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A STUDY OF THE EFFECT PERFORMANCE
APPRAISALS HAVE ON MOTIVATING IMPROVED
PERFORMANCE AND PRODUCTIVITY FOR
GS-1105 SERIES CONTRACTING PERSONNEL
AT U. S. NAVY SMALL PURCHASE ACTIVITIES

by

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December 1989

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A Study of the Effect Performance
Appraisals Have on Motivating Improved
Performance and Productivity for
GS-1105 Series Contracting Personnel
at U. S. Navy Small Purchase Activities

by

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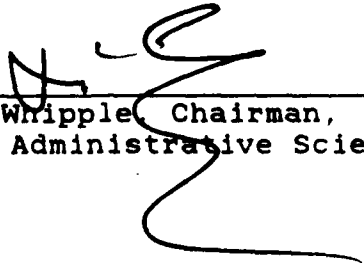

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I. INTRODUCTION

A. THESIS PURPOSE

The purpose of this thesis is to study the effect performance appraisals have on motivating improved performance and productivity for GS-1105 series contracting personnel at U. S. Navy Small Purchase Activities and to evaluate the compatibility the current performance appraisal system has with the applicable performance appraisal concept of Total Quality Management. In order to conduct the research, a questionnaire was developed and distributed to twelve U. S. Navy Small Purchase Activities along the West Coast which provided a sample population of 141 GS-1105 series contracting personnel. The questionnaire was used to determine perceptions that these contracting personnel have about their performance appraisals. Additionally, four activities provided examples of their performance appraisal standards which could then be analyzed for compatibility with the Total Quality Management performance appraisal concept.

B. PROBLEM STATEMENT

The performance appraisal is an integral part of general personnel management, and serves many different purposes which provides the means of giving management and employees information they both need [Ref. 1:p. 1]. Except in those instances where there exists a good means of measurement,

such as in a true production environment, performance evaluations are almost entirely subjective. Developing standards of performance that involve judgement calls does little to motivate improved performance and productivity [Ref. 2:p. 8].

It is common knowledge to those individuals acquainted with U. S. Navy Small Purchase Activities, particularly activities that support a substantial customer base, that they process a considerable volume of procurement actions and frequently experience considerable backlogs. The backbone of the small purchase arena is the GS-1105 series personnel. This series includes buyers or purchasing agents, lead buyers, and purchasing supervisors. Because of the considerable volume and backlogs, these personnel are under constant pressure to increase productivity through processing ever increasing purchase requests with the same available time and manpower.

Performance appraisals are a routine part of any small purchase activity's personnel management program, but do performance appraisals actually motivate individuals to perform? The Department of Defense (DOD) has recently been emphasizing Total Quality Management (TQM) as its management philosophy, and plans are underway to bring about its implementation. The TQM philosophy claims that performance evaluations should be eliminated because they destroy

teamwork, nurture rivalry, build fear, and leave people despondent, bitter, and beaten [Ref. 3:p. 91]. Given the fact that performance appraisals are currently required by the DOD for their civilian employees, will the current performance appraisal system be compatible with the DOD's implementation of TQM?

C. QUESTIONS TO BE ADDRESSED

The research performed for this thesis has been designed to concentrate on the following questions:

Primary Question:

Does the current Performance Appraisal Review System (PARS) utilized by U. S. Navy Small Purchase Activities for GS-1105 series contracting personnel effectively motivate improved performance and productivity, and is the current PARS compatible with the performance appraisal concept of Total Quality Management?

Subsidiary Questions:

1. What is the Performance Appraisal Review System currently utilized by U. S. Navy Small Purchase Activities and how does it function?

2. What types of performance appraisal standards are currently being used by U. S. Navy Small Purchase Activities for GS-1105 series contracting personnel?

3. What is Total Quality Management's (TQM) philosophy on performance appraisals?

D. STUDY LIMITATIONS AND ASSUMPTIONS

This research effort will focus on the effect performance appraisals have on increased performance and productivity for

GS-1105 series contracting personnel at U. S. Navy Small Purchase Activities and assess the compatibility that the applicable performance appraisal concept of Total Quality Management has with the current performance appraisal review system used at these activities. This research effort will not attempt to prescribe remedies or alternatives for any problems that might exist with performance appraisals nor will it attempt to prescribe a process for implementing the current performance appraisal system with TQM. This research effort will use a questionnaire to attempt an evaluation of GS-1105 series contracting personnel perceptions about the contribution performance appraisals have towards motivating increased performance and productivity. Additionally, an analysis of current performance appraisal standards will be conducted to ascertain compatibility with TQM's performance appraisal concept.

It is assumed that since response to the questionnaires is completely anonymous and voluntary, that the data collected will reflect honest opinions. Additionally, it is assumed that the personnel responding to the survey will provide a realistic representation of opinions for all GS-1105 Series personnel at U. S. Navy Small Purchase Activities.

Further, it is assumed that all readers will have a basic understanding of U. S. Navy Small Purchase Activities,

performance appriasals, GS-1105 series contracting personnel, and Total Quality Management.

E. LITERATURE REVIEW

The literature review encompassed the Naval Postgraduate School's (NPS) main and thesis libraries. The computerized data base of the Defense Logistics Studies Information Exchange (DLSIE) was also utilized. Additional literature was provided from the personal library of this thesis' co-advisor, Dr. Benjar Roberts.

An extensive search of NPS master's theses could not locate any research efforts in this particular subject area. The most successful inquiry proved to be DLSIE. However, DLSIE only provided general research in the performance appraisal area and nothing specific towards the focus of this research effort.

F. ORGANIZATION

Chapter II lays out the basic framework of the performance appraisal process. It will discuss general information concerning performance appraisals including their purpose and problems with them. It will provide an overview of the Department of the Navy Performance Appraisal Review System (PARS) for civilian employees. Finally, it will describe the process of Total Quality Management (TQM) and focus on TQM philosophy of performance appraisals.

Chapter III discusses the collection of data for analysis in Chapter IV. This includes a discussion of the sample population, questionnaire development, and data collection.

Chapter IV analyzes the data collection from Chapter III. The analysis consists of determining GS-1105 Series contracting personnel perceptions of performance appraisals by examining the general range of responses on the questionnaire. Additionally, sample performance appraisal standards provided by the activities sampled will be examined and discussed.

Chapter V provides the summary and conclusions of the research as well as recommendations for further research.

II. FRAMEWORK

A. GENERAL INFORMATION

1. Performance Appraisal Defined

Performance appraisal is a process used by an organization to measure and evaluate an individual employee's behavior and accomplishments for a defined period of time [Ref. 4:p. 2]. A performance appraisal should not be an instrument of control nor a means of employee manipulation, but a process of creating an environment in which both the individual's and organization's respective needs can be satisfied [Ref. 5:p. 11]. Finally, the performance appraisal is a means of communication or an "interpersonal process" between manager and subordinate [Ref. 6:p. 3].

2. Performance Appraisal Historical Development

There is evidence that evaluating human behavior has occurred for centuries. St. Ignatius Loyola developed procedures during the sixteenth century to rate the members of his religious order. In 1780, the editors of the Dublin Review published a method of evaluating the effectiveness of each member of the Irish legislature. The earliest formal employee performance evaluation program in the United States is believed to have originated in the United States military shortly after the Revolutionary War, and in the middle of the

nineteenth century, "efficiency reports" were introduced into federal civilian employment. [Ref. 5:pp. 28-29]

In 1842, the first formal program in the federal government was introduced by Congress which required an annual employee service report from the head of each department. However, the program lacked support and by 1902 the United States Civil Service Commission concluded that it would be necessary to develop a job classification plan before any effective efficiency rating system could be devised. A departmental system was installed in 1922 which continued with varying degrees of success for the next twenty-seven years. [Ref. 5:p. 29] In 1949, the Civil Service Commission recommended the following to Congress based on the Hoover Commission Report:

- (1) each agency be permitted to choose whether to have a rating plan;
- (2) the requirement for summary adjectival or numerical ratings be dropped;
- (3) rating appeals be limited to intra-agency administrative review; and
- (4) such personnel actions as salary increases be divorced from the service rating system. [Ref. 5:p. 29]

Most of these recommendations were incorporated into the Performance Rating Act of 1950 which established the basic performance appraisal requirements for Civil Service employees that are still in practice today [Ref. 5:p. 29].

