

Working Towards Results

Managing Individual Performance in the Public Service

Managing the Public Service
Strategies for Improvement Series: No. 3

Noella Jorm
Julie Hunt
Nick Manning



Commonwealth Secretariat

Noella Jorm is an Australian consultant with extensive experience in change management in government organisations. Ms Jorm has undertaken four major projects for the Commonwealth Secretariat in recent years, working in the design and development of performance management systems, documentation and training strategies for Commonwealth governments.

Julie Hunt is a Director in the Office of the Public Service Commissioner, Victoria, Australia. Ms Hunt has undertaken two assignments for the Commonwealth Secretariat, assisting the Cabinet Office in Zambia with the development of a performance management workshop package and systems implementation strategy.

Nick Manning is currently visiting scholar in public management at the World Bank and Senior Technical Adviser to the Government of Lebanon. Previously, Mr Manning worked as Adviser (Organisation Structure and Design) at the Commonwealth Secretariat.

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**Managing Individual Performance
in the Public Service**

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in the Public Service**

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Strategies for Improvement Series: No.3**



**Commonwealth Secretariat
1996**

FOREWORD

A strong and achieving public service is a necessary condition for a competitively successful nation. The Management and Training Services Division of the Commonwealth Secretariat assists member governments to improve the performance of the public service through action-oriented advisory services, policy analysis and training. This assistance is supported by funds from the Commonwealth Fund for Technical Co-operation (CFTC).

Commonwealth co-operation in public administration is facilitated immeasurably by the strong similarities that exist between all Commonwealth countries in relation to the institutional landscape and the underlying principles and values of a neutral public service. In mapping current and emerging best practices in public service management, the Management and Training Services Division has been able to draw on the most determined, experienced and successful practitioners, managers and policy-makers across the Commonwealth. Their experiences are pointing the way to practical strategies for improvement.

This new publication series, *Managing the Public Service: Strategies for Improvement*, provides the reader with access to the experiences and the successes of elected and appointed officials from across the Commonwealth. The lead publication for the series, *From Problem to Solution*, sets the scene and illustrates the remarkable commonality of both the pressures for change and the responses. This publication and its companion volumes examine topical issues in detail.

The series complements other Management and Training Services Division publications, and very particularly the *Public Service Country Profile* series which provides a country-by-country analysis of current good practices and new developments in public service management. Our aim is to provide practical guidance, and to encourage critical evaluation. The *Public Service Country Profile* Series sets out the **where** and the **what** in public service management. With this new *Strategies for Improvement* series, I believe that we are providing the **how**.

Mohan Kaul
Director
Management and Training Services Division
Commonwealth Secretariat

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Although in editing every effort has been made to retain the accuracy of the contributions, final responsibility for any introduced errors or inaccuracies rests with the Commonwealth Secretariat. The inclusion of any statement in this publication does not imply that it is an exhaustive analysis of current trends or that it is the official policy of any government.

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INTRODUCTION

A RESPONSE TO PRESSURE

The last decade has been a time of worldwide economic pressures and widespread technological, social and political change. To secure their future, both private and public sector organisations have been forced to seek ways of cutting costs and becoming more productive and service-focused.

In this environment of constant change and increasing complexity, new management thinking and approaches have emerged which identify the need for continuous learning and improvement. These approaches identify people as the most valuable asset of an organisation and highlight the need to develop, reward and utilise employees' skills and capacities to achieve organisational goals.

In many countries, this new management thinking has been accompanied by social and legislative changes which impact on the way people are employed and managed. This approach requires a re-assessment of the match between the needs of the organisation and the skills and potential of employees.

Private and public sector organisations have embarked on major reform programmes and restructuring. In this process, organisations are confronted with a complex range of management reform models, often seemingly in conflict. Many public services have responded creatively by developing a guiding framework for people management that sets a strong direction but leaves sufficient flexibility for different units within the public service to adapt systems to their own needs and cultures.

