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College of Business and Public Administration

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Kern Economic Journal

Winner of the Award for Merit from California Association for Local Economic Development

2024 Fourth Quarter

Featured Articles:

An Overview of Oil Production and Drilling Activity in Kern County

Employee Evaluations: Is the 360 Degree Model Right for Your Organization?

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KERN ECONOMIC JOURNAL is a quarterly publication (February, May, August, November) of California State University, Bakersfield. Its purpose is to track local trends and analyze regional, national, and global issues that affect the economic well-being of Kern County. The journal provides useful information and data that can help the community make informed economic decisions. Sources of funding for this journal include university contributions and sponsorship and subscription fees.

Editorial and analytical articles on important local, regional, national, and international issues and trends are invited for *consideration* of publication in the journal. Articles (not exceeding 800 words in length) must be submitted to the Managing Editor in electronic copy. Individual authors are responsible for the views and research results.

Kern Economic Journal

Inside this Issue:

Economy at a Glance!

2024 FOURTH QUARTER
BY DR. NYAKUNDI MICHIEKA
& DR. RICHARD S. GEARHART III

National Economy[1]

Real GDP increased at an annual rate of 2.4 percent in the fourth quarter of 2024. In the third quarter of 2024, real GDP increased by 3.1 percent.

Current-dollar GDP increased by 4.8 percent in the fourth quarter of 2024 compared to the third quarter of 2024 when current dollar GDP increased by 5 percent (annual).

Current-dollar personal income increased by $92.0 billion (or 0.4 percent) in December 2024. This rise reflected increases in compensation.

Real disposable personal income, which is adjusted for inflation and taxes, decreased by 2.4 percent in December 2024 compared to 2.6 percent in November 2024.

Personal saving was $843.2 billion in December 2024 compared with $968.1 billion in November 2024.

Personal saving rate – personal saving as a percentage of disposable income was 3.8 percent in December 2024.

The Conference Board's Index of Leading Economic Indicators – a measure of future economic activity – decreased by 0.7 percent in March 2025 to 100.5 (2016=100).

The University of Michigan's Consumer Sentiment Index decreased from 68.1 in the third quarter of 2024 to 72.1 in the fourth quarter of 2024. The index in the fourth quarter of 2023 was 64.9 and 58.8 in the fourth quarter of 2022.

State Economy[2]

In California, the unemployment rate was 6 percent in the fourth quarter of 2024 compared to 5.7 percent in the third quarter. Counties with the highest unemployment rate include Colusa (11.5), Imperial (19.5), Kings (8.3), Merced (8.9) and Tulare (10). Those with the lowest unemployment rate include Marin (3.9), Napa (4.0), Orange (3.9), San Franscisco (3.9) and San Mateo (3.7).

California's labor force increased by 314,000 in the fourth quarter of 2024. During this period, civilian employment rose by 257,300 workers (from 18.36 million to 18.62 million). Nonfarm enterprises hired 95,933 less workers while farm employment increased by 1,000. The mining and logging sector hired 933 less workers while construction and manufacturing hired 18,500 and 64,900 less employees, respectively. Service sector employment decreased from 15.85 million to 15.84 million between the third quarter of 2024 and the fourth quarter of 2024. The state government hired 11,133 less workers while local government employment increased by 14,533.

Local Economy

Kern County's labor force increased from 397,200 in the third quarter of 2024 to 398,133 in the fourth quarter of 2024. Civilian employment increased by 3,367 from 362,933 to 366,300. Nonfarm employment increased by 8,467 while farming employment went down by 2,867.

In Bakersfield, nonfarm employment changed in the following manner: mining and logging lost 133 workers; construction lost 167 workers; manufacturing lost 367 workers; while the service industry added 9,133 workers. Within the service industry, trade, transportation and utilities added 1,733 workers. Employment in other sectors changed as follows: financial activities employment did not change; professional and business services added 133 workers; private education and health services added 1,200 workers while leisure and hospitality lost 33 employees. The number of federal government workers did not change. State government employment added 200 workers and the local government added 5,933 workers.

In Kern County, the unemployment rate varied considerably across cities, ranging from 4.0 percent

[1]U.S. economic numbers were obtained from the Bureau of Economic Analysis "U.S. Economy at a Glance". This is found at http://www.bea.gov/newsreleases/glance.htm
The information for the Index of Leading Economic Indicators is found at https://conference-board.org/data/bcicountry.cfm?cid=1.
The University of Michigan Consumer Sentiment Index is available at http://www.sca.isr.umich.edu/tables.html

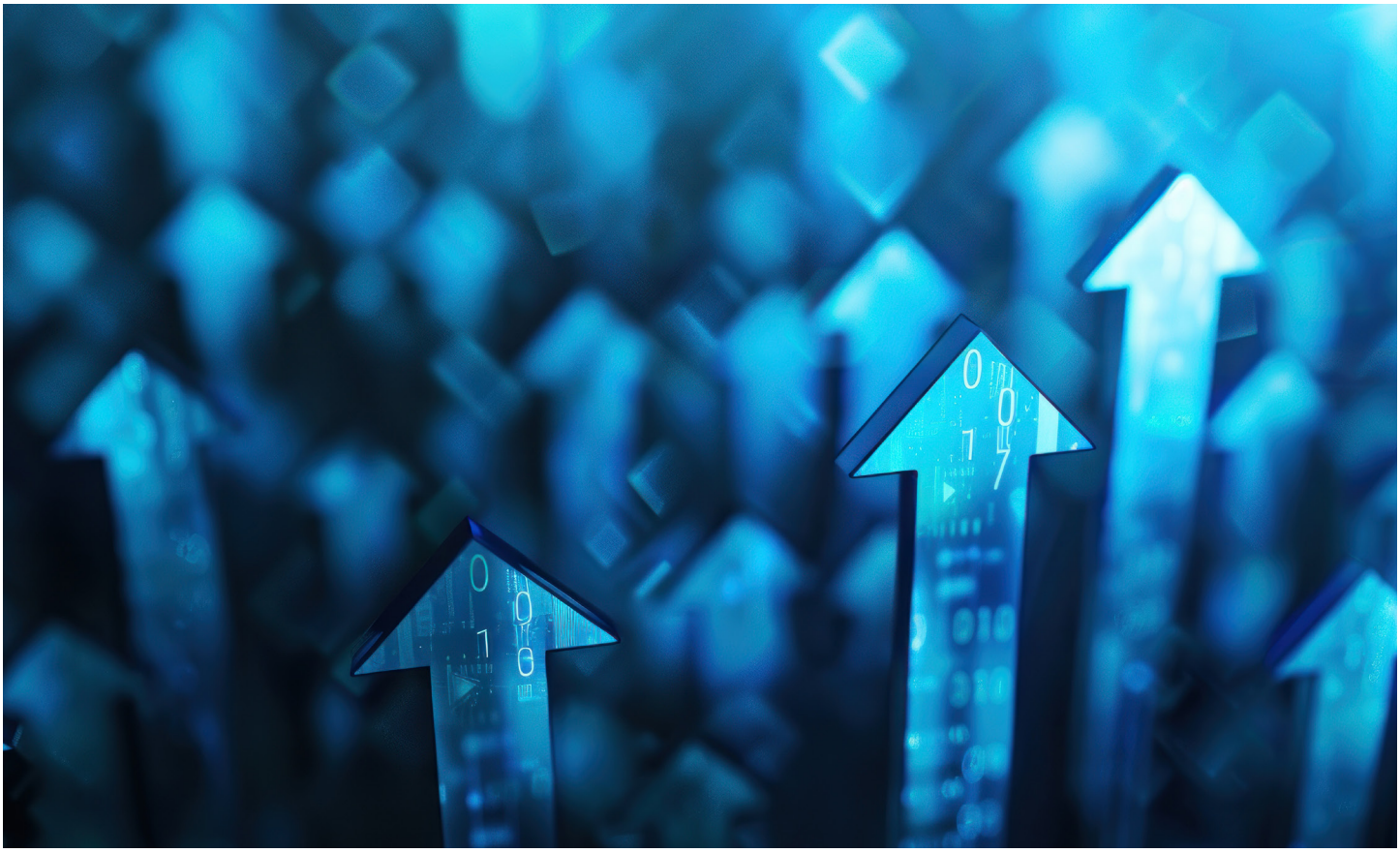
[2] The California economic numbers were obtained from the Bureau of Labor Statistics "Local Area Unemployment Statistics Map". This is found at https://data.bls.gov/map/MapToolServlet?survey=la&map=county&seasonal=u.