3. Purpose of Performance Appraisals

Performance appraisal involves the employee, the manager or supervisor, and the larger organizational unit. Each has objectives or hopes of what performance appraisals will accomplish. Most organizations have a formal appraisal system structured to compile organized information about employee performance. These appraisals, usually given once a year, become an integral part of an employee's formal record and are routinely used to assist managers in making decisions about an employee's pay and career. [Ref. 6:pp. 1-3]

There are many possible uses for performance appraisals, and the following represents a comprehensive list of the more accepted specific reasons for their purpose:

- a. To give employees an idea of how they are doing.
- b. To identify promotable employees.
- c. For purposes of salary administration.
- d. To provide a basis for a supervisor-employee interview.
- e. To help train supervisor to know their workers better.
- f. To discover areas where additional training is needed.
- g. To identify employees for layoff in bad times.
- h. To identify employees who may be in "wrong" jobs.
- i. To help check the effectiveness of the company's selection procedure, or other research use.
- j. For selection during rehiring purposes.
- k. To comply with union contract provisions.
- l. For use in grievance interviews.
- m. To focus executives' attention on the effectiveness of their organization and to provide a foundation for organization planning and development.
- n. To aid in assuring employees of appropriate individual recognition and to assist in the

development of competent personnel to carry out the company's operations efficiently and successfully.

- o. To obtain a check on all probationary and terminated employees. [Ref. 7:p. 3]

However, nearly all evaluation systems are in place to serve two primary purposes: (1) the documented basis for critical organizational decisions needed to fulfill the organization's goals; and (2) the professional development of the employee needed to fulfill his goals [Ref. 6:pp. 3-5].

4. Problems With Performance Appraisals

Because performance appraisals are for the most part subjective and judgmental in nature, numerous problems arise. Three main categories of problems are (1) institutional problems, (2) ratee problems, and (3) rater problems. Institutional problems occur when appraisal system design or administration obstruct the desired organizational outcome. Ratee problems involve the magnitude of trust an individual has for the appraisal system. Confidence in the system finds the employee more willing to adjust his behavior to the evaluation, while distrusting or lack of understanding the system promotes an opposite affect. Finally, rater problems are the most damaging and pervasive shortcomings of an appraisal system. A study of 300 U. S. corporations revealed "Managers resent the time it takes to do performance appraisals well; they are known to ignore the procedure when

they can or to fudge their comments to avoid embarrassment inherent in criticizing subordinates." [Ref. 7:pp. 13-14]

Similar problems with performance appraisals include "ambivalence and avoidance" and "defensiveness and resistance." Supervisors are ambivalent about participating in the appraisal process because of their role as judge and jury, and find themselves avoiding difficult situations involving negative feedback. Similarly, employees are ambivalent towards negative feedback, which they probably want to know to improve their performance, but without threatening their self-esteem and promotion opportunities. Employees often become defensive when receiving negative feedback which can result in resistance towards the supervisor. [Ref. 6:pp. 6-8]

B. NAVY CIVILIAN EMPLOYEE PERFORMANCE APPRAISAL SYSTEM

1. Purpose

Performance appraisal system procedures for U. S. Navy Civil Service employees are provided by the Department of the Navy (DON), Office of Civilian Personnel Management (OCPM) in an OCPM instruction entitled "Department of the Navy Performance Appraisal Review System (PARS)." The purpose of the instruction is to "establish DON regulations for employees covered by the PARS and implement the DON performance management plan approved by the Office of Personnel Management." [Ref. 8:p. 1]

2. Objectives

PARS is a management process used to integrate performance, pay and awards with basic management functions, to improve individual and organizational effectiveness, and to accomplish agency mission and goals by providing a means to:

- a. Plan, direct, evaluate and improve employee work.
 - b. Identify individual accountability.
 - c. Permit employee participation in developing goals and work requirements.
 - d. Communicate goals and work requirements.
 - e. Effect probationary actions.
 - f. Grant or deny general schedule (GS) with-in grade increases (WGI's) and Federal Wage System (FWS) increases.
 - g. Grant awards to recognize and reward high-level performance.
 - h. Grant quality step increases (QSI's) to GS employees for "Outstanding" performance.
 - i. Use performance awards to motivate employees toward increased productivity and creativity, support and enhance agency and national goals, meet employee recognition needs and obtain maximum benefits for the government.
 - j. Promote, develop or retain employees in reduction-in-force.
 - k. Effect removal, reassignment, and demotion based upon performance.
 - l. Integrate performance management into other civilian personnel programs including position classification, staffing, employee and labor relations, employee development and equal employment opportunity.
- [Ref. 8:pp. 1-2]

3. Performance Appraisal Procedures

The procedures for performance appraisals are very specific. The appraisal period is to be a fixed annual period, and for an employee to receive an appraisal, that employee must have served for a minimum of ninety days under

an approved performance plan. A performance plan, which refers to the combination of all written critical elements and performance standards, will be in writing, will incorporate organizational objectives, and will involve the employee during the performance plan formulation. [Ref. 8:pp. 2-9]

A critical element is a particular component of a position which has one or more duties of such importance that an unsatisfactory performance in any critical element means the overall appraisal will be considered unsatisfactory. There will be a minimum of one critical element for each position, and three critical elements are strongly recommended. [Ref. 8:p. 9]

A performance standard is a statement of expectations or requirements for a critical element at a particular rating level. Performance standards are based upon a five-level summary rating system as follows:

Level 5 - Outstanding; Level 4 - Exceeds Fully Successful; Level 3 - Fully Successful; Level 2 - Minimally Successful; Level 1 - Unacceptable. [Ref. 8:p. 9]

4. Alternative Performance Appraisal System

The Alternative Performance Appraisal System (APAS) may be used in lieu of PARS. APAS incorporates a work plan which consists of specific objectives to be accomplished by the employee during the appraisal year. The work plan becomes one critical element in the appraisal, and is rated

by the five-level summary system based upon the number of objectives in the work plan that were either not met, met or exceeded. The work plan as an additional critical element is the only significant difference between APAS and PARS. APAS is primarily designed for managers and supervisors, but can be used for non-supervisory personnel. [Ref. 9:p. 1-5]

C. TOTAL QUALITY MANAGEMENT (TQM) AND PERFORMANCE APPRAISALS

1. TQM Overview

Before presenting TQM's perspective towards performance appraisals, a brief discussion about TQM will be required. Although the amount of literature that addresses the subject of TQM is substantial, this discussion will attempt to acquaint the reader with the fundamental concepts of TQM.

TQM, commonly referred to as the Deming Management Method, has been practiced among many Japanese firms for years. Dr. Edwards Deming, an American who taught the Japanese statistical quality control and principles of management after World War II, has only begun to have an impact in the United States in the last several years. Already eighty-nine years old, Dr. Deming is still going strong conducting seminars and preaching the TQM philosophy. [Ref. 3:pp. 3-21] TQM can be defined as follows:

TQM consists of continuous process improvement involving everyone in the organization -- managers and workers-- in a totally integrated effort toward improving performance at every level. This improved performance is

directed toward satisfying such cross-functional goals as quality, cost, schedule, mission need, and suitability. TQM integrates fundamental management techniques, existing improvement efforts, and technical tools under a disciplined approach focused on a continuous process improvement. The activities are ultimately focused on increased customer/user satisfaction. [Ref. 10:p. 1]

While TQM has its roots in statistical process control, Dr. Deming realized that basic fundamental management practices which were consistent with statistical processes were needed. There are fourteen points to the Deming Management Method, and also "Seven Deadly Diseases". The fourteen points are as follows: (1) Create constancy of purpose for improvement of product and service; (2) Adopt the new philosophy; (3) Cease dependence on mass inspection; (4) End the practice of awarding business on price tag alone; (5) Improve constantly and forever the system of production and service; (6) Institute training; (7) Institute leadership; (8) Drive out fear; (9) Break down barriers between staff areas; (10) Eliminate slogans, exhortations, and targets for the workforce; (11) Eliminate numerical quotas; (12) Remove barriers to pride of workmanship; (13) Institute a vigorous program of education and training; (14) Take action to accomplish the transformation. The Seven Deadly Diseases are as follows: (1) Lack of constancy of purpose; (2) Emphasis on short-term profits; (3) Evaluation by performance, merit rating, or annual review of performance; (4) Mobility of management; (5) Running a

company on visible figures alone; (6) Excessive medical costs; (7) Excessive costs of warranty, fueled by lawyers that work on contingency fee (Diseases six and seven apply only to the United States). [Ref. 3:pp. 34-36]

2. Performance Appraisals

As previously stated, TQM considers performance appraisals one of the Seven Deadly Diseases in an organization. Dr. Deming believes performance appraisals encourage short term performance and increase variability of performance. He believes that performance appraisals build fear and undermine teamwork by forcing people to compete among themselves for the same rewards. Additionally, he feels that performance appraisals have a tendency to increase reliance on quantity and not quality, and that performance appraisals leave "people bitter, despondent, dejected, some even depressed, all unfit for work for weeks after receipt of rating . . . It is unfair, as it ascribes to the people in a group that may be caused totally by the system that they work in." [Ref. 3:p. 91]

In addition to the Deadly Sin of performance appraisals, there are three of the fourteen points of TQM that espouse the elimination of performance appraisals. According to Deming, driving out fear (point number eight), eliminating numerical quotas (point number eleven), and removing barriers to pride in workmanship (point number twelve) are all related

to the Deadly Sin of performance appraisals. People are afraid to identify problems for fear of punitive assignments or losing their raises, promotions, or jobs. Individual fears such as these help preserve the status quo. [Ref. 3:pp. 72-73]

