

ACT Public Service

Human Resource Council

Managing and Recognising Performance

Principles and Guidelines

Contents

Contents.....	2
Introduction	3
Purpose of Performance Management	3
Performance Management Policy	3
Principles.....	5
Inputs and Outputs.....	6
Guidelines	6
Process	9
Procedures.....	9
Risk Management	10
Legislation and Related Documents:	10

Introduction

Performance management systems are an integral part of the management philosophy of the ACT Public Service. Performance management is also one of the most important activities managers and staff should undertake. **All agencies are to have performance management processes in place that are consistent with the ACTPS principles.** As with any important business process that involves people the processes adopted need to be continually managed and improved.

There is considerable flexibility in the manner in which agencies can implement and manage performance management. However there is a requirement that performance management be broadly consistent across the ACTPS to ensure equity and fairness while supporting flexibility and mobility.

The purpose of this document is to define the principles that guide performance management in the ACTPS at a whole of government level. Outcomes that will result from good performance management practice are identified. The guidelines aim to provide agencies with broad direction, allowing them the flexibility to develop and manage processes that meet their organisational, cultural, business and professional needs.

Developing principals and guidelines is a major activity required by Key Theme 2 of the ACTPS Human Resources strategy 2003 – 2005. The principles and guidelines should provide a common starting point for agencies to establish new, or review existing, performance management processes.

Purpose of Performance Management

Performance management is the key to developing a clear and shared understanding of work expectations, agreement on support and resources as well as setting the basis for the evaluation of performance. Performance management makes a significant contribution to the development of **a culture that is ethical, equitable, professional and performance oriented.** Given the nature of the work in the ACTPS performance management is fundamental to meeting the accountability obligations imposed on public servants. Good performance management processes link business planning, resource allocation, work objectives, learning and development, achievement, recognition, evaluation and reporting.

Performance Management Policy

Accountability

In the ACT PS the onus is on agency chief executives to implement and maintain performance management processes. This includes ensuring staff develop performance management plans on a regular basis. In addition chief executives have an obligation to regularly review and evaluate their agency processes.

The Commissioner for Public Administration has the responsibility for assisting agencies with implementation of performance management policy and issuing appropriate guidelines. This document is one such guideline.

Managers, supervisors and employees are responsible for participating in performance management processes in good faith.

Objectives

Performance management processes should:

- align the work undertaken by individuals to agency needs identified in business plans;
- establish a strong link between career management and individual, agency and service needs;
- ensure employees receive regular feedback about their performance;
- enhance communication in the workplace;
- ensure that performance is managed;
- identify and support individual learning and career development needs; and
- assist in the continuous improvement of individual, team and agency performance.

Principles

An appropriate performance management system is in place that is accepted and used by staff at all levels

The performance management system that is in place is appropriate for the organisation and is consistent with these principles and other ACTPS frameworks. Managers understand what is required of them for performance management and are supported by the organisation. Staff accept the role played by performance management and recognise it as important. The performance management process assists staff to manage their career and clarify expectations.

Individual performance is linked to agency and ACTPS values and priorities

Agency and ACTPS values and priorities are regularly and consistently communicated to staff as well as being embedded in performance management processes. Agencies ensure that there is a clear link between business plans, workforce plans and performance development for individuals. Individual performance plans clearly define what is expected of an employee. The performance management process supports the development of an agency performance culture.

Performance is reviewed regularly, feedback is provided and plans revised as appropriate

Performance should be monitored and evaluated on a regular basis. Evaluation is equitable and fair and uses appropriate assessment methods, position descriptions, work level standards and observed or reported achievements. Agencies should encourage the provision of day to day and formal feedback to employees so they are continuously aware of their current level of performance.

Performance is managed and good performance recognised

Agencies should identify formal and informal ways to recognise and acknowledge good performance. Managers and employees should be supported to recognise diminishing performance and ensure positive strategies are put in place to improve and develop performance. Staff should be provided with timely opportunities to address any concerns with their performance. Poor performance should not be rewarded or treated ambiguously and must be dealt with in a fair, equitable and transparent manner.

Performance management is linked to learning and development and other appropriate human resource practice areas

Agencies should ensure that performance management and learning and development activities reflect priorities drawn from ACTPS and agency learning and development frameworks. The ongoing development of employees should be encouraged. Learning and development opportunities should be provided equitably and consistently in keeping with business needs. The results of agency performance management processes should inform human resource planning and practice and agency learning and development strategies.

Inputs and Outputs

Inputs

- ACT Government plans (e.g. The Canberra Plan);
- Budget papers
- Agency corporate and unit business plans;
- ACTPS Human Resources Strategy;
- ACTPS values;
- Agency Human Resource strategies and policies;
- ACTPS Learning and Development Framework;
- ACTPS Equity and Diversity Framework;
- Training – i.e. Giving and Receiving Feedback;
- Team and individual expectations;
- Certified agreements; and
- ACT PSM Act and Standards.