The framework may involve integrating organisational structures and work design, recruitment, promotion, career development and succession planning activities. It may also look at how people are appraised, at grievance resolution and at managing conduct. Very importantly, the framework may force some consideration of how new initiatives such as quality and emphasis on customer service can be strengthened.

Such frameworks are aimed at the alignment of functional and people management activities to achieve the best possible results. Many public services have found that development of a new performance management system, as an important component of the people management framework, greatly aids the achievement of required reform.

A performance management system penetrates and impacts on all aspects of the organisation and its people. It incorporates:

- corporate and strategic planning to define the long- and short-term aims and values of a particular organisation;
- translation of these into operational plans for the organisation and each division, and work plans for each individual;
- assessment and provision of training and other support in response to identified priorities;
- development of appropriate measures of performance at the level of the organisation, the division and the individual;
- regular review, adjustment, feedback and recognition of achievement.

In summary, performance management approaches ensure that strategic directions are set, current organisational objectives identified, appropriate budget allocations made and tasks set for the achievement of desired results. Better planning, measuring and reporting is promoted. Improved communication with and motivation of employees is emphasised.

A POINT OF ENTRY

Performance management approaches are helping the public services in many countries to achieve reform aimed at the development of a results-focused performance culture. The significance of performance management is, however, larger than these immediate operational goals.

**PRODUCTIVITY IMPROVEMENT
is not just doing things better.
It is doing the right things better.**

Press statement by the Cabinet Office, Zambia, June 1995, announcing the adoption by the Government of the Public Service Reform Programme.

Performance management offers considerable promise as a reform tool to initiate, manage and drive change. When radical reform is needed, a sound performance management system will greatly aid its implementation. Performance management is the point of entry to wider public service reform.

BIG EFFORTS, BIG GAINS

This publication is intended to assist the reader in developing a performance management system for the public service which is appropriate for the local context.

This entails considerable strategic and managerial effort, but the potential gains are significant.

Performance management carries the promise of:

- change to an achievement-driven performance culture through an emphasis on results and improved employee/manager communication, understanding and commitment;
- better planning through the processes of identifying and linking the objectives and strategies of the organisation to the tasks of each public servant;
- better understanding of work through clarification of individual work tasks and responsibility boundaries as each public servant's key work tasks for a year and what will be expected of them is identified;
- increased trust through participation in work planning and on-going discussion, feedback and open appraisal;
- less duplication of effort and wastage of resources through improved work planning;
- turnaround of unsatisfactory performance through on-going feedback and discussion throughout the performance management cycle;
- a comprehensive data source to allow organisational skills development and training needs to be clearly identified and prioritised;
- a cost-effective data source for targeted employee development, recognition and reward programmes;
- a planning and measurement system that allows for qualitative as well as quantitative measurement and that has room for changes of direction and priorities throughout the year;
- a system that allows for organisational, divisional, team and individual performance indicators and measures as well as generic indicators which can be used to encourage co-operative and other desired organisational behaviours;
- a system that can be linked with other management reform programmes such as ethics, competency development and quality programmes to provide a comprehensive human resource management framework;

- a performance culture that is also an equity culture with decisions relating to employees based on information about results and not whether they are liked or disliked.

Developing a strong performance management system is a major task, but it promises significant rewards.

This publication does not focus in great detail on performance-related pay. This is not because it has no significance or because it is not a major debate in the public service of most countries. It is because it is not the most pressing issue. Objective-setting, clarifying goals and, above all, feedback on performance are outstanding concerns and these are the priorities which this book addresses.

THE NEED FOR CHANGE

WORKING IN THE DARK

In many countries the public service is the major or a highly significant employer. The economic pressures of the Eighties have led to public and political demands for transparent, cost-effective, customer-focused government management and services. In the Nineties an intense climate of government reform continues.

