



**NORTHERN
HOSPITAL**

OF SURRY COUNTY

**DEVELOPMENT AND IMPLEMENTATION
OF A
FEEDBACK PROCESS
FOR EMPLOYEE EVALUATION**

June 15, 1998

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Introduction

In June, 1998, Northern Hospital of Surry County implemented a new process for conducting employee evaluations organization-wide. This process, called a feedback process, was implemented as a result of extensive study of the needs of the organization, its employees, and the community it serves. The decisions to design, develop, pilot test, and implement an innovative form of evaluation were made in order to improve the congruence between the organization's mission, vision, and values and the structures which communicate the mission, vision, and values to employees and which influence their understanding of and perspective concerning their work.

The feedback process initiative had its origin in the organization's strategic plan, completed in 1996, and began to take form during the needs assessment phase which followed the strategic plan. A clear understanding of the depth of internal conflict extant in the organization, a legacy of significant administrative upheaval in the period from 1990 to mid-1995, and an understanding of the strengths of the organization led to a program of cultural healing and organizational renewal. Structures such as employee evaluations which affect everyone in the organization are essential elements in the creation and maintenance of the organizational culture. The consistency between such structures and the organization's mission, vision, and values functions to align the behavior of individual employees with the mission, vision, and values. The goal of

efforts to heal the conflict and realize congruence of organizational structures is a harmonious, flexible organization which moves together to achieve its vision. As an important part of this cultural renewal program, the feedback process was based on the organization's stated values and was conceived to be short and flexible, to incorporate all the aspects desired in employee performance, and to encourage communication and understanding.

Strategic Plan

As an outgrowth of its strategic plan of February, 1996, Northern Hospital of Surry County conducted a needs assessment study to determine where to focus the organization's efforts. The needs assessment study consisted of data collection in three main venues: a survey of the community, focus groups involving representatives from major stakeholder groups, and an employee satisfaction survey.

Needs Assessment

The community survey was conducted in October, 1996, to determine whether and to what extent its services were being utilized by citizens, how the organization was viewed, and the degree of satisfaction with the organization's services in the community. The community survey was followed in December, 1996, by a series of focus groups which included employees, physicians, trustees, volunteers, and representatives from local government, educational institutions, and employers. These focus groups were followed in January, 1997, by an organization-wide, employee satisfaction survey.

The strategic plan had identified internal strife (Northern Hospital of Surry County Strategic Plan: February, 1996, p. 75) and instability, resulting from turmoil experienced by the hospital and its staff over the prior few years, as the cause of both low staff morale and negative feedback from the community (p. 103). These findings were confirmed and expanded by the focus groups and employee satisfaction survey findings.

In addition, both the focus groups and employee satisfaction survey identified the process of evaluating performance as unsatisfactory. Questions concerning performance evaluations were included in the focus group protocol after being suggested by the pretest group. Members of the pre-test focus group asserted that the employee evaluation system was unsatisfactory in three main areas: "grading and consistency" of evaluations, communication from managers concerning performance, and the incentive system.

Focus Groups

Based upon these recommendations by the pre-test focus group, the focus groups were asked about the yearly performance evaluations: "Are they fair? Are they consistent? How could they be improved?" Members of the focus groups responded that more training was needed for supervisors to improve the fairness and consistency of evaluations. Responses regarding how performance evaluations could be improved varied widely. The following paragraphs summarize their responses on topics most consistently discussed: the criticism that the performance evaluations did not consider all aspects of job performance, that they used an arbitrary and inflexible rating scale, and that they resulted in inadequate merit raises. A number of participants felt that contact

with their supervisors or managers was too infrequent to provide enough information for evaluating employees' performance and that communication was lacking between supervisors and employees in all areas, including job performance.

Focus group participants felt that ratings of job performance should include such things as "being friendly", whereas "95% [of a performance evaluation] deals with work". A participant in a group of administrators stated that "We need a job evaluation not a performance evaluation; we measure competencies not job performance" nurses felt that performance evaluations were "too generic" and lengthy, and that they did not relate to nurses' in-service training.

