of an exempt staff member should be the individual's immediate supervisor. In general terms, Principals should evaluate Vice-Principals, Directors should evaluate Principals, and Superintendents should evaluate Assistant Superintendents, etc.
9. **Determination of Compensation Awards:** Following the evaluation process, all decisions related to individual compensation improvements should be made at the district staff level. It is strongly suggested that all decisions regarding individual compensation be centralized and assigned only to the Superintendent, Secretary Treasurer or Director of Human Resources, with final sign-off by the Superintendent/CEO.

An exempt staff person will be assigned an initial salary placement and will not be eligible for a salary increase until the end of their first year in the assignment.

Boards of Education retain the responsibility for the allocation and approval of budget to implement compensation improvements determined by the Superintendent / CEO. Final authority to allocate budget for the purpose of paying exempt staff proposed compensation improvements rests with the board.

10. **Growth and Performance Indicators:** The overall evaluation process should be based on a combination of goal or growth-based outcomes and performance indicators. This may mean, however, that a goal or growth plan based process is undertaken in a majority of years, while more fulsome performance indicator reviews are completed less often.

A practical approach to the consideration of both forms of review could be to review growth-based indicators in certain years (e.g. years 1, 3 and 4 of a 5-year cycle) and performance indicators in the off-setting years (e.g. years 2 and 5 of a 5-year cycle). The combination of review processes as well as the timeline cycle to be determined by individual districts in consideration of local resources, focus and employment contracts.

11. **Concise Focus:** When individual growth plans are established, the number of focus items included in any year should be small (e.g. one or two). In most cases, the specific goals would be determined by the individual employee with consideration of school and district goals as well as supervisor input. Supervisors and districts may, however, assign specific growth goals to an individual in consideration of district direction, performance concerns, changes in roles or responsibilities, or other external considerations.
12. **Transparency:** The collection of input from an individual's subordinates, direct reports, parents or partner group contacts should not be done on an anonymous basis. While it is appropriate to collect survey data directly related to an individual's role and responsibilities, respondents must be willing and required to

'sign-off' on their submission. The individual being evaluated must also have the opportunity to respond to the information collected prior to any final decision.

13. **Context:** Individual context is important. The performance review process should assess those aspects of performance over which the individual has control and should reflect the particular work context. Consideration must be given to the length of time the person has spent in the assignment, expectations imposed by the supervisor or board, the previous culture in the workplace, labour unrest, and other circumstances which may affect outcomes. Individuals who take on difficult situations, or who operate in more complex or hostile situations must have this context considered when their overall success indicators are reviewed.
14. **Right to Respond:** Individuals being evaluated must have the opportunity to raise concerns about the process and/or to review and respond to the evaluation report before it is fully finalized. Such reviews processes must be conducted in good faith and with some assurance they might affect the final outcome of the evaluation process.
15. **Less Than Satisfactory Outcomes:** The performance review model contemplated here is designed for persons deemed to be meeting the requirements to continue in their current position. Should the performance review process raise questions about an individual's suitability to retain their position, the process should be suspended and transition into a formal evaluation / review as expressed in the individual's employment contract or district policy. The switch to a formal evaluation / review to determine competency may involve another evaluator as well as consideration of such factors as [section 21 of the School Act](#), severance, or other legal or contractual provisions.
16. **Governance:** The district should review its policies and processes governing exempt staff evaluation on a reasonably regular basis. The board of education shall approve the updating of policy where necessary. Prior consideration must be given to the current content of employment contracts with exempt staff as well as to the inclusion of corresponding language in new or revised contracts.

Evaluation and Reporting by Employee Group

Once governing district policy has been established or reconfirmed by a board, it will be important that the supporting procedures created and implemented by staff reflect not only the key elements noted above, but the unique roles and responsibilities for each exempt staff employee group. While the most common groupings are addressed here, there may be individual positions and/or groups of employees that do not fit under these general headings. Districts may need to develop specialized language and procedures to cover unique positions or circumstances.

In all cases, these employee groupings are intended to cover individuals who are not included under a union-management collective agreement. They are by definition 'exempt' management employees who are not included as part of any union contract.

