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THE UNITED STATES AIR FORCE COMPANY-GRADE OFFICER EVALUATION SYSTEM: A STUDY OF PERFORMANCE APPRAISAL

by

BROWNING C. WHARTON, JR.

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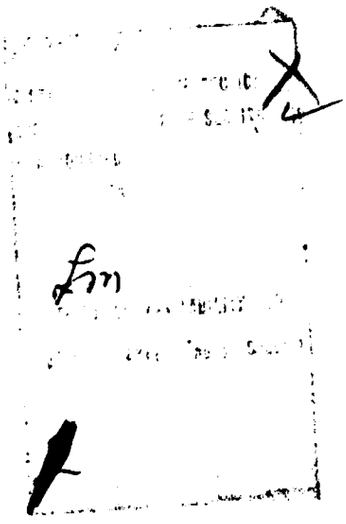

INDEPENDENT RESEARCH

Presented in Partial Fulfillment of the Requirements for the Degree of Bachelor of Business Administration in the School of Business Administration

by

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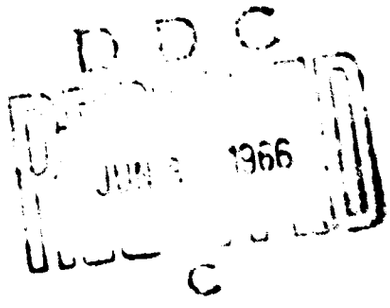

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Lastly, I thank the United States Air Force for allowing me to conduct a sample survey of its young officer members. Without its official approval, the study would have been impossible.

Browning C. Wharton, Jr.

APPROVALS

This Study Was Conducted With The Approval Of The United States Air Force In Conjunction With The Air Force Institute Of Technology Officer Education Program. Accordingly, The Views Expressed Herein Are Solely Those Of The Author And In No Way Reflect Official Air Force Policy. Anyone Who Desires To Publish Or Extract For Publication Any Part Of This Study Pertaining To The Officiel Air Force Appriasal System Should Seek Permission From The Director Of Personnel, United States Air Force, Washington, D.C..

Approved For The Department Of Management By:

Advisor

Approved For The United States Air Force By The Air Force Institute Of Technology, Civilian Institutions Division

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INTRODUCTION

"Man cannot live by bread alone," is an honored adage, worn but useful. Its necessary corollary is that he cannot live without it either. The focus of this study is the vital link between the bread we receive and the contributions we make as members of organizations, namely, performance appraisal. Specifically, this study concerns itself with the performance appraisal of young officers in the United States Air Force.

Statistics released by the Air Force for the year 1965 show that 3,289 line officers chose to voluntarily sever from its ranks, the majority of whom had seven years or less of service.[1] This represents an enormous waste of resources to the Air Force on at least two counts. First, there is the time and money spent to train and develop these men in skills vital to the Air Force mission; and

1. "APSC Does Well in Officer Retention," Air Force Times, XXVI (February 9, 1966), 7.

secondly, there is the loss of potential leadership material which these officers provided. Also implicit in this figure is the fact that these men were dissatisfied with the life of an Air Force officer.

Numerous factors could account for this degree of dissatisfaction, none of which is probably the sole cause. However, one area of the Air Force personnel program-mix that receives frequent criticism is the officer evaluation system. One estranged member expressed his dissatisfaction to the editors of the Air Force Times in the following manner:

> "One major air command gives three percent of its majors a Superior rating; 24.5 percent Well Ahead of Most; and only 5.9 percent Above Average, where the form says the majority of officers should fall.
>
> In face of such a distorted, dishonest, inflated system, what is an honest rating officer to do?
>
> I have an honest rating officer who considers me Well Ahead of Most. But this rating places me closer to the very bottom.... There must be something wrong with a system that says you are ahead of most, when, in fact, you are on the tail end."2

2. Unsigned Letter to the Editor, Air Force Times, XXVI (February 9, 1966), 17.

In an article titled "Passover Darkens Promising Future," a captain asked the rhetorical question, "Why was I not promoted?" Reviewing his credits, the officer stated he was a college graduate, has served faithfully for twelve years, and has never received a rating below the Very Fine Officer category with Exceptionally Well Qualified ratings predominating. Continuing, he stated that he had followed recommended career progressions, and had never turned down an opportunity for training. Frustrated, the captain was undecided as to whether he should continue or resign.[3]

These are just two examples, but they are representative of a large number of complaints expressed in the unofficial Air Force newspaper.

We must quickly recognize that several forces operate jointly to produce indicators of this nature. To begin with, a rating system is only one part of the over-all personnel program. Consequently, satisfaction or dissatisfaction with the evaluation system tends to vary dependent upon other systems, namely, the officer promotion system. Moreover, retention rates are affected by factors such as the world

3. "Passover Darkens Promising Future," Air Force Times, XXV (January 13, 1965), 26.

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[illegible] the [illegible] available in the [illegible]. Accordingly, this study will not offer a final solution to the Air Force retention problem, nor to the Air Force effectiveness evaluation system. Any meaningful solution to these problems would require years of research by teams of investigators.

Instead, the objectives of this study are rather modest in scope. They lie in finding the answers to two questions: Given the present state of knowledge relative to performance appraisal, is the system employed by the Air Force the best system available; and if not, how can it be improved? Since the Air Force uses several methods of rating officers dependent upon rank and experience, this study is primarily concerned with company grade officers, whose retention is so important to the vitality of the service.

The technique used to achieve these objectives is tripartite in nature. First, we will review performance appraisal in general, its history, its problems, and its techniques. Hopefully, this part of the investigation will give us an insight into the complexity of appraisal, and provide us with some feel for how the technology has evolved, and in

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which direction it is headed. A survey of the literature on the subject will provide the vehicle necessary to achieve the end. Based on the findings of the first part, the second stage of the investigation will be devoted to developing a normative appraisal model. This will serve as a yardstick for analyzing the present Air Force evaluation system. The last part of the study includes a sample survey of company grade officers. The purpose here is to validate the analysis findings. With the scope and approach so defined, we can now turn to the first part, The Nature of Appraisal.

CHAPTER I

The Nature, Objectives, and Problems of Performance Appraisal

Nature of Performance Appraisal

Performance appraisal is inherent in human activity. Everyday, we repeatedly make observations, and formulate opinions about ourselves, our friends and our environment. Self-appraisal is germane to our most perfunctory activities. Do we meet our own standards of appearance? Is our position in society what we conceive as being satisfactory? Is our progress in human endeavors what we hold to be adequate, given the effort we put forth? Everyone asks these or similar questions of himself daily in order to evaluate personal performance. Likewise, our friends and our environment are subject to the same scrutiny. We associate with those whose conduct is to our liking. We frequent a barbershop or drugstore which meets our standards of taste and service. From dawn till dusk we actively measure performance against standards of morality, efficiency, competency and suitability in order to arrive at judgements relative to the stimuli which impinge upon us throughout our lives.

When we move from the area of social contacts into our more formal activities -- as members of organizations -- we are faced with appraisals more formal in nature. Managers must make frequent judgements as to the abilities and contributions of its subordinates. All people do not perform equally well. Given adequate training and supervision, some men perform satisfactorily, but have no potential for progression above a certain level. Others perform exceptionally well with little training and with little or no supervision. A few of today's young managers have the ability to be another company president or a leading salesman. Managers must frequently weigh these abilities and potentials in order to make decisions crucial to the individual and to the organization. How much pay should each individual receive for his contributions to the organization? Who should be promoted, transferred, or laid-off? Who needs training and how much? Does their potential warrant the additional expense? Reason demands that these decisions not be based on intuitive insights. Instead, these are crucial decisions regarding the organization and its members. They warrant, as a minimum, well-considered judgments made by a manager in collaboration with

others, and developed in a systematic manner.

Given that evaluation is omnipresent, the question is not should we appraise employees, but rather, how should we go about it? Under a formalized appraisal system, supervisors are encouraged to observe the behavior of their people. They tend to become interested in their training and development. Decisions concerning personnel actions are not simply left to the vague recollections of managers, but are often recorded in individual record folders. A formal evaluation program maximizes the likelihood that talent will be rewarded, that promotions will be geared to concrete performance, and that misfits will be identified for transfer, or elimination. The very nature of large organizations demands formalized appraisal systems. Written records form the basis for comparing individuals from different organizational segments. Recorded ratings and written recommendations provide high-level decision makers with the factual data necessary to initiate personnel actions.[1]

1. Dale S. Beach, Personnel: The Management of People at Work (New York, 1965), p.256.

A survey conducted by Spriegel and Mumma in 1962 indicates that the need for formal appraisal systems is generally recognized. Their findings reveal that 66% of the firms that responded have formal rating systems. Another study reported in IIR Research indicates that 73% of the business population has formal rating systems for hourly or clerical workers.[2]

The Development of Appraisal System

This general pervasiveness of performance appraisal has been preceded by a rather long period of development. In fact, the activity dates to the beginning of recorded history. Examples of informal appraisal reports can be found in the Bible and in Caesar's Gallic War.[3] Emperors of the Wei Dynasty (221-265 A.D.) used an Imperial Rater to appraise the performance of official family members. At a later date, Ignatius Loyola established a rating procedure for members of the Jesuit Society. Since then, performance appraisal has passed through many phases and developments, dependent upon the needs

2. Wendell French, The Personnel Management Process: Human Resources Administration (New York, 1964), p.175.

3. Department of the Air Force, Officer Effectiveness, Performance and Training Reports, AFM 36-10 (Washington, 1964), p.1.

and circumstances of the particular period.[4]

In the United States formal appraisal methods were probably first used by government agencies. The earliest ratings on file with the Department of the Army are those by Brigadier General Lewis Cass made in 1813.[5] In the 1850's, rating forms were used in federal government offices. The New York City Civil Service introduced a rating plan in 1883. Rating procedures for appraising teachers began as early as 1896. The American business society was somewhat late entering the picture with the latter part of World War I marking the first ratings of private employees.[6]

After World War I, formal appraisal systems developed rapidly. During this development, emphasis shifted from ratings based upon merit to ratings based upon performance. During the 1920's and 1930's, industry began to use merit ratings as a rational base for wage plans. These merit plans usually employed some scale of factors, degrees, or points.[7]

4. Thomas L. Whisler and Shirley F. Harper, eds., Performance Appraisal: Research and Practice (New York, 1962), p.423.

5. Officer Effectiveness, Performance and Training Reports, p.1.

6. Whisler and Harper, p.423.

7. Beach, p.257.

Evaluations were made primarily on personality traits, and were arrived at by subjective judgments of supervisors. Although earlier appraisals were called merit ratings, they did not measure merit. Instead, they portrayed the pattern of perceptions which a supervisor conceived about the individual.[8]

Beginning around 1950, a perceptible shift in emphasis toward performance appraisal of technical, professional, and managerial personnel occurred. This shift was closely tied to the wave of interest in formal management development programs. It was recognized that systematic appraisal was vital to an efficient personnel development program. Thus, that period marked the emergence of new terms such as employee appraisal and performance appraisal. These tacitly suggest emphasis on the development of the individual. Moreover, these new terms more commonly refer to programs for evaluating white-collar and managerial professionals, whereas merit rating plans were most applicable to hourly workers. Accordingly, performance appraisal plans tend to be broader in scope than merit rating programs, and

