

<b>CITY OF APPLETON PERSONNEL POLICY</b>	<b>TITLE: SELF-DIRECTED WORK TEAMS</b>	
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- I. **PURPOSE:**  
The purpose of this policy is to identify formation, proposal, compensation, approval and accountability guidelines for Self-Directed Work Teams.
- II. **POLICY:**  
It is the policy of the City of Appleton to consider Self-Directed Work Teams as an alternative to filling vacant management positions when feasible. This policy outlines the necessary guidelines and accountability standards for the Teams, and shall replace any previously agreed to guidelines for Self-Directed Work Teams.
- III. **DISCUSSION:**  
The City recognizes and appreciates the fact that empowerment of employees can provide benefit to both the organization and the employees. This policy shall identify and outline guidelines and compensation for Self-Directed Work Teams. This policy will not alter, or constitute a supplement to, the benefits or compensation provided to employees in collective bargaining, or other contractual agreements.
- IV. **DEFINITIONS:**  
**Self-Directed Work Team (SDWT):** A group of employees, formally recognized under the provisions of this policy, that work together to solve problems, improve department processes, and reduce expenses through the use of employee empowerment, consensus building, and collaborative win-win methods.  
**Available Allocation of Money:** The money available to calculate the *Team Premium*, which shall represent a predetermined portion of the midpoint of the salary range for the manager that has been replaced by the Self-Directed Work Team minus any additional costs associated with the team.  
**Average Equivalent Hours:** The total of the annual equivalent hours worked by the Self-Directed Work Team in each of the previous, consecutive years of operation as a SDWT up to a maximum of five years (5), divided by the number of years of operation or 5, whichever is less.  
**Team Premium:** The hourly wage that is added to the team member's base wage and is calculated by dividing the *Available Allocation of Money* by the *Average Equivalent Hours*.
- V. **FORMATION/PROPOSAL GUIDELINES:**  
Self-Directed Work Teams shall only be considered as a management alternative when a vacancy exists. When a vacant manager position exists, employees from the work unit affected may approach the Department Director for consideration of the formation of a Self-Directed Work Team. If the Department Director approves the concept of a Self-Directed Work Team the team

may proceed to develop a proposal for consideration. Each proposal will be considered on a case-by-case basis.

## VI. COMPENSATION GUIDELINES:

a) **Available Allocation of Money:** A formula using up to sixty-five percent (65%) of the mid-point of the salary range of the affected vacant manager position will be used to determine the initial allocation of money for the team. (This percentage of the midpoint is established in recognition that a Self-Directed Work Team can not perform 100% of the responsibilities of the vacant management position.) Any additional costs, (e.g. team coordinator pay, pay for other managers to take on additional responsibilities as a result of the formation of the team) will be subtracted from the initial allocation of money to determine the final *Available Allocation of Money* to the team. The final *Available Allocation of Money* will automatically be adjusted in subsequent years by the same percentage as the City of Appleton annual Non-Represented general pay adjustment. Fringe benefits will not be added to the *Available Allocation of Money*.

b) **Average Equivalent Hours:** The final *Available Allocation of Money* will be divided by the total of the annual equivalent hours worked by the SDWT in each of the previous, consecutive years of operation as a SDWT (up to a maximum of 5 years) to determine the *Team Premium*.

**Note:** Overtime that is worked by SDWT members that falls outside the current members' job classification or team responsibilities will not be subject to *Team Premium*. If a SDWT employee is working a significant amount of overtime outside of their job classification or team responsibilities, the employee shall keep track of the number of overtime hours. The total of such overtime hours will be reported to the Finance Department and subtracted from the *Average Equivalent Hours* for the team.

c) **Premium Pay:** For the purpose of calculating Premium (e.g. overtime, double time) Pay, the *Team Premium* shall be considered part of the team member's base wage.

d) **Increase in initial number of team members:** Additional employees may be added to a team for various reasons. (e.g. budget process, departmental reorganization, change in team proposal) However, the hours of the additional employees will be added into the total *Average Equivalent Hours* for the team.

e) **Decreases in initial number of team members:** If it becomes necessary to reduce staffing levels within a team, (e.g. through the budget process, technological advances, or a change in the team proposal) the department will re-evaluate the team proposal and compensation levels. Any changes to the team proposal or compensation level will require approval by the Department Head and Director of Human Resources.

