

PERFORMANCE MANAGEMENT



**US Army Corps
of Engineers**

Omaha District

JANUARY 1990

PERFORMANCE MANAGEMENT

CONTENTS

	PAGE
I. INTRODUCTION	2
II. BACKGROUND	3
III. WHY PERFORMANCE MANAGEMENT	4
IV. HOW THE APPRAISAL PROCESS WORKS	5
V. IDENTIFYING/DEFINING JOB ELEMENTS	9
VI. ESTABLISHING PERFORMANCE STANDARDS	13
VII. COLLECTING DATA FOR PERFORMANCE EVALUATION	20
VIII. APPRAISING PERFORMANCE	22
IX. DOCUMENTING PERFORMANCE RATINGS	25
X. WHY TAKE THE TIME?	29
APP A OUTLINE OF THE PERFORMANCE MANAGEMENT PROCESS	31

NOTE: The masculine pronouns "he," "him," or "his" are used in the general sense in this publication and refer to both the masculine and feminine genders.

I. INTRODUCTION

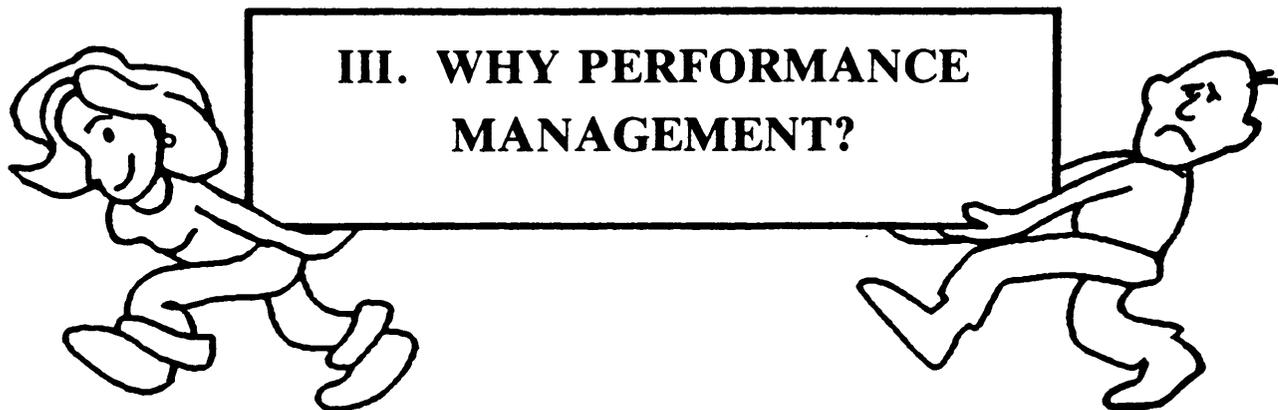
As a supervisor you know that your primary function is to get things done through people, and that your success or failure depends directly upon the performance of the employees working for you. However, if you are like most supervisors, you have probably found dealing with employee performance to be one of the most difficult parts of your job. This pamphlet will serve as a guide to the development and use of a management tool that can be of invaluable aid to you in making decisions and taking actions with regard to employee performance. The tool being referred to is the performance management process.

II. BACKGROUND

Performance management is not new. However, with the passage of the Civil Service Reform Act of 1978, its use in taking personnel actions on the basis of an employee's performance became a requirement of law; and, thus, it is imperative that supervisors become skilled in the process.

Like other federal agencies, the Department of the Army uses a performance management system approved by the Office of Personnel Management (OPM) — the Performance Management System (PMS) for General Schedule and Wage Grade employees and the Performance Management and Recognition System (PMRS) for GM employees. Together, the PMS and PMRS establish a system of procedures and methods for managing and appraising employee performance designed to help you evaluate an employee's performance in an objective way based on established criteria. This pamphlet contains the basic principles and techniques that pertain to PMS and PMRS. Additional information on policies and procedures are contained in AR 690-400, Chapter 430 and DM 690-1-430.





The most obvious and direct purpose of performance management is to increase productivity through maximum use of human resources. Performance management, as envisioned by the current law, places emphasis on the direct relationship of the individual's duties and responsibilities to the mission, functions and goals of the organization. This process helps to ensure that the efforts of the employee are channeled toward the true needs of the organization. Moreover, there are many allied benefits that can be realized by the supervisor who becomes adept at using the performance management process. Communication between the supervisor and the employee is improved through identification of supervisory expectations and enhanced employee understanding. The knowledge gained through properly conducted performance management can be motivating to an employee, and the personal interest of the supervisor in the employee which an effectively accomplished appraisal expresses can have a positive effect on the employee's morale. Supervisors must make decisions regarding pay increases, promotions, training, awards, probation, reassignment, demotion and removal. In all of these areas the performance management process can help the supervisor make better decisions. It can also help employees understand and accept the decisions the supervisor makes.

As was mentioned earlier, the performance management process is a tool to aid the supervisor in doing his job. However, it is a tool that the supervisor must create; it cannot be obtained elsewhere. How well the tool serves its intended purpose depends upon how well it is designed, constructed and maintained, and upon how adept the supervisor becomes in using it.



IV. HOW THE PERFORMANCE MANAGEMENT PROCESS WORKS

THE PROPER PERSPECTIVE

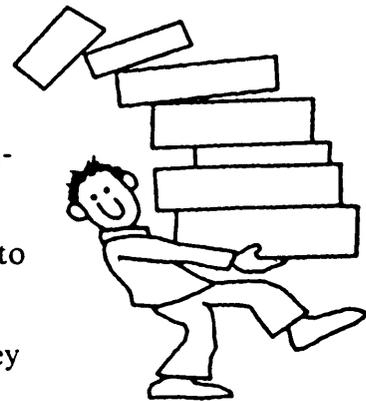
When we hear the term "performance appraisal" we tend to think of a once-yearly meeting between the supervisor and the employee in which the employee's performance over the past twelve months is evaluated and recorded on an appraisal form. This is, however, only one step in the ongoing performance ^{mgmt} process which starts anew at the beginning of each appraisal period and requires supervisory attention throughout the year. The following steps lead to a smooth and meaningful performance appraisal process.

1. IDENTIFY ELEMENTS, REQUIREMENTS, RESULTS

The performance management process begins with a review of the employee's job and its relationship to the functions and goals of the organization. It is important to ensure that the duties and responsibilities of the position are current, meaningful and necessary to the accomplishment of the organization's mission. Once the essential duties of the job have been identified, it is necessary to determine the results that are to be expected from their accomplishment. The purpose of a job, after all, is not merely to have activity occur, but to realize some outcome from the activity. The outcome or results of the accomplishment of the various tasks of the position are spoken of as the elements of the job. In appraising performance, we are concerned with those job elements which comprise the significant responsibilities of a position, and these are referred to as the major elements of a job. Every position will have at least two major job elements and many will have several. Of the major elements of the job, one or more will be critical elements. A job element is critical when unacceptable accomplishment of it outweighs acceptable accomplishment of the rest of the elements of the position. The determination as to which elements of a job are critical is made by the supervisor.

