



PA State System of Higher Education Board of Governors

Effective: November 1, 1985

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Policy 1985-07-A: *Management Performance and Reward Program*

See Also:

Adopted: November 1, 1985

Amended: Dec. 8, 1986; April 12, 2001; Jan. 24, 2013; Oct. 19, 2023

A. Purpose and Scope

The Management Performance and Reward Program shall promote effective leadership and provide consistent and equitable policy and administrative practices for the employment, classification, compensation, benefits, and performance assessment of State System non-represented (management) employees. Except as otherwise elaborated or prescribed in Board Policy 198414-A: *Terms and Conditions of Employment of Senior Policy Executives*, this policy pertains to all State System non-represented (management) employees. The Chancellor is responsible for the development and maintenance of business process and procedures for the effective administration and management of this policy. The Chancellor shall report biannually to the Board of Governors Governance & Leadership Committee (or its successor) regarding the status of the development and maintenance of the business process and procedures.

B. Definitions

Compensation: Pay for services rendered.

Benefits: Programs used to supplement the cash compensation that employees receive, including but not limited to social insurance, medical insurance, and leave.

Total Rewards: All of the tools available to PASSHE that may be used to attract, motivate and retain employees and that employees perceive to be of value resulting from the employment relationship, including, but not limited to, compensation, benefits, work-life, performance and recognition, and development and career opportunities.

C. The Program

1. Total Rewards

PASSHE is committed to providing compensation, benefits, and other employee programs that enable the organization to attract, motivate, develop, and retain the best talent necessary to achieve the mission and strategic initiatives of the Office of the Chancellor and PASSHE universities,

which includes the cultivation of diverse, equitable, and inclusive environments that allow all members of the PASSHE community to thrive. In order to accomplish this PASSHE will do the following:

- a. Determine the market valuation of jobs by using a market competitiveness based compensation program in which the Office of the Chancellor and universities:
 - (1) Compare our positions with comparable jobs by using appropriate benchmarking processes, which compare total compensation (direct and indirect pay and benefits) for similar jobs to peer organizations within the regions where PASSHE competes for talent, or national comparison when appropriate;
 - (2) Balance the need to attract, motivate, develop, and retain talented employees with our mission; and,
 - (3) Monitor and manage internal and external equity concerns.
- b. Reward employee performance that supports the mission of the institution within a pay-for-performance philosophy.

2. Performance Management and Work-Life Experience

Employees who are recognized, rewarded, and appreciated for their performance are more productive and provide greater organizational value. Higher levels of performance are encouraged through:

- a. Using a performance management and employee development process that communicates performance expectations, standards of performance, is developmental at its core, and is an ongoing process of employee and supervisor communications.
- b. Using employee recognition, via formal and informal recognition programs.
- c. Providing formal flexible work arrangement programs, or by providing other types of work-life flexibility.
- d. Developing and broadening career opportunities within PASSHE by creating learning opportunities that assist employees in growing within their career paths.
- e. Encouraging employees to partner in community-citizen developmental experiences that benefit the employee, the community, and PASSHE.
- f. Providing an environment where employees are inspired to take, and recognized for, their actions in cultivating diverse, equitable, and inclusive environments.

D. **Effective Date.**

This amended Policy is effective immediately.