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Merit Rating

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Résumé de l'article

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INDUSTRIAL RELATIONS

Merit Rating

Roger Chartier and
A. H. Fuerstenthal

The Authors are using both the theoretical and the practical approach in their discussion of various aspects of Merit Rating. After stating what Merit Rating is, why, when and on what it is used, how it works, and by whom and on whom it is applied, the Authors describe at length, and with illustrations, the different steps of a new method of service appraisal which they have devised on the basis of a one-year experience with hundreds of clerical workers in a big Canadian public utility concern abroad.

Merit Rating has made great strides during the last decades, in both popularity and efficiency. Comparatively few people, however, have had the opportunity of coming to grips with the practical intricacies of such a method of personnel appraisal. With this in mind, we shall now deal with various aspects of Merit Rating as a system, on the basis of our own experiences while testing a number of rating techniques. Even our more theoretical treatment of the system shall bear, we hope, the stamp of those experiences. We shall study together *what* Merit Rating is, *why*, *when* and *on what* it is used, *how* it works, *by whom* and *on whom* it is applied.

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WHAT IS MERIT RATING?

Various so-called synonyms, like "personnel review", "personnel rating", "personality review", "behavior rating", "performance evaluation", "progress report", "employee rating" and "service rating", provide hints as to what Merit Rating is basically. [1]

As Knowles and Thomson put it [2], Merit Rating is *a system for discovery and classification of the individual differences among employees, and for appraisal of the relative qualities of their personalities with respect to their jobs. It covers the overall evaluation of employee performance and capabilities.* [3] It puts an estimate on the relative value of *the employees* in face of their jobs, while Job Evaluation seeks to appraise the relative value of *the jobs* themselves, notwithstanding the individual employees who hold them.

Merit Rating, therefore, presupposes a certain amount of Job Evaluation. It is also very useful to complete the data already available through personal and work histories of employees, through production records and test results (both medical and psychotechnical) — data which, by themselves, are already interesting but very seldom yield sufficient information. Production records, for instance, tell little about whether an employee usually keeps his word, has sporadic fits of anger, irritates his fellow-workers, brings in suggestions for job improvement, etc. Abilities, traits, habits, qualities — all factors that should not be neglected in the employee who is, let us say, being considered for promotion — cannot be measured in accurate standard units.

But the point is this: such factors *are* judged anyway. From the dawn of History, man has been judging man: "This man is no good", or "This man is better than that one". In Industry, irrational, haphazard, unsystematic appraisal of employees is always going on, unless checked to a certain extent by some systematic device.

Merit Rating stands as best it can against guesswork and the rule of thumb. It provides a system whereby rough or subjective or biased

(1) The expression *service rating* would seem to convey better the idea of objectivity and inclusiveness, but *merit rating* has gained wider acceptance and shall be used throughout this study.

(2) *Industrial Management*, the MacMillan Co., New York, 1944, p. 422.

(3) R. P. CALHOON, *Problems in Personnel Administration*, Harper and Brothers, 1949, p. 515.

estimates are, as much as possible in human beings, eliminated. Such judgments are reflected in the treatment of all personnel, not only when it comes to transfer, promotion and increase, but also in the daily approach, in the attention given, the work assigned, and the human contact established or denied. *The alternative, therefore, is not between Merit Rating and no Merit Rating, but between rational and irrational Merit Rating.* And there can hardly be any doubt as to which of the two formulas is the advisable one in a sound business organization.

WHY MERIT RATING?

The nature of Merit Rating has already put a stress on its main purpose, that is, *to make as definite as possible the appraisal that is being made of another's qualities and characteristics as these relate to his working fitness.*[4] It records a series of opinions which will act against snap judgments by heads or supervisors; it fosters a better realization of personal values; it gives an *overall* view, instead of one based on recent events or instances of performance; in a word, it provides grounds for objectivity in the appraisal of personnel. But what does all this mean *in practice ?*

Merit Rating should:

1.—Record the progress of employees in their jobs, their strong and weak points, and their relative value to the organization, so as to reward their individual merit accordingly (by *promotion*) or to displace them to get better work done (by *transfer* or *layoff*).