2. ENUMERATE TASKS

After the major elements of the job have been identified and the supervisor has made a determination as to which of those are critical, the next step is to delineate the tasks of the position which are necessary to accomplish each of the major job elements. In other words the duties in the job description will be arranged into groups based upon the job element they support.



3. IDENTIFY ACCEPTABLE LEVEL OF PERFORMANCE

At this point the supervisor is ready to develop performance standards. Performance standards describe the level of accomplishment of the various duties that the employee must achieve in order for his performance to be considered acceptable within each of the major elements of his job.

4. INVOLVE THE EMPLOYEE

In describing the process of identification of major and critical job elements, delineation of tasks, and the establishment of standards of performance, we have referred only to supervisory action. This activity is a supervisory responsibility — the supervisor in doing these things is developing a management tool for use as an aid in making personnel management decisions — but the involvement of the employee is critical to the success of this undertaking. Consider the following:

No one should be more intimately familiar with a job than the employee who performs it; therefore, the employee's contributions can be a significant aid to the supervisor.

The performance standards established for an employee's position will have a great personal impact on the employee and naturally will be of concern to him. If the employee has had a hand in the development of the standards by which his performance is to be measured and believes that they are reasonable and valid, the supervisor should not encounter the resentment and defensiveness which could easily result from unilateral action.

The authority to establish standards for the elements of an employee's position remains completely with the supervisor; however, the thoughts of the employee should influence the supervisor's decisions.



5. REVIEW/MODIFY AS NEEDED

The developmental process does not necessarily end once performance standards have been established. Mission changes, functional realignment within organizations, strength increases or reductions, and changes in technology can all have a direct impact upon an individual position. Major and critical elements of a job may change, duties may change, and standards may become obsolete or unrealistic. Also, experience in using them may reveal that standards need to be changed or modified. Job elements, tasks and standards may be altered at any time and changes should be made promptly once the need is perceived.

6. PUT THE PLAN TO USE

Once they have been developed, performance standards should be put to immediate and continuous use. At the beginning of the rating period they document the course that has been charted for the employee's performance during the coming year. Throughout the rating period the supervisor and employee both should make frequent reference to the performance standards to maintain awareness of objectives set and to measure progress toward them. Also, the supervisor should document specific instances of good or poor performance as they occur and should periodically hold informal discussions with the employee. Performance appraisal approached in this manner provides the supervisor with specific, objective information upon which to base the annual performance appraisal; moreover, the employee will not be surprised at the results.

7. CONDUCT AT LEAST ONE FORMAL MID-POINT REVIEW

Discuss progress to date, identify strengths and weaknesses, and identify training needs. Review standards and make modifications as appropriate.

8. IDENTIFY SPECIFIC AREAS OF EXCELLENCE, WEAKNESS



The annual performance appraisal can result in an unpleasant confrontation if the supervisor makes general criticisms of an employee's performance without specific supporting details. Because they fear such a situation, supervisors have often focused upon the positive aspects of an employee's performance and have glossed over or completely omitted areas of needed improvement. Clearly, performance appraisals conducted in either of these fashions is counterproductive.

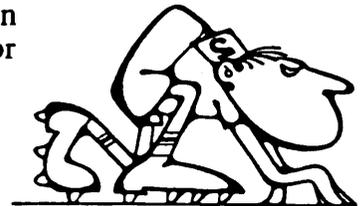
It is necessary to collect data regarding specific instances of poor performance as well as those examples of excellent performance.

9. CONDUCT AN APPRAISAL INTERVIEW AND COMPLETE THE ANNUAL APPRAISAL

Using data collected throughout the rating period, evaluate performance of each major job element.

Schedule a meeting with the employee. Discuss your tentative evaluations. Ask the employee for input. Review standards together. Do not discuss final ratings.

Complete the annual appraisal, and after it is approved, present it to the employee. When an appraisal is based upon sound and realistic performance standards established for the major elements of the employee's job which have been continually referenced (with progress documented) throughout the appraisal period, a clear, detailed and valid performance history is established. This in turn provides a basis for mutual understanding and agreement for constructive action to improve areas of weakness and further develop the employee's skills and abilities. The appraisal process, when used as we have discussed, will also provide the supervisor with the detailed and specific information necessary to support the granting of awards for superior accomplishment and action to reassign, demote or remove an employee when performance is less than acceptable.



10. THE GOAL — IMPROVED PERFORMANCE

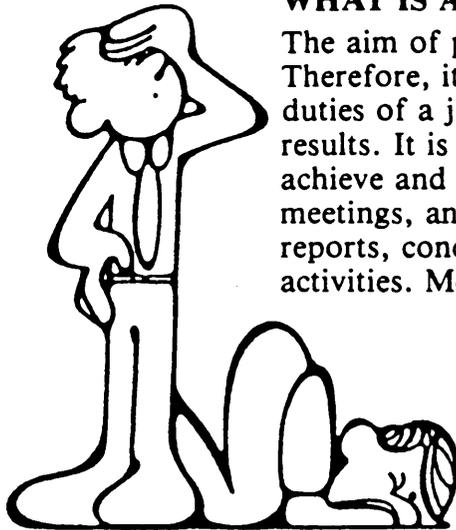
Of course, the ultimate aim of improved employee performance is the enhancement of organizational productivity. A great advantage of the appraisal process discussed in this pamphlet is the linkage of the goals and objectives of the organization to the performance requirements of the individual employee. We in the Corps of Engineers are in a very favorable position to benefit from performance appraisal in this manner. Because we have an ongoing command goals and objectives program, we can tie individual expectations directly to organizational expectations, and measure the individual's accomplishments against the organization's stated needs.

In the pages that follow we will examine in detail the components of the performance appraisal process.

V. IDENTIFYING AND DEFINING JOB ELEMENTS

THE FIRST STEP

The identification of job elements is the first step in the performance appraisal process; and once determined, job elements form the cornerstone of the entire process.



WHAT IS A JOB ELEMENT?

The aim of performance appraisal is to measure effectiveness. Therefore, it is necessary to see the activities that comprise the duties of a job as means that are used to accomplish end results. It is essential that we measure the results that we achieve and not the things we do to achieve them. Attending meetings, answering telephone calls, adding figures, writing reports, conducting inspections, hammering nails are all activities. Measuring these things would tell us how busy the person doing them had been, but not what difference it made that they had been done. It is the difference, or results, that we need to evaluate. Therefore, in appraising performance we must look beyond the activities, or duties, of a position and determine the purpose for which the activities exist.