Numerical quotas or similar measured standards result in loss, chaos, dissatisfaction, and turnover. A statistically normal distribution will have half the population below the average and half above the average. Performance standards which are based on numerical quotas will only identify those above and below the average. It will not identify the problem with the process. A proper work standard should delineate quality and not quantity. [Ref. 3:pp. 78-80]

Barriers to pride in workmanship often include frequently changing standards. Many workers seldomly receive feedback concerning their performance until their annual performance appraisal when it is usually too late. This causes workers to complain that they do not know what is expected of them. Moreover, workers lose their motivation and interest in their job. [Ref. 3:pp. 81-83]

D. DEPARTMENT OF DEFENSE AND TOTAL QUALITY MANAGEMENT

On 30 March 1988, then Secretary of Defense Frank Carlucci issued a memorandum to the Secretaries of the military departments and others which addressed the DOD posture on quality. In the memorandum, Secretary Carlucci

stated that the time was critical for the DOD to focus on quality as the means for achieving higher levels of performance, and that TQM would receive top priority as a means for that accomplishment. [Ref. 11:pp. 1-2]

The Carlucci memorandum provided twelve points concerning the Department of Defense posture on quality. Although there was not a specific point addressing civilian performance appraisals, one particular point stated that "Competent, dedicated employees make the greatest contributions to quality and productivity. They must be recognized and awarded accordingly." [Ref. 11:p. 3]

There is currently a draft instruction DOD 5000.51-G entitled "Total Quality Management: A Guide for Implementation" which was issued 1 February 1989. Again, there is no specific mention concerning civilian performance appraisals, but there is a concept which emphasizes using "a balanced social-technical approach." This particular concept discusses the importance of people in the total process, and that people are the key to improving quality and productivity. Similarly, it discusses how "employees model their behavior by how management acts" and that "employees will expend the necessary effort if they perceive that their performance will lead to desired results." [Ref. 10:p. 11]

**E. DEPARTMENT OF THE NAVY, TOTAL QUALITY MANAGEMENT, AND
PERFORMANCE APPRAISALS**

Within the Navy, numerous activities have implemented TQM as their management philosophy. In doing so, the issue of performance appraisals has become a concern. Because of statutory requirements, annual performance appraisals could not be eliminated. Therefore, activities were forced to make a choice concerning TQM and performance appraisals.

One TQM activity, the Navy Publication and Forms Center (NPFC), could not legally bypass the civil service performance appraisal system requirement. However, they revised the terms by which their civilian personnels' performance was evaluated. Key elements and standards were changed to reflect each employee's part in the accomplishment of NPFC's overall mission, and NPFC also emphasized that each employee's job includes both internal and external customer satisfaction. NPFC's previous employee standards were judged against an established production quota. [Ref. 12:p. 6]

One of the small purchase activities which participated in this thesis' survey is a TQM activity (The name of the activity will not be stated due to the need for anonymity during the analysis of its performance appraisal standards in Chapter IV, and this activity will simply be referred to as Activity B). The method used by Activity B to incorporate TQM into its performance appraisal system was to include a

performance standard for its supervisory level personnel which evaluates the ability of that individual to apply TQM techniques and theory to the work which they supervise (refer to Appendix E, Activity B performance standards for purchasing supervisors).

While Navy activities attempt to deal with the conflict of performance appraisals and TQM, the Department of the Navy's Office of Civilian Personnel Management is also attempting to resolve this conflict. A telephone conversation between the researcher and Ms. Joyce Sowa, the Navy Incentive Award and Performance Management Systems Administrator for the Department of the Navy Office of Civilian Personnel Management, disclosed that the Navy recently attempted to seek from Congress total delegation for the authority to manage Navy civilian performance appraisals. The intent of this request specifically addressed the issue of TQM and performance appraisals. According to Ms. Sowa, the Navy Office of Civilian Personnel Management supports the Deming philosophy of eliminating performance appraisals, and having Congress delegate the performance appraisal management to the Navy would bypass the statutory requirement and allow the Navy to pursue a more compatible process such as a group rating scheme. However, Congress denied the request and directed that an eighteen month study be conducted before they make a decision. The consulting firm of Booz, Allen and

Hamilton is currently conducting a study concerning performance appraisal and TQM compatibility at various TQM firms in private industry as well as four selected TQM activities within the Navy. [Ref. 13]

F. SUMMARY

Although the specifics of civilian performance appraisals are not addressed in the DOD TQM Implementation as they are by Deming, there are references made to the proper treatment of people and their role in improving the overall process. Given the statutory requirements for performance appraisals, some Navy TQM activities have tried to incorporate TQM with their existing performance appraisal system. As previously discussed, the Navy feels that TQM and performance appraisals do not mix, has attempted to seek the authority to take control of the performance appraisal requirement, and has been forced by Congress to wait an additional eighteen months while a study determines the outcome.

III. RESEARCH METHODOLOGY

A. DATA GATHERING PLAN

1. Population

This study seeks to determine the effect performance appraisals have on motivating increased performance and productivity for GS-1105 series contracting personnel at U. S. Navy Small Purchase Activities. As discussed in Chapter I, the GS-1105 series is the backbone of any small purchase activity. As such, GS-1105 series personnel would be the best source to provide perceptions concerning their performance appraisals. Therefore, GS-1105 series personnel at U. S. Navy Small Purchase Activities were chosen as the population.

2. Sample Description and Survey Technique

An adequate sample was needed to provide reasonable perceptions of the entire population. A mailed questionnaire was chosen as the most efficient method for gathering the required information for this research effort. The fact that time was an important factor made the mailed questionnaire the only feasible method. In order to ensure significant participation with the questionnaire, numerous small purchase activities on the West Coast were first contacted by the researcher to determine whether their activity would be interested in participating in the project. Fourteen

activities were willing to participate. This would provide a sufficient sample size of over 200 GS-1105's for the questionnaire. Twelve of the fourteen activities eventually participated in the project providing a sample size of 141 GS-1105 personnel. The activities are listed in Appendix B.

B. QUESTIONNAIRE DEVELOPMENT

Developing the questionnaire required examining what might be important during analysis. It is provided in Appendix C. First of all, demographics were considered with questions one through five which addressed the respondent's grade (GS-4, GS-5, etc.), level of education, current position, length of time with current organization, and length of time involved with government small purchase. Next, specific questions concerning individual feelings about performance appraisals were addressed in questions six through fourteen. Question fifteen did not refer to performance appraisals but addressed familiarity with Total Quality Management, which was of interest to the researcher to ascertain how well DOD's indoctrination of TQM had been communicated to the GS-1105 working level. Finally, questions sixteen through nineteen were for supervisory level personnel only. These questions addressed the number of individuals they supervised, how they perceived their subordinates' attitudes toward performance appraisals, if they were allowed enough time to evaluate their subordinates,

and if they received adequate training in evaluating their subordinates.

C. COLLECTING SAMPLE PERFORMANCE APPRAISAL STANDARDS

In addition to collecting data through survey questionnaires, the activities were requested to provide sample performance appraisal standards currently in use at their activities for each category of buyer, lead buyer, and purchasing supervisor. This information was requested to provide data for the subsidiary research question concerning the types of standards currently used to evaluate GS-1105 personnel at Navy small purchase activities. Although not all the activities provided sample standards, four activities responded to the request. This provided a sufficient number of standards to give a reasonable idea of the types of standards being used.

D. SUMMARY

This chapter has addressed the data gathering plan, questionnaire development, and the collection of sample performance appraisal standards. Data were gathered via a mailed questionnaire to fourteen Navy small purchase activities of which twelve participated. The questionnaire considered various demographic characteristics, individual feelings towards performance appraisals, familiarity with the concept of TQM, and supervisory level personnel feelings towards performance appraisals. Sample performance appraisal

standards were requested from each participating activity. Four activities provided performance appraisal standards for supervisory and non-supervisory level GS-1105 personnel. Chapter IV will present an analysis of the questionnaire and performance standards.

IV. ANALYSIS AND RESULTS

The purpose of this chapter is to present an analysis of the survey conducted at twelve procuring activities. First, the demographics of the sample will be presented. Next, the questionnaire results will be examined and discussed question by question. Finally, a discussion of the types of performance appraisal standards currently being used by some of the activities will be presented.

A. DEMOGRAPHICS

A brief description of the demographics is presented in this section. Demographic information was obtained from questions one through five and question sixteen on the questionnaire. The detailed results are contained in Appendix D. A total of 141 GS-1105 series contracting personnel participated in the survey.

Approximately 62% of the respondents were in grades GS-4 through GS-6 (non-supervisory level buyer/purchasing agent) while approximately 38% were supervisory level lead buyers or purchasing supervisors in grades GS-7 through GS-10 (nine GS-7's responded only as buyers).

