

MANAGER PERFORMANCE APPRAISAL SYSTEM

IS IT THAT TIME OF YEAR, AGAIN?

"Oh no! The manager's evaluation is due!"

This is a phrase repeated many times each year by countless mayors and council members around the U.S. and Canada. Even experienced business executives serving on the boards of giant corporations find it difficult to assess the performance of their CEO. Imagine the difficulty part-time elected officials have in determining how well their city managers are doing.

Often, these well-meaning-but-overworked public officials fail to plan, develop, and articulate the performance measures and standards that they will hold their manager to twelve months from now. When the time comes for evaluation, there's no data. But what can they do?

Public officials normally don't come with advanced degrees in personnel or industrial engineering, so the annual appraisal process is awkward... at best... always uncomfortable, and if done poorly, creates problems that may last for a long, long time.

"We never pay attention to performance assessment until the end of the year, and then we have to make things up."

"The manager keeps score of what he's done, and then at the end of the year claims those were his objectives."

WHY IS THIS SO DIFFICULT?

The current "do-it-yourself" system of performance assessment can often result in difficulties, including:

- When the time is ripe to set standards and measures, there's always something else taking priority.
- There are few (if any) qualified staff employed by the jurisdiction to develop a performance evaluation system. If they are qualified, they probably don't have the time to do it, and if they have the time and qualifications, their status of working for the manager makes them suspect by elected officials.
- No one is fully responsible for doing the manager's annual performance evaluation. The manager has a big part in it... the mayor has a substantial role... the council participates in setting standards during week 1, but then must sit as judge and jury in week 52. Coordination is difficult.
- No one really wants the job, and if someone does... they're assumed to have hidden agendas.

"Is the manager low-balling his performance standards?"

"Is the council member setting the manager up for failure?"

"Does the mayor want to curry favors with the manager with cream-puff objectives?"

WHAT SHOULD WE EXPECT?

A high-quality performance appraisal system can:

- Stimulate improved communication between the policy-makers, the manager and the staff.



For more information, contact
LL Decker & Associates:

Phone: 602.957.9659

Fax: 602.956.2946

E-mail: ldecker@lldecker.com

Web site: lldecker.com

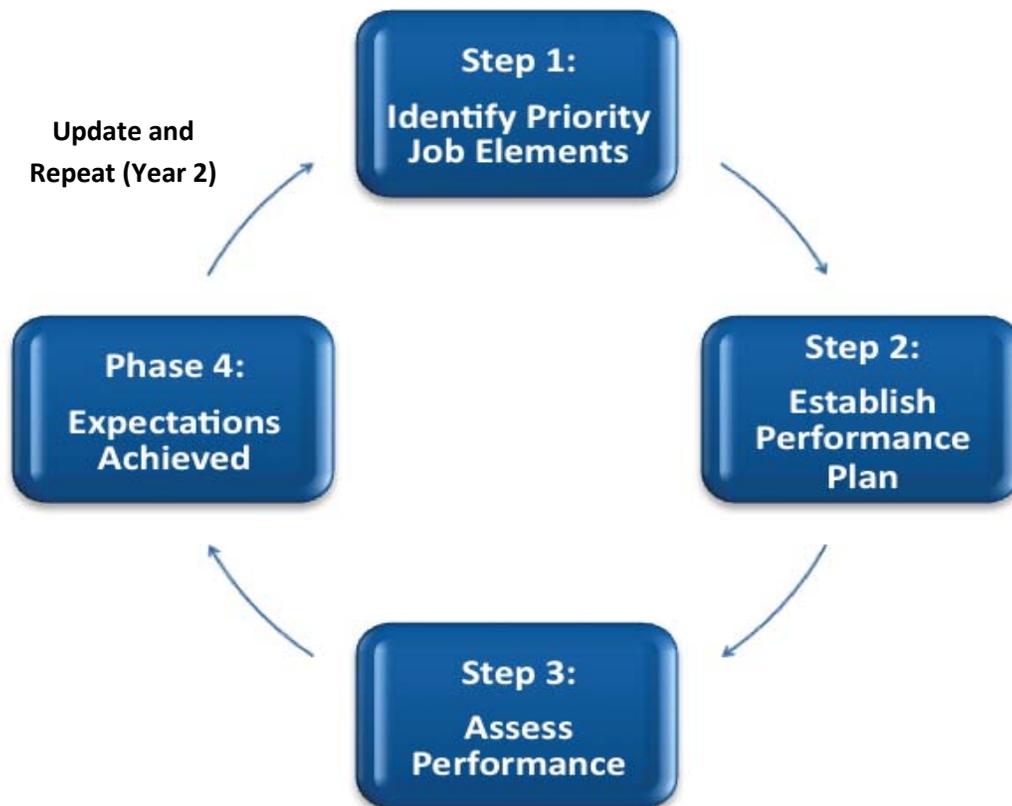
- Develop performance goals, objectives, measures, and standards that can be linked to organizational goals, objectives, and standards.
- Provide a balanced, inclusive, and predictable documented process.
- Create an environment where all participants believe the assessment process fairly and even-handedly measures the manager's performance.
- Develop a written record of the policy-makers' perceptions of the manager's most recent performance.
- Create opportunities for policy-makers to state their individual and collective expectations in terms of outcomes and results.
- Assess progress periodically so that adjustments in direction can be made if needed.
- Link the manager's actual performance to a structured, documented, understandable, and predictable reward system.