in Taft to 17.6 percent in California City. Most cities in Kern County witnessed a quarter-to-quarter decrease in the unemployment rate (except California city, Edwards AFB, Lamont, McFarland, Mojave and Tehachapi where unemployment increased). The biggest quarter-to-quarter decrease in the unemployment rate occurred in Lake Isabella where it dropped from 20.87 percent to 11.13 percent. In Bakersfield, the unemployment rate was 6.03 percent in the fourth quarter of 2024 compared to 6.87 percent in the third quarter. Overall unemployment in the County was 7.93 percent in the fourth quarter of 2024 compared to 8.63 percent in the third quarter of 2024.

In the fourth quarter of 2024, the median price of a home in Bakersfield was $413,998 compared to $391,417 in the third quarter. Median home prices were $22,582 higher than they were four quarters ago. Within the county, the city of Taft had the lowest median home price at $252,833, while the region with the highest median home price was Rosamond, at $451,997.

The weighted price index for the five publicly traded companies doing business in Kern County (Sierra Bancorp, Tejon Ranch Company, Chevron Corporation U.S., Granite Construction, and Wells Fargo Company) increased by 9.5 percentage points from 138.9 to 152.1 (Index (2014.1=100)) (quarter to quarter). The index was also 34.7 percentage points greater than it was four quarters ago. Quarter-over-quarter stock prices changed as follows: Chevron decreased 3.2 percent; Tejon Ranch increased 9.4 percent, Granite Construction increased 10.6 percent, Wells Fargo increased 42.7 percent and Sierra Bancorp increased 12.6 percent.

The average price of a barrel of crude oil (WTI) decreased by $6 to $70.9 in the fourth quarter of 2024 while the average retail price of a gallon of gasoline in Bakersfield decreased by $0.79 to $4.21 (compared to the third quarter of 2024). The unit price of California's Class III milk was $20.47 in the fourth quarter of 2024 compared to $21.26 in the third quarter. The Index of Farm Price Parity in the fourth quarter of 2024 (0.85) was lower than that of the third quarter of 2024 (0.90).



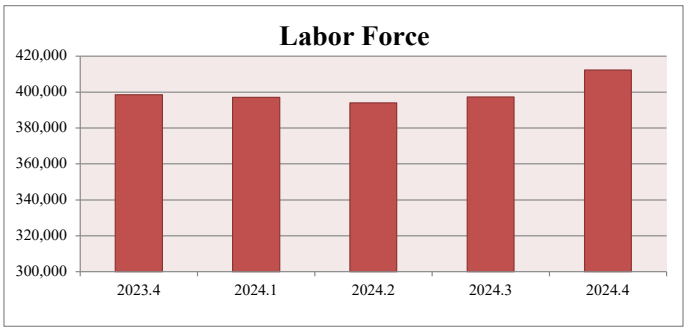
Tracking Kern's Economy[1]

DR. NYAKUNDI MICHIEKA &
DR. RICHARD S. GEARHART III
2024 FOURTH QUARTER

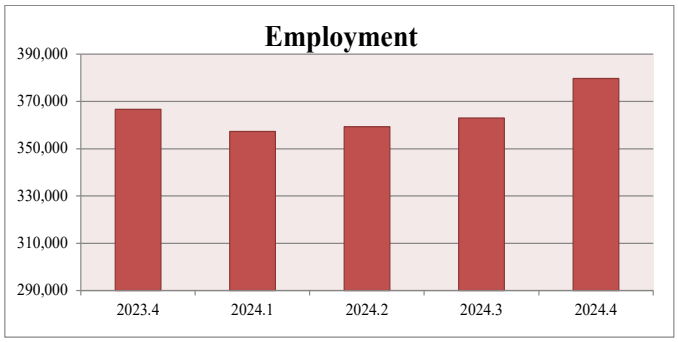
Labor Market

We average monthly data to calculate quarterly figures and then adjust for seasonality in the series.

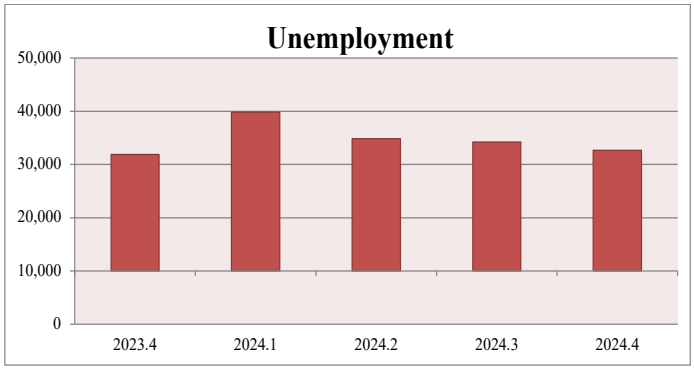
Labor Force – The civilian labor force increased by 15,133 individuals, rising from 397,200 in the third quarter of 2024 to 412,333 in the fourth quarter of 2024. The Bureau of Labor Statistics defines the labor force participation rate as the proportion of the working-age population that is either working or actively looking for work.



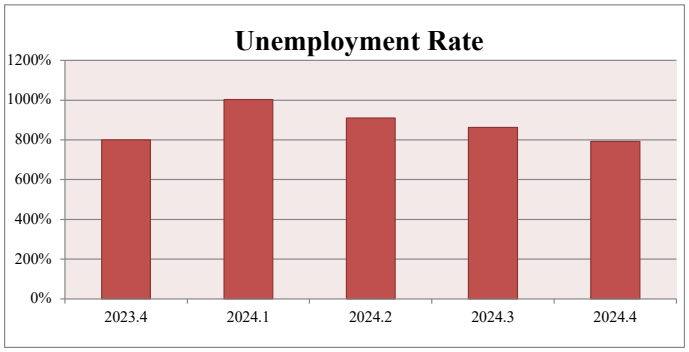
Employment – In the fourth quarter of 2024, Kern County hired 16,767 more workers (compared to the previous quarter) as total employment increased from 362,933 to 379,700. This represents a 3.57 percent increase in employment compared to the fourth quarter of 2023 when 366,600 people were employed. Third to fourth quarter employment increased by 333 in 2023 while in 2022, third to fourth quarter employment increased by 1,033.



Unemployment – Quarter-to-quarter unemployment decreased by 1,600 as the number of jobless workers dropped from 34,233 to 32,633. The number of unemployed workers is 2.3 percent higher than it was four quarters ago. In the fourth quarter of 2023, there were 31,900 unemployed workers.