DESCRIBE THE JOB ELEMENT

The purposes of a job — the results to be achieved by its being done — are called job elements. To determine what the elements of a job are we must look at the job in relationship to other jobs and to the organization. The supervisor must look at the job in the context of the organization's mission, functions, and goals, and ask questions such as: "What purposes does this position serve in relation to accomplishment of the organization's mission and functions and to the achievement of its goals?" "What benefit does the organization achieve?" The answers to these types of questions will be in terms of results to be achieved and will lead to the identification of the basic responsibilities (elements) of the position. The description of job elements will be in terms of what is to be accomplished — the description of a product, a service, an outcome.



CHARACTERISTICS OF A JOB ELEMENT

There are three characteristics of a properly defined job element: first, it must describe results that are measurable or observable; second, it must describe results that are attainable by the incumbent of the position (that is, success is attainable within the authority of the position); and last, it must be derived from the overall mission of the organization and compatible with and supportive of results assigned to other organizational components.

IS IT "CRITICAL"?

After the major elements (the significant areas of responsibility) of a job have been identified, a determination must be made as to which of the elements are the critical elements of the position. The term "critical element" comes from the Civil Service Reform Act of 1978, which defines unacceptable performance as "performance of an employee which fails to meet established performance standards in one or more critical elements of such employee's position."

A critical element is defined as "a major component of a job which consists of one or more duties and responsibilities that contributes to accomplishing organizational goals and objectives, and that is of such importance that unacceptable performance on the element would result in unacceptable performance in the position." Failure to meet the standards of performance in a critical element requires remedial action such as denial of a within-grade increase and may lead to reduction in grade or separation of the employee from Federal service. Therefore, the supervisor's decision as to which elements of a position are critical is a very important one, and must be made by assessing the relative significance of a particular element to the overall purposes of the job.

FOR EXAMPLE

To examine the process of identification of major and critical job elements let us begin with a relatively simple example — that of a clerk-typist position. If we ask what purpose the position serves — what results are expected — what relationship it has to other positions and the organization, we find that the job is necessary to support other jobs in accomplishing the functions of the organization. The support provided by the position may be broken down into two categories, or job elements: typing support and general clerical support. These two elements are both major elements in most clerk-typist positions and either one or both of them might be critical elements, depending upon the structure of the particular position. Also, these two elements might be the only two major job elements, or there might be one or more additional elements, again depending upon the structure of the particular job. There must always be at least one critical and one non-critical major job element in every performance plan (set of job standards). The only exception is for DA Interns whose major job elements are all considered to be critical since they are in a period of training.

IDENTIFY AND GROUP THE TASKS

Once the major elements of a position have been identified and each has been identified as critical or non-critical, the next step is to group together the specific tasks (duties) of the position that relate to the accomplishment of the individual job elements. If we continue with our clerk-typist example, using the major element of "general clerical support," we find that accomplishment of that job element would probably entail such duties as receiving visitors, placing and answering telephone calls, controlling and distributing mail, maintaining office files, and composing routine correspondence.

POSITION: CLERK-TYPIST

JOB ELEMENT (Major Function)

General Clerical Support

TASKS (Duties)

Receives visitors
Places and answers telephone calls
Controls and distributes mail
Maintains office files
Composes routine correspondence



Consider another example. A personnel clerk may be responsible for processing paperwork for hiring new employees and for completing various orientation-related activities. This element of the job might be called "New Employee Processing." The tasks making up this element will likely include administering the Oath, fingerprinting, explaining employee benefits, answering questions, presenting an orientation packet and completion of all necessary forms.

POSITION: PERSONNEL CLERK (typing)

<u>JOB ELEMENT</u>	<u>TASKS</u>
New Employee Processing	Administering Oath Fingerprinting Explaining benefits Answering questions Presenting orientation packet Completion of forms

A primary purpose of an engineer's position might be preplanning of work to be performed in connection with the repair, reconstruction and maintenance of locks and dams, channels, retaining walls, piers and other structures associated with waterways. This purpose, or job element, might be briefly stated as "repair, reconstruction, and maintenance preplanning." Tasks which the engineer would have to perform to accomplish this job element might include preparation of preliminary design, plans and specifications; estimation of costs associated with projects; making layouts from maps, survey data and field reconnaissance; and computation of quantities of materials required for the project.

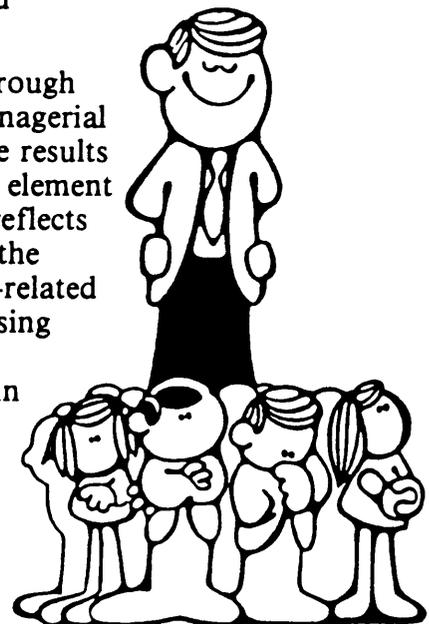
POSITION: ENGINEER

<u>JOB ELEMENT</u>	<u>TASKS</u>
Repair, reconstruction, and maintenance preplanning	Prepares preliminary design, plans and specifications Estimates costs associated with projects Makes layouts from maps, survey data and field reconnaissance Computes quantities of materials required for the project

HOW ABOUT SUPERVISORY POSITIONS?

Thus far, we have dealt only with nonsupervisory positions in our examples, but the principles and process for identification of major and critical job elements are the same for supervisory and managerial positions.

In addition to job elements that are accomplished through the individual's personal efforts, supervisory and managerial jobs have elements that are accomplished through the results of others (their subordinates). This latter type of job element is derived from the mission of the organization and reflects the particular portion of the total mission for which the individual has responsibility. For example, a mission-related critical element of the job of chief of a Word Processing Center would be "word processing." To achieve this element of the job the supervisor would be involved in such activities as establishing policies and procedures for the operation of the word processing unit, directing the work of typists, setting priorities for work to be performed, and ensuring availability of equipment and supplies.



SUPERVISORY JOB ELEMENT — TYPICAL EXAMPLE

An example of a supervisory job element that is accomplished through the personal efforts of the supervisor is "personnel management." Typical of the kinds of tasks that may be encompassed by this element are: interviewing and selecting employees for vacancies, appraising employee performance, resolving complaints and grievances, initiating disciplinary actions, and requesting training for subordinates.