8. Harry W. Hepner, Perceptive Management and Supervision (Englewood Cliffs, New Jersey., 1961) p.31.

nearly always involve some form of interview between rater and ratee.[9]

As the terminology and uses of personnel evaluations changed, so did the objectives. In the early stages of development, appraisal goals were quite modest in scope. Primarily, merit ratings were first used in industry to establish wage rates. The absolute amounts of money available within any firm for distribution to employees was set. Given this figure, a determination had to be made as to how it would be divided among the workers. More specifically, the objective of a merit rating system was to see that each employee was equitably compensated for the service he rendered to the organization on the basis of:

1. The nature of the work.
2. The current competitive value of that type of work.
3. The effectiveness with which that work was performed.[10]

As more and different types of employees came under the purview of rating systems, the objectives of these systems became quite broad in nature. Joseph Tiffin and

9. Beach, p. 258.

10. Richard C. Smyth and Matthew J. Murphy, Job Evaluation and Employee Rating (New York, 1946), p.4.

Ernest McCormick in a survey of industrial merit rating systems identified at least fifteen different uses of appraisals.[11] However, for all practical purposes these different objectives or uses may be classified into two categories -- administrative and self-improvement.[12]

Objectives of Appraisal Systems

Foremost among the administrative uses of appraisal systems is promotion. The objective here is simply to identify those employees who demonstrate both the ability and potential for assuming more complex tasks and greater responsibility. At the same time, it is in the interest of the organization not to promote employees who have neither the desire or ability to advance.[13]

Among the other personnel actions for which appraisals may be used are transfer and layoff. Evaluations if validly constructed may point out individuals who could best serve the organization in another capacity. An individual may have an

11. Whisler and Harper, p.5.

12. Ibid.

13. Ibid.

ample supply of innate ability, and show great promise for development. But these may go wasted if he is used in the wrong position. Likewise, appraisal systems must identify those individuals who do not make an acceptable contribution toward organizational goals. Over a period of time, cumulative negative ratings should provide solid grounds for dismissal. Other administrative uses include justification for wage and salary plans, validation of selection programs, and identification of training needs.[14]

The second category of appraisal system objectives, self-improvement, involves a group of related uses. Every employee likes to know how his boss views him relative to accomplishments, weaknesses, strengths, and potentials. Each seeks reassurance about himself.[15] On the other hand supervisors must observe employees so that they are fully cognizant of the resources at their disposal. Managers need to identify areas for future development if these resources are to be fully utilized. When the appraisal system incorporates the rater-ratee interview as an integral part, these needs are fully within the realm of achievement.[16]

14. Beach, p. 259.

15. Hepner, p. 318.

16. Beach, p. 259.

Accompanying the development of appraisal systems and of the objectives to which they seek to realize has been a host of general problems. Since appraisals are made by humans, they are typically subject to a number of errors and weaknesses. Certain of these are more indigenous to specific techniques than to others, but most exist to some degree in all systems developed to date.

PROBLEMS OF PERFORMANCE APPRAISAL

Halo Effect

For many years, halo effect has been identified as one of the major pitfalls in the administration of certain rating techniques. In general terms, it is the tendency of a rater to allow his over-all impression of an individual to influence the rating he assigns to a specific element of the rating form. In other words, it is the tendency to skew the rating of every specific item in the direction of the total impression the rater has of the individual. Presence of this error is evident when a high correlation of scores between each separate rating element exists. One way to materially reduce the halo effect is to require the rater to evaluate each employee being rated on one element at a time. Another device is to

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arrange the various sub-divisions of the form in such a manner that the maximum score for some elements appears on the right-hand side of the form, and the maximum score for other traits appears on the left. This supposedly forces the rater to read the descriptions for each element more carefully, and thus rate more objectively. However, none of these devices has proven satisfactory over a long period of time. As raters become familiar with the rating forms, they tend to return to their old habits.[17]

Leniency or Strictness

Some managers have a tendency to be liberal in their ratings, while others tend to rate consistently hard. This problem stems from human nature and is difficult to control. Some supervisors dislike awarding above-average ratings unless they themselves are receiving similar ratings. Conversely, lenient raters desire to push their people ahead because they like them.[18] In one study of thirty department heads within one business firm, it was found that four of the supervisors rated their subordinates so severely that

17. Smyth and Murphy, p. 196.

18. Ibid., p. 198.

all of their subordinates were rated below the poorest ratings made by the two most lenient department heads.[19] These tendencies can never be eliminated entirely, but joint meetings and training sessions for raters can help to more accurately define rating standards.[20]

Central Tendency

Some supervisors dislike awarding extreme ratings. Consequently, they tend to rate all of their employees as being average. This error can be attributed to several causes. Sometimes the rater is unfamiliar with the ratee, but is still required to evaluate his performance. Hence, there is a tendency in these cases to play it safe and evaluate a man as being average. In other cases, the supervisor may simply be lazy, and dislike justifying an other than average rating.[21]

Several techniques can be employed to offset this error. A comparison of a particular rating on an individual with ratings given by other raters might trigger suspicion that this error is present. Also, the use of an even number of subdivisions for each trait or factor will eliminate a convenient

19. Lee Stockford and H. W. Bissell, "Factors Involved in Establishing a Merit-Rating Scale," Personnel, XXVI (1949), 97

20. Beach, p. 272.

21. Ibid.

mid-point for the evaluator to score. Another device is to make the intermediate descriptive phrases closer in meaning than those at the ends of the scale. This influences the rater to discriminate more thoroughly for ratings that fall around the middle.[22]

Interpersonal Bias or Mirror Effect

Human nature forces all of us to view favorably those people who act according to our own values. We tend to believe that people who dress like ourselves have good taste. We view others who hold the same interests as ourselves as regular fellows; those who do not meet our standards of value are considered odd or unusual. Concisely, we tend to believe that employees who mirror ourselves are valuable, and those who do not are inferior.[23]

The fact that this error exists was well-founded in an investigation by Kallejian, Brown, and Weschler.[24] In that experiment, a well trained interviewer canvassed

22. Smyth and Murphy, p. 197.

23. Fred G. Lippert, "Problems of Merit Rating, Progress Review," Supervision, XXV (1963), 13.

24. Verne Kallejian, Paula Brown, and I. R. Weschler, "The Impact of Interpersonal Relations on Ratings of Performance," Public Personnel Review, (1953), 116.

thirty-two employees relative to their relationships with each other and with their supervisors. On the basis of the evidence collected, the interviewer predicted within a five percent level of significance how each supervisor rated each group of employees. No successful method for eliminating this error has been discovered to date.

Evasiveness of Traits

One method of rating which is highly deficient is the evaluation of traits such as initiative, production, cooperation. This deficiency arises from a number of serious shortcomings. There is little, or no evidence that particular personality traits are required for successful performance on a given job. Traits tend to be chosen on the basis of common sense reasoning, not by statistical validation. In fact, considerable evidence tells us that a prototype leader does not exist. For example, tact and diplomacy are often included as necessary concomitants to success -- heaven forbid, Mr. Truman![25] A second problem in this area is the elusiveness of such words as average and outstanding. Can we universally define

25. Hepner, p. 326.

them? If we cannot, how can we use them to rate people?[26] The answer to this problem is to avoid trait-ratings. Instead, focus on the work a man does. Judge him on the basis of what he does, and how he does it.[27]

Bell Curve Weakness

Statisticians have sometimes said that if the Egyptians had known about the normal curve, they would have worshipped it as a god. It is truly a useful tool in some areas, but its applications to appraisals have stimulated some rather erroneous generalizations. Some rating procedures incorporate the normal distribution curve on the basis that any population should be normally distributed as follows:

	percent
Superior	4
Above average	24
Average	44
Below average	24
Unsatisfactory	4

26. French, p. 177.

27. Hepner, p. 326.

It is true that many human capacities, abilities, and other characteristics such as intelligence, dexterity, height, and weight do tend to follow a normal distribution when a large, random sample is collected. But, performance ratings are not taken randomly. Modern selection techniques tend to provide a skewed sample by eliminating most undesirables at the outset. Moreover, it is very likely that a given group will have a large percentage of superior performers, given a set standard. Modern motivational techniques are designed to push the average employee toward superior performance. More significantly, modern jobs have been subdivided, standardized, and specialized to the point that only a small part of an employee's latent ability is exercised by his job.

Probably the best approach to this problem is to plot the results of the ratings made by a considerable number of supervisors in one large graph, and use that distribution as the norm.[28]

Error of Weighted Factors

This error stems from the fact that numerical scores can yield undesirable effects unless considerable care is used in applying them. For example when an

28. Smyth and Murphy, p. 202.

above-average rating is valued at ten points on a performance factor, and an above-average rating is scored five points on a speaking ability factor, it is assumed that performance is being given more weight than speaking ability. This is not necessarily true. If all employees are rated above average on performance while a wide distribution of ratings exists on the speaking ability factor, speaking ability will carry the greatest weight.[29]

It should be evident at this point, that the appraisal of employees is a knotty problem. However, reasonable solutions have been developed, and effectively incorporated into practice in response to the need for employee appraisal. Some problems are beyond solution because they are inherent in the human make-up. But even in face of this most formidable obstacle, techniques which minimize the errors associated with rating are in use. These approaches and their concomitant strengths will be examined as we turn to the evolution of appraisal techniques.

29. French, p. 181.

CHAPTER II

THE EVOLUTION OF APPRAISAL TECHNIQUES

From the investigation of the nature of performance appraisal we found that man has evaluated his surroundings since the beginning of time. At first, such evaluations were, no doubt, personal and took the form of meditative thoughts. But when we chose to form societies, our appraisals became more public, probably in the transmission of oral opinions. Naturally, these lacked definition, and were incapable of storage. To bridge these deficiencies, techniques of increasing sophistication have been developed to negate the weakness of previous methods. As these techniques are reviewed, it should become obvious that great progress has been made. But at the same time, we must conclude that a panacea does not exist. Ultimates occur outside the arena of human endeavor. Progress is the best we can hope for and the least we can accept.

Probably the oldest technique of formal appraisal is the essay rating. This approach simply requires the rater to write out a description of the ratee's performance, or traits, as the particular

system requires. Napoleon made many such reports about his subordinates to the French authorities during his campaign:

"Good enough for office work; knows nothing of war."

"He is not fitted for command, and he lost his head after my departure."

