Manager Appraisals Can Be Nothing but a Benefit

Jo Anne Darcy and George Caravalho

For nearly 20 years as city manager in three cities, one of the authors, George Caravalho, has insisted that city councils meet with him at least once a year for an evaluation process. During this period, he has seen many different reactions to holding such a session with the council. In some cases, the mayor and council have felt that this was time well spent; in other cases, councilmembers have refused to participate for one reason or another. Nevertheless, in every city in which he has served, the process has been successful in opening the lines of communication and, in some cases, in averting serious potential problems.

Everyone wants to hear what kind of job he or she is doing, especially when the response comes from "the boss." Local government managers are no exception and truly deserve to receive regular feedback. Why, then, does gaining manager evaluations often feel like pulling teeth, and why are they usually instigated by the manager?

Review Oriented

In Santa Clarita, California (population 147,600; incorporated in 1987), Caravalho, the first permanently hired city manager, came on board in 1988. In the early 1980s, employment agreements had been emerging in California, and Caravalho's amounted essentially to a letter of agreement. Over time, the agreement has expanded to become a more comprehensive employment document that now contains a

paragraph on regularly reviewing the manager's performance. According to the agreement, the city manager is evaluated by the council on an annual basis, through a process of review that has proved to be worthwhile and productive.

The evaluation process in Santa Clarita uses a third-party facilitator. This approach offers a myriad of advantages for both the council and the manager. Here is a step-by-step outline of the city's process.

Crucial Phases

The first step is to obtain a mutually agreed-upon, third-party facilitator. The next involves the facilitator and the manager in outlining such items for inclusion in the evaluation as current issues in the local government, the relationship of the council and the manager, and the individual and group dynamics between the manager and the council.

Following an interview with the manager, the facilitator interviews each councilmember privately. These interviews normally take from half an hour to two hours, depending on the needs of individual councilmembers. During the interviews, the facilitator focuses on several key areas. These may include communication, relationships, work priorities, and general opinions. In Santa Clarita, they encompass:

- Key relationships between the manager and the council, city staff, the public, city committees and commissions, and other governmental agencies.
- Opinions on the manager's responsibilities and abilities, along with the manager's personal style, strengths, and areas for improvement.
- Topics relating to budgeting, public relations, program management, and employee relations.

Councilmembers are asked to provide an overall rating of the manager on a scale of 1 to 10, and at this time there may be a discussion regarding compensation. After the facilitator has completed discussions with councilmembers, a closed-session meeting takes place for approximately three hours with all councilmembers present. The first hour of the meeting is devoted to the facilitator's addressing the councilmenbers and providing the information they each have supplied in individual meetings. Information is given in the aggregate, and a summary of each discussion area is reviewed by the group as a whole.

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Subsequently, each councilmember identifies an area on which he or she will provide feedback to the manager. At this point, the manager is invited to join the remainder of the closed session, and each councilmember presents information, which that is given from the group's perspective.

This process involves a report prepared by the facilitator that covers (1) the goals and objectives of the manager, as outlined previously by the council; (2) the manager's accomplishments for the year; (3) the individual comments of the councilmembers; (4) the overall rating; and (5) other notes that the facilitator may have gleaned from these discussions.

In this session, the manager spends a good part of the time—perhaps up to an hour—listening to the feedback and taking notes on each of the councilmembers' comments. The next part of the meeting gives the manager a chance to respond to any of the councilmembers' comments or questions.

At this point, the council and manager discuss specific issues, including performance items and additional goals that may be desired by individual councilmembers. This session is informal and free-flowing. At the end of the process, specific action statements are developed. (Then, within six months, a follow-up report describing progress on the action items is provided to the council from the manager.)

The meeting concludes with councilmembers agreeing to an overall, summary evaluation of the performance of the manager, which is signed by the mayor and all councilmembers. The facilitator is requested to prepare a short paragraph summarizing the results of the evaluation. This summary, along with any salary increase proposal, is provided to the press and placed in the manager's personnel file. The director of human resources sometimes assists in this process.

Top 10 Benefits

Here, then, are the authors' ideas on the top 10 benefits of an annual manager evaluation:

1. The annual evaluation process provides a regular time for the manager and council to sit down as a group in closed session and talk about the working relationship between the council (board of directors) and the manager (CEO), providing feedback they may not give or receive on a day-to-day basis.
2. The annual evaluation allows each councilmember to explore whether his or her individual feelings are shared by the rest of the council or whether they are just the feelings of one individual member. It also allows the council to review its manager responsibly, with a well-thought-out strategy for evaluation.
3. The facilitator is able to ask direct questions and listen to the coun-

cilmembers' responses without becoming personal or defensive. A real effort is made to bring to the surface and eliminate hidden agendas. This process allows for open and candid communication by councilmembers.

4. The annual process of evaluation of the manager—when done with honest intentions, forethought, and planning—has the ability to head off potentially serious problems simply by making all of the parties involved aware of the issues.
5. The annual evaluation proves an excellent opportunity to deal with cases in which there are sensitive personnel issues. The process gives the manager an opportunity to hear about and address a situation or to develop a program for making specific personnel changes and improvements.
6. Another benefit of the annual evaluation is recognition. Council meetings can carry heavy agendas, and often there is not adequate time to talk about successes. During an evaluation, the council can spend time talking about accomplishments and how the manager has been working, along with other staff, to achieve the objectives of the council and the community.
7. A significant outcome of the annual review is an action plan, which may cause the manager to shift priorities and resources to accomplish things that probably were not as clear as they should have been. The benefit is that the council is able to redirect efforts, and staff members are able to carry out those tasks that are viewed by the council as most important.
8. A third-party facilitator for the evaluation contributes to a better, more clearly defined, professional process that strengthens the council-manager relationship. (Based on Santa Clarita's experience, facilitator costs can run from about $3,000 to $5,000.)
9. In some sessions held in the public arena, councils are reluctant to bring up the point of a compensation increase. The closed-session evaluation process offers an excellent opportunity to bring up this question.
10. This process may give the manager a chance to offer feedback to the council from department heads and citizens concerning *its* performance.

Frequently, the performance evaluation process is viewed as a potential calamity that instills trepidation or stress in the parties involved. This need not to be the case! Even in worst-case scenarios, with a divided or argumentative council (and most managers and governing bodies have been there), a well-planned evaluation process that includes a third-party facilitator can succeed in mending fences and focusing positively on the future. PM

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