

P M

PUBLIC MANAGEMENT

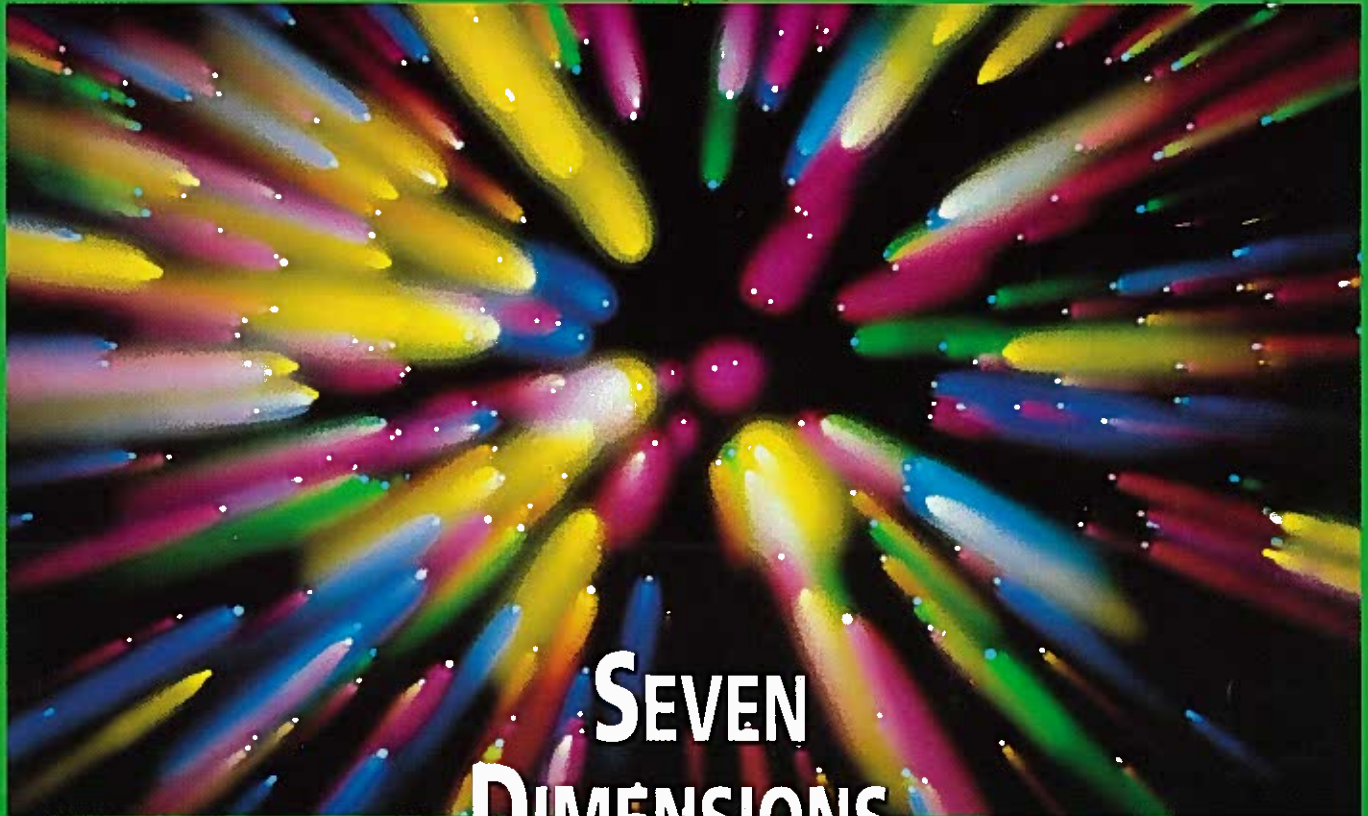
Also in This Issue: The Fort

Collins Virtual Business Incubator

• **Building Fire Departments**

Through Self-Assessment

MARCH 1998



**SEVEN
DIMENSIONS
OF
EMPLOYEE
IMPROVEMENT
AND
DEVELOPMENT**

New Keys to Employee Performance and Productivity

John Luthy

Almost 20 years have passed since public managers began recognizing that traditional performance measurement and employee evaluation systems were inadequate for a rapidly evolving workplace. Even with this realization, however, more than 80 percent of surveyed government organizations still use outdated performance evaluation processes that are insufficient to motivate, encourage, or recognize employees. To say the least, progress has been slow.