POSITION: CHIEF, WORD PROCESSING CENTER

<u>JOB ELEMENT</u>	<u>TASKS</u>
Word Processing	Establishes policy and procedures Directs work of typists Sets priorities for work Ensures availability of equipment and supplies
Personnel Management	Interviews and selects employees for vacancies Appraises employees' performance Resolves complaints and grievances Initiates disciplinary action

IN SUMMARY

Having identified the major job elements, determined which of those are critical elements, and having grouped together the tasks relating to the job elements, the supervisor is ready to move to the next developmental step in the performance appraisal process — the establishment of performance standards.

VI. ESTABLISHING PERFORMANCE STANDARDS

WHAT MAKES A GOOD STANDARD?

Have a reference point. The dictionary describes a standard as a means of determining what a thing should be: a criterion, a gauge, a yardstick. Standards play an important part in all aspects of our lives. We are accustomed to, and apply, moral and religious standards, standards of beauty, of honor, of behavior and so forth. We would find it impossible to evaluate the worth of anything without first having something else to compare it to. With job performance as with other things, it is essential that we have a model, a reference point for estimating relative value.

CRITERIA CLEARLY UNDERSTOOD

We all continually make assessments of performance: “the most efficient secretary I’ve ever seen” — “a top-flight manager” — “a lousy report.” These statements imply standards and in making them we are making mental judgments, but it is not clear to anyone else (and we ourselves may not even realize) what criteria we are using to make our evaluations. Such appraisal may be close to or wide of the mark, but there is no way to tell because the standard being applied is not evident.

ACCURATE AND OBJECTIVE

Therefore, in setting standards to measure performance we are not doing anything new or unusual; what is different is that we are striving to be as objective and accurate as possible, to measure the right things, and to document our criteria for evaluation. We are seeking performance standards that are valid and that can be used to prove that our evaluation is accurate. The “right things” that our performance standards should measure are results — the degree of accomplishment of the job elements — and not such things as the character traits of the employee, or how busy the employee is.

CHARACTERISTICS OF A GOOD STANDARD

It should enable the user to differentiate between commendable, acceptable and unacceptable results.

It should present some challenge to the employee.

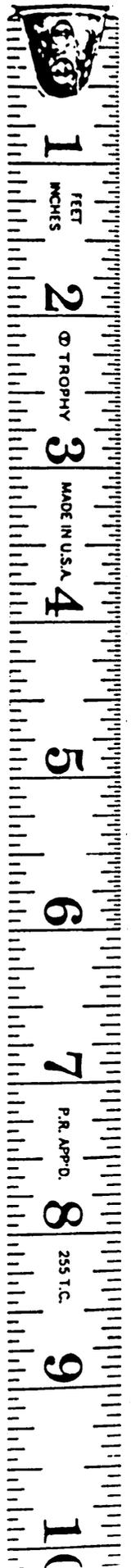
It should be realistic — that is, it should be attainable by any qualified, competent and fully trained employee who has the necessary authority and resources.

It should be a statement of the conditions that will exist and will measure a job element when it is performed acceptably, expressed in terms of quality, quantity, time, cost, effect obtained, manner of performance or method of doing.

There must be a method of observation — a means of measuring the performance against the requirements of the standards.

The standard should provide for an objective, clear measurement of performance — but it must be feasible and not too burdensome to use.

If quantified measurements are not feasible, develop some other meaningful means of describing an acceptable result, final outcome or product.



HOW TO USE DIMENSIONS

Because of the wide differences in the nature of jobs, we must use different dimensions of measurement when establishing performance standards. The elements of some jobs lend themselves to precise numerical measurement while others are not easily quantifiable. The following are dimensions of measurement that may be used to establish performance standards. The dimensions used should be the ones that allow the most accurate, observable and documentable measurement of the job element for which the standard is being established.

Quality of Work. A standard measuring the dimension of quality describes “how well” or “how thorough” the result must be. It refers to accuracy, appearance, usefulness, or effectiveness. It may be expressed as an error rate, such as the number or percentage of errors allowable per unit of work, or as general results to be achieved (if numerical rates are infeasible).



EXAMPLES:

- Only 1 to 2 customer complaints received per month.
- 90-95% of reports submitted are accepted without revision.
- No more than 3-4 letters per month on the average need be returned for retyping due to employee error.

Quantity of Work. A standard measuring quantity specifies how many work units must be completed within a specific period of time.

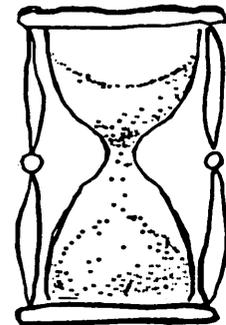
EXAMPLE:

- Conducts 2-3 surveys per year.
- Processes 300-350 invoices per month on the average.

Time Requirements. Standards establishing time requirements answer questions such as “when,” “how soon,” and “within what period.” In instances where definite quantity standards cannot be established, it may be possible to set time limits. Also, when work tends to fluctuate or there are seasonal trends in workload, a time per unit requirement may be a practical means of measurement.

EXAMPLES:

- Proposed changes submitted 3-5 days before established deadline.
- Suggestions evaluated within 10-15 work days after receipt.



Cost Effectiveness. This dimension of measurement may be used when performance can be assessed in terms of the amount of money saved, earned or expended in the accomplishment of the work being performed.

EXAMPLE:

- Travel costs will be within 90-100% of previous year's expenses.

Results Desired. This dimension of measurement may be used when the standard can be best expressed in terms of the ultimate effect to be obtained. In writing a standard of this type, phrases beginning with "so that," "in order that," "in order to," "as shown by," etc., are often used. This method of measurement can be used when results are not easily quantifiable.

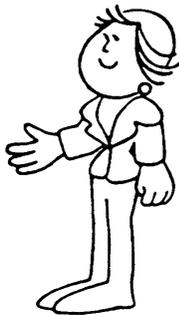
EXAMPLES:

- Decisions on supply needs made with sufficient accuracy so that supply items remain in short supply no more than 3-5 days on the average, none are in short supply more than 10 days.
- The clarity and information content of written reports is such that 90-95% are accepted without question.

A somewhat less desirable and more subjective standard might measure general characteristics of the product or the performance.

EXAMPLE:

- Reports are prepared to meet scheduled deadlines and may be generally characterized as complete, accurate and clearly written.



Manner of Performance. This dimension of measurement is often helpful in establishing standards of performance for positions in which personal contacts are an important factor, or when the employee's personal attitude, mannerisms and behavior have an effect on performance. Standards of this type answer the question "in what manner."