"He is a duffer and a hero."[1]

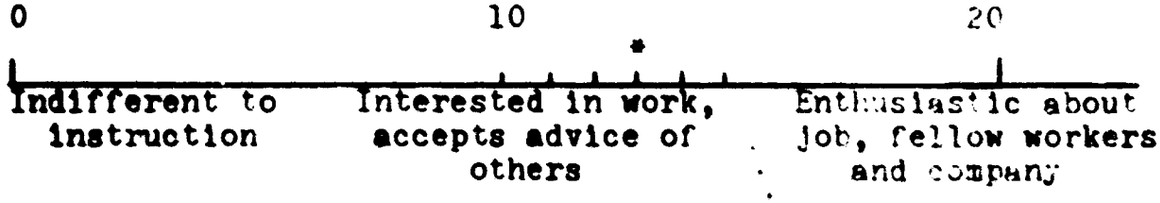
This approach is simple and easy to use but has serious shortcomings when used by itself. Some supervisors can vividly express their impressions on paper, but others cannot. Consequently, this type of appraisal does not necessarily give credit to good performers. Equally competent executives have different ideas as to the significance of the various aspects of a job; thus, no consistent basis for comparison exi s between ratees. Finally, this method does not lend itself to quantification for automated processing.[2]

1. Officer Effectiveness, Performance and Training Reports, p. 1.

2. Whisler and Harper, p. 220.

Graphic scales are also among our oldest and most widely used methods of appraisal. With this technique the supervisor is provided a standardized form for each person to be rated. Typically, the format outlines a number of qualities and characteristics which are believed to be relevant to the job being rated. Some factors which might be included are analytical ability, decisiveness, leadership, initiative, job performance, and coordination.

Each factor is then scored on a continuous or discontinuous scale of increasing value. For the continuous scale, the rater merely places a mark where he believes the ratee stands on a continuum.



*This would be a rating of thirteen.

A discontinuous scale is very similar except that there is no continuum. The rater simply places a check-mark in the most appropriate box.

Job Knowledge:

Satisfactory knowledge of routine affairs

Is well informed on all phases of his job

Excellent understanding of his job

Normally, room is provided where the rater can justify the rating awarded by citing specific examples of performance.

The rating scale method is easy to understand and to administer. It is compatible with statistical tabulation of scores in terms of central tendency, skewness, and dispersion. It is relatively easy to construct, and it permits a quick comparison of scores between employees.[3]

Unfortunately, rating scales are of little value if validity is of prime importance. The technique is inherently susceptable to the aforementioned errors of halo, central tendency, evasiveness of traits, and

3. Beach, p. 264.

weighted factor errors. These all stem from the rater's ability to force the rating to suit the impression he wants to convey. Two studies vividly point this out. As a consequence of the Classification Act of 1923, Federal Civil Service employees who received a rating below "good" were automatically dismissed. Immediately, employees were no longer rated below "good" except in rare cases. To correct this condition, another change took place in the Performance Rating Act of 1950. At that time, employees were rated as being unsatisfactory, satisfactory, or outstanding. An outstanding rating could not be awarded unless the employee was rated outstanding in all sub-areas. Unsatisfactory ratings still required dismissal. As a consequence, ninety-nine percent of the federal employees received satisfactory ratings.[4] In another study involving graphic scales, Taylor and Wherry evaluated a large sample of employees under two different sets of circumstances. For the first rating, the raters were told that the appraisals were for experimental purposes; the raters were told on the second occasion that the results were for official use.

4. Felix A. Nigro, Public Personnel Administration New York, 1959), p. 307.

Rating means for both evaluations were 4.90 for the experimental set, and 5.24 for the official set -- an inflation of forty percent of one standard deviation.[5]

The reasons behind the ability to force the ratings are obvious to the casual observer. Traits are irrelevant to job performance. In a four year study at General Electric, the conclusion was reached that no one is sure which traits correlate with good management. Men of widely divergent personalities are effective managers.[6] Advocates of the graphic scale hasten to add that performance is included as one factor in the scale, and therefore argue that the rating is tied to performance. But, this is a weak and useless argument. Research conducted by Ronan, in which he studied the correlations between eleven job factors and an over-all factor, proved that an over-all job performance factor is of limited usefulness in evaluating job performance. Moreover, he found that independent dimensions of

5. Erwin K. Taylor and Robert J. Wherry, "A Study of Leniency in Two Rating Systems," Personnel Psychology, IV (Spring, 1951), p. 39.

6. Hepner, p. 326.

job performance do exist and that they will have to be more fully described if effective predictions are to be made.[7] Another study group compared five performance factors with an over-all factor for 975 employees of a trucking firm. They reached the same conclusions -- over-all job performance factors are useless as far as validity is concerned.[8] You cannot get a meaningful measure using an invalid yardstick.

With the advent of scientific management in the early 1920's, several attempts to quantify ratings emerged. Foremost among these techniques was the forced distribution procedure where employees are rated on only two characteristics, job performance and promotability. The reduction in the number of factors rated was based on a statistical factor-analysis of Halo Effect. The rationale stems from the fact that a marked tendency to rate people at the same level on the various trait factors exists.

7. W. W. Ronan, "A Factor Analysis of Eleven Job Performance Measures," Personnel Psychology, XVI (Autumn, 1963), p. 255.

8. Stanley E. Seashore, B. P. Indile, and B. S. Georgopoules, "Relationship Among Criteria of Job Performance," Journal of Applied Psychology, XXXXIV (June, 1960), p. 195.

Accordingly, a great deal of time and effort are saved by rendering two over-all judgments about the employee -- how is he performing on the job, and what is his potential for advancement.[9]

The format of this technique is simple. Two scales, one each for performance and promotability, are available on each form. These are divided into five categories of employee value. Using the normal curve distribution technique, the rater merely indicates where the particular employee stands in relation to the rest of the employees being rated.[10] No descriptive phrases are used to describe the individual categories for psychological reasons. Descriptions for the lower ends of the scale of necessity tend to be derogatory. Consequently, supervisors hesitate to rate a man in such terms, whereas they might not hesitate to point out their weakest man.[11]

This approach has the relative merits of simplicity and delineation of the work force, but suffers from the bell-curve and over-all factor errors.

9. Ibid.
10. Ibid.
11. Whisler and Harper, p. 189.

The second of the quantitative techniques is the ranking method. Basically, two techniques fall under this heading -- straight ranking and man-to-man comparisons. The most elementary ranking technique is the straight ranking procedure which merely requires that the supervisor rank his employees from one to n, depending on the number of ratees. Bases for the ranking have included traits, performance criteria, promotability, or physical characteristics. Its rather limited usage stems from its numerous deficiencies. Interpersonal bias can strongly influence the rater's choice of the top men. Moreover, justification for the rank order assigned to any given employee is difficult when questions of fairness are raised. Although ranking is easy to apply to small groups, it becomes very unwieldy when large groups are involved. A problem closely related to this is the degree of separation among ratees. Differentiation is required by the format, but in some cases no difference exists.

The man-to-man comparison technique is somewhat more complicated. The technique uses five to seven factors which are thought to be pertinent to

the job at hand. A short paragraph is written describing each factor, and numerical values are established for degrees of value within each factor. For example:

Factor: Leadership

Degree	Value
High	15
Medium	10
Low	5

Once these mechanics are established, the rater then selects one individual who exemplifies each of the degrees of each factor. For example, the rater selects the employees who exemplify the highest and lowest degree of leadership, and the who possesses an average degree of that trait. Each person rated is then matched against the human measuring scale and is assigned the numerical value of the individual on the scale whom he most closely resembles for that particular trait. After all employees are rated, their scores are added to give an over-all score.[12]

12. Smyth and Murphy, p. 179.

This procedure is definitely a sophistification over methods previously mentioned, but a number of serious difficulties are apparent. This approach is extremely time consuming since the number of comparisons increases geometrically as the size of the group increases. Moreover, considerable difficulty can be encountered in choosing examples for the human scale, not to mention the evasiveness of traits.[13]

Among the most modern and effective methods for descriminating among employees yet developed is the forced-choice technique. Unfortunately, the novel approach employed in the method accounts for its weaknesses as well as its strengths. Rather than indicate how much or how little of a characteristic an individual possesses, the rater is required to choose from several sets of four or five descriptive adjectives or phrases. From each set, the rater selects the phrase which best describes the ratee, and the one that least describes him. In other words it minimizes subjective judgements by requiring objective reporting. If properly constructed, the rater's ability to force the rating is severely reduced because he cannot determine which of the phrases

is the best. An example from the Army's rating form is as follows:

A. Plenty of military snap, bearing, and neatness

B. Normally cheerful

C. Can't take criticism

D. Doesn't get along with people.[14]

This technique has proven to be effective in several large sample experiments. When it was first incorporated by the Army, it was tested on fifty thousand officers, and the results obtained correlated highly with those obtained by independent-group, or concensus appraisals. It produces a distribution of ratings which is better than that obtained by most other methods, and is relatively free from inflation. Moreover, results are easily scored by machine.[15] In the study mentioned earlier where two groups rated employees under experimental conditions and again "for real", the ability of the raters to force the ratings using the forced-choice method was two and one-half times less than that encountered with the graphic scale.[16]

14. E. Donald Sisson, "The New Army Rating," Personnel Psychology, I (Autumn, 1948), p. 365.

15. Ibid., p. 367.

16. Taylor and Wherry, p. 49.

However, the system is not without its criticisms. The method requires trained technicians to develop a performance scale. Each type of job requires an applicable set of tetrads to be meaningful. And, a fair degree of agreement must exist on the criteria of success and failure in the job being rated.[17] Added to this is a general dislike by supervisors of the technique. Raters like to know what they are saying about their employees. They want to be aware when they are rating a man favorably or unfavorably. The Air Force received such violent criticism from its rating officers using the system that it was finally discontinued.[18]

Another attempt at objective ratings is the critical-incident technique. This method requires every supervisor to closely monitor the behavior of each of its employees, noting specific examples of good or of bad behavior, as the case may be. Theoretically, these examples are recorded daily in a notebook and are filed away until appraisal time arrives. When the examples are filed, each is placed in categories which closely follow the rating format.

17. Whisler and Harper, p. 271.

18. Officer Effectiveness, Performance and Training Reports, p. 2.

Examples of such categories are utilization of resources, initiative, accuracy of work, and other factors believed to be pertinent. When the supervisor fills out a rating on a particular employee, he has the objective data before him to use in the rating. Moreover, in discussing the rating with the employee, the supervisor can make concrete suggestions to assist the employee in improving his rating.[19]

This system has been used by General Motors since 1948 with considerable success. Foremen report that the technique forces them to anticipate job needs. After several observations are made, a trend can be spotted immediately which encourages prompt corrective action. This leads to better performance and improved job methods. On the employee side, the technique promotes better job understanding. Frequent sessions with the supervisor allow the employee to know where he stands, and what is expected of him. And of course, the key to this free give-and-take is the objective evidence. Ratings are based on what has actually happened and not on the supervisor's impressions.[20]

19. William B. Wolf, The Management of Personnel, (Belmont, Cal., 1961), p. 228.

20. Whisler and Harper, p. 271.

On the other hand, the system depends on how conscientious the supervisor collects examples of behavior. He may make more observations on some employees than on others, and he may force the ratings by only observing what he wants to see.[21]

Two other techniques attack the problem of validity by bringing people outside the specific supervisor-employee relationship into the appraisal. One of these, group appraisal, places the greatest emphasis on training, growth, and development of the individual. The appraisal group, as a rule, consists of the employee's immediate supervisor and several other supervisors who have knowledge of the employee's performance. The other supervisors are picked because they have observed the worker in question, and can add objectivity to the appraisal. In the appraisal meeting, the immediate supervisor normally guides the discussion. As a rule, the areas under scrutiny are job requirements and the ratee's actual performance. After the general discussion, recommendations which might improve performance are suggested. This might include such

21. Ibid.

things as additional training, formal schooling, or even transfer. Increased ability on the part of the individual is the center of attention, however. As the discussion draws to an end, some rating is usually awarded such a poor, average, good, or superior, and a specific plan of action for further development is agreed upon.

