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PERFORMANCE APPRAISAL SYSTEM FOR THE CITY OF MISSOULA

by

Jon S. Nelson

B. A. Moorhead State University, 1978

Presented in partial fulfillment of the requirements

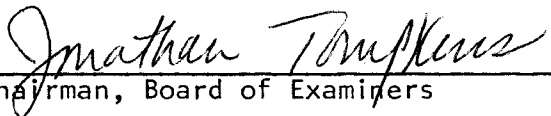
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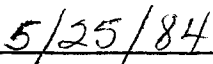
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## CHAPTER 1

### INTRODUCTION

This professional paper documents the process used to establish an employee performance appraisal system for the City of Missoula, Montana. Other local governments may find this paper helpful if they are encountering problems with their present performance appraisal systems similar to those faced by Missoula. The performance appraisal form and supervisor's manual developed to alleviate the City's performance appraisal problems are included as an appendix to this paper. Suggestions are offered in the final chapter which may help an agency avoid some of the problems encountered by Missoula in the course of developing and implementing its new performance appraisal system.

#### Statement of the Problem

Prior to the establishment of the performance appraisal system outlined in this paper Missoula encountered problems that are commonly found in many other agencies. The problems experienced by Missoula were in most instances inherent in the appraisal method being used. Only by recognizing the limitations of the method utilized and by seeking to change it was Missoula able to begin to overcome its performance appraisal problems. Problems inherent in different methods are discussed in detail in chapter two.



The City administration felt that City employees did not trust the old performance appraisal system because the system did not assess their individual performance accurately. The old system numerically scored each employee on several universally applied standards such as "Showing Creativity on Job" and "Responding to Need for Extra Effort".<sup>1</sup> Supervisors rated their employees on these standards on a scale ranging from 1 (poor) to 9 (excellent). Under the old method the sixteen standards applied to all employees. Because the end product of the appraisal was a numerical score indicating overall performance, employees from different departments performing different duties could, and did, compare their final performance scores. Inconsistencies among supervisors and between departments were apparent to employees and produced discontent. Additional discontent developed when the basis for performance ratings could not be defended by supervisors. Employees thus tended to view the appraisal as a popularity contest that must be endured rather than an indication of their performances.

David W. Wilcox, the Mayor's Administrative Assistant and City Personnel Director, requested the development of an employee appraisal system that would avoid the problems discussed above. He felt the old system "assigned point values to employees who were not directly comparable because of the nature of their positions."<sup>2</sup> He also felt that there was a conspicuous lack of a "direct relationship between the appraisal and the duties of individual positions."<sup>3</sup> Mr. Wilcox requested a system that emphasized communication between the employee and his or her supervisor. Rather than grading and comparing employees to each other, Wilcox felt that a system was needed which "communicated to the employees what the supervisor expected him or her to do and how to

accomplish it."<sup>4</sup>

### Purposes of Performance Appraisals

Performance appraisal systems have been, and continue to be, a rapidly changing dimension of public personnel administration. The problem for local governments has not been the lack of various formats and approaches to use, but rather finding a format and approach for performance appraisal that best fits the needs of the particular local government using it. Prior to selecting a particular performance appraisal method, each agency or government must define what purposes it expects a performance appraisal system to meet.

Performance appraisal systems may have a single purpose or be multipurposed. Uses and goals of appraisal systems include improving productivity, improving employee relations and motivation, improving communication between employees and supervisors, using the appraisal system for making personnel decisions (such as promotions, demotions, transfers, layoffs, disciplinary actions and salary adjustments), assessing potential and identifying actual training needs, understanding job duties, identifying human resources in the organization, correcting dysfunctional performance, facilitating manpower planning, and supplying vital documentation for Equal Employment Opportunity purposes.

In the process of assessing its performance appraisal needs and selecting a method according to those needs, each agency must keep in mind certain federal legal requirements regarding performance appraisals. Before reviewing some of the common types of performance appraisal methods it is appropriate to review federal requirements which may effect the choice of an appraisal system.

Equal Employment Opportunity Commission Guidelines

In 1978 the Equal Employment Opportunity Commission (E.E.O.C.) issued the Uniform Guidelines on Employment Selection Procedures to aid in interpreting and administering Title VII of the Civil Rights Act of 1964. Prior to 1978 regulatory agencies lacked consistency in applying equal employment and civil rights legislation. The guidelines were developed jointly by the Equal Employment Opportunity Commission, Civil Service Commission, Department of Labor, and the Department of Justice with the intent of eliminating confusion, inconsistencies, and unnecessary complications. The adopted guidelines applied to:

"tests and other selection procedures which are used as a basis for any employment decision. Employment decisions include but are not limited to hiring, promotion, demotion, membership (for example, in a labor organization), referral, retention, and licensing and certification, to the extent that licensing and certification may be covered by Federal equal employment opportunity law. Other selection decisions, such as selection for training or transfer, may also be considered employment decisions if they lead to any of the decisions listed above."<sup>5</sup>

If a performance appraisal is utilized in any employment decision covered by the above definition, it is considered a selection procedure and is subject to the Uniform Guidelines.

Under the Uniform Guidelines, the performance appraisal system used by an agency must not adversely impact in any employment decision members of groups covered by the Civil Rights Act of 1964. In practice this means that performance appraisals must not be based on subjective and poorly defined criteria, must contain no sexual or racial biases, and must be administered in a standardized fashion. An essential requirement is that the criteria upon which performance is appraised are shown to be job related based upon careful job analysis.<sup>6</sup> It is not

appropriate to appraise individuals on criteria that have little or no relationship to the work being performed.

For an agency to have a performance appraisal system that is free from E.E.O.C. and Court intervention it must be valid and reliable. The Uniform Guidelines describe three basic ways that selection procedures may be validated:

Criterion related validity: Using empirical data and statistics to demonstrate that the procedure is predictive of important elements of job performance.<sup>7</sup>

Content related validity: Gathering data to show that the content of the procedure is representative of the important aspects of performance on the job for which the employee is being appraised.<sup>8</sup>

Construct related validity: Gathering data to show that the appraisal procedure measures the degree to which the employee has identifiable characteristics which are important to the successful performance of the job for which the employee is appraised.<sup>9</sup>

In addition to being valid, the procedure must be reliable. Reliability assures that the tool being used for the performance appraisal will be consistent and stable over a period of time and between different users of the appraisal.<sup>10</sup>

Proof of validity and reliability are required by the E.E.O.C. (or state designated agencies such as the Montana Human Rights Commission) and the courts in proceedings that determine whether an agency's performance appraisal system has an adverse impact on individuals or groups covered by equal employment laws. An agency should develop and utilize

a performance appraisal system that is reliable and valid for all employees in the agency if it is to conform to the requirements of the Uniform Guidelines.

The remainder of this paper is organized in the following manner. Chapter two discusses eight methods of performance appraisals which sets the foundation for understanding the performance appraisal system developed for the City. Chapter three describes Missoula's old performance appraisal system in order to provide the reader with a framework for understanding the new appraisal system developed for the City. Chapter three also describes the format and goals of the new performance appraisal system. Chapter four outlines the City organization and how the new appraisal system was implemented. The final chapter discusses problems encountered by Missoula in implementing the system and makes suggestions for other agencies to follow in instituting a new performance appraisal system. The appendix contains the performance appraisal form and supervisor's manual that were developed to fit the performance appraisal needs of Missoula.

## ENDNOTES

<sup>1</sup>City of Missoula Employee Performance Evaluation, November, 1979, City Personnel Office.

<sup>2</sup>Interview with David W. Wilcox, City of Missoula, Administrative Assistant/Personnel Director, 1 March, 1983.

<sup>3</sup>ibid.

<sup>4</sup>ibid.

<sup>5</sup>Equal Employment Opportunity Commission, Civil Service Commission, Department of Labor, Department of Justice, Uniform Guidelines on Employee Selection Procedures, 25 August, 1978 (Washington, D.C.: G.P.O., 1978) p. 8.

<sup>6</sup>S. E. Parnes, Handbook of Performance Evaluation Programs (Stamford: Bureau of Law and Business, Inc., 1981) p. 13.

<sup>7</sup>Uniform Guidelines on Selection Procedures, p. 10.

<sup>8</sup>ibid.

<sup>9</sup>ibid.

<sup>10</sup>Richard Henderson, Performance Appraisal: Theory to Practice (Reston: Reston Publishing Company, Inc., 1980), p. 223.

## CHAPTER II

### EIGHT PERFORMANCE APPRAISAL METHODS

This chapter reviews eight performance appraisal methods used by public and private sector organizations. A description of each method along with the strengths and weaknesses inherent in the method is provided. The purpose of this review is to enable the reader to understand the performance appraisal system developed to fit Missoula's needs as well as to understand other options that are available. The eight methods reviewed are comparative ranking, forced distribution, forced choice, graphic rating scales, essay, management by objectives, critical incident, and behaviorally anchored rating scales.

#### Comparative Ranking

In the comparative ranking method of appraising employees the appraiser ranks all employees in his unit from high to low based upon performance standards that are applied universally to all employees. The standards may be many or few depending upon what the organization is appraising. The supervisor of a work unit with eight employees, for example, may rank employees from high (preferred) to low (non-preferred) based upon the performance standard entitled "overall performance".<sup>1</sup> The organization's major purpose in this method is to differentiate between employees. As stated in the example, it may be used to determine overall performance but can also be used in employer decisions

relating to potential for advancement and merit pay increases.

Proponents of the comparative ranking method cite several strengths.<sup>2</sup> The method is straightforward and simple to use. Because the appraiser merely ranks his employees from high to low it takes little formal instruction to perform a proper appraisal. Appraisers also do not have to perform individual appraisals on employees since one appraisal covers all employees in the work unit. Managers also feel that this method fits into an appraiser's natural tendency to rank individual employees in the work unit relative to each other.

The comparative ranking method is not as useful as other methods.<sup>3</sup> Supervisors may find the method difficult to use when appraising a large number of employees because the method requires that all employees be appraised at the same time. Because the supervisor does not individually appraise employees, the comparative ranking method is not useful in counseling employees with performance deficiencies or training needs. Also, this method is not as useful as others in evaluating employees between the top and bottom ranks and demonstrating to them how they can become top performers. This is due primarily to the fact that employees may not be made aware of the reasons they were not rated as top performers.

The comparative ranking method may also cause morale problems rather than alleviate them because the ranking is subjective and based only on the supervisor's perceptions. If an agency uses the comparative ranking method for promotional or merit pay increases, they may have trouble defending the decisions because the end result of the appraisal provides only a rank ordering of employees.