Historically, public service employment has exhibited two unique characteristics: it often has a 'welfare' component and it offers a degree of security unmatched in other sectors. It has often been used by government as a buffer against unemployment and has been a source of secure 'cradle to grave' employment in which employees have traded high salaries in exchange for security of employment and good, stable conditions. These factors have frequently resulted in overstaffing and workplace inertia. In the worst cases, oversized, inefficient public service organisations have become breeding grounds for corruption, completing the cycle of poor management and demotivation.

Many public service organisations find they have no vision of the future that is shared across the organisation, few strategic goals and no systems in place for reviewing targets or for planning their achievement. There is often a lack of clarity on what the overall objectives of the organisation are, what work tasks are to be carried out and what quality of work is expected.

Others have a range of unconnected performance improvement programmes in place: corporate planning that does not flow down into group and individual plans throughout the organisation; rigid work design and job evaluation schemes that lack the broad approach and flexibility necessary to allow changing goals and priorities to be resourced; training and development programmes that are ad hoc and fail to identify, prioritise, and provide the skills needed by individual employees to meet the current and future requirements of the public service.

DISCREDITED APPRAISAL SYSTEMS

Where individual review or appraisal systems exist in public service organisations, they lack the links to organisational objectives that performance management requires. They are often not results-focused and do not consider what the employee has achieved. Many systems also involve highly subjective assessment of personal characteristics. In some cases employees are not told the results of assessments, thereby denying them the opportunity to bring overlooked achievements to notice or to be motivated by the awareness of a positive assessment. Often, in

consequence, many of these systems have fallen into disuse or have lost their legitimacy within the organisation.

In summary, many public services find their individual review or appraisal systems to be costly, time-wasting, bureaucratic exercises in form-filling and paper storage which supply neither management nor employee with useful information or assistance. At worst, such systems provide justification for biased management decisions and the allocation of promotion and other job opportunities on the basis of nepotism and patronage. They act in many public sector organisations to perpetuate a culture of demotivation and mistrust.

Improved performance management is as important for employees as it is for public service organisations. Public servants are seeking employment which offers reasonable remuneration, the improved lifestyle that flexible employment conditions allow, and a learning environment that provides them with the opportunity to remain skilled and competitive in the job market of an increasingly knowledge-based economy. Performance management underpins these developments.

Overall, improved performance management offers a win/win situation for public service organisations and public servants. Performance management, clarifying organisational expectations of employees, more fully utilising and developing their skills and knowledge and encouraging their full participation in the enhanced achievement of organisational goals, is the foundation on which all public service improvements rest.

A new system of performance appraisal has been introduced into the Public Service of Trinidad and Tobago on a pilot basis in the Ministry of Agriculture. The features of the system are:

- linking of individual job tasks to the section's mission;
- the establishment of performance standards at the start of the appraisal process;
- a process of continuous monitoring, appraisal and feedback, designed to guide the employee during the appraisal process;
- joint completion of the appraisal form by supervisor and employee.

A series of training sessions is under way to facilitate understanding of the new system, the performance management concepts that guide it and the relevant procedures. As a precursor to identifying individual objectives and standards of performance, the training course is also designed to help supervisors in developing departmental objectives and standards.

ORGANISATIONAL PERFORMANCE – CULTURE CHANGE AND PLANNING

FROM TRADITION TO RESULTS

Development of a performance culture with an emphasis on employee empowerment, commitment and the achievement of results rather than subordination and control involves organisations in major change and requires shifts in management and employee thinking. In public services in the last decade many have moved from concentration on inputs (*how much budget?, what staff establishment controls?*) to outputs (*what results have been achieved?, to what level of quality?*) Central agencies and corporate offices, in many settings, have moved from being regulators to providers of enabling policies, models and tools to assist public service organisations to achieve their public purpose. Managers and supervisors are making the transition from a culture of direction and control to a culture where managers and supervisors are leaders, enablers and coaches.

Such developments require organisational change and action in relation to structures and to how people in the organisation are managed.

