
Union Workers Embrace a New Concept: Performance Appraisals in a Union Shop — Why Not?

*A guide for supervisors and employees — tell them **why** it's a good thing.*

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Despite the trend of everyone touting their company as a learning organization, union employees are not always offered the opportunity for growth and performance improvement. Sometimes we're so

busy with day-to-day activities we forget that workers are whole people who need to be motivated physically, emotionally, and intellectually. Properly implemented, performance appraisals demonstrate a commitment to employees that proves the company's belief in respecting the employee and in continuous improvement. It's a way to engage workers in adding value, improving processes, and becoming a stakeholder in the company's success. After all, we've always done appraisals for our non-union workers — why not for union workers?

Not surprisingly, results of an employee opinion survey conducted at Benjamin Obdyke Incorporated¹ in September, 1994 showed that union and non-union workers alike have the same needs — respect, communication, achievable goals, and feedback are just a few. The survey was conducted by an outside consulting firm, and our CQI (Continuous Quality Improvement) steering committee added questions to elicit feedback on these questions directly relating to CQI:

- I believe our top managers are actively involved in providing quality jobs, products, and services here
- I have the training to improve my work that will enable me to satisfy my internal or external customers
- The CQI process has given me the opportunity to

Conducting the Appraisal

1. Congratulate, praise, and reward the employee for performance that met or exceeded standards.
2. Encourage and support employees but withhold rewards for performance that did not meet standards.
3. Summarize what has been discussed and agreed upon. Outline action steps for performance improvement, if required.
4. Ask the employee to repeat the outline of action steps (check for commitment as well as understanding).
5. Outline your own follow-up steps.
6. Jointly set objectives and standards for the next performance period.
7. If appropriate, give formal warning (oral and written) with standards to be met and time of next review.
8. If appropriate, give overall performance rating and documentation to employee.
9. Express appreciation for the employee's participation.
10. Follow the discussion with a written record of the agreements and/or required action plans.

Figure 1. *Breaking down a tough task into smaller steps makes the whole process easier.*

work in a positive team work environment

- Our managers and supervisors do not support what they say about achieving quality products or services here
- We are given adequate information and feedback concerning our external and internal customers
- Our continuous improvement processes have a good impact on my job, the company, and our products
- I am actively participating in my group, team, or department to improve the quality of our methods, productivity, services, jobs, process, etc.
- Top management is not aware of my efforts and participation to the CQI process to improve my job and the company.

Other factors included top management, working and safety conditions, supervisory effectiveness, pay and employee benefits, communications and recognition, employment security, and promotion and employee relations. Statistical data reported by department enabled us to focus on improvements specific to each area. We were pleased to see an increase of 15 points over the organizational average from the survey conducted in 1990 and 14 points over the 1994 national average.

Conversations with employees following the survey all relayed the same message. “We’re a member of a team, part of a department, an employee of the company. But we want to be recognized as an individual; be able to talk one-on-one with our supervisor. We want to know how we’re doing, and what’s expected of us.”

I wanted to address employee recognition, feedback, and one-on-one dialog with the supervisor with as much innovation as we show in developing and manufacturing building products. The approach proved to be a performance management process for union employees that is taking our company to a new level; it is the foundation for an educated, empowered workforce.

What makes the process innovative is actually training supervisors and workers on what, why, and how to conduct employee appraisals. The combination of training for supervisors and workers, along with the actual appraisals, creates a corporate performance management process.

Supervisors become respected mentors; workers learn faster with a clear understanding of how to make

significant individual and process improvements. As one employee put it, “You get to sit privately with your supervisor to discuss your job with an opportunity to help improve your performance.” (For tips on conducting the appraisal, see Figure 1.)

Training for the Supervisor

Training supervisors is the first step and can be conducted by an in-house HR manager, plant manager, or someone in the organization with training or coaching experience. A well-planned appraisal is more than a simple review of an employee’s direct responsibilities. It’s a two-way communication, with what we call ROC — receipt of comprehension. It’s an opportunity to:

- share new ideas and improved methods
- reduce anxiety through constructive feedback
- reinforce sound work practices
- review goals with two-way communication (see Figure 2).
- eliminate surprises about the work quality.

“We’re a member of a team, part of a department, an employee of the company. But we want to be recognized as an individual.”