The rating scale was the focus of considerable discontent among focus group participants. In general, they felt that the three-level scale (not performing up to standards, meets standards, and exceeds standards) did not allow enough flexibility. Several participants pointed out that on some tasks it is impossible to perform a task in such a way that the performance exceeds standards - you can either perform the task or not. In these cases, neither the rating scale nor the items being rated allowed supervisors or managers to recognize other aspects of employee performance in which the employee excelled.

Merit raises were a source of frustration for many focus group respondents, felt that the merit raises were too small to provide incentive for performance and were disappointing. The fact that even the best possible performance evaluation resulted in a less than 3% raise was the focus of considerable controversy.

Finally, participants in several of the focus groups stated that supervisors or

managers do not have enough contact with employees on an ongoing basis to adequately evaluate them. One person stated that the problem of contact could be solved by self-evaluation and evaluation by co-workers. Many discussants felt that on-going communication from supervisors and managers concerning performance was lacking, in spite of the fact that it is important in providing incentive and consistency.

Survey

The 1997 survey included one item directly assessing employees' opinions concerning their performance evaluations. Employee satisfaction survey item number 30 stated: "I am satisfied with the process of reviewing or evaluating performance. Responses were: Strongly Disagree 12, Disagree 27, Undecided 16, Agree 39, Strongly Agree 6, with an average of Undecided. In addition, survey results indicated a number of problems, such as communication between supervisors and employees and working relationships among co-workers, which were addressed in the design of the new feedback process.

Recommendations From Focus Groups and Survey

The needs assessment identified several aspects of the organization related to evaluation processes which were in need of improvement. The report on the focus group results recommended addressing issues of communication, relationships of supervisors with their employees, and conflict in the work environment. (See Northern Hospital of Surry County, Action Research Project: Focus Group Study, January 24, 1997, pp. 31 -

32).

The report on the 1997 survey included recommendations that particular dimensions receiving low scores be addressed. Four dimensions receiving low scores were addressed in the employee evaluation development process and are discussed here. Those dimensions were managing productive behavior, communication (trust), environment, and corporate culture. The following page numbers refer to Northern Hospital of Surry County Gallup Workplace Audit, April 1997.) The managing productive behavior dimension measured the degree to which employees understood what their supervisors expected of them and emphasized factors promoting workplace productivity. Northern Hospital of Surry County scored 3.50 on the managing productive behavior dimension, just below Gallup's national average of 3.59 (pp. 14, 16). The communication (trust) dimension measured the degree to which information was transferred within the facility. NHSC's score of 3.05 was well below the national database average of 3.3 (pp. 18, 20). The environment dimension measured overall working conditions around the employees' jobs and departmental organization. NHSC's score of 3.30 was just below the national database average of 3.38 (pp. 30, 32). Finally, the corporate culture dimension measured the cultural environment in which employees performed their daily activities. Although NHSC's overall score of 3.56 was only slightly below the national average of 3.63, Gallup reported that two items associated with this dimension received particularly low scores. Both of the items receiving low scores were directly affected by employees' immediate supervisors. A majority of employees (54%) disagreed with item number 23, "In the last seven days, I have received recognition or

praise for good work". Fifty-five percent of employees surveyed disagreed with the statement "At Northern Hospital, my opinions seem to count" for a score of 2.53, the lowest score ever recorded by Gallup in the healthcare field for this factor (pp. 38, 40).

Development of the Feedback Process

Design and development of the Feedback Process involved the participation of all levels of employees of the Northern Hospital of Surry County. Planning meetings between administration, human resources, and consultants from New Ideas in Training and Development, Inc. took place in August and September, 1997. During these meetings examples of the performance evaluation forms of other healthcare organizations were examined, goals of the project formulated, JCAHO standards considered, and human resource requirements clarified. Using these goals, standards, and requirements, the consultants designed a preliminary form and process. Two focus groups were then conducted to obtain employee input, the design was modified, and a pilot-study was conducted. In order to determine the best rating scale for system-wide use, two versions of the feedback form were pilot tested: a number version and a term version. The pilot study was followed by focus groups of the pilot-study participants. Based on the results of the pilot study and post-pilot focus groups, the feedback process was implemented throughout the organization.

