

EXEMPT STAFF COMMITTEE OF COUNCIL

1982 October 08.

TO: MUNICIPAL COUNCIL  
FROM: EXEMPT STAFF COMMITTEE OF COUNCIL

SUBJECTS: a) BURNABY JOB EVALUATION PLAN.  
b) DEFINITION OF LEVELS OF PERFORMANCE WITHIN THE PERFORMANCE APPRAISAL SYSTEM.

The Exempt Staff Committee of Council, in a meeting on 1982 October 07, considered the following attached reports from the Municipal Manager:

1. Report dated 1982 September 30 - "Burnaby Job Evaluation Plan".
2. Report dated 1982 September 27 - "Definition of Levels of Performance within the Performance Appraisal System".

The large attachment with respect to the Definition of Levels of Performance within the Performance Appraisal System is not included with this report, but is available in the file in the Aldermen's Office or in the Municipal Manager's Office.

The Exempt Staff Committee of Council recommends the adoption of the recommendations of the Municipal Manager.

RECOMMENDATIONS:

a) BURNABY JOB EVALUATION PLAN.

1. THAT Hay Associates Canada Limited (Mr. Herbert W. Kee) be engaged to undertake a limited or partial audit of the Burnaby Job Evaluation Plan in accordance with the proposal of 1982 September 09, with an upset budgeted amount of \$8,000; and
2. THAT the appropriate funds be taken from the Contingency Fund.

b) DEFINITION OF LEVELS OF PERFORMANCE WITHIN THE PERFORMANCE APPRAISAL SYSTEM.

1. THAT the Burnaby Performance Appraisal System be amended as follows:
  - a) That each individual appraiser be required to select those specific factors appropriate to each position to be appraised; and
  - b) That the recommended factors be combined to reduce redundancy, to a total of 10, subject to additional factors being added by any individual appraiser, as appropriate; and
  - c) That a system of factor weighting, on a scale of 1 to 5 be introduced into the ratings, to give appropriate weight to those factors considered most important for the position held by the incumbent being appraised; and


/2

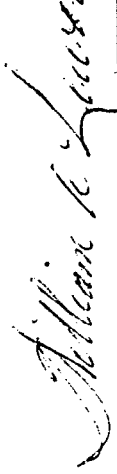
: - Agenda 1982 October 18

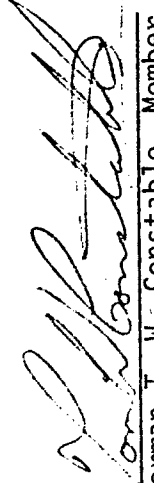
: - Copy - Manager

- Director Administrative & Community Services  
- Personnel Director

- d) That the Performance Appraisal Manual for the Burnaby system be rewritten, to reflect the changes proposed, and to include an appraisal form; and
- e) That training sessions be held for all appraisers, to ensure that the system is applied in as consistent a manner as possible, such seminar to be held on a semi-annual or annual basis.

  
Alderman V.V. Stusiak, Chairman

  
Mayor W. A. Lewarne, Member

  
Alderman T. W. Constable, Member

1982 September 30.

TO: Exempt Staff Committee of Council  
FROM: Municipal Manager

SUBJECT: BURNABY JOB EVALUATION PLAN

BACKGROUND

When the Committee met on 1982 January 20 to examine the data base used by Hay Associates in the job evaluation system, Mr. Herbert W. Kee, Senior Principal, Hay Associates described in detail his company's job evaluation plan which has been adopted by Burnaby. Mr. Kee outlined how his company establishes a standard number of Hay points for a key set of jobs against which all other jobs are evaluated. He noted that the Burnaby Job Evaluation Committee has the task of evaluating jobs from time to time and determining the value of the job in Burnaby points. The Burnaby points can be related to the standard Hay points by a correlation factor.