Another problem faced by agencies using the comparative ranking method arises when work units within a department under separate supervisors are combined to reveal a department-wide rank order of employees. Often supervisors from the units in the department must determine among themselves how to combine the employee rankings from the units into one departmental ranking. The supervisors may be placed in a position of negotiating with other supervisors regarding where their employees rank on a department-wide scale. Supervisors may feel pressured to change rankings of their employees in order to reach a consensus on departmental rankings. Also of concern is the fact that the peculiarities of particular positions makes it difficult to compare individuals against the same standards. The appraiser may be influenced more by the nature of the work than the quality of performance of the individual.

The comparative ranking method, while relatively easy to develop and implement, fails to place major emphasis on employee counseling and development. Rather, emphasis is switched to identifying top and bottom performers and personnel decisions are usually made based only upon these crude rankings.

#### Forced Distribution

This method of appraisal is similar to grading examinations on a curve. Based upon applied performance standards for his department, such as overall performance, the supervisor rates employees by distributing them into predetermined categories in a way that will approximate a bell curve (i.e., normal distribution). This method is similar to the comparative ranking method because it ranks employees in comparison with each other. Employees may be categorized as follows:

<u>Categories of Performance</u>	<u>Percentage of Employees to be Allocated<sup>4</sup></u>
Superior	5
Above Average	15
Average	60
Below Average	15
Unacceptable	5
	<hr/> 100%

The percentage in each category of performance, and the number of categories, can be adjusted to fit the needs of the organization.

Foremost among the strengths of this method is its simplicity.<sup>5</sup> Appraisers find that it is easy to understand and that it is not time-consuming for them to appraise all employees in the work unit. Like the comparative ranking method, the appraiser needs only to do one comprehensive appraisal which covers all employees in the work unit. Personnel decisions on promotion, training and merit pay are also relatively easy since the unit's top performers are distributed in the first category of the distribution.

This method of appraisal contains several shortcomings.<sup>6</sup> Because appraisers do not meet with employees individually to discuss performance, the method is not useful in counseling the employee in specific performance areas. Second, forced distribution may require an appraiser to choose between two relatively equal employees in allocating them to the percentage categories. A third criticism of the method surfaces in relation to the appraiser who has managed to build a superior team of performers. The appraiser must still allocate his employees to mandated percentage categories regardless of actual performance as measured against employees in other work units or against some fixed standard. In addition, there can be no fair way of combining ratings from work units to produce an overall evaluation of the department's employees.

As with the comparative ranking method, this method is not a tool for counseling employees or for communicating to them regarding how to improve performance and productivity. The forced distribution method is simply a tool to use in making personnel decisions such as promotions or merit pay.

### Forced Choice

This method of appraisal presents the appraiser with statements that may be applicable to the employee. The appraiser is asked to choose the statement most descriptive of the employee and the statement least descriptive of the employee being appraised. An example of such statements is provided below:

<u>Most Descriptive</u>	<u>Least Descriptive</u>	
_____	_____	Reviews work of subordinates and provides assistance as needed.
_____	_____	Follows up on all delegated assignments to ensure conformance with operating procedures.
_____	_____	Requests employee opinions and uses them when conditions permit.
_____	_____	Meets deadlines on work assignments.
_____	_____	Praises those whose work-place behavior has earned recognition. <sup>7</sup>

There may be as many as 50 groups of statements which all purport to be representative of work behavior. After the appraiser is finished choosing the most descriptive and least descriptive statements in each of the groups, the appraisal is forwarded to the personnel office which scores the appraisal according to a master key developed to show maximum

performance. This method was developed to avoid the problem which is inherent in other methods of producing a preponderance of outstanding appraisals. Promotion, pay increases, and other personnel decisions are difficult to make when there is a high number of outstanding appraisals. By presenting appraisers with statements that all seem acceptable and forcing them to choose the most descriptive and least descriptive statements it is more difficult for appraisers to inflate employee ratings.

Those who recommend this method point to its effectiveness in alleviating human bias.<sup>8</sup> Proponents feel that prejudices and biases are minimized because the appraiser is choosing an objective description of the employee's most descriptive and least descriptive job behaviors from a group of statements. The appraiser, therefore, is not given the opportunity to knowingly or unknowingly bias an appraisal. The method is cited as reducing leniency errors (the tendency of appraisers to be lenient on employees consciously or subconsciously) and also reducing the halo effect (the tendency for appraisers to group all employees into similar descriptions of performance).

The forced choice method has several weaknesses as a performance appraisal method.<sup>9</sup> First of all, it is an extremely expensive method to develop and use. This is because the statements must be tailored to each position. The statements also must appear to be matched for social desirability without being discriminatory. To develop such a system the agency must hire a consultant or have a qualified personnel officer trained in the development and scoring of the appraisals. Gathering data to develop the statements takes an enormous amount of time because of the job surveys which must be done in order to analyze the positions and develop the statements. Another weakness in the forced choice

method is the morale problems it can create. Appraisers may resent the system because within the method there is an implicit assumption that they cannot be trusted to fairly appraise their employees. To counter this assumption, appraisers may second guess which statements the personnel office prefers, or they may try to pick statements that they think are appropriate rather than choosing statements indicative of the employee's behavior. Finally, the method is not a tool for the appraiser to use in counseling, training, or communication because he does not know the extent to which he has appraised the employee as "substandard". The appraiser is at a loss if called upon by an employee to explain why his performance was scored by the personnel office as lower than another employee.

The forced choice method may diminish appraiser bias and tendencies toward leniency when appraising employees, and employee rankings may be used for making personnel decisions such as promotions and merit pay. This method does not, however, utilize the appraisal as a counseling or communication device to improve performance and productivity. The method also limits the involvement of appraisers who are responsible for their employee's performance.

#### Graphic Rating Scale

The graphic rating scale method is composed of a list of personality characteristics and work factors which are followed by a series of boxes that are checked by the appraiser. The boxes represent various performance levels. An example of a personality characteristic and a work factor in a graphic rating scale performance appraisal method is:

<sup>10</sup>Check the box that best describes the employee's performance

	<u>Out- standing</u>	<u>Good</u>	<u>Satisfactory</u>	<u>Fair</u>	<u>Un- satisfactory</u>
<u>Personal Qualities</u> (Personality, leadership, integrity, ability to get along with co-workers, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Quality of Work</u> (Output under normal conditions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The boxes beneath the descriptions of performance may also be accompanied by a number. In the example above, a 4-3-2-1-0 numbering system could be matched to the performance standards with 4 representing Outstanding and 0 representing Unsatisfactory. In this method it is also possible to weigh various personality characteristics or work factors more heavily than others. An overall performance appraisal index for each employee could then be determined by adding up the numerical score on each work factor and personality characteristic. Overall scores for each employee may then be compiled and compared against each other and used to award merit pay.

This method of appraisal is popular among appraisers for several reasons.<sup>11</sup> Because appraisers check off employee performance on a list of pre-determined work factors and personality characteristics and do not have to meet individually with employees when doing the appraisals, it is less time-consuming than other methods. This method also facilitates making promotion and merit pay decisions because the numerical scores of employees can be compared to one another. The top scorers would receive the promotions and merit pay increases. This method also requires minimal training for appraisers since the work factors and

personality characteristics are pre-determined by management and appraisers merely have to check what they believe are their employees' levels of performance on each of the factors and characteristics. Another strong point inherent in this method is the maximum flexibility it grants appraisers in rating employee performance. Appraisers are the sole determiners of employee performance. A final advantage of this method is that supervisors can rate any employee at any time rather than having to do all employees at once.

Several of the reasons some appraisers prefer this method are also cited as major weaknesses.<sup>12</sup> Employee morale problems may occur when overall point totals are stressed rather than specific feedback on how to improve performance. This problem becomes compounded if employees compare scores because some of the work factors and personality characteristics by which they were appraised either may not directly relate to their positions or may not be adequately defined. This in turn may be a validity problem because the personality characteristics and work factors are not representative of the job. Arguments can also be made regarding the reliability of the method since appraisers have different expectations on what they believe constitutes outstanding, good, satisfactory, fair, and unsatisfactory performance. Employees may feel that some of the work factors and personality characteristics should be weighed heavier than others yet most graphic rating scale methods weigh all of the work factors and personality characteristics equally. This method also suffers from a problem common to other comparability methods. For example, where individual work units are combined to reveal the relative performances of all employees in a department, there may be a lack of consistency among appraisers, and a tendency for some to inflate

scores of their employees.

The graphic rating scale method is a popular method to use because it can be completed in a short period of time and can be utilized for comparing employees in order to make promotion and merit pay decisions. It fails, however, to address employee concerns regarding its use as a tool for communication and employee concerns regarding lack of consistency among appraisers and the resulting difficulty of comparing scores for all employees.

### Essay

The essay method requires the appraiser to describe the employee's weak and strong points in an essay format. The personnel office usually provides minimum guidelines to the appraiser by defining what areas the appraisal is to cover. The guidelines provided may cover many areas or just a few. An example is an essay evaluation requiring the appraiser to summarize only the employee's performance, training needs, and promotability. This method may also be utilized in conjunction with other appraisal methods. Appraisers and employees will discuss the appraisal in an interview after the appraiser has completed the essay appraisal.

Strengths of this method include its flexibility and use as a counseling tool.<sup>13</sup> Appraisers and employees may prefer the free-flowing discussion and open-ended questions that may arise in the interview. Appraisers tend to like this method because it allows the flexibility, with certain guidelines, to write as much or as little as they want on each employee. In appraisal systems that utilize more than one method, the essay method, if included, may also allow the employee and appraiser to discuss areas that are not a part of the structural portion of the



appraisal.

There are also inherent weaknesses in the essay method.<sup>14</sup> The essay method is more time-consuming for the appraiser to complete than methods such as comparative ranking. The essay method does not provide comparative information on employees. If the purpose of the appraisal system is to make personnel decisions such as promotions and merit pay, then comparison is essential. Another weakness of the method is the large emphasis that it places on the appraiser's writing skills. The employee is dependent upon the appraiser's ability to express good and bad points, training needs, promotability or any other area covered in the appraisal. Also, if the appraisers feel their writing skills are being appraised by the reviewers of the appraisal, they may spend more time on how to best write the essay rather than concentrating on the needs of the employee. Another weakness of the essay method involves the phrases and words that appraisers use in the form. An employee may be satisfied with an overall rating of "adequate performance" but it may be misleading because among appraisers an essay showing "adequate performance" may indicate the first employee to be laid off in a reduction in force. A final problem of the method is its lack of use as a tool to compare employees appraised by different appraisers. This is due to a lack of standardization in the system.

The essay method may be a valuable appraisal tool for an organization seeking to maximize communication between appraisers and employees. This method is not useful, however, if comparability between employees is needed for making personnel decisions.

### Management By Objectives

The management by objectives (MBO) method involves the appraiser and employee jointly setting objectives for the employee to achieve within a specified time period. The time period may vary but a year is quite common.

