

Conducting Merit Conversations

A Guide for Supervisors



Why are merit conversations important?

- They reinforce UVA's commitment to rewarding strong staff performance.
- They demonstrate respect for staff by taking time to talk through information and process.
- They can improve staff engagement and motivate them to achieve greater levels of performance in the upcoming year.

Components of a Merit Conversation

1

Prepare

- Review all merit decisions to ensure that you understand them. If there is a decision you do not understand, speak to your supervisor to ensure alignment.
- Rehearse what you're going to say, choosing the easiest and clearest way of explaining the factors that went into your pay decisions.
- Anticipate how each staff member may react and prepare for responses that address those anticipated questions

- Reiterate your team member's value
- Lead with a reference to or summary of the team member's performance and convey the value he/she brings to the position and department.

2

Reiterate

3

Total Rewards

- Position pay as one piece in the overall total rewards UVA offers.
- Total rewards also include health and retirement benefits, wellbeing programs, the opportunity for meaningful work, learning and development opportunities, a collaborative work environment, and opportunities to give back to the community.



UNIVERSITY
of VIRGINIA

Human Resources

Conducting Merit Conversations

A Guide for Supervisors

Components of a Merit Conversation

4

Transparency

- Explain the factors that led to the merit decision and how the decision was made even if you were not part of the decision.
- Emphasize the role of individual performance on merit relative to other factors.
- Possible decision factors include:
 - Performance – impact relative to job responsibilities and goals set
 - Market value
 - Experience (critical skills)
 - Greater effort to differentiate based on performance

- Take ownership of all pay decisions that affect your team member.

5

Ownership

6

Empathy

- If a team member voices dissatisfaction with pay decisions, acknowledge what they've said and show that you empathize with their thoughts and feelings.
- Recognize positive and negative reactions and emotions but stick to the pay decision.
- Ask what questions the team member has.

DO

Review the merit decision so you can explain it.
Think About the message you want to deliver and prepare for questions.
Communicate the decision and relevant context.
Pause the conversation if you need clarification from your HRBP.
Engage in dialogue by asking questions and practicing active listening.

Wait to ask questions about the merit decision or process.
Avoid having the conversation.
Avoid questions within the conversation.
Answer questions you are not well-positioned to address.
Express disagreement with the pay decision.
Guarantee that pay will change if the team member does certain things.

DON'T



UNIVERSITY
of VIRGINIA

Human Resources

Conducting Merit Conversations

A Guide for Supervisors

Sample Messages

Rating

Sample Message

Development Needed, no increase

As we discussed previously, there is one area in which I want to see some improvement in the coming year, and we have a plan to address that. Based on your Development Needed rating, you will not be receiving a merit increase this year, and I look forward to working with you on improved performance in the year to come.

Achieving, small increase

As we discussed previously, you have demonstrated solid performance. You are meeting expectations of your role and your contributions are on track relative to your job responsibilities. As we looked at merit increases this year we differentiate pay increases based on high and solid performance. You will be receiving a merit increase of ____.

Discussing How to Increase Pay in the Future

During pay conversations, some team members will ask about how they can increase their pay in the future.

In these cases, provide guidance and suggestions for how your team member can add value through higher levels of performance.

For a team member whose base pay is currently high in the salary grade, you might want to have additional discussions about their career development and ways to build skills and broaden job experiences to position themselves for higher level jobs in the future.