Expectedly, all respondents were high school graduates, but only 18% had not continued their education past that level. Most respondents (49%) had some college courses, 18%

had an Associates degree, seven percent had a Bachelor's degree, five percent had some graduate courses, and one respondent (GS-7 Lead buyer with more than seven years in small purchase) had a Master's degree. Two respondents had completed secretarial school while one respondent had completed the Montana Basic Law Enforcement Academy.

The respondents were 68% buyers, 19% lead buyers, and 13% purchasing supervisors. Of the supervisory level personnel (lead buyers and purchasing supervisors), 51% supervised from four to six employees. Approximately 77% of the respondents had held their present position at their current organization for less than three years, while 23% had held their current position more than three years. Approximately 35% had been involved with government small purchase less than three years while 65% had been involved more than three years.

B. QUESTIONNAIRE ANALYSIS

The questionnaire had a total of nineteen questions of which six questions were related to demographics. Twelve of the remaining fourteen questions requested the respondents to express their feelings or opinions about various aspects of performance appraisals, while one of these fourteen questions was to ascertain the respondents' familiarity with TQM. The questions were configured so as to allow the respondent to express his perception within a range of one to five where a

response of one represented a strong negative feeling and a response of five represented a strong positive feeling.

1. Survey Question Number Six

Question number six asked the respondents "How would you characterize your familiarity with your activity's Performance Appraisal Review System and its objectives?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not very familiar	13	9.2
2	21	14.9
3	47	33.3
4	31	22.0
5 Extremely familiar	<u>29</u>	<u>20.6</u>
Total	<u>141</u>	<u>100.0</u>

Although this particular question had a mean of 3.29, and a median and a mode of three, 42% of the responses were above the mean while 24% were below the mean. This gives the indication that most respondents are average to above average with their familiarity of their performance appraisal system and its objectives, which is an important consideration if a system is to be successful.

2. Survey Question Number Seven

Question number seven asked the respondents "How much involvement do you have in providing input to your performance appraisal?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Very little input	37	26.2
2	30	21.3
3	32	22.7
4	23	16.3
5 Considerable input	<u>19</u>	<u>13.5</u>
Total	<u>141</u>	<u>100.0</u>

Question number seven had a mean of 2.69, a median of three, but it had a mode of one. The frequency of responses indicate that the opportunity for the respondents to provide input to their performance appraisals was average to below average. This is not surprising. Earlier discussion in Chapter II stated that many supervisors are reluctant to discuss performance appraisals with their subordinates. Given this, it stands to reason that supervisors would not solicit input from those subordinates. Additionally, this researcher believes that performance appraisals are not a high priority, are often rushed, and frequently considered an administrative requirement.

3. Survey Question Number Eight

Question number eight asked the respondents "How well are your performance appraisal standards communicated to you by your superiors?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not clearly communicated	12	8.5
2	22	15.6
3	24	17.0
4	33	23.4
5 Clearly communicated	<u>50</u>	<u>35.5</u>
Total	<u>141</u>	<u>100.0</u>

Question number eight had a mean of 3.62, median of four and a mode of five. The frequency of responses definitely show that almost 59% of the respondents are above average about the way they feel the standards by which their performance will be measured are clearly communicated to them. This clearly contradicts Deming's assertion that "workers complain that they do not know from one day to the next what is expected of them [Ref. 3:p. 81]."

4. Survey Question Number Nine

Question number nine asked the respondents "Given the fact that you will receive a performance appraisal, does it motivate you to increase your performance and productivity?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Does not motivate	30	21.3
2	19	13.5
3	28	19.8
4	29	20.6
5 Motivates a great deal	<u>35</u>	<u>24.8</u>
Total	<u>141</u>	<u>100.0</u>

Question number nine had a mean of 3.14, a median of three, and a mode of five. The frequency of responses give an indication that, on the average, the respondents were indifferent to the motivational factor performance appraisals have on increasing their productivity and performance. Twenty-eight respondents were clearly indifferent as to their feelings when they chose response three. However, 45% of the respondents seemed to feel that there was a motivational factor involved while only 35% felt there was not a motivational factor involved. This seems to indicate to this researcher that performance appraisals have a tendency to motivate an individual to increase his performance and productivity.

5. Survey Question Number Ten

Question number ten asked the respondents "Do you feel that your performance appraisal provides an accurate account of your performance?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not accurate	37	26.2
2	27	19.2
3	26	18.4
4	28	19.9
5 Extremely accurate	<u>23</u>	<u>16.3</u>
Total	<u>141</u>	<u>100.0</u>

Question number ten had a mean of 2.81, a median of three, but a mode of one. Although question nine seems to indicate that performance appraisals effect the respondents' motivation to increase productivity and performance, the frequency of responses for question ten seem to say the respondents do not feel their performance appraisals reflect an accurate account of their performance, since almost half of the respondents (45.4%) are less than the mean. This could be due to their appraisals not being as high as expected, or it could also indicate that an inflated appraisal is not an accurate account of their performance. Additionally, the problem could be more of one of which the performance standards themselves are not accurate or clearly defined, which might leave an individual feeling their appraisal is not an accurate account of their performance.

6. Survey Question Number Eleven

Question number eleven asked the respondents "Do you feel that your performance is fairly evaluated by your superiors?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not fair	13	9.2
2	21	14.9
3	29	20.6
4	36	25.5
5 Extremely fair	<u>42</u>	<u>29.8</u>
Total	<u>141</u>	<u>100.0</u>

Question number eleven had a mean of 3.54, a median of four, and a mode of five. It is interesting to note that although the respondents felt that their performance appraisals were not an accurate account of their performance, these data indicate that overall the respondents strongly feel that they receive a fair evaluation by their superiors since 55.3% are greater than the mean. Why would the respondents feel their appraisals are not accurate but feel that they were fair? This researcher believes that although the accuracy of the appraisal is compromised due to inaccurate performance standards, the evaluation is still considered fair regardless of the appraisal's accuracy.

7. Survey Question Number Twelve

Question number twelve asked the respondents "Do you feel that your performance is consistently evaluated by your superiors?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not consistent	11	7.8
2	19	13.5
3	30	21.3
4	45	31.9
5 Very consistent	<u>36</u>	<u>25.5</u>
Total	<u>141</u>	<u>100.0</u>

Question number twelve had a mean of 3.54, a median of four as well as a mode of four. These results are similar to those of question eleven. Again, it is interesting to note that although most of the respondents feel that their evaluation is not an accurate account of their performance, most of them feel that their performance is consistently evaluated. Consistency and fairness do not necessarily mean that the evaluations are good or bad. However, a successful evaluation system needs consistency and fairness.

8. Survey Question Number Thirteen

Question number thirteen asked the respondent "Do you feel that performance appraisals encourage cooperation and teamwork?". The frequency of the respondents' choices were as follows were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Does not encourage	40	28.4
2	30	21.3
3	29	20.5
4	20	14.2
5 Significantly encourages	<u>22</u>	<u>15.6</u>
Total	<u>141</u>	<u>100.0</u>

Question number thirteen had a mean of 2.67, a median of three, and a mode of one. While 20% of the respondents were indifferent to the question by choosing three, almost 50% were inclined to feel that performance appraisals do not encourage teamwork while 30% felt they did encourage teamwork. As discussed earlier, Deming strongly believes that performance appraisals are definitely detrimental to teamwork. These responses seem to indicate some agreement with Deming's hypothesis. This researcher believes that unless the appraisal includes a standard evaluating team or group efforts, that individuals will be concerned with themselves and not the group.

9. Survey Question Number Fourteen

Question number fourteen asked the respondents "Do you feel that performance appraisals serve a useful purpose?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Serves no purpose	18	12.8
2	21	14.9
3	32	22.7
4	34	24.1
5 Serves very useful purpose	<u>36</u>	<u>25.5</u>
Total	<u>141</u>	<u>100.0</u>

Question number fourteen had a mean of 3.34, a median of three, and a mode of five. Although 22.7% of the respondents were indifferent by choosing category three, these data indicate that 59% of the respondents feel that performance appraisals do serve a useful purpose while only 29% feel they serve little purpose. As discussed earlier in Chapter II, numerous reasons were cited why Deming believes performance appraisals should be eliminated. So why did the majority of the respondents feel appraisals serve a useful purpose? This researcher believes that the respondents feel this way because they know performance appraisals are used for various career related purposes such as promotions and raises, as well as the respondents being told that performance appraisals are just plain important.

10. Survey Question Number Fifteen

Question number fifteen asked the respondents "Are you familiar with the concepts of Total Quality Management (TQM)?" The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Never heard of it	58	41.1
2	18	12.8
3	31	22.0
4	24	17.0
5 Extremely familiar	<u>10</u>	<u>7.1</u>
Total	<u>141</u>	<u>100.0</u>

Question number fifteen had a mean of 2.36, a median of 2, and a mode of one. This indicates that most of the respondents were not familiar with TQM. This researcher believes this to be the case because TQM is a relatively new concept for the Navy as a whole, and unless the respondents were from a TQM activity, they probably had not yet received an indoctrination.