Thirty years ago, the work of Frederick Herzberg and others demonstrated that money alone does not motivate employee performance; nor does it reinforce loyalty or devotion to various organizational initiatives. Rather, it is a "satisfier" that enables an employee to satisfy personal and family needs and, to some degree, to reflect his or her status in the workplace. Even with the information provided by these early studies and by many studies since, public organizations have floundered among simplistic approaches to employee performance evaluation and correspondingly weak attempts to link performance with pay.

The process of employee performance evaluation has assumed an expanded meaning over the past decade. No longer can it be merely an annual exercise to justify compensation decisions. It is a critical management tool that must become one of the central initiatives within every public agency.

This mix has produced a variety of systems that encourage "bracket creep," badly skewing pay systems while discouraging personal initiative, performance, efficiency, dedication, and productivity. Longevity continues to drive far too many compensation decisions, encouraging almost an implosive survivalist mentality rather than collaboration, lateral movement, personal growth, skill transfer, and continuous improvement.

Work over the past two decades has consistently indicated that individual contributions must be based on clear direction, personal planning, individual and team assignments, and well-articulated knowledge, skills, and personal attributes. Without such clarity, employees have no expectations to meet; nor are they able to follow patterns that constitute standard performance ideals in the organization. Only when time is taken to develop a job model for each employee, with detailed assignments and an opportunity for peer review, will evaluation be worthwhile and provide a sensible basis for personal and professional development, career advancement, and merit compensation.

Employee Contribution And Development Planning

After reviewing dozens of evaluation systems, this author believes that there must be an approach that allows clear evaluation based on desired attributes, necessary technical knowledge and skills, and accomplishment toward established objectives. Formal and informal research consistently reveals that employees desperately want to be judged on their accomplishments and to seek new opportunities based on their own abilities to perform. They certainly don't want to be put into a categorical box or compared with fellow employees as the central means of evaluation. Rather, they want to be recognized and rewarded for their unique contributions as they relate to specific job duties, profes-

sional capabilities, and overall performance in the organization.

Here are some important questions now being debated more openly by public managers: How can we deal with employees who work hard for two or three years, receive healthy pay increases and even promotions, then begin coasting? When money is tight, are there alternative means of rewarding employees for making consistent and meaningful contributions? What is a logical method of linking employee and/or team performance with compensation? What kinds of compensation are there, and how is each type calculated? What should the relationship be among strategic planning, performance budgeting, and employee evaluation? And, ultimately, how can the evaluation process contribute to teamwork, morale, productivity, initiative, creativity, efficiency, and workplace harmony?

To achieve desired outcomes, performance must be reviewed based on annual or quarterly goals, objectives, and assignments. Clarity is imperative if supervisors are to judge contribution accurately and to assess the question of who deserves merit increases. Public managers are being asked to do more with less, and this trend will continue. How, then, can a manager thoughtfully guide an operation in a manner that encourages high productivity, accurately depicts who is actually performing, and establishes a nonintrusive system that monitors and documents true employee contribution?

Supervisor/Employee Cooperation

In an evolved system, supervisors and employees work together to create an employee contribution and development plan that is specific to the employee and his or her position. A review of the essential knowledge, skills, behaviors, attributes, job tasks, and desired outcomes that constitute high-quality performance becomes the foundation for guiding professional growth and development, as well as for assessing per-

formance. Careful attention during the initial plan development ensures that the plan accurately profiles a particular position, its inherent responsibilities, and the qualifications essential for employee success.

