

## Senior Management Group

# Performance Management Review Process

*Approved July 17, 2008*

*Amended September 16, 2010 and March 29, 2012 and January 25, 2018*



**Responsible Officer:** Vice President–Human Resources

**Responsible Office:** Executive Compensation and Performance Management

**Effective Date:** April 1, 2012

**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, including the President and Principal Officers of The Regents.

---

## CONTENTS

---

**I. Policy Summary**

**II. Policy Definitions**

**III. Policy Text**

**IV. Approval Authority**

**V. Compliance**

**Revision History**

**Implementation Procedures**

**Related Documents**

## Senior Management Group Performance Management Review Process

---

### 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, including the President and Principal Officers of The Regents.

---

### 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 (SMG)\_personnel program. SMG employees who also hold dual academic appointment at 0 percent 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, other pertinent external groups\_and, in the case of the President and Principal Officers of the University, Regents.

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 of campus SMG members. The Leadership Development

## **Senior Management Group Performance Management Review Process**

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 positions reporting to the President and/or the Regents, 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).

For the President and Principal Officers of the Regents reporting solely to the Board of Regents, the Chair of the Board will develop the overall assessment and then meet with the President or Principal Officer to provide the overall performance assessment.

For Principal Officers of the Regents reporting to both the Board of Regents and the President, the incumbent will complete a self-assessment and provide it to the President and to the Chair of the Board. Upon receipt of the Principal Officer's self-assessment, the President will review the self-assessment and conduct a preliminary overall performance assessment. The Chair of the Board, in consultation with other appropriate Regents, will also review the self-assessment and conduct a separate preliminary overall performance assessment, which will include assessment of the Principal Officer's independence from the Office of the President, where necessary, and the Principal Officer's fulfillment of reporting obligations to the Board. Upon completion of the preliminary assessments, the Chair of the Board and the President shall meet to develop agreement on an overall assessment and then both shall meet with the Principal Officer to provide that assessment to him or her.

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***

Standards and competencies will be incorporated into the annual performance management and review process to measure performance in such areas as vision, leadership, people management, creativity and innovation, interpersonal and

## **Senior Management Group Performance Management Review Process**

communication skills, work productivity and quality, resource management and financial budget, diversity, client service, health service, and principles of community. An SMG member with dual reporting responsibilities (General Counsel, Chief Compliance and Audit Officer, and Chief Investment Officer) shall also be evaluated on his or her independence from the Office of the President with respect to audits or investigations of the Office of the President; oversight over legal risks concerning the Office of the President; and reporting relationship with the Board.

Standards and competencies incorporated into the annual performance management and review process for SMG members with dual reporting responsibilities must include compliance with University policies. Failure to comply with University policies may affect the employee's performance rating and shall be 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.

### ***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:

Overall Performance Rating:

- **Exceptional Performance** is significant overachievement of expectations. A performance rating of "Exceptional Performance" shall not be given if the Senior Management Group employee fails to materially comply with University policies.
- **Above Expectations Performance** is often beyond expectations. A performance rating of "Above Expectations Performance" shall not be given if the Senior Management Group employee fails to materially comply with University policies.
- **Satisfactory Performance** consistently fulfills expectations, including but not limited to the expectation of material compliance with University policies. A performance rating of "Satisfactory Performance" shall not be given if the Senior Management Group employee fails to materially comply with University policies.
- **Improvement Needed Performance** is inconsistent performance, with expectations, including but not limited to the expectation of material compliance with UC policies, 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, including modifications of the evaluation form to attain to the objectives of the review. The Office of the President Human Resources will work with the Responsible Officer to implement this 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 [Principles for Review of Executive Compensation \(Regents Policy 7201\)](#) 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**

---

Approved July 17, 2008; Amended September 16, 2010, March 29, 2012, and January 25, 2018

---

## IMPLEMENTATION PROCEDURES

---

The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require approval by the Regents.

---

## 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)
- [Principles for Review of Executive Compensation \(Regents Policy 7201\)](#) (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)