f) **Effective Dates:**

◆ **Annual General Pay Adjustment and Team Premium Recalculation:** Upon Common Council approval of the Non-Represented general pay adjustment, the final *Available Allocation of Money* for each team will be recalculated. The Finance Department upon receiving the payroll data through December 31 of the prior year, will recalculate the *Average Equivalent Hours* for each team. After both of the recalculations are completed, the *Team Premium* will be recalculated by dividing the new *Average Equivalent Hours* into the new *Available Allocation of Money*. The newly calculated *Team Premium* will be effective the first pay period after completion of the recalculation. This *Team Premium* recalculation shall be done automatically each year upon approval of the annual general pay adjustment and completion of the Finance Department calculation of *Average Equivalent Hours*. The *Team Premium* recalculation shall not require new Memorandums of Agreement with the SDWT or approval of the Common Council.

- ◆ **Changes in Team Proposals:** Changes to the *Team Premium* outside of the annual general pay adjustment outlined above will be applied prospectively and will require approval of the Department Director and Human Resources Director. (The Human Resources Director shall consult with the Finance Director to assure that the changes in compensation are in compliance with the established policy guidelines.)
- ◆ **Probationary Employees:** Newly hired employees shall receive *Team Premium* after completion of probation but not retroactively. While this policy will allow newly hired employees to receive full *Team Premium* upon completion of probation, each individual team may present a gradual or stepped approach to getting to the full *Team Premium* as a part of their team proposal.
- ◆ **Trial Period Employees:** SDWT employees serving a contractual trial period, as the result of a transfer in positions to another position that is a part of a SDWT, shall continue to receive *Team Premium*. The new *Team Premium* will be based on the established *Team Premium* amount for the SDWT into which the employee has transferred. Employees serving a contractual trial period, who have not been a part of a SDWT and transfer into a position that is a part of a SDWT, shall be entitled to *Team Premium* upon successful completion of the trial period.

#### VII. APPROVAL GUIDELINES:

- ◆ **Newly Formed Teams:** If the Department Director approves the team's proposal, the team will be allowed a trial period to determine the effectiveness of the team. This trial period shall be without additional compensation. If the trial period is successful and the Department Director approves continuation, the Director will present the team's proposal to the Human Resources Director for approval. (The Human Resources Director shall consult with the Finance Director to assure compliance with the established compensation guidelines.) If both the Department Director and the Human Resources Director approve the proposal, a Memorandum of Agreement will be presented to the SDWT and will require signature approval of the Authorized Union Representative. Upon approval of the Authorized Union Representative, the proposal will be presented to the Committee of Jurisdiction as an informational item and to the Human Resources Committee as an action item. The proposal will then be submitted to Council for final approval.
- ◆ **Changes to Existing Team Proposals:** Changes in team proposals outside of the annual *Team Premium* recalculation will require approval by the Department Director and Human Resources Director. The modified team proposal may require execution of a new Memorandum of Agreement. If the new proposal modifies the terms of the existing Memorandum of Agreement or the current *Team Premium* level, a new Memorandum of Agreement will be required. If a new Memorandum of Agreement is required, the changes will need to be submitted to the Committee of Jurisdiction as an informational item, to the Human Resources Committee as an action item and to the Common Council for final approval.
- ◆ **Reduction in Staffing Level within a SDWT:** Reductions in staffing levels within a team will require re-evaluation of the affected SDWT and will require approval by the Department Director and Human Resources Director. If the reduction in team member staffing affects the conditions outlined on the Memorandum of Agreement or the amount of the *Team Premium*, a new Memorandum of Agreement will be required. The modifications will be presented to the Committee of Jurisdiction as information, to the Human Resources Committee as action, and to the Common Council for final approval.

#### VIII. ACCOUNTABILITY:

Each Self-Directed Work Team will be required to report the teams' activities to their Committee of Jurisdiction as requested, but no less than two times per year. The accountability for the performance of the team shall be the Department Director's responsibility.

IX. MEMORANDUM OF AGREEMENT:

Each proposal must include completion and execution of a Memorandum of Agreement between the City of Appleton and the approved members of the Self-Directed Work Team(s). The Memorandum of Agreement must be signed by the Authorized Union Representative and shall require Common Council approval.

X. DISPUTE RESOLUTION:

Disputes arising over the enforcement of the policy, Memorandum of Agreement or other issues related to the SDWT shall be handled in accordance with the Complaint Procedure Policy of the City of Appleton Personnel Policies Manual.