WE NEED TO RAISE THE BAR!

Let's agree the annual appraisal of the manager's performance is important to everyone involved. It's a vital communications tool necessary for a healthy and effective council-manager relationship. The evaluation is essential for effective decision-making throughout the jurisdiction; therefore establishment of a constructive, objective system is critical to the city's success.

Quality performance appraisal systems should:

- Establish clear, unambiguous performance objectives, measures and standards, at the beginning of the performance period.
- Include the city manager, mayor and council at a minimum. A 360 review with key staff and community leaders should be considered.
- Allow for quality discussions between the council and manager.
- Ensure the manager, department heads, staff, mayor, council, boards and commissions, and the public... know and understand what's expected.
- Use a neutral, third-party to ensure the process remains fair and balanced.



HOW DOES OUR MANAGER PERFORMANCE APPRAISAL SYSTEM (MPAS) WORK?

It's a four-step process. We begin by identifying which of the many manager job responsibilities are the most important to the council and the community. Step two establishes performance measures and standards for each priority job element, documents mutual expectations, and develops a review process as part of the annual performance management plan. Step three periodically rates the manager's performance according to the pre-established criteria through online surveys. The final step in the process is the manager's annual appraisal and evaluation. New objectives are established, and begins the next appraisal cycle.

STEP 1: IDENTIFY THE CITY MANAGER'S PRIORITY JOB ELEMENTS.

This step begins with an **interview of the mayor and manager** to establish clear expectations and outcomes and determine which elected officials, staff and other stakeholders (if appropriate) will be participating in the evaluation process.

An **online assessment is conducted** to identify the job elements applicable to your community and how important those elements are to the organization. The assessment is a structured web-based survey containing an extensive stock list of the most common elements, task and characteristics common to a city manager's job. Policy makers select the tasks which apply to their community and identify which are most important to them resulting in a list of priorities and better understanding of the expectations. The survey also allows policy makers to identify any unique qualifiers for a city manager in their specific jurisdiction as well as any project-based goals tied to the city's short- and long-term strategic plan.

Results from the online assessment are used to identify the key job tasks, individual characteristics and project-based goals which will form the basis of the manager's annual review. **Draft performance measures and standards will be developed** by LLDA for each of these priorities and provided to the city manager and policy makers for review.