Goal Setting and Standards of Excellence

Setting standards of performance or establishing goals will solve problems and/or improve performance.

| Goal Types: | Quality | Quantity | Cost |
|-------------|-------------------|----------------------------|--------------------------------|
| | (Accuracy, class) | (Rate, timeliness, volume) | (Labor, materials, management) |

- ✓ A **GOAL** is a statement of results which are to be achieved:
 - 1 conditions that will exist when the desired outcome has been accomplished
 2. a time frame during which the outcome is to be completed
 3. resources the organization is willing to commit to achieve the desired result.

Goals should be challenging, but achievable and established with the participation of those responsible for meeting them.

- ✓ A **STANDARD** refers to an ongoing performance criterion that must be met time and time again; it is usually expressed quantitatively and refers to such issues as attendance, breakage, manufacturing tolerances, production rates, and safety standards.

Standards are more common for workers engaged in routine, repetitive tasks. Goals apply more to workers who engage in individualized projects.

Figure 2.

Positive Discipline: Setting Effective Boundaries

1. *State roles positively, clearly, and briefly in simple language.* Frequently workers do not know the rules because they have never been stated explicitly, or they have heard them but the language or phrasing was too complex. A statement of what should be done is more effective than a forbidding, negative manner.
2. *Explain needs so they are recognized and understood.* Workers have less resistance to rules when they understand why they are made and the needs they satisfy.
3. *Develop clear consequences.* The word consequence should not only be synonymous with penalty or punishment but also mean outcome or result., that is the consequence for lateness might be a reduction of productivity rather than a reduction of pay. (Relates to criteria in helping employees understand how a rule relates to and meets a need.)
4. *Design boundaries so they are enforceable.* If it is too difficult to enforce or too time consuming, it usually is better to either forget it, or concentrate on the fifth criterion.
5. *Include workers in their development.* It is helpful when the majority of company and departmental policies and procedures are established by agreement between management and the employees who must follow them rather than by authority.
6. *Make them common knowledge.* If a boundary is not common knowledge, it will either not be followed or else be followed irregularly. Occasional reviews allow for renegotiation and serve to keep the boundaries in the employees' consciousness.

EXAMPLE: "You may (*define freedom*), but (*set the limit*)."

Figure 3.

Performance Appraisals — Guide for Supervisors

Objectives

- Establish a work climate conducive to productive performance appraisals
- Initiate and maintain positive communication about work performance versus work expectations
- Help employees prepare properly for performance appraisal
- Prepare and conduct performance discussions that encourage an exchange of information and produce better results
- Follow through properly on agreements reached with the employee.

Figure 4.

A Performance Appraisal Is:

A periodic opportunity for communication between the person who assigns the work, and the person who performs it.

- What to expect and how well those expectations are being met
- Not adversary proceedings or social chit-chat
- Common purpose

A good performance appraisal leaves both parties feeling they have gained something!

- Engage in mutual goal setting
- Correct improper performance when it occurs
- Provide a climate conducive to success
- Appreciate the ideas of others
- Add from your own experience
- Publicly recognize positive performance
- Establish clear, measurable expectations
- Ask questions; listen carefully
- Follow through to ensure commitments are met.

Figure 5.

We use Figure 3 to clarify expectations of supervisors and employees alike, and to set boundaries. Figures 4 and 5 are excerpts from Obdyke's supervisory training. The appraisal process is a significant communication opportunity that allows us to approach broad issues in a very structured way:

- Share company and employee needs (see Figure 6).
- Employee needs such as security, recognition, feedback, new skills career development, team involvement, and self-actualization goals.
- Organizational needs such as employee productivity, profitability/financial viability, quality of products, service to customers, competitive advantage, growth of the organization, enhancement of corporate reputation, process integration, HR planning.
- Managerial needs such as the need for employees to know their manager's goals, expectations, motivation, accountability, meeting their own performance objectives, problem-solving and decision-making, executing organizational policies, implementation of strategic and operational plans, documenting successes, and legal protection.

When supervisors work with their employees, they realize the ability to fulfill their role by *getting results through others!*

Appraisal Form Development

In theory, all of this sounds great. But how does an HR manager get buy-in from the supervisors? What tools can be supplied to the supervisors to help them be successful in conducting appraisals? Most of us are not only uncomfortable on the receiving side of an evaluation, but many people find evaluation of others to be a painful process. (Figure 7 is a quick check list to help supervisors prepare for the appraisal.)

We found the best way to get buy-in from the supervisors is to give them an opportunity to develop the appraisal form based on what's important to them, their workers, and the department as a whole, in day-to-day activities, as well as corporate mission and vision. Figure 8 shows what the appraisal helps to accomplish: to get buy-in.