The virtues of this system are that it is thorough and that the interpersonal bias of the immediate supervisor tends to be cancelled-out by the multiple opinions of the panel.[22] Research experiments conducted by the Personnel Research Branch of the Department of the Army in 1950 demonstrated that average ratings formulated by several supervisors were more valid than those by a single individual.[23] The serious drawback to this method is the great amount of time required to conduct the appraisals.

The second technique which utilizes outside personnel is known as field-review. Like most techniques, it has strengths and weaknesses alike.

22. Beach, p. 270.

23. A. G. Bayroff, H. R. Haggerty, and E. A. Rundquist, "Validity of Ratings is Related to Rating Techniques and Conditions," Personnel Psychology, VII (Spring, 1954), p.93.

The method requires that a trained man from the personnel department fill out a rating form based upon an interview with the supervisor. The interviewer asks specific questions about the critical factors of performance and potential which are considered significant to the particular position. Questions are normally general at first, but become increasingly detailed as the discussion continues. As far as the personnel department is concerned these interviews give an insight into the efficiency of the selection, and training programs, in addition to reducing bias in the rating system. For the supervisor, the interviews can be rather uncomfortable occasions unless he is fully prepared to demonstrate concrete knowledge of performance factors, supporting incidents, and employee strengths and deficiencies. Arguments against this approach include the necessary expenditure of time, and the need for an active personnel program, teamed with well-trained interviewers.

The most recently developed appraisal technique is called appraisal by coaching. It is probably the most advanced and the most sophisticated appraisal system developed to date. Impressively detailed and highly rational in approach, it is based on the conclusion that performance is what a man does, not what we might like him to do, or what he is capable of

doing. Rather, it focuses on what the individual has done in the past, and is doing now. Performance is not to be confused with personality, unless personality affects performance in some demonstrable way. Moreover, you must be sure that you are judging what is significant in performance and not the mere facade or impression of performance. One man may work eighteen hours a day with a vigor that is truly startling. An equally successful performer may coast within an eight-hour day, except when critical problems arise. You do not measure how; you measure what an employee does.[24]

This technique presupposes a thorough definition of objectives, or performance factors, a concept popularized by Peter Drucker. In Drucker's own words the performance objective rationale is thus:

> "Any business enterprise must build a true team and weld individual efforts into a common effort. Each member of the enterprise contributes something different, but they must all contribute toward a common goal. Their efforts must all pull in the same direction, and their contributions must fit together to produce a whole....

24. James H. Taylor, Personnel Administration, (New York, 1959), p. 81.

> Business performance therefore requires that each job be directed toward the whole business. And in particular each manager's job must be focused on the success of the whole. The performance that is expected of the manager must be derived from the performance goals of the business, his results must be measured by the contribution they make to the success of the enterprise. The manager must know and understand what the business goals demand of him in terms of performance, and his superior must know what contribution to demand and expect of him -- and must judge him accordingly."25

In addition to the objectives concept, the coaching approach recognizes some basic social values. Employees need to see how well or poorly they are doing on the job. They want to know where they stand, not as pegs in holes, or cogs in a machine, but as human beings with human feelings and deficiencies. A person needs recognition. This cannot be satisfied if the man does not know what is expected of him, and how he is doing. An employee needs understanding and a feeling of security. Frank Pieper sums up an employee's psychological needs in four categories:

1. <u>The need for recognition</u> - A person needs praise, particularly when he thinks he has done a good job. If this is lacking, the individual will become frustrated and replace it with some other form of satisfaction, possibly pathological in nature.

25. Peter F. Drucker, <u>The Practice of Management</u> (New York, 1954), p. 121.

2. The need for understanding - If a person does not believe that his opinions are important enough for the boss to listen; or if the supervisor never has time to understand the individual's problems, he will probably feel hurt, and resentful. He will more than likely withdraw, and ease-off from his work.

3. The need for security - People need to know where they stand, and to be able to count on it. The effects of insecurity may be subtle. The insecure worker may feel uneasy and anxious. He may become apathetic and unenthusiastic about his work. He may shirk responsibility, or become a perfectionist to protect himself.

4. The need for new experience - People want to experience new problems, to try out new ideas and new solutions. They never get the chance, unless you as the supervisor listen to them.[26]

With the twin objectives of outlining detailed performance factors and of recognizing employee needs, appraisal by coaching is based on rather sensible assumptions. First of all, it is assumed that the

26. Frank Pieper, Modular Management and Human Leadership, (Minneapolis, 1958), p. 187.

employee knows more about himself than anyone else in the organization. He has the capacity to set his own goals, and to focus ahead on the future. Secondly, the supervisor with his limited knowledge of the employee can be quite helpful in setting realistic goals for the individual in view of organizational objectives. Thus, his function changes from one of appraising personal value to one of providing self inspection on the part of the employee. A third assumption is that the employee is more concerned with what is going to happen than with what has happened in the past, although these are related. To this end, it makes sense for the employee to plan how he will accomplish objectives in the future. Finally, it is assumed that properly motivated, the employee will do the basic thinking necessary to accomplish his performance objectives. In a nut-shell, we have objectives, recognition of human values, and accent on the future.[27]

A careful perusal of this approach leads to the conclusion that this is a well thought-out system for appraisal. The emphasis here is on the system and not the technique, on the development and not the

27. J. J. Famularo, Supervisors in Action (New York, 1961, p. 128.

ranking of the individual. The onus is off the rater and on the ratee. In essence each employee writes his own appraisal report. Given the performance factors, the employee sets hiw own goals for the coming period. In subsequent interviews performance is compared against goals, and new goals are set. Moreover, initial reports by business concerns using this concept are quite satisfactory. One study completed at General Electric relates that employee performance, as well as worker and supervisor morale, have increased appreciably.[28]

Of course, every appraisal technique has its drawbacks, this one is no exception. It does not require a trained timestudy man to realize that this technique demands an enormous amount of time. In the first place it requires time to define detailed performance factors, although this is a vital function of any organization. It requires time to define degrees of performance such as unacceptable, acceptable, and excellent. But in the final analysis, if you are going to rate performance as being acceptable, you must be able to

28. H. H. Meyer, E. Kay, and J. R. P. French, "Split Roles in Performance Appraisals," Harvard Business Review, XXXXIII (January, 1965), p. 123.

define it. Finally, it takes time to conduct interviews. But the question here is, at what point does the cost of the additional time equal the benefits derived from increased performance and improved employee morale? Another deficiency is the general lack of coaching ability found in supervisory circles, particularly at the lower organizational levels. One personnel officer contends that many companies have done away with performance reviews because line supervisors are generally ineffective in counseling.[29] However, this is analogous to going out of business because sales are low. Training, motivation, and briefing guides are the key to good counseling, not wishful thinking. Finally, this technique by itself does not incorporate ratings on the individual's potential. Any organization that hopes to fully utilize its most valuable resource, must know what it has in the inventory. To satisfy this need, appraisals on potential must be made. No doubt, this will be incorporated into the technique as it matures.

During its brief history as a formalized process, employee appraisal techniques have undergone a myriad of changes and modifications in the

29. Wallace Burch, "Annual Employee Reviews," Personnel Journal, XXXXII (June, 1963), p.284.

quest for a satisfactory answer to this most perplexing problem. The earliest rating plans in the twentieth century utilized a brief essay, or a word checklist from which the rater would select the most appropriate adjectives. Such techniques lacked precision and were difficult to cross-compare. This led to the development of graphic scales. Supervisors found them easy to use, and were generally cooperative in maintaining continuous appraisal records. Although still in use today by many companies, the graphic scale has been severely criticized for its many weaknesses, particularly its low tolerance toward inflation. Efforts to overcome these distribution errors resulted in the forced-distribution technique. Raters strongly resisted this procedure on the logical ground that any work group that had been properly screened by selection procedures would tend to follow a skewed distribution. Consequently, the method was never widely used, and gave way to ranking techniques. The paired-comparison technique and other ranking devices gave clear answers to the standing of individuals in given groups, but provided no means

for inter-group comparisons. The forced-choice method of appraisal was offered as an answer to all deficiencies inherent in prior techniques. However, the fact that the rater was unable to determine where he had rated the employee brought forth a wave of resentment on the part of supervisors. To overcome this deficiency, the critical incident technique was developed to force supervisors to evaluate employees in terms of what they do, rather than in terms of what supervisors think they do. This change allowed interpersonal bias to creep back into ratings. To offset this tendency such techniques as group appraisal and field review emerged to increase the objectivity of ratings.[30] Finally, the coaching method of appraisal which ties appraisals to results, and to employee psychological needs rounds out the state-of-the-art as of this writing.

What's the answer? Obviously, a final solution to the appraisal problem does not exist. Some techniques seem to work under certain conditions, and to fail under others. One organization will represent its system as the epitome, while a different concern will state that the same system is useless. One is

30. Whisler and Harper, p. 436.

tempted to conclude that our knowledge at this time is inadequate to postulate a single, best method of appraisal. However, research and experience to date do suggest a few generalizations that appear to be valid.

1. The appraisal of employees does not exist in a vacuum. Appraisal must be thought of as a system which affects, and is affected by, other parts or systems of the organization. As the experience of the Civil Service indicates, if you dismiss all employees with unsatisfactory trait ratings, the personalities of your employees automatically improve. In other words, you must consider the purposes for which a rating is to be used and the influences which might bear on the process.

2. Appraisals should be based on what a man does to contribute to organization goals. Traits may be a useful tool for judging potential, but they are irrelevant when performance is measured.

3. The environment of application should determine which technique is selected. It is a waste of time to install a coaching technique if

performance factors are not outlined in detail. Likewise, the forced-choice method alone is of little value if counseling is one of the system's objectives. And, recent developments indicate that it should be.

With this background established it is now possible to consider a yardstick with which we can measure the effectiveness of the Air Force appraisal system. The development of one such measuring device is the topic of the next chapter.

CHAPTER III

THE ANALYSIS YARDSTICK

Whenever we attempt to compare or analyze anything, the first question that comes to mind is, compare to what? The purpose of this chapter is to develop some device against which the existing state can be compared. We could evaluate the results the Air Force has achieved in terms of the objectives sought, but this would be of little value. The Air Force is well aware of how well, or poorly, its system functions. Another method of comparison would be to weigh the relative merits of the Air Force appraisal technique against those used by other organizations. But, we have already concluded that what works in one set of circumstances is of little relevance to another set. Besides, both of these approaches are too limited in scope. They deal with only parts of the appraisal process. The question we hope to answer is whether or not the present Air Force system facilitates the achievement of organizational and individual goals. Is the system theoretically sound? Given this

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question, the development of a yardstick is suggested by the trends in management and appraisal philosophies.