Prior to the beginning of the new year the appraiser and employee set objectives for the employee to achieve during the course of the year. This usually involves writing the objectives down in quantifiable terms so that they may be measured at the end of the year. During the year, the employee reviews his own performance by periodically checking on how he is doing on his objectives. After the year is over the appraiser and employee have an appraisal interview to determine whether the objectives have been met. This is done by comparing the beginning objectives to what the employee has achieved during the year. The interview is ended after the appraiser and employee have set new objectives for the following year.

Agencies use the management by objectives method for various reasons.<sup>15</sup> The MBO process has been viewed as an excellent method for an organization to integrate individual performance and objectives with organizational goals and objectives. By integrating an employee's performance into the organization's objectives it is hoped that employees will not perform in a manner contrary to the organization's goals. This integration is viewed as a method for involving all employees (from line to top management) in a process designed to enable the organization to reach its goals and objectives. Proponents of the MBO method also cite the advantage that it affords employees. Through this method the employee actively participates with the appraiser in setting objectives to

be achieved. Because the objectives are jointly set the employee is not surprised by new performance objectives in the interview. The MBO method also focuses on the job and meeting its objectives rather than focusing on the personality of the incumbent doing the job. Finally, the process itself is an excellent way of documenting shared expectations since the objectives are mutually set.

Using management by objectives as an appraisal method has also been criticized.<sup>16</sup> If conditions in the work environment change too rapidly in relation to the objectives that are set, employees may be left without clear direction for achieving objectives. It has also been argued that because the method is results-oriented in achieving individual objectives, employees may behave in a manner detrimental to the organization but helpful to themselves in meeting their individual objectives. Another concern relates to setting individual objectives. If meeting objectives determines an employee's salary level, he may try to negotiate objectives that are easier to achieve than other employees. Conversely, there is the fear that appraisers will set too many objectives for the employee to achieve because the appraiser is receiving pressure from managers above him. It has also been suggested that using MBO for performance appraisals fails to consider the dependency that positions have on each other. An employee may argue that he could not meet objectives because another employee did not process work in a timely manner so that his objectives could be met. A final criticism of MBO is that it requires much time and paperwork between the appraiser and employee in setting objectives which may detract from their other duties and responsibilities.

MBO is used by agencies for performance appraisal purposes because it integrates employee objectives with organizational objectives and also involves the employee in setting future performance objectives. It has been criticized as an appraisal method that does not adjust quickly enough to changing environments and changing organizational goals. There are also concerns relating to how the method is used by appraisers in setting employee objectives. Such concerns, however, may be a misapplication of the MBO approach since the pure MBO approach utilizes the mutual setting of objectives and not one-sided objectives set by the appraiser.

#### Critical Incident

The critical incident method utilizes a list of critical performance dimensions for each position being appraised. The performance dimensions cover all of the major components of the position's responsibilities. An example of a performance dimension is:

'Application of Knowledge: Analyzes work and sets initial work priorities before involving others in work process. Identifies critical work issues, information needed, whom to contact, and when to make requests to complete assignments on schedule.'<sup>17</sup>

The appraiser keeps a log of the employee's performance and compares this performance to the critical incident list for the position. This method also utilizes an appraiser and employee interview. During the interview the appraiser compares the employee's performance to the list of critical incidents and counsels the employee on his strengths and weaknesses. This method has also been used as part of other performance appraisal methods such as developing appropriate work factors to be used in the graphic rating scale method.

There are several strengths inherent in the critical incident method.<sup>18</sup> Because there is a list of major performance dimensions for each position the method is a good tool for sharing job expectations between the appraiser and employee. The performance dimensions also focus on actual job behavior in comparing the employee to the critical incident list and not on personality traits or characteristics that may be hard to observe. This distinction makes the critical incident method more valid than other methods because it is specifically job related. A final strength is the documentation (log) that is kept and the feedback and counseling that can emerge from the appraisal interview.

There are also inherent weaknesses in the critical incident method.<sup>19</sup> As with almost all previously described methods, this method is retrospective because by using the log it focuses on past performance. Centering on past performance in turn requires adequate recall and perspective by the appraiser in applying it in the context of the appraisal. The log also requires the appraiser to be very observant of the employee's work and performance. This may cause employees to interpret the log as a form of surveillance which causes morale problems in the workplace and between employee and appraiser. The method also only compares employees to a master list and not to each other which necessitates another appraisal method if merit pay and promotion decisions are required as part of the appraisal. A final weakness in the method is the time required by the appraiser to keep employee logs. Appraisers must be willing to keep continuous notes on employee performance and must also be able to apply analytical skills in matching training needs to performance below standards set by the critical incident list.

The critical incident method is a good tool to use in defining major performance dimensions of positions. By appraising employees against a master list of performance dimensions the appraiser is also able to outline areas in which the employee needs to improve. This method is not, however, as useful as other methods in comparing employees in order to make personnel decisions that require differentiating between them.

#### Behaviorally Anchored Rating Scales

The behaviorally anchored rating scale (BARS) method is based partially on the critical incident method. Like the critical incident method, performance dimensions on critical areas of the position are defined by the appraiser and employee. Once the dimensions are established, job behaviors identifying examples of performance are listed below the dimensions. The employee's performance is then compared to the job behaviors listed under each performance dimension. The end result of the BARS appraisal method is a list of dimensions necessary to the job accompanied by descriptions showing effective to ineffective performance. BARS may be used with a numerical system similar to a graphic rating scale or with standards attached to the descriptions describing outstanding to unsatisfactory performance. A very simplified example is a phone answering dimension for a secretary. The performance dimension is "answering the phone in a timely manner". The job behaviors describing employee performance and by which the employee would be appraised are:

- |  |                          |
|--|--------------------------|
| <u>Extremely effective performance:</u>      | _____ (5), <sup>20</sup> |
| Always answers the phone by the third ring.  |                          |
| <u>Average Performance:</u>                  | _____ (3)                |
| Usually answers the phone by the third ring. |                          |
| <u>Ineffective performance:</u>              | _____ (0)                |
| Rarely answers the phone by the third ring.  |                          |

In the example, the words outstanding, satisfactory, and unsatisfactory could be substituted for the numerical scores if the agency preferred not to have a numerical scoring system.

The BARS appraisal method has several strengths.<sup>21</sup> Because appraisers and employees work together in defining the performance dimensions and their descriptions, the appraisal is specifically tailored to the specific job. This makes the method very job related in terms of validity. Through the process used, the language in the appraisal also reflects employee and appraiser terminology and not personnel terminology. The method is also helpful as a communication device since interaction between the appraiser and employee is required in order to set the dimensions and descriptions of performance. The appraisal is also useful in counseling employees since they have examples of performance against which they are appraised. When utilized with a point system the BARS method may also be used in making personnel decisions. A final side benefit of this method is the job analysis information which surfaces through the interaction of the appraisers and employees in defining the dimensions and developing the performance descriptions. Such information can be used in training and recruitment programs.

The cost and time associated with using the BARS method are cited as major weaknesses.<sup>22</sup> Appraisers and employees must devote adequate time in order to develop meaningful dimensions and performance descriptions of the dimensions. The time associated with this may detract from the duties and responsibilities of their day to day activities.

The BARS method has been utilized by agencies wishing to increase appraiser and employee interaction and communication. The result of this appraisal method is also an appraisal developed by appraisers and

employees together. To use this method, however, involves a commitment by management to give employees and supervisors the necessary time to develop the performance dimensions and descriptions of performance.

#### Validity of the Eight Methods

Job analysis is cited as a cornerstone in the construction of performance appraisal systems. Where job analysis (an analysis of the important work behaviors required for successful performance of a given job) has not been performed, "the courts have struck down claims of validity" for the performance appraisal instrument.<sup>23</sup> It is, therefore, essential for an agency to use a method that has been based on job analysis information to set performance standards or objectives. While there are no set rules to follow, an agency may facilitate compliance by developing a system that is formal and standardized, and based upon performance standards that are indicative of the work being performed.<sup>24</sup> Under these criteria, the management by objectives method, critical incident method, and behaviorally anchored rating scale method seem to be the most valid of the eight methods reviewed because of the process necessary to develop the objectives or standards used.



## ENDNOTES

<sup>1</sup> Stephen J. Carroll, Craig E. Schneier, Performance Appraisal and Review Systems (Glenview: Scott, Foresman and Company, 1982), p. 125.

<sup>2</sup> J. Peter Graves, "Let's Put Appraisal Back in Performance Appraisal: Part I and II", Personnel Journal, November and December 1982, p. 919; Parnes, Handbook of Performance Evaluation Programs, p. 30.

<sup>3</sup> Ibid.

<sup>4</sup> Henderson, Performance Appraisal: Theory to Practice, p. 141.

<sup>5</sup> Parnes, Handbook of Performance Evaluation Programs, p. 30; Carroll, Schneier, Performance Appraisal and Review Systems, pp. 125-126; Henderson, Performance Appraisal: Theory to Practice, pp. 141-142.

<sup>6</sup> Ibid.

<sup>7</sup> Henderson, Performance Appraisal: Theory to Practice, p. 148.

<sup>8</sup> Parnes, Handbook of Performance Evaluation Programs, p. 28; Carroll, Schneier, Performance Appraisal and Review Systems, pp. 121-122; Henderson, Performance Appraisal: Theory to Practice, pp. 147-148.

<sup>9</sup> Ibid.

<sup>10</sup> Parnes, Handbook of Performance Evaluation Programs, p. 33.

<sup>11</sup> Parnes, Handbook of Performance Evaluation Programs, pp. 30-32; Graves, "Let's Put Appraisal Back in Performance Appraisal," p. 848; Carroll, Schneier, Performance Appraisal and Review Systems, pp. 102-103.

<sup>12</sup> Ibid.

<sup>13</sup> Parnes, Handbook of Performance Evaluation Programs, pp. 26-27; Graves, "Let's Put Appraisal Back in Performance Appraisal," pp. 847-848; Henderson, Performance Appraisal: Theory to Practice, pp. 137-138.

<sup>14</sup> Ibid.

ENDNOTES  
(Cont'd.)

<sup>15</sup>Parnes, Handbook of Performance Evaluation Programs, pp. 32-35;  
Graves, "Let's Put Appraisal Back in Performance Appraisal," p. 846;  
Carroll, Schneier, Performance Appraisal and Review Systems, pp. 139-152;  
Wendell L. French, The Personnel Management Process (Boston: Houghton  
Mifflin Company, 1982), pp. 340-346.

<sup>16</sup>Ibid.

<sup>17</sup>Henderson, Performance Appraisal: Theory to Practice, p. 158.

<sup>18</sup>Parnes, Handbook of Performance Evaluation Programs, pp. 27-28;  
Graves, "Let's Put Appraisal Back in Performance Appraisal," pp. 846-847;  
Henderson, Performance Appraisal: Theory to Practice, pp. 138-139.

<sup>19</sup>Ibid.