1. Principals and Vice-Principals

This group may include: District Principals and Vice-Principals, whether assigned to a school or a district role (e.g., Principals of Student Services, Aboriginal Education or Distributed Learning) depending on School District configuration and exempt staff association membership.

Once job descriptions are in place, the recommended basis for evaluation of this employee group is the [Leadership Standards](#) established by the BC Principals and Vice-Principals Association. The BCPVPA Standards are organized around four major themes: Instructional Leadership, Organizational Leadership, Relational Leadership and Moral Stewardship and reflect a research-based and current (the Standards were revised in 2014) understanding of the role of principals and vice-principals. The BCPVPA Standards are used in many districts to inform both professional growth plans and formal evaluations and the Standards are well-known and accepted by the BCPVPA membership. The BCPVPA package includes a self-assessment tool that provides a useful tool to begin a conversation and identify areas for growth. The BCPVPA Leadership Standards are adaptable for use in developing growth plans or for more formal, summative evaluations.

2. Senior District Educators

This group may include Superintendents, Assistant (Deputy) Superintendents, Directors of Instruction, District Principals and District Vice-Principals.

The BC School Superintendents Association's [Dimensions of Practice](#) is suggested as the basis for the performance review practices for these senior district educators. These Dimensions are widely known and used by BCSSA's members and for many years the previous version was part of the BCSTA/BCSSA agreed upon document for use in reviewing senior exempt staff.

It should be noted as well that the board of education will have a unique responsibility and role in the evaluating the superintendent as the district's CEO and most often the only direct report to the board.

3. Business Officials and other non-educator exempt positions

This grouping includes not only the secretary treasurer, assistant secretary treasurer and director of finance, but all other non-educator management staff in the school district. It is somewhat unique in that the variation of job descriptions, roles and responsibilities between positions and individuals is the greatest.

Performance expectations for these individuals can be developed from a review of the:

- Job description of the positions,

- Skills and competencies outlined in the [Review of the Role and Responsibilities Report](#) (by Lyle Boyce, December, 2016) and [ASBO International Management Professional Standards](#)
- Goals and objectives of the school district and business departments

When school districts intend to rely on locally established job descriptions (including roles and responsibilities applicable to individual employees) as the basis for evaluation, it is critical that such documentation is in place before any evaluation process begins.

Linking Employee Evaluation to Compensation Improvements

Not every employee performs their job at a level equal to their colleagues within the same school district or other school districts. Although the employee may be performing above the reasonable standard to retain their position, this does not automatically entitle them to the same compensation improvements as other employees who may be performing at a significantly higher level.

It is strongly recommended that all processes for determining individual compensation levels and improvements take place at the district level and be overseen by an appropriate senior district staff member (e.g. Director of Human Resources, Secretary Treasurer or Superintendent), with final sign-off by the Superintendent / CEO. A centralized approach to compensation is critical to ensure consistency, accountability and fairness.

The philosophy and program requirements of the PSEC model under which all public sector employers operate mandates that compensation improvements provided to individual employees must be on the principles of performance based standards and differentiation (outlined in the [Employers' Guide – Implementing a Common Compensation Philosophy for the B.C. Public Sector](#)). It is critical that differentiation in compensation improvements not only happen, but that they are directly tied to the outcomes of a fair, transparent and professional employee evaluation policy and process. Resulting differences in compensation improvements provided to individual employees should not be a surprise, arbitrary or unjustified.

Although the granting or withholding of compensation improvements comes at the end of the evaluation process, it must flow directly from all of the properly conducted steps that precede that decision. Further information regarding the specific processes and authorizations needed to enact exempt staff compensation improvements can be obtained through BCPSEA. General background information can be found on this [BCPSEA document](#).

Where Do I Go for More Information?

There are a number of sources of additional information or explanation depending upon the questions that you have. You may wish to contact any one of the following, at least as a starting point for answers to your questions. Members of exempt staff are

encouraged to contact their various associations for information that pertains to their specific circumstance and association.

