



Establishing a Solid Understanding of Performance Appraisal



Executive Summary

- Most organizations have a performance appraisal program that has evolved over time and is likely not meeting the needs of employees and managers. In the case of SUMA, 54% of responding municipalities do not use a performance appraisal (PA) program for their CAO.
- Many competing PA theories and practices exist making development of an effective program difficult. However, done well, a strong PA program reinforces organizational culture and helps individuals achieve high levels of performance.
- An effective PA program can improve key business measures such as moderate mil rate increases, growing reserves and citizen engagement.
- Every strong PA program has three elements: performance tracking, informal feedback, and formal appraisal.
- Build on these two elements to customize your program to your organization's goals and values:
 - Use of a rating system helps to establish expectations and set standards of performance.
 - Coaching is the single most significant factor in easing retention and developing talent in your CAO.





Understand	PA Benefits	The Current State of Performance Appraisals	PA Challenges
Find your Fit	PA Methods		
Next Steps	Summary of Recommendations	Get Ready to Build	





Understand

PA Benefits

The Current
State of
Performance
Appraisals

PA Challenges



Impact on
Organizational
Effectiveness

Benefits for:
Council Members and
CAOs



Effective performance appraisal programs positively impact an organization's effectiveness through the effective management of talent

Organizations that set goals and monitor progress towards these goals significantly outperform organizations that do not have this type of performance-enhancing culture.

Including performance appraisal processes in management systems result in significant efficiency gains.

Measuring performance has become more and more important as *intangible assets*, such as key knowledge, skills, and services, are increasingly driving organizational value.

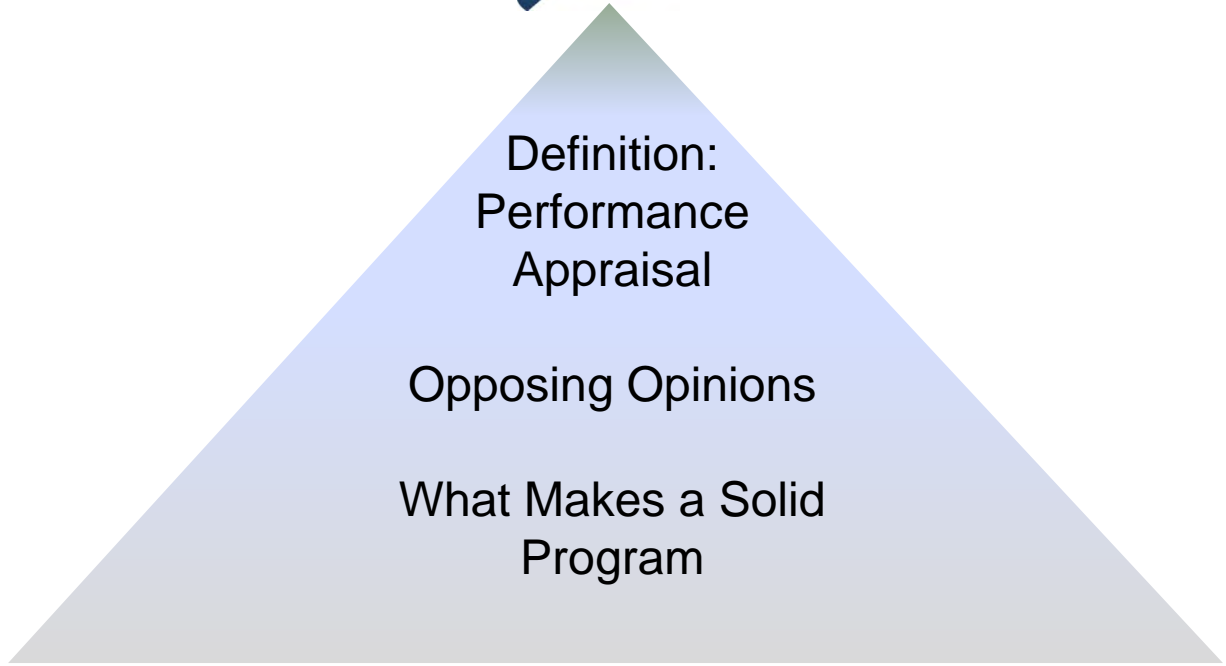
***“You can’t manage what you can’t measure”
– evaluating your CAO will help you manage
intangible assets.***



When done well, performance appraisals also provide significant benefits

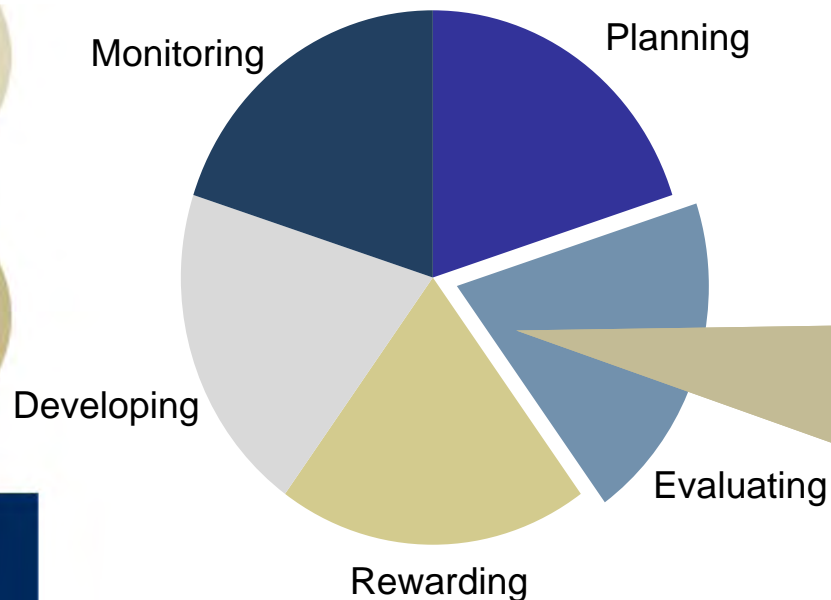
	<i>Benefits</i>	<i>Impact on Organization</i>
<i>Councils</i>	<ul style="list-style-type: none">• Improve administrator's effectiveness.• Measure municipal performance.	<ul style="list-style-type: none">• Better municipality performance.• Stable leadership
<i>CAO's</i>	<ul style="list-style-type: none">• Improve morale and work quality.• Catch performance issues early.• Make well-informed decisions.• Enable the achievement of objectives.	<ul style="list-style-type: none">• Reduced turnover and absenteeism.• Awareness of progress.• Development through training.





Performance appraisal is a key component of effective performance management programs

Performance management encompasses all activities related to increasing effectiveness, productivity, performance, and engagement. This can include things like:



*A key aspect of performance management is the **performance appraisal** process. Performance appraisals are used to measure and analyze work performance and inform actions that should be taken to enhance, maintain, or improve it.*



Source: U.S. Office of Personnel Management

Find compromise in the middle: while no performance appraisal program is perfect, effective ones are achievable



Lovers

Think performance appraisals will:

- Solve all performance issues.
- Increase job satisfaction.
- Foster good relationships.
- Encourage, motivate and develop.
- Achieve efficiencies.

Middle Ground

Most opinions fall between the extremes of love and hate when it comes to performance appraisals.

Haters

Think performance appraisals will:

- Take too much time.
- Be an artificial process with no real benefits.
- Be counterproductive.
- Likely backfire.
- Hinder creativity, innovation, and positive risk taking.

Extreme opinions are counter-productive because of the need for collaboration to build a successful PA program



Next Steps

- Look for areas of improvement within the current PA program you use, and be aware of its limitations.
- Communicate with others that are not currently on-board.
- Be realistic about the issues that a PA can help with, and identify ones that it cannot.

No matter where you stand, understanding how performance appraisals can enhance your organization and make you a better leader.