Structural changes supporting the development of a performance culture in government settings have included:

- restructuring and right-sizing to remove unnecessary management layers and duplication of functions;
- devolution of accountability and responsibility to the level in the organisation with the best information to make appropriate decisions;
- legislative and policy reforms which provide an appropriate safety net for organisations while allowing them maximum flexibility to adopt local policies and systems that help them to meet best their unique organisational functions;
- review and update of accounting and information management information systems;
- development of integrated budgetary and strategic planning initiatives to ensure resources are prioritised in line with government goals, and systems are in place to measure their achievement.

Such structural changes move the organisational culture away from tradition and habit and towards a recognition that the organisation only exists to produce desired outcomes and must be judged on its success in doing that. *From Problem to Solution*,¹ No. 1 in the **Strategies for Improvement Series**, describes the overall shifts that have taken place, broadening the range of managerial options available in the public service. *Redrawing the Lines*,² No. 2 in the series, describes the particular significance and implications of the delegation of personnel management in the change process.

THE DRIVERS OF CULTURE CHANGE

People management changes necessary to build a performance culture include:

- development of a vision of where the organisation is going to guide strategic planning – *this is who we are and where we are going*;
- change from a control culture to a commitment culture – from top-down directives to two-way communication and mutual agreement on targets;
- development of a set of common values, a code of conduct or required capabilities for the organisation to clarify and guide expectations of appropriate organisational behaviour – *this is how we do things around here*;
- modelling of the desired behaviours by senior management;
- respecting and considering the history and past successes of the organisation at every stage of the reform programme;
- reducing uncertainty by communicating openly and honestly with employees at each stage;
- building trust by following through on commitments made;

¹ *From Problem to Solution – Commonwealth Strategies for Reform*, No.1, Managing the Public Service, Strategies for Improvement Series, pp 69, Commonwealth Secretariat 1995, ISBN 0 85092 452 9, Price: £9.00/US\$14.00

² *Redrawing the Lines – Service Commissions and the Delegation of Personnel Management*, No 2, Managing the Public Service, Strategies for Improvement Series, pp 90, Commonwealth Secretariat 1996, ISBN 0 85092 461 8, Price: £9.00/US\$14.00

- developing systems to nurture and reward results-oriented thinking and behaviours.

Increasingly, contribution not status must become the basis for performance recognition, and performance management systems are valuable tools to integrate change strategies and develop a performance culture.

BUILDING LINKS

A performance management system is an integrated series of processes, strategies and actions that aim to focus the organisation on the questions:

Where do we want to go?

How will we know when we have got there?

What do we have to do to achieve success?

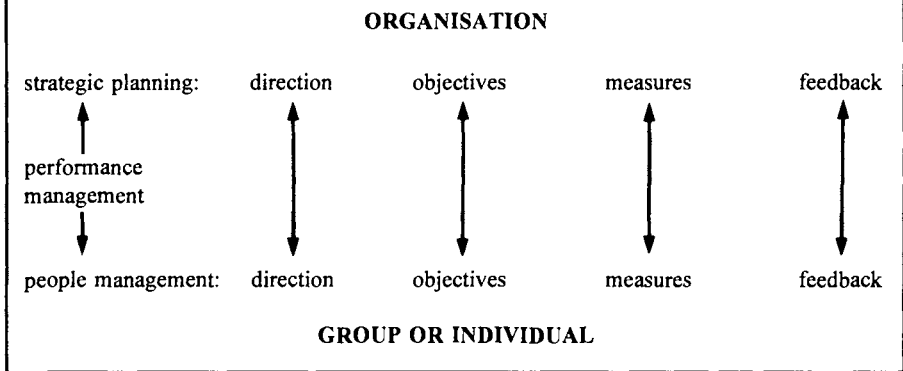
It is a system of direction-setting, objective identification and feedback that links the strategic planning, budgetary and management activities of the agency with the targets and direction provided for individual staff.

It starts with a commitment to performance communicated from the top of the organisation usually in the form of vision, mission and value statements and encompasses corporate planning and the identification of objectives and key result areas for the agency together with appropriate measures of success and monitoring mechanisms.