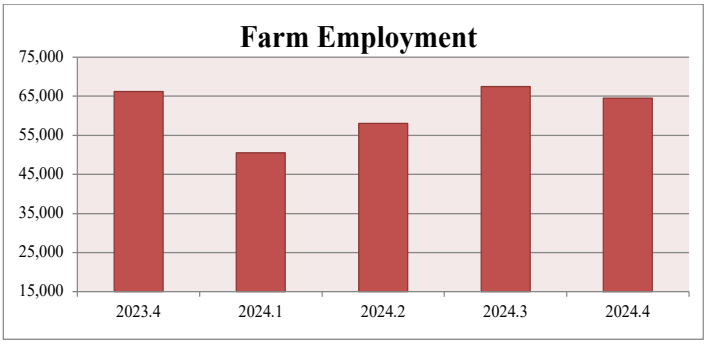
Unemployment Rate – Kern County's year-to-year unemployment rate remain unchanged in the fourth quarter of 2024. The unemployment rate in the third quarter of 2024 was 9 percent compared to 8 percent in the fourth quarter of 2024. Kern County's fourth quarter unemployment rate (8 percent) was higher than that of California's (6 percent).



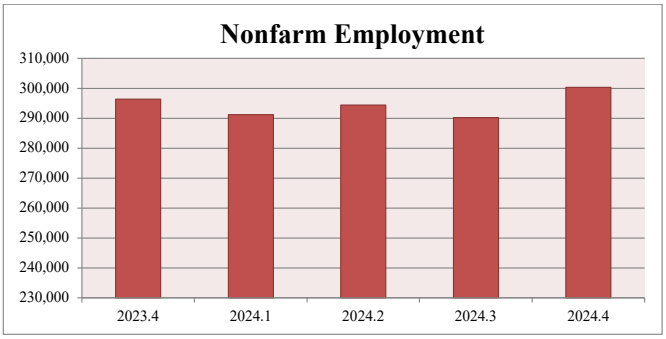
The unemployment rate varied considerably across cities, ranging from 4 percent in Taft to 17.6 percent in California City. Quarter to quarter unemployment rate decreased in all cities except Arvin, California City, Edwards AFB, Lamont, McFarland, Mojave and Tehachapi. The biggest rise in the unemployment rate occurred in Mojave, where it increased from 8.47 to 11.07 percent. In Bakersfield, the unemployment rate was 6.97 percent four quarters ago in 2023.

Unemployment Rate of Cities			
Location	Unemployment Rate (%)	Location	Unemployment Rate (%)
KERN COUNTY	7.9%	McFarland	8.9%
Arvin	11.3%	Mojave	11.1%
Bakersfield	6.0%	Oildale	9.3%
California City	17.6%	Ridgecrest	4.3%
Delano	14.9%	Rosamond	8.3%
Edwards	9.9%	Shafter	6.2%
Frazier Park	7.8%	Taft	4.0%
Lake Isabella	11.1%	Tehachapi	8.5%
Lamont	8.8%	Wasco	12.4%

Farm Employment – In the fourth quarter of 2024, Kern County hired 2,900 less farm workers compared to the third quarter of 2024. As a result, quarter-to-quarter farm employment decreased to 64,533 from 67,433. An average of 66,267 workers were employed in the farming sector in the fourth quarter of 2023. The year-over-year number of farm workers decreased by 1,733.

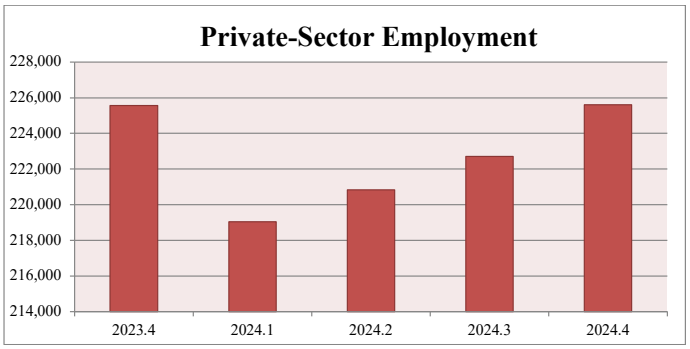


Nonfarm Employment – Nonfarm industries employed 10,167 more workers in the fourth quarter of 2024 as the number of workers increased from 290,200 to 300,367. The industries hired 3,933 (or 1.33 percent) more workers compared to four quarters ago.



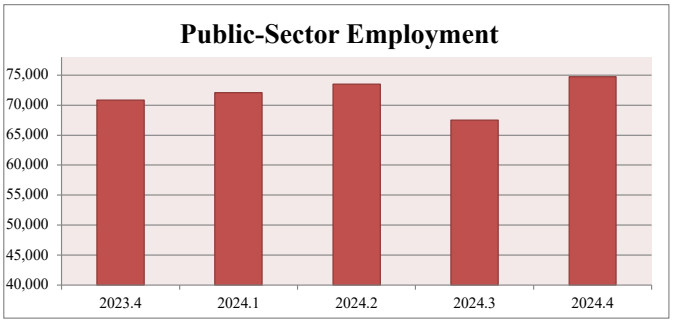
In Bakersfield, quarter to quarter nonfarm employment changed in the following manner: mining and logging lost 133 workers; construction lost 167 workers; manufacturing lost 367 workers, while the service sector gained 9,133 workers. Within the service sector, trade, transportation, and utilities added 1,733 workers; financial activities employment remained unchanged; professional and business services added 133 workers; health care and social assistance added 1,100 workers while leisure and hospitality lost 33 employees. Federal government employment remained unchanged while the number of state employees increased by 200. Local government added 5,933 workers.

Private-Sector Employment – Nonfarm employment is comprised of private- and public-sector employment. In the fourth quarter of 2024, private companies hired 2,900 more workers compared to the third quarter of 2024. They hired 0.01 percent more workers in the fourth quarter of 2024 than they did four quarters ago (in 2023). Currently, the private sector employs 225,600 individuals.



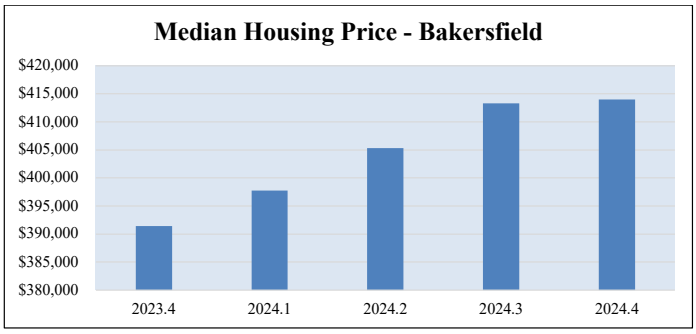
Public-Sector Employment – The public sector consists of federal, state, and local government agencies. The local-government labor market includes workers employed by county and city

agencies, and public education. In the fourth quarter of 2024, government agencies hired 7,267 more workers, as employment increased from 67,500 to 74,767 – a 10.8 percent increase. Compared to the fourth quarter of 2023, 5.5 percent more workers were hired in the public sector.

