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**CHANCELLORS
INTERIM LABORATORY DIRECTOR ALIVISATOS
MEDICAL CENTER CHIEF EXECUTIVE OFFICERS**

Senior Management Group Performance Management Review Process Policy

Dear Colleagues:

Attached is the policy on *Senior Management Group Performance Management Review Process*, effective beginning July 1, 2008. The policy was revised and approved by The Regents at their July 2008 meeting. Goals and objectives for affected individuals will be established under this policy beginning with the 2008/09 review year. This policy applies to all employees whose position is designated to be in the Senior Management Group (SMG), inclusive of Officers of the University pursuant to Regents Standing Order 100.I.a., and also including Deans. The policy excludes the direct reports to The Regents (i.e., the General Counsel, the Chief Compliance and Audit Officer, the Chief Investment Officer, and the Secretary and Chief of Staff to The Regents) since they already have a slightly different review and assessment process directed by The Regents.

The policy describes two cycles of evaluation and assessment for SMG members. The *Annual Evaluation* is intended to document the establishment of goals and objectives for each participating employee relative to Standards and Competencies defined in the policy. These goals and objectives should clarify and delineate accountability, create opportunity for the individual to add value to the work of the unit and/or campus, be aligned with higher level objectives and strategies established by University leadership, and encourage growth and development of the individual. Individual performance is assessed based on the attainment of the established goals and objectives and other significant accomplishments related to the strategic goals and objectives of the University.

In addition to assessing achievement toward established goals and objectives, individuals will also be assessed relative to standards and competencies defined in the policy. These standards and competencies include:

- Accountability and Governance
- Collaboration and Communication
- People Leadership
- Inspiring Innovation and Leading Change
- Resource Management and Financial Budget
- Diversity

- Client Service
- Health and Safety
- Principles of Community

The second cycle of evaluation and assessment is a *Senior Leadership Development Assessment* which is to be conducted once every five years. The purpose of this assessment is to provide SMG members with feedback from a broader perspective than may be typical of an annual performance evaluation. This is a managerial coaching and development exercise rather than an evaluation of achievement toward specific goals. Individuals who have direct and specific knowledge of an SMG member's performance and contribution will be consulted to collect relevant input and feedback. Those consulted should include individuals, as appropriate, from among the following constituencies: the Academic Senate, academic unit heads, staff (including subordinates), Deans, other administrators within UC, and other pertinent external groups.

In addition, this policy establishes a standardized overall performance rating. This rating is intended to provide a standard Universitywide format and rating system for SMG members and consists of the following ratings:

- **Exceptional Performance** is significant overachievement of expectations
- **Above Expectations Performance** is often beyond expectations
- **Satisfactory Performance** consistently fulfills expectations
- **Improvement Needed Performance** is inconsistent performance, with expectations only partially achieved; deficiencies should be addressed in the performance appraisal
- **Unsatisfactory Performance** is the failure to achieve the majority of expectations; deficiencies should be addressed in the performance appraisal

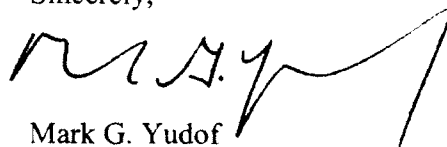
The policy was reviewed by the Lawrence Berkeley National Laboratory, the campuses, and the Academic Council. In addition, employees were given an opportunity to comment.

The policy will be made available on the following website:

http://atyourservice.ucop.edu/employees/policies_employee_labor_relations/personnel_policies/app2toc.html

In the near future, the *Implementation Procedures* and *Frequently Asked Questions* for the policy will be posted on the website as well.

Sincerely,



Mark G. Yudof
President

Attachment

cc: **Members, President's Cabinet**
Principal Officers of The Regents
Academic Senate Chair Croughan
Acting Associate Vice President Cammidge
Universitywide Policy Office
Academic Personnel Directors
Chief Human Resources Officers
SMG Coordinators

Senior Management Group Performance Management Review Process



Responsible Officer: Vice President–Human Resources.