<sup>20</sup>Parnes, Handbook of Performance Evaluation Programs, p. 37.

<sup>21</sup>Parnes, Handbook of Performance Evaluation Programs, pp. 35-38;  
Graves, "Let's Put Appraisal Back in Performance Appraisal," pp. 848-849;  
Carroll, Schneier, Performance Appraisal and Review Systems, pp. 103-114.

<sup>22</sup>Ibid.

<sup>23</sup>Gary P. Latham, Kenneth N. Wexley, Increasing Productivity Through  
Performance Appraisal (Addison-Wesley Publishing Company, Inc., 1981),  
p. 48.

<sup>24</sup>Carroll, Schneier, Performance Appraisal and Review Systems,  
pp. 53-54.

## CHAPTER III

### DEVELOPING A NEW PERFORMANCE APPRAISAL SYSTEM

This chapter describes the performance appraisal system used by Missoula City government prior to 1982 in order to acquaint readers with problems encountered with it. The chapter also discusses what the administration felt would be the benefits of the new system as well as the actual format of the new system. Agencies facing similar problems and seeking similar benefits from their performance appraisal system may find this chapter useful.

#### Problems With Old Performance Appraisal System

The performance appraisal system utilized prior to 1982 by all City departments was based upon the graphic rating scale method. Under this method employees were rated on a scale running from 1 (poor) to 9 (excellent) for each of sixteen profile elements.<sup>1</sup> The format of the appraisal follows:

<u>Profile Elements</u>		<u>Circle One</u>				
1. Maintaining Quantity of Work . . . . .	1	3	5	7	9	
2. Maintaining Quality of Work . . . . .	1	3	5	7	9	
3. Following Policies and Procedures . . . . .	1	3	5	7	9	
4. Exercising Professional, Scientific or Technical and Clerical Skills . . . . .	1	3	5	7	9	
5. Communicating Orally . . . . .	1	3	5	7	9	
6. Communicating in Writing . . . . .	1	3	5	7	9	
7. Accepting Responsibility and Initiating Action . . .	1	3	5	7	9	
8. Responding to Need for Extra Effort . . . . .	1	3	5	7	9	
9. Adapting to New and Different Situations . . . . .	1	3	5	7	9	

<u>Profile Elements (Cont'd.)</u>	<u>Circle One</u>
10. Showing Creativity on Job . . . . .	1 3 5 7 9
11. Evaluating Facts and Making Decisions . . . . .	1 3 5 7 9
12. Planning and Organizing Own Work . . . . .	1 3 5 7 9
13. Assuming Leadership in Non-supervisory Situations . . . . .	1 3 5 7 9
14. Getting Along with Other Workers . . . . .	1 3 5 7 9
15. Dealing with People Outside the Department . . . . .	1 3 5 7 9
16. Supervising Others . . . . .	1 3 5 7 9

Points for each element were then added together and divided by sixteen to reach an average rating. The following scale indicated employee performance:

Outstanding . . . . .	7.5 to 9.0
Above Satisfactory . . . . .	6.0 to 7.4
Satisfactory . . . . .	4.5 to 5.9
Conditional . . . . .	3.0 to 4.4
Unsatisfactory . . . . .	1.0 to 2.9

Employee appraisals were then placed in the employee's personnel file. The ratings were utilized only as background information for promotions and disciplinary proceedings. They were not used to determine salary level, identify training needs, or facilitate employee and supervisor communication.

Several supervisors and department heads liked the graphic rating scale method because it was easy to understand and took a minimum amount of their time to complete. There were indications, however, of employee dissatisfaction with this appraisal system in all departments. The administration felt that the old system was not useful because of problems in administering it as well as problems inherent in the method itself.

Administrative problems with the graphic rating scale method resulted primarily from the lack of training provided to appraisers. Without proper training, appraisers tended to hold differing viewpoints regarding what the sixteen profile elements meant and differing opinions

regarding what type of performance constituted a 1 (unsatisfactory) and what type of performance constituted a 9 (outstanding). The administration felt that this lack of consistency among appraisers diminished employee confidence in the system as a true indicator of their performance.

Besides these administrative problems, there were five problems that the administration felt were inherent in the graphic rating scale method. First, the system allowed employees to compare their final ratings informally. The disparities among employee ratings led to discontent because the system provided no reasons or examples as to why one employee received a higher score than another. Second, employees felt that they were being appraised on performance elements that either did not pertain to their positions or were viewed as less important than other performance elements not listed. A third problem is related to the second. No procedure existed in the system for adding additional performance elements to individual appraisals in order to appraise employees in specific positions better. The administration felt that this, too, led employees to doubt the validity of the system in adequately measuring their performance. A fourth problem was that all sixteen of the performance elements were weighed equally. The administration felt that some of the elements were more important than others and should, therefore, be emphasized more in the scoring process. A fifth problem inherent in the method relates to the process of completing the appraisals. Employee input consisted of signing the completed appraisal. There was no explanation of poor scores, no statement of employee goals, no indication of what training might be needed, and no assessment of how to improve substandard performance. The administration felt there was resentment toward the system because employees could not receive positive

feedback as part of the appraisal process.

The administrative problems and the problems inherent in the graphic rating scale method led the administration to believe that a majority of City employees were probably not taking the appraisals seriously. As a result, several departments started to spend staff time developing performance appraisal systems exclusively for their departments while other departments ignored performance appraisals altogether. At this point in time the administration requested that an alternative performance appraisal system be developed for City employees.

#### Benefits of the New Performance Appraisal System

The City administration requested that a new performance appraisal system be developed which would avoid problems occurring under the old system. It was felt that many of these problems could be avoided if there was better communication between employees and their supervisors.<sup>2</sup> The administration hoped several benefits would result from increased communication. First, a system that provides for communication between supervisors and employees should establish a set of shared expectations regarding the primary duties and responsibilities of each individual employee. It was felt that this would clear misperceptions by the employee's work. Second, poor communication between supervisors and employees should result in performance standards and objectives that are job related because they are developed and set by employees and supervisors rather than from a mandated form. This would help make the City's performance appraisal system valid. The third benefit of emphasizing communication is the solid foundation that communication can set for

supervisors and employees in counseling, goal setting, and determining training needs. The administration felt that stressing communication would make the appraisal less confrontive and more productive to both employees and supervisors. A final benefit of the new system does not address itself specifically to communication. The administration felt that the new performance appraisal system would be more valid than the old system when used as a secondary document for personnel decisions such as merit pay, promotions and disciplinary actions because the appraisal was the end product of mutual communication between employees and supervisors.

The City administration felt that the final product of the new appraisal system which encouraged maximum communication between employees and supervisors would be increased performance from employees because they would be more involved. This involvement and increased performance would in turn benefit City departments, the City administration, and City taxpayers.<sup>3</sup>

#### Development of the New Performance Appraisal System

Models were utilized during the development of the new performance appraisal system besides the eight methods researched in chapter two. The City administration reviewed Missoula County's performance evaluation form, the City of Billings's performance evaluation form and supervisor's manual, and the State of Montana Department of Administration, Personnel Division's performance appraisal form and supervisor's guide. The form and manual developed for the City of Missoula is the end product of researching other organizational approaches, researching different appraisal methods, and assessing the City of Missoula's performance

appraisal needs. The appendix contains the supervisor's manual and form.

Supervisor's Manual. The supervisor's manual is structured after the State of Montana Department of Administration, Personnel Division's supervisor's guide. Its purpose is to serve as an instruction and resource guide for supervisors appraising employees. The manual includes the following sections:

- I. Introduction
- II. Intent
- III. Application
- IV. Pre-Appraisal Notice
- V. Performance Appraisals as a Promotion Guide
- VI. Grievance
- VII. Records
- VIII. Department Variations
- IX. Performance Appraisal Format

Also included are appendices on job factors, how to judge employee performance, and hints for supervisors to follow when appraising employees.

Appraisal Form. The new performance appraisal form is divided into seven sections in addition to an informational section which asks the employee's and supervisor's names, classifications, department and type of appraisal. The seven sections and their purposes follow.

In section A, "Duties and Responsibilities", the appraiser and employee list the duties and responsibilities of the position being appraised. The purpose of the list is to make certain the appraiser and employee share mutual expectations of the major duties and responsibilities of the position.

In section B, "Department Performance Standards and Objectives", the employee's performance is appraised against a list of performance



standards or objectives that the employee is expected to adhere to or meet. Supervisors and employees developed the lists of performance standards and objectives applicable to their positions during employee meetings which utilized the critical incident method and behaviorally anchored rating scale method. For example, the police department met as a committee and developed behaviorally anchored rating scales for performance standards to be used as part of their performance appraisal. Another example is the meetings held with clerical staff from all City departments for the purpose of developing a list of applicable standards through the critical incident method. The specific development of standards and objectives is discussed more thoroughly in chapter four.

On each of the individual performance standards or objectives the employee's performance is appraised as outstanding (O), above standard (AS), standard (S), needs improvement (NI), or unacceptable (U). The purpose of having an O-AS-S-NI-U rating scale, somewhat similar to the graphic rating scale method, is to give employees feedback on what supervisors feel their level of performance is.

In section C, "Approaches for Improving Performance", the employee and appraiser write down approaches for improving performance and correcting job deficiencies that were noted in section B. The essay approach was chosen for this section because it best facilitates the counseling that the employee and appraiser should engage in to describe ways to improve performance.

In section D, "Appraisal Review", the employee and appraiser may utilize an essay approach to identify and discuss improvements made since the last appraisal and to discuss training needs and future goals. This section's purpose is for the appraiser and employee to communicate

training desires and goals and to note corrective action that has been taken since the last appraisal.

In section E, "Supervisor's Signature", the supervisor reviews the purposes of the appraisal and signs that he has adhered to them.

In section F, "Employee's Signature", the employee reviews the purposes of the appraisal and signs that they have been met. In this section the employee may comment on his performance and may also request another meeting with the appraiser.

In section G, "Reviewer's Signature", the appraiser and employee's supervisor (department head) signs that he has reviewed the appraisal. The purpose of this section is to familiarize the department head with the employee's performance and the supervisor's appraisal skills.

New System. The City's new appraisal system is a hybrid of several of the methods reviewed in chapter two. The City used both the critical incident and behaviorally anchored rating scale methods to develop the department performance standards and objectives in section B of the form. These two methods were utilized because they involved communication between supervisors and employees. Another reason for using these methods is that they generally reflect a high level of validity should a discrimination suit occur. Section B also uses the graphic rating scale method to a degree by requiring supervisors to check the employee's performance on each standard or objective as outstanding, above standard, standard, needs improvement, or unsatisfactory. This part of the graphic rating scale method was utilized to indicate to employees their performance level on each standard or objective.

The essay method is utilized in sections C, "Approaches for Improving Performance", and D, "Appraisal Review", because of the flexibility it gives the appraiser and also because of its value as a counseling tool.