With some amplification, Dale Beach offers a concise summary of trends in appraisal.

TRENDS IN EMPLOYEE APPRAISAL

Item	Former Emphasis	Present Emphasis
Terminology	Merit Rating	Employee Appraisal Performance Appraisal
Purpose	Determine Qualifications for Promotion, Transfer, Layoff	Development of the Individual; Improved Performance on the Job; Satisfaction of Social Needs
Factors Rated	Personality Traits	Results, Accomplishments, Performance, Potential
Techniques	Rating Scales, Statistical Manipulation of Data for Comparison of Purposes	Mutual Goal Setting, Performance Standards
Post-Appraisal	Supervisor Reveals the Rating, Seeks to Justify It.	Supervisor Stimulates Employee to Analyze Himself and Set Own Objectives in Line With Job Requirements[1]

1. Beach, p. 280.

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It should be emphasized that the activities listed on the left have not disappeared from practice. They are still fairly common. Moreover, the activities on the right are not pervasive. Rather, what is implied is that viewing organizations as a whole, the activities on the left are decreasing in usage whereas those on the right are attracting increasing attention.[2]

Associated with the changing emphasis in personnel appraisal has been a thesis-antithesis-synthesis movement in management philosophy. During the early part of the twentieth century, there emerged what many writers on the subject have called the Classical Doctrine of Management.[3] No doubt traceable to Frederick Taylor's interest in functional foremanship and planning staff, this view dissected an organization into its minute parts. The emphasis was upon measurement, systematic behavior, and formal bureaucratic structure.[4] Around 1930 this

2. Ibid.

3. Whisler, p. 425.

4. Ibid.

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view was amended by what has been called the Neo-classical Theory of Organization. Supporters of this movement basically accepted the tenets of the classicals, but superimposed upon the formal structure what, for lack of a better phrase, has been called the human relations movement or theory. This movement was concerned with people. Basically, it held that formal structure and scientific techniques are all very rational, but that their relative usefulness can be effectively negated by people. Employees have needs and drives which must be satisfied if organizational goals are to be effectively met. The Neoclassical school points out that human problems are caused by imperfections in formal processes.[5] These imperfections frustrate the individual in his quest for goal satisfaction, forcing him to find alternative outlets for his energies, often in a manner disfunctional to organizational goals.

Recognition of these individual needs and of the concomitant informal structures which arose as a result of these needs finally led to an integrative

5. Joseph A. Litterer, Organization: Structure and Behavior (New York, 1963), p.16.

view which has been labeled Modern Organizational Theory.[6] The basic belief upon which this philosophy rests is that the only meaningful way to study an organization is to study it as a system, as an integrated whole. Modern Organizational Theory asks a group of interrelated questions which draw from the previous theories. Crucial among these questions are:

1. What are the strategic parts of the system?
2. What is the nature of their mutual dependency?
3. What are the main processes in the system which link together the strategic parts?
4. How is adjustment of the parts to each other facilitated?
5. What are the goals of the system?[7]

These questions are not totally inclusive, but they do provide the catalytic agent necessary to develop a normative appraisal model -- the task to which we can turn.

What should the goals of an appraisal system be? Why appraise employees in the first place? The answers lie outside the appraisal system itself.

6. Ibid., p. 19.

7. Ibid.

Every human activity that has ever taken place, or ever will, has one common denominator - purpose. Whether that purpose is the mere relief of a psychological tension, or the complicated objective set of the modern organization makes no difference. Goals must precede action; the military establishment is no exception. Modern organization theory holds that these goals are multiple in nature, and are supported by sub-goals, and these by sub-sub-goals.[8] If pursued to its conclusion, this dissection of goals leads to the individual position and its concomitant functional factors, or job requirements. Any activity which does not support the satisfaction of functional factors, and in turn a major organizational function is extraneous to the system and thus disfunctional to organizational activity. In other words, if we are to utilize our resources to their maximum capacity, we must be cognizant of our needs. It is for this purpose that we have an appraisal system. For if we are to effectively control our movement toward goal satisfaction, we must evaluate the performance of our resources, particularly our people.

8. John M. Pfiffner and Frank P. Sherwood, Administrative Organization (Englewood Cliffs, N.J., 1960), p. 405.

In the evaluation of our human resources we must answer two questions. What contribution is an individual making to the attainment of the enterprise's goals? And, what contribution might the individual make in the future? In the final analysis, we do not care whether a man possesses certain traits or characteristics, unless they pertain to organizational goals. Instead, we are vitally interested in what he is doing now, and what he is capable of doing in the future. The identification of these two facts must be primary to any appraisal system.

Given these goals, an appraisal system can be broken down into a host of separate parts, three of which are truly significant. The most important of these, and probably the most difficult to satisfy, is the definition of performance factors and future organizational needs. This requirement is not satisfied by stating that a man will promote sales, or that a pilot will fly missions as directed. The requirement here is for specific, detailed performance factors. It requires that a manager sit down and thoroughly analyze the position which he is to appraise. What is

necessary? How much? Why? What is irrelevant? If a manager cannot define the functions of a position, both quantitatively and qualitatively, he cannot validly appraise performance for that position. The same holds true for potential. How can a supervisor rate potential if he does not know what it is? By the same token, how can an individual improve his potential if he does not know what positions are available to him, and what the demands of those positions are?

The second key part of an effective appraisal system is the observation of actual performance and potential in terms of organizational requirements. This is the rather pedestrian task of observing performance and demonstrated potential in those areas which have been identified as being significant. The periodicity and timing of observations necessarily vary with the particular activity being appraised. But the necessary question here is whether or not the particular factor is observable; and if so, to what degree of observation is necessary to reflect the real world.

The third critical part of an effective appraisal system is the evaluation tool or measuring device.

As we have seen, a great number of devices are available, each with its strengths and its weaknesses. The important point is whether or not the particular device in use is the one best suited for the task at hand. Is it an effective vehicle for measuring an individual's potential, and his contribution to the organization? Is it relative to the particular requirements of the position being rated?

A highly active feedback system provides the integrating process of our theoretical model. A crucial element in any appraisal system is the free exchange of information between the appraisor and the appraisee. It is by this means that the manager identifies for the individual the performance elements and future organizational needs. Thereby, he established a performance yardstick by which the individual can be measured. From the viewpoint of the individual, feedback gained from performance counseling allows him to adjust his behavior, or at least affords him the opportunity to do so. If the individual does not know where he is being rated, he is unable to control his future. If he is not informed of deficiencies which might block

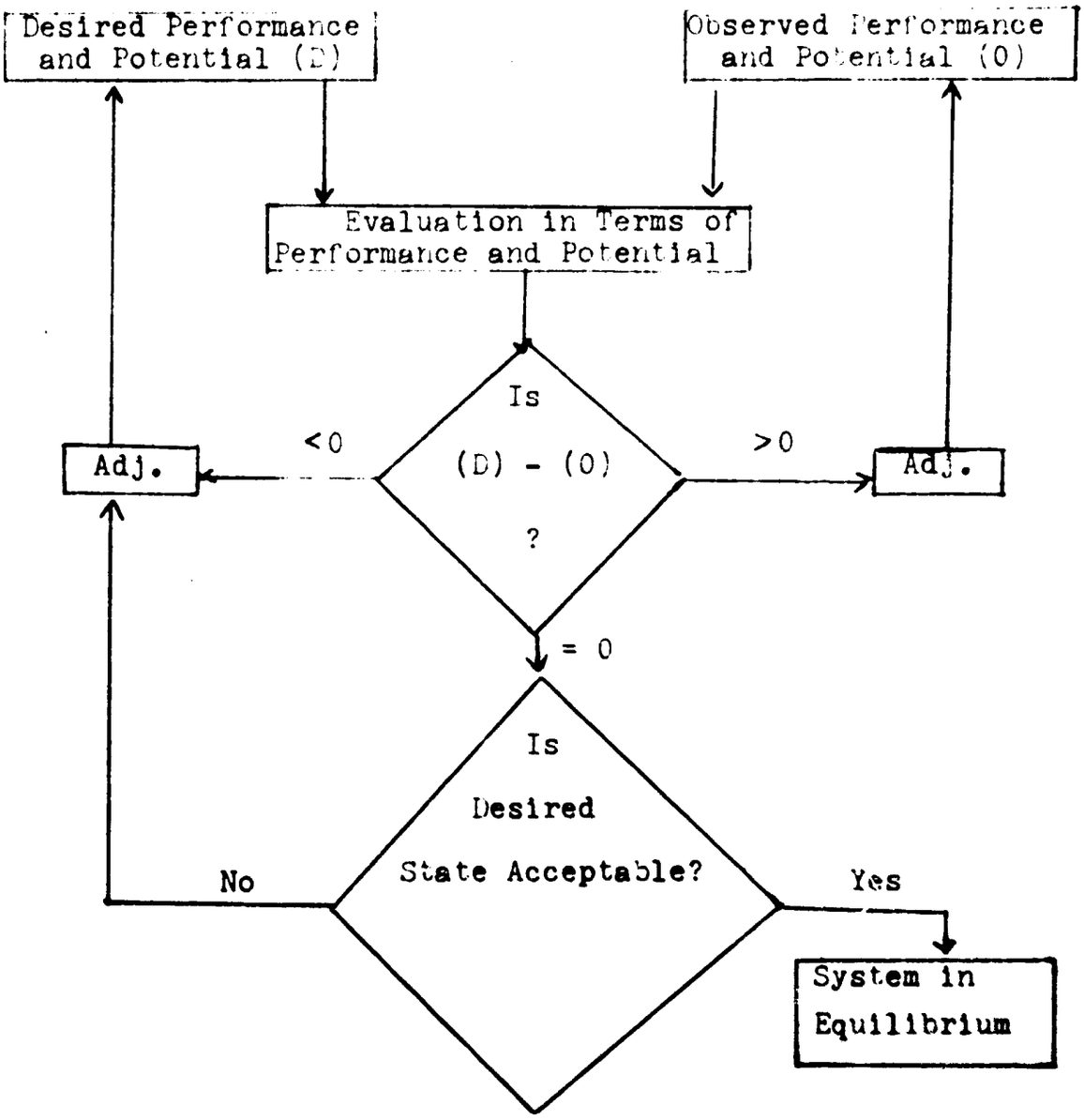
his advancement within the enterprise, he is unable to increase his potential. As has been previously pointed out, the lack of a target renders our efforts ineffective. Moreover, satisfaction of an individual's psychological needs is frustrated if the individual is not aware of where he stands, nor of what avenues are available for future efforts.

Having identified the goals, the strategic parts, and the adjusting mechanism of a normative appraisal system, a model for evaluating a particular appraisal system readily suggests itself. Basically, it consists of four parts.