Don't settle for a standard appraisal form out of an HR manual; customize forms for each department. Some of the points you might include are:

1. Reviewing position guide or job functions; can be as

The Purpose of Performance Appraisals

I. EMPLOYEE NEEDS

Monetary Compensation: Whether or not the employee has met agreed-upon objectives and standards of performance will determine if an employee has earned an increase, the size of which depends on how far employee's performance has exceeded expectations.

Security: Employees need to know whether or not their performance meets expectations in order to know their jobs are secure.

Recognition: Taking pride in a "job well done" is one of the primary motivators, along with recognition from others in their organizations.

Feedback for Performance Improvement: Information and data is needed so employees can learn and make adjustments to their performance. The more specific and timely the feedback, the more useful it is to the employee.

New Skills and Skill Enhancement: Employees need specific information about which skills they would find useful to learn or refine in order to perform their current jobs more effectively and to be eligible for promotion.

Career Development and Planning: Employees need to understand their potential and limit in the advancement of their careers in their organizations. (Identify strengths and possible future positions to which they might aspire.)

Identification and Bonding with Team: Performance appraisals provide an opportunity for employees to feel that they "belong" and are "part of the family." Regular performance appraisals give employees the recognition that they are part of the team and that they "matter." Appraisals provide opportunities to relate employees' work to the overall contribution of the organization.

Self-Actualization Goals: Receiving information about how well they have used abilities — and how they might realize other abilities — is an important aspect of performance appraisals.

II. ORGANIZATIONAL NEEDS

Employee Productivity: Monitor employees' productivity to make sure the organization is getting the work for which it pays.

Profitability or Financial Viability: The bottom line — employers want high return-on-investment on the wages, salaries, and financial incentives that go to its employees.

Quality of Products: Performance appraisals contribute to maintaining or improving the quality specs for products; a direct link between employee's performance in meeting quality standards and the compensation received as a result of appraisals.

Service to Customers: Appraisals are instrumental in monitoring, evaluating, and improving the quality of services to customers (internal and external).

Competitive Advantage: Performance appraisals can help produce and sustain the motivation of employees in working at the high levels of performance necessary to attract and hold customers' business.

Growth of the Organization: Performance appraisals contribute to the growth of an organization by using the performance measurement in contributing to the introduction of new products, increasing market share, and expansion into new territories.

Enhancement of Corporate Reputation: An organization can obtain positive word-of-mouth promotion of its image and reputation from motivated employees. The more employees understand how their work contributes to the value of the organization, the more effective they are in spreading a positive reputation of the organization.

Process Integration: Performance appraisals help in process integration by making all employees aware of their roles in making each process work and relate to other processes.

Human Resource Planning: Data gathered from performance appraisals can help develop a knowledge of the skills its workforce already possesses, and the "gaps" between actual and desired performance. This data is used to determine the needs for training, development, and promotion of its current workforce and the recruitment of additional employees.

Management Succession Planning: A good performance appraisal system can be used to compare the performance of managers across functions and can help select the most competent for advancement and greater responsibilities.

III. MANAGERIAL NEEDS

Communication of Expectations: The most basic and important purpose of performance appraisals is the communication of manager expectations for performance to their direct reports.

Motivation of Employees: The ability to reward or to withhold rewards as a result of performance appraisals is a powerful way for a manager to maintain or increase the productivity of employees.

Accountability: Data collected is extremely useful in reporting to higher management on employees' productivity.

Meeting Own Performance Objectives: The manager's objectives are frequently the result of their direct reports' objectives. (Their success is your success!)

Problem-Solving and Decision-Making: Appraisals provide a format for confronting problems that employees may be facing but are reluctant to raise themselves. Similarly, managers have opportunities for joint decision-making concerning goals for the future.

Organization Development: Appraisals are a source of information about the team: who is working with whom effectively, etc. A manager can then use this information to do effective conflict resolution between individuals or team-building with the entire group.

Execution of Organizational Policies: Appraisals give managers a method to review compliance with policies and directives.

Implementation of Strategic and Operational Plans: The manager can develop action steps that will implement the parts of the organizational strategic plans, as well as short-term operational plans and budgets.

Documenting Successes and Legal Protection: Performance appraisals can help justify necessary terminations during legal actions brought by former employees.