EXAMPLE:

- Speaks clearly and with sufficient volume to be understood by persons attending briefings.
- Attitude displayed in dealing with visitors can be generally characterized as polite and helpful.



Method of Doing.

This type of measurement is used when there is a standard procedure or method for accomplishing a task and when the use of other than the prescribed procedure is unacceptable.

EXAMPLE:

- Forms completed in accordance with office SOP; no more than 5-10% are found to contain deviation upon post audit.

DEVELOPING THE STANDARDS

Now that we have explored the purpose, characteristics, dimensions of measurement, and types of standards, we are ready to turn our attention to the considerations involved in the development of performance standards.



ALL ELEMENTS CAN BE MEASURED

Performance standards can be established for all positions. While it is true that specific quantitative standards are more easily established for routine, repetitive, production-type jobs, written standards can also be established for scientific and technical, professional, supervisory and managerial jobs as well. It is important to remember that we are concerned with measuring results, and we have identified the results to be expected from a position when we have identified its major elements. An identifiable element can be measured in one or more of the dimensions we discussed earlier.

BASIS AND TYPE OF STANDARD VARY

Not only can performance standards be structured to measure different dimensions of performance, they may be established on three different bases of measurement. Standards may be developed on the basis of history, upon comparison, or upon the specific objective of the work to be performed. The latter type is referred to as an engineered standard.

Historical Standards are based upon results achieved in the past and are frequently set as a percentage higher or lower than results achieved for a previous period of the same duration.

EXAMPLES:

- Rejects will be 3-5% fewer than last year.
- The number of suggestions submitted by subordinates will be 5-10% greater than last year.

Comparative Standards are based upon the performance or goals of other people or organizations.

EXAMPLES:

- The number of awards granted to employees will be within guidelines established by the Department of the Army.
- Turnover rate will be within the range of 85-100% of the rate for the Corps of Engineers.

Engineered Standards are stated as absolute requirements without comparison.

EXAMPLES:

- Progress reports will be submitted by the 15th day of each month.
- Two weeks inventory of supplies will be maintained at all times.

Standards may be expressed in positive, negative, or zero (absolute) terms.

Positive standards state exactly what is wanted. The examples of engineered standards given above are stated in positive terms. A positive standard may also establish a requirement for an increase in something, for example, "the completion rate for processing vouchers will be increased by 3-6%."

Negative standards spell out what is not wanted, or establish the requirement for a reduction in something. The standard referring to turnover which was provided as an example of a comparative standard is stated in negative terms. Another example is: "the accident rate will be decreased by 1-4% compared to the rate for the previous year."

Zero standards, also known as absolute or pass/fail standards, state that nothing less than 100% is acceptable. For example, "there will be no complaints from any source about telephone courtesy," or "no deviation from the procedures manual." Zero standards should only be used when there is no possible alternative, because it mandates nothing less than perfection and deprives the employee of the opportunity to exceed expectations. A zero, or absolute, standard is appropriate only when failure to meet the standard would result in death, injury, breach of security or great monetary loss.

CHOOSE THE APPLICABLE DIMENSIONS

The first step in developing performance standards is to ask questions. Taking each major element of the position and the tasks supporting it, ask: "What are the indicators of success for this element?", "How well, or how accurately?", "How soon or by when?", "At what cost?". The answers to questions such as these will help you key on the measurable aspects of the job element and the dimensions by which it can be measured. They will also help you to identify the level of accomplishment required.

ONE STANDARD FOR EACH TASK

Performance standards should be established for each major job element. The number of standards necessary depends upon how many different measurements you feel are necessary to adequately define your performance expectations. It is possible that some job elements might be adequately covered by one standard. However, in most cases it will be necessary to establish specific and separate standards for each of the supporting tasks of a job element to adequately define performance expectations.

DESCRIBE ACCEPTABLE LEVEL OF PERFORMANCE

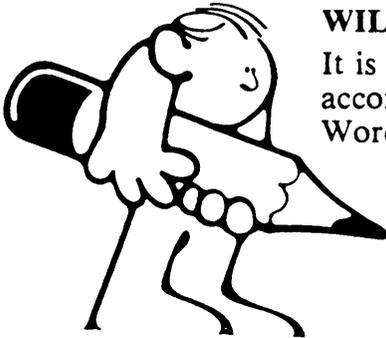
When discussing the characteristics of standards, we said that they should be realistic, attainable and present a challenge to the employee. In other words, the standards should describe the **ACCEPTABLE** level of performance. Acceptable does not mean mediocre or average, it means a level of performance that will fully satisfy the supervisor's expectations and allow for successful accomplishment of that portion of the organization's mission, functions, and goals for which the job in question is responsible. If standards are set too low, productivity will suffer and employees will lack a challenge in their work. If standards are set too high, most employees will continually fall short, eventually quit trying, and will appear unacceptable or weak in any accurate application of the standards.

USE RANGES

In establishing the acceptable level of performance to be indicated by a standard, it is sometimes advantageous to use a range of performance. For example, "processes 25 to 30 claims per week," rather than "processes 27 claims per week," or "costs will be reduced by 3 to 5%" rather than "costs will be reduced by 4%." A range of acceptable accomplishment is important where fluctuations in workload cannot be strictly controlled, or where factors beyond the control of the employee may influence the level of productivity.

COMBINE DIMENSIONS AS NEEDED

Standards should also measure performance in as many dimensions (i.e., quantity, quality, time, cost, etc.) as are necessary and appropriate to adequately describe acceptable accomplishment. For example, "Performance will be acceptable when 50-80 vouchers (quantity) are processed per week (time) with no more than 3-5 returned because of errors in calculation (quality)."



WILL IT BE CLEARLY MEASURABLE?

It is important to establish standards so that the level of accomplishment required can be measured and documented.

Words such as "rarely," "seldom," "accurately,"

"reasonable," etc., may appear to describe a performance level, but they leave a lot to personal interpretation. How frequent is "rarely" or "seldom"? A supervisor may think these words mean not more than one or two times a year while his subordinate may think they mean 10 to 15 times a year.

NUMBERS vs. PERCENTAGES

Also, the use of percentages can sometimes cause problems. An accuracy rate of 90 to 95 percent may sound very high, but the nature of the work and the volume being measured might cause the percentage to be unrealistically low. Whenever possible it is better to use actual numbers of units being measured.

WILL MEASUREMENT BE TOO BURDENSOME?