- BC School Trustees Association
- BC School Superintendents Association
- BC Association of School Business Officials
- BC Principals and Vice-Principals Association
- BC Public School Employers Association - regarding compensation issues

Additional Resources

- [BC Public Sector Compensation Review – October 2014](#)
- [Performance Reporting Principles for the British Columbia Public Sector](#)

Options for Performance Review

Professional Growth Plan Based Evaluation

Best practice supports all employees completing a yearly professional growth plan. The primary intent of the plan is to identify personal learning objectives aimed at improving work performance and maintaining currency, including meeting both personal and district determined strategic objectives.

The establishment and monitoring of an individual's personal professional growth plan may also form part of an employee's evaluation. Where professional growth plans are intended to form the basis for an employee's annual evaluation, the following should be considered:

- Annual growth plan goals should be established by the individual employee in consultation with their immediate supervisor and should consider both personal and district strategic goals. Where necessary, goals may be assigned to the employee by the supervisor to address an area of concern or required growth.
- When the attainment of goals is to form all or part of an employee's evaluation, there must be clear, measurable outcomes attached to the goals. Reporting should be based on the outcomes.

Boards may wish to consider implementing only the growth plan based portion of their overall policy on exempt staff evaluation in the first year. The establishment of procedures to conduct proper staff performance reviews as well as the needed professional learning to support the procedures should not be rushed. A poorly constructed or implemented process may do more harm than good.

Evaluation Based on Established Performance Targets and Measurements

School districts may appropriately wish to engage in the evaluation of exempt staff based on the meeting of established performance targets or other measures of individual performance based on pre-determined, expected outcomes.

For example, an individual employee could be evaluated, in part, on their success in meeting appropriate performance targets (e.g. student success improvements, maintenance or construction completion targets, financial management targets, etc.). An employee might also be evaluated in regard to the completion of assigned projects or initiatives within a specified time period or against pre-established criteria (e.g. the implementation of new IT systems, the establishment of a new HR tracking procedure, the expansion of specific educational programs for students, etc.). In both cases, it is important that:

- The scope of the project or performance standard be established in advance of the evaluation process.
- That the outcome of the evaluation process be based on pre-established targets or criteria, and would consider a range of performance indicators (e.g. not met, met, exceeded, etc.).
- The evaluation be based on targets or initiatives over which the employee has direct or at least substantial control. It would, for instance, be inappropriate to base the evaluation of an employee on circumstance or decisions over which they have no or little control. Circumstances where a board and/or senior staff take over effective control of a project or decision must be considered in this regard.
- Where student success is to be used as a performance indicator, it is critical that context be considered. The progress of specialized groups of learners (e.g. Aboriginal students or English Language Learners) over time, or the implementation of district or school programs, may be appropriate measures, while a 'snapshot' of student success without consideration of context or trends is not appropriate.
- Determination of an individual's overall performance must take into consideration the context of their situation. More difficult situations or circumstance should not negatively affect the determination of an individual's performance.

Once again, it is important that individual employees have the opportunity to respond to the final evaluation criteria and decisions before they are finalized.

360 Evaluations Based on Survey Results

Evaluation processes that utilize broad-based surveys of subordinates, colleagues and/or parents are often referred to as '360 evaluations' as they attempt to sample interactions with all of an individual's work contacts. While 360 processes can be useful as a growth focused tool for individual consideration, there are significant concerns regarding their use as an evaluation tool. 360 evaluations that utilize anonymous surveys are of particular concern as they can open an employee to retribution and provide no opportunity for an individual to respond to unfair or unreasonable commentary.

When a district does decide to utilize a 360 evaluation, it is suggested the following considerations be implemented:

- All survey responses must identify the respondent and their role.
- Survey questions would be limited to areas where the respondent has a direct knowledge of that portion of the individual's work (i.e. do not ask respondents to comment on or judge areas of an individual's work that they have not directly observed).
- Provide the individual being evaluated an opportunity to review the collected data / responses and give feedback to the evaluator(s).
- Ensure confidentiality of any collected data / responses.
- Ensure context is considered when reviewing survey responses. Making tough, but appropriate decisions is not always popular.
- Consider using 360 feedback only as a developmental tool for individual growth, rather than evaluation.