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Evaluating Employee Performance in Grand Rapids: Some Selected Observations

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advice since each taxpayer's situation is unique.

10. Future Tax Legislation

The following appeared in the *Grand Rapids Press* on September 29, 1982, reported by the UPI wire service:

WASHINGTON (UPI)—The Senate Finance Committee, acting just hours after exploring ways to simplify the tax structure, approved

more than a dozen special interest tax breaks for businesses.

The ink on the latest tax bill hasn't even dried and already new tax legislation is in the process of being passed.

11. Role of the M.S.T. Program

The Master of Science in Taxation Program (M.S.T.) offers 15 different tax courses. This program was implemented to meet the demand by the professional

tax community for quality tax education. As Congress passes new tax legislation each year, enrollment in the M.S.T. programs increases as CPA's, attorneys, and other tax advisors seek to enhance their tax knowledge.

James Sanford, J.D., is the Program Coordinator of the taxation program at Seidman College.

Evaluating Employee Performance in Grand Rapids: Some Selected Observations

By Mary Ellen Duffy and R. Bryant Mills

Note: This survey is the result of an independent study by Ms. Duffy during the summer of 1982. Dr. Mills was the faculty advisor.

According to a study conducted in the mid-1970's by the Bureau of National Affairs, formal employee evaluation systems received wide support by personnel executives in both profit-oriented and non-profit organizations in the United States. Ninety-three percent of all organizations surveyed had a formal evaluation program. However, when personnel executives—those most often responsible for designing and administering evaluation programs—of these same firms were questioned as to their attitudes about the employee evaluation, only ten percent said they believed their programs were effective in providing management with the necessary information for personnel decision making.¹ Similarly, a recent Conference Board report of a survey of 293 private firms concludes: "However necessary some formal appraisal system appears to be, current systems are still widely regarded as a nuisance at best and a dangerous evil at worst."²

This negative attitude toward appraisal systems is not shared by personnel executives in private firms and non-profit agencies in the greater Grand Rapids area. Based on our summer, 1982, survey of 35 manufacturing firms and 52 non-profit agencies in our area, formal personnel evaluation programs receive wide support. Approximately eighty-eight percent of personnel executives in both the private and non-profit organizations believed their appraisal programs to be valid in that they measured what they were designed to mea-

sure and provided useful information to management.

Data from the survey provided a useful profile of employee evaluation programs now being used in Grand Rapids area organizations. For example, about 74 percent of the non-profit organizations and 53 percent of the private firms evaluated their employees once each year; the person most responsible for the evaluation was the employee's immediate supervisor; and the supervisor's evaluation was reviewed with the next highest level of management.

Since the enactment of the Civil Rights Act of 1964, the Federal government has become increasingly involved with personnel practices, including the evaluation of employee performance. Personnel decisions involving protected groups (women, minorities) generally must be shown to be nondiscriminatory. In the case of *Mistretta v. Sandia Corporation*, the court ruled that performance appraisal systems must reflect "definite identifiable criteria based on quality or quantity of specific work performed."³ As a result, many experts in employee appraisal recommend that private and public organizations adopt a personnel appraisal system based on Management by Objective (MBO) criteria. Such a system requires that employee duties and expectations regarding quality and quantity of work be clearly identified and discussed with the job holder. After a specified period of time—usually six months or one year—the employee's performance is evaluated based on whether or not the employee completed the tasks assigned.

In our survey we asked personnel executives to indicate the type of evaluation system used. In only six percent of the non-profit agencies and eight per-

cent of the private firms were MBO-type evaluations being used. By far the most common type of evaluation system in use in both the non-profit and private organizations was a variation of the traditional personal trait instrument. That is, employees were being evaluated on subjective traits and characteristics such as "creativity," "loyalty," "intelligence," and others. We believe this should be a matter of concern since personal trait evaluation systems are becoming more difficult to defend because of recent court decisions that require evaluation criteria to be nondiscriminatory and job-related. We do not mean to say that such trait evaluation systems are automatically invalid, only that they are suspect when used exclusively. In fact, in a recent court case (*Rogers v. International Paper Company*) the court upheld a subjective trait evaluation program but warned that such evaluations need to be combined with more objective, job-related evaluations of actual job task performance.⁴