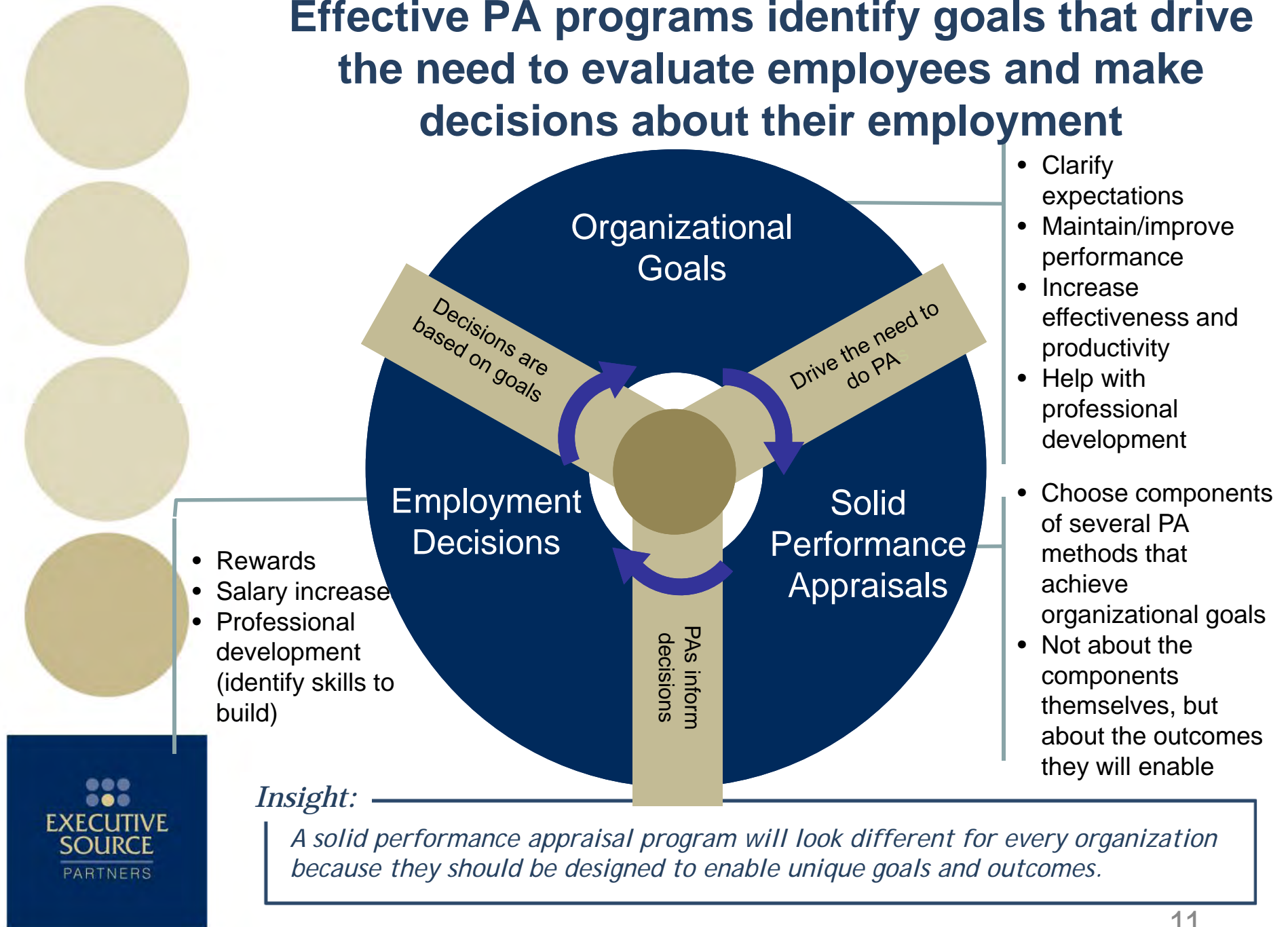
Collaborate with peers and come to a consensus on what your organization's PA program should be. A common opinion will strengthen buy-in.

Next Steps

- Be open to the benefits of performance appraisals when they are done well.
- Talk to your CAO to understand their professional development needs.
- Reach out to peer municipalities who administer effective performance appraisals and look for tips to make yours work.



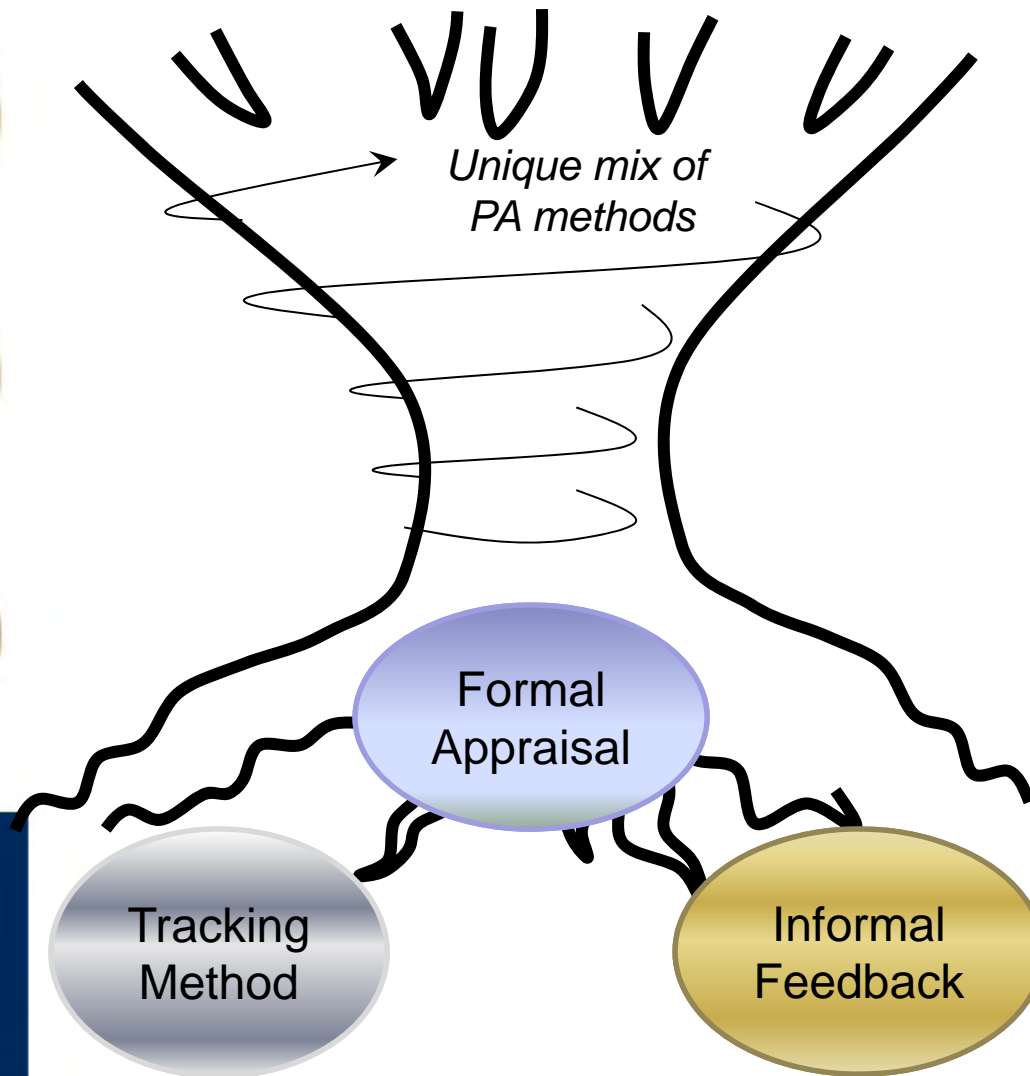
Effective PA programs identify goals that drive the need to evaluate employees and make decisions about their employment



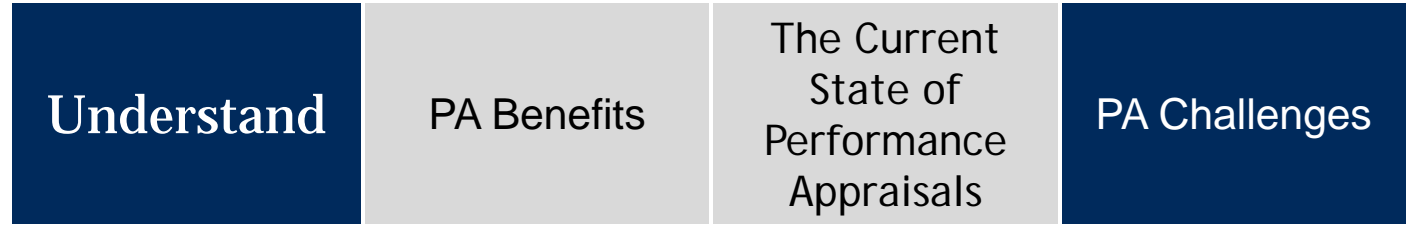
Every solid PA program needs a method of tracking progress and a mix of formal and informal feedback

Build on the foundation

- Tracking method: a living document or file that houses all the information about an individual's performance.
- Informal feedback: interactions with individual (CAO) that generate short feedback sessions and do not result in a rating.
- Formal appraisal: deliberately scheduled evaluation sessions where goals, performance, and development are discussed and rated.