1. Desired performance and potential factors described in detail as to quantity and quality.
2. Actual observed performance and potential relative to the specified factors.
3. An evaluation tool which accurately evaluates individual performance and potential in terms of organizational needs.
4. A dual-channel feedback mechanism which allows the individual to adjust his actual performance and potential, and which serves as a basis for adjusting organizational goals and performance factors.

These four requirements can best be expressed by a diagram.

THE APPRAISAL MODEL



Concisely stated the model requires that we define performance and potential objectives, and compare these to what actually exists. Then, we ask the question, how does actual performance and potential

equate to the desired state? If the desired state is greater than the actual state, we must communicate this difference to the individual so that he may take actions necessary to increase his performance and potential. Moreover, if the actual state is greater than that which is desired, we must determine if standards can be raised. In essence, we have the four elements required for development: definition of goals, observance of performance, measurement, and feedback.

This model is not presented as the solution to all appraisal problems. Imperfections exist in the real world which deny solution to the most rudimentary problems. Their continuance is unquestioned. However, perfection is of necessity our goal, and rational process our vehicle. It is the opinion of the author, formulated as a consequence of the evidence collected in this study, that problems in appraisal have stemmed largely from a micro-view of the process, or from the devotion of too much attention to techniques and their concomitant results. At the risk of being redundant, we must recognize that organizations have goals and that every position within the organization must

contribute to their achievement. Consequently, we must give definition to performance factors if we are to have any valid basis for appraising. The necessary corollary to this fact is that individuals have personal goals or needs which demand satisfaction. The appraisal system is a crucial link in the satisfaction of both need sets. Any system that fails to observe these two need sets will only exacerbate the deficiencies inherent in the particular techniques employed.

Therefore, the suggested model will not answer the question, "Does the particular system function effectively?" The answer to that depends on the ability of the individuals envolved, the selection of proper appraisal techniques, and the environment of a particular system. But, the model will provide an answer to the questions: Is the specific appraisal system capable of determining an individual's contribution to organizational goals? Does it provide the framework for satisfying the individual's sociological and psychological needs? To do more is beyond the scope of this inquiry; to do less is to fail to make contribution.

With our yardstick thusly defined, we can now observe the Air Force system for evaluating company-grade officers.

CHAPTER IV

THE AIR FORCE COMPANY GRADE OFFICER APPRAISAL SYSTEM

The United States Air Force company grade officer evaluation system has evolved as a consequence of long experience in the activity. Precedents for the present system date to 1947 when the Air Force became a separate entity. And, a vast amount of knowledge regarding ratings was inherited from the Army, whose experience dates to the beginning of the formalized process. As part of its heritage from the Army, the Air Force initially used the forced-choice rating technique. However, that technique was found to be objectionable to the individual raters. Moreover, discrimination was very poor among the individuals rated, in part, because of a pile-up of ratings at the upper end of the rating scale. Raters became so dissatisfied with ratings in the blind that they actively sought ways to beat the system.[1]

The critical incident technique was the second device used by the Air Force to find an acceptable

1. Officer Effectiveness, Performance and Training Reports, p. 2.

method. It was recommended by the American Institute of Research, Pittsburgh, Pennsylvania as the system most suitable for Air Force use. But, like it's predecessors, it too was unacceptable. The basic arguments against that method were the time consuming mechanics of the report, and the seemingly omnipresent inflation of ratings at the upper end of the scale.[2] This led to the adoption of the Air Force's present system in 1952.

As is true of any large enterprise, the Air Force rating system abounds with rules and conditions to fit every conceivable situation which might arise. But, for the purposes of this study, only the basic or normal system will be described.

The Air Force company grade officer rating system consists of a three-step process: observation, evaluation, and reporting. Rating officials are instructed to purposefully observe an officer's behavior and performance of duty, including achievements, efficiency, and morale of his subordinates. Observations are to be made at frequent intervals, and must be pertinent to the position occupied. Each supervisor is cautioned

2. Ibid.

against rating an individual on performance outside of the particular rating period. Rating periods are defined as the length of time since the last rating, and are typically six to twelve months in length, depending on the officer's stage of development.[3]

Rating officers are instructed to evaluate each officer in terms of how he compares with other officers serving in the same grade.[4] Appropriately, each rater is warned of the errors commonly found in appraisal, and of the actions necessary to avoid them.

The AF Form 77 (Appendix A) is the device whereby evaluations are reported. Raters are instructed that this report is not to be used as a counseling device, albeit counseling on a periodic or continuing basis is encouraged. Effectiveness reports provide a measure of an officer's over-all value to the service. They are to be used with other information as a basis for personnel actions such as promotion, elimination, school selection, and Regular appointment. A single report is never the sole criterion for such actions. Rather, a series of reports submitted by different reporting officials

3. Ibid.

4. Ibid., p. 35.

in a variety of duty situations become an indication of each officer's value to the service as compared to his contemporaries.[5]

Basically, the Form 77 is divided into nine major parts:

I. Identification Data - Provides space to record the individual's vital data.

II. Duties - The rating official indicates by a precise statement which duties are considered by him as important to the specific position being rated. This must include at a minimum, the duty title, organization level, and base of assignment.

III. Rating Factors - This section includes a list of rating factors presented in the form of a graphic scale. The factors included are knowledge of duties, performance of duties, effectiveness in working with others, leadership characteristics, judgement, adaptability, use of resources, and writing and oral expression abilities.

IV. Military Qualities - This section requires a rating as to how well the officer meets the standards of military duty.[6]

V. Over-All Evaluation - Here, the rating officer scores the ratee on officer qualities and on his over-all value to the Air Force. Although not included in the descriptive phrases of the graphic scale, guide-lines to the rater for selecting the appropriate box are as follows:

> "Unsatisfactory - This officer is one whose performance fails to meet minimum standards of acceptance. He is deficient in his performance of duty to the extent that further efforts at rehabilitation in his current assignment would not be in the best interest of the Air Force.

5. Ibid., p.6.

6. Ibid., p. 37

Marginal - This is an officer whose performance of duty is distinctly limited. Such performance may be due to the lack of adequate motivation or interest in his job, to personality traits, or to technical qualifications that are not commensurate with the job requirements.

Below Average - An officer in this box can continue in his current assignment and be expected to perform his duties, although his effectiveness is below the standards expected of an officer of his grade and training.

Effective and Competent - This category should include the majority of the officers in each grade....

Very Fine - An officer characterized by this rating must show a continuing level of high performance....

Exceptionally Fine - Rating in this box must be reserved for those very few officers whose performance, initiative, leadership, and personality set him apart as being worthy of special notice. He must perform most aspects of his job in an outstanding manner.

Outstanding - This officer is extremely rare, he is one (or less) in a hundred in his particular grade who excels in everything he does...."[7]

Specific justification is required when an officer is rated either as being Unsatisfactory, Marginal, Exceptionally Fine, or Outstanding.

VI. Promotion Potential - For this item, the manual requires that the rater consider the officer's capacity to handle jobs of increased scope and responsibility.

VII. Comments - This section is included to satisfy two specific purposes. It provides space for:

7. Ibid., p.38

a. Material required to justify specific ratings.
b. Pertinent information which the rater believes will make the report more meaningful.

Comments which are required in this section, if applicable, are Facts and Specific Achievements, Strengths, Recommended Improvement Areas, Suggested Assignments, Self-Improvement Efforts, Civic Responsibilities, and Other Comments.[8]

VIII. Reporting Official - Space is provided to identify the rating officer.

IX. Review by Indorsing Official - The indorsing official will review the ratings and comments of the rater, and will note his agreement or disagreement with the report. If disagreement exists, the indorsing official indicates the areas and degree of discord by inserting his initials in the appropriate boxes, and by revealing his specific reasons in the space allotted.[9]

This concisely describes the Air Force company grade officer evaluation system. Can it facilitate the achievement of individual and organization goals? Can it be improved, and if so, how? We now have the background, the yardstick, and the existing state -- we can now focus our attention on analysis.

8. Ibid., p. 39.

9. Ibid., p. 40.

CHAPTER V

ANALYSIS

We have seen in CHAPTERS II and III how performance appraisal has evolved from an unstructured, simple process with limited objectives to a highly sophisticated adjunct to an agressive personnel program. In CHAPTER IV, a generalized normative model for appraising performance was developed. CHAPTER V revealed the present system in use by the United States Air Force. Keeping mind that no ultimate or perfect rating system has yet been devised, we turn to the task of evaluating the system presently in use by the Air Force. The purpose here is to generalize from the information gathered in such a manner as to point out those parts of the system which tend to be effective, as well as those which tend to be disfunctional. The outcome desired is an idealistic evaluation somewhat watered by the realities of practice.

The strengths of the system presently in use by the Air Force are many. To begin with the system is generally adaptable to the myriad of diverse

positions held by Air Force junior officers. It allows local adaptation within restricted limits, but at the same time provides a basis for centralized promotion -- the stated purpose of the system. This flexibility is gained through the inclusion of Section II for listing specific duties relative to the position being appraised. Additionally, Section VII of the rating form requires that specific examples of performance be recorded. A second notable strength is that the system is easy to administer. Except for the comments of Section VII, the appraisal form can be completed in five minutes. A third strength is that every rating requires review by at least one indorsing official. This influences the rater to be objective, and allows the reviewing officer to reflect disagreement with any given rating.

In opposition to these strengths is a number of areas which suggest the need for improvement. As CHAPTER III revealed, authorities in the field such as French, Beach, and Whisler agree that performance and potential are the two most important, if not the only, areas which require appraisal. These are given only token recognition in the present Air Force System.

Although duties must be listed, no formalized standards against which performance can be measured are specified. Moreover, of all the duties related to a specific position, only one over-all factor, Performance of Duties, is scored on a rating scale. The studies of Ronan and Seashore point out that an over-all performance rating factor has little usefulness in reflecting performance for several factors.[1]

The present rating form is weakest in the area of growth potential. Neither description, nor standard exist for this factor. The rater merely assigns a score in one of four potential categories listed on the Form 77. Definition of the term is left to the rater.

A second deficiency in the present technique is the use of traits in the rating format. These have been proven to be of little validity.[2] Moreover, some of the rating factors seem to be inappropriate. Is the factor "Knowledge of Duties" solely the responsibility of the individual, or does the training program enter into the picture? Does a junior officer have

1. W. W. Ronan, p. 255, and Stanley E. Seashore, p. 195.
2. Hepner, p. 325.

effective control over the utilization of resources? Do the selection criteria permit the induction of officer candidates who can not communicate? The answers to these questions are not within the range of this study, but they serve to point out the fact that without standards, trait ratings merely reflect the opinion of the rater, often to the chagrin of the ratee. Consequently, they tend to place emphasis on the ratee's social and political prowess rather than on his performance.

In CHAPTER V, a normative model for appraisal was described based on the existing experience in the field. A survey of young Air Force officers was conducted in order to compare the existing system against the model. To this end, a questionnaire (Appendix C) was send to two hundred company grade officers selected randomly from ten Air Force bases within the zone of the interior. Each officer was asked the four questions posed by the normative model. The results of the survey are summarized in Table I.