The City's new performance appraisal system is designed as a tool to communicate performance, correct deficient performance, and communicate future goals. It is not a tool for making personnel decisions such as promotion and merit pay. However, it can act as a back-up indicator of performance for the primary system used to determine promotion and merit pay decisions.

## ENDNOTES

<sup>1</sup>City of Missoula Employee Performance Evaluation, November 1979, City Personnel Office.

<sup>2</sup>Interview with David W. Wilcox, City of Missoula, Administrative Assistant/Personnel Director, 1 March, 1983.

<sup>3</sup>ibid.

## CHAPTER IV

### IMPLEMENTING THE NEW PERFORMANCE APPRAISAL SYSTEM

This chapter outlines the administrative strategy and process used to implement the new performance appraisal system in Missoula City government. Organizations may find this chapter useful if they are implementing a similar performance appraisal system and have a workforce and organizational structure similar to those of Missoula.

#### Workforce and Organizational Structure

In order to place the implementation strategy and process within the Missoula setting a brief description of the workforce and organization is necessary. Missoula City government is composed of twelve departments which provide a variety of services to the community. The twelve departments are:

1. Mayor's Office (including Personnel)
2. Parking Commission
3. Attorney's Office
4. Finance Office
5. Treasurer's Office
6. Police Department
7. Fire Department
8. Parks and Recreation Department
9. Municipal Court
10. Missoula Redevelopment Agency
11. Cemetery Department
12. Public Works Department (including Street, Sewer, Engineering and Vehicle Maintenance divisions)

Within the twelve departments are approximately two hundred and forty full-time employees working in over one hundred different job classifications. Services provided by City employees are clerical, labor, technical, protective, and professional.

The City negotiates with six different unions and associations which represent approximately 70 percent of the workforce. The other 30 percent of the workforce is largely supervisory and administrative and is governed by non-union personnel policies. Several of the City's collective bargaining agreements make reference to performance appraisals. However, the actual format of the appraisals are not included in the contracts. Because the collective bargaining agreements do not dictate a format to follow, the administration was free to develop an appraisal system which could be applied to all City employees.

#### Implementation Strategy

To assist the administration in presenting the system to employees, University of Montana Assistant Professor of Public Administration Dick Olufs was consulted. Dr. Olufs recommended a method of implementation that differed from the usual approach of simply training supervisors to administer performance appraisals. Rather than gathering supervisors together and presenting them with pre-packaged materials on conducting appraisals, Dr. Olufs recommended an implementation process that would train supervisors to use the performance appraisal system as a tool for their own and their employees' benefit.<sup>1</sup> Employees were included in the training process in order to familiarize them with the purposes and benefits of the new system.

The training process included communicating to department heads, supervisors, and employees the goals the administration had for the appraisal system as well as how the system is adaptable to their specific needs. To implement the training process a series of meetings were held for the purpose of providing education and training on the new performance appraisal system to department heads, supervisors, and employees.

The department heads requested a training and implementation process that would minimally disrupt the services their departments provided. To address this concern the administration and department heads arbitrarily divided employees into six categories of employees working either in the same department or in similar job classifications. The six categories were:

1. Department Heads (all departments)
2. Police Staff (Police department only)
3. Fire Staff (Fire department only)
4. Professional and Administrative Staff (all applicable departments)
5. Clerical and Secretarial Staff (all applicable departments)
6. Labor and Technical Staff (all applicable departments)

Before meetings were held, copies of the performance appraisal form, supervisor's manual, and an agenda were forwarded for reading to personnel in the six employee groups. The purpose of the agenda was to set guidelines for the meetings. The agendas given to the six employee groups included the following items for discussion.

1. A discussion of the benefits of the performance appraisal system.
2. A discussion of the steps necessary to achieve the benefits which included using a performance appraisal method to develop performance standards and objectives. The discussion to develop standards and objectives centered on the critical incident and behaviorally anchored rating scale methods.

3. A discussion of the desired outcomes of a successful performance appraisal system. These outcomes included inter-rater reliability within the departments, a more productive department, better public relations and greater employee confidence in the performance of their job.
4. A discussion of the specific areas which must be developed in order for the appraisal system to be successful. These included developing department performance standards and objectives, developing examples of what constitutes outstanding, above standard, standard, needs improvement and unacceptable ratings, and educating all employees on the purpose of the performance appraisal system.

Dr. Olufs chaired all of the employee meetings except the department head meetings. The administration felt that employees would accept the new system better if an individual from outside the administration and a professional in the field of personnel administration presented the new system. David Wilcox chaired the meetings with department heads. It was essential to receive department head approval for the new system prior to having Dr. Olufs chair the meetings with the other employee groups. It was felt that without department head approval the system would fail for lack of commitment from the top.

The administration hoped that the strategy taken to implement the new performance appraisal system would create an understanding of the benefits of conducting performance appraisals, provide acceptance and commitment to the system, and promote a better working relationship between the administration and employees through open and honest communication.

#### Implementation Process

Department Head Meetings. The performance appraisal system was first presented and discussed during weekly department head meetings in



December of 1981 and January of 1982. At these meetings department and division heads raised the concerns they had regarding the new system.

The department and division heads raised the question of whether any appraisal system was worthwhile. The administration explained the problems inherent in the graphic rating scale method and that the new method would not involve numerical scoring. Department heads were specific in requiring the administration to define what the appraisals would be used for. They feared that the system would be used by subsequent administrations to "get" their employees or themselves. The administration stressed the system as a tool designed to promote communication as well as improve employee performance. The confidentiality of the appraisals was stressed along with the commitment by the administration to allow departments to keep the appraisals in departmental files as long as they were locked and subject to administrative review.

One comment by department heads centered on the appraisal form. Section C, now entitled, "Approaches for Improving Performance", was originally titled, "Knowledge, Skills, Abilities and Personal Characteristics". Department heads felt the "Knowledge, Skills, Abilities and Personal Characteristics" language would confuse supervisors and employees and reflected personnel rather than laymen terms. The appraisal form was changed to its present form to address their concern.

The department heads committed themselves, supervisors, and employees to meet with Dr. Olufs and the administration to educate employees and to implement the new appraisal system.

Police Employee Meeting. Approximately one dozen police officers attended this meeting. The officers were chosen by the chief of police

and represented equal numbers of line (patrolmen) and staff (sergeants, lieutenants, captains) officers. It was planned that these dozen officers would relay the discussions of the meeting back to fellow officers during departmental meetings on performance appraisals.

The police department was one of the City departments that had developed their own performance appraisal form rather than use the previous graphic rating scale form. A committee composed of police officers of all ranks used the critical incident method in developing twenty performance standards that were applicable to all officers. Section B of the City's new form was similar to the one previously developed by the police and needed only to be adjusted to reflect twenty rather than 15 standards and objectives.

The officers were generally dissatisfied with the rater reliability of the old performance appraisal system. To develop rater reliability it was agreed during the meeting to form another committee and develop behaviorally anchored rating scales for the standards which caused the most frequent reliability problems. It was also agreed that the police supervisors would hold meetings and discuss among themselves what they felt constituted performance that was outstanding, above standard, standard, needs improvement, and unsatisfactory. By developing BARS for all police officers, and by requiring supervisors to meet and to agree upon common definitions of performance levels, the officers attending the meeting felt the appraisal process would be greatly improved.

The police officers committee developed twenty performance standards by which all officers would be appraised, and they also developed behaviorally anchored rating scales for those performance standards that caused reliability problems. These scales were included in a manual

that supervisors use in conjunction with the twenty standards in section B of the appraisal form when appraising employees.<sup>2</sup>

Fire Employee Meeting. Approximately one dozen fire fighters were present at the meeting. The fire chief chose an equal number of line and staff fire fighters. Those present at the meeting were to discuss the outcomes during departmental meetings with other department employees.

Like the police Department, the fire department had developed an internal performance appraisal system for the different fire-fighting and suppression classifications rather than use the previous graphic rating scale form. A fire department committee had used the critical incident method to develop performance standards for each department classification. The standards developed were included in section B of the new performance appraisal form.

Discussions at this meeting centered on the purposes of the appraisal system and whether certain job standards they had developed were appropriate for use. Dr. Olufs and the administration re-emphasized the goal of improving communication, performance, and productivity and that it was not a tool to "get" employees. The department agreed to form a committee which would re-evaluate the performance standards they had been using by employing the critical incident method. Those standards which were not applicable would be dropped from the form. Like the police department, fire department supervisors agreed to meet and discuss what the performance levels meant to them. Those present also agreed that behaviorally anchored rating scales may be appropriate to use if supervisors could not be consistent in their ratings.<sup>3</sup>

Professional and Administrative Meeting. Approximately twenty professional and administrative staff from all City departments were present. Included were department heads and division heads who agreed to meet with those staff members in their department or division who were unable to attend. This group of employees had last been appraised under the graphic rating scale method and were dissatisfied with its features.

Discussions focused primarily on whether the system would be flexible enough to meet each department and division's needs. Dr. Olufs and the administration discussed the flexibility of the appraisal in allowing department heads and their employees the latitude to develop performance standards through the critical incident method and/or performance objectives using the management by objectives method. It was stressed that because their positions were often unique to the organization, development of standards and objectives by which to be appraised was a matter strictly between the supervisor and employee. While inter-departmental rater reliability was not a big issue with this group, City government-wide reliability was discussed. The administration agreed to hold future meetings for department and division heads and supervisors where a consensus on the meaning of each performance level would be discussed. During the meeting the administration also acknowledged that the appraisal system could be used as a tool to increase budgets because the large number and diversity of standards and objectives used in the appraisal could reveal an under-staffed department. Finally, management agreed to concentrate on the output of the employee's work rather than the personality of the employee, and to concentrate on the communication of commending and improving performance rather than on ranking employees

against each other.

Professional and administrative supervisors and employees in each division and department subsequently established performance standards for section B of the form by using the critical incident method.<sup>4</sup>

Clerical and Secretarial Meeting. This meeting was attended by twenty clerical and secretarial employees from all City departments. Clerical and secretarial employees unable to attend were to meet with their supervisors regarding the new performance appraisal system in department meetings. Discussions at this meeting included the past problems with the graphic rating scale method, what the new system would be used for, and how the performance standards were to be developed.

Employees in this group felt the old system was merely a popularity contest. Dr. Olufs explained that the new format did not have a score as the end result of the appraisal and that the appraisal stressed communication, improvement, and commendation of performance and not the documentation of poor performance. Dr. Olufs advocated using the critical incident method to develop performance standards and objectives for individual positions. The development of the standards was to be between the employees and their supervisors with the personnel office assisting in reviewing the standards for applicability. Rater reliability was also discussed at this meeting. The administration agreed to hold future meetings which would require the supervisors to discuss and come to a common understanding of what constituted appropriate performance for each level.