When establishing standards it is necessary to ask, "How am I going to measure this, how easy/difficult will it be to keep track of, and do I have a recordkeeping system that already provides this information or will I have to establish a new one?" At first glance, "typing will be 95% error free" may appear to be a reasonable standard, but what does the figure refer to — the numbers of letters without errors or the numbers of errors per letter? In either case, the supervisor would have to spend an inordinate amount of time counting and recording with such a standard. A standard such as "Not more than 2-5 letters returned for correction of typographical errors per month on the average" would provide a measurement of the dimension of accuracy (quality) but would be much less effort to count and record.



EACH POSITION UNIQUE

Performance standards should be written for each specific position, not for a class of positions. For example, identical performance standards cannot be written for all clerk-typist positions. One clerk-typist may work primarily with statistical reports and charts while another may prepare correspondence on a day-to-day basis. Only when several positions are identical in duties and working conditions may a single set of standards be established that will be equally valid for all of the jobs.

STANDARDS FOR IDENTICAL POSITIONS

When developing standards for identical positions caution should be exercised in using the average performance of the group as the level of acceptable performance. The present performance of the group may be above or below the appropriate level of acceptability. Remember, the standard should be geared to the job element, or results, which are to be expected from the position. The need for involvement of the employee in the development of performance standards was mentioned earlier in the section on the appraisal process. However, the subject is important enough to bear repeating. When the employee participates in setting the standards for his own position he is apt to feel a personal responsibility for meeting them. The supervisor may draft the standards and then give them to the employee to review and comment on, or he may ask the employee to develop the initial draft and work from that, or the supervisor and the employee may sit down together and draft them jointly; however it is done, mutual effort toward commonly agreed-upon and understood standards is vital.

SETTING STANDARDS — AN ON-GOING PROCESS

Setting standards should be a continuing process. You should not expect to achieve perfection — particularly when you first start to work with standards. They may have to be written and rewritten many times before both you and your employees are satisfied with them. Also, standards must be rewritten whenever significant changes are made to the organization's plans and goals, functions or mission which directly impact on the elements of an individual position. When first starting out, it is far better to accept a less-than-perfect standard if you and the employee understand it, than to keep plugging away until you are bored with the effort. There will be time and opportunity in the future to make the standard more precise and workable. And, of course, at the end of the appraisal period, during the annual appraisal interview, the supervisor and employee should jointly review the standards to see if changes are necessary to make them current for the coming year.

GOOD STANDARDS BENEFIT ALL

Realistic, measurable, communicated and understood job performance standards will not only result in benefits to the supervisor and the employee, but organizational productivity directly related to mission accomplishment will be enhanced.

Thus far, we have been discussing the development of the mechanism for performance appraisal. In the next section we will consider its application and results to be expected.

VII. COLLECTING DATA

Once you have identified critical and non-critical elements and developed performance standards, you will need to plan one or more methods for collecting data regarding performance. You will need sufficient data to form a basis for evaluating performance of each major job element.

PLAN AHEAD

There are many ways to collect data about an employee's performance. Several of them are listed and described below. The point to remember is that no matter *how* you collect data, you should do it in a consistent manner and you must write it down and document it.

Project Tracking. This method works best with elements dealing with individual projects that take some time to complete. It does not work well with jobs that are fast-paced and repetitive. To use this method, build into the standards a reference to target dates for completion or target intermediate milestones. Include a standard to describe the quality of intermediate results and/or the final outcome. For short-term projects of three months or less, rate the projects upon completion. For longer projects, evaluate the employee's work at each milestone. At the end of the appraisal period, average the resulting ratings on the individual projects or milestones to arrive at a final rating for the element.



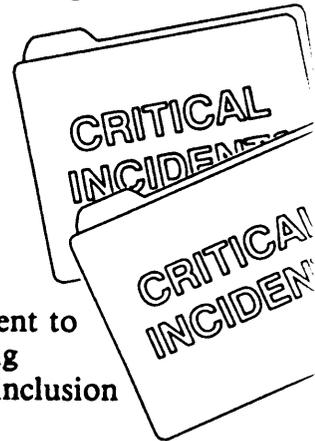
Product Sampling. This method works well where the employee produces specific products that can be objectively evaluated. It works well for situations where the employee produces a large number of products over the appraisal period. In using this method, work products are selected at random and evaluated throughout the rating period based on a set of preestablished standards. Record all evaluations in writing and average them at the end of the rating period to arrive at a final rating.

Work Sampling. This method works best in situations where the work does not generate a concrete finished product that you can hold in your hand, read, and analyze. For example, if an element for a secretary is defined as answering the telephone, then you can use this method to observe how the secretary answers the phone — how quickly, how politely, etc. This method involves direct observation of the employee at work, recording those observations, and evaluation of the employee's work on an on-going basis. When planning to use this method, it is best to discuss it with the employee when you discuss the standards for that job element so that the employee will know that his/her work will be observed periodically.

Office Logs. This method works well for high volume, short turnaround work. Office logs that provide an ongoing record of an employee's work are often maintained in offices which do such things as word processing. Generally, they indicate how long it took the employee to do something and how well it was done, if the work was returned for rework or whether it was acceptable the first time. At the end of the rating period, results from the office log can be tabulated and a rating determined. Such logs may be automated, making the tracking process much simpler.

Critical Incident Files. This method can be used for most types of work. A critical incident file contains descriptions of specific "critical" incidents that occurred over the course of the rating period. These incidents may demonstrate poor performance or excellent. Over the entire rating period, they may form a discernable pattern which would tend to raise or lower the rating.

Employee Activity Logs. This method serves as a useful supplement to other data collection methods. It can be an effective way of giving employees a chance to present their accomplishments to you for inclusion in the evaluation process.



VIII. APPRAISING EMPLOYEE PERFORMANCE

APPRAISAL — A CONTINUING PROCESS

Since performance appraisal is a continuing process, both the supervisor and the employee should view the performance plan as an integral part of the day-to-day business. The employee should be constantly aware of the performance standards of his position and use them to chart his course for accomplishment during the year. The supervisor should also remain continuously aware of the standards that have been established, evaluating progress on a regular basis and providing frequent feedback to the employee.

A full progress review should be made at least once during the rating period, around the mid-point. It is advisable to keep a record of progress review discussions. In addition, the supervisor should keep a written record of specific instances of both successful and unsuccessful performance throughout the year, so that when the time comes at the end of the appraisal period for the official appraisal, he will have objective, factual data upon which to base an evaluation. When this approach is taken throughout the rating period, the annual discussion of the year's achievements and shortfalls and the documentation of results in the form of an official performance appraisal can be a productive and beneficial experience for both parties.

THREE TYPES OF APPRAISALS

There are three types of formal performance appraisals — probationary, annual, and special. In addition, informal progress reviews and discussions should be conducted during the rating period.