2.—Enhance the *morale* of supervisors, foremen and employees, by proper consideration and follow-up, and stimulate all personnel in self-improvement. Merit Rating, more than any other device, provides understanding of work and men by the attention it gives to each and every individual, the special abilities it uncovers, and the encouragement and suggestions it is called to distribute.

3.—Provide a basis for agreement — or intelligent disagreement — with regard to the question of *wage and salary*

(4) TEAD and METCALF, *Personnel Administration,* McGraw-Hill, New York, 1933, p. 75.

standards. While Job Evaluation constitutes a solid ground for establishing categories of wages and salaries, Merit Rating will insure control and adjustment of *pay differentials* within categories, according to the relative merit of employees, or will guarantee a fair distribution of bonuses.

4.—Help employee development and adjustment by personal advice, *training,* and *improvement of foremen or supervisors.*

5.—Better *selection* and *placement,* by adjusting "the right man to the right job".

6.—Measure the employees' aptitudes to understand and use (or manage) ideas, things (or machines) and men.

All these objectives of Merit Rating, once reached, are conducive to an increase in production or performance, and to a climate of peaceful employer-employee relations.

PROCEDURES IN MERIT RATING

Who Should Rate?

Generally speaking, as many people as possible should be in the rating process. The higher up one goes in the hierarchy, one may find a greater understanding for the technique of Merit Rating, but at the same time a less acute opinion about the employees. The rating should therefore be done by the supervisor on the highest level who still knows all the ratees of a given section by name, and can give information about them without consulting records. This supervisor's information should then be confronted with the ratings of all the lower heads, including the immediate superior who, though possibly less "rating-minded", will usually be more familiar with the working situations and the individual performances. At least two raters are needed. (N.B. We shall call *raters* the supervisors involved in the rating procedure, while the expert directing the Merit Rating scheme may be called an *adviser.*)

The Rating Period

The question of the frequency of rating often leads to heated discussions, supervisors holding the view that they should not be bothered too often with such "gimmicks", and advisers insisting that the plan be

carried on as scheduled. It is obvious that, the less frequent the ratings, the more difficult they become. In fact, for the observation and recording of the many petty instances which make up the employee's position on the rating form, there should be no period at all: the process of appraisal should be *continuous.*

If supervisors are so overloaded with work that they find no time to gauge the performance of their subordinates — a sure sign of poor leadership or bad organization, by the way ! — he should get the help of a personnel assistant in charge of employee rating and orientation. The ideal rating frequency, according to many, seems to be once or twice a year. At any rate, the appraisals should already be available as the possibility of promotion, transfer or layoff occurs, and should always remain free from the stress and pressure of a five-minute decision.

In connection with this issue is the problem of determining the length of service needed for sound rating purposes. Some contend that twelve months of service are not enough to allow a good rating. This is definitely not our view. Six months of observation should provide ample material for solid estimates. At the same time, such an obligation to find out about a new employee forces the supervisor away from what might be called the "instrumental outlook", whereby the new employee is used as a mere instrument to carry out, sometimes during two or three years, some elementary and dull routine work which has to be done, granted, but which offers to its performer no opportunity for mental and functional development.

Who Should Be Rated?

Merit Rating schemes have been applied mostly to clerical workers, foremen, and supervisors. But *there is no reason why they should not be used with equal advantage on production workers.* In fact, the type of rating program adopted seems to depend more on the philosophy of management and on the objectives sought than on the kind of work the employees do. We can never stress strongly enough the usefulness of Merit Rating plans applied to *all* personnel, including production workers. For even if wage increases were granted mostly under union pressure and in the generalized "across-the-board" fashion, wages tending to become maximums rather than minimums and apparently allowing little chance for consideration of individual merit, Merit Rating, as we have seen, still remains a *must* for the attainment of many

other important objectives, such as sound promotions and transfers, proper personnel training, etc.