A performance management system links the organisation with the group or individual in four key areas:

- direction-setting
- objective identification
- measuring achievements
- providing feedback

Performance management system – linking organisational strategic planning with people management

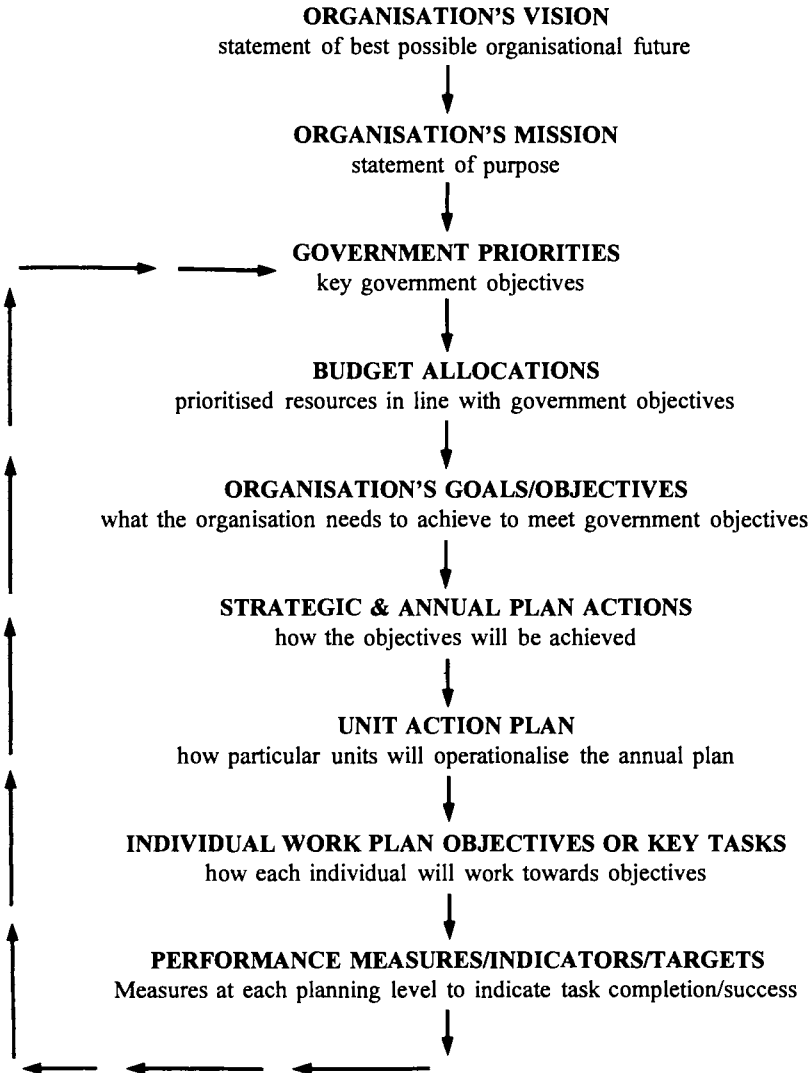


| | Direction setting | Objective Identification | Measuring Achievement | Providing Feedback |
|-------------------------------------|--|--|--|---|
| | <i>knowing where you are going and how you will behave</i> | <i>knowing what you want to achieve</i> | <i>knowing how you will know when you have achieved</i> | <i>recognising and rewarding good performance, turnaround of unsatisfactory performance</i> |
| Organisation – wide concerns | <i>corporate plan – vision, values, core capabilities</i> | <i>key result areas objectives, goals, strategies expressed in, strategic plan, business plan, department plan</i> | <i>performance measures expressed in corporate, and strategic and business plans</i> | <i>management reporting systems, recognition and reward strategies, budget planning cycle, capability reviews</i> |
| Group or Individual concerns | <i>code of conduct, job purpose, job description, position specification</i> | <i>key result areas objectives, goals, strategies expressed in group plan, own work plan</i> | <i>indicators, standards, targets expressed in group and individual work plans</i> | <i>progress reviews, annual review, recognition and reward, training and career development plan</i> |

THE PERFORMANCE SYSTEM

A performance management system links the organisation and the individual by developing a purposeful results-oriented direction which sets the scene for both developing organisational objectives and defining individual tasks.