Mr. Kee noted that it was necessary to audit the work of any Job Evaluation Committee so as to determine if that Committee has been consistent internally, and to measure the deviation of the organization's job evaluation from the standards established by Hay Associates. As a result of this question of an audit being raised by the Exempt Staff Committee of Council at the 1982 January 20 meeting with Mr. Kee, the Municipal Manager has been examining this question in greater depth.

NEED FOR AUDIT

Mr. Kee advised the Municipal Manager on 1982 July 28 of the following points:

- "a) In the original (1976) project, evaluations were made by the consultants on the basis of interviews and other information. The committee that is now in place was formed after the initial work was done by the consultants, and was not, to my knowledge, properly trained in all aspects of the evaluation system. The new chairman of the committee, is, in turn, learning by on the job training, having not received any formal training either.
- b) In the 6 years since the original installation, a number of positions have been added, and there has been at least one reorganization (the recent one) that I know of. The previous evaluations do not appear to have been adjusted to reflect these changes and additions appropriately.
- c) Over the last two to three months, we have discussed a number of evaluations, and during the committee meeting of July 07, I pointed out a number of problem areas with respect to the evaluations. Although some (if not many) of these problems are a result of the new positions and reorganization (per my comments earlier), the overall configuration of the evaluations may warrant re-examination.
- d) We have briefly discussed other management processes such as performance appraisal, manpower planning and organizational planning and design. These are all related to the process of job evaluation, and I shall illustrate this at our next meeting with the committee. Obviously, if the evaluations are not reasonably accurate and valid, the ability to capitalize on the efforts invested in the job evaluation is reduced or lost completely.

/2

- e) Despite the foregoing comments, it is important to note that the committee has been functioning smoothly, and that there do not appear to be any substantial problems in this regard. Although the committee has not been in a position to be aware of any of the evaluation anomalies which I identified during the July 07 meeting, it does appear to be effective, reliable and astute."

On the basis of the above observations, Mr. Kee recommends that a representative group of 20 - 30 positions be selected for the purposes of a partial or limited audit. Although audits are generally more comprehensive, the suggested approach would provide a training opportunity for the committee, while achieving the objectives of checking the validity of the evaluation. Following the limited audit of the 20 - 30 positions, the committee could, on its own, reevaluate any or all of the remaining positions to complete the audit, thus minimizing the cost of the audit. It should be noted, however, that a recorrelation may be necessary if substantial changes are made.

PROPOSAL FOR AUDIT AND POSSIBLE RECORRELATION

As a result of Mr. Kee's review, the Municipal Manager asked him on 1982 July 30 to clarify some of the points raised in his letter of 1982 July 28, and to specifically outline the proposal for a limited or partial audit, and in this respect attached you will find a copy of a letter dated 1982 September 09 from Mr. Kee. The letter notes that the audit could be accomplished in three or four days, at a cost of between \$3,000 and \$4,000 plus some minor expenses. After the audit, Mr. Kee would do a couple of checks to determine if a recorrelation is needed. If he determined that a recorrelation was recommended, the additional cost of this sequential work would be approximately \$2,000 to \$3,000, plus expenses amounting to approximately \$750. These costs do not include the time of the members of the Job Evaluation Committee who are as follows:

Director Administrative and Community Services (Chairman)  
Director Engineering  
Director Planning & Building Inspection  
Director Recreation and Cultural Services  
Treasurer

An audit at this particular time would be extremely valuable as a training device for the new Director Administrative and Community Services and new Personnel Director. Further, there have been some staff changes at the G.V.R.D. Labour Relations Department, and it would assist us greatly if the new Manager, Compensation Services were involved in this review so that we could establish what future relationship we will have with the G.V.R.D. with respect to the Burnaby Salary Compensation Plan.

The Management Committee has reviewed this subject, and concurs in the recommendation that we proceed with the audit, and if necessary, the recorrelation. The cost in this very specialized work is small in relation to the well over \$2 Million in payroll that is affected by the approximately 40 positions covered by the Plan. The work involved in the audit would be concluded in 1982, and the necessary funds would be placed in the Recast Budget to cover this work if it is approved.

