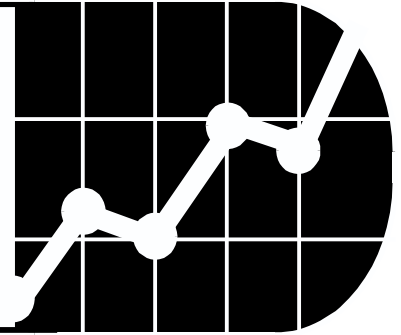

Performance Management Practitioner Series



Performance Appraisal for Teams: An Overview



**United States
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Performance Appraisal for Teams: An Overview

TABLE OF CONTENTS

Concept	1
Performance Elements	2
Team-Related Performance Measurement	3
Team-Related Measures Matrix	4
Individual Level	4
An Individual's Contribution to the Team: Behaviors or Results	4
1. Individual Behavior	5
2. Individual Results	7
Team Level	8
The Team's Performance	8
3. The Team's Processes	9
4. The Team's Results	11
Sources of Input	12
Questions & Answers	13



C ONCEPT

Agencies are required by the Government Performance and Results Act of 1993 to establish program goals and report organizational performance to stakeholders, including the Office of Management and Budget and the Congress. This creates pressure to use methods that improve organizational performance and maximize goal achievement. Using teams to accomplish the work— and effectively managing team performance— is one of the methods that many Federal organizations have chosen. Increasing levels of employee involvement in deciding how work gets done has improved customer service and the bottom-line results for many organizations.

One of the first human resources programs affected by moving to teams is performance management, which includes appraisal and recognition processes. Organizations that only measure and recognize individual performance have found that team development and performance are jeopardized because they appear to be ignored. By balancing the measurement of individual and team performance, organizations have been able to address individual development as well as focus on achieving team goals. In addition to balancing employee and team measures, effective team performance management processes are aligned with organizational goals. In particular, by aligning and linking employee performance plans with the goals established in the agency's performance plan, an organization is more likely to achieve its goals because its employees' efforts are channeled in that direction. As a result, performance management becomes a useful tool for clarifying individual, team, and organizational goals and for pointing everyone in the right direction. Such efforts support and produce goal achievement.

Managers, supervisors, team leaders, and team members can use the performance appraisal process to:

- C plan team and individual performance;
- C set team and individual goals that are aligned with organizational goals;
- C establish performance expectations;
- C measure actual team and individual performance against desired performance;
- C determine developmental and training needs;
- C provide feedback on performance; and



- C provide a basis for recognizing team and individual performance.

The Federal appraisal process uses performance elements and standards as the building blocks of employee performance plans. This overview will begin by defining critical, non-critical, and additional performance elements. Then, to fully understand how team performance can be addressed through such elements in the appraisal process, a discussion of team-related performance measurement will explore what is meant by “team performance.” That measurement discussion will include examples of “team” elements and standards. Finally, the method of assessing elements will be discussed, including a brief description of multi-rater (360-degree) assessment methods.

NOTE: Readers should remember that different agency appraisal programs have different requirements and may not use all the types of performance elements described below. Please check with your human resources office to find out how your specific program operates.

PERFORMANCE ELEMENTS

In the context of performance management, elements are work assignments, responsibilities, or dimensions of work that can address individual, team, group, or organizational performance. Three types of elements can be used in the performance appraisal process:

- C A **critical element** is a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee’s overall performance is unacceptable. Critical elements must address individual performance for which the employee can be held individually accountable.
- C A **non-critical element** can be a dimension or aspect of individual, team, or organizational performance that is used in assigning a summary level. With the deregulation of employee performance appraisal in 1995, even though consideration of non-critical elements cannot result in assigning a Level 1 summary performance rating (“Unacceptable”), programs can be designed so that non-critical elements have as much weight or more weight than critical elements in determining summary levels above Level 1. Because non-critical elements must affect the summary level, they cannot

Performance Appraisal for Teams



be used in appraisal programs that summarize performance at only two levels (i.e., “pass/fail”).

- C **An additional performance element** addresses a dimension or aspect of individual, team, or organizational performance **not** used in determining summary levels, but used for various other purposes, such as setting goals, providing feedback on individual or group performance, and recognizing individual or group achievements.