What Should Be Rated?

In the first place, *rating is not scoring.* Objective data such as attendance, test results, production records and personal histories, should *not* be included in the rating sheets, but should be available on special records, as we have pointed out before, and utilized only when time comes for a *global* appraisal, together with the data of the rating sheet. Rating should be directed first of all towards *performance on the job.* This statement is more problem-ridden than it appears at first sight.

Problems arise from the fact that jobs have only limited performance opportunities. There is hardly a job which could not be done quicker or slower, more or less accurately, etc.; but these same jobs may not allow the application of such qualities as reasoning, initiative, co-operativeness, which an individual may possess to a high degree, although he has little opportunity to use them. Such "surplus" qualities which lay idle due to the lack of a sound selection and placement policy should also be taken into consideration; for to disregard them would be not only ethically unfair but also administratively unwise.

Recognition and appraisal of such traits, however, take us away from the mere "performance on the job" and lead us to place the individual employee in face of the organization as a whole. As opposed to the mere *actual performance factor,* we are now dealing with that we have termed the *general attitude and aptitude factor,* which is made up of all those latent tendencies and qualifications that are of little use *on the job,* but that represent a big asset as far as the general organization is concerned.

Our views have been supported by the publication of a *Case Study of Merit Rating Forms* by three experts on the subject.[5] For some time, they had worked on a rating form containing 13 factors (or traits), namely: co-operation, adaptability, dependability, level of aspirations, qualities of leadership, ability to learn and profit by experience, initiative, imagination and creative ability, judgment and common sense, quality and quantity of work, power of expression, general appearance,

(5) A. WINN and J. A. OLIVER, both from ALCAN, and E. C. WEBSTER, from McGill, in *Personnel,* March 1951.

manners and tact, overall value to the company (promise for future success). *The factorial analysis which was carried out on the correlation matrix using Thurstone's centroid method*[6] *led to the extraction of three factors*:

1.—Ability to Do the Present Job (*actual performance on the job*);

2.—Knowledge and Skill above the Requirements of the Specific Job (*promise for future success*);

3.—Surface Characteristics (*first impressions given*): power of expression, general appearance, conversational abilities, etc.

This effort toward the reduction of the number of factors to be evaluated is highly commendable. Five or six traits should be enough. More traits usually mean overlapping and possible confusion in rating. Only those traits which are considered essential for judging a man's fitness for a specific position should be submitted to the rating procedure. Most traits can usually be placed under the following categories:

1.—*Performance*: accuracy, quality, speed, efficiency, job knowledge;

2.—*Potential*: abilities, aptitudes, leadership, intelligence;

3.—*Behavior*: attitude, application, versatility, safety, influence;

4.—*Personality*: initiative, cheerfulness, loyalty, enthusiasm, appearance, etc.

While we are dealing with traits, one point must again be stressed: formulas like "overall value to the service, or the Company, or the organization" may be highly misleading, especially if the reality they express serves as *the* fundamental element for a definition of Merit Rating. Such expressions may invite supervisors to rate higher than the rest those employees whose functions are deemed — justly or not — more important. It must be made clear, therefore, that the value of the function itself is the subject of Job Evaluation, which does not con-

(6) L. L. THURSTONE, *Multiple Factor Analysis*, Chicago, 1947.

sider individual "merit", and that Merit Rating discards consideration of the importance of the job, evaluating solely *the relation between the individual and his job,* save the above-mentioned *latent factors* which come only second. Merit Rating should first determine, not the absolute value of an employee to the organization, but his *relative* value, the importance of the *job* itself standing somewhere between the individual and the firm as a whole. We believe that these considerations should open the road to a more fruitful discussion as to what is the proper relative weight to be given to those two very comprehensive factors. namely: Actual Performance on the Job and Promise for Future Success.

The Rating Forms

1—Man-to-Man Ranking Forms

The comparative grading between man and man is designed primarily to rate employee value for the purposes of making wage adjustments, layoffs, promotions, and like personnel transactions. It is, obviously, of limited value either in helping men to improve or in helping supervisors to develop their employees.