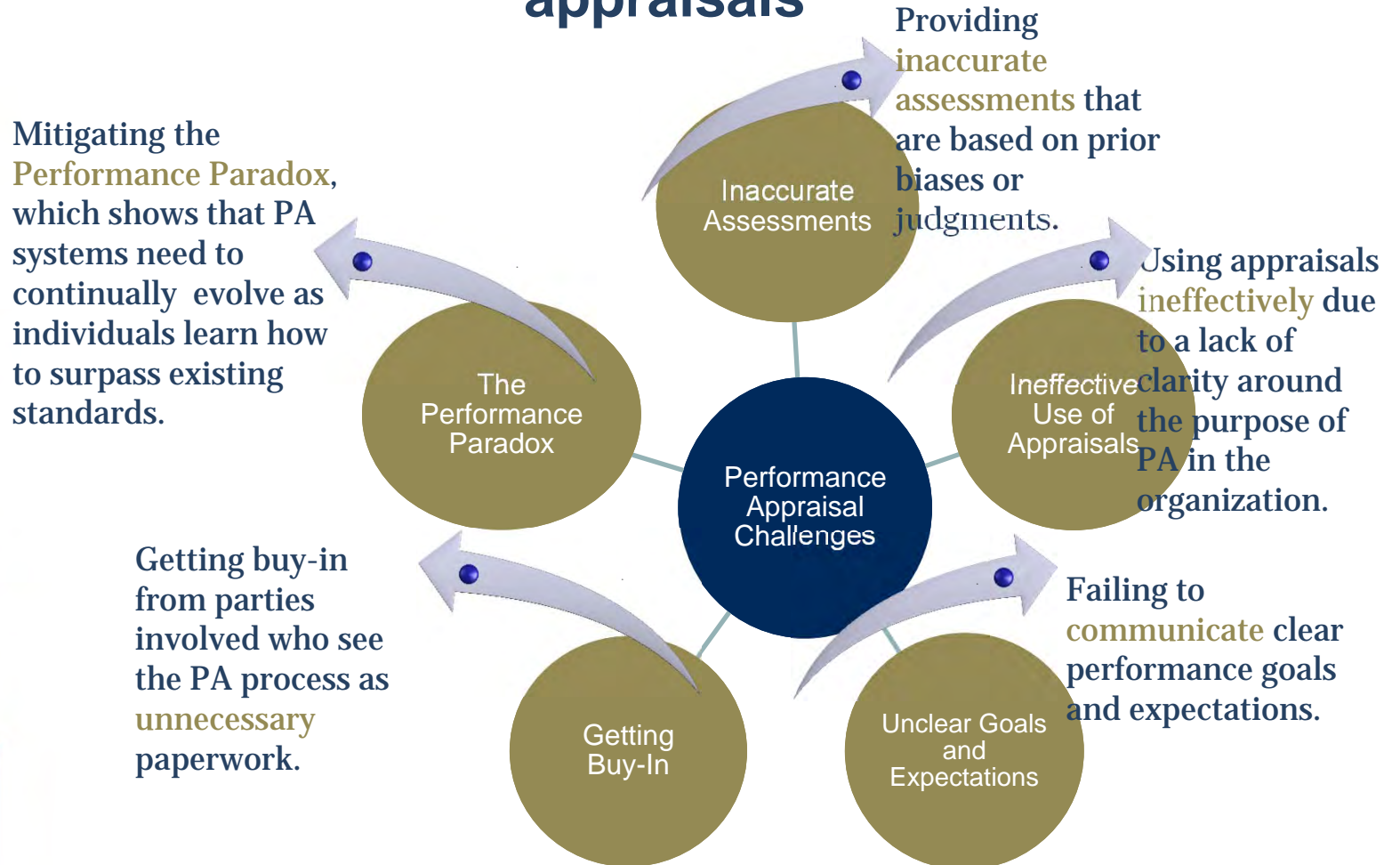
These three elements are needed to support the components that will make up the remainder of the PA program.



Description of Five Challenges

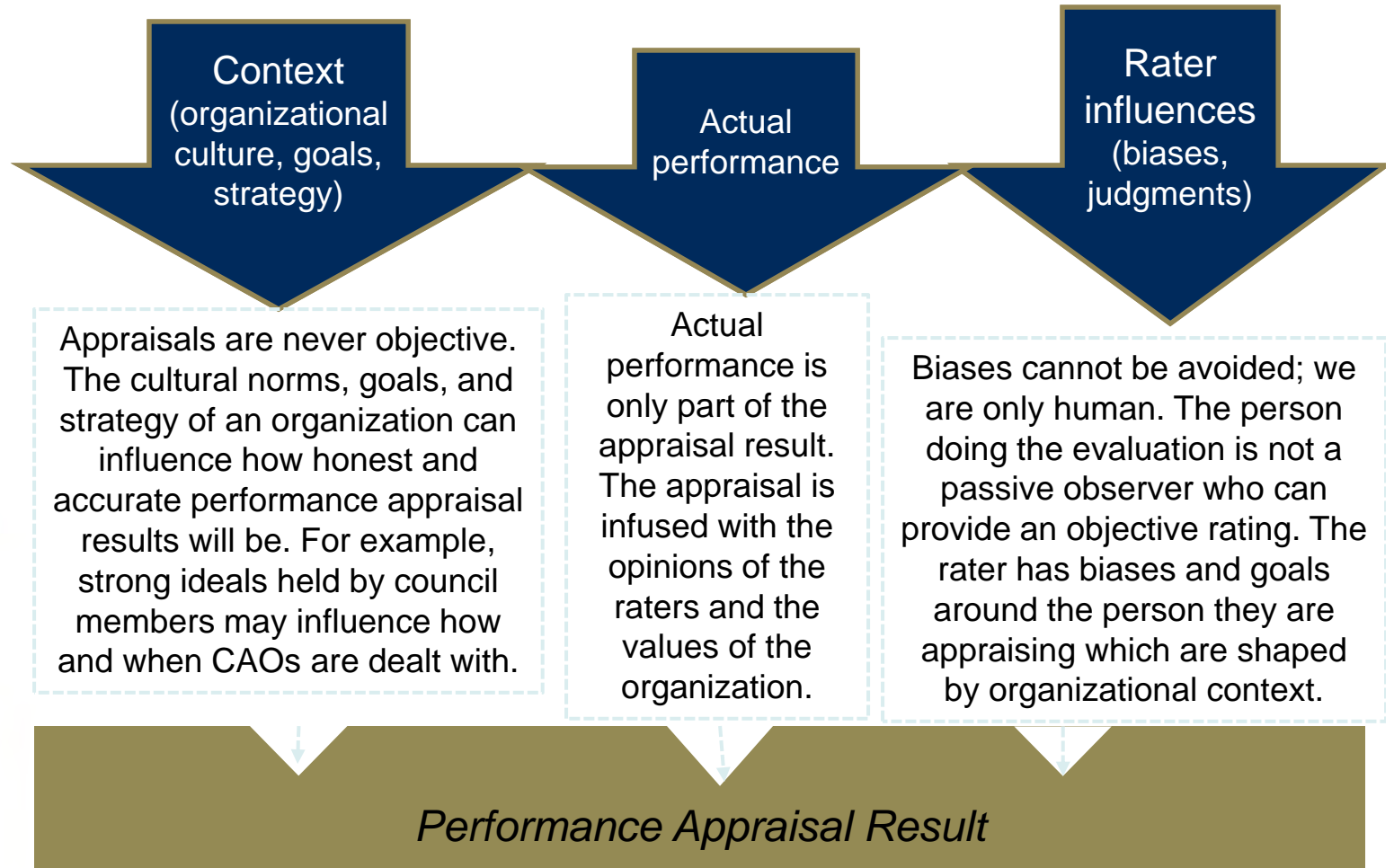


Within the big picture of theories and opinions, there are five main challenges to effective performance appraisals



The results of appraisal are colored by external influences and are not always an accurate representation of true performance

Performance appraisals are not all about actual performance.



Develop an awareness of the types of bias that can infiltrate even the most well-intentioned performance appraisal



Halo Effect

- Occurs when an individual performs particularly well (or poorly) in one area and is then rated correspondingly high or low in all other areas.

Tip to Overcome

Having an awareness of this type of bias is the most effective step toward overcoming it.



Personal Bias

- The more characteristics a council member shares with an CAO such as age, race, gender, work values, work experience and personality, the more favorably the council member will tend to rate that CAO's performance.

Tip to Overcome

Awareness of this bias is an important step towards overcoming it.



Recency Effect

- Occurs when a council member weighs their CAO's recent performance too heavily, as opposed to assessing the CAO's *average* performance over the entire evaluation period.

Tip to Overcome

Engaging in ongoing coaching and having your CAO provide regular updates can serve to remind council members what your CAO is accomplishing.

Avoid bias in the performance appraisal process through awareness, training, and accountability

Despite the prevalence of bias in the performance appraisal process, there are three ways for council members to evaluate their CAO more accurately.

Awareness.

- Simply being aware of the types of bias outlined on the previous slide can go a long way towards helping council members practice impartiality during the appraisal process.

Training.

- In a typical training program administered by a consultant, managers are asked to rate the performance of a videotaped employee.
- Example: The managers' ratings are shared with the group, along with the best informed rating. The trainer then highlights the rating errors made by the group, and discusses strategies to reduce these errors.

Accountability.

- Having someone outside the council review and/or provide input to the CAO's appraisals can also help reduce bias.
- In some cases, the performance appraisals a manager completes for their employees are reflected in their own performance appraisal.

