**HOW WE MOVED 3300 PIECES OF CHEESE - CHANGING A 30 YEAR OLD PERFORMANCE APPRAISAL SYSTEM WITH NO MONEY**

**IN 10 MONTHS**

City of Wichita, Kansas

Robert Layton, City Manager

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PRESENTING TEAM MEMBERS

To Be Determined

 *Intent of the project/program/service*

To be useful, a performance appraisal system should:

* Reflect the organization’s values
* Capture the unique aspects of each employees’ responsibilities
* Evaluate employees’ performance and behavior
* Document achievements and challenges
* Set performance expectations for the coming year
* Structure meaningful discussions between employee and supervisor throughout the year
* Be consistent with disciplinary actions

The City of Wichita’s performance appraisal system had been in use for more than three decades. During that time, performance appraisals (PA) lost value to employees and supervisors, deteriorating into an annual exercise of rote paperwork and blown deadlines.

In 2009, Wichita’s new City Manager, Robert Layton, outlined his vision for a progressive, empowered, learning organization. It quickly became apparent that the old PA system was hindering, not reinforcing accountability for all employees. Also apparent was a lack of funds to buy outside expertise to design and implement a new system.

The City’s Human Resources Department is fortunate to have a staff with years of experience in personnel issues. Each staff member is cross-trained with other HR colleagues, bringing common knowledge and fresh perspective to team projects.

 In June 2009, a team of three HR staff - the Employee Relations Officer, Benefits Coordinator, and Job Classification Specialist-was assigned to draft a new PA system. The schedule was tight. The system was to be ready by November, in time for the annual appraisals of the City’s 500 exempt employees in December and the anniversary date appraisals of 2,800 non-exempt employees starting January 1, 2010

The HR team asked for models from other local governments around the country. The team narrowed the field to the five most consistent with Wichita’s needs and these were analyzed for common factors and useful components. The team and the Director of Human Resources developed, critiqued, discarded and revised several versions of a new Performance Assessment System (PAS). The resulting drafts were presented to the other eight HR professionals for further critique and revision. In July 2009, the Director of HR asked other City departments to appoint representatives to an ad hoc committee to review PAS. Two meetings were held in September, resulting in more refinements. That draft was shared with the City’s management team of Department Directors, who suggested more edits.

Now it was time to present the new system to the City’s five bargaining units. Fortunately, each bargaining unit saw the advantages to their members and, with some customization for the Police and Fire Departments, supported PAS.

The final step was training almost 600 supervisors to use PAS. The Director of HR conducted most of the classes from December, 2009 through April, 2010. This provided an opportunity to instruct the supervisors, not only the forms, but also on their responsibility to set and follow through on clear expectations for their employees.

*Anticipated and actual outcomes*

HR staff initially thought a new PAS would be a simple revision of a few forms. It quickly became obvious that form design was a minor aspect of the project compared to defining the City’s philosophy of performance expectations.

HR expected resistance to PAS. After all, the old system had been in use for more than 30 years, longer than the supervisory careers of any City employee. Instead, there was immediate recognition of the ground-level utility of PAS as a tool to address employee challenges. Comments from supervisors included:

 “**This will let me have a conversation with my employees that’s been needed for years.”**

 **“You’ve given me a way to address employees’ behavior, not just their numbers.”**

 **“I just assumed my employees knew my expectations. Now I see that wasn’t fair to them.”**

 **“I’ve always copied last year’s appraisals and changed the date. This will let me start fresh.”**

 **“I never thought of asking employees how they would like to grow in their jobs.”**

Comments from employees have been:

 “**Makes a good change from being handed a form to sign.”**

**“My supervisor and I really talked about how I’m doing.”**

**“I’ve had trouble communicating with my supervisor. This gave us both a place to start.”**

**“I like the quarterly review of my progress. Even if it’s a quick meeting, it helps me stay on track.”**

Another positive outcome was the City Manager’s decision to use PAS to evaluate his own management team, sending a message to all employees that performance expectations and accountability are universal in the City organization.

PAS did not meet its 2009 deadlines. It was not possible to schedule the supervisors’ training on the new system before the target dates. Implementation was phased in between January and April 2010.

*Costs and savings, if any*

The cost was staff time only:

 Three HR staff to develop and revise system – average 60 hours each

 HR Director to monitor, conduct meetings, train supervisors – 360 hours

 Seven HR staff to assist with training – 20 hours each

 589 supervisors to attend training – 1.5 hours each

*Innovative characteristics*

**Innovative Process**

1. Having no budget and limited time precluded the use of consultants or an off-the-shelf solution.
2. Wichita’s Human Resources Department has an informal, nationwide network of colleagues who trade ideas.
3. HR staff saw a new performance appraisal system as integral to employee relations, conflict resolution, employee development and bargaining unit relationships.
4. HR staff recognized the opportunity to develop a new PAS as a once-in-a- professional-lifetime opportunity.
5. The City Manager provided firm direction and consistent support.
6. Advice was solicited from supervisors, department management, bargaining units and the Law Department.
7. HR committed to introducing all supervisors to the new system, resulting in more than 60 training sessions in four months.