Man-to-man ranking is done mostly in two ways:

1)—By *paired comparison*, whereby each man in a group is compared individually to all the others, in an *overall* fashion ("Which is better?") or under *specific traits* ("Which is more reliable?");

2)—By *order-of-merit* ranking, in which employees are lined up according to their personal value with respect to their jobs, and under each factor or trait, from highest to lowest — it may take an alphabetical, numerical or adjective form.

We have tried man-to-man ranking, but with little success: the results it yielded served to reveal numerous inconsistencies on the raters' part and brought forward only a few new facts. Especially when it called for overall comparisons, it would usually be rejected by the more intelligent supervisors.

2—Man-against-Standard Rating Forms

Instead of opposing man to man immediately, this method makes the employee stand against his job; only at the end of the process are

man and man automatically compared and their relative value determined.

We have found no use for the so-called *check list* of questions — *e.g.* "Is he loyal?" — which call for a blunt *yes* or *no.*

The *graphic form* offers a series of minor variants. At the left handside are listed the various *factors* or traits which are deemed essential for the employees on their jobs to possess; such factors are listed in a substantive (*e.g.* "Reliability") or an adjective (*e.g.* "Reliable") form. They are usually followed by a *description,* the purpose of which is tentative uniformity among raters. At times, no specific names of factors are used, so that the description alone appears — *e.g.* "How does his appearance impress you ?" Finally, some forms use the method of *trait grouping* — *e.g.* "Group I: *Ability to do his work*: general ability, quality of work, ability to understand quickly, etc."; and so forth.

Whatever the layout of the factors, the rest of the sheet is divided into *degrees* or gradations, such as "outstanding", "good", "satisfactory", "fair" and "poor", which also must be defined properly to insure uniformity. Five such degrees seem to be the ideal number, although some experts say they are satisfied with three. Still others contend that gradations of the preceding type are too vague, and should be replaced by short descriptions — *e.g.* "*Reliability*: always reliable, habitually reliable, acts reliably sometimes, is notably lacking reliability".

A continuous line above the preceding indicators or descriptions of degrees, and along which, at any point, can be expressed a rating, should be preferred to the discontinuous line which does not provide for *vias medias* between degrees, or descriptive phases. Needless to say, *no numerical weights* should appear on the forms, for fear of the effect they might have on the raters. The trait must be *simple,* not compound, for easier rating; it must be properly weighed, in accordance with its value to the job. The complete ratings should be comparable: the adoption of a common unit of measure, that is, a scoring system, is required. And finally, designation for each separate rank between perfection and imperfection must be in proper relationship to the whole scale.

* * *

A TENTATIVE METHOD

Throughout the above paragraphs, we have discussed various aspects of Merit Rating in a rather general fashion, inserting at random

some of the findings gathered through personal experience. We shall now systematize the method we finally devised, by trial and error, after rating hundreds of *clerical* workers doing mostly routine office work. As we have pointed out before, we believe our method to be practical also for rating production workers, with possibly slight changes in the choice or the weight of the factors. Here are the steps we finally agreed upon following, and the reasons for our decisions and moves.

1—Ask the first rater to determine the factors under which he generally judges the employees' value in their respective jobs or to the service.

The leading principle here is that *the rater must feel at ease* with the rating factors. This procedure, we believe, has seldom been followed in practice, or advocated in textbooks on Merit Rating, probably for fear of lack of uniformity among raters throughout the organization. But our experiment appears to have been quite successful. In fact, most supervisors will generally, and with little hesitation, list concepts like: Discipline — Obedience — Assiduity — Co-operativeness — Readiness — Sense of Responsibility — Attention — Efficiency — Reliability — Intelligence — Initiative, etc.