RECOMMENDATIONS:

1. THAT Hay Associates Canada Limited (Mr. Herbert W. Kee) be engaged to undertake a limited or partial audit of the Burnaby Job Evaluation Plan in accordance with the proposal of 1982 September 09; and
2. THAT the appropriate funds be placed in the 1982 Recast Budget for this work.

\* \* \* \* \*

Hay Associates Canada Limited *member-the hay group*

OCEANIC PLAYS Ste. 840 1066 West Hastings St. P.O. Box 12551 Vancouver, B.C. V6E 3N2 Tel. (604) 659-9111

CONFIDENTIAL

September 9, 1982

Mr. M.J. Shelley  
Municipal Manager  
Corp. of the Dist. of Burnaby  
4949 Canada Way  
Burnaby, B.C. V5G 1M2

Dear Mel,

This letter clarifies some of the points raised in your letter of July 30, 1982.

In suggesting 20 - 30 as the number of positions for the limited of partial audit, I had a number of reasons and objectives in mind:

- Firstly, in Hay plans that have been installed for as long as Burnaby's, and that are of a smaller size (less than 60 - 70 jobs), it is not unusual to include all positions in an audit; thus, anything less than the total number of jobs would be partial or limited.
- Secondly, in any audit, it is essential that the jobs included are reasonably represented; with the number of departments in Burnaby, it seemed to me that it would be difficult to be adequately representative (both horizontally and vertically) without choosing at least 20 positions.
- Thirdly, in addition to determining the consistency of the evaluations, the objective of providing the Committee with a satisfactory training experience and a reasonable exposure to methods and procedures is equally important. Our experience is that success in training a committee is rarely achieved if less than 20 - 30 jobs are evaluated.

.../2

The audit would, of necessity, include a 'sore thumb'. Depending on the efficiency, i.e., speed and quality, of the Committee, I would estimate that the audit could be accomplished in 3 or 4 days, at a cost of between \$3,000 and \$4,000 plus some minor expenses. These 3 - 4 days would be broken into 2 sessions in consecutive weeks and it may be necessary to extend 1 or 2 of the days by an hour or so.

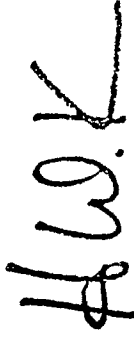
In the last sentence of the second-last paragraph of my letter, I specifically mentioned the possibility of a re-correlation. I referred only to a possibility of a re-correlation since this would be necessary only if there were substantial changes made to the original pattern of evaluations. The cost of a re-correlation is approximately \$2,000 - \$3,000 plus expenses in the order of \$750 (primarily travel and accommodation).

Whether a re-correlation is necessary or not depends on the nature of the entire set of evaluations; this is assessed through either a committee audit, as previously discussed, or a consultant's audit, in which the consultant would re-examine the evaluations in much the same way that the original consultant did the first evaluation. If substantial changes are made, or anomalies are discovered, then a re-correlation would be necessary. One way or another, it would seem to me to be in the best interest of the Municipality to ensure that the evaluations are consistent, valid, and properly factored, i.e., correlated, in relation to the surveys on which your comparative market analyses are based.

On another matter, I am pleased to enclose 2 copies of a manual which is more clearly and concisely written than the first manual that you received some years ago. However, I should emphasize and caution that either one manual or the other should be used, but not both -- the risk of semantic confusion is simply not worth the temptation of having both documents in circulation.

I hope this answers all of the questions that you raised. Please give me a call if you require any further clarification of information.

Yours sincerely,



Herbert W. Kee  
Senior Principal

1982 September 27

TO: Exempt Staff Committee of Council  
FROM: Municipal Manager  
RE: Definition of Levels of Performance Within the Performance Appraisal System

BACKGROUND

When the Exempt Staff Committee of Council considered the 1981 Salary Policy Line and Ranges for the Executive and Senior Exempt Staff on 1981 January 25, it reached its decisions on the understanding the Municipal Manager was to ensure that for 1982 January 01 the compa-ratios arrived at reflected the intent of the performance appraisal definitions noted on pages 14 and 15 of the 1978 Salary Policy Statement document. In other words, the standards to be used should be the ones that related to the universal Hay System. The Committee at that time felt there might be an over-rating in the Burnaby Performance Appraisal System by as much as 4 points.