Figure 6. Appraisals serve the needs of three company groups — employees, the organization, and management.

simple as, Employee has good understanding of the position ____ Yes ____ Needs clarification

2. Communicating the need to tie departmental goals to corporate goals; explain departmental measures such as scrap rate, utilization or machine downtime, error free orders, inventory accuracy.

Preparing for the Performance Appraisal

1. Schedule time and place.
2. Notify employee and ask to prepare self-appraisal (using forms required).
3. Assess employee's performance (using forms required).
4. If appropriate, get other managers' evaluations of employee's performance.
5. Set objectives and agenda for appraisal.
6. Check current policies, practices, and guidelines (especially compensation).
7. Check for own biases towards employee.
8. Anticipate problems and reactions.

Figure 7.

Measuring the Value of Communication Through an Evaluation Process

- Awareness
- Information
- Understanding
- Acceptance
- Intentions
- Goals-Oriented Action

The evaluation process enables us to measure some behavioral change or movement along a scale that starts with awareness and ends with action.



Figure 8.



Figure 9. Supervisors Mike Cavanaugh, Fletcher Sampson, Mike Coulton, and Bill Weaver designing the appraisal form.

We track our corporate goals on large white boards throughout the facility. Maintenance committees monitor and communicate variances monthly through E-mail, memos, reports, etc. Our employees know the goals and they know when we slip.

For example, our goal for scrap is two percent. At the time of the appraisal, the supervisor will document the percentage to date on Part II of the appraisal form. This reinforces our commitment to consistently meet our two percent goal, and lets each employee know how their department contributes to that goal.

3. Reviewing overall measurements like number of sick days, number of rule violations, etc. (Be sure to include only items that can be quantified — this removes subjectivity.) These statistics are most likely available via reports, time cards, etc.
4. Including a section for "Other" — employee suggestions, housekeeping, teamwork, training attendance, etc.
5. Final sections should include a comment section for the supervisor to remark on areas in which the employee needs to improve and a section (marked optional) for the employee to comment. This section allows the employee to disagree with any supervisor comments. Our open door policy allows the employees to take matters to the plant manager or HR manager.
6. Request that the employee sign/date the form. The employee may keep a copy; the original is filed in the personnel file. A sample of the evaluation form



Figure 10. Brian Harper and supervisor Fletcher Sampson conducting appraisal.

Production Employee Performance Evaluation

NAME _____ POSITION _____
 SUPERVISOR _____ DATE _____

I. UNDERSTANDING OF POSITION

- Employee has good understanding of position guide. ___ Yes ___ Needs Clarification
 Comments/goals: _____

II. DEPARTMENTAL MEASURES

- Utilization: _____
- Total productivity: _____
- Scrap rate: _____
- Credit memos: _____
- Inventory accuracy: _____
- P/E reports: _____
- Days w/o lost time: _____

III. INDIVIDUAL OVERALL MEASUREMENTS

- Times asked to work overtime vs. times worked overtime: _____
- Number of incidents: _____
- Number of rule violations: _____
- Number of accidents/lost time: _____
- Number of voluntary training classes: _____

| SUMMARY RATING OF SKILLS | |
|---|--|
| 5.0 — Exceeds All Requirements of Job. | 2.0 — Meets Some Requirements of Job. |
| 4.0 — Exceeds Most Requirements of Job. | 1.0 — Does Not Meet Requirements of Job. |
| 3.0 — Meets Most Requirements of Job. | |

IV. OTHER

- | | RATING | | | | |
|-------------------------------|--------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| • Suggestions: _____ | | | | | |
| • Housekeeping: _____ | | | | | |
| • Cooperation/teamwork: _____ | | | | | |

V. SUMMARY/COMMENTS — AREAS TO IMPROVE _____

VI. EMPLOYEE COMMENTS (optional): _____

 Employee Signature

 Date

Figure 11.

Accomplishing Goals/Objectives Through the Evaluation Process

The evaluation process creates the opportunity to:

- establish a benchmark of existing conditions
- identify informational needs of employees in relation to the goals of the company
- identify effective channels and media
- align policies and practices to the goals of the company
- develop on-going communication with the supervisor
- identify factors that could impede the successful accomplishment of organizational goals
- measure efforts and performance.

Figure 13.

is shown in Figure 11.

Preparation time is approximately 45 minutes per appraisal; the process gets easier as supervisors become accustomed to completing the forms. Training for supervisors stresses the importance of allowing at least 45 minutes to conduct the appraisal to allow ample time for two-way communication.