ACHIEVING THROUGH PEOPLE



CORPORATE PLANNING PROCESSES AND CYCLES

Role and goal definition and the setting of objectives and priorities for the whole of government and individual ministries, departments or other public service organisations set the scene for performance management.

Ideally, this occurs within a framework of corporate or strategic planning which involves development of a vision for the organisation and public statements about the organisation's role and goals. This activity is followed by an identification of the best options or strategies to achieve goals and these are translated into a

In South Africa's Gauteng Province, Heads of Departments who gather for their annual Budget Bosberaad retreat, first consider government priorities and how these can best be met. Only when strategic direction is agreed and priorities identified will departmental budget estimates and bids, tailored to meet these priorities, be put forward.

strategic plan for the organisation. Government priorities are then considered and budgetary allocations made. Annual business plans for each division, linked to the budget cycle, flow from the strategic plan. Performance measures are then developed for the business plans.

Strategic plans containing organisational visions which define the shape of the best possible organisational future, missions or statements of purpose, and values which state the operating philosophy and expected behaviours for the organisation are generally reviewed each year. A fundamental reappraisal takes place every five years or when the organisation takes a major change in direction. The lead in

The Public Service Reform Programme in Zambia

The reform programme was officially launched in Zambia in late 1993 with the following main objectives:

- To improve Government's capacity to analyse and implement national policies and perform its appropriate functions.
- To manage public expenditure to meet fiscal stabilisation objectives.
- To make the Public Service more efficient and responsive to the needs of the population.

It has three main components:

1. Restructuring of the public service;
2. Management and human resource performance improvement;
3. Decentralisation and strengthening of local government.

The strategy for delivering component 2 is:

- A results-oriented organisational performance management system for senior managers on the performance of their unit.
- Based on strategic plans, a simple but comprehensive monitoring and reporting process specifying overall objectives, intended outputs, planned activities and expenditures.

developing the strategic plan is usually taken by the Permanent Secretary or head of department and the senior management team, but activities to ensure communication and ideally consultation with all staff are usually included in this process.

The annual review of the vision, mission and values, overall goals and strategies takes place at a business management meeting involving Permanent Secretaries or heads of department and the senior management team. Budget allocations are considered in relation to government priorities.

The strategic plan is a statement of overall aims and objectives, and the business plan is the map of how to get there, how to achieve those aims and objectives. Sometimes they are contained within the one document that may be called a corporate plan.

The following table illustrates characteristics of these plans.

The New Zealand Government has adopted a strategic planning approach which encompasses both the electoral and budgetary cycles. A 1993 document 'Pathway to 2010' has set vision statements for government organisations for the period 1994 to 2010. A second document 'The Next Three Years' has been developed by ministers and public employees and contains milestones for policy action to achieve the vision. In support of these activities, Strategic Result Areas (SRAs) which define longer-term priority objectives have been set by Cabinet for either single departments, or where there are multiple contributors, across portfolios. In addition to SRAs, supportive and additional Key Result Areas (KRAs) are set by each minister for departments within their portfolio.

SRAs and KRAs are included in chief executive performance agreements and form the basis for the budget bid process and agency planning.

