

Subject: Department Director Performance Appraisal & Planning Program	Number: 6-15
Responsible Department: City Manager	Date Issued/Revised: December 1, 1998 Approved:

Purpose

To establish a department director performance appraisal and planning program and the basis for a pay-for-performance plan.

Policy

Performance evaluation is a powerful tool for improving the management process and employee performance. This program allows the staff to assist in the definition of the quality of work and then to produce it. It can help to improve planning and communication. It can also lead to greater participation in management activities.

Performance evaluation is technically a "Management By Objectives" (MBO) system for setting program objectives and evaluating employee performance. Through performance evaluation, Department Directors and the Chief Administrative Officer can discuss and agree on job expectations (major work objectives) and quality goals (performance indicators), and then work together toward their accomplishment. This program also allows for review and discussion of other general performance dimensions, which also may be a part of each director's job. The purpose of this program is to reward good performance and to identify performance that requires improvement early so that corrective measures may be instituted.

Good performance evaluation benefits managers, supervisors, employees, and the City. Clear expectations and improved communication can only help to better achieve our missions.

Procedures

There are three parts to the evaluation form that are utilized in the execution of the Department Director Performance Appraisal and Planning Program. Part I is titled "Major Work Objectives and Performance Indicators." Part II is titled "General Performance Factors." Part III is the "Performance Summary and Recommendations."

Briefly, the process requires each department director to review his/her departmental objectives and performance criteria; have them typed onto the performance appraisal form for the forthcoming evaluation period; and, with the Chief Administrative Officer, discuss and negotiate expectations on these objectives and their measures of success in addition to those specific general performance factors that are uniformly defined but do not necessarily pertain to each director. Thereafter, the Chief Administrative Officer meets semi-annually with each director to discuss progress, changes in objectives or performance indicators, and other related performance

concerns. At the end of the evaluation period, the Chief Administrative Officer rates each director and comments on each of the rating dimensions. He/she then discusses his/her perceptions with each director. Lastly, he/she completes a final report with recommendations.

1. **Major Work Objectives & Performance Indicators**

Part I of the form is used to:

- a. Record the major work objectives to be accomplished during the next review period.
- b. Record the performance indicators to be utilized to measure the accomplishment of the major work objectives.
- c. Review progress in this area.
- d. Rate performance in this area.

Beginning of the Performance Rating Period

By a deadline established by the Chief Administrative Officer, each department director must list the objectives and the corresponding performance criteria, and place them in the appropriate section of the form in Part I. These statements are intended to be the focus of discussion between the Chief Administrative Officer and each director about each of their respective expectations for "success" during the next evaluation period.

After the department director has completed Part I, he/she should keep a copy and send the original to the Chief Administrative Officer. The Chief Administrative Officer will then schedule a time for a discussion of the objectives and performance indicators. At this time changes may be made. It is recognized that this is a time for dialogue and negotiation on disagreements. However, the Chief Administrative Officer determines the final objectives and measures of performance. If changes are made to that which was originally submitted, Part I should be retyped, and a copy sent to the department director. The final agreed version of Part I will be utilized for the performance evaluation.

Review of Progress

The progress review phase is the key link in the development of the director toward refining objectives, and in improving performance. During the progress review phase, the director provides information on actual performance and discusses with the Chief Administrative Officer the conditions under which performance was achieved. The two working together look for ways to improve work conditions, the methods being used, and if necessary, the knowledge, skills, and abilities of the director.

During the discussions of accomplishment, every opportunity should be made to determine those factors that interfere with higher achievement. Bottlenecks in work flow should be explored and corrective actions investigated. Frequently, items requiring further inquiry will be uncovered. These could be subjected for productivity studies.

During this dialogue, both parties should be able to identify those areas where more knowledge or skill could be helpful toward the accomplishment of the objectives. This information is used to refine the Department Director's self-development plan.

This time together provides an occasion for both parties to build an atmosphere and relationship useful in communications throughout the year. As the director finds the Chief Administrative Officer assisting in solving problems and suggesting ways to accomplish the objectives, he/she can better identify with the need for open communications.

The progress review is also useful in discovering those objectives and indicators that are poorly written. When it is found to be hard or impossible to measure, the performance indicator should be revised. Frequently, when performance falls far above or far below the target level, it is because the original targets were not realistically set and they should be reestablished. As each job responsibility and indicator is discussed, careful attention should be given to the work objectives to determine if they are still proper for the job under the current conditions.

This discussion is extremely important to both the department director and the Chief Administrative Officer in defining the conditions under which the performance was achieved. The Chief Administrative Officer must determine if the conditions surrounding the performance were an asset or a liability toward performance. He must know if work conditions were under the control of the director and how he/she attempted to influence them.

A review of progress is conducted semiannually. The final evaluation, which is conducted at the close of the fiscal year, serves as an aid in developing the plans for the next year and as a basis for setting salaries. New responsibilities and performance indicators may be designed to respond to new issues and problem areas.

End of Appraisal Period

Prior to assigning a rating, the Chief Administrative Officer obtains all of the information possible that supports the rating. This may include notes written during the review of progress or during the entire rating period, and further discussions with or communications from the department director.

A rating in pencil is made and a copy sent to the department director, which will serve as a basis of discussion during the formal performance appraisal interview.

During the formal performance appraisal interview, there should be a full understanding as to why a rating was assigned, particularly if performance is "below requirements." This is also the time to point out strengths and areas of exceptional performance. If there is additional information, which would warrant a change of the rating, the Chief Administrative Officer should note it and change the rating accordingly.

After a full discussion with the director, the Chief Administrative Officer has the rating typed onto the original form.

2. GENERAL PERFORMANCE FACTORS

Part II of the Managerial Performance Appraisal and Planning Program is comprised of a set of general performance factors under which all of the department directors may be evaluated. There may be a factor or factors that legitimately may not be evaluated for a particular department director, and these can be noted in the appropriate space.

Part II of this form is to be used to:

- a. Determine the general performance factors that will be evaluated during the next review period.
- b. Review progress for the factors in this section.
- c. Rate performance for the factors in this section.

Beginning of the Performance Rating Period

The Chief Administrative Officer determines which performance factors will be evaluated during the review period. Those that do not apply must be so indicated on the form. A copy of Part II of this form is given to and discussed with the director at the same meeting wherein the work objectives in Part I are established. There should be a clear understanding of which factors will be evaluated and which factors will **not** be evaluated during the review period.

Review of Progress

The same guidelines utilized in reviewing the progress for the major objectives and performance indicators are appropriate for this section and are to be utilized. Notations during the review phase are written in the "comments" section of the form. A review of progress will be scheduled semiannually.

End of the Appraisal Period

Again, the same guidelines utilized in rating the major work objectives and performance indicators in Part I are to be utilized in Part II. One difference between the two is that in this part there are two additional rating criteria—"outstanding" at the top of the scale, and "unsatisfactory" at the bottom of the scale—which can be used to rate performance.

3. PERFORMANCE SUMMARY RECOMMENDATIONS

Part III is to be utilized at the end of the appraisal period for recording whether or not performance is satisfactory and, if appropriate, the granting of a salary increase. Also, the Chief Administrative Officer can opt to postpone the final review.

At the end of the rating period, the Chief Administrative Officer reviews all of the information in Parts I and II, and checks and/or completes the appropriate lines on this part of the form. After the department director has reviewed his/her ratings, and signed the form, the employee is provided a copy and the original is placed in his/her personnel file. When salary adjustments are required the Chief Administrative Officer will notify the Director of Administrative Services who will assure that prompt and proper action is initiated.