11. Survey Question Number Seventeen

Question number seventeen asked respondents in a supervisory position "Given the fact that your subordinates will receive a performance appraisal, do you feel that it motivates them to increase their performance and productivity?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Does not motivate	7	15.6
2	8	17.8
3	15	33.3
4	9	20.0
5 Motivates a great deal	<u>6</u>	<u>13.3</u>
Total	<u>45</u>	<u>100.0</u>

Question number sixteen had a mean of 2.91, a median of three as well as a mode of three. As can be seen by looking at the data, they practically represent a perfect normal distribution. This indicates to this researcher that the supervisory respondents were quite indifferent to their perceptions about their subordinates motivation concerning performance appraisals.

12. Survey Question Number Eighteen

Question number eighteen asked respondents in a supervisory position "Do you feel that there is enough time available for you to do an adequate job evaluating your subordinates?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not enough time	9	20.0
2	13	28.9
3	16	35.5
4	4	8.9
5 Plenty of time	<u>3</u>	<u>6.7</u>
Total	<u>45</u>	<u>100.0</u>

Question number eighteen had a mean of 2.53, a median of three as well as a mode of three. Although 35% of the supervisory respondents were indifferent about the available time they have to adequately evaluate their subordinates, 48% of them felt that time was a problem while only 15% felt time was not a problem. This seems to indicate that there might not be adequate time available for supervisory personnel to effectively evaluate their subordinates. This researcher believes that time is a problem for an adequate evaluation, particularly in a small purchase activity with its extremely high volume of transactions and dwindling resources. Additionally, the researcher feels that the indifferent respondents are probably not properly evaluating their subordinates.

13. Survey Question Number Nineteen

Question number nineteen asked respondents in a supervisory position "Do you feel that you have received adequate training in the area of performance appraisals to effectively evaluate your subordinates?". The frequency of the respondents' choices were as follows:

<u>Response</u>	<u>Respondents</u>	
	<u>Number</u>	<u>Percentage</u>
1 Not enough training	16	35.6
2	14	31.1
3	10	22.2
4	4	8.9
5 More than enough training	<u>1</u>	<u>2.2</u>
Total	<u>45</u>	<u>100.0</u>

Question number nineteen had a mean of 2.11, a median of two and a mode of one. These data indicate that 66% of the supervisory respondents felt that the training received for evaluating subordinates was not adequate while only 11% felt that there was enough training. These results illustrate that supervisory personnel feel that more training is needed in order to effectively evaluate their subordinates. These results do not surprise this researcher since five years of experience with civilian personnel has demonstrated that performance appraisal training for supervisors is not made available.

C. CURRENT PERFORMANCE APPRAISAL STANDARDS ANALYSIS

Although requested of all participating activities, only four of the twelve activities provided sample performance appraisal standards. These standards were examined to provide an indication as to the current types of standards by which respondents were evaluated. The standards are provided in Appendix E. References to any individual command or specific person were eliminated to the fullest extent possible so as to allow anonymity for presentation purposes. Therefore, the standards will be addressed by referencing Activity A, Activity B, Activity C, and Activity D.

Sample performance standards were provided for the positions of buyer, lead buyer, and purchasing supervisor. Activities A, B, and C used a form of PARS, and Activity D utilized APAS. Activities A and B provided standards for buyers and supervisors, Activity C did not have a GS-1105 supervisory position and only provided standards for a GS-6 Buyer, and Activity D provided standards for buyers, lead buyers, and supervisors.

The number of critical elements (standards) per position varied among the four activities. Activity A had three critical elements for buyers and five for their supervisors. Activity B had three critical elements for both their buyers and supervisors. Activity C had three critical elements for its buyers. Since Activity D utilized APAS, one of the

critical elements for each set of standards was a work plan listing numerous objectives. Activity D buyers had three critical elements, one of which was a work plan with eleven objectives. Activity D had three critical elements for its lead buyers, one of which was a work plan with twelve objectives. For its supervisors, Activity D had five critical elements, one of which was a work plan with five objectives.

All of Activities A through D had both quantitative and qualitative critical elements. All critical elements for Activity A buyers and supervisors were quantified to assist with determining the individual ratings. Both Activity B buyers and supervisors had two critical elements which were qualitative and one critical element which was quantitative. Similarly, the buyers for Activity C had two quantitative critical elements and one qualitative critical element. Activity D's buyers and lead buyers had two qualitative critical elements, and one critical element (work plan) that had nine of eleven objectives that were quantified. Activity D's supervisor had four qualitative critical elements and one critical element (work plan) that had three of five objectives that were quantified.

Qualitative critical elements provide the widest margin of subjective evaluation. Critical elements such as organizational support and communication, courtesy and

professionalism, execution of duties, work unit planning, and personnel management could have a wide variation of interpretation depending on the individual doing the appraisal.

Quantitative critical elements provide an exact process of determining a performance level which can be measured against some predetermined standard. This can be good or bad for the individual being appraised depending on how realistically the standards are defined, and if any provisions have been included for exceptions.

Quantitative critical elements in purchasing can be a significant source of frustration for an individual. For example, Activity D has as one of its objectives in the work plan of for its buyers to initiate and accomplish negotiation of difficult proprietary procurements within three days. Failure to meet this objective will not allow a fully successful rating for the work plan as a whole.

There were differences among the activities as to the level of performance for the same type of position. For example, Activity A considers no less than eight buys per day fully successful while Activity D considers twelve buys for routine material or five buys for complex material fully successful. What types of buys was Activity A considering for eight buys a day? What constitutes a routine vice a complex buy for Activity A? Are there any buys in between

complex and routine? These are just a few of the many questions that individuals might be asking themselves. This demonstrates that although numbers have been established from which to evaluate, interpreting those numbers can be the difference between an individual being rated fully successful or below fully successful.

D. SUMMARY

This chapter has analyzed the data results from the questionnaire and the sample performance standards. A total of 141 GS-1105 personnel participated in the survey. The demographics disclosed that 62% of the respondents were serving in non-supervisory grades GS-4 through GS-6 while 38% were serving in supervisory grades GS-7 through GS-10. Only 18% of the respondents had not continued their education past the high school level. Overall, the questions which addressed the respondents' feelings towards performance appraisals indicated support for Deming's beliefs about performance appraisals. The sample performance standards were primarily quantitative but left room for considerable interpretation, particularly with the subjective nature by which these standards are evaluated. Chapter V will present a summary, research questions and conclusions, and recommendations for further research.

V. SUMMARY AND CONCLUSIONS

A. SUMMARY

The purpose of this chapter is to summarize the entire research effort and to interpret the analytical results in order to answer the research questions. The main thrust of this research has been to determine the effect performance appraisals have on motivating improved performance and productivity for GS-1105 series contracting personnel at U. S. Navy Small Purchase activities and the compatibility of performance appraisals with TQM's concept of performance appraisals.

To explore the research questions, a literature review was conducted in order to review performance appraisals in general and examine what performance appraisal systems are in use at U. S. Navy Small Purchase Activities. Additionally, a questionnaire was utilized to gather feedback from GS-1105 series contracting personnel in order to determine their perceptions about performance appraisals. Finally, example standards were obtained from some of the participating activities to examine the types of standards which respondents were being evaluated.

Performance evaluation has been around for hundreds of years in one form or another. The U. S. Federal Government has used some form of performance appraisals since the late

nineteenth century. The current evaluation system utilized by U. S. Navy Small Purchase Activities is either PARS or APAS. Both of these systems utilize both quantitative and qualitative standards to evaluate an individual's performance, but evaluating either type of standard remains predominantly subjective.

B. RESEARCH QUESTIONS AND CONCLUSIONS

1. Primary Research Question

Does the current Performance Appraisal Review System utilized by U. S. Navy Small Purchase Activities for GS-1105 series contracting personnel effectively motivate improved performance and productivity, and is the current PARS compatible with the performance appraisal concept of Total Quality Management?

Based on the questionnaire responses summarized in Chapter IV, there is some indication that the performance appraisal systems used by the participating activities do have some effect on motivating improved performance and productivity. Although not an overwhelming indication, most of the respondents felt that performance appraisals have a motivating effect on their performance and that performance appraisals have a useful purpose. The researcher believes the reason for these results is due to the fact that the respondents know that their careers' success is determined by their performance appraisals. This motivates them to

increase their performance and productivity in order to advance their careers. Consequently, the respondents feel that appraisals serve a useful purpose because they know their careers' success is determined by their performance appraisals.

As to the compatibility of the current PARS with TQM's concept of performance appraisals, there is some indication that PARS and TQM are compatible. Although TQM advocates the elimination of performance appraisals, the researcher feels that PARS and particularly APAS can accommodate TQM if standards are revised to reflect qualitative rather than quantitative standards. Writing qualitative standards, however, may not be an easy task and would be more difficult defending ratings assigned. How would a supervisor substantiate qualitative ratings such as an above average, average or below average rating without quantitatively reaching that decision? As discussed in Chapter II, the Navy Office of Civilian Personnel Management does not feel that TQM and performance appraisals are compatible and has requested Congress allow them total authority to manage performance appraisals. Expectedly, Congress directed an eighteen month study be conducted to allow the problem time for proper evaluation.