Performance Evaluation Design Focus Groups

Two focus groups were conducted November 13, 1997, to assess opinions of employees who do not themselves conduct evaluations of others ("evaluatees") and supervisors/managers ("evaluators") concerning the performance evaluation process then in place. Evaluators were asked to discuss the time and effort spent on the evaluation process, who benefited from the process and what the benefits were, what we should be assessing, what constitutes good job performance, who should be evaluating whom, what they thought about being evaluated by peers or employees, and what the ideal performance evaluation form or process would be like. Evaluatees were asked to discuss in what ways they had benefited from being evaluated, what benefits they had gained from evaluations and what benefits they thought the hospital gained from the evaluation process, what constitutes good performance and what aspects of performance should be considered in the evaluation, by what standards they should be evaluated, the difference between an adequate and a superior performance, what benefits and risks they thought might be associated with employees evaluating their supervisors and each other, and how they would feel about conducting such evaluations.

Pilot Test

Based on the preliminary design work and information from the focus groups, New Ideas prepared two prototype feedback forms (a number rating scale and a term rating scale) and a process for consideration by the administrative team. These forms were carefully studied by a group made up of the administrative team and several

managers and supervisors, on December 19, 1997. The completed feedback forms and process were pilot tested in four departments during the months of January, February, and March, 1998. Departments selected for the pilot study were: Financial Services (a clerical department), Emergency Department (clinical), Radiological Services (technical), and Home Health Aides (nursing support and one of the larger groups in the organization). All supervisors and employees who were scheduled for their annual evaluations during the pilot study period were trained in the use of the new process. In order to test both the number and the term versions of the feedback form, managers/supervisors were asked to alternate using each form.

Feedback Process Used in Pilot Test

The pilot tested feedback process consisted of a feedback form and a feedback session. The feedback form consisted of a cover sheet on which the employee's name and employment information was recorded, a performance profile which contained a list of a variety of aspects of job performance, each associated with a line, or scale, 2 1/2 inches long. Two versions of the scale were pilot tested, a number version and a term version, as illustrated below.



The final page of the feedback form consisted of a discussion section containing open blocks for filling in areas of strong performance, goals and strategies, evaluatee

comments, and employee comments, and signature and date lines. Copies of the number version and the term version are included as appendix B and appendix C, respectively.

A booklet of Guidelines (see appendix A) for using the feedback process was given to each pilot test participant. In summary, before the feedback session each evaluatee filled out a copy of the performance profile, rating him or herself on the various aspects of job performance listed there. The evaluator also filled out a copy of the performance profile rating the employee prior to the feedback session. Both evaluator and evaluatee then brought their individually completed profiles to the session, discussed their ratings, and together filled out a collaborative version. They then completed the discussion section together and signed and dated the form. The form was then sent to the department manager (if not the same person as the evaluator) for a signature, to the senior administrator over that department for a signature, and finally to human resources.

Data From the Pilot Test

As part of the pilot study, all participants filled out a pilot test response form, on which they provided the following information: which version they used, amount of time they spent filling out their copy of the performance profile, amount of time it took to fill out the collaborative performance profile, amount of time spent in the entire feedback session, and their comments or suggestions. Interestingly, the term version took less time to fill out, both in the case of the individually completed copy and the collaborative one, the number version taking almost twice as long to complete and discuss. The individual copy of the term version took an average of 13 minutes to complete for employees and

supervisors. The collaborative copy of the term version took an average of 24 minutes to complete, with the entire feedback session using the term version reported to take an average of 35 minutes. The number version appeared to take longer to complete. The individual copy of the number version took an average of 21 minutes for employees and supervisors to complete. The collaborative copy of the number version took an average of 40 minutes to complete, with the entire feedback session using the number version reported to take an average of 56 minutes. See the following Table. The only difference between the two scales was the use of a number for the points on the scale or the use of a term for the points on the scale.

Table: Pilot Test Results

Amount of Time Spent (in minutes)	Term Version	Number Version
Individual Performance Profile	13	21
Collaborative Performance Profile	24	40
Feedback Session	35	56

Comments provided by both employees and supervisors/managers on the pilot test response form were primarily positive. The following examples are representative:

Using the form:

The form was fairly simple to fill out and understand.
 Easier to comprehend, more relevant to the person's job.
 Easy to use; short and to the point.
 Is excellent. It contains the appropriate items.