A discussion of these concepts will allow the adviser to suggest immediate elimination of those items which are measurable and can be obtained from other sources. At this point, a smooth "briefing" on Merit Rating is best timed: this personal approach will do more than the official, impersonal, written statements of policy on Merit Rating sent "to all supervisors". Concrete examples should be asked from the raters to illustrate their concepts; traits, will insist the adviser, must be expressed objectively, and defined in terms of how an employee handles his job duties. If the ratees — a group of ideally not more than twenty-five at one time — are truck drivers, for instance, there should be no particular insistence on, let us say, "creative ability" or "ability to organize the work of others" !

The adviser can also warn the raters against the danger of vague or useless traits. Overlapping factors are then eliminated, unless the rater insists that they be kept anyway; further work on these usually brings about their rejection. The adviser may then call attention to some important factors that have been overlooked, and which he writes down if accepted. As a result of this patient and democratic procedure, the rater knows what he is rating about ("These are *my* factors!"), and what is more, the list of factors varies very little from one rater to

another, which maintains a standard for Merit Rating throughout the organization.

2—Make a list of the factors which are finally agreed upon, and ask the rater to rank all employees under each of them.

The point here is to make sure that *the rater-supervisor considers only one factor at a time.* The adviser must be suspicious of rankings which put employees always on top, or always at the bottom. Merit Rating is not an automatically-applied scheme which would allow no initiative and no use of intelligence on the part of the adviser or the raters. The rater's attention must be called to the fact that the most intelligent employees are not necessarily the most obedient, that speed and carefulness do not go always hand in hand, that no one should be favored in an overall fashion because of one outstanding quality which happens to be especially pleasing to the rater.

The "halo effect" is an ever-present threat to the soundness of any Merit Rating plan. The adviser must frequently ask the rater *why* one employee is rated higher than another: guesses or predicament rankings will thus be partly avoided. The adviser must also insist on differentiation: three or more ratees cannot be entirely equal in certain respects; furthermore, factors which prove to be non-differential should be discarded all along, as for instance the trait "Obedience", if all ratees appear to be very obedient indeed. In certain cases, it will be necessary to reform the whole table of traits, after the first rankings have been attempted.

3—Ask the rater to divide the employees ranked under each factor into groups headed by such degrees as: Exceptional - Good - Satisfactory - Poor - Unqualified.

The adviser must make sure that these degrees are understood and accepted in the same way by all raters. If necessary, such headings should be substituted by other concepts, more familiar to all raters, more clearly defined or more accurately described. In other words, only definite, extensive and repeated experience will tell the adviser which are the best classifications by degrees. For the sake of differential distribution, *five* degrees are recommended, although they may not all be filled for each factor.

The following table may serve as an illustration:

Discipline:	exceptional	good	satisfactory	poor		
	Fuller, Brown	*Wood*	*Smith, Miller*	*Robinson, Cook, Wilson*		
Comprehension:	exceptional	satisfactory	poor			
	Wood, Cook, Miller	*Smith, Fuller*	*Robinson, Wilson, Brown*			
Exactitude:	good	satisfactory	unqualified			
	Wood, Fuller, Brown, Miller	*Smith, Robinson*	*Wilson, Cook*			
Speed:	exceptional	good	satisfactory	poor	unqualified	
	Cook, Smith	*Miller, Robinson*	*Wood, Fuller*	*Brown*	*Wilson*	
Persistence:	exceptional	good	satisfactory	poor		
	Brown	*Fuller, Wood*	*Miller, Smith, Robinson*	*Cook, Wilson*		
Adaptability:	good	satisfactory	poor	unqualified		
	Wood, Cook, Fuller	*Wilson, Miller*	*Robinson, Brown*	*Smith*		

4—Ascribe weights to rank degrees, and add up values for each ratee.

For instance, the degree called *Exceptional* could be given 3 points, *Good* (2), *Satisfactory* (1), *Poor* (0) and *Unqualified* (-1). On this basis, sums for the above group, given in the rank order established under the trait *Discipline,* would be:

Fuller (11), Brown (8), Wood (12), Smith (6), Miller (10), Robinson (4), Cook (7), Wilson (-1).

