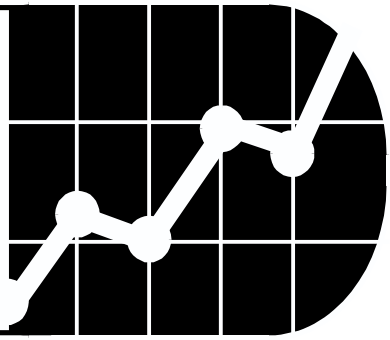
Performance Management
Practitioner Series



Evaluating Performance Appraisal Programs:

An Overview

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TABLE OF CONTENTS

Concept 1

Designing Evaluation Into the Program 1

Strategy 1

Compliance 1

Effect 2

Checklist 4

Bibliography 5

CONCEPT

Assessing the value and effectiveness of an appraisal program is necessary for determining how to improve it. This guide suggests procedures and criteria for evaluating the implementation and effect of performance appraisal programs. It provides a brief summary of program evaluation and is a starting point for program evaluators.

Designing Evaluation Into the Program

Agencies are required to evaluate their performance appraisal system and program(s). Ideally, as appraisal program designers plan for the implementation of their program, they should also plan for its ongoing evaluation. The methods and questions used should be similar to the ones used in the design process when an initial assessment of the organization and its current appraisal program was done. (For example, if a survey of employees and managers was used to determine satisfaction levels with the current process, the same survey could be used for the new appraisal process to compare changes in satisfaction levels between the old and the new.) As program designers develop new appraisal programs, they should also develop the criteria they will use to determine whether the program is successful. They should plan to evaluate the program after the first appraisal period is completed. Ongoing program evaluation should be part of the program design and should be planned for, not only because it is required by regulation but to improve program effectiveness.

STRATEGY

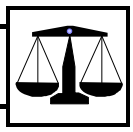
Appraisal programs can be evaluated from two broad perspectives:

- **Are we doing things right?** (i.e., are the process and the rules being followed?) and
- **Are we doing the right things?** (i.e., what effect does the program have?)

Compliance

By asking the first question, evaluators are attempting to determine if the organization is in compliance with regulatory, system, and program requirements. Examples of these types of questions include:

- Were appraisals done on time?
- Did everyone who was supposed to receive an appraisal get one?
- Were employee performance plans issued timely?
- Were progress reviews conducted?
- Does management devote appropriate resources and give priority to the effective maintenance and operation of the performance appraisal program?



As an initial step, compliance information is important to collect. If a program is not being run as it was designed to be run, it will have little chance of accomplishing the reasons for its implementation. But compliance information should not be the only program issue evaluated.

Effect

By asking the second question—Are we doing the right things?—evaluators attempt to determine the effect or the results of the appraisal program. The questions below represent possible criteria for determining the results of an appraisal program:

- **Are the stated objectives of the appraisal program being met?** If there are no stated objectives, do users have unwritten expectations and are those expectations being met? By focusing on program goals and objectives, evaluators can gather information specific to the goals and report results in terms of goal achievement. (Examples of stated program goals could include such things as improving organizational performance, encouraging teamwork, or improving communication about expectations between supervisors and employees.) If there are no stated goals in the program, determine the expectations of the designers, decision makers, and users of the program through surveys, interviews, and focus groups. Then base evaluation questions on those expectations. If there are no stated or unwritten goals for the program, at least the regulatory requirements of performance management (listed below) can be the basis for developing evaluation questions (see 5 CFR 430.102(b)):

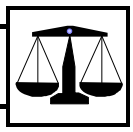
  (1) Communicate and clarify organizational goals to employees.
  Does the program provide for including or addressing organizational goals in employee performance plans?

  (2) Identify individual and, where applicable, team accountability for accomplishing organizational goals.
  Are employees held accountable through elements and standards that relate to organizational goals? Is team accountability addressed, where appropriate?

  (3) Identify and address developmental needs for individuals and, where applicable, teams.
  Are training needs and/or career development discussed?

  (4) Assess and improve individual, team, and organizational performance.
  Is appraisal used for improving individual and group performance — as it's supposed to be — or is it used to threaten and punish employees? Or is it used for some other reason?

  (5) Use appropriate measures of performance as the basis for recognizing and rewarding accomplishments.
  Are measures credible? Are awards based on valid and accepted criteria?