2. Subsidiary Question One

What is the Performance Appraisal Review System currently utilized by U. S. Navy Small Purchase Activities and how does it function?

Navy Small Purchase Activities utilize PARS or APAS. APAS is similar to PARS with the exception of one critical element being a work plan with a list of objectives. Each critical element in both systems can be rated from five possibilities which include unacceptable, below fully successful, fully successful, exceeds fully successful, and outstanding. Smaller activities can choose to use the middle three ratings if so desired.

3. Subsidiary Question Two

What types of performance appraisal standards are currently being used by U. S. Navy Small Purchase Activities for GS-1105 series contracting personnel?

Two types of performance standards are being utilized. These include qualitative and quantitative standards. Most of the standards in Appendix E were of the quantitative nature.

4. Subsidiary Question Three

What is Total Quality Management's (TQM) philosophy on performance appraisals?

TQM, according to Deming, considers performance appraisals one of the Seven Deadly Sins in an organization.

It advocates the elimination of performance appraisals due to the emphasis placed on numerical quotas instead of the quality of the productivity. However, TQM does not say an organization will not succeed if it uses performance appraisals to motivate personnel.

C. RECOMMENDATIONS FOR FURTHER RESEARCH

This research effort concentrated on the U. S. Navy Small Purchase GS-1105 Series purchasing agents by soliciting their opinions on the impact performance appraisals have on improving performance. If the TQM philosophy is instituted and revisions to the current performance appraisal system are mandated, a follow-on study should research how performance standards should be written to be more compatible with TQM and truly measure employee performance effectiveness.

APPENDIX A

LIST OF ABBREVIATIONS

- APAS - Alternative Performance Appraisal System
- DOD - Department of Defense
- DON - Department of the Navy
- DLSIE - Defense Logistics Study Information Exchange
- NPS - Naval Postgraduate School
- OCPM - Office of Civilian Personnel Management
- PARS - Performance Appraisal Review System
- TQM - Total Quality Management

APPENDIX B

LIST OF PARTICIPATING ACTIVITIES

1. Purchasing Branch
NAS North Island
San Diego, CA 92135
2. Purchasing Branch
NAS Miramar
San Diego, CA 92145
3. Purchasing Branch
NAS Whidbey Island
Oak Harbor, WA 98278
4. Purchasing Branch
Naval Hospital Long Beach
7500 East Carson Street
Long Beach, CA 98022
5. Purchasing Division
Materials Management Branch
Naval Medical Command
Naval Hospital
San Diego, CA 92134
6. Purchasing Branch
Naval Training Station
San Diego, CA 92133
7. Purchasing Branch
Naval Postgraduate School
Monterey, CA 93943
8. Purchasing Branch
Naval Supply Center Puget Sound
Bremerton, WA 98314
9. Purchasing Branch
Naval Supply Center San Diego
San Diego, CA 92132
10. Purchasing Branch
Navy Public Works Center
32nd Street and Harbor Drive
San Diego, CA 92136

11. Purchasing Division
Shore Intermediate Maintenance Activity
32nd Street and Harbor Drive
San Diego, CA 92136

12. Purchasing Branch
Material Department
Supervisor of Shipbuilding, Conversion and Repair
32nd Street and Harbor Drive
San Diego, CA 92136

APPENDIX C

QUESTIONNAIRE

GS-1105 Series Contracting Personnel
Performance Appraisal Review Questionnaire

This questionnaire is part of a Naval Postgraduate School Master's Thesis project concerning the effect performance appraisals have on motivating improved performance and productivity for GS-1105 Series contracting personnel at US Navy Small Purchase Activities. The purpose of this questionnaire is to obtain your perceptions about the current Performance Appraisal Review System in use at your Small Purchase Activity. Permission to perform this survey has been obtained from the appropriate authorities. Participation is strictly voluntary and all participants will remain anonymous. The success of this research effort is totally dependent upon your cooperation. Please take a few minutes from your schedule to share your opinions. The survey should take you less than 15 minutes. Your cooperation is sincerely appreciated. Clearly circle your response for each question.

1. What is your present grade?

- (1) GS-4 (2) GS-5 (3) GS-6 (4) GS-7 (5) GS-8 (6) GS-9
(7) GS-10 (8) other (_____)

2. What is your highest level of education?

- (1) high school (5) some graduate courses
(2) some college courses (6) Master's degree
(3) Associate's degree (7) Other (please specify (4)
Bachelor's degree _____)

3. What is your current position (job) in your organization?

- (1) Buyer (3) Purchasing Supervisor
(2) Lead Buyer (4) Other (please indicate
_____)

4. How long have you held your present position in your current organization?

- | | |
|----------------------------|----------------------------|
| (1) less than 1 year | (4) 5 to less than 7 years |
| (2) 1 to less than 3 years | (5) 7 or more years |
| (3) 3 to less than 5 years | |

5. How long have you been involved with government small purchase?

- | | |
|----------------------------|----------------------------|
| (1) less than 1 year | (4) 5 to less than 7 years |
| (2) 1 to less than 3 years | (5) 7 or more years |
| (3) 3 to less than 5 years | |

6. How would you characterize your familiarity with your activity's Performance Appraisal Review System and its objectives?

Not very familiar Extremely familiar

1 2 3 4 5

7. How much involvement do you have in providing input to your performance appraisal?

Very little input Considerable input

1 2 3 4 5

8. How well are your performance appraisal standards communicated to you by your superiors?

Not clearly communicated Clearly communicated

1 2 3 4 5

9. Given the fact that you will receive a performance appraisal, does it motivate you to increase your performance and productivity (amount of work)?

Does not motivate Motivates a great deal

1 2 3 4 5

10. Do you feel that your performance appraisal provides an accurate account of your performance?

Not accurate Extremely accurate
1 2 3 4 5

11. Do you feel that your performance is fairly evaluated by your superiors?

Not fair Extremely fair
1 2 3 4 5

12. Do you feel that your performance is consistently evaluated by your superiors?

Not consistent Very consistent
1 2 3 4 5

13. Do you feel that performance appraisals encourage cooperation and teamwork?

Does not encourage Significantly encourages
1 2 3 4 5

14. Do you feel that performance appraisals serve a useful purpose?

Serves no purpose Serves very useful purpose
1 2 3 4 5

15. Are you familiar with the concepts of Total Quality Management (TQM)?

Never heard of it Extremely familiar
1 2 3 4 5

If you are in a supervisory position (Lead buyer or purchasing supervisor), please continue. If you are not a supervisor, you have completed the survey. Thank you for your participation.

APPENDIX D

DEMOGRAPHICS

The first five questions and question sixteen on the questionnaire ask for demographic information about the respondents. These questions will be presented as they were on the questionnaire. Following the responses of each question are the frequency and percentage of those respondents answering each option (24 24.1%).

1. What is your present grade?

(1) GS-4	(10	7.1%)
(2) GS-5	(26	18.4%)
(3) GS-6	(51	36.2%)
(4) GS-7	(34	24.1%)
(5) GS-8	(8	5.7%)
(6) GS-9	(9	6.4%)
(7) GS-10	(3	2.1%)
(8) other	(0	0.0%)

2. What is your highest level of education?

(1) High school	(25	17.7%)
(2) Some college courses	(69	49.0%)
(3) Associate's degree	(26	18.4%)
(4) Bachelor's degree	(10	7.1%)
(5) Some graduate courses	(7	5.0%)
(6) Master's degree	(1	.7%)
(7) Other	(3	2.1%)

3. What is your current position (job) in your organization?

(1) Buyer	(96	68.1%)
(2) Lead Buyer	(27	19.1%)
(3) Purchasing Supervisor	(18	12.8%)
(4) Other	(0	0.0%)

4. How long have you held your present position in your current organization?

(1) less than 1 year	(53	37.6%)
(2) 1 to less than 3 years	(55	39.0%)
(3) 3 to less than 5 years	(22	15.6%)
(4) 5 to less than 7 years	(9	6.4%)
(5) 7 or more years	(2	1.4%)

5. How long have you been involved with government small purchase?

(1) less than 1 year	(15	10.6%)
(2) 1 to less than 3 years	(34	24.1%)
(3) 3 to less than 5 years	(32	22.7%)
(4) 5 to less than 7 years	(23	16.3%)
(5) 7 or more years	(37	26.3%)

Question sixteen only concerned supervisory level personnel (lead buyers and purchasing supervisors). Forty-five of the respondents were in this category.

