**EMPLOYEE RECOGNITION AND ACHIEVEMENT AWARDS POLICY**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Create systems that support high performance so that existing authorities can be used to recognize the outstanding work of State employees.</th>
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<td>Policy Statement</td>
<td>Agencies are encouraged to create a culture of rewards and recognition, both monetary and non-monetary, which recognizes innovation and creativity, reduces waste, creates cost savings, makes government work better and recognizes the outstanding work of State employees. In the recent past, monetary Achievement Awards have been put on hold. Granting Achievement Awards within this policy framework is an acceptable practice. Other, new monetary awards, such as State Agency Value Initiative (SAVI) payments, have been authorized and will be promulgated in the future. Agencies that choose to participate in granting Achievement Awards should follow the best practices outlined within this policy. This is a change from past practice, in which agency budgeting and implementation varied more significantly. It is the intent of this policy to create more consistent recognition of performance so that, regardless of agency, recognition and payments are demonstrably linked with employee achievement.</td>
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<td>Scope</td>
<td>This policy applies to all executive branch state agencies subject to collective bargaining agreements and the Commissioner’s or Managerial plans.</td>
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<td>Statutory References</td>
<td>M.S. 43A.18 TOTAL COMPENSATION; COLLECTIVE BARGAINING AGREEMENTS; PLANS.</td>
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**GENERAL STANDARDS AND EXPECTATIONS**

**POLICY DIRECTION**

Managers are expected to use all of the available tools to incent and reward performance. Achievement Awards are one tool to recognize employee efforts. When using this authority, all agencies must follow the following principles for granting Achievement Awards:

- Awards should be granted close to the time of high performance. Recognition of achievements need not wait until the end of the year; it is most meaningful if tied to employee activity and should be done quarterly or as frequently as practical for the agency.
- Employees must have a current performance evaluation on file in the agency Human Resources Office certifying satisfactory or better performance.
- Funds are set up in advance. Amounts for Achievement Awards are to be determined by your management team as part of your agency’s annual operating budget. End of year allocations for Achievement Awards are not acceptable.
- Achievement Awards are integrated into the agency’s overall evaluation process. These awards must be part of a larger set of management processes that monitor performance at the individual and group levels, with the aim to support regular and constructive feedback on performance.

Within these broad parameters, agency leadership may develop and grant non-monetary awards and Achievement Awards. The process may incorporate elements noted in this policy, including direct employee nominations, peer review and selection, or other elements. In all instances, awards must conform to limits noted in M.S. 15A.0815, collective bargaining agreements, and the Manager’s or Commissioner’s Plan.
ACHIEVEMENT AWARDS AND OTHER INCENTIVE PLANS

Agencies that decide to grant Achievement Awards should notify the Governor’s Office and MMB in writing of their intent and plan. In future years, any updates to the memo or attached documentation must be provided to the Governor’s Office and MMB early in the fiscal year, and always prior to the time at which any awards/incentives are granted. It’s expected that this memo serve a dual purpose: to provide central information on your agency’s plan as well as to establish parameters for discussions with agency employees. The documentation of the process should include the following:

1) A summary of the agency policy and process so that all employees, managers and supervisors are informed and can understand how it supports recognition systems and processes. If any parts of this are delegated from the agency level, please specify the accountable parties.

2) Amount set aside for Achievement Awards in the fiscal year.

3) Types of outstanding performance that will be considered in the nomination process. The memo should note which of the following will be part of the agency’s plan for granting Achievement Awards:
   a. Team Recognition. Groups of employees have delivered outstanding work on a special project or overcome particular and unusual challenge.
   b. Project Recognition. Employee has done outstanding work outside of normal job parameters.
   c. Sustained performance. Employee has demonstrated consistent, exceptional performance throughout the appraisal period.
   d. Employee has delivered outstanding individual performance.

Whether included in the memo or documented separately, agency management will have additional choices to make while setting up the award process. Below are additional considerations for management teams and HR offices to address:

A. Independent review and participation in selection beyond the Commissioner’s office. One example would be to create an independent review team within the agency. Obviously, if a member of the review team has also submitted an award nomination, a process should be in place which allows this individual to recuse themselves and an alternate should be inserted into the process.

B. Criteria and values for agency review team to assist them in the review of nominations.

C. Strategies to invite all employees to participate in the nomination process. In the end, nominations should be sent to the nominee’s manager/supervisor for review and approval. Team awards must be approved from each team member’s manager.

There will undoubtedly be additional issues encountered but not noted in this policy. It is intended that those issues will be discussed in the HR community so that over time more is learned and additional information can be compiled regarding best practices for the State.

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<th>Contacts</th>
<th>MMB’s Human Resources Management Division</th>
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<td>References</td>
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