MEMORANDUM

TO: Mayor and Council Members

FROM: Mark Washington, Interim Assistant City Manager

DATE: February 3, 2016

SUBJECT: Use of a 360-Degree Feedback Tool

On January 6, 2016, the Mayor posted a process on the Council Message Board that outlines a proposed evaluation process and evaluation form for Council appointees. In response to the posting, there were some comments posed by Council Members suggesting the use of the 360-degree feedback tool as part of the evaluation process.

In light of the Council briefing tomorrow for item 53 on the discussion of the performance evaluation and the subsequent comments about the incorporation of the 360-degree feedback tool as part of the evaluation, I am attaching a memo that I provided the Mayor on uses of a 360-degree tool.

In addition to the 360-degree evaluation articles I referenced in the attached January 28th, 2016 memo, I am also attaching for your review an article published in October 2015 by International City/County Management Association (ICMA).

Please let me know if you have any questions.

Attachments:
January 28th Memo on Use of a 360-Degree Feedback Tool
2015 Article: A Manager's Performance Appraisal: Prepare with Confidence

cc: Marc A. Ott, City Manager
    Jannette Goodall, City Clerk
    Mary Jane Grubb, Municipal Court Clerk
    Corrie Stokes, City Auditor
    Assistant City Managers
    Chief of Staff
MEMORANDUM

TO: Mayor Steve Adler
FROM: Mark Washington, Interim Assistant City Manager
DATE: January 28, 2016
SUBJECT: Use of a 360-Degree Feedback Tool

I am providing a high-level overview of the 360-degree feedback process based on a request from your office to be responsive to comments posted on the council message board. I have outlined some of the issues to consider when utilizing a 360-degree feedback tool:

I. What is a 360-degree feedback process?

A 360-degree feedback process:

a. Includes multiple assessments and perspectives of an employee’s competencies, abilities, and behaviors based on feedback from superior(s), peers, subordinates and one’s self;

b. Offers an added perspective of an employee from someone other than the immediate supervisor by which an individual’s skills, behaviors and performance can be assessed;

c. Provides an unique opportunity for the employee to rate their own competencies and abilities thereby creating additional buy-in comparing feedback and providing developmental opportunities;

d. Provides an opportunity for ongoing executive coaching and feedback for areas which development is needed.

II. Has the City of Austin used a 360-degree feedback tool previously?

The City of Austin currently uses a 360-degree tool for executive professional development for non-council appointees in our Executive Academy leadership development program. A 360-degree assessment tool has been used by executives from time to time to identify developmental opportunities in their execution of leadership competencies. The City has identified 15 competencies for all non-council appointee executives. When the 360-degree tool is used, it is always used as a coaching tool off-cycle from the City’s performance appraisal process and is not factored into the appraisal.
Based on staff research, professional literature and the research of the City of Austin Auditor, the 360-degree tool is rarely used as a performance appraisal tool in the public sector and many other industries. There is much controversy as to whether 360-degree feedback should be used exclusively for development purposes or as a decision making tool. Some HR professionals argue 360-degree feedback should only be used for development purposes and should not link the process to other Human Resources activities such as promotion, pay or employment decisions.

In order for a 360-degree feedback tool to be used as an effective decision making tool, all of the respondents must have the appropriate knowledge, observation and data related to the performance experience of the person being evaluated. Without such knowledge, observation or data, performance feedback may be based on perceptions with no documented observations, results and behavior. Raters must have the full assessment of the employee in the performance period and not rate the employee based on the most recent, distant or infrequent experiences.

In an August 2015 report prepared by the Office of the City Auditor, none of the 10 large cities surveyed used a 360-degree feedback tool as the basis of the performance appraisal for their appointees. Further, their research found that most appointees are evaluated against a set of pre-established goals, and that nine out of the ten cities surveyed report having annual conversations about performance with their appointee staff.

Research and a review of literature suggest that the primary method for evaluating Executives should be tied to specific organizational goals and initiatives. Performance based data based on competencies, accomplishments and achievements is required if performance management systems are to reach their full potential.

**Summary:**

The 360 feedback tool is an important instrument and should be used to provide professional development and coaching. There are risks in using the tool for performance appraisals and decision making. Below please find links to useful articles on 360-degree process which will provide further insight on this approach.

https://hbr.org/2012/09/getting-360-degree-reviews-right/


Please let me know if you have any questions.

C: Frank Rodriguez, Mayor’s Office
   Kirk Rudy, Mayor’s Office
   Shelia Balog, Human Resources
A MANAGER’S PERFORMANCE APPRAISAL: PREPARE WITH CONFIDENCE

By Rick Dacri
Imagine you’re responsible for organizing the family vacation. It’s all planned, and everyone piles into the car ready to go. From the back seat, you hear: “I want to go to Disney.” “No, I want to go to the beach.” “No, we always do what you want, let’s go camping.”

Your partner gently leans over and says: “I want to go for a romantic vacation, without the kids, and by the way, we should fly, not drive.”

And now, if things couldn’t be worse, you know they will all judge you, and the quality of their vacation will be based on your decision.