For employees serving a one-year probationary or trial period, a probationary appraisal is to be completed during the ninth month of the probationary period, and will be used to document the decision to retain the employee or to separate him.

An annual appraisal is normally completed within 45 days following the end of the rating period, although under certain circumstances it may be completed earlier.

Special appraisals are to be completed during a rating period to cover periods of detail or temporary promotion of 120 days or more, or when the employee or supervisor leaves after 120 days or more of the rating period have passed but it is too early to do an annual appraisal.

Frequent progress reviews may be done at any time during the rating period. At least one full review at mid-rating period is required.

PREPARING FOR THE ANNUAL APPRAISAL

Preparation for an annual appraisal is discussed in some detail in the following paragraphs. Similar procedures are applicable to other types of appraisals as well.

Once the rating period has ended and it is time to prepare an official performance appraisal, the first step is to review each job element, the supporting tasks and the performance standards, and make written notations of the level of performance achieved by the employee in comparison with each of the standards established for the job. All factual information collected during the rating period through documentation of instances of performance, along with notes from the progress reviews, will be used as basis for determining level of performance achieved. Any special appraisals applicable to the rating period should also be considered. A pre-appraisal discussion with the employee may be desirable. You may gain additional pertinent information in this way.



From the notations made, a draft of the written performance appraisal should be prepared. Before the appraisal is finalized and before it is discussed with the employee, the appraisal should be discussed with the approving official (normally the next higher level supervisor). This provides the supervisor with an opportunity to obtain the views of his own boss, and will provide a chance to settle any differences of opinion that may exist, or to revise the appraisal before it is discussed with the employee.

SCHEDULE AN APPRAISAL DISCUSSION

Discussion of the appraisal with the employee is a critical part of the entire performance appraisal process. Unobstructed communication and effective interaction between the supervisor and the employee are essential. The goal of this discussion should be mutual understanding of and, if at all possible, agreement on supervisory expectations, the level of accomplishment attained by the employee, and finally, future actions for future improvement. Simply understanding where we have been and where we are now serves little purpose unless we use the knowledge to help us determine where we should be headed in the future. What should the performance goals and expectations be for the upcoming year? What training and developmental efforts need to be undertaken to assist the employee — both in terms of immediate performance requirements and long-term career growth? Determining the answers to these questions is essential to the realization of increased employee motivation and productivity which are the basic purposes of the performance appraisal process.

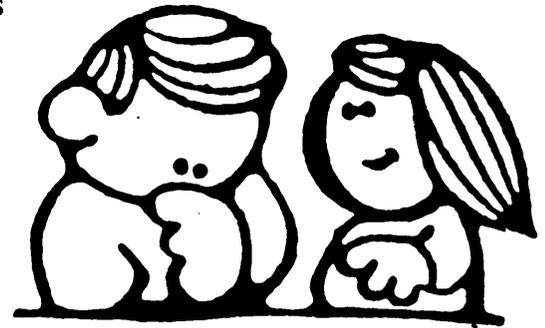
MAKING THE DISCUSSION A SUCCESS

There are four key ingredients for a successful performance appraisal discussion. They are preparation, time, privacy and objectivity.

Adequate preparation should be a natural result of continual use of the performance appraisal process and the establishment of a record of performance history throughout the appraisal period.

Time is important in two ways. First, the discussion should be scheduled sufficiently in advance of the date of the meeting to allow both parties to prepare for it (the employee needs preparation time too). Second, the supervisor should allow an adequate amount of time for the discussion. There should be ample time set aside to allow for an unhurried discussion in which both parties have an opportunity to say everything they feel needs to be said.

Privacy is also extremely important to the success of the performance discussion. There should be no one present but the supervisor and the employee, and there should be no interruptions during the meeting. If the supervisor stops to take telephone calls or to talk with unexpected visitors to the office, he sends the employee a very clear message that the discussion is not considered to be very important. Moreover, it is very difficult to resume such a discussion once an interruption has occurred.



Finally, the supervisor should strive to be as **objective** as possible in his appraisal. Certainly, total objectivity is difficult, if not impossible, but an appraisal based upon documented examples of actual performance compared with the performance standards established for the various elements of the job will greatly reduce the need for or inclination to rely upon the supervisor's subjective opinion. Remember, the greater the degree of objectivity in the appraisal, the greater the degree of acceptance by the employee should be.

IX. DOCUMENTING PERFORMANCE RATINGS

CULMINATION OF THE APPRAISAL PROCESS

Documentation of the performance appraisal is an important part of the process. All formal appraisals must be documented on appropriate DA forms and in accordance with instructions contained in AR 690-400, Chapter 430. All element ratings above or below the MET level must be justifiable and explained on the appraisal document. Although it is not required, you may wish to comment on MET ratings as well. If you find that you cannot rate an element because no work was assigned during the rating period or the employee for some reason had no opportunity to perform the duties of a particular element, it is appropriate to identify the element as "Not Rated" and explain the situation.

Preparation of explanation and justification statements in support of ratings is often viewed as a difficult task. However, if you have carried out the earlier steps in the appraisal process, including writing elements and standards, communicating them to employees, collecting data, and giving feedback, writing the narrative portion of the appraisal should flow naturally. Explain specific employee **achievements** that exceeded expectations or cite instances where results did not meet standards.

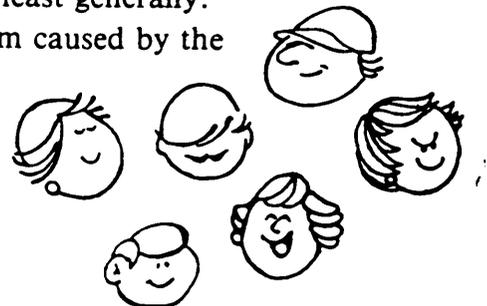
CHARACTERISTICS OF A "SOUND" RATING JUSTIFICATION

A sound, or reasonably meaningful, justification should be characterized by one or more of the following:

- Focuses on and describes an employee's observable accomplishments or failures.
- Cites facts, figures, deadlines, and how the employee handled pressures, obstacles or problems.
- Quantifies, if possible. For example, describes number of projects completed, amount of time taken on a project, number of errors made, etc.
- Describes what a situation was before the employee's accomplishment, what it might have become without the accomplishment, and what it did become because of the accomplishment. On the other hand, if the employee's contribution was not positive, it describes what could have been accomplished but was not.
- Describes the impact of the employee's work (either positive or negative).
- Describes critical incidents or events that if repeated regularly result in high ratings (positive incidents) or in low rating (negative critical incidents).
- Relates to the performance standard, at least generally.
- Describes value of a contribution or harm caused by the employee's performance activities.

A sound rating justification:

- Does not dwell on personality traits.
- Is not stated in generalities.
- Does not paraphrase the standard.



