

**Mark Olson, IPMA-CP, CDME**  
**Vice President of Human Resources**  
LAS VEGAS CONVENTION AND  
VISITORS AUTHORITY |  
[WWW.LVCVA.COM](http://WWW.LVCVA.COM)  
T: 702-892-0711 | F: 702-892-7555  
Direct: 702-892-7529

Pay For Performance is one piece of our overall Performance Management program that I instituted here at the Authority just after I arrived here in 2002. We use the tenets of Performance, Communication, Accountability and Consequences for our program.

It actually began in 1996 when we eliminated automatic cost of living increases and longevity for our executive and management class of employees in favor of a sort of merit program. It wasn't called Performance Management. It was really called some very negative things because all it served to do was to limit compensation for these two classes. So while our bargaining employees continued to receive up to 7% COLA and Step increases annually, our executive and management employees were capped at approx 3% annually. There was no process and no consistency.

With Performance Management, we focused on performance and succession planning to bring the Authority more into line with many private enterprises. I was able to convince our Board of Directors to increase the available range for merit (base) pay and for performance incentive (bonus) pay. We established 0 to 7.5% for merit increases based on demonstrated successes in day-to-day functions and 0 to 15% for management and 0 to 20% for executive employees based on goals performance. Initially, we evaluated performance based on these criteria: Job Knowledge, Management Skills, Interpersonal Skills, Administrative Skills.

After a couple of years, we changed the criteria to: Job Knowledge, Quality, Accountability, Leadership, Interpersonal Skills, Policies and Procedures, and Time and Resource Allocation.

Employees are evaluated in June each year and receive either Below, Achieves, Exceeds Standards or Exceptional as a rating on each criteria and for their overall rating. We receive a merit (base) pay increase based on the final rating.

For the performance incentive piece, the goals are rated and the same ratings as above are awarded based on how well we accomplish our goals. Each employee of these classes established from 3 to 5 goals (using the SMART criteria) at the beginning of each fiscal year. We mandate quarterly face-to-face coaching sessions with the supervisor to update the goals, i.e., status update, change direction or focus of a goal or goals. Previously the goals were primarily special project-type goals and we specifically excluded core functions. After all, why would we give a bonus to someone who did their job?

We changed that this year to create 5 difference categories of goals: Essence of the Job, Project goals, Professional Development, Performance Improvement, and Authority Wide goal.

Through feedback from employees we learned some positions are process-type positions where the incumbent has very little lee-way to be involved in special projects so by adding Essence of the Job goals, the individual can have a goal or goals that impact on their day-to-day function.

Certainly we hope very few employees have the Performance Improvement goal and new this year is an Authority-Wide goal.

For this year, we choose a green initiative. So everyone has to come up with something that might help the Authority be a green organization.

The Professional Development goal could be something from obtaining a degree to participating in one of our many marketing opportunities around the world. For example, I attended ITB in Berlin last year. It's a huge travel and tourism trade show. I also achieved the Certified Destination Management Executive designation from the Destination Marketing Association International -- for which I was handsomely rewarded!! So it's that type of professional development activity that we encourage our executives and managers to participate in.

How well an individual does on each of their goals determines how much of a performance incentive they receive at the end of the year. It also depends on the scope and impact of the goal as well. That way, no one could have a goal that says they will simply show up to work and then get a bonus!