By using critical elements, non-critical elements, or additional elements, team performance can be factored into employee performance plans, and can be planned, monitored, and rewarded through a combination of individual and group measures.

Team-Related Performance Measurement.

Measures, or “yardsticks,” should be used to determine how well each element is performed. Standards are points or ranges on the “yardstick” that define performance at those specific levels. Each one of the three types of elements and their related measures and standards can address team-related performance.

Measuring performance related to work done by a team can be approached in at least four ways. Two of these approaches measure performance at the individual level and two measure performance at the team level.

Performance Appraisal for Teams



Team-Related Measures Matrix

	Behaviors/Process Measures	Results Measures
Individual Level: An employee's contribution to the team	î Whether or how well the employee: cooperates with team members, communicates ideas during meetings, participates in the team's decision-making processes.	í The quality of the written report, the turnaround time for the individual's product, the accuracy of the advice supplied to the team, the status of the employee's case backlog.
Team Level: The team's performance	î Whether or how well the team: runs effective meetings, communicates well as a group; allows all opinions to be heard, comes to consensus on decisions.	ï The customer satisfaction rate with the team's product, the percent decline of the case backlog, the cycle time for the team's entire work process.

In most cases, work assignments at the team level (quadrants **î** and **ï**) and their related measures and standards can only be addressed through non-critical and/or additional performance elements, and can only be factored into the summary level through non-critical elements. However, it is possible to develop a critical element and standard that holds a supervisor, manager, or team leader responsible for the team's performance— as long as that person has the leadership responsibility for the team and can reasonably be expected to command the resources and authority necessary to achieve the team's results.

INDIVIDUAL LEVEL

An Individual's Contribution to the Team: Behaviors or Results.

Work assignments, measures, and standards at the individual level of performance can be established in the employee's performance plan using critical, non-critical, or additional performance elements.



I Individual Behavior. Employees can be appraised on how well they work with team members. Examples of measures used to appraise “team-supportive” behavior could include the degree to which: the employee participates in team meetings, the employee volunteers for team projects, the employee communicates with members in a constructive and nonthreatening manner, and/or the employee is perceived by other members as pleasant to work with and cooperative. Examples of work assignments (elements) and standards (a point or range along the measurement yardstick) that represent individual behaviors contributing to good team performance include the following:

Element: Interpersonal Skills.

Fully Successful Standard:

- C with few exceptions, interacts effectively, tactfully, and cooperatively with all levels of the organization;
- C routinely expresses support for the value of diverse opinions;
- C routinely establishes rapport in initial contacts with others at all levels;
- C routinely gains support for ideas or suggestions through effective negotiation skills;
- C spends sufficient time cultivating contacts with peers to get timely information or resolve issues outside formal channels; and
- C routinely keeps superiors, team members, and other appropriate parties informed of significant developments.

Outstanding Standard:

Meets Fully Successful standard plus:

- C consistently wins the support and confidence of others in one-on-one as well as group situations;
- C presents positions with force and diplomacy, achieving agreement despite initial opposition; and
- C handles confrontations and hostile reactions calmly, in a way that defuses the situation.

Element: Ability to Deal with People.

Fully Successful Standard:

- C routinely deals with others in a professional manner; and
- C routinely keeps superiors, team members, and other appropriate parties informed of significant developments.

Performance Appraisal for Teams



Outstanding Standard:

Meets Fully Successful standard plus:

- C is calm and courteous, even when dealing with irate or rude people;
- C gets a point across in difficult situations without hurting feelings;
- C is highly effective in obtaining needed cooperation or support to complete a job; and
- C negotiates effectively in delicate situations.

Element: Team Participation.

Fully Successful Standard:

- C routinely assumes an appropriate amount of work/responsibility for group projects;
- C usually demonstrates a willingness to assume other responsibilities as needed; and
- C generally shares knowledge of office procedures/equipment with other members of the team.

Outstanding Standard:

Meets Fully Successful standard plus:

- C in times of crisis or high workload, is always willing to “jump in” and lend a hand to accomplish “must do” work;
- C in joint efforts, is always available for a full share of the load; and
- C always insures that appropriate people or offices within the agency are made aware of significant changes in procedures.