DEVELOPING A WELL-WRITTEN JUSTIFICATION

There are several basic principles which should be followed when formulating and documenting a performance rating.

1. RATE AND DESCRIBE EMPLOYEE PERFORMANCE

Describe the performance and rate it according to the standards set for the elements established for the employee's position. Simply state what the employee did or did not do in terms of each element. Then, in a few sentences, describe how the employee's performance compares to the defined standards.

You do not need to identify the reasons why the employee did not do something as well as it should have been done, nor do you need to state what the employee needs to do to improve performance. As a supervisor, you do need to address these issues and discuss them with the employee, but they should not be made part of the final written appraisal. Plans for additional training should be included in the IDP portion of the appraisal.

Good Example

Ms. Johnson supervised six employees in the word processing unit. They completed over 500 documents, and 95% of them were submitted on time. 7% were returned to the unit for corrections. The unit worked 11% more overtime than the standard allowed.



The timeliness and accuracy rate as stated above exceeded the standards, but the 11% overrun of overtime hours fails to meet the met standard that requires the employee to stay within the overtime hours allotted.

Although production exceeded the standard requirement, it was achieved by incurring greater than acceptable overtime costs. In my opinion, this consideration outweighs other aspects of performance in this element and lowers the rating on this element to MET.

Bad Example

Ms. Johnson supervised six employees in the word processing unit. The unit completed over 500 documents with a high timeliness and accuracy rate. However, an abnormal amount of overtime was required. I suggest that Ms. Johnson take a course in time management and learn how to schedule work more effectively.

2. STATE FACTS RELATING TO THE EMPLOYEE'S PERFORMANCE

Include statements of fact whenever possible rather than generalities or conclusions unsupported by facts.

Good Example

Mr. Jones noticed the ABC project was three months behind in making payments to its employees. On his own initiative, he took the following steps:

- Met with the management to identify the source of the problem as a management deficiency.
- Obtained a consultant to help correct the deficiency.
- Obtained agreement from major creditors to delay payments on outstanding bills.
- Worked out a temporary payment schedule. The results: The project is now making regular reduced monthly salary payments. Management staff estimate that in four months they will be making full salary payment on their bill.



This performance exceeded the Standards which only required that such problems as this be identified and that recommendations be made for their resolution. Mr. Jones' proactive approach facilitated swift corrective action and resulted in significant savings to the Department of the Army.

Bad Example

Mr. Jones is an exceptional employee. He is always on top of this element and does a great job.

3. FOCUS YOUR DESCRIPTIONS ON THE WORK

Keep your descriptions focused on the work, not the person. Evaluate performance, not personality traits.

Good Example

Mr. Burton was observed screaming at clients on five different occasions during the appraisal period.

This performance fails to meet the standard which calls for "courteous treatment of clients." Also, two of the events occurred after Mr. Burton was warned during the June progress review meeting that this was unacceptable work behavior.

Bad Example

Mr. Burton has a nasty disposition that negatively affects his dealings with clients.

4. WRITE CLEARLY AND CONCISELY

Use principles of effective writing in your written narratives. Write simply and clearly. Use nouns and verbs to describe accomplishments or failures. Be cautious with your use of adjectives as they often portray your comment as a *result* of your conclusions rather than the *basis* for them.

Good Example

Ms. Madden prepared nine analytical procedures reports.

- All reports met the requirements of the Analytical Procedures Reports Guide.
- Two resulted in dollar savings of \$60,000 and \$120,000 respectively.
- One streamlined operations of the XYZ systems by reducing processing time by 10 percent.



This performance exceeded the standard which requires preparation of six reports meeting the requirements of the Analytical Procedures Reports Guide, at least one of which results in significant time and/or dollar savings.

Bad Example

Ms. Madden prepared many analytical procedures reports. These were consistently complete and resulted in very significant dollar savings as well as extremely exceptional streamlining of important program operations. She is a great analyst.



X. WHY TAKE THE TIME?

What is the pay-off for using the performance management process in the manner we have been discussing? Simply stated, it is the ability of the supervisor to make better management decisions. The management process will provide not only the information upon which to make rational, valid and equitable decisions concerning the granting of performance awards to workers who excel, or reassignment, demotion, or removal of those whose performance is less than fully acceptable, it will also provide the documentary evidence necessary to substantiate the actions resulting from those decisions. It also aids the supervisor in making other important management decisions, such as pay determinations, retention during the probationary period for new hires, identification of training and development needs and sources, and promotion potential of subordinates.

When carefully planned and consistently applied, performance management is also invaluable in terms of employee development. When employees clearly understand what is expected of them and are given frequent constructive feedback regarding their progress, they are normally encouraged to strive for a higher level of performance. Many will be motivated toward self-development activities and the setting of realistic and challenging career goals. Morale is generally much higher when employees feel that they and their work are a recognized and important part of the organization. It is clear that effectively executed performance management can be extremely beneficial to employees as well as to managers and supervisors.

Development and use of an effective performance management program as has been described will take a substantial investment of the supervisor's time and energy; but it is an investment that will yield substantial dividends, not only for the supervisor, but also for his employees and the organization as well.



APPENDIX A

I. OUTLINE OF THE PERFORMANCE MANAGEMENT PROCESS DEVELOPMENT

- A. Review of organizational mission/functions/goals
- B. Review of individual positions
 - 1. Relationship to organizational purpose
 - 2. Currency/validity of duties and responsibilities
- C. Identification of major job element
(end results-outcomes of the activity of the position)
- D. Identification of critical elements
(job elements of sufficient importance that failure to achieve would be basis for taking the employee out of the position by reassignment, demotion or removal)
- E. Enumeration of tasks supporting each element
- F. Development of performance standards
(objective yardsticks for measurement of the degree of accomplishment of job elements)

II. USE

- A. Day-to-day application
- B. In-progress review/modification of standards as necessary
- C. Periodic discussions of performance vs standards
- D. Documentation of actual performance

III. RECORDING RESULTS/TAKING ACTION

- A. Set performance standards for coming year
- B. Prepare written annual performance appraisal (or special appraisal as applicable)
 - 1. Based on performance history of past year, cite specific examples of performance accomplishments
 - 2. Compare actual accomplishments to preestablished, properly approved standards
 - 3. Assign appropriate element ratings and overall summary rating
- C. Conduct annual performance appraisal discussion with employee
 - 1. Reach mutual understanding of supervisory expectations and level of accomplishment attained by employee.
 - 2. Determine future actions for improvement (remedial or developmental training/activities)
- D. Initiate appropriate indicated management actions
(e.g., recommend award, salary increase, request training, initiate action to reassign/demote/remove employee)