Regardless of the type of evaluation system being used, certain criteria must be followed. One is that employees should have a formal avenue of appeal if they believe their evaluation was unfairly or wrongfully performed. Our survey of practices in Grand Rapids area firms and non-profit agencies indicates that most do not provide a formal internal appeal process. Only 56 percent of the non-profit agencies and 19 percent of the private firms provided a written appeal procedure. Again, this should be of concern since the courts have slowly extended the legal concept of "due process" to apply to the treatment of employees on the job.⁵ An important part of "due process" is the right to formally appeal a decision one believes to be unfair or discriminatory.

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AMA Hosts Miller Brewing Company

The Grand Valley collegiate chapter of the American Marketing Association (AMA) held its first meeting for 1982-83 on September 14. The highlight of the meeting was a presentation given by Greg Plowe, program coordinator and marketing representative for Miller Brewing Company. The presentation centered on Miller Brewing Company's market history and its present marketing strategies, and included a showing of slides and filmed commercials. The meeting was attended by 125 people, including AMA members, Grand Valley students, and Grand Valley faculty.

The purpose of the AMA is to further develop marketing principles and professionalism through interest and involvement. One of its main goals for this school year is to feature representatives from national and international companies at its monthly meetings. The AMA's faculty advisor is Ben Rudolph, and this

year's president is Barb Yedinak. Other officers include Scott Dunham, secretary-treasurer; Khristie Christiansen, vice president of membership; Gary Ells, vice president of promotion; Lori Kriesel, vice president of fund-raising; Steve Smith, vice president of social activities; and Tom Walczak, vice president of programming. The chapter has 30 members.

A representative from Herman Miller will be the featured speaker for the AMA on Tuesday, October 19, at 11:30 in the Campus Center at Grand Valley. Pepsi-Cola will be the highlight on Tuesday, November 16. In January, the vice president of the Federal Reserve Bank will be speaking on the economic conditions. Eastman Kodak will be featured in February, and Turner Broadcasting will be the highlight for the AMA's March meeting.

Facilities Management

This fall Seidman College offered the first undergraduate course in a new major, facilities management. Forty-eight students enrolled in the course, entitled Concepts of Office Productivity.

The Facilities Management program is structured to prepare graduates to assume responsible positions in this new field. Industry demand is slowly getting the attention of academia, and Seidman College is one of the few schools approaching the need head on. This new profession demands a business management base, people management skills, and adeptness at managing the multiple disciplines that interact in the modern office environment.

Our Facilities Management program is structured to develop a technical as well as a practical awareness on the part of the students to those activities that must be managed in the office environment.

The undergraduate program is now under way. Under development is a graduate program and a research program, both of which are being structured to address current and future industry needs.

The undergraduate program really addresses tomorrow's demands, says Robert D. Vrancken, Director of the Facilities Management program. Today's needs are for those individuals who find themselves suddenly thrust into the role of Facility Manager, without adequate background and/or knowledge to handle the job effectively. Thus, there is a need now for graduate study in this field. Complementing both the undergraduate and graduate programs will be a research program in the office facility management field which will help to develop education material for the profession as a whole.

Evaluating Employee Performance

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In summary, personnel executives in Grand Rapids area private and non-profit organizations are strongly committed to some form of employee evaluation. The most popular type of system in use is based on the traditional, somewhat suspect, personal trait evaluation. Few organizations are using a variation of MBO to appraise employee performance. Finally, regardless of the evaluation system used, few organizations provide a formal internal appeal procedure.

¹Meggison, Leon C. *Personnel and Human Resources Administration*. Richard D. Irwin, Inc., 1977.

²Kahalas, Harvey. "The Environmental Context of Performance Evaluation and Its Effect on Current Practices," *Human Resource Management*, Fall, 1980, p.34.

³*Ibid.*

⁴Klasson, Charles R. "How Defensible Is Your Performance Appraisal System?," *Personnel Administrator*, December, 1980, p. 8.

⁵Heshizer, Brian, and Harry Graham. "Discipline in the Nonunion Company: Protecting Employer and Employee Rights," *Personnel*, March-April, 1982, p. 76-77.

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