16. How many employees do you presently supervise and evaluate? (include those you directly supervise as well as those whose performance appraisals you review)

(1) 1 to 3	(6	13.3%)
(2) 4 to 6	(23	51.1%)
(3) 7 to 9	(10	7.1%)
(4) 10 or more	(6	4.3%)

APPENDIX E

SAMPLE PERFORMANCE APPRAISAL STANDARDS

Activity A

Activity A provided performance appraisal standards for buyers and purchasing supervisors. Each critical element was rated by three possible standards which included below fully successful, fully successful, and above fully successful. The following are the critical elements for Activity A's buyers:

1. Places purchase orders in accordance with established laws, regulations, policies and procedures.

Fully Successful (FS): No less than eight (8) purchase orders placed per day with proper documentation on the work sheet and DD1149. No more than three (3) out of eight (8) returned for corrections per day.

2. Procurement Administrative Lead Time (PALT).

Fully Successful (FS): Priority 06 requisitions placed within two (2) work days after receipt. Priority 13 requisitions placed within (30) work days after receipt.

3. Preparation of modifications to purchase orders.

Fully Successful (FS): Modifications to orders prepared and distributed no later than five (5) days after receipt.

Activity A had the following critical elements for their purchasing supervisors:

1. Supervises purchasing agents, typist and technical review personnel in the performance of their duties. Proofreads purchase orders and documents for correct application of terms and clauses.

Fully Successful (FS): No more than three documents returned for corrections per day.

2. Establishes, maintains and updates, as required, purchasing policies and procedures related to all procurements, compatible with statutes, directives and regulations.

Fully Successful (FS): No more than two occasions on a random quarterly review when incumbent fails to establish, maintain, and update as required.

3. Follows Equal Employment Opportunity (EEO) policies and makes positive efforts to resolve issues which may give rise to allegations of discrimination.

Fully Successful (FS): No more than two occasions per year when proper EEO requirements are not followed and no more than two EEO complaints relative to subordinates per year.

4. Advises Department Head on purchasing problems of a major or controversial nature and recommends solutions for the problem.

Fully Successful (FS): No more than two occasions per year when incumbent fails to advise Department Head on purchasing problems of a major or controversial nature.

5. Follows safety regulations and conducts safety meetings monthly.

Fully Successful (FS): No more than three occasions per year when safety meeting is not conducted.

Activity B

Activity B provided performance appraisal standards for buyers and purchasing supervisors. Each critical element was rated by five possible standards which included below unacceptable, below fully successful, fully successful, exceeds fully successful, and outstanding. The following are the critical elements for Activity B's buyers:

Element #1 - Purchases Supplies and Services

Fully Successful: All purchases are completed using the procurement method which is most advantageous to the Government. Competition is sought from responsible sources and prices are determined to be fair and reasonable in all instances. Business is rotated among all qualified sources. Necessary clearances are obtained. Assures that the correct clauses, terms, and conditions are indicated on any ensuing purchase order. Prepares purchase orders properly to insure a minimum number of amendments due to preparation errors. Work sheets are properly documented and all necessary information is recorded. Input of information into the system is accurate, properly documented and all necessary information is recorded and timely. Necessary rework of purchase orders is the exception and not the rule.

Element #2 - Desk Management

Fully Successful: Desk is organized and work is maintained as required by internal instructions. Procurement actions are completed in sufficient time to maintain an average PALT which is at or below that mandated by NAVSUP. An average of 380 procurements are completed each month. Supervisor is kept informed of procurement problems which may impact on productivity rate or PALT. Develops and prepares on own initiative, appropriate correspondence to obtain necessary information to complete purchase action which is accurate and timely. Provides supervisor a weekly report on over-age documents.

Element #3 - Courtesy and Professionalism

Fully Successful: Displays a courteous manner and communicates a helpful, responsive attitude to customers, contractors and co-workers. Demonstrates an attitude of cooperation and support of Departmental goals. Keeps supervisor aware of problems which may impact customer satisfaction.

Activity B had the following critical elements for their purchasing supervisors:

Element #1 - Directs/Manages the Operation of a Purchase Division

Fully Successful: Pursues improvements in work procedures, recommends and/or implements changes to streamline operations. Makes logical decisions which are understood and supported by those who carry them out. Sets long range and short-term work unit goals and group work objectives that are realistic and are responsive to command and organization goals. Plans specific actions and milestones that result in successful monitoring and control of the work of the division. Keeps chain of command informed of division workload and problems encountered. Inquiries/problems are handled with tact and diplomacy and are resolved at the incumbent's level.

Procurement actions are completed in sufficient time to maintain an average PALT which is at or below that mandated by NAVSUP. Ensures that all purchase actions are completed using the procurement method which is most advantageous to the Government. That competition is sought from responsible sources and prices are determined to be fair and reasonable in all instances. Enforces Small Purchase Small Business Set-Aside procedures. Takes action to increase awards to Small Disadvantaged Business, historically Black Colleges and Universities and minority institutions.

Element #2 - Personnel Management

Fully Successful: Managing operations consistent with personnel management law, regulations, and the appropriate collective bargaining agreement for effective staffing, training, promoting, disciplining, organizing, assigning, and motivating of subordinate personnel. Integrate affirmative action and/or EEO principles and practices within areas supervised. Ensures that employees, to the extent practical, perform work in concurrence with acceptable safety standards and practices. Evidences practices such as challenging unauthorized individuals in the immediate area or other areas of the command, reporting security violations to immediate supervisor or Security Manager, making recommendations to correct observed problems and ensuring that security regulations are followed.

Safeguard government resources by maintaining internal control necessary to meet requirements for managing/supervising all resources effectively and efficiently. Manages the assigned resources and organizational structure to meet mission requirements and

Activity B had the following critical elements for their purchasing supervisors:

Element #1 - Directs/Manages the Operation of a Purchase Division

Fully Successful: Pursues improvements in work procedures, recommends and/or implements changes to streamline operations. Makes logical decisions which are understood and supported by those who carry them out. Sets long range and short-term work unit goals and group work objectives that are realistic and are responsive to command and organization goals. Plans specific actions and milestones that result in successful monitoring and control of the work of the division. Keeps chain of command informed of division workload and problems encountered. Inquiries/problems are handled with tact and diplomacy and are resolved at the incumbent's level.

Procurement actions are completed in sufficient time to maintain an average PALT which is at or below that mandated by NAVSUP. Ensures that all purchase actions are completed using the procurement method which is most advantageous to the Government. That competition is sought from responsible sources and prices are determined to be fair and reasonable in all instances. Enforces Small Purchase Small Business Set-Aside procedures. Takes action to increase awards to Small Disadvantaged Business, historically Black Colleges and Universities and minority institutions.

Element #2 - Personnel Management

Fully Successful: Managing operations consistent with personnel management law, regulations, and the appropriate collective bargaining agreement for effective staffing, training, promoting, disciplining, organizing, assigning, and motivating of subordinate personnel. Integrate affirmative action and/or EEO principles and practices within areas supervised. Ensures that employees, to the extent practical, perform work in concurrence with acceptable safety standards and practices. Evidences practices such as challenging unauthorized individuals in the immediate area or other areas of the command, reporting security violations to immediate supervisor or Security Manager, making recommendations to correct observed problems and ensuring that security regulations are followed.

Safeguard government resources by maintaining internal control necessary to meet requirements for managing/supervising all resources effectively and efficiently. Manages the assigned resources and organizational structure to meet mission requirements and

optimize economy, productivity, and organizational effectiveness.

Element #3 - Applies Total Quality Management Techniques and Theory to the Work Supervised.

Fully Successful: Develops and implements/executes process improvement plans. Serves as participant or leads a process action team, as assigned. Develops accurate process flow documentation and conducts relevant data collection and analysis to decide and implement required action for potential improvement of a process. Conducts process measurement or analysis to validate process improvement decisions.

Activity C

Activity C provided performance appraisal standards for buyers only as their activity had no GS-1105 Series purchasing supervisors. Each critical element was rated by five possible standards which included below unacceptable, below fully successful, fully successful, exceeds fully successful, and outstanding.

The following are the critical elements for Activity C's buyers:

1. Receives, screens and processes purchase/service requests for both ship repair overhaul and commanding requirements. Method of purchase utilizing the open market, individual delivery type contracts and blanket purchase agreements.

Fully Successful: Awards purchase order using best procurement method following prescribed FAR methods.

2. Receives, screens and issues one time procurements from CIS.

Fully Successful: Prepares RFQ, answers bid inquiries and makes award to the lowest responsible bidder in time frames consistent with FAR and job requirements.

3. Processes Dealer's Invoices.

Fully Successful: Receives invoices, matches with proof of delivery, and processes within time frames established by NAVCOMPT.

Activity D

Activity D provided performance appraisal standards for buyers, lead buyers, and purchasing supervisors. Activity D also utilized the APAS which has as one critical element a work plan consisting of several objectives which must be met in order to receive a fully successful rating for the work plan critical element. Each critical element was rated by five possible standards which included below unacceptable, below fully successful, fully successful, exceeds fully successful, and outstanding.