Deliverable: *List of priority job elements and draft performance measures and standards*

STEP 2: ESTABLISH THE MANAGER'S PERFORMANCE PLAN

To make the process easier and less awkward for everyone, a **half-day facilitated discussion** is held during which the manager and policy makers discuss the results of the online assessment and draft performance measures and standards and establish a set of shared expectations for the manager. We provide a starting point and a neutral third party to ask the questions that often remain unasked and engage issues that may remain unaddressed during personnel discussions. As an option, the group may want to include the topics of pay-for-performance, compensation and benefits in the discussion.

From this half-day meeting the **annual performance plan is drafted, revised, and submitted** to the manager and policy makers for any final adjustment. Once agreement on the plan is reached, the performance program starts. The performance plan includes the performance measures and standards, which will be used to evaluate performance, the evaluation form that will be used to collect data and the process for a mid-year progress report and final evaluation.

Deliverable: *City manager's annual performance plan*

STEP 3: ASSESS THE MANAGER'S PERFORMANCE

A mid-year review is conducted to determine progress in meeting the annual performance measures and standards. The same annual review form is sent electronically to the manager and policy makers for their completion. Results from the mid-year review will be provided to the manager only. The manager may use this information to make mid-year corrections, and may choose to share this review with policy makers. As an option, progress updates could occur quarterly to provide the manager with additional information on performance.

At year-end, the same **annual review form is electronically distributed** to the policy makers and manager for their completion. The data is assembled, final numbers are tallied, and a report card listing the results of the manager's annual performance is issued.

Deliverable: *Mid-Year Status Report and Annual Performance Review*

STEP 4: ESTABLISH THE MANAGER'S NEW PERFORMANCE PLAN

A half-day facilitated discussion is held to 1) review the years' performance, 2) make adjustments to the coming year's appraisal categories, elements, criteria, expectations, performance measures, and process format, and 3) create new or update current policy maker expectations. Old project-based performance measures are recast, and any new projects added.

All activities from Step 3 and 4 are repeated in the second and any subsequent years.

Deliverable: *City manager's annual performance plan*

WHEN SHOULD YOU IMPLEMENT A PERFORMANCE APPRAISAL SYSTEM?

You can begin implementing an effective performance appraisal system at any time. Consider beginning a new program:

- **Before you hire a new manager.** Through the MPAS you can identify the priority job elements and characteristics most important to your community, and by doing so, help you evaluate the candidates.
- **When you hire a new manager.** MPAS can support the new manager and the elected officials in developing the manager's initial performance measures and standards.
- **When you need to evaluate an existing manager.** We can provide support for tenured managers and their councils to work through the often difficult and sensitive job of reestablishing performance measures and setting expectations.

SO, WHY CHOOSE OUR SYSTEM?

Our knowledge gained during 30+ years of support for local councils and managers was used to develop this performance appraisal system. You will benefit with **access to our library of performance plans, performance measures and performance standards** that we customize to meet your unique needs. There is no need for you to start from scratch with only a blank piece of paper.

Our team of **associates include retired city managers** who have extensive professional experience in developing performance appraisals and understand the sensitivities of the process.

The process is **easy to use** for both the elected officials and the manager. We **collect performance data through online evaluation forms**, reducing the need for extra paperwork and administration.

We do the tedious work of monitoring and follow-up to ensure the evaluations are completed on-time.

The manager's performance measures and standards can be **linked to the city's strategic plan and budget**.

The system can be expanded to include options for the facilitation of performance-based compensation packages. We can also provide executive coaching and issue resolution as needed.

The MPAS will provide both the council and the manager with **accurate, timely information** that supports improved communication and decision-making. With an accurate understanding of how each perceives the manager's performance, the city will have more choices and options. **AND, it's affordable!**

GET STARTED TODAY!

Call us today to begin planning your City Manger's Performance Appraisal System.



For more information, contact
LL Decker & Associates:

Phone: 602.957.9659

Fax: 602.956.2946

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Web site: lldecker.com