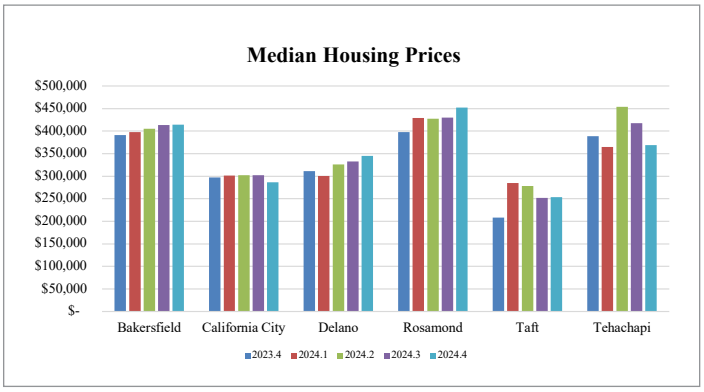


Housing Market

Housing Price – In the fourth quarter of 2024, the median housing price of a home in Bakersfield rose by $665 (0.16 percent) compared to the third quarter of 2024. Prices averaged $413,998 in the fourth quarter of 2024 compared to $391,417 in the fourth quarter of 2023. Prices were 5.77 percent higher than they were four quarters ago.



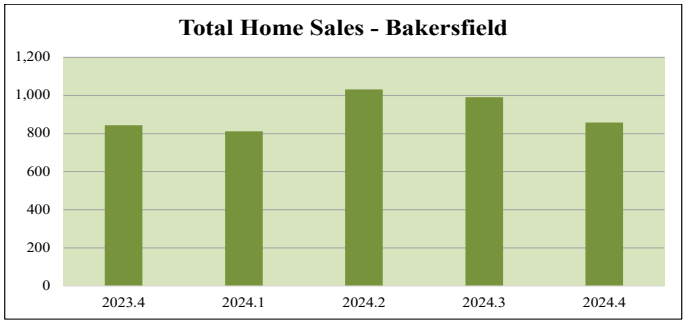
Regional Housing Prices – Changes in housing demand in Bakersfield are likely to spillover to surrounding cities as individuals who are on the margin of buying or selling are likely not located in the Bakersfield Metropolitan Statistical Area (MSA). An assessment of third- to fourth-quarter (2024) changes in median sales price indicates that home prices increased in all cities in Kern County except for California City and Tehachapi where they decreased by $15,667 and $48,500, respectively. Bakersfield recorded the smallest increase in median home prices (+$665). The average (year to year) price change was +7.21 percent across all cities in the county. The median home price across our regions was $332,542 in the fourth quarter of 2023 compared to $353,388 in the fourth quarter of 2024.



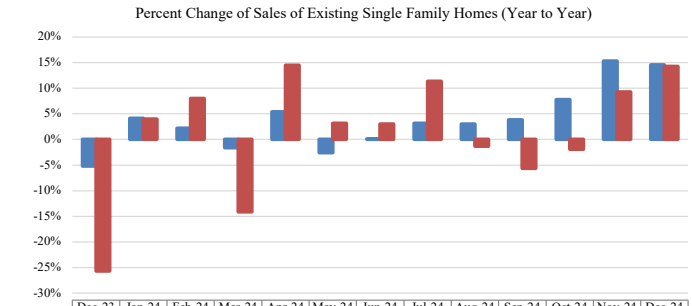
Year-over-year home prices changed as follows: Bakersfield (+5.77 percent), California City (-3.59 percent), Delano (+10.88 percent), Rosamond (+13.52 percent), Taft (+21.84 percent) and Tehachapi (-5.14 percent).

Location	Median Price (last year)	Median Price (this year)	Price Change ($) (Annual)	Price Change (%) (Annual)
	2023.4	2024.4	2023.4 to 2024.4	2023.4 to 2024.4
Bakersfield	391,417	413,998	22,582	5.77%
California City	297,500	286,833	-10,667	-3.59%
Delano	311,000	344,833	33,833	10.88%
Rosamond	398,167	451,997	53,830	13.52%
Taft	208,333	253,833	45,500	21.84%
Tehachapi	388,833	368,833	-20,000	-5.14%
Average	332,542	353,388	20,846	7.21%

Home Sales – In Bakersfield, quarter-to-quarter sales of residential units decreased by 133 units, from 991 in the third quarter of 2024 to 858 in the fourth quarter of 2024. An average of 14 more units were sold in the fourth quarter of 2024 compared to the fourth quarter of 2023.

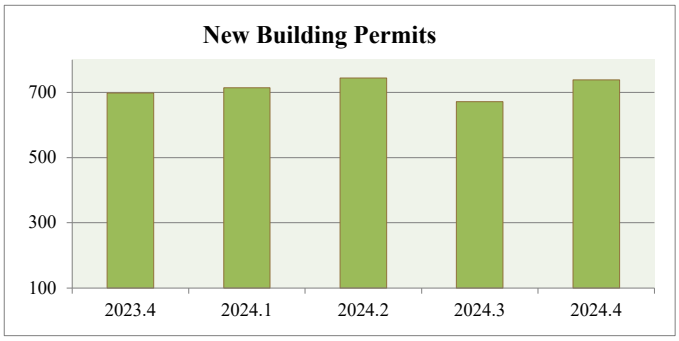


Growth in Housing Sales – We compare growth in sales of existing single-family homes in Kern County with growth in sales in California. Positive values indicate that more homes were sold this year compared to last year. In December 2024, 14.3 percent more homes were sold in Kern County compared to December last year. In California, sales were 15 percent higher in December 2024 compared to December 2023. The average growth in home sales in California between December 2023 and December 2024 was +3.9 percent while the number was +1.5 percent in Kern County.

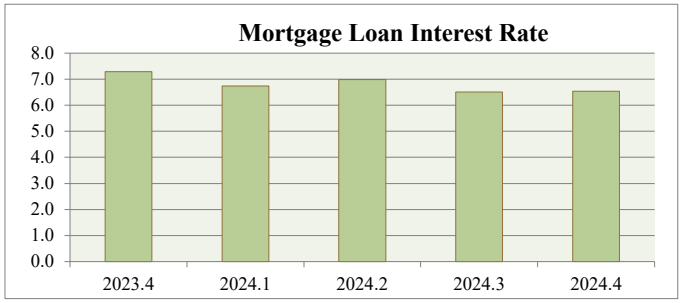


	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
California	-5%	4%	2%	-2%	5%	-3%	0%	3%	3%	4%	8%	15%	15%
Kern	-26%	4%	8%	-14%	15%	3%	3%	11%	-1%	-6%	-1.9%	9.3%	14.3%

New Building Permits – In the fourth quarter of 2024, Kern County issued 67 more permits for construction of new privately-owned dwelling units compared to the third quarter of 2024. A total of 738 permits were issued in the fourth quarter compared to 698 in the fourth quarter of last year (2023). Over the last five years, the average number of permits issued in the fourth quarter of every year is 582.

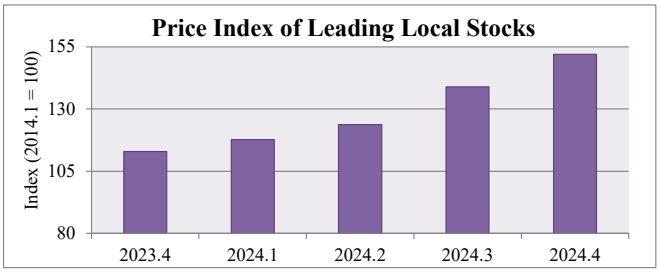


Mortgage Interest Rate – In the fourth quarter of 2024, the interest rate on thirty-year conventional mortgage loans increased to 6.53 percent (up from 6.51 percent in the third quarter of 2024). The interest rate last year (fourth quarter of 2023) was 7.29 percent.