By order of merit, at this point, the ratees would thus be distributed as follows: Wood, Fuller, Miller, Brown, Cook, Smith, Robinson and Wilson.

5—Weigh the significance of each factor by comparing, arithmetically, the factor-rank order in each case with the final order arrived at in 4.

For the above example, calculations would be made as follows:

FINAL	:	Wood 1	Fuller 2	Miller 3	Brown 4	Cook 5	Smith 6	Robinson 7	Wilson 8	
Discipline	:	" 3	" 1	" 5	" 2	" 7	" 4	" 6	" 8	
Differences	:	" 2	" 1	" 2	" 2	" 2	" 2	" 1	" 0	: **12**
Comprehension	:	" 1	" 5	" 3	" 8	" 2	" 4	" 6	" 7	
Differences	:	" 0	" 3	" 0	" 4	" 3	" 2	" 1	" 1	: **14**
Exactitude	:	" 1	" 2	" 4	" 3	" 8	" 5	" 6	" 7	
Differences	:	" 0	" 0	" 1	" 1	" 3	" 1	" 1	" 1	: **8**
Speed	:	" 5	" 6	" 3	" 7	" 1	" 2	" 4	" 8	
Differences	:	" 4	" 4	" 0	" 3	" 4	" 4	" 3	" 0	: **22**
Persistence	:	" 3	" 2	" 4	" 1	" 7	" 5	" 6	" 8	
Differences	:	" 2	" 0	" 1	" 3	" 2	" 1	" 1	" 0	: **10**
Adaptability	:	" 1	" 3	" 5	" 7	" 2	" 8	" 6	" 4	
Differences	:	" 0	" 1	" 2	" 3	" 3	" 2	" 1	" 4	: **16**

Since the lowest sum of differences indicates the highest relationship and signifiance, factors in order of significance are listed as follows:

1—Exactitude
2—Persistence
3—Discipline
4—Comprehension
5—Adaptability
6—Speed

If the rater agrees with this order of significance, the ranking can be endorsed as somewhat final.

6—Give more weight to the factor which, according to the rater, has come out too light, multiplying all its values uniformly by a given figure.

If the rater does not agree with the order of significance of the various factors, he may have it changed. Let us suppose that the factor *Comprehension,* which now comes fourth on the list, should, in the opinion of the rater, be given third place. Let us tentatively multiply by 2 the weights already granted to the various degrees of the factor *Comprehension* only — *e.g.* the ratee who is exceptional under this factor would get 6 points (2 x 3) instead of the regular 3 points given the "exceptional" ratees under all the other factors; and so on with all degrees. In that case, Wood, Cook and Miller gain 3 points, Smith and Fuller 1 point, while Robinson, Wilson and Brown are not affected. Final values for each ratee would then be:

Fuller (12), Brown (8), Wood (15), Smith (7), Miller (13), Robinson (4), Cook (10), Wilson (-1).

By order of merit, the ratees would thus be distributed as follows: Wood, Miller, Fuller, Cook, Brown, Smith, Robinson and Wilson. The new order of merit has given second place to Miller, who was third, third place to Fuller, who was second, fourth place to Cook, who was fifth, and fifth place to Brown, who was fourth (*see end of 4.*) We would thus have:

FINAL	:	Wood 1	Miller 2	Fuller 3	Cook 4	Brown 5	Smith 6	Robinson 7	Wilson 8
Comprehension	:	" 1	" 3	" 5	" 2	" 8	" 4	" 6	" 7
differences	:	" 0	" 1	" 2	" 2	" 3	" 2	" 1	" 1 : **12**

Sum of differences, indicating significance of factor. **Comprehension: 12**

Thus, the new final order is compared to the other factor-rank orders, and the differences are summed up.

The significance of *Comprehension* has now gone up 2 points, while the significance of other factors has possibly dropped. If multi-

plication by 2, in this case, does not yield the results desired by the rater, we may multiply by 2 1/4, or 2 1/2, or 3. This process may seem rather childish and empirical, but the reader must be reminded that its mechanism is completely subordinated to the rater's judgment, which is *the* basis for Merit Rating ! The final order must in all cases correspond to the rater's conception.