Set clear goals for the PA process & effectively communicate performance expectations to prevent disconnects between the council and the CAO

Set Clear Goals

- Be detailed and realistic . Record in writing the purpose of performance appraisals in the organization. Otherwise, performance appraisals will get the reputation of being useless paperwork.
- Match the type of performance appraisal that is being used to the goal of the performance appraisal process.
- For example, if performance appraisal is going to be used to inform the professional development of a CAO, management by objectives and/or behaviorally anchored rating scales would be effective.

Communicate Expectations

- When clear goals and expectations are not communicated, the entire performance appraisal process suffers. Your CAO will perceive performance appraisal as being a waste of their time, and will be upset when they receive low ratings on expectations that they didn't know they were supposed to meet.
- The council and the CAO must work together to set clear goals and performance expectations for the CAO.
- These expectations should then be communicated regularly through developmental training and council meetings.

Get buy-in by communicating the value of PA, encouraging involvement, and enforcing accountability

Council members can perceive the PA process as an administrative burden, which can result in a failure to complete performance appraisals on time, if at all.

	<i>Problem</i>	<i>Solution</i>
<i>Communicate Value</i>	<ul style="list-style-type: none"> There is a perception that the diligent measurement of employees is not necessary. If, for example, every employee is given equal salary increases regardless of the appraisal. 	<ul style="list-style-type: none"> Clearly communicate how performance appraisal contributes to organizational success.
<i>Get Managers Involved</i>	<ul style="list-style-type: none"> Often managers are given a performance appraisal template to use that they have had no part in creating. They feel no ownership in the process and are discouraged from using the form, especially if it is not customizable to their departmental requirements. 	<ul style="list-style-type: none"> Involve council members or a council committee in the creation of the performance appraisal system. This involvement not only helps in the creation of accurate performance metrics, but also makes council members more likely to see value in the performance appraisal system due to their vested interest in the process.
<i>Enforce Accountability</i>	<ul style="list-style-type: none"> If performance appraisals are never checked, measured, or recognized, there is little motivation to do a good job completing them. 	<ul style="list-style-type: none"> Make the completion of employee performance appraisals part of the CAO's own performance goals.
<i>Keep it Simple</i>	<ul style="list-style-type: none"> A pile of redundant or complicated forms is a daunting task for already-busy council members. Streamline the process and reduce the "administrivia." 	<ul style="list-style-type: none"> Make sure that performance appraisal forms are as quick and easy as possible for the CAO and council members to complete.





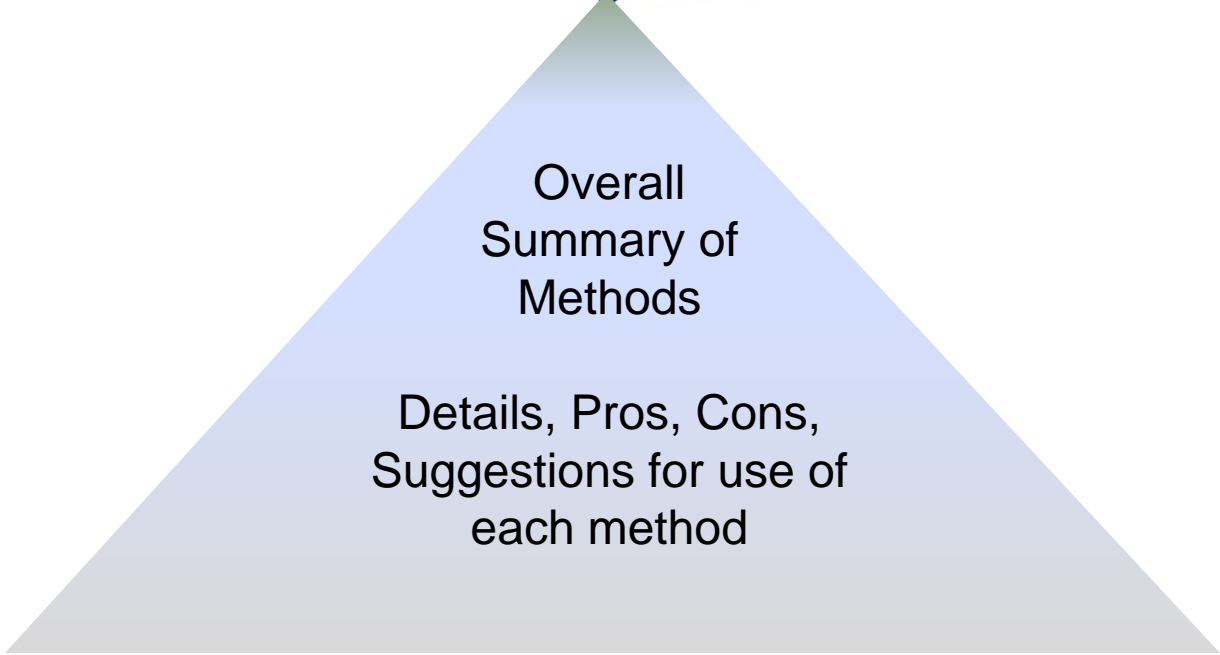
Understand	PA Benefits	The Current State of Performance Appraisals	PA Challenges
Find your Fit	PA Methods		
Next Steps	Summary of Recommendations	Get Ready to Build	





Find your Fit

PA Methods



Every solid PA program evaluates individuals on traits, behaviors and goals using a rating scale and examples

Comparison Options:

- Comparison to a general standard using a scale.

Evaluates On:

- Traits.
 - Behaviors.
 - Performance characteristics/goals.
- +
- Or a combination of these.

Evaluates With:

- Rating scale.
 - Contextual examples.
- +
- Or a combination of both.

Communicate With:

- Formal Appraisals.
 - A rating is delivered.
- Informal Feedback.
 - Ongoing coaching.





















The formal methods of performance appraisal should be considered and used in a way that fits an organization's goals

In summary:


Formal Methods	Appropriate for use when:
Graphic Rating Scale	The organization requires a quick and easy solution that results in a numerical rating.
BARS	The organization places importance on behavioral examples, and clear job descriptions allow for a description of detailed behavioral objectives.
Critical Incident	Numerical scores are not necessary and managers are diligent with recording both positive and negative events.
Mixed Standard Rating Scale	Detailed descriptions of excellent, average, and poor behavior would be easy to develop, and the organization places importance on avoiding bias.
Management by Objectives	The organization has clear goals that are appropriately delegated to departments, and actionable objectives that are clearly described.




Understand common PA methods to determine which combination is best for your organization

Methods	Numeric	Example Driven	Measures Traits	Measures Goals	Measures Behaviors	Can Be Combined
Graphic Rating Scale						
BARS						
Critical Incident						
Mixed Standard Rating Scale						
Management by Objectives						



 Fully meets objectives

 Partly meets objectives

The graphic rating scale method gives a numerical score on job-relevant traits and/or behaviors

Definition

- One of the most popular forms of PA.
- Lists desirable traits and managers rate employees on each trait.
- Scale typically involves scores that range from unsatisfactory to outstanding.
- Individual scores are aggregated into an overall performance score.
- Traditionally used for assessing traits (e.g. reliable, hardworking), but is now commonly used to assess job-related behaviors and duties.

Generico Inc. Performance Appraisal Form

Employee Name:	Paul Stanley	Position:	HR Generalist
Department:	Human Resources	Manager/Supervisor:	Rodney Stewart

What follows is a series of traits that this organization views as important components in the realization of personal, departmental, and corporate goals. Each section contains four points that contribute to excellent in that particular area.

	1 = Fails to meet expectations	2	3	4 = Exceeds expectations
Reliable			3	
Team Player				4
Takes Initiative			3	
Diligent		2		



Graphic rating scales: easy to develop, but are light in detail and the results are not easy to explain

Pros

- Easy to develop.
- Easy to use.
- Provides a numerical rating.
- Easy to customize based on job evolving.

Cons

- When used to assess traits, graphic rating scales focus on personal characteristics rather than job-related behaviors.
- Can be subjective and ambiguous without an explanation of the score.
- Can be subject to rater bias.

When to draw from it

- If there is not a lot of time to create a performance appraisal program.
- If a quick and informal approach is required for easy start-up.

Behaviorally anchored rating scales allow Council to rate CAO performance based on detailed descriptions

Definition (BARS)

- Disaggregates a job into key tasks.
- Identifies a range of ineffective to excellent behaviors that can be displayed by CAO performing each task.
- CAO is rated on each performance dimension on a behavioral scale ranging from ineffective to excellent performance.
- Allows for a total profile of job performance to be created, which covers various dimensions of work.
- Greater validity is ensured when jobholders are involved in identifying tasks and behaviors.