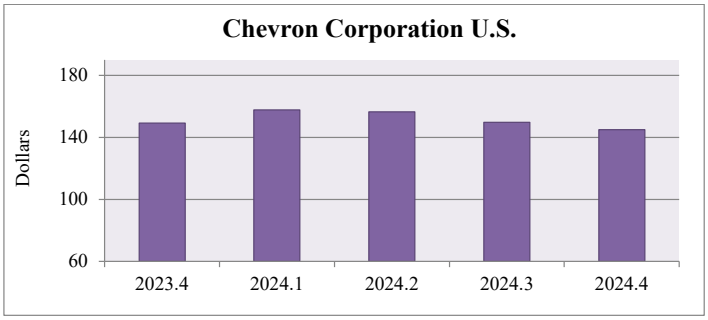


Stock Market

In the fourth quarter of 2024, the composite price index (2014.1=100) of the five publicly traded companies doing business in Kern County increased by $13.16, from $138.90 to $152.10 (quarter to quarter change). The index was 34.7 percentage points higher than it was four quarters ago. Average "close" prices were measured for five local market-movers: Chevron Corporation U.S., Tejon Ranch Company, Granite Construction, Wells Fargo Company, and Sierra Bancorp.

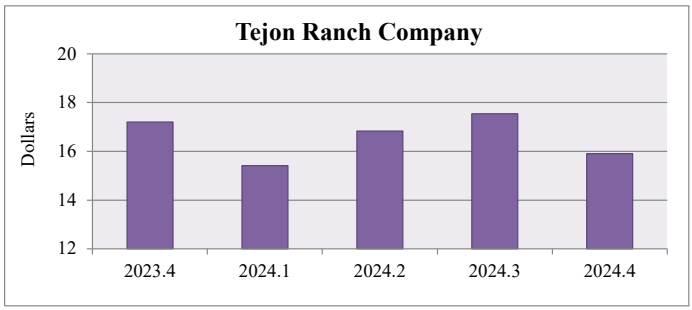


Chevron Corporation U.S.: Compared to the third quarter of 2024, CVX lost $4.86 (or 3.2 percent) per share as its price decreased from $149.70 to $144.84. Relative to the fourth quarter of 2023, CVX was down $4.32 (or 2.9 percent).

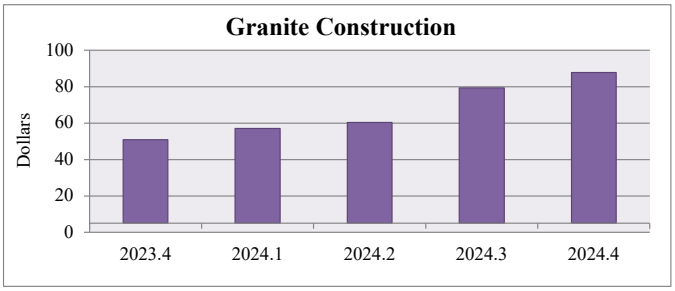


Tejon Ranch Company: TRC lost $1.65 (or 9.4 percent) per share as its stock price decreased from $17.55 to $15.90 between the third and fourth

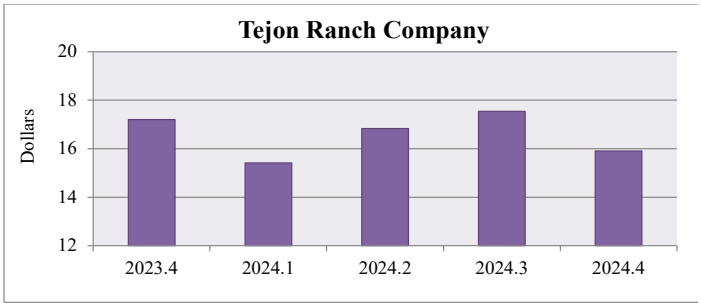
quarter of 2024. Compared to the fourth quarter of 2023, TRC stock price was down $1.30 (or 7.6 percent).



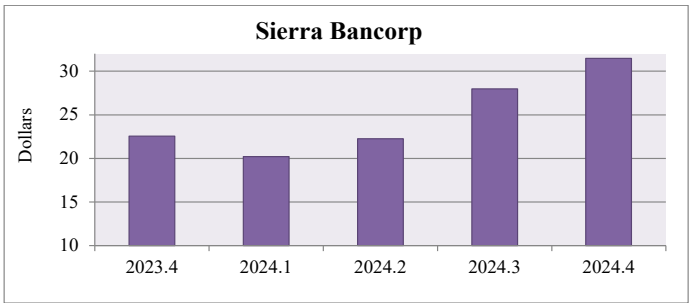
Granite Construction: GVA gained $8.38 (or 10.6 percent) per share as its stock price increased from $79.33 to $87.71 between the third quarter of 2024 and the fourth quarter of 2024. GVA gained $36.85 (or 72.5 percent) over the last four quarters.



Wells Fargo Company: WFC gained $13.75 (or 24.3 percent) per share as its stock price increased from $56.49 to $70.24 between the third quarter of 2024 and the fourth quarter of 2024. Relative to the fourth quarter of 2023, WFC was up $21.02 (or 42.7 percent).

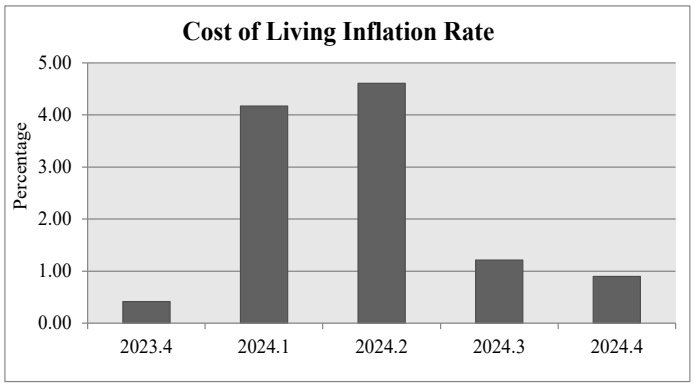


Sierra Bancorp: BSRR gained $3.51 (or 12.6 percent) per share as its price increased from $27.96 to $31.47 (quarter to quarter). BSRR gained $8.92 (or 39.6 percent) in the fourth quarter of 2024 compared to the fourth quarter of 2023.

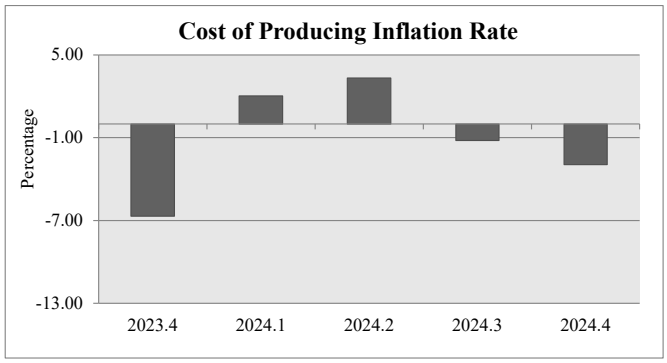


Inflation

Cost of Living – In the fourth quarter of 2024, the Consumer Price Index for all urban areas (1982-84 = 100) decreased from 314.88 to 315.59. As a result, inflation for the cost of living decelerated at an annual rate of 0.9 percent. The index was 307.16 points in the fourth quarter of 2023.