It is most important to rule that supervisors cannot change the result of their rating *a posteriori* by shifting one or the other employee — who has come out too low for their taste — up within the factor ranks. The only thing they have a right to do is asking for the order of significance of the factors to be modified and corrected by a new weighing.

N. B.—The example described previously about *Comprehension* can be used for one or more other factors, and for climbing up or down the scale of factors.

7—Go through the whole procedure with second or third rater.

8—Call a conference between raters to analyze divergences and to bring about a generally result.

9—Classify the ratees into the final five degrees.

The ideal range for five unweighted factors, as above, might go from 15 to -5, with the following distribution — the degrees being obtained by simple division:

Exceptional:	15 to 12	*Wood*
Good:	11 to 8	*Fuller, Miller, Brown*
Satisfactory:	7 to 4	*Cook, Smith, Robinson*
Poor:	3 to -1	*Wilson*
Unqualified:	-2 to -5	*None*

The slight inaccuracy of 6 points under "Poor" is of little importance. Whether Wilson is considered as being at the end of "Poor" or at the head of "Unqualified" is a matter of deliberation between raters.

* * *

LIMITATIONS OF MERIT RATING PLANS

We are all aware of the many serious limitations of any Merit Rating plan. *Character, personality, and ability analyses of this sort*

are openly subject to all the weaknesses of human prejudice and judgment, and thus lie well within the field of moral traits and behavior.[7] Such plans yield results that are never better than the judgment, fairness and honesty of those men who are operating them. Schemes of any kind are no substitutes for leadership. In this respect, however, several ratings or rankings by several supervisors on the same group of employees may partly overcome the inherent weaknesses of the Merit Rating plans.

Even *trait rating* has the inconvenience of fixed traits, which not only apply in divergent proportions to divergent jobs, but are also understood differently by different raters. There will hardly be two supervisors in any firm who will coincide in their understanding and definition of traits. Furthermore, the degrees for each trait ("Outstanding, Poor") often carry a moralistic appeal, and are therefore applied by different individuals in an entirely different sense. We use such concepts only as "brackets", that is, as marks to characterize groups which have been split up previously by non-moral grading. Of course, resorting to factual evidence, to concrete illustrations rather than to mere personal opinion will help qualify the rater's judgments. The rater may be warned against inflating the efficiency of his subordinates in keeping with his belief in the importance of his own work or to support wage recommendations, or because *he* has trained them or that they are *old pals.* In the same fashion, he must be prevented from underrating some employees for fear of his own job or out of personal antagonism. All these precautions should give Merit Rating more value and reliability.

Merit Rating fits in as only one part of the larger personnel program, together with the Company policies, Job Evaluation, employment procedures, training scheme, etc. As expressions of human judgment, ratings can only be approximations.

CONCLUSIONS

This incursion in systematic Merit Rating has led us to a brief analysis of its nature, purpose, agents and subjects. We have discussed at length the various traits that should be taken into consideration, and the ideal frequency of the ratings. After a more practical approach to

(7) WATKINS and DODD, *The Management of Labor Relations*, McGraw-Hill, New York.

the rating forms themselves, we had the opportunity of describing our own method of Merit Rating, stressing its advantages without overlooking its limitations.

It is our hope that more studies be made of Merit Rating, more plans tested, more facts gathered, better procedures devised. Systematic Merit Rating should be applied in more and more of our Canadian organizations, by intelligent advisers and unbiased raters. The ratees should know about the results of the rating, and should be allowed to question them, discuss them, and appeal from the raters' judgments if deemed necessary. An efficient Merit Rating plan is unthinkable in any organization without the genuine co-operation of all concerned: management, advisers, raters, employees and unions (where involved). All must be *sold* on its value. The authors will be satisfied if they have helped make Merit Rating a bit more "saleable".