Subsequent meetings between these employees and their supervisors were held to develop performance standards using the critical incident

method. A large list of performance standards applicable to clerical and secretarial positions has been developed using the critical incident method. The list assists employees and supervisors in using appropriate standards in section B of the form.<sup>5</sup>

Labor and Technical Meeting. This meeting was attended by approximately fifteen employees from departments having labor and technical employees. Present were department and division heads, supervisors, and employees. Those present were to hold subsequent department and division meetings to communicate the outcomes of this meeting to other labor and technical employees.

The meeting focused principally upon determining what the five different performance levels meant. Again, to overcome reliability problems, the supervisors were to meet in groups and discuss performance standards among themselves and to come to a consensus on what type of performance constitutes outstanding, above standard, standard, needs improvement and unacceptable performance.

A procedure similar to the clerical and secretarial approach was used to develop performance standards. Supervisors and employees developed performance standards using the critical incident method. The critical incident performance standards were forwarded to the personnel office where they were condensed into a master list. The list is used as a basis for setting performance standards in section B of the appraisal form for labor and technical employees. Supervisors and employees also develop and use performance standards that are unique to their individual positions.<sup>6</sup>

The strategy used to implement the new performance appraisal system utilized employee meetings for the purpose of educating employees on the system. Discussions at each of the meetings focused primarily on the benefits of the new system and how to develop performance standards in section B of the form.

## ENDNOTES

<sup>1</sup>Dr. Richard Olufs, "Training for Performance Evaluations: Doing it Right", TS, 19 January 1982.

<sup>2</sup>Police Performance Appraisal System Meeting, TS, 23 February 1982.

<sup>3</sup>Dr. Richard Olufs, "March 17, 1982 Performance Appraisal Meeting", TS, 15 March 1982.

<sup>4</sup>Dr. Richard Olufs, "Meeting on Performance Appraisal System, 4-16-82", TS, 19 April 1982.

<sup>5</sup>Dr. Richard Olufs, "Performance Appraisal System Meeting, 4-23-82", TS, 27 April 1982.

<sup>6</sup>Dr. Richard Olufs, "Friday, March 19 Meeting", TS, 22 March 1982.



## CHAPTER V

### PROBLEMS AND SUGGESTIONS

This chapter contains discussions in two areas where problems in implementing the new performance appraisal system were encountered. The two areas are the relationship of the project to other personnel projects being developed and the methods used to develop performance standards and objectives. The chapter also contains personal suggestions in implementing a new performance appraisal system. Agencies implementing a new performance appraisal system may find the information useful if the circumstances surrounding their appraisal change is similar to Missoula's.

#### Personnel Projects

Missoula lacked a comprehensive personnel system prior to January of 1982. During the period of time in which the performance appraisal system was being developed and implemented the personnel office was also involved in developing and implementing a comprehensive personnel policy manual, a non-union salary and classification plan, a performance pay plan and an affirmative action plan. The personnel office could not devote extra time needed in working further with individual supervisors and employees to ensure the performance appraisal system was administered properly. The other personnel projects meant that staff time necessary to make the appraisal system as effective as possible was switched to

other areas.

The number of new personnel projects also caused confusion. On occasion, department heads, supervisors and employees have misunderstood the performance appraisal system in relation to one of the other personnel programs. Ideally, the confusion could have been avoided and more time could have been spent on the appraisal system if additional personnel projects had not been started.

#### Standards and Objectives Development

The number of personnel projects the City was involved in also had an effect on the time devoted to developing the standards and objectives for the appraisal system. Dr. Olufs originally advocated the development of performance appraisal exercises followed by training sessions between employees and supervisors after the employee meetings. The purpose of the exercises and training sessions was to further assist supervisors and employees in developing standards and objectives as well as to become more familiar with the system.<sup>1</sup> The administration chose to place the development of the standards and objectives with supervisors and employees without the staff supervision that would have occurred had the exercises and training sessions been utilized. As stated earlier, the reasons for not following Dr. Olufs' original recommendation was staff time demands from other projects.

Following the original recommendation would have allowed a more thorough introduction of all City employees to the system. The standards and objectives would have been more institutionalized had a four-month time frame been utilized for the employee meetings and training sessions.

### Suggestions

The administration feels that the new appraisal system has resulted in supervisors and employees emphasizing job content and the communication of job standards rather than point totals. Supervisors are using the appraisal not only to counsel and commend employees but also as a necessary part of promotion, training, and performance pay decisions. The total effectiveness of the system is not now known nor will it be until an audit is performed in a future year. Department heads and supervisors have used the system only since July of 1982. Problems are still being addressed and solved on an individual basis between the personnel office and department heads. Only with more time will the true benefits of the system be known.

Agencies that are considering revising their appraisal system because they face problems similar to those faced in Missoula may want to consider the following suggestions:

1. Obtain strong commitment from the top. The most essential consideration in implementing a new performance appraisal system is strong commitment from the agency's executive officer. To change an appraisal system takes supervisor and employee time and therefore agency money. It can be costly to develop and implement a new performance appraisal system. Because changing to a new system may also cause employee dissatisfaction, the top executive should be familiar with and committed to the new performance appraisal system.

2. Establish and follow a time frame. Establishing and adhering to an implementation time frame is essential in order to effectively

communicate the benefits of the appraisal system and the process used to introduce the system to employees. Too long of a process may confuse employees and supervisors. The training associated with the new system should be intense and established along a time line.

3. Prioritize the project and devote time to it. A new performance appraisal system is a major undertaking for personnel staff and all employees. Do not undertake such a project unless total attention can be placed on it by all employees and supervisors. Implementing other projects at the same time may cause employee confusion, lack of project continuity and too little emphasis placed on the appraisal system.

4. Do not implement the system during collective bargaining negotiations. Avoid implementing the project during an already stressful period of the year for the administration and employees.

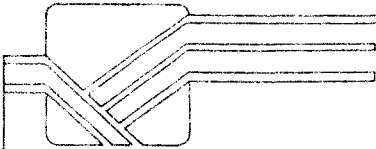
5. Involve employees. Employees (supervisory and line) should be involved in the process. The employees who work with an appraisal system on a day-to-day basis will know the system's effectiveness and whether or not it is a good tool to use. By allowing maximum employee input, an agency may develop a system that is not only willingly utilized but also valid.

6. Use an appropriate performance appraisal method. Agencies must match their needs to the appropriate appraisal method. The City government of Missoula used the critical incident and behaviorally anchored rating scale methods because these methods provided supervisor and em-

ployee interaction and communication on specific job standards. An agency which has supervisors and employees who possess a firm understanding of job responsibilities and good communications may wish to use a management by objectives approach in order to grant responsibility and gain specific accountability of employees' output.

## ENDNOTES

<sup>1</sup>Dr. Richard Olufs, "Training for Performance Evaluations: Doing it Right", TS, 19 January 1982.



# MISSOULA PERFORMANCE APPRAISAL

Employee Name \_\_\_\_\_  
 Appraisal Date \_\_\_\_\_ Anniversary Date \_\_\_\_\_  
 Classification \_\_\_\_\_ Department \_\_\_\_\_  
 Appraisal Type: Periodic \_\_\_\_\_ Probationary \_\_\_\_\_ Other \_\_\_\_\_  
 Period From \_\_\_\_\_ To \_\_\_\_\_  
 Supervisor's Name \_\_\_\_\_  
 Classification \_\_\_\_\_ Department \_\_\_\_\_

**A. Duties and Responsibilities**

**Duties and Responsibilities Developed by Employee**

- |          |          |
|----------|----------|
| 1) _____ | 1) _____ |
| 2) _____ | 2) _____ |
| 3) _____ | 3) _____ |
| 4) _____ | 4) _____ |
| 5) _____ | 5) _____ |

**B. Department Performance Standards and Objectives**

Standards/Objectives	Performance Level					Employee Comment
	O	A	S	N	U	
1)						
2)						
3)						
4)						
5)						
6)						
7)						
8)						
9)						
10)						
11)						
12)						
13)						
14)						
15)						

**C. Approaches For Improving Performance**

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_

**D. Appraisal Review**

Identify and/or discuss the improvements the employee has satisfactorily made since the last performance appraisal:

Identify and/or discuss training needs that should be completed before the next appraisal period:

Identify and/or discuss goals (short and long term) that the employee wishes to accomplish through his/her career developments:

**E. Supervisor's Signature**

The primary purpose of this appraisal has been to inform the employee of his/her job duties and responsibilities, inform the employee of his/her performance according to department standards and objectives, discuss approaches that improve performance and correct job deficiencies, review employee improvements since the last appraisal, review job factors that the employee intends to work on before the next appraisal, identify employee training needs, and identify employee's short and long-term goals.

"The performance appraisal is based on my observation of the employee on the job and/or the results achieved by the employee during the period and on careful and objective analysis."  
I have met and discussed this appraisal with the employee.

Supervisor's Signature \_\_\_\_\_ Date \_\_\_\_\_

**F. Employee's Signature**

Were the purposes listed in the "Supervisor's Signature" section satisfactorily covered? Yes \_\_\_\_\_ No \_\_\_\_\_  
How do you feel about your performance on your present job?

I wish to have a follow-up meeting with my supervisor. Yes \_\_\_\_\_ No \_\_\_\_\_

This verifies my review of this appraisal and my opportunity to discuss any questions with the supervisor. It is understood that I may submit a written rebuttal within 10 days that will be attached to this appraisal form.

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

**G. Reviewer's Signature**

Reviewed by: Name \_\_\_\_\_ Title \_\_\_\_\_

Reviewer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Comments:

Attach Supplemental Sheets If Necessary.



CITY OF MISSOULA  
PERFORMANCE APPRAISAL  
SUPERVISORS' MANUAL

I. INTRODUCTION

This manual is designed as a guide for supervisors to use when conducting Missoula City performance appraisals. The success of a performance appraisal system is almost entirely dependent on the supervisors utilizing it. Only by working with the appraisal system over an extended period of time, and making changes as needed, will a performance appraisal system in itself become valuable to an organization. (Most appraisal systems take between 2 and 4 years before true performance and productivity changes are realized.) This performance appraisal system is a departure from past performance evaluation systems used by the City. Past formats have used a numerical weighing system in which a total score is stressed. Instead, an appraisal should emphasize improving the employee's performance; and the supervisor and employee should determine together how to approach these improvements. Too often, employees view performance appraisals as "report cards" and are bitter about the results, when the true goal of any appraisal system is to help the employee in the performance of his/her job. The appraisal system here is aimed at mutual discussion and cooperation between the supervisor and the employee. The procedure and form outlined below operate under the concept that performance appraisals are an on-going two-way communicative process. If followed, it should help alleviate some of the tension and stress that both the supervisor and employee are under when performance appraisals are conducted.