Developed and used properly, this plan will determine progress toward annual objectives, the achievement of important professional development goals, and the successful implementation of agreed-upon actions. Each element will help evaluate overall employee contribution and performance for the purpose of merit increases or special cash awards that do not add to base pay (tools that seem to be gaining in popularity). Quarterly or semiannual progress updates, plus an annual review, also provide excellent opportunities to promote ongoing communication between employees and supervisors. Updates and employee reviews alike, however, must be based on well-defined plan content, that is, essentially on a customized model for a particular position (not to be confused with a job description).

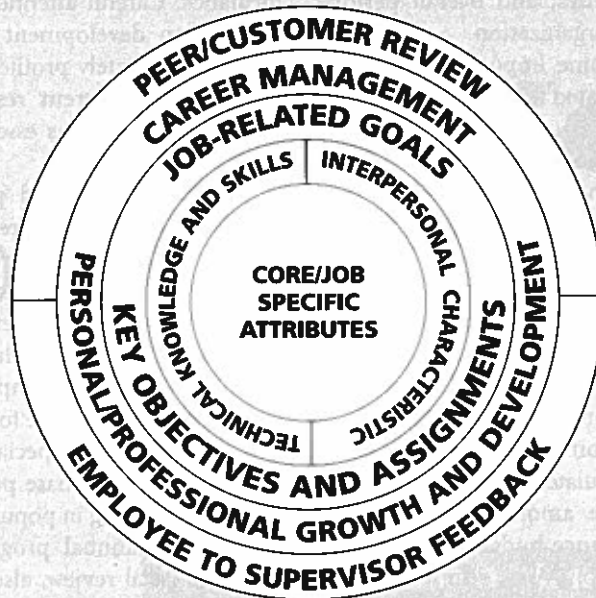
Perhaps most important here is a new process that removes much of the subjectivity from performance evaluation and replaces it with objective criteria derived directly from established job responsibilities. Performance discussions can thus be based on objectives

New Training Package!

ICMA's *Employee Performance: Appraisal and Management* will make it easy for you or anyone on your staff to facilitate supervisory training in performance appraisal and management!

For more information, call ICMA's fax-on-demand line at 703/531-0915, select "3" for resource information and follow the prompts.

The Seven Dimensions of Continuous Improvement and Individual Development



Individual Contribution
and Development Summary

Quarterly
Progress Update

The Futures Corporation © 1998

and actions required by the job, as defined in advance by both supervisor and employee. Removing the subjective aspect of employee evaluations is in itself a major advance from most systems being used today.

A key success factor, of course, is cooperation between employees and supervisors, which requires supervisors to actually teach, mentor, and plan with employees. This is a critical point because it is estimated that fewer than 40 percent of supervisors are genuinely good at supervising! What we normally see is old-style foremanship, which causes an environment of ordinate/subordinate relationships that are counterproductive in trying to build and maintain a cohesive, collaborative, and highly efficient team.

Seven Dimensions of Continuous Improvement And Development

There are seven types of input, or "dimensions," critical to fostering continu-

ous improvement and individual team development. Dimensions 1 through 4 form the basis for thoughtful and accurate evaluation. They involve criteria identified jointly by the employee and the supervisor, and they clarify what is expected on that specific job in a finite period of time.

To fashion the kind of public workplace that we all know is successful, employees must believe that the organization is willing to invest in their personal and professional development. Therefore, dimension 5, career management, also is required because this step in the process gives the employee a regular chance to work on his or her personal and professional development.

Dimension 6 offers an opportunity to use corollary peer and customer reviews as parts of employee evaluations. Dimension 7 is a special employee-to-supervisor feedback system that encourages communication and provides growth opportunities for managers. These last two dimensions are optional but are recommended as part of the

comprehensive performance management process.

The following overview describes the type of input and/or the process needed to complete each particular step in a performance evaluation.

Dimension 1

Core/Job-Specific Attributes. This dimension involves those qualities and behaviors common to successful, performing employees at all levels throughout the organization. Think of these as traits considered important for all employees to exhibit to foster and maintain the kind of culture that is desired.