**Innovative Results**

1. Instructions are embedded in the form. Supervisors no longer need to look up separate policies and procedures.
2. Includes an employee self-evaluation targeted to skills development.
3. Establishes specific levels of performance that warrant merit increases or deferrals.
4. Provides an Employee Development Plan for every employee at “Performs Well” or “Exceptional Performer” level.
5. Requires a 90-day Employee Improvement Plan for employees at the “Unsatisfactory/

Improvement Needed” level.

1. Links performance to eligibility for promotions.
2. Defines expectations and consequences for probationary employees.
3. Includes employee’s discipline in rating factors.
4. Allows supervisor to customize rating factors to employee’s own duties and projects, yet includes common City values.
5. Defines each rating factor.
6. Holds entire chain of command accountable for employees’ safety and professional development.
7. Provides additional rating factors for supervisors and managers.

*Obstacles and Results achieved*

**Obstacles**

Discussions with two of the bargaining units overlapped with extended contract negotiations. Although performance appraisals are not part of union contracts, they establish a structure that can help or hurt the supervisor/employee relationship. It was important that the bargaining units’ leadership and members support the cultural shift toward the empowerment and accountability reflected in the new system. The bargaining unit representatives returned to the table again and again with new concerns about potential supervisory misuse of PAS. This led to several discussions about the purpose of performance appraisals, employee responsibility, equitable policy administration, performance standards and supervisor accountability. What started as an obstacle evolved into valuable insights on both sides and a stronger PAS.

**Results**

* The on-line submittal of performance appraisals in 2010, which results in timely merit increases for employees, is 91.5%, far above the 2009 average reported bu the ICMA Center for Performance Measurement.
* There were 11 employees from nine departments on 90-day improvement plans in the first half of 2010; all showed the required improvement and retained their jobs.
* With the face-to-face training contacts, a new level of trust and communication was established between the HR staff and supervisors. Requests for HR advice have increased, especially those to prevent, instead of responding to, an employee crisis.
* PAS resulted in a common language of employee responsibility and accountability within and between departments.

*New Issues*

* The technology-savvy supervisors immediately asked for PAS to be an automated work flow on the City’s intranet. This is now a joint IT/HR project that will require staff time to design a workflow, then train supervisors and managers on its use.
* Employees began asking how to earn higher appraisal scores next. This has challenged their supervisors to think, not only of current performance levels, but of the levels their team can achieve.

*New Problems*

A newly articulated problem was the unwillingness of some supervisors to accept the accountability for their employees’ behavior, performance, safety and professional development. Those supervisors are now receiving individual attention from HR and their chain of command.

1. **Innovation/Creativity**

*How did the program/project/service, etc. improve the organization?*

The previous performance appraisal system had lost credibility with many City employees. The language was outdated, ratings were inconsistent within work teams and appraisals were of little use in discipline or grievances. Instead of being a tool to motivate good performance, appraisals were a bureaucratic paper shuffle.

PAS provided not only a useful set of forms, but a common understanding of the role of supervisors in the City’s vision. They are encouraged to discuss PAS with their colleagues and their chain of command, sharing overall and specific employee management successes and challenges. There is far more management support now when first-line supervisors need to use the Employee Improvement Plan or discipline to hold their employees accountable.

*Were new technologies used?* No

*Was a private consultant used?* No

1. **Outcomes Achieved**

*What customer/community needs and expectations were identified and fulfilled?*

PAS and the related training gives supervisors the tools and knowledge to address performance. The supervisor and employee satisfaction survey planned for Spring 2011 will ask for specific examples of community impact.

*Did the initiative improve access to your government?*

Not applicable, this was an internal organization improvement, not one designed to impact access.

*Has the health of the community improved as a result?*

Not applicable, this was an internal organization improvement, not one designed to impact community health.

1. **Applicable results and Real World Practicality**

*What practical applications could you share if selected?*

* How to request and sustain management support for major change.
* How to engage employees, supervisors, and bargaining units.
* How to use a process change to foster a cultural change.
* How to handle pushback.
* How to give the same training 60 times in 4 months without burning out.
* How to keep a development team focused through a long review and edit process.

*What results and outcomes will you be able to share?*

By the next TLG Conference in June, 2011, we will have a full year of implementation and can share:

* Supervisor and employee satisfaction survey results
* Discipline and grievance trends
* On-time report rates

*Please include any performance measures if applicable.*

The related ICMA CPM measures are:

* Number of employee grievances
* Percentage of employee performance reviews that were completed on schedule
1. **Case Study Presentation**

*Briefly describe what your case study presentation might include:*

In a 90-minute presentation, the Wichita team can

30 minutes - Present a PowerPoint overview of PAS and underlying principals.

15 minutes - Answer questions.

30 minutes - Present a City-produced video of various supervisor/employee interactions in a PAS meeting. The

 video will be a “stop and discuss” format.

15 minutes - Answer questions.

Handouts will include all the PAS forms and copies of the Power Point.