Outputs

- Performance management plans;
- Career plans;
- Individual development plans; and
- Underperformance management plans.

Potential Benefits

- Recognition of good performance;
- Targeted learning and development activities;
- Information to support workforce planning;
- Identification of high performers;
- Ongoing feedback; and
- Achievement of business goals identified in business plans.

Guidelines

A Clearly Articulated Process

The agency performance management process should be clearly documented and maintained to ensure managers and employees understand the system requirements. Broad guidance is suggested to enable workgroups to tailor the scheme to suit their requirements.

Agencies should ensure their documentation includes:

- the methods by which agency principles, values, objectives and outputs will be identified and communicated to work groups or individuals;
- the methods for measuring and developing performance;

- the responsibilities of managers, employees, work teams and the agency coordinator of performance management and how they interact;
- the methods by which development plans will be implemented, balancing individual and organisational development needs;
- the approach which will be taken to the ongoing process of feedback on individual and team performance;
- the details of an appeals or review process; and
- the approach and frequency of reviewing performance.

Employee and Union Involvement

Employees should be involved in system development and maintenance to encourage staff commitment, understanding and support for the scheme.

Agencies should:

- employ consultative processes to enable all employees and unions to be appropriately involved in the ongoing development and improvement of the performance management scheme; and
- involve staff in the regular evaluation of the performance management scheme.

Active Management of Processes

Performance management processes should be actively managed. This ensures that ongoing attention and priority is to be given to the management of performance.

Agencies should:

- provide appropriate resources for maintenance of the process;
- conduct ongoing skills development for both managers and employees to operate the process;
- provide ongoing support for managers and employees, especially in the areas of communication, dispute resolution, performance evaluation and business planning;
- provide systems that assist in the recording and storing of performance agreements; minimising the administrative overheads and costs as well as ensuring that information is handled in accordance with privacy principles;
- review the processes at an appropriate time; and
- link performance management to the agency's business planning.

Regular Evaluation

Performance Management processes require regular evaluation – as performance management is predominately a people based process it will require monitoring,

investment and development. Evaluation is the key to ensuring the process meets its purpose and is continually improved.

Agencies should:

- evaluate the process regularly in order to determine if the process is meeting its objectives and, if necessary, review the process;
- measure the effectiveness of the process and report the findings annually, using for example staff surveys and a maturity model; and
- continue to develop appropriate skills for managers and employees using the scheme.

Process

Performance management processes tend to be fairly standard. A typical example with a brief description of each phase is shown below. Processes should address agency objectives. The amount of detail provided depends on the level of guidance required to support the needs of business units.

Work Plan Development

Based upon business plans and other corporate documents the work, key deliverables and areas of responsibility to which staff members will contribute to are determined. A staff member and manager agree on the work and responsibilities of the staff member's position. The plan will also set out how the staff members performance will be measured or evaluated the method of evaluation (assessment) of the staff member's performance against set objectives (deliverables/responsibilities/ achievements) is determined, agreed and documented.

Skills Development

The staff member and the manager identify and agree the learning, development and information needs of the staff member to meet their performance and the business needs of the business unit. This would include selecting options and the development of an action plan to access the opportunities identified.

Performance Monitoring

The staff member provides regular feedback to the manager on their progress towards the achievements of the agreed performance objectives. The manager provides regular formal and informal feedback on their assessment of the staff member's achievements.

Evaluation

The manager and the staff member regularly (periodically) evaluate the staff member's performance and the achievement of the objectives in the work plan as well as the agreed training and development plan. This phase should then feed into the next cycle of the performance management process.

Procedures

Agencies are encouraged to develop procedures that elaborate on the phases of the process that support both managers and staff in following the process. For example the issue of standard assessment methods to support evaluation (assessment) of performance would assist in standardising assessment across the agency as well as assist in meeting the principles of equity and fairness.

Risk Management

Identified risks to the successful implementation of performance management in the ACTPS include:

- inconsistent application of the performance management process;
- an inflexible bureaucratic process;
- employee and manager cynicism due to past experiences;
- not being taken seriously at senior levels;
- lack of positive promotion and drive from the top down;
- lack of skills to implement the process;
- limited investment of time and resources;
- lack of or insufficient business planning to support the process;
- learning and development receiving a low priority; and
- the lack of an incentive framework.

When developing a performance management process agencies should consider the above risks. Risk treatments should be applied through the design or implementation of the performance management process.

Legislation and Related Documents:

Public Sector Management Act 1994 section 251

Public Sector Management Standards, Standard 6 Part 5

Best Practice Notes, Chapter 6.6

Performance Management Scheme Guidelines, ACT Public Service, August 2000

ACT Chief Minister's Reporting Requirements

Performance Management in the APS: A Strategic Framework, MAC (2001)

Performance Management: A Guide to Good Practice, IPPA, August 2001

Managing People for Business Outcomes, Year Two, Audit Report No. 50 2002 - 03, ANAO