Element: Oral Communication.

Fully Successful Standard:

- C usually conveys information and ideas understandably;
- C routinely asks for clarification if the meaning isn't clear;
- C usually relays telephone messages accurately with few exceptions; and
- C usually explains any need for information or input from others.

Outstanding Standard:

Meets Fully Successful standard plus:

- C has an excellent command of English, and expresses ideas with ease;

Performance Appraisal for Teams



- C is highly articulate with all levels of employees; and
- C is unusually persuasive, one-on-one or with groups.

Í Individual Results. The results of employee work that contribute to the team's final product or service can be assessed and verified. Examples of measures that could be used to assess work results include: the ratio of correct to incorrect actions; the timeliness of the employee's product; the number of suggestions for improvement the employee made; or the accuracy of the data the employee provided to the team. Examples of elements (work assignments) and standards (a point or range along the measurement yardstick) that represent individual results contributing to team performance include the following:

Element: Professional Advice and Recommendations.

Fully Successful Standard:

- C provides expert advice to team members and customers that is usually accurate and timely; and
- C advice is usually meaningful and contributes to the success of the team.

Outstanding Standard:

Meets Fully Successful standard plus:

- C advice contains innovative approaches/solutions to problems;
- C improved accomplishment of team objectives results from employee's unusual initiative and effective work habits;
- C clients and team members seek out employee for advice and expertise; and
- C voluntarily completes a significant amount of additional work or special assignments.

Element: Completed Cases.

Fully Successful Standard:

(This type of standard could apply when the case inventory is within the control of the employee.)

- C completes 10-25 cases of simple or average difficulty per month and 2-5 difficult cases per month. Cases are completed using established procedures and effective case planning, prioritization, and development;

Performance Appraisal for Teams



- C handles preliminary investigations in a timely manner, with rare exceptions; and
- C case inventory declines by at least one case per month.

Outstanding Standard:

- C applies innovative procedures that improve effective case planning, prioritization, and development;
- C teaches innovative casework procedures to other team members; and
- C completes more than 35 cases of simple or average difficulty per month and completes more than 7 difficult cases per month.

Element: Written Reports.

Fully Successful Standard:

- C with few exceptions, written products include accurate data, detailed information, and are in the correct format, with only minor errors; and
- C written reports are produced as requested, usually within the time frames established, and routinely meet the customers' needs.

Outstanding Standard:

Meets Fully Successful standard plus:

- C written products are error free, reflect great attention to detail, and completely review all aspects of the subject matter.

TEAM LEVEL

The Team's Performance. Work assignments, measures, and standards for the team as a whole can be incorporated into the employee's performance plan through non-critical elements and additional performance elements. Using non-critical elements is the only way that the team's performance as a whole can affect the summary level. Non-critical elements cannot be used in two-level appraisal programs because they would have no effect on the summary rating level and, by definition, they must affect the summary level. (That is, in a two-level program, failure of non-critical elements cannot bring the summary level down to *Unacceptable* and

Performance Appraisal for Teams



assessments of non-critical elements cannot raise the summary level to *Fully Successful* if a critical element is failed.) Additional performance elements are the only elements that a two-level appraisal program can use to include team performance in the employee's performance plan.

1 The Team's Processes. The team can be appraised on its internal group processes. Work assignments and performance measures could include how well: the team works together as a group; meetings are planned and run, and if they're on time; the team reaches consensus; and/or the team uses successful problem-solving techniques. Specific examples of non-critical or additional elements (work assignments) and standards (specific points or ranges on the measurement yardstick) that address the team's performance on its group processes are listed below.

NOTE: The *Outstanding* standard for each of the 1 examples below is the same: "The team is used as an example for other teams in the organization due to its exceptionally successful group work. Because of its outstanding performance as a team, team members are asked to assist other developing teams to improve internal group processes."

Element: Open and Honest Communication.

Fully Successful Standard: The supervisor, team leader, and team members are generally satisfied that:

- C team members communicate openly and honestly with each other without fear of telling the truth;
- C team members provide feedback on each other's performance;
- C team members express their opinions and everyone's opinion is heard;
- C the team works together to solve destructive conflicts rather than ignoring conflicts;
- C the team encourages every member to be open and honest, even if people have to share information that goes against what the team would like to hear; and
- C the team recognizes that everyone on the team has something to contribute— such as knowledge, skills, abilities, and information— that is of value to all.