Generico Inc. Performance Appraisal Form			
Employee Name:	James Page	Position:	Sales Representative
Department:	Sales	Manager/Supervisor:	Robert Plant
<p>What follows is a compilation of behaviors that this organization views as important components of successfully completing the key tasks that make up a particular job. Each behavior will be rated on a scale that describes ineffective behavior to excellent performance.</p>			
Task: Pursue Up-sell Activities		Check One	
When a customer makes the decision to purchase a product, the salesperson ends the conversation without attempting to sell additional product.			
When a customer makes the decision to purchase a product, the salesperson briefly mentions additional products, but does not attempt to persuade the customer to make an additional purchase.			
When a customer makes the decision to purchase a product, the salesperson mentions additional products, and also attempts to persuade the customer to make an additional purchase by countering any objections with arguments about the benefits of the product.		✔	
When a customer makes the decision to purchase a product, the salesperson immediately mentions the benefits of additional products, and attempts to persuade the customer to make an additional purchase. If the customer objects, the salesperson perseveres by directly showing the customer how they could benefit from the additional product, and by continuing to pursue the opportunity with additional conversations.			



BARS: provides in-depth descriptions of CAO performance, but is time consuming to develop

Pros

- Evaluation criteria are clearly defined in behavioral terms.
- Criteria are based on feedback from jobholder which improves acceptance levels .
- Gives concrete examples of work that will improve performance.
- Usually well accepted.

Cons

- Can be time-consuming to develop.
- Hard to keep the information current as job expectations can change over time.
- Does not necessarily give more accurate ratings than graphic rating scales that incorporate good behavioral descriptions.

When to draw from it

- If clearly outlined job descriptions exist that can be turned into concrete behavioral anchors.
- If there is time to develop specific behavioral descriptions that outline different levels of performance.
- The appraisal will be used for ongoing feedback and coaching.
- If job expectations don't tend to change frequently.



The critical incident method requires that Council keep a log of job-relevant behaviors to create performance appraisals

Definition

- Council members (or HR committee of council) keeps an ongoing log of events that represent outstanding behavior or behavior that needs improvement.
- At the end of the rating period, the recorded critical incidents are used to evaluate performance.
- Often used to supplement another method such as graphic rating scale.
 - For example, if a CAO is rated as exceeding expectations, specific examples can be given as to why performance was exemplary.

Generico Inc. Performance Appraisal Form

Employee Name:	James Hendrix	Position:	IT Manager
Department:	Information Technology	Manager/Supervisor:	Kurtis Cobain

What follows is a list of critical incidents, or events, that demonstrate excellent and poor behavior relating to the duties assigned to the jobholder.

Duty:	Manage IT budget	Date
Target:	Reduce IT costs by 10%	
Critical Incidents:		
1	Renegotiated vendor contracts to reduce telecom costs by 15%	April 12, 2012
2	Moved to paperless reporting system and reduced costs by 3%.	June 27, 2012
3		
4		
5		



Critical incident: provides detailed examples of CAO behavior, but should not be used in isolation

Pros


- Provides concrete examples to explain performance appraisal.
- Avoids recency bias as it forces raters to compile an ongoing log of events, as opposed to focusing solely on the most recent behavior.

Cons

- Negative incidents may be more noticeable than positive incidents.
- May result in very close supervision which is difficult for some .
- The recording of incidents may be seen as a chore by council members, and if creating the log is forgotten the recency bias will be apparent.

When to draw from it

- Use this approach to supplement other approaches (combine with graphic rating scale to make an overall rating more concrete).
- If raters have time to regularly log events.
- This approach can be used on its own if the rater's primary focus is to give ongoing feedback and coaching.



Checklists and observation scales: can also be used to incorporate behavioral examples into the performance appraisal

Behavioral Checklist

- Predefined behaviors are *listed and checked off* as the behavior is demonstrated.

Pros

- Focus on descriptions of behavior and results.
- Use absolute standards.
- May meet with less resistance.

Cons

- Time and effort must be invested to construct the checklist.

Behavioral Observation Scale

- Identifies key tasks and evaluates how *frequently* the CAO exhibits the behavior required for high performance.

Pros

- Gives a numerical score that is tied to the frequency of the specific job-related behaviors.

Cons

- Frequency does not always equate to successful (or unsuccessful) job performance.

Mixed standard rating scales require Council to rate their CAO as equal to, above, or below performance standards

Definition

- Contain statements representing good, average, and poor performance for each dimension the individual is being evaluated on.
- The evaluator indicates whether a CAO fits the statement (=), is better than the statement (+), or is worse than the statement (-).
- The statements are randomly mixed in an attempt to make it less obvious which reflect good or bad performance.
- There are many formulas that exist to create numeric scores for each dimension.

Generico Inc. Performance Appraisal Form			
Employee Name:	Keith Richards	Position:	Sales Representative
Department:	Sales	Manager/Supervisor:	Michael P. Jagger
<p>What follows is an assortment of statements that describe a behavior that relates to a specific objective. Each statement should be read and an evaluator applied that indicates that the employee fits the statement (=), is better than the statement (+), or worse than the statement (-).</p>			
Objective:	Pursue Up-sell Opportunities	Choose one that best describes the employee's behavior relating to the objective (=, +, -)	
Statements:			
	When a customer makes the decision to purchase a product, the salesperson immediately mentions the benefits of additional products, and attempts to persuade the customer to make an additional purchase. If the customer objects, the salesperson perseveres by directly showing the customer how they could benefit from the additional product, and by continuing to pursue the opportunity with additional conversations.	-	
	When a customer makes the decision to purchase a product, the salesperson briefly mentions additional products, but does not attempt to persuade the customer to make an additional purchase.	+	
	When a customer makes the decision to purchase a product, the salesperson mentions additional products, and also attempts to persuade the customer to make an additional purchase by countering any objections with arguments about the benefits of the product.	=	
	When a customer makes the decision to purchase a product, the salesperson ends the conversation without attempting to sell additional product.	+	



Mixed standard rating scales: reduce bias, but make it difficult to give constructive feedback

Pros

- Uses specific behavioral examples to identify good, average, and poor performance.
- Keeps raters relatively blind to which behaviors are reflective of which level of performance, which helps to minimize potential biases.

Cons

- The fact that the rater is unaware of which items reflect which levels of performance makes it difficult for the rater to give constructive feedback.
- For example, if asked why s/he received a low score on a particular dimension, the rater may not be able to tell them why.

When to draw from it

- If it is very important that raters are blind to which behaviors represent which levels of performance.
- If there is time to create good, average, and poor behavioral statements for each dimension on which the employee is being evaluated.

Management by objectives (MBO): links municipal goals to CAO performance targets

Definition (MBO)

- Sets organization-wide goals, and links these to a CAO's specific goals.
- For example, council members periodically discuss CAO's progress towards municipality goals, as well as how the CAO is contributing to organization-wide goals.
- This process aims to serve as a basis for:
 - Greater efficiency through systematic procedures.
 - Greater motivation and commitment through participation in the planning process.
 - Planning for results instead of planning just for work.
 - Specific objectives being determined jointly by council and CAO and end results attributed to rewards.

The objectives must meet five criteria. They must be:

1. Arranged in order of importance.
2. Expressed quantitatively where possible.
3. Realistic.
4. Consistent with policy.
5. Compatible with one another.

Evaluation Criteria: Rating Definitions

Non-Delivery of Goals (0-59%)	Under-Delivery of Goals (60-80%)	Delivers Goals (80-100%)	Exceeds Goals (100-120%)	Sets New Standard of Excellence (120-150%)
Performance against goals does not meet	Goals are delivered short of	Successful achievement against	Deliverables exceed goals. Performance	Clearly exceeds all measurement and

Position-Related Goals and Objectives

Goals and objectives should always be specific and capable of being measured or observed. While realistic and attainable, they should provide a challenge and require a measure of "stretch effort" to achieve. They should always relate to the goals and objectives of the organization as well as the department/function in which the employee is working. All goals and objectives should have a timeframe for completion.

Goal Progress Checkpoints

Each employee should have a checkpoint review meeting at least twice during the performance review cycle. The dates of these meetings should be scheduled in advance. Evaluate the progress made towards each goal in the prior section and indicate progress below. Progress notations may include:

- C = Completed Goal

Goal	Checkpoint Review #1 Date: December 10/07 (Describe progress made)	Checkpoint Review #2 Date: March 10/08 (Describe progress made)	Checkpoint Review #3 Date: June 10/08 (Describe progress made)
1. Complete Web project	Design phase signed off two days early (Dec 5/08).		
2.			



Management by objectives makes CAOs feel connected to organizational objectives, and requires maintenance

Pros

- Provides clear goals to work towards and objective standards upon which to evaluate.
- Helps CAO feel they are part of meeting municipal-wide goals.

