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| **A Highly Aligned Organization:**  **Pay for Performance** | | | | | | Minnesota City/County Management Association  Knowledge Sharing Initiative | | |
|  | | |
| March 2014 | | |
| Jurisdiction: Crow Wing County | | |  | City/County Manager: Tim Houle | | |  | |
| Address: 326 Laurel St., Suite 13 | | |  | Phone: 218-824-1067 | | |  | |
| City, State, Zip: Brainerd, MN 56401 | | |  | Email: CoAdmin@crowwing.us | | |  | |
| Project Leader(s): |  | | | | | | | |
| Phone: | |  | | | | | | |
| Email: | |  | | | | | | |
| Case Study Topics Addressed | | | | | | | | |
| Select the relevant categories for this Case Study | | | | |  | | |  |
| Career Resources  Citizen, Council, and Media Relations  Court and Legal Issues  Economic Development  Energy  Ethics  Finance and Budgeting  Governance  Health, Human, and Community Services  Housing and Community Development  Human Resources  International Development  Leadership and Management  Leisure and Cultural Services  Libraries  Livable Communities  Parks and Recreation  Performance Measurement  Planning and Zoning  Public Safety  Public Works and Utilities  Purchasing and Procurement  School/University Relations  Service Delivery  Sustainable Communities  Technology  Transportation | | | | | | | | |

*The MCMA Knowledge Sharing Initiative is designed to share success stories by public sector managers. This information is being shared freely for the sole purpose of assisting other communities and managers with improving the delivery of public services. MCMA is facilitating this sharing activity and does not endorse or promote any specific idea, program, or project.*

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| Idea/Program/Project Details | |
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| Intent of the idea/program/project: Align employees throughout the county with the organization’s mission and values through a pay for performance system. |  |
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| Innovative Characteristics:   * Anticipate that supervisors rank employees in line with a bell curve. Any supervisor who ranks an employee in an area outside of “meets expectations” must justify the decision to colleagues. A system of internal calibration. * Neutral third parties review performance evaluations. * Expectation that courage and discipline are the main contributions of supervisors. Prior to implementation there was a sense of obligation to employees that they be given higher performance ratings. * Creation of a new balanced scorecard that includes: serving well, driving results and delivering value. * Modification of the service value chain to a “service value wheel.” Seeking continuous improvement. |  |
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| Resources Committed, if any: |  |
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| Organizational Savings, if any: |  |
| * System of continuous improvement has created leaned-out processes throughout the organization. |  |
| Anticipated Outcomes: |  |
| * Continued leaning of processes. * More highly engaged workplace. |  |
| Actual Outcomes: |  |
| * 4 years of levy reductions. * 90%+ customer satisfaction. * 77% employee satisfaction on Gallup Q12 Survey (80% indicates a highly engaged workplace. |  |
| Obstacles Encountered: |  |
| * Avoiding the pursuit of perfection’s interference with delivering results. * Employees want objective performance evaluations. Why have supervisors if performance evaluations are simply objective measures? * Pay for performance is a complex and difficult system to implement and maintain, however it provides results. Must be compared in relation to “step-in-grade” system that simply rewards employees for time with the organization. |  |
| Lessons Learned: |  |
| * Difficult to create a process that is as complex as human reality without being too complex. * Processes must be reverse-engineered in order to determine how they can be aligned with the organization’s values and mission. * In order to find areas for improvement customers must be surveyed at various points of contact with the county (seek out times when customers may not provide stellar ratings). |  |
| Organizational Impacts/Improvements: |  |
| * Leaner processes. * Customer satisfaction. |  |
| Recommendations for Application in Other Communities: |  |
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| Was a Private Consultant Used? No. |  |
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