Communication with manager/supervisor or employee:

More understanding of supervisor and what they expect from me.
 I like talking with my supervisor about my job.
 Open, lots of discussion. Employee was very convincing in effort to point out good qualities and the area of improvement.
 It was fair; voiced opinion truthfully.
 Constructive. Open, honest - promotes discussion and open communication.

Pilot Test Response Form Comments Continued*Communication (continued)*

Was excellent. It provided a good opportunity to exchange ideas.

Enjoyed spending the time with my supervisor - finding out her thoughts on my performance.

Open and rewarding

Number versus term rating scale:

Do not like figures or numbers on performance profile.

Prefer the term version for evaluation over the number version.

I like it, either version - but I prefer the term version.

Employee liked the number version. I liked the term version better.

Self-rating aspect:

Like employees giving (sic) a chance to grade themselves and discuss with supervisor.

I feel uncomfortable with rating myself.

General reactions:

Very enjoyable.

Improvement over old evaluations. Good topics for review.

Much friendlier. Much better than the old way.

Keep this process!

Post-Pilot Test Focus Groups

After the pilot test, all participants in the pilot study were asked to participate in a focus group to assess their experiences and recommendations. Two focus groups were conducted on April 24, 1998, one of evaluators and one of evaluatees. Participants were asked to discuss their experience with the feedback process, its perceived accuracy in portraying job performance, what worked well, what did not work well, which version (number or term) they preferred and why, their ideas for improvements, and whether or not they recommended implementation organization-wide.

Participants reported good experiences with the process. They expressed excitement and enthusiasm about the communication that had emerged through the

feedback process. Some evaluatees reported difficulty rating themselves. Although some rated themselves higher than their evaluators, most reported that they tended to rate themselves too low. Evaluators also reported that some evaluatees rated themselves too low and also that some evaluatees rated themselves higher than was justified. Low self-ratings were attributed by both groups to low valuation by employees of their own efforts. Occasionally, an evaluatee would justify a lower rating than the evaluator had given him or her by honestly discussing a lack of skill or knowledge in an area. High ratings were generally attributed to lack of understanding of the rating system, although some evaluatees were able to justify their higher self-ratings with examples of excellence in their own performance. Both groups valued the increased understanding of expectations and of one another that resulted from discussing differences in ratings and creating the collaborative profile.

Accuracy in assessing job performance was another area of satisfaction with the new feedback process. Participants felt that the items on the performance profile constituted a marked improvement over the previous evaluations, specifically because the items covered the full range of skills and abilities needed for optimal job performance.

Some participants reported a preference for the number version over the term version of the feedback form. Most, however, felt that the terms were easier to use and less likely to induce adding the numbers for an "average score", a practice they understood would be a misuse of the form.

All participants felt that the feedback process was an improvement over the previous evaluation system. Training was felt to be an important aspect of

implementation. They recommended some changes to the discussion section and the creation of a training video to assist others in becoming familiar with the new process, the entire group of pilot test participants attending the focus groups strongly endorsed implementation of the process throughout the organization. Their comments included the following:

I will be disappointed if it's not [implemented].

Oh, yes. Definitely.

The sooner the better.

Yes. This process encourages give and take.

Communication

At various stages throughout the development and pilot test period, articles were printed in Northern Notes to inform the entire organization of the project, its goals, and progress. As a result, many of the evaluators and evaluatees in the training sessions conducted during implementation had heard about the new process and the participative nature of its development, and had favorable attitudes about it as they began their own participation.

Implementation of the Feedback Process

On May 12, 1998, the administrative team voted to implement the feedback process throughout the organization based on the results of the pilot test and post-pilot test focus groups. All managers and supervisors who had not participated in the pilot test attended a training session on June 1, 1998, which offered conceptual and experiential training in feedback and in the feedback process. Employees to be evaluated in June

attended similar training sessions June 3. Employees to be evaluated in July will attend a training session on June 29. The training video is scheduled to be completed in July, at which time it will be used to train employees in the month during which their evaluation is scheduled. It is anticipated that all employees presently employed in the organization will have received training in the feedback process by June 1, 1999, at which time training will only be needed for new employees and those promoted to an evaluator position in the organization. New employees can receive training during orientation and can obtain the video tape for refresher training immediately prior to their feedback session. Because of the sensitivity and importance of the evaluator role, it is recommended that individuals new to an evaluator position receive experiential training in giving and receiving feedback.