The Committee reported to the Municipal Council on 1981 February 09 and recommended in this respect:

"4. THAT the Municipal Manager ensure for 1982 January 01 that all of the performance compa-ratios arrived at for 1982 for everyone in the Plan reflect the universal Hay performance standards or levels as defined in the 1978 Salary Policy Statement."

This recommendation was adopted by the Municipal Council.

The Municipal Manager advised the Committee on 1981 October 20 that he had earlier in that year asked Mr. Van Eaton to do some research work in this matter, and further that he had struck an ad hoc committee named "Levels of Performance Definitions Review Committee" consisting of the Municipal Manager, Deputy Municipal Engineer, Personnel Director, Municipal Treasurer and Chief Librarian, with Mr. Van Eaton acting as a resource person to the Committee. The Committee's main purpose was to research those performance appraisal systems in place in the private sector, and to make recommendations to the Municipal Manager for any possible improvements to the Burnaby system.

The Municipal Manager advised the Exempt Staff Committee of Council on 1981 October 20 that because of the 1981 Civic Strike, holidays, workload at the GVRD and the major reorganization in the senior management in Burnaby, it was not likely possible to conclude this assignment by the date given, and we would need to live with this for the 1982 performance appraisals. Subsequently at the Committee meeting of 1981 November 20, the Manager advised that the assignment would definitely not be completed in time. Mr. Van Eaton reported then on the progress that he had made on his study for the ad hoc committee.

The Manager completed the 1982 Performance Appraisals and reported to the Exempt Staff Committee on 1981 November 24. During the appraisal process, particular attention was paid by the Manager to the standards to be used. The Committee seemed to feel at the time of its review of the performance appraisals that the amount of over-rating had decreased to about 2 points.

REPORT OF THE LEVELS OF PERFORMANCE DEFINITIONS REVIEW COMMITTEE

The Committee has now concluded its report with the assistance of Mr. Van Eaton and Mr. Fleming. The report, in two parts, is attached.

The first part, the report itself, outlines the approach followed by the Committee, some of its findings, and its recommendations. The second part, which is a series of appendices to the main report, constitutes all of the background material gathered by the Committee, at least the background material which can be released into general distribution. Some companies were prepared to share performance appraisal program information only with the GVRD, and with the consultant who worked with the Committee; others were prepared to let us have the information, and distribute it as we saw fit. Nevertheless, the conclusions drawn from both sets of private sector employers constitute the foundation of the report.

The report speaks for itself and makes it quite clear that Burnaby's plan, and the application of that plan are sound. To quote from the report, "...performance level definitions were more specific and more rigidly applied than those in the private sector.". Nevertheless, some further refinements have been proposed.

By way of further information, I might also advise that Mr. Van Eaton, our consultant on this project, is completing a revised Performance Appraisal Manual, as discussed in the report.

The Municipal Manager recommends that the Exempt Staff Committee of Council adopt the findings and recommend them to the Municipal Council. More specifically, the Manager's recommendations are as follows:

1. Each individual appraiser be required to select those specific factors appropriate to each position to be appraised.
2. The recommended factors to be combined to reduce redundancy, to a total of 10, subject to additional factors being added by any individual appraiser, as appropriate.
3. A system of factor weighting, on a scale of 1 to 5, be introduced into the ratings, to give appropriate weight to those factors considered most important for the position held by the incumbent being appraised.
4. The Performance Appraisal Manual for the Burnaby system to be rewritten, to reflect the changes proposed, and to include an appraisal form.
5. Training sessions to be held for all appraisers, to ensure that the system is applied in as consistent a manner as possible, such seminar to be held on a semi-annual or annual basis.