II. INTENT

This performance appraisal system is designed to provide employee performance appraisals that motivate supervisors and employees to achieve high job performance levels and improve productivity. The goals of this appraisal system are:

- 1) To ensure that employees and supervisors clearly understand the job duties and responsibilities of the position and the level of expected performance.
- 2) To gather information to improve performance through identification of employee strengths, weaknesses, and training needs.
- 3) To recognize and encourage good job performance.

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- 4) To identify special skills and talent for better use of personnel.
- 5) To provide a means of communication and feedback on all aspects of the employee's job.
- 6) To assist supervisors in being more observant of employee's day-to-day performance and more involved in correcting deficiencies.
- 7) To serve as a check of qualification requirements, job descriptions, position classifications and placement.
- 8) To provide information for making fair and consistent personnel decisions such as training, discipline, promotion and transfer.

### III. APPLICATION

Performance appraisals for City employees will be conducted at least once every year. This shall apply to all permanent full-time, permanent part-time, and seasonal (employed 6 months) employees.

The performance appraisals shall be given to the employee on his/her anniversary date of employment with the City. Employees who have undergone a reclassification shall be given the performance appraisal on the anniversary date of promotion.

Performance appraisals shall be given to probationary employees twice during their probationary period. The first appraisal shall be given halfway through the probationary period and the second appraisal shall be given just prior to the end of the employee's probationary period.

### IV. PRE-APPRAISAL NOTICE

The employee should be aware that his/her performance is constantly being appraised by the supervisor during the course of the year. Communication between the supervisor and employee should be continuous. Supervisors should not hesitate to point out unacceptable performance standards to the employee before the written performance appraisal. The employee should be aware of what is being done "wrong" and be given the opportunity to correct it. Saving up criticisms, as well as praise, for the written performance appraisal will not benefit the employee, supervisor, or the City. Supervisors should make an effort to notify the employee if he/she plans to give the employee an unacceptable rating. If the performance is corrected prior to the written appraisal, the unacceptable rating and a note of its correction should be included in the written appraisal.

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#### V. PERFORMANCE APPRAISALS AS A PROMOTION DEVICE

Because performance appraisals are used when considering promotions, the employee should be allowed to have input into what he/she feels his duties and responsibilities are. This performance appraisal system will serve this purpose. It will record the employee's performance based on department standards. It will show any additional duties and responsibilities the employee willingly undertakes. Finally, it will indicate the employee's short and long-term goals and whether they have been achieved. In this way, the performance appraisal will add a desirable supplement to the oral and/or written tests which accompany the employee when being considered for promotion. Information from the performance appraisal system will also help supervisors when considering commendation, transfer, performance improvement counseling, disciplinary action and termination.

#### VI. GRIEVANCE

If an employee disagrees with the supervisor's judgment in evaluating his/her performance, the employee may request a follow-up meeting with the supervisor. If the employee is not satisfied after this meeting, he/she may file a written rebuttal. This rebuttal must be attached to the appraisal forms and forwarded to the Personnel Office. The rebuttal statement will be retained along with the appraisal in the employee's personnel file.

The employee may grieve the appraisal according to the city grievance procedure or a collective bargaining grievance procedure if:

- 1) The employee believes the appraisal was conducted in an unlawfully discriminatory manner.
- 2) The employee believes the appraiser did not follow the appropriate steps in evaluating the employee's performance.
- 3) If adverse employment actions are taken as a result of the appraisal.

#### VII. RECORDS

A copy of the written performance appraisal, attached documentation and rebuttal statement, if any, shall be given to the employee if he/she so requests. The original copy shall be retained in the employee's personnel file and may be used for appropriate personnel decisions during that period. Supervisors shall keep appraisal information confidential except in dis-

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cussions with their supervisor and/or department head. The personnel office shall keep appraisal information confidential except:

- 1) In discussion with prospective employers of the employee (this must be authorized by the employee).
- 2) In discussion with other City department supervisors/department heads the employee is attempting to transfer to (this must be authorized by the employee).
- 3) When disclosure is required in administrative or court proceedings.

#### VIII. DEPARTMENT VARIATIONS

Some of the departments may have performance appraisal systems already in effect which rate the employee's performance standards and objectives. These departmental appraisal systems should be adaptable to the City performance appraisal system. A numerical weighing approach may also be utilized as long as the different appraisers have a consistent key to follow, and as long as the performance standards are weighed appropriately between themselves. The performance appraisal system outlined here is to do more than evaluate the employee. It seeks to define the duties and responsibilities of the employee, define the department performance standards and objectives, define performance areas in which the employee has problems, and also to help the employee formulate a plan for correcting poor performance. This performance appraisal system may, in the beginning, take the supervisor and employee longer to complete, but it will eventually benefit both the employee and supervisors by minimizing the anxiety that performance appraisals cause and instead concentrate on more productive employee performance. The seriousness in which the supervisor conducts appraisals will greatly effect the success of the system.

#### IX. PERFORMANCE APPRAISAL FORMAT

##### Part A. Duties and Responsibilities

This section is to be filled out by the supervisor, primarily from the employee's job position description. Part A is designed to facilitate the supervisor and the employee in understanding what is expected of the employee in his/her position. If the duties and responsibilities of the position change, the employee should be aware of the changes prior to the appraisal. It is also designed to show additional duties and responsibilities, beyond the employee's job position description, that the employee willingly undertakes. It is important that the supervisor list these additional duties and responsibilities (if any)

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as they will be helpful in showing the employee's incentive when considering promotion.

#### Definitions

Supervisor - An employee's immediate supervisor or person with the responsibility for assigning, directing, reviewing, and evaluating the employee's work.

Duties, Responsibilities - A major unit of work or significant component of the job.

#### Part B. Department Performance Standards and Objectives.

This section is a specific list of department standards and objectives that the employee is expected to adhere to. These may change as department policies and procedures change. If department standards and objectives change, the employee should be aware of the changes prior to the appraisal. The appraiser is to rank the employee's performance in this section in each category as outstanding, above-standard, standard, needs improvement, or unacceptable. The employee should be aware, prior to the appraisal, of each standard and/or objective that he/she is being appraised of. This may be achieved through a listing on the bulletin board or a distribution of a fact sheet. This section is intended to show areas in which the employee needs to improve his/her work performance.

#### Definitions:

Performance Standard - The level of performance considered acceptable against which an employee's actual performance can be measured.

Outstanding - Performance of department standards and objectives exceeds standard performance by an exceptional degree and is clearly superior to above-standard performance. This high level of performance is maintained continually and extensively contributes to the achievement of organizational goals and objectives.

Above-Standard - Performance of department standards and objectives exceed the standard performance requirements for the position but cannot be considered outstanding. This performance level definitely contributes to the achievement of organizational goals and objectives.

Standard - Performance of department standards and objectives meets, but does not exceed, what is routinely expected of the employee in the position.

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Needs Improvement - Performance of department standards and objectives fails to meet what is routinely expected of the employee in the position but is not totally unacceptable. Definite improvement is needed in one or more aspects of the factor. Performance fails to contribute to achievement of, or may negatively impact on organizational goals and objectives.

Unacceptable - Performance of department standards and objectives is totally unsatisfactory and completely fails to meet the work requirements of the position. Extensive improvement is needed. Performance of department standards and objectives fails to contribute to, or hinders, the achievement of organizational goals and objectives.

#### Part C. Approaches for Improving Performance

This section is to be completed by the supervisor and the employee. Through open discussion, the supervisor and employee should identify and discuss problems that improve performance and correct job deficiencies and, thus, better enable him/her to fulfill the duties and responsibilities of Part A and the department performance standards and objectives of Part B. The end result should be a list (if any) of areas in which the employee will attempt to upgrade his/her performance. A non-inclusive list of appropriate job factor definitions for non-supervisory and supervisory employees is outlined in Appendix A. The appraiser may want to refer to this list during the performance appraisal.

#### Part D. Appraisal Review

This section is to be filled out by the supervisor. It is a summary of the improvements the employee has made since the last appraisal period, an identification of training that should be taken before the next appraisal period, and goals the employee intends to work towards in terms of the employee's career development.

#### Part E. Supervisor's Signature

This section is a recapitulation of what the appraisal is intended to accomplish, and the signature of the supervisor doing the appraisal.

#### Part F. Employee's Signature

This section is a confirmation of the appraisal and what it is intended to accomplish along with the employee's signature. Part F. is to be filled out by the employee as it also allows for employee input and a follow-up interview if so desired.

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Part G. Reviewer's Signature

The supervisor's immediate supervisor or department head is to review the performance appraisal, make additional comments if so required, and sign his/her name. Under no circumstance is the reviewer to change the supervisor's and employee's comments or statements.

Part H. Comments

Supplemental sheets may be utilized by the employee, supervisor, and/or reviewer for making additional comments.

X. ADDITIONS

Appendices B and C (Judging Employee Job Performance and Hints for the Appraiser) are general guidelines that may be used by supervisors as a supplement to their knowledge on how to conduct performance appraisals. Also helpful to the supervisor when conducting the performance appraisal will be the employee's last performance appraisal and the employee's job position description.

## APPENDIX A

## JOB FACTOR DEFINITIONS

A. GENERAL

General categories of job factors are listed below which may be helpful in describing approaches for improving the employee's (non-supervisory) performance.

Adaptability - Adaptability is the ability to adjust quickly and easily to new or different tasks, policies, techniques or other changes in the work and work environment and the extent the employee's job knowledge and skills are applied to or modified for new or unfamiliar work situations.

Communicating in Writing - Writing skills enable the employee to produce written work that is rapidly prepared, concise, well-organized, easily understood and reflects an understanding of grammar, spelling and vocabulary. Written communication skills also may have an impact on the completeness, accuracy, organization and accuracy of the employee's record-keeping.

Communication Orally - The ability to communicate orally enables the employee to establish and maintain effective channels of communication with subordinates, peers and superiors. It is the ability to express oneself clearly and concisely, demonstrating a command of the language.

Creativity - Creativity is the ability to develop and apply innovative approaches, techniques or designs to standard, new or unusual situations and problems. The extent the employee considers the factors that influence or limit the development and application of a particular approach, technique or design also may have an impact on creativity.

Dependability - Dependability is reliability to complete work assignments according to schedule. Included is the employee's ability to meet both routine and special deadlines in spite of emergencies and the extent to which the employee understands and respects the importance of schedules and deadlines.

Effectiveness Under Stress - Effectiveness under stress enables the employee to tolerate frustration and pressure, and to deal with emergencies, dangerous situations, immediate deadlines, a heavy workload, hostility and other circumstances that can include stress.

Following Instructions - Ability to follow instructions is indicated by amount of instruction normally given for the employee to understand what is to be done. It is the ability to comprehend instructions quickly, determine when further guidance is necessary and to produce a work product that conforms to instructions and appropriate



policy.