The following are the critical elements for Activity D's buyers:

Element #1 - Organizational Support and Communication

Fully Successful: Demonstrates a basic understanding of organizational goals and priorities and fully complies with administrative policies, regulations and procedures when performing job operations. Communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their developments and their status.

Element #2 - Execution of Duties

Fully Successful: Willingly accepts work assignments, properly follows instructions, uses technical knowledge, and applies skills needed to produce a product of good quality in a timely and responsive manner.

Element #3 - Work Plan

Objectives:

1. Reviews documents for adequate purchase data and accomplishes procurement actions within specified time: Walk-thru's - same day; Casrept - one (1) hour after receipt; Work Stoppage and Deploying Unit - within three (3) days; Routine Requirements - within ten (10) days after receipt, unless otherwise justified with a valid reason for delay.
2. Generates a daily production of twelve (12) buys on routine and common type supplies/services and five (5) days on complex materials/services.
3. Ten (10) out of twelve (12) buys submitted for distribution are accurate. Information and pertinent data are included, correctly and legibly entered. Mandatory blocks on work sheet are filled in.

4. Initiates and accomplishes negotiation of difficult proprietary procurement within three (3) days supported with price reasonableness and sole source justification.

5. Initiates competition using qualified-sources and accomplishes procurement action within three (3) days.

6. Determines the best purchase method as outlined in the SUPARS (NAVSUP P-560) in eleven (11) out of twelve (12) buys.

7. Ensures that procurement action is awarded to small business in eleven (11) out of twelve (12) buys, unless otherwise supported by a valid justification to buy from a large business.

8. Regular rotation of qualified sources under \$2,500 is done on eleven (11) out of twelve (12) buys (common supplies or services); four (4) out of five (5) buys (complex supplies or services).

9. Provides price reasonableness as set forth in the SUPARS (NAVSUP P-560).

10. Incorporates applicable clauses as set forth in the SUPARS (NAVSUP P-560).

11. Modifications to past procurement actions; complaints received from requisitioner, accounts payable, receiving, or Imprest Fund cashier are no more than one (1) out of twelve (12) buys.

Fully Successful: Met all work plan objectives.

The following are the critical elements for Activity D's Lead Buyers:

Element #1 - Organizational Support and Communication

Fully Successful: Demonstrates a basic understanding of organizational goals and priorities and fully complies with administrative policies, regulations and procedures when performing job operations. Communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their developments and their status.

Element #2 - Execution of Duties

Fully Successful: Willingly accepts work assignments, properly follows instructions, uses technical knowledge, and applies skills needed to produce a product of good quality in a timely and responsive manner.

Element #3 - Work Plan

Objectives:

1. Reviews documents for adequate purchase data and accomplishes procurement actions within specified time: Walk-thru's - same day; Casrept - one (1) hour after receipt; Work Stoppage and Deploying Unit - within three (3) days; Routine Requirements - within ten (10) days after receipt, unless otherwise justified with a valid reason for delay.
2. Generates a daily production of twelve (12) buys on routine and common type supplies/services and five (5) days on complex materials/services.
3. Ten (10) out of twelve (12) buys submitted for distribution are accurate. Information and pertinent data are included, correctly and legibly entered. Mandatory blocks on work sheet are filled in.
4. Initiates and accomplishes negotiation of difficult proprietary procurement within three (3) days supported with price reasonableness and sole source justification.
5. Initiates competition using qualified-sources and accomplishes procurement action within three (3) days.
6. Determines the best purchase method as outlined in the SUPARS (NAVSUP P-560) in eleven (11) out of twelve (12) buys.

The following are the critical elements for Activity D's Lead Buyers:

Element #1 - Organizational Support and Communication

Fully Successful: Demonstrates a basic understanding of organizational goals and priorities and fully complies with administrative policies, regulations and procedures when performing job operations. Communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their developments and their status.

Element #2 - Execution of Duties

Fully Successful: Willingly accepts work assignments, properly follows instructions, uses technical knowledge, and applies skills needed to produce a product of good quality in a timely an responsive manner.

Element #3 - Work Plan

Objectives:

1. Reviews documents for adequate purchase data and accomplishes procurement actions within specified time: Walk-thru's - same day; Casrept - one (1) hour after receipt; Work Stoppage and Deploying Unit - within three (3) days; Routine Requirements - within ten (10) days after receipt, unless otherwise justified with a valid reason for delay.
2. Generates a daily production of twelve (12) buys on routine and common type supplies/services and five (5) days on complex materials/services.
3. Ten (10) out of twelve (12) buys submitted for distribution are accurate. Information and pertinent data are included, correctly and legibly entered. Mandatory blocks on work sheet are filled in.
4. Initiates and accomplishes negotiation of difficult proprietary procurement within three (3) days supported with price reasonableness and sole source justification.
5. Initiates competition using qualified-sources and accomplishes procurement action within three (3) days.
6. Determines the best purchase method as outlined in the SUPARS (NAVSUP P-560) in eleven (11) out of twelve (12) buys.

7. Ensures that procurement action is awarded to small business in eleven (11) out of twelve (12) buys, unless otherwise supported by a valid justification to buy from a large business.

8. Regular rotation of qualified sources under \$2,500 is done on eleven (11) out of twelve (12) buys (common supplies or services); four (4) out of five (5) buys (complex supplies or services).

9. Provides price reasonableness as set forth in the SUPARS (NAVSUP P-560).

10. Incorporates applicable clauses as set forth in the SUPARS (NAVSUP P-560).

11. Modifications to past procurement actions; complaints received from requisitioner, accounts payable, receiving, or Imprest Fund cashier are no more than one (1) out of twelve (12) buys.

12. Assists other purchasing agents on more complex and technical transactions, sources of supply, buying skills and techniques of negotiations. Accuracy and application of the correct procurement procedures as outlined in the FAR, SUPARS (NAVSUP P-560) in eleven (11) out of twelve (12) procurement actions is ensured.

Fully Successful: Met all work plan objectives.

The following are the critical elements for Activity D's purchasing supervisors:

Element #1 - Work Unit Planning

Fully Successful: Sets long and short-term work unit goals and individual employee work objectives that are realistic and are responsive to Command and the organization's goals, priorities, and requirements. Develops and implements effective approaches for meeting the unit's assigned responsibilities. Plans specific actions and milestones that result in successful monitoring and control of the work unit. Work is accomplished within budget and resource allocations.

Element #2 - Work Unit Management and Evaluation

Fully Successful: Articulates and communicates the work unit's assigned responsibilities, relating them to accomplishment of objectives. Meets assigned responsibilities on time and within budget allocations. Makes logical decisions that are understood and supported by those who are to carry them out. Keeps staff and other organization informed about significant matters in a timely manner. Develops and maintains good working relationships with other work units. Provides practical advice and guidance to others (including other organizations) for developing new policies and programs. Determines that review/monitoring procedures and guidelines are clearly and concisely stated. Uses monitoring and evaluation procedures which ensure that outputs are of good quality and on time. Recognizes when current review is inadequate and makes appropriate changes.

Element #3 - Organizational Support

Fully Successful: Keeps chain-of-command informed of work unit requirements and status. Uses proper administrative channels and procedures in performing the work of the unit. Develops and maintains productive work relationships within chain-of-command and with administrative support personnel. Information and guidance provided to serviced organizations or customers is timely and correct. Implements a system of internal controls which ensures program integrity and prevents fraud, waste, and abuse. Adheres to safety regulations and procedures.

Element #4 - Personnel Management

Fully Successful: Delegates work at an evenly distributed volume commensurate with grade level. Tells employees what

is expected, advises them of necessary changes as job progresses and hold them responsible for timely completion of work assignment. Insures position descriptions of subordinates are current and adequately reflect the duties and responsibilities assigned to the employee. Appraises staff performance accurately within required time frames. Uses established procedures for rewarding employees and takes corrective action on poor performers. Gives technical advice as required and reviews work promptly. Insures staff is properly trained in their functional areas. Uses established position management principles and techniques which result in an efficiently organized and productive staff. Applies sound EEO and affirmative action principles to employee management. Considers minority groups in planning and implementing personnel actions.

Element #5 - Work Plan

Objectives:

1. Demonstrates a thorough knowledge of the FAR and SUPARS. Reviews requisitions ensuring 100% accuracy in the method and legality of all procurements up to \$25,000.00.
2. Ensures dealer's invoices are processed and forwarded for payment within 5 days after receipt of material to avoid interest charges.
3. Hold weekly training for employees to disseminate information passed down from the Department Head and Assistant Department Head. Keeps all personnel apprised of changes in procurement laws, regulations and policy to ensure all procurements are legally sound.
4. Works closely with the Industrial Support Officer, keeping him apprised on the status of critical requisitions (i. e. walk-thru's, casrep, work stoppage, etc.).
5. Reviews all outgoing correspondence for neatness, accuracy, and grammatical correctness.

Fully Successful: Met all work plan objectives.

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