Element: Effective Meetings.

Fully Successful Standard: The supervisor, team leader, and team members are generally satisfied that:

- C team meetings are planned and each meeting has an agenda;
- C team members are prepared, give the meeting their full attention, and the team accomplishes what it set out to accomplish during the meeting;
- C meetings have a facilitator who is responsible for keeping the meeting focused and moving;
- C designated team member takes notes of the key subjects, main points raised, and action items; and
- C at the end of the meeting, the team sets an agenda for the next meeting and conducts a 1-minute evaluation.

Element: Team Mission.

Fully Successful Standard: The supervisor, team leader, and team members are generally satisfied that:

- C each person on the team knows exactly why the team exists and what it contributes to the organization;
- C members understand and can explain how the team fits into the organization;
- C members know exactly why the team does what it does and agree on the team's mission, or they work together to resolve disagreement;
- C members know and understand the team's priorities and goals and they progress steadily toward those goals; and
- C everyone on the team is working toward accomplishing the same thing.

Element: Clearly Defined Roles.

Fully Successful Standard: The supervisor, team leader, and team members are generally satisfied that:

- C team members understand their duties and know who is responsible for specific issues and tasks;
- C team members have the skills they need to accomplish their roles within the team;
- C each team member's role is known and makes sense to the whole team;
- C team members clearly understand the team's rules of how to behave within the group;

Performance Appraisal for Teams



- C team members understand which roles belong to one person and which are shared, and how the shared roles are switched; and
- C the team uses each member's talents, and involves everyone in team activities so no one feels left out or taken advantage of.

Element: Decision-Making Procedures.

Fully Successful Standard: The supervisor, team leader, and team members are generally satisfied that:

- C the team discusses how decisions will be made, such as when to take a poll or when to decide by consensus;
- C the team explores important issues by asking members to vote or state an opinion verbally or in writing;
- C the team tests for a consensus;
- C the team uses data as the basis of decisions; and
- C the team can reach a decision and support that decision.

II The Team's Results. The team can be appraised on the results of its work products or services. Measures used to appraise the team's performance could include: the number of cases completed correctly; the ratio of satisfied customers to unsatisfied customers; the number of customer requests for a team report; the total cost of a team project; the percent of customer needs filled; and/or the subscription rate of a team newsletter. Below are examples of non-critical or additional elements (work assignments) and standards (specific points or ranges along the measurement yardstick) that represent the team's work results.

Element: Case Backlog.

Fully Successful Standard:

- C any case backlog decreases from 1 to 9 cases each month during the appraisal period.

Outstanding Standard:

- C any case backlog decreases by 12 or more cases per month.



Element: Customer Service.

Fully Successful Standard:

- C fifty to seventy-five percent of customers say they are “satisfied” or “highly satisfied” with the team’s services.

Outstanding Standard:

- C eighty-five percent or more of the customers say they are “satisfied” or “highly satisfied” with the team’s services.

SOURCES OF INPUT

As you can see from the measures used in the elements and standards described above, there may be situations when multiple sources of information are needed in order to fully appraise performance. There are no prohibitions in law or regulation against using a variety of sources of information for performance appraisals. A team environment lends itself to including team members in the appraisal process. A team member’s peers have a unique perspective on his or her job performance. Experience has shown that employees on teams are generally very receptive to the concept of appraising each other, or at least providing feedback on performance.

A multi-rater appraisal and/or development process can be designed to fit the work climate, technology, and development of the team. Some organizations use a computerized process that calculates appraisal averages and assigns those averages to summary levels for ratings of record. Other organizations use the information for developmental purposes only and do not use the data for assigning summary levels. Still other organizations with highly-developed, mature self-directed teams use face-to-face feedback and/or peer panels to determine summary levels. There are many issues to consider when designing multi-rater appraisal programs. You may call us at 202-606-2720 or email performance-management@opm.gov for more information.

Performance Appraisal for Teams



QUESTIONS & ANSWERS

This section presents some common questions and answers about appraising team performance.