Remember that the focus of the appraisal is two-way communication and an opportunity for recognition as well as constructive criticism.

What's In It For the Worker?

Because the supervisors helped create the appraisal forms, they will most likely feel more comfortable with the whole process — there's the buy-in. The HR manager now focuses on buy-in from the workers.

But what's in it for the worker? Before they accept something new, they need to understand how it will benefit them. Explain the concept using words like support, recognition, information-gathering, suggestions, and feedback. Your presentation must be clear, and it should cover these points:

- Why?
- Mutual goal setting; establish clear, measurable expectations. (See Figure 13). Initially, we do this annually, but as we get better at the process we will review goals and results on a semi-annual basis.
- Recognize positive performance
- Correct improper performance

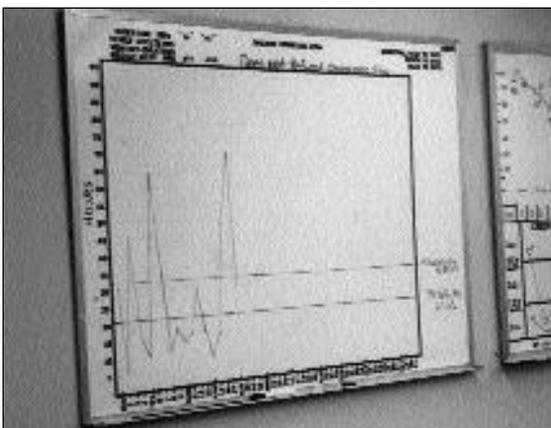


Figure 12. Charts like this one are posted throughout the facility for feedback to all employees.

Employee Preparation for an Evaluation

These questions can help you prepare for your performance appraisal. As you read each question, think about your performance, your progress, and your plans for future growth.

1. What critical abilities does my job require? To what extent do I fulfill them?
2. What do I like best about my job? Least?
3. What were my specific accomplishments during this appraisal period?
4. Which goals or standards did I fall short of meeting?
5. How could my supervisor help me do a better job?
6. Is there anything that the organization or my supervisor does that hinders my effectiveness?
7. What changes would improve my performance?
8. Does my present job make the best use of my capabilities? How could I become more productive?
9. Do I need more experience or training in any aspect of my current job? How could it be accomplished?
10. What am I doing to prepare myself for more responsibility?
11. What new goals/standards should be established for myself and/or my department for the next appraisal period? Which old ones need to be modified or deleted?

Figure 14.

Think of the evaluation process as two-way communication.

- Provide an opportunity to ask questions (See Figure 14 — handout to employees)
- Opportunity to learn and grow (self-actualization)
- Discuss the mission of the company and department
- Review departmental standards — quality, quantity, cost
- Establish benchmarks, identify informational needs of the employee, align policies/procedures, identify factors that could impede successful accomplishment of goals, measure efforts/performance.

It's hard to argue the value of this type of information. Take the time to discuss any negative attitudes or remarks. Explain that supervisors are being trained on how to conduct appraisals and that they will be evaluated on how successful the process is.

Remember to use words of praise, encouragement, and support. Make sure the appraisal closes with a summary of what has been discussed and outline action steps. Jointly set objectives and standards.

And, finally, do not forget to express your appreciation for the employee's participation. When this pro-

cess is implemented with careful consideration of your workers, you will begin to see barriers break down and develop trusting partnerships — a win-win formula for success.

The key to successful implementation of a performance management process is proper training of both supervisors and employees for the two-way communication process. Appraisals are an essential communication link between two people with a common purpose — one that leaves both parties feeling they have gained something!

At Obdyke, the employee appraisal is just the beginning of our performance management process. It is the foundation for a learning organization providing employees the skills necessary to revamp the way we do business to expand our product lines with distribution worldwide.

1. Benjamin Obdyke Inc., located in Warminster, PA, has been a leading manufacturer of residential building products for over 125 years.

As Benjamin Obdyke's HR/Employee Development Manager, Carol Waring develops and conducts in-house training on CQI, leader/facilitator skills, team building, supervisory skills, and performance appraisals. Carol obtained certification to tutor literacy through the Mayor's Commission for Literacy and was appointed to serve on the ESL Center Advisory Committee at Bucks County Community College in Newtown, PA. She is facilitator of the MIS team tasked with upgrading Obdyke's computer system and holds a permanent position on the CQI Steering Committee. Her focus is to grow the business by growing the employees.

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