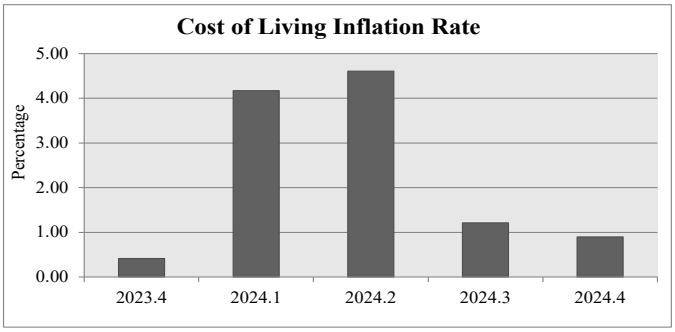


Cost of Production – The Producer Price Index for all commodities (1982 = 100) decreased between the third and fourth quarter of 2024, from 255.12 to 253.24, respectively. The inflation rate for the cost of production decreased at an annualized rate of 2.94 percent. The cost of production inflation rate was 252.49 four quarters ago.



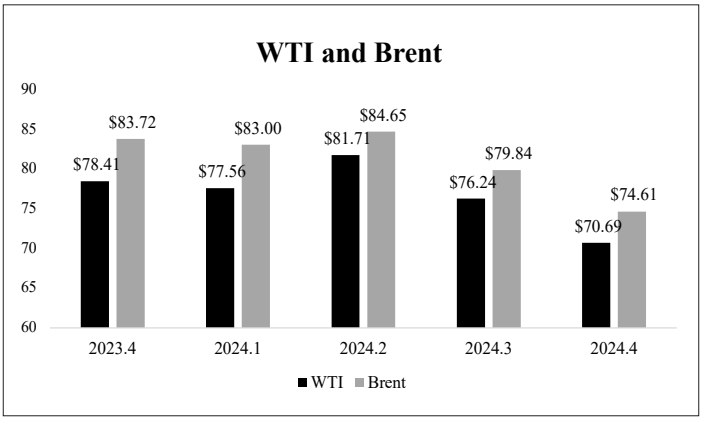
Cost of Employment – The Employment Cost Index (December 2005 = 100) for all civilian workers

increased from 166.8 in the third quarter of 2024 to 168.3 in the fourth quarter of 2024, causing quarter-to-quarter employment inflation to rise by 3.60 percent.

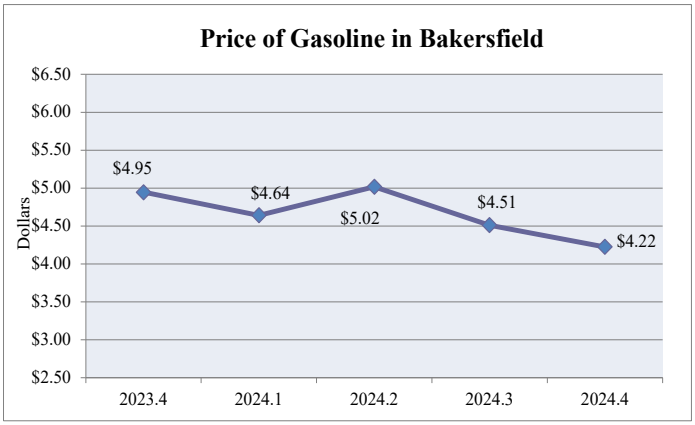


Energy

Oil Price – The spot price of WTI in the fourth quarter of 2024 was $70.69 compared to that of Brent which was $74.61. Compared to four quarters ago, the prices of WTI and Brent was $8 and $9 less, respectively.

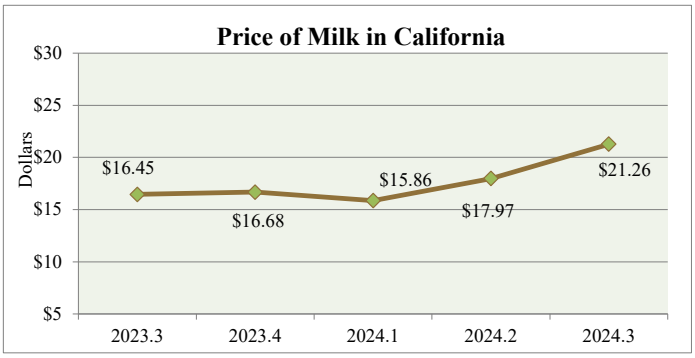


Price of Gasoline – In the Bakersfield MSA, the average retail price of gasoline decreased by $0.79 to $4.22, between the third and fourth quarter of 2024. Average gasoline prices were $4.22 in the fourth quarter of 2024 compared to $4.95 in the fourth quarter of 2023.

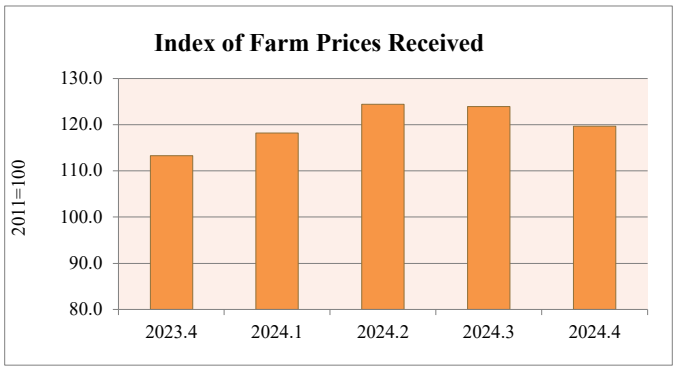


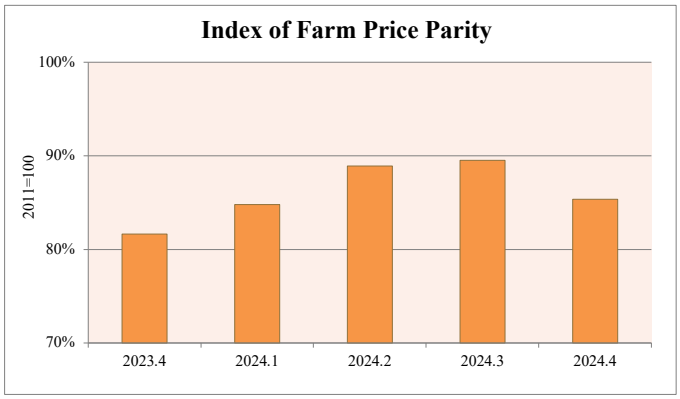
Commodity Prices

Price of Milk – The unit price of California's Class III milk increased in the third quarter of 2024 by $3.29, to $21.26. Milk prices were $4.81 (or 29.3 percent) higher than they were four quarters ago.

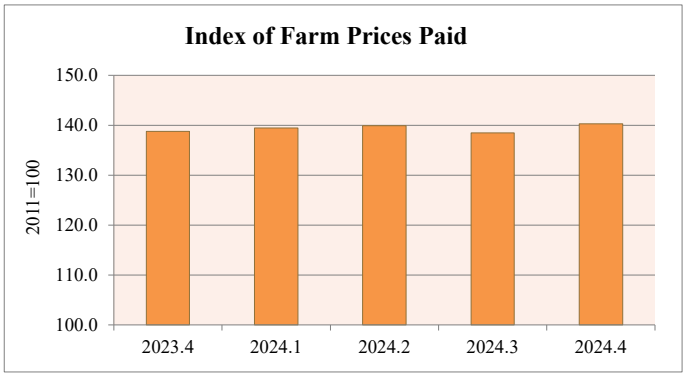


Farm Prices - In the fourth quarter of 2024, the National Index of Prices Received by Farmers for all farm products (2011 = 100) decreased by 4.27 points from 124.0 in the third quarter of 2024 to 119.7 in the fourth quarter of 2024. The index is 5.68 percent higher than it was four quarters ago in the fourth quarter of 2023.