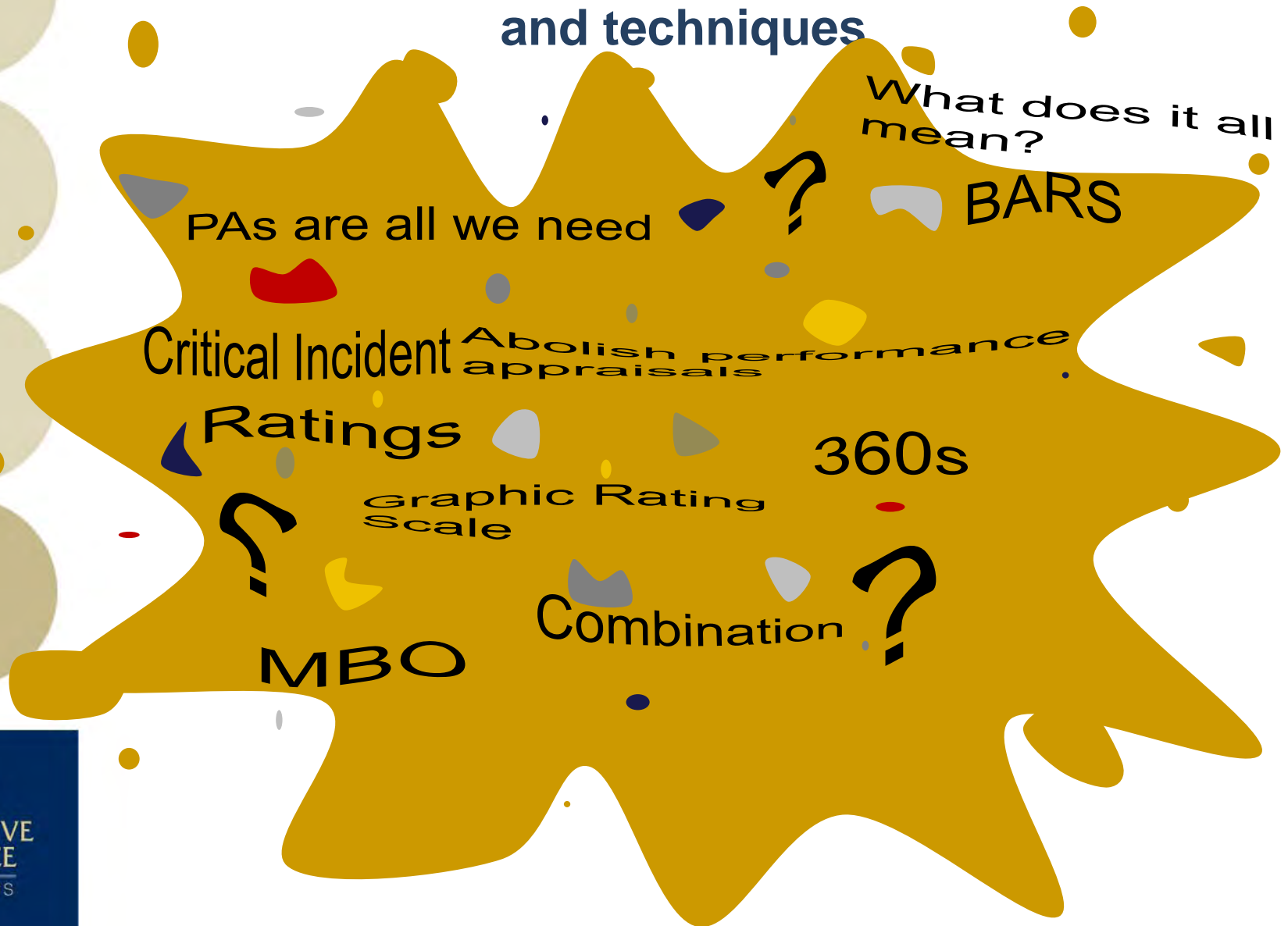
Cons


- Time consuming and fairly rigid – it can take several hours per year to set objectives, measure progress, and give feedback.
- Can result in a push-pull situation where the Council keeps trying to set higher goals while the individual wants expectations to be lower.

When to draw from it

- If the municipality is relatively mature and has clear organization-wide goals that can be linked to municipality activities.
- If there is time to set goals, continually measure goals and provide feedback.

As can be seen, the performance appraisal space is a large collection of opinions, formats, methods, and techniques





Come to terms with the performance appraisal space – there is no one clear solution, but a big opportunity for customization

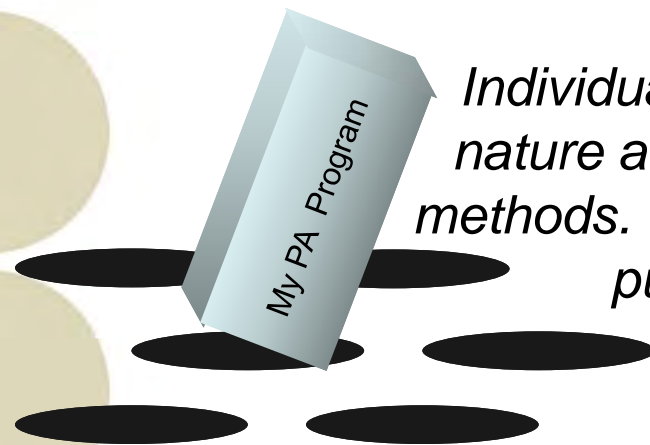
Customize to achieve organizational goals

- The performance appraisal world is full of tactics, opinions, theories, and best practices.
- The truth is, a successful performance appraisal program is a combination of these tactics and theories, with components specifically chosen to fit the needs of your organization.
- Studies and personal experience conclude that success can be achieved by creating a custom performance appraisal program placing a focus on ratings.

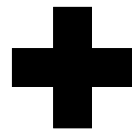


No organization's performance appraisal program should look identical to another because each organization has unique goals

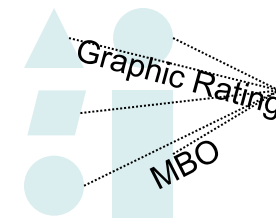
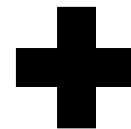
Individual templates and processes are organic in nature and combine components of several formal methods. Putting a formal name to the program is like putting a square peg in a round hole.



Organizational policies and objectives



Desired outcomes of performance appraisal program



Select components of formal methods



Your performance appraisal program





Understand	PA Benefits	The Current State of Performance Appraisals	PA Challenges
Find your Fit	PA Methods		
Next Steps	Summary of Recommendations	Get Ready to Build	

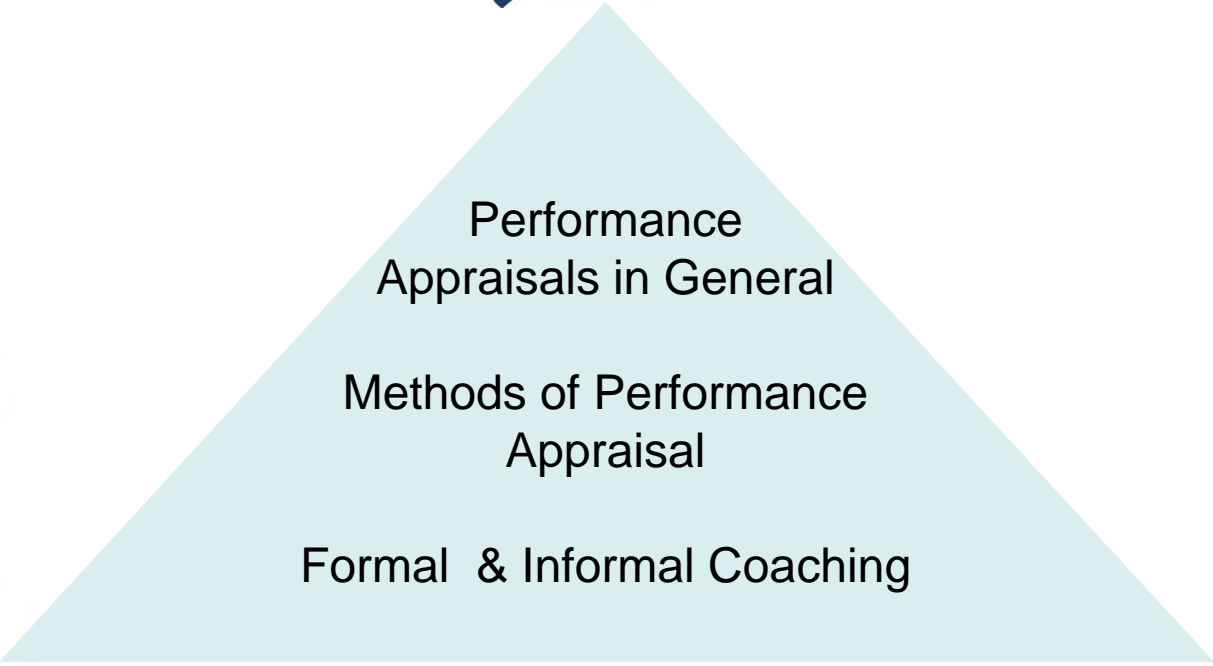




Next Steps

Summary of Recommendations

Get Ready to Build



Performance appraisals should be used effectively to increase engagement, productivity, and positively impact organizational effectiveness

In summary:

- ✓ A solid performance appraisal program has three things:
 - A method for tracking progress towards goals and performance.
 - Informal feedback that occurs at least monthly.
 - Formal feedback that occurs at least annually.
- ✓ CAO's who are effectively appraised feel more engaged with their Council and therefore have higher productivity.
- ✓ Including performance appraisals in a management system can result in efficiency gains within the organization.