(6) Use the results of performance appraisal as a basis for appropriate personnel actions.

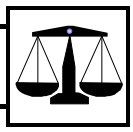
Are appraisal results used appropriately as a factor that is considered when making other personnel decisions (such as within-grade increase determinations, promotion decisions, etc.)?

- **Are employees and managers satisfied with the equity, utility, accuracy, etc., of the program?** The perceptions of managers and employees are important to the success and effectiveness of a program. Employees need to feel they get enough feedback on their performance and that their elements and standards are current and fair. Measures should be perceived as accurate and objective. On paper, the design of an appraisal program may appear to have all the right components. However, the perceptions of the users will be key to whether the program operates successfully.

- **Do the benefits of the program outweigh the costs?** Costs could include the cost of developing the program as well as the cost of using it. Examples of measurable costs are the costs of developing and using an automated appraisal process; the amount of time taken to develop employee performance plans; or the amount of time taken by raters, ratees, reviewers, and other users to appraise performance. But costs must be compared against the benefits. A method that costs little may also produce little, while a method that costs much in terms of development and usage time may provide significant benefits, such as improved performance, clarified expectations, or higher satisfaction rates.

- **Has there been an improvement in employee, unit, or organizational performance?** One of the purposes of performance management is to improve organizational effectiveness in the accomplishment of agency mission and goals. Because of the requirements of the Government Performance and Results Act of 1993, agencies are establishing strategic plans and measuring their performance against the goals they set for themselves in their plans. It may be difficult, however, if not impossible, to attribute the results of organizational performance to an employee appraisal program since an appraisal program is only one of many systems and processes that affect organizational outcomes. It is much easier to relate appraisal program effectiveness to improvements in employee and unit performance, but organizational performance should be considered.

- **Has the attitude or the behavior of employees and/or managers changed as desired?** Appraisal programs can be used as tools to support agency initiatives, such as focusing on results, improving customer service, and developing teamwork. These initiatives often require a change in organizational culture and employee attitudes to be successful. Determining that there have been desired attitude and behavior changes may be an indication that the appraisal program has had some effect. But again, it would be difficult to attribute attitude changes solely to the appraisal program.



- **Are there signs of different treatment in the results of performance appraisal processes?** Statistics on the distribution of performance ratings should be gathered and analyzed. Uneven ratings distributions might raise questions of fairness when compared by race, national origin, sex, and by occupational groups and grade. Performance-based adverse actions taken against certain groups of employees more often than others also should be analyzed. If different treatment is found, designers should attempt to determine if appraisal design features are causing the lack of balance in the ratings or if there is a larger problem in the organization that is surfacing through the appraisal process.

- **Has there been an improvement in the efficiency or the effectiveness of related human resources programs?** The law requires that the results of Federal performance appraisal, i.e., the appraisal of elements and rating of record, be used as a basis for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing employees. Evaluators may look at the relationships between performance appraisal and other human resource programs. For example, evaluators might want to determine:
  - if summary levels are used as a reference point in promotions or if ratings are so inflated that they are meaningless to the process;
  - if training needs are determined through the appraisal process or if supervisors and employees fail to talk about ways of improving performance during appraisal interviews; and/or
  - if supervisors receive support from the organization when a performance-based action is necessary, or if poor performance is tolerated.

CHECKLIST

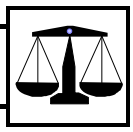
Once a list of possible topics and questions has been developed for evaluating the program, the following checklist can be used to help ensure that the right questions are being asked in the right way:

❑ Is it possible to gather information about the question? Don't bother including it if information can't be gathered.

❑ Is there only one possible answer to the question? The answer should not be predetermined or loaded by the phrasing of the question.

❑ Do decision makers feel they need the information? If no one will use the information, there is no reason to gather it.

❑ Do decision makers want the answer to the question for themselves? The results of evaluations are much more useful when people want the information.



- ❑ Can decision makers indicate how they would use the answer to the question? Knowing ahead of time how evaluation information will be used increases the chances that the evaluation results will not be filed away and never used.

A periodic, well-designed evaluation of the results of performance appraisal programs will provide the information managers and employees need to continually improve their appraisal processes. As program designers or evaluators design the evaluation tool, the underlying questions should be, What difference would it make to have this information? How would the information be used and how would it be useful?

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