Meanwhile, the National Index of Prices Paid by farmers for commodities, services, interest, taxes, wages, and rents increased by 1.77 points. This means that farmers were worse off in the fourth quarter of 2024 compared to the third quarter of 2024.



We measure the Index of Farm Price Parity as the ratio Index of Prices Received to the Index of Prices Paid. In the fourth quarter of 2024, the Index of Farm Price Parity was 85 percent compared to 90 percent in the third quarter. Four quarters ago, the price ratio was 82 percent.

[1]Source – Online databases: http://www.labormarketinfo.edd.ca.gov; www.usda.com; www.bakersfieldgasprices.com; www.bea.gov; www.car.org; www.census.gov; https://www.redfin.com; https://www.cafmmo.com; www.bls.gov; www.eia.gov.

An Overview of Oil Production and Drilling Activity in Kern County

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1. Introduction

This article provides an overview of the history of oil and gas production in Kern County while also presenting current trends in drilling activities in the region.

2. History of Oil Production in Kern County

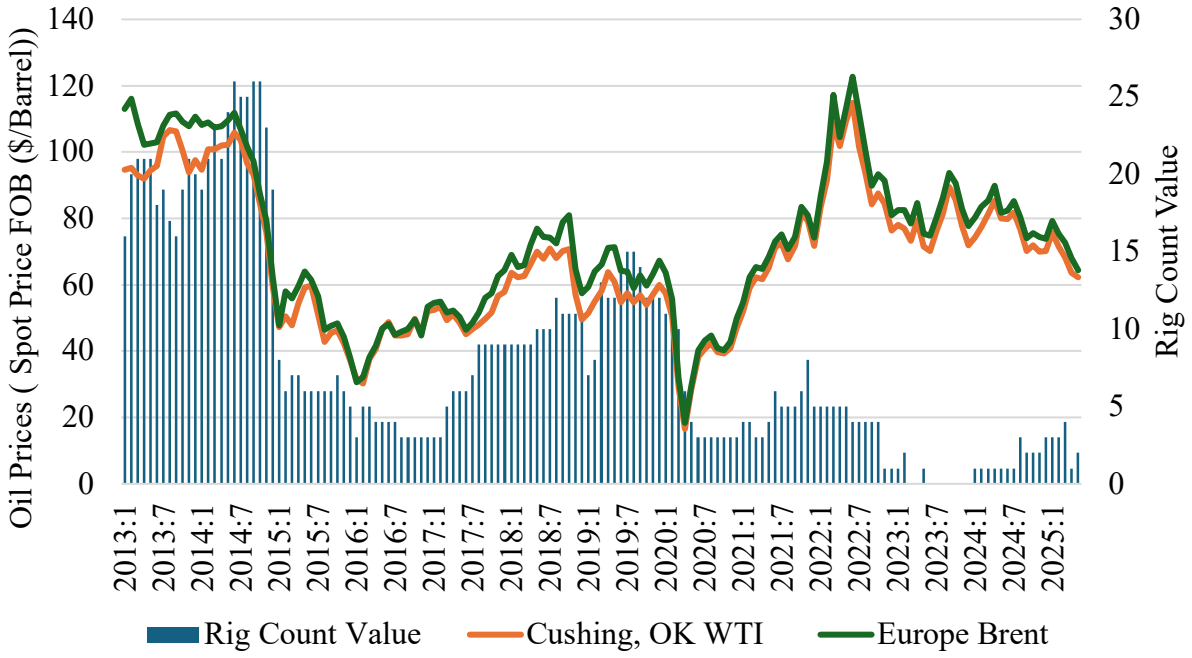
Kern County has a long history of oil production. In 1878, the first wooden oil derrick was constructed in Kern County. Throughout the 1870s and 1880s, wildcatters drilled near Coalinga as well as the Midway and Sunset districts of the southern San Joaquin Valley (Takahashi and Gautier 2007). Oil was discovered 60 to 70 feet under the ground in May 1899, six miles away from Bakersfield, in the Kern River oil field (Redpath 1900, California State Parks 2025a, California State Parks 2025b). The first derrick was erected in July 1899 and the first well was completed in September of that year. This well was drilled to a depth of 350 feet and produced 30 barrels of oil a day (Redpath 1900). The first commercial well was also drilled in 1899 by Horace and Milton McWhorter (California State Parks 2025a, California State Parks 2025b). Today, Kern County leads the state in oil production. In 2022, the county produced 88.1 million barrels of oil, while the state (California) produced 123.7 million barrels. Thus, Kern produced 7 out of every 10 barrels of oil in the state and roughly 241,000 barrels a day (California Department of Conservation 2025d).

3. Current Oil Production and Drilling Operations in Kern County

Operators must obtain permits before constructing and operating new or existing wells. This process involves two steps, where companies must secure authorization from local authorities, then obtain approval from CALGEM (California Department of Conservation 2025c). The number of permits issued does not imply that more oil is extracted. Permits are issued to drill new wells and others issued to plug existing wells (California Department of Conservation 2025c). Others are issued for well abandonment (permanently cease production), re-abandonment (re-plug and abandon a well), rework (repair a well), well deepening (increase the depth of an existing well), new drill (drill a new well), and sidetrack (cement a part of an original well path and re-drill) (California Department of Conservation 2025c).

Oil and gas companies have faced challenges in securing permits for drilling operations in California over the last decade (Plachta 2025). Moreover, drilling activity and oil prices appear to move together as illustrated in Figure 1. Between 2013 and 2015, an average of 16 new drills were recorded each month as oil prices remained relatively stable. After the drop in oil prices in 2014, drilling activity fell. At the beginning of COVID in early 2020, an average of 12 rigs were drilled each month. Applications for new permits fell to zero from March to December of 2023. The average number of new drilling rigs has fallen over the last ten years as presented in Table 1. Over the last 5 years, an average of 3 new wells have been drilled in Kern County compared to the period between 2013 and 2018 when 12 new drills were drilled.

Figure 1: Oil Prices and Drilling Activity in Kern County



Source: Baker Hughes (2025a) and (U.S. Energy Information Administration 2025b)

Table 1: Average Number of new Drills by Year

Year	Average Number of New Drills
2013	19
2014	23
2015	6
2016	4
2017	7
2018	10
2019	12
2020	5
2021	5
2022	4
2023	0
2024	2

Source: Baker Hughes (2025a)

This data is obtained from Baker Hughes (2025a) who provide a census of the number of drilling rigs available for work, rather than those working. The data includes rigs that are significant consumers of oil and does not include cable tool rigs, small mounted rigs or rigs operating without a permit (Baker Hughes 2025b).

