



March 26, 2009

Agenda Item 3.2: Performance Appraisal Process

TO: Sacramento Public Library Authority Board Members

FROM: Arevik Bagdassari, Director of Human Resources

RE: Performance Appraisal Process

RECOMMENDED ACTIONS:

1. **Acknowledge** the creation of a notification and tracking process that was prepared by the Human Resources Department to ensure that all employees receive at least one performance appraisal each year. This process was implemented during the fourth quarter of 2008 and resulted in all employees being evaluated prior to the end of the last calendar year.
2. **Endorse** the goal of revising the Employee Performance Appraisal Process to increase clarity, accountability, and usability; establish a methodology to track and measure productivity and recognize and reward meritorious performance.
3. **Authorize** the use of \$1,800 currently in the Human Resources Department's budget to launch a pilot recognition program to acknowledge and reward employees for meritorious performance in order to reinforce the development of a culture of excellence in the Library.

REASONS FOR RECOMMENDATIONS:

As part of the overarching goal to create an atmosphere of integrity, Assessment Item #1g stated:

Develop and document a process that ensures all employees receive one or more written performance appraisals each year (PA 2-11; Bagdassari – Feb 2009).

The Human Resources department created a notification and tracking process which ensured that 100% of the performance appraisals were completed by the end of the calendar year 2008. This process included preparation of reports and dissemination of information to appropriate managers to notify them when an employee is due for an appraisal, and when the appraisal report is to be completed. The process also included specific steps for probationary employees to ensure that an appraisal was completed prior to the employee receiving a step increase. This has been greatly appreciated by managers and supervisors.

This notification and tracking process has worked well and continues to be utilized, with reports being made available to managers and supervisors on a monthly basis.



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Additionally, Human Resources staff logs and monitors the completion of appraisals and sends notifications to managers to ensure the appraisals remain current.

The staff is currently exploring the feasibility of purchasing performance appraisal software that will automate the process of tracking and capturing staff performance in order to prepare relevant and complete appraisals for each employee. Such software would also automate the notification and tracking pieces of the process, significantly increasing time efficiencies for Human Resources staff.

In order to explore this option, staff prepared and distributed a Request for Proposal (RFP) to various vendors that carry performance appraisal software. Several proposals were received in response to the RFP and three vendors were selected to provide demonstrations of their software package to staff. If any of these proposals are judged to be cost effective for the Library, staff will recommend that the Board enter into an agreement with one of these vendors.

Also included in the Internal Assessment was Item #1c that stated:

Redesign of the performance appraisal process that is to be used by all supervisors and managers to incorporate the use of goals that are specific, realistic, and measurable, are outcome and productivity focused and contain a date set for their completion.

The Library has assembled a cross-functional Performance Appraisal and Recognition Committee (PARC) comprised of staff from the Human Resources Department and various branches. This Committee has been given the charge to:

- Redesign the appraisal process to include the establishment of clear, realistic, and measurable goals.
- Establish a culture of coaching where regular reviews and timely feedback are an expectation at all levels.
- Develop an appraisal system based on principles and expectations that shape behavior, guide decisions, develop employees, encourage communication, and build trust (core competencies).
- Emphasize the importance of recognizing that the performance appraisal process is continuous and not a once a year meeting between the supervisor and the employee.
- Provide opportunities for professional and personal development that are rewarding to the employee, increase capacity, and are linked to the Library's objectives.
- Encourage employees to strive for excellence and determine the best methods to recognize and reward meritorious performance.



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- Ensure that a formal training program is established that trains supervisors and managers to be able to effectively assume the role of a coach and mentor, and that trains all employees to understand the power of recognition, the significance of accountability, and the value of continuous development.

Employee recognition is an essential part of management's ability to reinforce and reward desirable outcomes. Developing a comprehensive recognition program is one of the most effective ways to reinforce an organization's culture and support its objectives. Recognition of accomplishments is one of the most effective ways to encourage employees, to celebrate their achievements and promote a culture that fosters an atmosphere that is inclusive, appreciative and built on mutual trust and respect.

It is essential to include a recognition component as an integral part of the new performance appraisal process. Therefore management wants to establish a pilot recognition program in order to explore various reward components such as certificates of accommodation, gift certificates and other incentives for commendable service. It is management's objective to recognize the kinds of behavior that should be repeated and reward it, which will improve service quality, employee morale, service productivity and employee engagement.

The specifics of a comprehensive recognition program are being formulated and the implementation of a pilot program would be desirable at this time; therefore, staff is requesting that the Authority Board authorize the allocation of \$1,800 to launch this pilot employee recognition and rewards program.

If so authorized, staff will present a comprehensive policy and program to the Board within the next 60 days. Staff will also track the level of success of the pilot and report back on outcomes.

FISCAL IMPACT

The primary work of revising the Performance Appraisal Process has been performed by staff from the Human Resources Department and the branches without incurring any additional costs. Should it be determined that the purchase of performance appraisal software is desirable to improve the Authority's appraisal process, staff will comply with the guidelines of the Contracts and Procurement Policy adopted by your Board on February 26, 2009.

The \$1,800 cost to launch a pilot employee recognition program will have no fiscal impact on the budget, as funds previously approved for the Human Resources department in the Final Budget for FY 2008/09 (September 25, 2008) will be utilized to cover this cost.

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