Before we review the survey results, a few words of caution are in order. Care must be exercised

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in drawing conclusions from such a sample. To begin with, the sample was rather small; and, it was not taken from the entire population, but only a segment of it (ten bases). Secondly, seventy-six recipients failed to respond to the survey. Their opinions could drastically affect the survey outcome. Finally, the conduct of a survey is an art in itself. Although advice relative to the questionnaire was received, and a test survey was conducted, the author has no formal training in the area.

Given these possible deficiencies, the survey results do suggest certain areas where the appraisal system might be improved. In the area of promotion potential, only 10.5 percent of the respondents indicated that their supervisors had defined the elements comprising this factor. Moreover, only 20.9 percent indicated that their supervisors had identified actions necessary to improve their ratings in this area. It would seem that either very little action is being taken to improve the potential of junior officers at the local level; or if effort is being expended in this area, it is undirected. Moreover, this identifies either an inability on the

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part of the raters to define potential, or a lack of communication between rater and ratee. In either case if available talent is to be developed to its fullest, desired abilities must be defined for each career field. If this is impossible, the area should not be rated. To do so, merely increases the arbitrariness or irrelevancy of the ratings.

In the area of job performance, 62.0 percent of the respondents indicated that their supervisor had specifically outlined the requirements of their job. But, in only 31.4 percent of the cases had the rater defined what was unsatisfactory, acceptable, or outstanding performance for each area. The results here are significantly better than those obtained in the area of promotion potential, but the need for greater definition of goals and standards is evident. Achievement without purpose is impossible.

The last area tested by the survey was that of feedback. The purpose was to determine what percentage of officers actually knew what their last rating was, considering that supervisors are not allowed to discuss the rating with them. The results indicate that 58.9 percent of the respondents

knew what their last rating was. However, only 46.0 percent indicated that they knew why they received the particular rating they did. Here, we find a substantial block to the satisfaction of individual needs in the supervisor-subordinate relationship. As Pieper points out, the man who does not know where he stands, or why, is likely to be a very unhappy gentleman.[3]

In summary, the Air Force system for appraising young officers is neither totally effective, nor completely ineffective. It reflects a compromise between the design of a separate appraisal system for each career field or specialty, and the Air Force need for centralization and adaptability. The system as it now stands has several strengths, and is apparently meeting the needs of the Air Force to some degree. But as this study points out, considerable more benefit could be gained from the system if certain changes or modifications were made. These suggested changes along with the general findings of this study form the topic of the Conclusion which follows.

3. Pieper, p. 122.

TABLE I

SUMMARIZED SURVEY RESULTS

1. Has the supervisor defined growth potential?

Response	Number	Percent
Yes	13	10.5
No	107	86.4
Not Sure	4	3.1

2. Has the supervisor indicated actions necessary to improve growth potential rating?

Response	Number	Percent
Yes	26	20.9
No	97	78.3
Not Sure	1	.8

3. Has the supervisor identified critical job elements?

Response	Number	Percent
Yes	77	62.0
No	45	36.3
Not Sure	2	1.7

4. Has the supervisor defined standards for each job element?

Response	Number	Percent
Yes	39	31.4
No	80	64.5
Not Sure	5	4.1

5. Has the supervisor defined his interpretation of a particular trait?

Response	Number	Percent
Yes	29	23.4
No	77	62.0
Not Sure	18	14.6

6. Does the officer know what his last rating was?

Response	Number	Percent
Yes	73	58.9
No	50	40.3
Not Sure	1	.8

7. Does the officer know why he was rated where he was?

Response	Number	Percent
Yes	58	46.8
No	58	46.8
Not Sure	8	6.4

CONCLUSIONS

This study began by asking the question, that given the existing state of knowledge relative to performance appraisal, is the present Air Force appraisal system as effective as possible? The answer is obviously, no! Organizational goals could be met more efficiently if certain changes were made in the present system. The purpose of the system should be to support the over-all Air Force mission -- the greatest amount of military capability at the minimum cost to American Society. To this end, writers in the field agree that an appraisal system should stress increased performance, increased potential, and increased psychological emoluments to the individual. The degree to which the Air Force system does so is questionable. From the standpoint of the individual, we need a system that facilitates the satisfaction of human needs and wants. The present method employed by the Air Force negates the achievement of this goal.

However, disease is always easier to detect than to cure. And, it has been repeatedly pointed

out during the course of this paper that no organization makes claim to a totally effective appraisal system. Progress, not perfection, is the challenge, and change is the first step toward progress -- this study suggests several first steps.

The survey of appraisal techniques revealed that relevance to the position being rated is a necessary requisite for any successful appraisal device. The Air Force is using, for all practical purposes, the same format for rating every junior officer position in its organization -- an enormous burden to place on any appraisal technique. The Air Force should employ a different yardstick for each group of related positions. If it is deemed necessary to maintain a single format, then a list of performance elements and their antecedent standards should be established for each Air Force specialty. The format should be of the general purpose type so that elements relevant to the particular job are selected, and their selection justified by the local headquarters. If an officer is a crewmember, rate him on how well he performs in terms of his duties. If the ratee is a commissary manager, rate him on how efficiently he

operates his store in terms of specific yardsticks and standards. The same applies to potential. Characteristics, or desired abilities should be identified for each career field. Certainly, growth potential is not the same for an officer in the Strategic Air Command as it is for one in the Research and Development Command, or for an instructor at the Air Force Academy. Of course, we are speaking of a goal to which we must ascribe. Whisler points out that some positions must of necessity be appraised subjectively. At best, we must attempt to reduce the subjective element of rating, particularly the use of traits, to a minimum. No doubt some traits must be included in every rating, but they should be few in number, well defined, and relevant to the position being rated.

The Second step the Air Force should take to improve its appraisal system is to use the appraisal by coaching technique described in CHAPTER II. Under this system we have emphasis on the development of the individual, on mutual goal setting, and on satisfaction of the human needs for recognition, security, and new experience. Supervisors should be required to frequently counsel their subordinates. The two should engage in numerous give-and-take

sessions where increased performance, enlarged potential, and maximum job satisfaction are the mutual aim of both parties. Together, rater and ratee should identify the relevant performance and growth potential elements. They should establish standards, and should seek solutions to organization and individual problems. However, no formal or recorded appraisal should be made during these sessions. The success of this type of counseling hinges upon forcing the individual to rate himself, and upon removing the superior from the position of judge.[1]

The formal or recorded rating by the superior should be separate and undisclosed to the individual except in those cases where the rating could be detrimental to the individual's future. Innumerable studies point out that supervisors tend to inflate their evaluations of subordinates when they must reveal them to the individuals concerned. Moreover, these critique sessions tend to place both parties in uncomfortable positions -- the rater in the position of judge, and the ratee in the position of the defense. Maier points out that in many cases,

1. For amplication of this technique, refer to French, Whisler, Wolf, or Famularo.

interviews for the purpose of reviewing a recorded appraisal tend to frustrate the individual and destroy his motivation.[2] Frequent and mandatory coaching sessions should provide adequate feedback to the individual without the disfunctional aspects of disclosing the actual rating.

A final step is suggested by the survey of young officers. During the course of the survey, several officers saw fit to attach letters or comments to their answer sheets. One such response points to the need for further investigation in this area.

> ".... The problem area is that the Air Force will RIF (remove from service) a man if you give him an average to very good ER. One average ER will get a man passed over for major, one passover will beget another, etc.
>
> The trouble with the AF ER system is that the penalty for telling the truth is too severe. The system makes no provision for honesty. The simple solution, two passovers do not make a RIF."

The officer's facts may be slightly erroneous, or his interpretation of them somewhat exaggerated; but, he quite cogently reminds us that systems exogenous to the appraisal system influence the results we obtain. We need to determine the degree to which raters are influenced by the promotion system. Why does a rater inflate an effectiveness report when he knows that such action

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2. Norman R. F. Maier, The Appraisal Interview: Objectives, Methods, and Skills (New York, 1958), p.246.

is in conflict with the best interests of the Air Force? Considering the fact that promotions decrease in number as the rank increases, it only stands to reason that some officers must fail to be promoted. Must every officer have the potential of a commander? Does the Air Force not have a place for a reliable and competent officer who possesses limited capacity for advancement, but who performs satisfactorily in his present position? These questions require an answer if we are going to develop an effective appraisal system.

In summary, this study suggests that the Air Force company grade officer evaluation system could be greatly improved if the appraisal tool were designed specifically for the position being rated, if performance and potential factors were more clearly defined, if the coaching technique of counseling were made mandatory, and if exogenous influences were minimized.

But these are only first steps in a long evolutionary development, yet to come. The inclusion of the suggested changes will not transform the present system into a completely satisfactory procedure for evaluating officers. Ultimate solutions to the Air Force appraisal dilemma are outside the purview of

present knowledge. Recognizing this as a fact of life, conjecture as to where the development of appraisal is leading us seems appropriate.

Eventually, the Air Force appraisal system will have a three-pronged objective -- efficient operational results, maximum individual development, and accurate individual self-understanding. Rating criteria and rating standards may change, but these three goals will give direction to any future modifications of the system. As development continues, the individual will be shown his rating. Conceivably, he might even participate in writing it. As supervisors gain experience in coaching techniques, ratees will acquire new insights into their own abilities and limitations. In other words, the individual will gain an accurate awareness of how he stands compared to his contemporaries. His expectations will be more closely aligned with his job ability rather than with his ability to mesmerize the rater. Moreover, to insure a free exchange of ideas during the appraisal process, and to increase the satisfaction of individual psychological needs, some procedure for changing or disputing the rating will be established. The purpose of such a procedure

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would be to guarantee the ratee a right to an impartial hearing should he feel victimized for any reason. On the other side of the picture, the rater will come under greater pressure to minimize the appraisal inflation which usually accompanies a rating critique. This will possibly take the form of an impartial appraisal review board whose task it is to validate ratings other than average.

Ultimately, the Air Force appraisal system will contribute substantially to greater organizational efficiency by requiring its members to think and act in terms of performance standards and goals. Moreover, the system will substantially reduce the amount of mental frustration generated by the present system -- the note on which this study began, and ends.