Responsible Office: Executive Compensation and Performance Management

Effective Date: July 1, 2008

Next Review Date: The Responsible Officer will review the policy annually for update purposes, and will conduct a full review at least every three years.

Who Is Covered: All employees whose position is designated to be in the Senior Management Group, inclusive of Officers of the University per Regents Standing Order 100.1.a., and including the Deans.

Deans are excluded from the Five-Year Senior Leadership Development Assessment portion of this policy at this time since they are subject to the regular academic review process. Subject to review and approval by The Regents, Principal Officers of The Regents may be included in this policy at a future date with a similar review process being developed after consultation with The Regents.

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I. POLICY SUMMARY

This policy provides the direction and authority for a performance review process that establishes goals and expectations, and reviews the accomplishments of the Senior Management Group members of the University.

II. POLICY DEFINITIONS

Executive Officer: The University President, Chancellor, or Laboratory Director.

Exceptions: Actions that exceed what is allowable under current policy or that are not expressly provided for under policy. Any such actions must be treated as exceptions.

Senior Management Group: Individuals whose career appointment is in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% shall be considered to possess a career appointment in the Senior Management Group.

Top Business Officer: Executive Vice President–Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. Five-Year Senior Leadership Development Assessment

A Leadership Development Assessment will be conducted once every five years. The purpose of this assessment is to provide the Senior Management Group (SMG) member with feedback from a broader perspective than is usual with an annual performance evaluation. This is a managerial coaching and development exercise, rather than an evaluation of achievement toward specific goals. Individuals who have direct and specific knowledge of a SMG member's performance and contribution will be consulted to collect their input and feedback relevant to the SMG member's performance. Those consulted should include individuals, as appropriate, from among the following constituents: the Academic Senate, academic unit heads, staff (including subordinates), deans, other administrators within the University, and other pertinent external groups.

The process for conducting the leadership development assessment, the format and any related materials may be developed by each location. The official document of record will reside with each location; however, a copy of the document will be provided to the Office of the President. The Chancellor will determine the appropriate contributors to the assessment. The Leadership Development Assessment will be initiated by the direct supervisors at each location. As processes are developed, proper consultation with the Academic Senate will occur, where appropriate. For those

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positions reporting to the President, the Office of the President will be responsible for establishing a process consistent with this policy.

B. Annual Performance Evaluation

Performance evaluations will be conducted annually by the direct supervisor for each SMG member on the *University of California Performance Management for Senior Administrators* evaluation form. For campus positions, the Chancellor shall determine the key components in the performance evaluation process, which may include self-appraisals; internal and external sources of information, including client feedback; and input from key stakeholders. The official document of record will reside with each location; however, a copy of the document will be provided to the Office of the President and the overall rating will be recorded in the Senior Leadership Information System (SLIS).

Goals and objectives will be established for each employee holding a position which has been designated as a participant at the commencement of or during the performance period. Goals and objectives are to clarify and delineate accountability, create opportunity for the individual to add value to the work of the unit and/or campuses, be aligned with higher level objectives and strategies established by University leadership, and encourage growth and development of the individual. Performance will be measured relative to the attainment of the stated goals and objectives, and significant accomplishments related to the strategic goals and objectives of the University.

C. Annual Performance Review Standards and Competencies

These standards and competencies will be incorporated into the annual performance management and review process:

- **Accountability and Governance:** Demonstrates execution of goals and objectives which provide opportunities for growth of the SMG member and supports the overall success of the strategic objectives of the organization, both locally and Systemwide. These goals and objectives will include compliance with applicable regulatory and university requirements. Adheres to University principles of transparency and openness in working with all constituents.
- **Collaboration and Communication:** Demonstrates a proactive approach to establishing effective relationships with key internal (local and Systemwide) and external constituencies; understands the diverse needs and agendas of various stakeholder groups; creates and fosters an environment that ensures collegiality and information sharing, while recognizing the need for timely decision making. Effectively communicates with leadership, faculty, and staff.
- **People Leadership:** Provides an environment of growth and career development, recognizing and utilizing skills of others through clear, specific, and timely performance feedback; recruits, develops, and retains talented managers and