Crazy? Is this scenario all that unrealistic? In fact, for many, this resembles the life of a local government manager. As one city administrator defined it, “multiple conflicting priorities,” topped off with a performance appraisal.

TAKEAWAYS

› The planning process is the foundation for an effective evaluation of the manager.
› Evaluating the manager’s performance is difficult when the role of the manager and the role of elected officials are ambiguous and unclear.
› An uncomplicated performance appraisal process, based on a healthy, open relationship between the manager and the elected officials, is the basis of both open communication and clear accountability standards.
› A link exists between strategic planning, goal setting, performance management, clear governance, and highly functioning local governments.
**Powerful Tool with Benefits**

As a manager, your job is to carry out the wishes of the governing board. But if you cannot find agreement on where you are going, who is driving, and who is in charge, you are on the road to dysfunctional government and a strained relationship with elected officials.

An evaluation of the manager—a process hated by most and ignored by others—should be an opportunity to both develop a manager’s knowledge and move a community forward.

If we are able to step back from the report-card aspect of most appraisal processes and realize that a performance appraisal is simply a tool used by elected officials to ensure that community goals are being met, then one can appreciate the power of this tool.

So why doesn’t that happen?

One Pennsylvania township has a five-year plan in place that marries its business plan to its strategic and financial plans. The town is run like a private sector business according to its town manager. When the five-person, elected board hired the manager 11 years ago, board members recognized that a professional manager who embraced sound business and financial practices was needed to run their organization.

With a background in accounting, he pushed long-term planning with goal setting, and out of this process came the need for both strategic planning and an evaluation process. Nothing in business works effectively without clear direction and strategy, along with clearly defined metrics to measure progress.

But simply having a business plan does not ensure positive results. These five essential components found in most well-run communities should be present:

- Well-defined mission and vision.
- Clearly defined goals and expectations.
- Defined roles and responsibilities.
- Positive working relationships.
- A method to evaluate the progress and success of the manager.

**Mission and vision.** Defining who you are, what you believe, and where you are going—all rudiments of an effective strategic plan—is crucial. In one Vermont tourist community, administrators view their town as a business that is dependent on tourism and marketing to visitors, while still focusing on primary and secondary homeowners.

Elected officials always make decisions with an eye on this mission, keeping them focused and forward thinking. Managers and officials must regularly discuss their mission, vision, and strategy, while defining values that they believe, and from which they operate and conduct business. When mired in constant crisis or reacting to the day-to-day issues, communities can sacrifice their future and the opportunities this future presents.

**Goal setting.** The goal-setting process can be the most dynamic and harmonizing event that managers and governing boards experience. Many communities do it annually, while others do it after each new board is seated.

Here, the board can establish clear expectations and accountability standards for the manager, ensuring that he or she is aligned with the board’s interests. Done well, this becomes a vibrant, proactive experience. Without it, people could find themselves sailing on a rudderless ship, destined for disaster.

**Clarity of roles.** Local governments work best when there is only one manager. Yet too often, councilmembers get confused about their role and think they, too, are the manager. Like the two-headed monsters of Greek mythology, they find themselves moving in different directions. It doesn’t work.

Good governance makes good government. One town manager quotes Plato when he discusses governance during board orientations. “To do one’s own business and not to be a busybody is justice,” which basically means justice is found in fulfilling your own role while not overstepping it.

Taking the time to define roles and adhering to them minimizes problems in the future and is essential to meaningful appraisals.

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**PUTTING IN PLACE A PROGRESSIVE PROCESS TO EVALUATE THE MANAGER ALLOWS FOR HEALTHY DISCUSSION; CLARIFICATION OF EXPECTATIONS; REFOCUS OF DIRECTION, IF NEEDED; AND OPEN COMMUNICATION.**
Positive working relations. I regularly tell people who I work with that results can only occur if there are three elements in place: 1) a positive working relationship between the board and the manager; 2) a shared mission about what the locality is and what the locality wants to accomplish; and 3) a commitment to move forward together in a collegial manner.

With that foundation, communities can progress. But absent any one element, things come tumbling down. Relationships based on trust, respect, and confidence are essential.

Governed and managing are all about the relationship. Managers must know that they have the backing of the elected officials and vice versa.

Evaluation process. Putting in place a progressive process to evaluate the manager allows for healthy discussion; clarification of expectations; refocus of direction, if needed; and open communication. No business relationship can occur without accountability standards, and this is the power of the appraisal process.

What Makes a Good Evaluation Process?

Agreement on the process. Ideally, the governing board and the manager should come together to decide how to do this, when it should be done, and on what basis the manager will be evaluated.

While many shy away from evaluations, one Connecticut manager built the process into his contract to ensure he had open communication with “his new bosses,” to understand their viewpoints, and to make sure he was in sync with each of them.

When I have worked with managers and governing officials, I have found that simply discussing the process opens lines of communication, breaks down barriers, and often leads to discovering emerging new areas of communality.

More than a form. Good evaluations are simply conversations, not forms. In fact, the forms are often a distraction from what is truly important. A frank open dialogue, with all individuals participating, is much better then including a five-point Likert scale and boxes to check on a form.