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APPENDIX A

AIR FORCE FORM 77

I. IDENTIFICATION DATA (Read AFM 36-1... carefully before filling out any item.)

1 LAST NAME — FIRST NAME — MIDDLE INITIAL	2 AFSN	3 ACTIVE DUTY GRADE	4 PERMANENT GRADE
5 ORGANIZATION COMMAND AND LOCATION	6 AERO RATING / CODE	7 PERIOD OF REPORT: FROM / THRU	
	8 PERIOD OF SUPERVISION	9 REASON FOR REPORT	

II. DUTIES — PAFSC . . . . . DAFSC

III. RATING FACTORS (Consider how this officer is performing on his job.)

1 KNOWLEDGE OF DUTIES					
NOT ○ OBSERVED	SERIOUS GAPS IN HIS KNOWLEDGE OF FUNDAMENTALS OF HIS JOB ☐	SATISFACTORY KNOWLEDGE OF ROUTINE PHASES OF HIS JOB ☐	WELL INFORMED ON MOST PHASES OF HIS JOB ☐	EXCELLENT KNOWLEDGE OF ALL PHASES OF HIS JOB ☐	EXCEPTIONAL UNDERSTANDING OF HIS JOB EXTREMELY WELL INFORMED ON ALL PHASES ☐
2 PERFORMANCE OF DUTIES					
NOT ○ OBSERVED	QUALITY OR QUANTITY OF WORK OFTEN FAILS TO MEET JOB REQUIREMENTS. ☐	PERFORMANCE MEETS ONLY MINIMUM JOB REQUIREMENTS. ☐	QUANTITY AND QUALITY OF WORK ARE VERY SATISFACTORY ☐	PRODUCES VERY HIGH QUANTITY AND QUALITY OF WORK MEETS ALL SUSPENSES ☐	QUALITY AND QUANTITY OF WORK ARE CLEARLY SUPERIOR AND TIMELY ☐
3 EFFECTIVENESS IN WORKING WITH OTHERS					
NOT ○ OBSERVED	INEFFECTIVE IN WORKING WITH OTHERS DOES NOT CO-OPERATE ☐	SOMETIMES HAS DIFFICULTY IN GETTING ALONG WITH OTHERS ☐	GETS ALONG WELL WITH PEOPLE UNDER NORMAL CIRCUMSTANCES ☐	WORKS IN HARMONY WITH OTHERS A VERY GOOD TEAM WORKER ☐	EXTREMELY SUCCESSFUL IN WORKING WITH OTHERS ACTIVELY PROMOTES HARMONY ☐
4 LEADERSHIP CHARACTERISTICS					
NOT ○ OBSERVED	OFTEN WEAK. FAILS TO SHOW INITIATIVE AND ACCEPT RESPONSIBILITY. ☐	INITIATIVE AND ACCEPTANCE OF RESPONSIBILITY ADEQUATE IN MOST SITUATIONS ☐	SATISFACTORILY DEMONSTRATES INITIATIVE AND ACCEPTS RESPONSIBILITY ☐	DEMONSTRATES A HIGH DEGREE OF INITIATIVE AND ACCEPTANCE OF RESPONSIBILITY ☐	ALWAYS DEMONSTRATES OUTSTANDING INITIATIVE AND ACCEPTANCE OF RESPONSIBILITY ☐
5 JUDGEMENT					
NOT ○ OBSERVED	DECISIONS AND RECOMMENDATIONS OFTEN WRONG OR INEFFECTIVE ☐	JUDGEMENT IS USUALLY SOUND BUT MAKES OCCASIONAL ERRORS. ☐	SHOWS GOOD JUDGEMENT RESULTING FROM SOUND EVALUATION OF FACTORS. ☐	SOUND, LOGICAL THINKER CONSIDERS ALL FACTORS TO REACH ACCURATE DECISIONS ☐	CONSISTENTLY ARRIVES AT RIGHT DECISION EVEN ON HIGHLY COMPLEX MATTERS. ☐
6 ADAPTABILITY					
NOT ○ OBSERVED	UNABLE TO PERFORM ADEQUATELY IN OTHER THAN ROUTINE SITUATIONS. ☐	PERFORMANCE DECLINES UNDER STRESS OR IN OTHER THAN ROUTINE SITUATIONS. ☐	PERFORMS WELL UNDER STRESS OR IN UNUSUAL SITUATIONS ☐	PERFORMANCE EXCELLENT EVEN UNDER PRESSURE OR IN DIFFICULT SITUATIONS. ☐	OUTSTANDING PERFORMANCE UNDER EXTREME STRESS. MEETS THE CHALLENGE OF DIFFICULT SITUATIONS. ☐
7 USE OF RESOURCES					
NOT (M) (P) OBSERVED	INEFFECTIVE IN CONSERVATION OF RESOURCES. MATERIEL ☐ PERSONNEL ☐	USES RESOURCES IN A BARELY SATISFACTORY MANNER MATERIEL ☐ PERSONNEL ☐	CONSERVES BY USING ROUTINE PROCEDURES. MATERIEL ☐ PERSONNEL ☐	EFFECTIVELY ACCOMPLISHES SAVINGS BY DEVELOPING IMPROVED PROCEDURES MATERIEL ☐ PERSONNEL ☐	EXCEPTIONALLY EFFECTIVE IN USING RESOURCES. MATERIEL ☐ PERSONNEL ☐
8 WRITING ABILITY AND ORAL EXPRESSION					
NOT (W) (S) OBSERVED	UNABLE TO EXPRESS THOUGHTS CLEARLY LACKS ORGANIZATION. WRITE ☐ SPEAK ☐	EXPRESSES THOUGHTS SATISFACTORILY ON ROUTINE MATTERS WRITE ☐ SPEAK ☐	USUALLY ORGANIZES AND EXPRESSES THOUGHTS CLEARLY AND CONCISELY. WRITE ☐ SPEAK ☐	CONSISTENTLY ABLE TO EXPRESS IDEAS CLEARLY. WRITE ☐ SPEAK ☐	OUTSTANDING ABILITY TO COMMUNICATE IDEAS TO OTHERS. WRITE ☐ SPEAK ☐

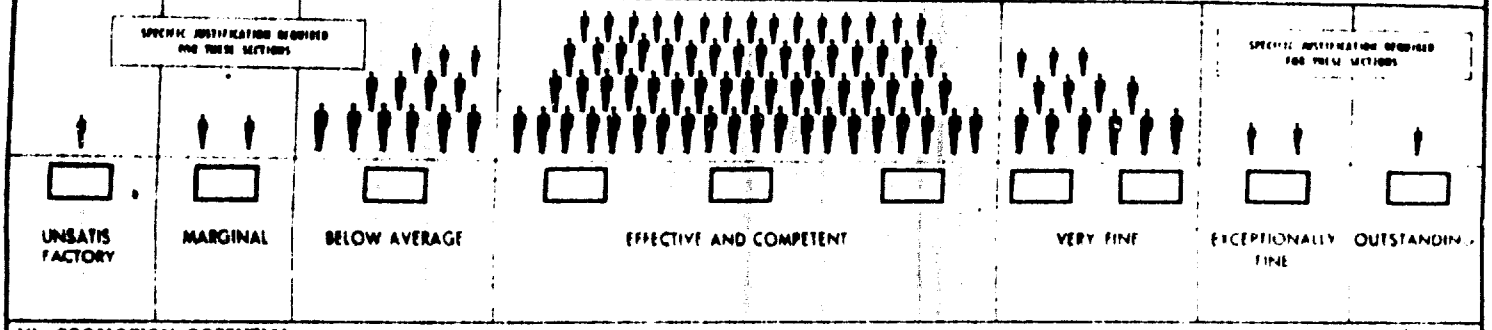
IV. MILITARY QUALITIES (Consider how this officer meets Air Force standards.)

NOT ○ OBSERVED	BEARING OR BEHAVIOR INTERFERE SERIOUSLY WITH HIS EFFECTIVENESS. ☐	CARELESS BEARING AND BEHAVIOR DETRACT FROM HIS EFFECTIVENESS ☐	BEARING AND BEHAVIOR CREATE A GOOD IMPRESSION ☐	ESPECIALLY GOOD BEHAVIOR AND BEARING CREATES A VERY FAVORABLE IMPRESSION ☐	BEARING AND BEHAVIOR ARE OUTSTANDING HE EXEMPLIFIES TOP MILITARY STANDARDS ☐

AF FORM 77 JUN 64 — PREVIOUS EDITION OF THIS FORM WILL BE USED UNTIL STOCK IS EXHAUSTED

COMPANY GRADE OFFICER EFFECTIVENESS REPORT

V. OVER-ALL EVALUATION (Compare this officer ONLY with officers of the same grade.)



UNSATIS FACTORY	MARGINAL	BELOW AVERAGE	EFFECTIVE AND COMPETENT	VERY FINE	EXCEPTIONALLY FINE	OUTSTANDIN
☐	☐	☐	☐ ☐ ☐	☐ ☐	☐	☐

VI. PROMOTION POTENTIAL

1 DOES NOT DEMONSTRATE A CAPABILITY FOR PROMOTION AT THIS TIME ☐	2 PERFORMING WELL IN PRESENT GRADE SHOULD BE CONSIDERED FOR PROMOTION ALONG WITH CONTEMPORARIES ☐
3 DEMONSTRATES CAPABILITIES FOR INCREASED RESPONSIBILITY CONSIDER FOR ADVANCEMENT AHEAD OF CONTEMPORARIES ☐	4 OUTSTANDING GROWTH POTENTIAL BASED ON DEMONSTRATED PERFORMANCE PROMOTE WELL AHEAD OF CONTEMPORARIES ☐

VII. COMMENTS

VIII. REPORTING OFFICIAL

NAME, GRADE, AFSN, AND ORGANIZATION	DUTY TITLE		SIGNATURE
	AERO RATING	CODE	DATE

IX. REVIEW BY INDORSING OFFICIAL

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NAME, GRADE, AFSN, AND ORGANIZATION	DUTY TITLE		SIGNATURE
	AERO RATING	CODE	DATE

APPENDIX B

LETTER TO COMPANY GRADE OFFICERS

Fellow Officer:

I need your assistance in a project. As you know, our ER system has come under attack from time to time as being inadequate for its purpose. Consequently, I have undertaken a study of appraisal systems in business, and have surveyed known rating techniques available for use. The objective of this study is to determine if we have the best possible system available, given the restraints of our particular requirements. To complete my study, I need answers to the questions posed in the attached questionnaire.

Please take five minutes to answer the seven questions as objectively as possible, and return the completed questionnaire via the self-addressed envelope.

This study has been authorized by Headquarters, USAF, and is being conducted to fulfill graduation requirements at the University of Massachusetts.

Appreciatively yours,

Browning C. Wharton, Jr.
Captain, USAF

BCW:dpd

APPENDIX C

SURVEY QUESTIONNAIRE

QUESTIONNAIRE

(Encircle your answer)

1. You are no doubt aware that we use the term promotability in the Air Force to measure growth potential. Has your superior specifically defined for you what this term means?

   Yes No Not Sure

2. Has your superior ever told you what concrete actions you might take to improve your "Promotion Potential" rating?

   Yes No Not Sure

3. Every job in the Air Force has been established to satisfy specific goals. Accordingly, your job consists of certain tasks or factors which, if satisfied, will contribute to the achievement of organizational goals. Has your superior identified those tasks, or elements, that are crucial to the successful accomplishment of your job?

   Yes No Not Sure

4. Given the critical factors of your job, has your superior defined what constitutes unsatisfactory, acceptable, or outstanding performance for each element?

   Yes No Not Sure

5. The rating factors listed in Section III of the rating form are essentially personality traits. Do you know how your superior interprets the following phrase: "Demonstrates a high degree of initiative and acceptance of responsibility?"

   Yes No Not Sure

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6. The ER is no longer authorized for use as a counseling device. Given this restraint, do you know how you were rated on your last ER?

Yes No Not Sure

7. If you happen to know what your last rating was, do you know why you received the particular rating you did?

Yes No Not Sure

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CERTIFICATION

Research and Study Certified on April 18, 1966, by:

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