In addition to formal appraisals, provide coaching on an ongoing basis to keep communication channels open

Performance appraisal isn't just about doing formal mid-year and/or annual evaluations. Council members should be meeting informally with their CAO's on a regular basis to provide feedback and address issues.

Helps Councilors provide relatively immediate feedback to CAO's, as opposed to CAO's having to wait for a formal review to hear how they are doing.

Helps CAO's correct performance problems before formal evaluations.

The benefits of coaching


Forces Council to stay up to date with an CAO's regular activities, which can prevent Councilors from relying only on their most recent impression of the CAO when creating annual performance appraisals.

Helps reduce surprises at formal quarterly/annual reviews. In reality, CAO's should be able to predict their annual review score. Surprises at formal review time should be avoided.

“ ... coaching on a regular basis is required to keep administrators performing at peak levels. ”

The more informal coaching that is provided, the less effort it takes to conduct performance appraisals

In summary:

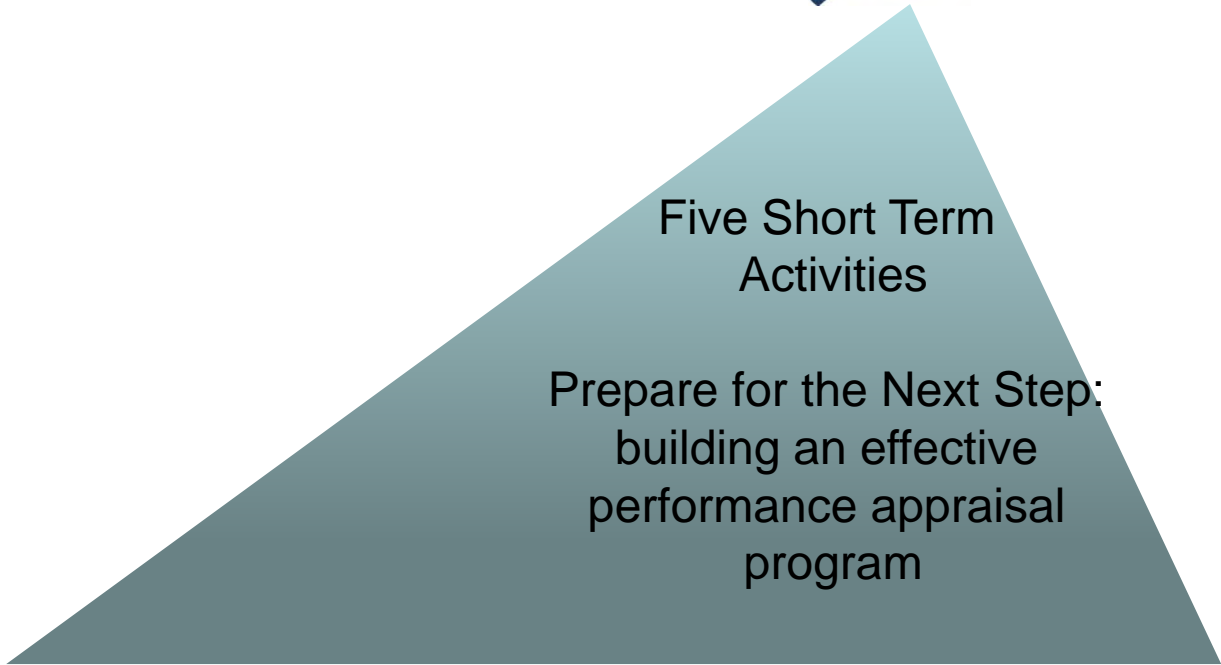
- ✓ Organizations experience benefit when coaching occurs on a regular basis.
- ✓ Do coaching/feedback sessions bi-weekly: this is a manageable number of sessions that won't overwhelm the administrator or Council. 
- ✓ Coaching is not time consuming, but it does require that Council pay attention to the regular successes and areas for improvement of their administrator.
- ✓ Feedback on a specific moment should be delivered immediately after the moment takes place.
- ✓ Formal coaching can be applied where an external coach working with the CAO to help enhance their leadership skills from a personal development perspective.



Next Steps

Summary of Recommendations

Get Ready to Build



Using the research we've shared with you, identify any goals not being met by what you are doing and figure out what's missing

Complete these five steps to prepare yourself for building an effective PA program.

1

Gather the pieces of your PA program:

- Templates
- Forms
- Processes
- Principles
- Example appraisals
- Anything you use or is used by other municipalities

2

Identify what formal methods you are currently using.

This will help you to understand the program in its entirety, and orient you in the space of PA research.

3

Ask yourself what goals your organization is attempting to achieve with the current PA program.

Ask: are these goals being achieved with the current program?

4

If the goals are currently being met:

- Identify any gaps in the process from your CAO's perspective.

Ask: are their needs being met?

5

If the goals are *not* currently being met:

- Highlight the gaps and identify what pieces are missing.

SAMPLE CAO Evaluation Cycle and Timeline

Item	Timeframe	Status
Mayor meets with the CAO to confirm process and timeline.	December	
The Mayor and CAO establish draft objectives and personal development plan for the coming year.	February	
The Mayor obtains agreement from the Council on the CAO's objectives and development plan.	February	
<ul style="list-style-type: none"> • The Mayor and the CAO review the objectives and performance to plan indicators mid-year. Adjustments to the CAO's objectives are negotiated. • The CAO's development plan is also revisited to ensure he/she has the appropriate tools to successfully complete the year. 	June	
<ul style="list-style-type: none"> • The CAO evaluation form is distributed to the Council members. • The CAO addresses the Council (written and verbal) <ul style="list-style-type: none"> ○ challenges and accomplishments • In-camera review of CAO evaluation process 	December	
The evaluations are collected and the data collated by the Mayor.	January	
<ul style="list-style-type: none"> • The Mayor reviews all relevant data to determine a provisional assessment and draft performance report. • The Mayor meets with the CAO to discuss the assessment and draft performance report. • The Mayor finalizes the assessment and draft performance report. • The Mayor presents their recommendation and finalizes the performance assessment with the Council. • The Mayor communicates the assessment to the CAO. 	February	



Chief Administrative Officer Performance Evaluation

General Function: Provides best advice to Council, and leads the municipal organization to carry out the direction of Council. Models consistent values of high ethical awareness, honesty, fairness, courage. Develops objectives and implements strategic and operational plans to achieve the vision for the Municipality, as well as the financial and operating objectives. Oversees the operations of the municipal organization, develops management, allocates resources, and ensures controls to safeguard municipal assets. Acts as chief spokesperson for the Municipality. Works with the Council to develop policy and maintain oversight.

Instructions: Rank answers from 0-5:

- 0 – Don't know
- 1 – Falls short of requirements
- 2 – Improving towards requirements
- 3 – Meets requirements
- 4 – Performing beyond basic requirements
- 5 - Exceptional

COUNCIL RELATIONS

a) Presents all issues to Council in a timely fashion.	0	1	2	3	4	5
b) Acts on Council's motions and direction in a timely manner.	0	1	2	3	4	5
c) Facilitates Council's governance, decision-making and committee work.	0	1	2	3	4	5
d) Facilitates the orientation and effectiveness of Councilors.	0	1	2	3	4	5



You've got the knowledge, now put it into practice

With an understanding of performance appraisal and its opportunities and challenges, you are now ready to begin assembling an effective performance appraisal program or re-assessing your current program.

Here are a few tips to get you started:

- ✓ Engage in ongoing, informal feedback.
- ✓ Make appraisals a two-way communication process, where the person (your CAO) being rated can give their opinions.
- ✓ Provide behavioral examples when discussing strengths and areas for development.
- ✓ In providing constructive feedback, don't rush through what the individual is doing well to focus on small problem areas.
- ✓ Submit written documentation *after* the formal review session (within 1 week), and include highlights from the appraisal session.
- ✓ Give a balanced view, covering positive and negative aspects of performance.
- ✓ Discuss not more than two limitations in an appraisal session.
- ✓ Use a 5-point scale at first, but migrate to a 4-point scale instead of a scale with a mid-point to avoid scoring everyone as "average."
- ✓ Weight scores to customize any PA template.
- ✓ End the discussion with an action plan.

Summary

- Performance appraisals (PA) are a fact of life for most leaders. Instead of thinking of them as an administrative burden, understand the benefits of an effective PA program and how to get the most out of them with the least amount of effort:
 - Schedule formal appraisals where a rating is delivered on an annual basis.
 - Provide informal feedback and coaching on an ongoing and regular basis to reduce the amount of work needed to prepare for the formal appraisal session, and the level of effort required to retain and develop talent.
 - Design the PA program to fit the goals of the organization. Customize at will, but build on the foundation of a method of tracking performance, informal feedback, and formal appraisals.
 - Use ratings when appropriate and do so intelligently.