Initiative - Initiative determines the extent the employee recognizes/identifies problems and initiates solutions. Consider the degree the employee assumes additional duties and responsibilities during emergencies and peak work load periods.

Interpersonal Relationships - Interpersonal relationship skills enable the employee to develop and maintain positive, cooperative and effective working relationships with work associates, employees of other organizations and the public to coordinate activities and to avoid or resolve conflict. Tact and responsiveness, the ability to win the confidence and respect of others, admit errors and accept criticism may have an impact on interpersonal relationships. Does the employee deal with others without bias or prejudice? Does the employee routinely exchange ideas and information of common interest? Do the employee's contacts with the public promote a favorable and positive image of the jurisdiction?

Job Knowledge and Comprehension - Knowledge is the range of information or understanding of a subject or variety of subjects that is necessary to perform required duties. Job knowledge also is the employee's understanding of job duties and responsibilities and how they relate to the organization and its goals. Are job knowledge and skills sufficiently developed, maintained and successfully applied to the job? Does the employee increase knowledge and understanding of new equipment, laws, regulations, procedures and other developments that have an impact on activities?

Judgment and Decision Making - Judgment and decision-making ability enable an employee to successfully carry out work assignments in situations when few guidelines, unusual circumstances or the need for prompt action exists and/or when normal procedures, techniques or responses could not or should not be used. Does the employee take into regard all relevant information and considerations before making a decision and are the employee's decisions appropriate and effective? Is the employee able to anticipate future occurrences, develop options or strategies and change priorities when appropriate?

Planning and Organizing - The ability to plan and organize is necessary to successfully carry out work activities and to achieve desired results in a timely, efficient and effective manner with goals, objectives and foreseeable circumstances taken into account. Does the employee coordinate work plans with employees, departments and others when appropriate?

Problem Solving and Analysis - Problem solving and analysis skills enable an employee to critically examine reports, problems, situations, and occurrences and identify their essential elements, strengths and weaknesses. It is the ability to apply rules, regulations and both technical and other knowledge to areas of responsibility. Are problems and complex situations resolved in an appropriate and effective manner?

Quality of Work - Quality of work is the degree to which the employee's work is well-organized, accurate, neat and thorough. Is the quality of the employee's work consistent with the standards established for the job?

Quantity of Work - Quantity of work is the amount of work completed by the employee and the extent it meets or exceeds quantity standards established for the job. Is the employee's production level consistent?

Serving as a Leadworker - Leadworker ability is the ability to successfully direct activities and supervise employees when filling in for the supervisor. Are work activities carried out in a manner that conforms with the supervisor's policies and instructions? To what extent are schedules and production standards met when the employee serves as a leadworker? Are lower level co-workers assisted or instructed in new, difficult or unusual work situations when appropriate.

## B. SUPERVISORY

General categories of job factors are listed below which may be helpful in describing approaches for improving the employee's (supervisory) performance.

Direction and Guidance - The effectiveness of the direction and guidance provided to subordinates in the performance of their work assignments is demonstrated by the extent the staff is advised as to priorities, scheduling and work-related problems. Included is the degree to which work assignments are made as necessary to carry out goals and objectives of the organization and the extent the supervisor is willing to delegate responsibility and authority, utilize workers to their best potential and assign work to subordinates according to their abilities.

Staff Utilization and Development - Staff utilization and development is the extent the supervisor hires, assigns work, trains, disciplines and promotes to maximize the skills and potential of employees in accomplishing the objectives of the unit. Is sufficient training provided to new employees on work methods and departmental policies? Does the supervisor hire, make work assignments, provide career counseling, train, evaluate performance, discipline and promote on the basis of job relevancy, merit and qualifications without regard to race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap or national origin? Does the supervisor contribute to the achievement of the department's affirmative action goals? Consider the extent the supervisor encourages employees to advance in the organization. Does the supervisor provide promotional information, counseling and opportunities to employees? Does the supervisor attempt to identify employees with management potential for future positions?

Evaluating Staff Performance - Evaluating staff performance enables a supervisor to monitor the progress of employees and provide continuous feedback. Consider the extent of objectivity, fairness and accuracy found in performance appraisals conducted by the supervisors. To what degree is meaningful feedback provided to subordinates through praise, constructive criticism and recommended ways of improving performance?

Leadership - Leadership is the degree to which the employee is able to inspire confidence, gain respect, instill collective pride in accomplishment and maintain morale among co-workers. Does the supervisor involve employees in solving the problems that affect them? Consider the extent the supervisor is able to direct a team effort to accomplish goals and objectives. Are subordinates treated with sensitivity? To what extent does the supervisor support safety, labor management relations and other public policy objectives?

Resource Management - Resource management is the extent the supervisor comprehends budget restraints, manpower, equipment and supply limitations and other factors that influence the planning and carrying out of program responsibilities. Consider the extent the supervisor is able to maximize the use of existing resources and the degree the supervisor is cost-conscious and aware of the need for economy. To what extent are changes made that result in the savings of manpower, money and materials without sacrificing quality of efficiency?

Managerial Planning and Organizing - Planning and organizing is the degree a supervisor or manager is able to set short and long-term objectives for the work unit and coordinates resources to accomplish them. Does the supervisor/manager set up an operational plan? Are resources such as budget, personnel and supplies organized around this plan? Consider the extent the unit's objectives provide clear direction and still allow flexibility to meet unanticipated unit needs. Are the supervisors and employees of the unit made aware of the unit's objectives? Do they understand their roles in accomplishing those goals?

## APPENDIX B

## JUDGING EMPLOYEE JOB PERFORMANCE

- 1) The best appraisal system won't relieve you of your responsibility for making decisions about an employee's job competence. The best way to judge it is to work with the employee day by day, to observe performance during moments of routine, during moments of stress, and in a variety of assignments.
- 2) Don't put off criticizing subordinates about inferior performance. As a supervisor, you have complete responsibility for this task and so have no right to avoid giving criticism in cases of low productivity.
- 3) As a supervisor, you are the coach who attempts to stimulate the subordinate's growth and development. The emphasis is on understanding the causes of the problems and working out ways to deal with them.
- 4) Face facts squarely - the "sandwich" technique has often been mistakenly advocated. This is when you start with a compliment to create a glow, throw in a criticism and end with more compliments. There are several disadvantages to this technique. First of all, the employee could miss the criticism completely. Or, the criticism could hurt worse for cutting through a compliment. Third, the employee might recognize it as a technique for their own good. Therefore, why stall? A better sequence would be: first, weaknesses; second, strengths; and third, the future.
- 5) Analyze the reasons for inadequate performance. Don't waste your time and effort if the employee doesn't have the capacity to improve. Pick time carefully for talking with employee. The best time would probably be in the morning at the beginning of the week. Know the person you are appraising to enable you to adjust your style. Know the facts; complete knowledge is of paramount importance. Get involved in the appraisal interview; if possible, go to the employee's station, but keep it private and uninterrupted.
- 6) Be self-critical. Before you put an employee on the mat for an inadequate job, ask yourself frankly, "Has my leadership contributed in any way to this performance?" Such questions as, "Did I expect too much?, Did the employee understand my instructions?, Did the employee have proper training to do the job? Is my criticism absolutely fair, and not influenced by bias?", if honestly answered, will give you objectivity. Objectivity enables you to discuss the employee's mistakes in a constructive way.
- 7) Make sure the worker has the same understanding of the job that you do. Otherwise you can't judge an employee's job performance fairly.

- 8) Get down to cases. Vague generalities don't get you anything at the bank. Be specific. Explain in clear-cut, one-two-three language where the employee is falling short, what must be done to correct mistakes. Make sure the employee understands precisely what standards are expected to be met.
- 9) Criticize the work, not the person. Try to avoid personalities when discussing an employee's job performance. There are certain exceptions to this advice; for example, if the attitude of the employee is affecting job competence. But in general, confine your remarks to the job itself.
- 10) Don't make a joke of it. A light touch often seems pretty heavy when handed to the victim. Very few people have the gift of conveying criticism through kindly humor. Even if the subordinate accepts it with outward humor, you may sound very sarcastic, or your employee may feel that you are taking such a serious problem too lightly.
- 11) Comment on improvements. If an employee corrects a shortcoming you have criticized, let the employee know you have observed this improvement. That's how you give encouragement. The employee then knows you don't hold past mistakes against the person, that you are quick to revise opinions when they are no longer applicable.
- 12) Don't compare. This is especially true in discussing job performance. An employee may be willing to take your criticism, but if you point to another employee as an example to be followed, it will be resented.
- 13) Emphasize strong points. A skillful leader plays to the strength of subordinates. Point out a worker's deficiencies and try to minimize them, but keep things in balance.
- 14) Don't be a debater. You are the final judge of an employee's job performance. This doesn't mean you should cut off all discussion. Let the employee give his or her point of view, and if it's right, say so. But don't let the discussion turn into an argument.

## APPENDIX C

## HINTS FOR SUPERVISORS

These hints are provided to aid you in setting up and conducting the appraisal meeting.

- 1) Provide the employee with advance notice of the appraisal meeting.
- 2) Find a place for the meeting that is private and free from distracting noises, activities or interruption.
- 3) Develop a friendly and cooperative atmosphere to minimize the employee's tension or anxiety.
- 4) There is no set standard as to how long the discussion should last. Be certain, however, that sufficient time has been allowed for adequate coverage of the major items that need to be discussed.
- 5) Discuss the employee's strengths and how they benefit the organization.
- 6) Discuss the employee's weak areas and point out how they can be decreased or eliminated. Explain in detail any problem areas and how they may affect the employee's work. Explain in detail how problems can be corrected.
- 7) Use plain talk in discussing an employee's difficulties. Employees are quick to sense evasiveness and insincerity and may grow resentful or resistant if they feel they are not getting "straight" talk.
- 8) Clarify any misunderstandings that may exist concerning work priorities and objectives, the completed appraisal form and the general purpose of performance appraisal.
- 9) Give the employee every possible opportunity to express feelings about his or her performance as well as the opportunity to excuse or justify past job attitude. Nothing is lost by allowing the employee to retain self-respect and nothing is gained if the employee leaves the discussion feeling abused and resentful.
- 10) Be a good listener. Listening skills during this discussion are at least as important as speaking skills. Be patient and avoid arguments.
- 11) Be sensitive to your impact upon employees, particularly to their need to see themselves as worthwhile individuals. The objective of the discussion is to help the employees understand and accept the positive and negative aspects of his or her job performance, not to criticize the employee. Since the past cannot be changed, discussion should focus on the future.

- 12) Discuss employee training needs and interests.
- 13) Discuss short and long-range career goals. Find out what new or additional duties and responsibilities the employee may be interested in.
- 14) Let the employee know that you would be available for another meeting within a few days, to answer questions or if the employee wishes to discuss any part of the appraisal process further.
- 15) Close the meeting by summarizing the discussion and the performance appraisal.

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