Dimension 2

Technical Knowledge and Skills. This step relates to a person's understanding and ability to use the technical information methods, procedures, and equipment needed to perform the functions of a particular job. This section of the performance evaluation sets forth in clear detail the technical KSAs (knowledge, skills, and abilities) necessary for success in a specific job.

Dimension 3

Interpersonal Characteristics and Skills. These are the traits and qualities that facilitate communication, cooperation, and collaboration among team members and with others. This section of the evaluation lists the characteristics needed to foster good working relationships among people in and outside the organization, while reflecting the leadership qualities needed in lead persons, supervisors, and managers.

This is a key area often neglected in performance planning and only addressed when serious interpersonal problems exist. This dimension openly establishes those characteristics that an organization expects of its employees and provides another basis for annual review. *Interpersonal communication and conduct represent the one area that, if not addressed, leads to the most internal problems and the greatest frustrations noted by managers at all levels.*

Dimension 4

Job-Related Goals, Key Objectives, and Assignments. This critical dimension allows for performance contracting as part of an overall professional and organizational development process. This section of the evaluation identifies goals, objectives, assignments, responsibilities, and special projects that relate specifically to the employee's job and for which the person will be held accountable. It is short, concise, and specific, so that clarity exists as to what outcomes are expected. This dimension is one of the key factors in annual deliberations over merit pay.

Dimension 5

Career Management, Personal and Professional Growth and Development. At this point, areas of personal and professional development are identified by each employee and perhaps by the supervisor, as part of the overall professional improvement and career planning efforts. This is another important aspect of a system that promotes organizational improvement through employee development.

Employees consistently raise concerns over their own options for development, often leaving when they feel stifled. The approach described in this article blends improvement and development with career planning, allowing the employee and the supervisor to chart a course that benefits both the employee and the organization.

This aspect of the process receives a great response among staff because it demonstrates a respect for and commitment to personnel, who often feel isolated and powerless to advance or improve their lot in life.

Dimension 6

Peer/Customer Review. This optional but recommended step invites insight and input from coworkers and from internal (or external) customers. Most evaluations neglect the people with whom the employees interact, when it is these very people who could best de-

scribe and verify behavior, efficiencies, or outcomes unnoticed by a supervisor.

Dimension 7

Employee-to-Supervisor Feedback. In this dimension, employees are allowed to give helpful suggestions and feedback to supervisors in a positive manner that permits both parties to achieve greater success. Few supervisors or managers naturally solicit feedback on how they could do a better job for their employees.

This dimension provides that opportunity but does so in a way that forms part of the general improvement effort, instead of standing as an isolated incident or session to deal with a perceived problem. While optional, this step is highly recommended because it helps identify supervisors who need training and development and introduces a non-sensitive method of discussing how work groups can make consistent improvements in communication and cooperation.

With the growing popularity of "360-degree reviews," dimensions 6 and 7 provide a means of review that will become quite common over the next three to five years. If completed as part of the overall performance plan, however, these dimensions are softened without compromising their value.

A Total System

Each of the seven dimensions stands alone. The entire process can be established on-line so that hard copies can be downloaded as necessary, and if alterations are needed, these can be accomplished with minimal effort. The only printing required is that of the initial folder in which each employee's individual plan is filed, and this, too, can be optional if funds are short. The process has been developed to set clear boundaries regarding what the organization expects, what the job requires, what outcomes need to be achieved, and what areas of growth and development will prove beneficial.

At first glance, the process appears time-consuming. Actually, if done properly, it takes no more time than traditional, simplistic processes. Yet it pays significant dividends both to employees and to the organization. Most time is accrued when each employee's initial plan is developed and while supervisors and employees learn the process. After that, most aspects of the plan (such as core attributes, technical skills, and interpersonal skills) will change little over time, and amendments can be made easily during quarterly and annual reviews.

