



2016-2017 SANTA CLARA COUNTY CIVIL GRAND JURY REPORT

To Have or Have Not: Performance Appraisals For Santa Clara County Employees

Summary

The Santa Clara County Civil Grand Jury (Grand Jury) received a complaint regarding the lack of performance appraisals for employees of Santa Clara County (County). The investigation focused on three areas:

- Whether a documented performance appraisal was drafted, delivered, and discussed annually with County employees.
- Whether a tracking mechanism is in place for drafting, delivering, and discussing performance appraisals with employees.
- Whether conducting performance appraisals of employees are incorporated into the goals for County executives and senior-level managers.

This investigation found that performance appraisals for many County employees are not being completed or tracked.

In addition, County executives and senior-level managers (who all receive annual performance appraisals) are not evaluated on whether they appraise their employees.

The Grand Jury interviewed eight County employees, including executives and senior managers with responsibility for human resources within a particular department. In addition, the Grand Jury reviewed 18 labor contracts negotiated with the County, results of County employee surveys conducted in 2014 and 2015, appraisal forms and procedures, and information on appraisals in the public sector.

A survey was sent to 151 County executives¹ to determine if their employees had received performance appraisals within the past 12 months, if there was a mechanism to track performance appraisals, and if a metric for the completion of appraisals was established (Appendix A). As of April 15, 2017, 49 responses were received.

¹The following County organizations were excluded from this report: District Attorney's Office, Office of the County Counsel, and the Public Defender's Office.

Background

The utilization of performance appraisals within the County has been a subject of investigations over the past three decades. The 1992-93 Grand Jury found that a formal appraisal program was in place for about 30% of employees. By 2003-04, the percentage of employees who were supposed to receive appraisals had increased to 84%, though the Grand Jury at that time did not address whether appraisals were actually being done.

County Ordinance Code, Chapter VI, Article 8 governs the evaluation of the performance of employees in classified service.² The pertinent provisions of the Ordinance Code are:

- Sec. A25-600. Application of Chapter VI to a memorandum of agreement. This chapter, or a portion of it, shall not apply to employees covered by a memorandum of agreement between the County and a recognized employee organization when such agreement contains a provision relating to the same subject matter.
- Sec. A25-696. Plan required. The Director shall establish and maintain a plan for evaluating the performance of employees in the classified service.
- Sec. A25-697. Uses. Evaluations shall be considered in approving transfers, promotions, salary increases, demotions, discharges, reinstatements, re-employment and other personnel actions.
- Sec. A25-698. Procedure. Evaluations shall be made periodically by the employee's immediate supervisor on approval forms and be approved by the employee's appointing authority. One copy of each report shall be maintained by the Department for its permanent records.
- Sec. A25-699. Unsatisfactory performance. If evaluation shows an employee's work to be below a satisfactory standard, the supervisor shall take appropriate steps to assist the employee in improving. Failure by the employee to show satisfactory improvement may be deemed just cause for discharge.

Currently, 95% of the approximately 18,400 represented employees in the County have a provision to receive a performance appraisal in their respective labor union contracts.

² The Santa Clara County Charter section 701 provides that employment in the county shall be divided into unclassified and classified. Section 701 (a) lists selected positions that are unclassified (e.g. elected officers, County Executive, County Counsel, Public Defender, physicians) and all other employees not included on this list are considered classified employees.

Discussion

Performance evaluation is an accepted practice for many organizations, and is often considered valuable for making decisions around promotions, transfers, discipline, and personnel administration. As described in the Master's Program for Public Administration at the University of San Francisco, employee performance appraisals within the public sector:

- Provide a way to communicate an understanding of roles and standards in the department.
- Provide an opportunity to create a plan for development and improvement.
- Provide an opportunity to recognize employee and departmental strengths and weaknesses.
- Provide a backdrop to reallocate resources more effectively.

Amanda Cuda in her article, "How Am I Doing" (HR News Magazine, March 2013) identified benefits for public sector employee appraisals that include:

- The opportunity to set expectations for management, as well as for employees.
- An historical record of employee performance.
- The validation to high-performing employees that contributions and efforts are recognized and appreciated within the organization.
- An opportunity to identify career goals, as well as training and mentoring needs.

Executive Level Appraisals

County executives and senior managers receive annual performance appraisals that include performance, goals, and accomplishments. Compensation for this group is finalized after their appraisal is documented. The appraisal form for County executives and senior managers does not have a specific measurement on the completion of performance appraisals for employees within their organization(s)³. Interviewees reported to the Grand Jury that no specific performance measurement deals with the completion of performance appraisals for employees they supervise within their organizations.

Manager/Employee Appraisals

County employees indicated that appraisals for managers (not included in the executive appraisal process) and employees are conducted on an ad hoc basis. Some County organizations provide annual appraisals, others do not. The

³ Organization is defined in this report as an agency, office, department, or sub-group within Santa Clara County.

appraisal formats and procedures vary, depending on the labor contract. The County provides both online and in person management training on a variety of topics. However, this training is not mandatory.

A set of questions addressing performance appraisals was sent to 151 County executives and senior managers. Forty-nine (32%) responded with the following results:

- Completion of appraisals for direct reports within past 12 months
 - 29% - All completed
 - 26% - None completed
 - 45% - Partially completed
- Is there a tracking mechanism within the organization?
 - 47% - Yes (PeopleSoft, internal database, or accreditation)
 - 53% - No, unknown, or not applicable
- Is there a goal for completion of appraisals for employees?
 - 48% - Yes
 - 52% - No, or unknown

Groups of employees within an organization received performance appraisals while other groups within the same organization did not.