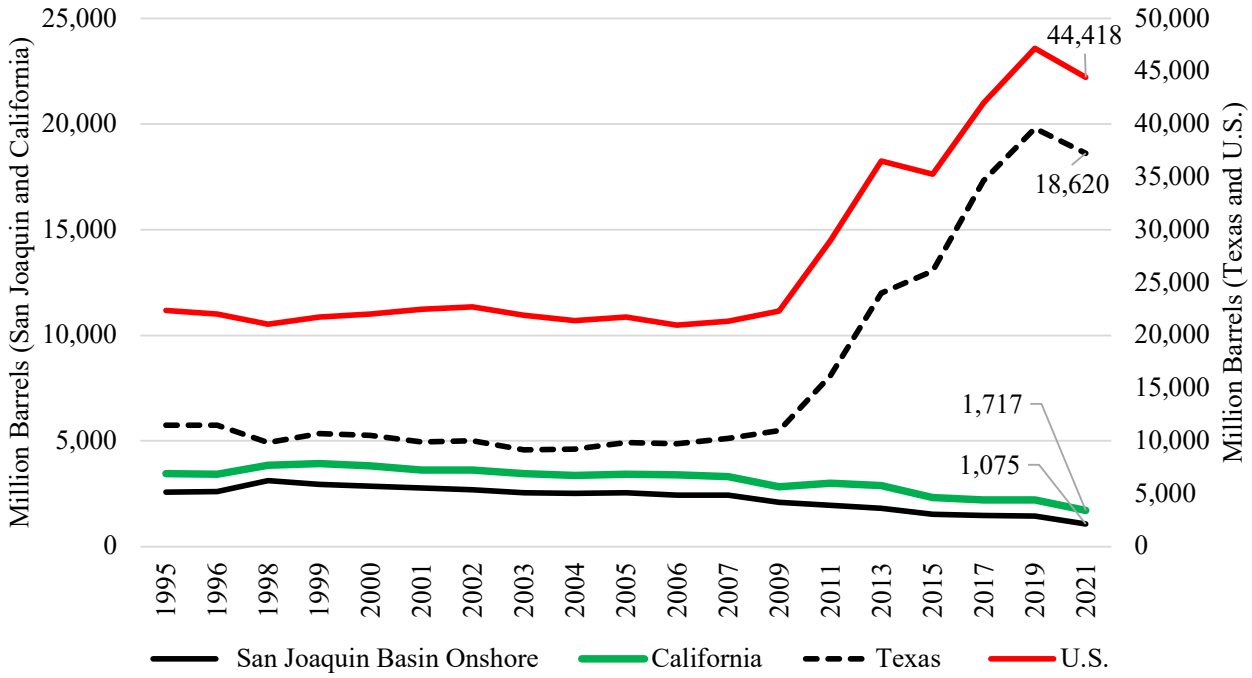
4. How much oil do we have in the ground?

Kern County's oil fields are located in the San Joaquin Valley, which occupies the southern half of California's Central valley (Stevens 1924). Since the early 1920's, much of Kern's oil comes from six major oil fields: Coalinga, Lost Hills, McKittrick, Midway-Sunset, Elk Hills, and Kern River (Stevens 1924) . Figure 2 illustrates proven reserves of crude oil in California, Texas and the U.S. A cursory observation of the graph indicates that the proven reserves in the San Joaquin Basin have been declining over the last 3 decades, while reserves in Texas and the U.S. have been growing. In 1995, the San Joaquin Basin possessed 74 percent of

California's crude oil reserves, or 2.6 trillion barrels of crude. California's reserves were 1.7 trillion barrels, which translated to 15 percent of the U.S. total crude. In 2021, the San Joaquin Basin possessed 1.1 trillion barrels or 63 percent of California's reserves.

Reserves in San Joaquin declined at an average of 4 percent each year between 1995 and 2021 compared to California, Texas and the U.S. where reserves changed at -3, +8 and +4 percent, respectively. Today, 42% of the nation's reserves are located in Texas compared to 30 years ago when the lone state possessed 26 percent of reserves.

Figure 2: Crude oil and lease condensate proved reserves (million barrels) by region



Source: U.S. Energy Information Administration (2025c).

Table 2: Proved Crude Oil Reserves by Region

Percentage (%)	1995	2021
San Joaquin's reserves as a percentage of California's reserves	74%	63%
California's reserves as a percentage of U.S.'s reserves	15%	4%
Texas's reserves as a percentage of U.S.'s reserves	26%	42%

Source: U.S. Energy Information Administration (2025c).

[1]Together, these fields produced 1.125 trillion barrels, or 65 percent of the oil produced in California in 1923.

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Employee Evaluations: Is the 360 Degree Model Right for Your Organization?

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Employee evaluations, that is the process of assessing the strengths and concerns of current employees and their effectiveness at their assigned position duties is not only an essential and critical task of managers but one that impacts the very future of both the employee and the organization.

As managers we are required for good reasons to assess the quality and quantity of the work completed by those assigned to our work unit. Research teaches that there are at least five reasons for these performance appraisals. First, the process serves as a valuable feedback loop between the employee and employer that might not exist otherwise, certainly at this more formal level. The process sets employee expectations, goals and development directives as needed. There is a formal record created and preserved that protects both the employee and employer concerning work performance as time moves on. If used effectively, the process serves as an improvement plan that both parties can create and commit to. Lastly, the evaluation process provides legal or policy protections for both parties if there is disagreement about work performance.

Depending on the policies of the organization, employee evaluations occur usually on a standard time frame such as on the anniversary date of the hiring of the employee. Probationary employees might be assessed more frequently until their probationary period ends. On occasion, what are termed – critical incident evaluations - are made if in fact some serious or troubling situation happens at the work site.

There are several standard employee evaluation models that are typical for most organizations and their associated employees. The manager assessment is typical where the supervisor evaluates the employee's performance using an approved evaluation assessment tool. In this model the view of the manager prevails. Another approach is the employer – employee combination assessment. Here the employee is asked to self-evaluate their performance using an organization approved assessment tool. The manager also uses that same tool and makes an independent evaluation. The manager then sits with the employee, and they review both assessments looking for agreement or disagreement areas. This model empowers the employee giving

them voice in the process. The manager still makes the final decision but does have this additional viewpoint.

There is a popular and yet somewhat controversial approach available termed the 360-degree model. Basically, it works like this – several people are invited to assess the quality and quantity of the employee's work. Envision a circle that goes around the employee covering the full 360-degree range. Such individuals as the employee, their supervisor, fellow work associates, perhaps employees or supervisors from other units that may have worked with that employee, and customers or clients may be involved in the evaluation activity. You can see that this is a rather involved process.

The question becomes – is this model doable, meaningful, accurate and fair? Here is what research indicates:

Strengths of the 360 Degree Model	Concerns of the 360 Degree Model
provides a broad perspective of views, coming from many levels. not limited to just the thinking of the supervisor. helps when the supervisor is located at another location. in theory, it offsets negatives and positives, bringing a more balanced picture.	how is the model implemented fairly? those assessing might not be taught this evaluation skill. anonymity of the evaluator usually increases negative assessments. it may focus on only one association that another had with the employee. depth of feedback is a possible loss and issue in the process.

You can see that the organization must do a deep dive to determine if this tool makes best sense for that organization and the needs of both the employee and the employer. Legal cases have been brought against some organizations using the 360-degree model arguing that petty office politics are at play, that the approach is unethical, not proven to be fair and that there is no internal check for accuracy,

Some may wonder if this model is used very often. It is in fact used frequently when assessing the leadership of large organizations where there are many impacted players. The key assessment occurs when the organizational authority summarizes the variety of views and determines what statements seem true, matter and are in fact reflective of that leader.


Employee Performance Evaluation
By signing and submitting Employee Performance Evaluation, I certify that the information provided is true and accurate and complete and all information provided is true and accurate and complete. I understand that falsifications, misrepresentation, I understand that falsifications, representation. I understand that falsifications, misrepresentation to this position. I hereby authorize from consideration to this position. I hereby authorize previous employers for verification, conduct a background record.
Full legal
Last Name
Home Phone:
Street
City
E-mail Address:
Education:

CALIFORNIA STATE UNIVERSITY
BAKERSFIELD
School of Business and
Public Administration

KERN ECONOMIC JOURNAL is a quarterly publication of California State University, Bakersfield. It's purpose is to track local trends and analyze regional, national, and global issues that affect the well-being of Kern County. The journal provides useful information and data that can help the community make informed economic decisions. Please visit https://bpa.csub.edu/menus/kern-economic-journal.html for more information.