Q

Can an agency appraise employees entirely and exclusively on team performance?

A

Usually no. The regulations require that each employee have at least one critical element, which must be based on individual performance. This requirement ensures that an appraisal program establishes individual accountability, as the performance appraisal law intended by providing for the demotion or removal of an employee on the basis of unacceptable performance. However, it is possible to develop a critical element and standard that holds a supervisor, manager, or team leader responsible for a team's performance (taking into account their level of leadership responsibilities for the team).

Q

When deriving a rating of record above *Unacceptable*, can an agency assign greater weight to non-critical elements that describe team performance in order to emphasize their importance?

A

Yes. An agency can design procedures for deriving a rating of record that assign greater weight to non-critical elements (which may be used to measure team performance and may affect the rating of record) than to critical elements. If desired, in summarizing overall performance at or above the *Fully Successful* level, agencies can make distinctions on the basis of team performance alone.

Q

Can an agency use critical elements that address team performance?

A

Usually no, not as team performance is defined in this overview. Critical elements are the only basis for determining that an employee's performance is unacceptable. The law intends that they be used to



establish individual accountability. Consequently, critical elements generally are not appropriate for identifying and measuring team performance, which by its definition involves shared accountability.

This restriction is clearest for rank-and-file employees who may be serving as team members, but a supervisor or manager can and should be held accountable for seeing that results measured at the group or team level are achieved. Critical elements assessing group performance may be appropriate to include in the performance plan of a supervisor, manager, or team leader who can reasonably be expected to command the resources and authority necessary to achieve the results (i.e., held individually accountable).

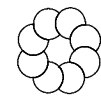
However, agencies can use other ways to factor team performance into ratings of record or other performance-related decisions such as granting awards. One approach to bring team performance into the process of deriving a rating of record, and certainly to the process of distributing recognition and rewards, is to establish team performance goals within the team members' performance plans as either non-critical or additional performance elements.

Q

Could the individual critical element that every employee performance plan must include simply appraise the individual's contribution to the team?

A

Yes. The individual critical element required by the regulations must describe performance that is reasonably measured and controlled at the individual employee's level. Such performance includes individual contributions to the team, but does not include team performance. This means that agencies have the option of making individually-oriented decisions about an employee's job retention as well as reduction-in-force retention standing, eligibility for within-grade increases, and eligibility for individually-based awards exclusively on the basis of the individual's



contributions to the team, rather than team performance.

Q

Why doesn't the Office of Personnel Management permit ratings of record based entirely on team performance?

A

The principal reason is that it would violate the intent of the appraisal statute. Allowing a non-performer to “ride” the efforts of other team members and accrue all the entitlements that *Fully Successful* performance conveys would violate the fundamental principle of individual accountability on which the statute and merit system principles rest.

A second reason is that a fundamental principle of compensation policy and practice is that adjustments to basic pay operate at an individual level. Within the Federal compensation system, periodic within-grade pay increases are granted on the basis that the employee, not the employee's team, is performing at an acceptable level of competence as reflected in a rating of record.

Finally, no Federal system can be viewed as credibly managing performance in the eyes of Congress or the American public without making it possible to identify and deal with poor performers. As noted in answers to other questions in this paper however, summary levels (or other performance distinctions) above *Unacceptable* can be based largely on team performance. Alternatively, a determination that performance is *Fully Successful* can still be based solely on an individual's contribution to the team.

Q

What options does an agency have for emphasizing the importance of teams to the organization when it does not necessarily want to base appraisal-related decisions (such as within-grade increase eligibility determination) on the team's performance?

A

One option is to establish an individual's contributions to the team as critical or non-critical elements in employee performance plans and use



them in deriving the rating of record or as awards eligibility criteria. Another option is to establish team goals as additional performance elements in the employee's performance plan and use them as the basis for team awards.

Q

How else might an agency emphasize the importance of team performance, without necessarily using critical or non-critical elements?

A

The importance of team performance can be emphasized through the creation of appropriate awards. Where goals are reasonably stable, measurable, and achievable, agencies may wish to establish incentive awards that are granted on the basis of achieving team performance objectives or sharing savings from gains in team efficiency and productivity among team members.