Some County managers who were interviewed offered the following reasons for the lack of attention to the completion of annual performance appraisals:

- In most cases, they can't be used for promotions, transfers, or discipline as stipulated in union contracts.
- Managers are busy and appraisals take too much time.
- The lack of leadership direction to prioritize them.
- Managers and employees should be given feedback all year round, not once a year.
- Management training is not mandatory.

In a County Employees Assessment survey conducted in 2014, 42% of employees indicated "Often" or "Nearly Always" in response to the statement, "I receive feedback on my work." Thirty-three percent answered "Sometimes."

In a 2015 follow-up survey, 54% responded "Agree" or "Strongly Agree" to the statement, "I receive timely feedback regarding my work." Another 13% indicated "Slightly Agree."

Tracking

The County's Employee Services Agency (ESA) has the responsibility for most traditional personnel administration activities. ESA utilizes PeopleSoft as its

primary Human Resources Information System. However, the tracking of appraisals within the County is inconsistent.

For example, the County Employees Management Association (CEMA) procedure states that appraisals should be entered into the PeopleSoft system. Interviewees stated that this procedure is not regularly followed.

Unlike the CEMA process, the appraisals for employees represented by the Santa Clara County Engineers and Architects Association are not logged into PeopleSoft.

As reported to the Grand Jury, 2,453 data entries related to performance appraisal completions are recorded in PeopleSoft for the 12 months ending April 12, 2017. Since there is no uniform process for tracking completed appraisals, the actual number of employees within Santa Clara County who receive an appraisal on an annual basis is unknown. There are approximately 18,500 County employees.

ESA does not send prompts to managers to remind them that an employee's appraisal is due. An exception may be the case in which an appraisal is needed in order for an employee to receive an increase within a salary range. A large number of County employees receive step and general increases, regardless of whether or not an appraisal has been completed.

Conclusions

County leaders have a significant opportunity to improve the performance of their organizations by ensuring that every employee receives an annual appraisal and that every manager receives mandatory training on the performance appraisal process.

While some County organizations provide employees with periodic performance appraisals, they are not documented and tracked on a consistent basis. Some employees may be getting periodic feedback on what they are doing well and how they can improve. However, this feedback from management does not replace an annual performance appraisal concerning employee performance, development, goals, and training needs.

Findings and Recommendations

Finding 1

A significant number of Santa Clara County employees are not receiving periodic performance appraisals as specified in Santa Clara County Ordinance, Chapter VI, Article 8, and/or current agreements with recognized employee organizations.

Recommendation 1

Santa Clara County should ensure that managers provide annual performance appraisals.

Finding 2

Many Santa Clara County managers are not evaluated on whether they provide periodic performance appraisals to their employees.

Recommendation 2

Santa Clara County should evaluate its managers on the completion of annual performance appraisals for employees who report directly to them or for whom they have administrative responsibility.

Finding 3

The County provides training for managers. However, that training is not mandatory.

Recommendation 3

Santa Clara County should require each manager to complete training on the performance appraisal process.

Finding 4

Executives are not measured on whether or not their employees are receiving annual performance appraisals.

Recommendation 4

Santa Clara County should direct that the appraisal process for County executives be revised to include a measurement on completed annual performance appraisals for all employees within their organization(s).

Finding 5

Some union contracts with Santa Clara County limit the utility of performance appraisals. In some cases appraisals cannot be used for promotions, transfers and discipline.

Recommendation 5

Santa Clara County should try to negotiate in all new union contracts a provision that performance appraisals may be utilized for promotions, transfers, and discipline.

Finding 6

The PeopleSoft system is supposed to be used to track the status of the delivery of some performance appraisals. However, its use varies from organization to organization within Santa Clara County. Some County organizations use other methods of tracking performance appraisals and others do not track them at all.

Recommendation 6a

Santa Clara County should allocate or realign resources needed to track the status of appraisals for all Santa Clara County employees in PeopleSoft.

Recommendation 6b

Santa Clara County should define and implement a system that accurately tracks the delivery of performance appraisals for all Santa Clara County employees if PeopleSoft proves inadequate for this purpose.

Appendix A

Survey Sent to Santa Clara County Executives, March 2017*

The 2016/17 Santa Clara County Civil Grand Jury is charged by the state of California with investigating county and city governmental agencies within their respective counties. We need your response to a few questions about your organization as part of our investigative responsibilities.

For confidentiality reasons, we ask that you not reveal what questions you were asked or what responses you made concerning the nature or subject of the Grand Jury's investigation.

We would like your response by return email by March 31st.

- Name:
- Title:
- Organization:
- Who you report to:
- Total number of employees reporting directly to you:
- How many of your direct reports have had documented performance appraisals within the past 12 months?
- Total number of employees in the work unit/organization that you manage (e.g. your agency, department, bureau, division, section):
- How many of these employees have had documented performance appraisals within the past 12 months?
- Do you utilize a tracking system within your department to status whether or not an employee has received a performance appraisal within the past 12 months?
If you do utilize a tracking system to status appraisals, please describe it.
- Are organizational performance appraisal metrics included in your goals and objectives?
- Please include an organization chart with your reply.

Thank you for your cooperation.

Regards,

2016-17 Santa Clara County Civil Grand Jury

*Excluded: the District Attorney's Office, Office of the County Counsel, and the Public Defender's Office.

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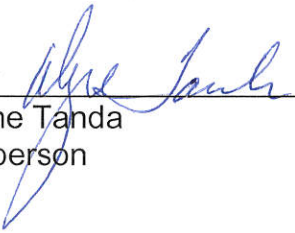
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Interviews

The Grand Jury completed eight interviews between February 16 and April 4, 2017.

This report was **ADOPTED** by the 2016-2017 Santa Clara County Civil Grand Jury on this 12th day of June, 2017.



Wayne Tanda
Foreperson