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- **Inspiring Innovation and Leading Change:** Inspire and develop opportunities for new and innovative approaches in the disciplines covered, better ways of teaching students, and greater contributions to research and dissemination of the knowledge developed at the University. Drives change initiatives by defining measurable outcomes, energizing others at all levels and ensuring continuing commitment when faced with new initiatives; confronts and works through resistance with various stakeholders.
- **Resource Management and Financial Budget:** Develops strategic goals and objectives to achieve accountability and efficient stewardship of University resources (operational, financial, and human) in a manner consistent with Systemwide objectives and initiatives. Adheres to established budget and resource allocations, ensuring optimal and efficient use of all resources.
- **Diversity:** Demonstrates an active and engaged commitment to diversity. Works to establish a climate in the University that welcomes, celebrates and promotes respect for diversity of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability, medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or status as a covered veteran. Ensures equal opportunity in search and recruitment processes by ensuring diverse representation on search committees, supplemental outreach efforts, etc. Promotes equity in advancements by describing the review process for new staff and administrators, encouraging participation in career advising or mentoring programs, etc.
- **Client Service:** Understands that the University is a large, complex organization with many internal and external clients. Carries out the University's organizational philosophy to provide the best possible services in support of its mission of teaching, research, and public service.
- **Health and Safety:** Understands that safety and environmental issues are essential elements of ensuring the continued success of UC and its employees. Maintains a safe, healthy, and environmentally sound workplace.
- **Principles of Community:** Fosters a positive working and learning environment by maintaining a climate of collaboration, fairness, cooperation, and professionalism. Practices and integrates these basic principles in all interactions.

D. Standardized Overall Performance Rating

To provide a standard University-wide format and rating system for Senior Management Group members, the following scale will be incorporated into the review:

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Overall Performance Rating:

- **Exceptional Performance** is significant overachievement of expectations.
- **Above Expectations Performance** is often beyond expectations.
- **Satisfactory Performance** consistently fulfills expectations.
- **Improvement Needed Performance** is inconsistent performance, with expectations only partially achieved. Deficiencies should be addressed in the performance appraisal.
- **Unsatisfactory Performance** is the failure to achieve the majority of expectations. Deficiencies should be addressed in the performance appraisal.

IV. APPROVAL AUTHORITY

A. *Implementation of the Policy*

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources will work with the Responsible Officer of this policy to implement each policy.

B. *Revisions to the Policy*

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable Bylaws and Standing Orders of The Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the Senior Management Group Compensation Policy Principles and other governance policies.

C. *Approval of Actions*

All actions that exceed this policy or that are not expressly provided for under any policy must be approved by The Regents.

V. COMPLIANCE

A. Compliance with the Policy

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to these policies, and results will be reported to senior management and The Regents.

B. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with The Regents' *Guidelines for Corrective Actions Related to Compensation Practices* and *Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews*.

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and The Regents at least three times per fiscal year.

REVISION HISTORY

This is a new policy and there is no revision history.

IMPLEMENTATION PROCEDURES

RELATED DOCUMENTS

- Regents Standing Order 100.1.a. (referenced in the **Who Is Covered** section of this policy)
- University of California Performance Management for Senior Administrators (referenced in Section III.B. of this policy)
- Bylaws of The Regents (referenced in Section IV.B. of this policy)
- Standing Orders of The Regents (referenced in Section IV.B. of this policy)
- Senior Management Group Compensation Policy Principles (referenced in Section IV.B. of this policy)
- Other Governance Policies (referenced in Section IV.B. of this policy)
- Guidelines for Corrective Actions Related to Compensation Practices (referenced in Section V.B. of this policy)
- Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews (referenced in Section V.B. of this policy)

FREQUENTLY ASKED QUESTIONS