Forms are good for clarity and recordkeeping. They make the human resources professionals and lawyers happy, but they can never replace the feedback received during the appraisal interview. Good evaluations occur when people are talking and listening with each other, not when forms are written, read, signed, and forgotten in a file.

Manager self-evaluations. Managers should take time to both critically evaluate their own performance and that of their organizations. Elected officials readily admit that they do not know what managers do each day—and why should they?

It is not their responsibility to monitor everything the manager does. Managers should, however, communicate what they have done and more importantly, what they have accomplished during the period.

After all, they were hired and are being paid for accomplishments, not activities or simply showing up. A pinch of selfless self-promotion is also a good thing.

Review of goals. As noted earlier, this is an ideal time to review progress on the manager’s goals and objectives. It is also a period when new goals can be established. Goal setting is the heart of the appraisal process.

In one Connecticut town, every two years, the board, the manager, and the department heads get together for a formal goal-setting session. They incorporate a three-step process that includes:

1. Identifying the overarching issues facing the town. The top five umbrella issues nearly always include public safety, quality of life, infrastructure, education, and economic development.
2. Breaking down each issue using a modified SWOT analysis and then addressing what they want to focus on and improve upon the next year.
3. Coming up with 50 to 100 individual action items, prioritizing them, and then creating a workplan.

The manager and the department heads then allocate responsibilities and time frames for completion. This plan forms the basis for the manager’s and the department heads’ performance appraisal.

Development of the manager. Having a manager with yesterday’s ideas is like eating day-old bread. It won’t kill you, but it also won’t satisfy your palate.

The demands of running a multimillion-dollar business with staff, equipment, changing technology, constant changes in regulations and legislation, employees, unions, and resident demands requires a manager who is up-to-date, understands best practices, and manages with knowledge and confidence.

Ongoing professional development readies the manager. It must be a requirement of each manager and an essential component to discuss during the review process.

Performance appraisal cannot simply be a look back. What happened yesterday cannot be changed. The review must include a look forward, and one way to guarantee that a manager can get a community to where it wants to go is through professional development.

Managers need continuous skills training, exposure to new ideas and concepts, interaction with other successful managers, knowledge of changes in legislation and regulations, and awareness of emerging trends. Seminars, professional association programs, conferences, and college seminars are essential elements to this development process.

Communication is the key. Whether it is on or off the record, fluid, open, and meaningful dialogue that ensures that everyone is in the loop guarantees success. Managers must talk and listen to the board and vice versa.
The best reviews contain more conversation, with less emphasis on the forms; a clear understanding of the respective roles and responsibilities; well-defined goals and expectations; metrics and timeliness; and genuine respect and trust. When this is present, the appraisal process is working.

Potential Stumbling Blocks
Unfortunately, too often these stumbling blocks can derail the process:

Politics. As I regularly find out from talking with managers and elected officials across the country, politics and everything that connotes often poisons the evaluation process. Conflicting agendas, singular motives, scores to settle, or an unwillingness to embrace the community’s mission and vision make governing difficult, thwart consensus, and derail the process.

As one Florida councilmember stated: “Agendas by councilors prevent good evaluations.” When politics gets in the way, managers become afraid to make bold moves. They fear losing their jobs and become too paralyzed to be effective, and then often shy away from addressing the difficult issues.

Surprises. Surprises should be left for birthday parties, not evaluations. The review process cannot endure many surprises. Issues should be addressed as they occur and not stored in a gunnysack and saved for review time.

The governing board and the manager must always be transparent, open, and forthcoming. Matters that seemingly emerge from left field kill conversation, put individuals on the defensive, and serve no other purpose than to derail the process.

Report-card approach. A review is a development tool. It is a mechanism to plan for the future. It cannot be a merely a grading mechanism that reminds you of your past shortcomings. You can’t be effective with a club over your head.

Lack of differentiation between performance and personality.
Managers are hired to perform. While getting along and congeniality are important, the more critical piece is getting things done. Having a nice guy who accomplishes little is not an enviable standard.

That said, defining the important traits of a successful manager is important during the hiring process and reinforcing these during the appraisal process is appropriate.

A Successful Relationship
Local government management can be difficult and complex. To be successful, the relationship between the manager and elected officials must be open and positive. Each must understand the other’s roles and expectations.

The manager’s job is to take care of everyone in the organization. Officials expect them to run and grow the business; carry out their mandates; recruit, retain, and develop the internal talent; and prepare the organization for the future.

It is the role of the officials to take care of the manager in a supportive manner. Managers, like any employees, want their basic needs met and when they are not, resentment occurs.

They want a governing board that provides clear expectations and accountability standards, understands managers’ needs and expectations, and provides timely performance reviews. Late reviews and salaries that fall below their peers are two areas that cause the greatest resentment resulting in breakdowns in the relations and turnover of managers.

Next vacation, when everyone happily piles into the car and agrees on a destination and driver, then and only then can it be viewed as a positive experience. Managing a city or county requires the same. And when that happens, everyone can enjoy the ride. PM

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