Remember, part of the process is the responsibility of the employee, with general guidance and support from the supervisor. It is a collaborative process allowing supervisor and employee to work together to plan, then jointly to assess contribution (performance) according to the criteria they already have established. This type of "performance contracting" has been around for many years and has been successful when properly implemented.

Supervisor Training and Employee Orientation

As with any new system or approach, implementation must be thoughtful and well planned. Supervisor training and orientation of all employees is critical in departing from a process that has been around for decades. Particularly for those supervisors who have used a checkoff or mark-the-box system to evaluate employees, moving to a new process that seeks collaboration and interaction can be quite a shock. Some are threatened, others argue they have no time, while others see the value of working cooperatively on performance management and organizational development.

A supervisors' handbook and training guide can help with the initial training, then serve as a desk reference. During training—which can be done in large groups in half-day sessions—supervisors and managers should receive a brief refresher course on management

Selecting
high-quality
police officers &
fire personnel
can make all the difference
in your community,
today,
and twenty years from today.

LASER TESTS



ENTRY-LEVEL WRITTEN EXAMS

- Easy to administer and interpret. All scoring and results reporting are done for you.
- Developed to identify personnel with a broader skill set, to include *common sense & teamwork*.
- Non-discriminatory, valid, and reliable. Meets all statistical and legal requirements.
- Created by experts with 20 years of public safety assessment experience.



1 800 254-8663

30 S. Wacker Dr., Ste. 3920, Chicago, 60606
Ph. 312 382-8200 Fx. 312 382-8286

theory, organization development, motivation, communication, and planning. It also is an opportunity to discuss internal problems and frustrations that will be addressed by this new approach to performance management.

A Meaningful Contribution

The seven dimensions reviewed in this article encompass every element considered critical to employee and organization development, performance review, career planning, and continuous improvement. Once supervisors and employees have used the system, they will begin to see the value of collaboration, joint planning, and internal improvement.

The process positively changes the work environment and alleviates the ordinate/subordinate relationships that destroy teamwork and initiative. While initial training and orientation are critical, real progress toward full implementation only is made once the process is being used throughout each agency.

Linkage Between Strategic Planning and Performance Budgeting

Because a primary emphasis has been placed on strategic planning for public agencies, it has become increasingly apparent that, to have meaning, performance planning and evaluation *must* be tied to strategic plans. This linkage is accomplished through individual and team performance plans, which include many of the objectives and actions/strategies described in an agency's strategic plan.

Written properly, plan actions and strategies will identify accountable parties who can be evaluated on whether and how well the agency's goals, objectives, and/or recommended actions have been accomplished. Similarly, because properly executed strategic plans drive performance budgets, there will be a direct relationship among plans,

budgets, and both agency and individual performance.

Moving Forward

Systems involving employee contribution and development planning represent a major leap forward from most systems currently used in public agencies. Developed over the past 12 years and based on the best practices found in the public and private sectors, employee contribution and development planning will foster internal efficiency, quality, continuous improvement, and new levels of collaboration. Taking only a short time to learn, it will involve a new approach for many old-school supervisors, quite a number of whom have failed to invest in their employees. The approach can be easily customized to meet the needs of individual agencies or managers, however, and it will allow each organization to include clear performance expectations based on its own unique circumstances.

By clarifying expectations, goals, and assignments, plus describing the knowledge and skills required for success, an organization can build an enduring foundation for employee performance measurement and for consistent process improvement. As public agencies move into the next decade, it will become even more important for them to maximize employee effectiveness, experience, and productivity.

For public administrators to be successful, they must begin changing their perspectives and begin practicing an entirely new style of performance management. If they fail to do so, public organizations face the prospect of being unable to fully mobilize potent but often latent human resources to match the enormous velocity of change and meet the increasingly difficult challenges of the twenty-first century. **DLJ**

John Luthy is president of The Futures Corporation and founder of the Executive Management Development Institute, Boise, Idaho. All rights to this article are reserved to John F. Luthy, 1998.