Our Firm

Established in 1997, Executive Source Partners has grown over the past 15 years to become a leader for trusted human resource advice and solutions. Offering a broad range of human resource consulting services, we are committed to assisting individuals and collaborating with organizations to achieve significant and sustained improvement through innovative people solutions.

Executive Source Partners positions you as an Employer of Choice with leadership life-cycle services that include:

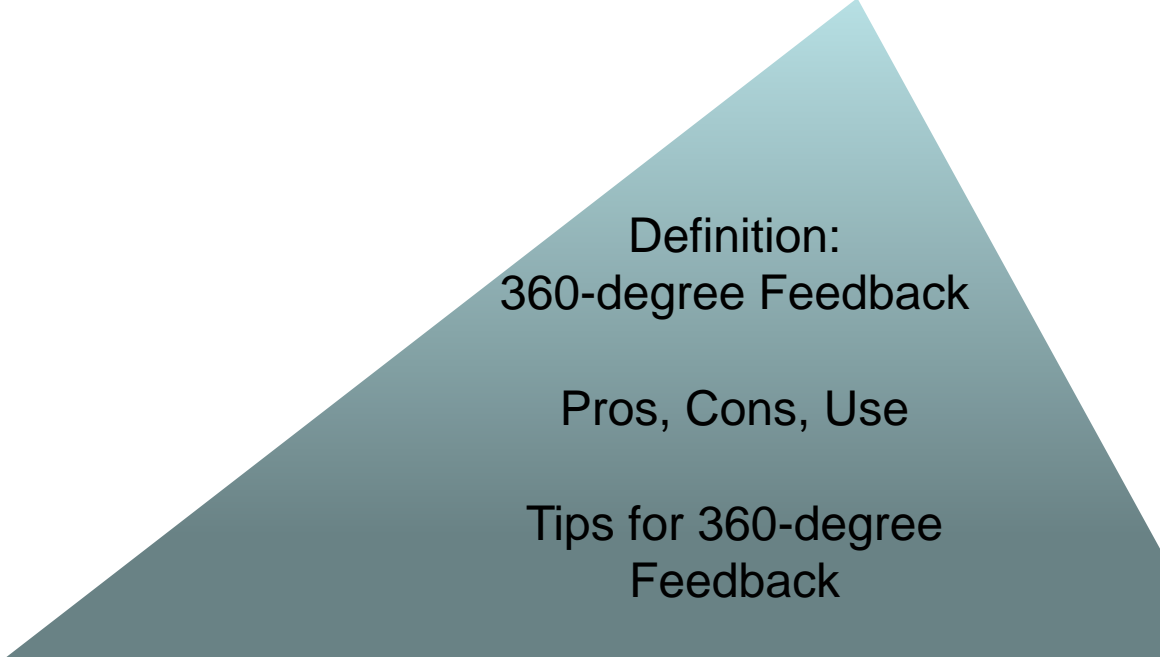




Find your Fit

PA Methods

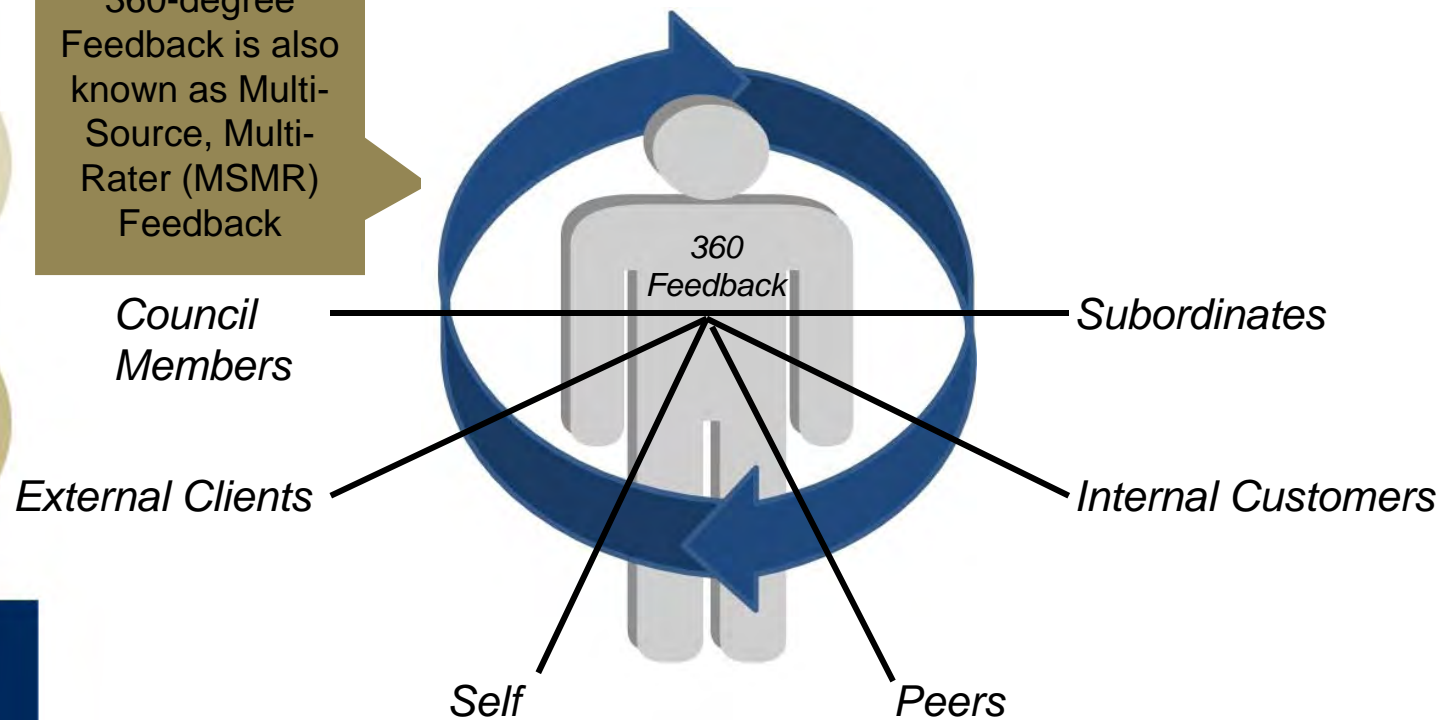
When and How to Use
360 Feedback



Get data from “all around” an individual to identify skill gaps

360-degree feedback is *best* used to assess training and development needs and to provide competence-related information for succession planning.

360-degree Feedback is also known as Multi-Source, Multi-Rater (MSMR) Feedback



360-degree feedback gives a well rounded view of performance, but is not appropriate to inform all decisions

Pros

- Provides a well-rounded view of an individual, as opposed to relying only on one person's perspective.
- Useful for leaders who cannot be involved in an individual's daily activities.
- Can enhance an individual's perception of fairness.
- Research shows that when 360-degree feedback is used for development purposes, it can bring positive changes in behavior that tend to be immediate and dramatic.

Cons

- Can be time consuming to collect and interpret data from multiple sources for each employee.
- Employees submitting feedback may be reluctant to provide constructive criticism, particularly when they have to provide feedback to those who outrank them or they are being used to inform promotion or disciplinary decisions.
- Multiple sources do not necessarily yield better feedback. Individual employees have their own biases and judgments, and may sometimes confuse individual issues with organizational problems.

Use:

- In situations where employees work in teams, and managers are not heavily involved in daily activities.
- If professional development is a priority and managers have enough time to engage in professional development activities with employees.
- In between formal appraisal sessions and after project completions.





Get honest and accurate 360 feedback by using it appropriately, ensuring anonymity, and giving clear performance expectations

1 360-degree feedback should *not* be used to inform pay decisions. If employees know that their feedback will be used to influence salary, they will be less likely to provide honest and constructive criticism.

2 360-degree feedback should be used to *inform professional development* by identifying performance strengths, gaps, and training/coaching needs. Employees should be made aware that their feedback will be used only as a development tool, not as an evaluative component of the appraisal process.

3 *Keep the feedback anonymous* to obtain more honest feedback. Allowing an impartial department such as HR to administer the process, as opposed to Line-of-Business managers, can also help employees feel more comfortable providing honest feedback.

4 Give raters a *description of the key competencies* expected of the person they are rating. Having these in mind will tailor feedback to employee objectives.

5 *Train raters* on the different types of rater bias that can exist when evaluating other employees. Making them aware biases exist is often enough to fix the problem.

360-degree feedback should be used when individuals work in teams but should not influence monetary decisions

In summary:

- ✓ 360-degree feedback involves gathering evaluations from those who work closely with an employee.
- ✓ This is a great method for leaders/council members to create a holistic view of your CAO's performance, especially if monitoring daily activities is not possible.
- ✓ When 360-degree feedback is used for development purposes, employees respond in drastic and positive ways.
- ✓ 360-degree feedback should never inform salary, promotion, or disciplinary decisions. Attaching the evaluations to these decisions will limit the usefulness of the feedback.