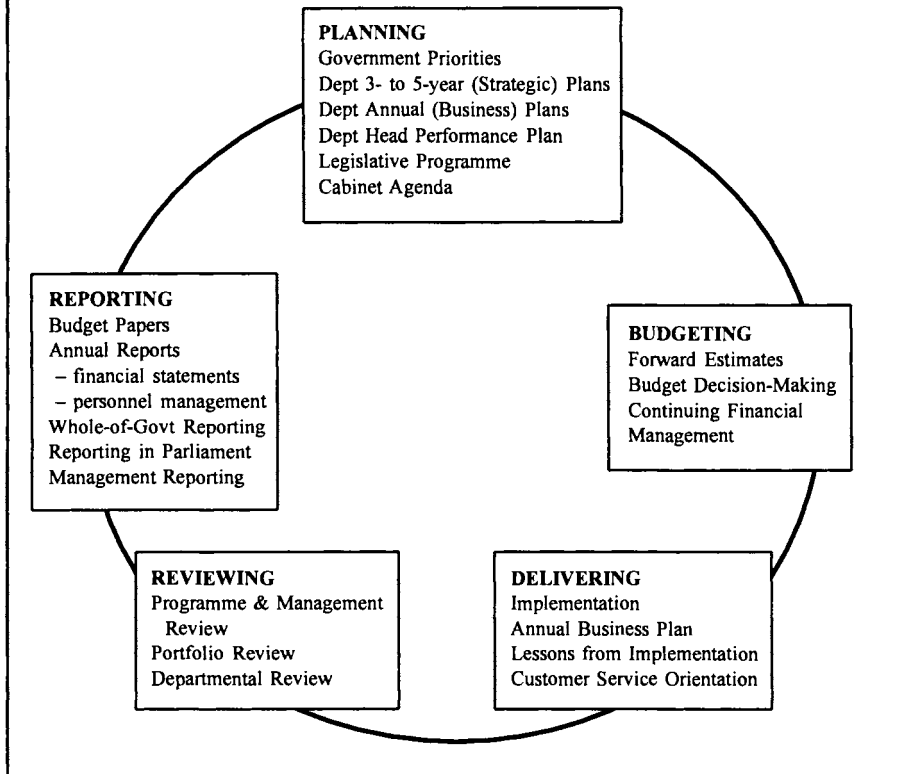
| Strategic Plan | Business Plan |
|--|---|
| Strategic in focus | Operational in focus |
| 3- to 5-year outlook | Looks one year ahead |
| Rolled over and updated annually | Prepared annually |
| Establishes high level strategic direction | Translates strategic directions into action plan for the coming year |
| Focuses on objectives, strategies and the operating environment, not on resourcing | Focuses on all issues associated with translating objectives and strategies into deliverable outputs, including resourcing and detailed timelines |
| Specifies objectives (intended outcomes) and provides critical success factors for their achievement | Specifies outputs, resources, time-lines, performance measures and targets |

The top or overall direction-setting end of performance management has received considerable attention over the last few years as governments, increasingly faced with severe resource constraints, plan and ensure that critical priorities are achieved.

The State of Victoria in Australia has developed an Integrated Management Cycle (IMC) which establishes a timetable for planning, resource allocation, delivery and performance monitoring, reporting and reviewing. It aims to ensure that government is in control of strategic directions in a changing environment, while giving ministers and departments clear responsibility so that detailed central agency control is not necessary. The IMC links portfolio strategies to the budget process and these strategies are the basis for departmental corporate and business plans. Results are evaluated and are part of the input for the next year's cycle.

The IMC is the predictable calendar which binds together decision-making on the Government's broad policies and strategies with decision-making about resource allocation and the delivery of quality services to the community in the context of rigorous financial constraints.

INTEGRATED MANAGEMENT CYCLE



MANAGING INDIVIDUAL PERFORMANCE – THE APPRAISAL SYSTEM

TOWARDS RESULTS

The mechanism which translates corporate objectives into action at the level of the unit and the individual is an appraisal system designed to incorporate the direction and objective setting, measuring and feedback, reward and recognition principles of performance management.

Traditional appraisal systems lack focus on organisational objectives. In failing to emphasise goal setting, assessment and skill development elements of performance management they contribute little to organisational success and learning.

Many public service organisations have had, or still maintain, performance appraisal systems that rely on assessing the personality characteristics of employees. Such systems depend heavily on subjective judgement rather than observable evidence. Many of the Annual Confidential Report systems still employed in public service organisations today are based on ratings of personality traits. They allow no control over the biases of the appraiser. As these systems tend to appraise such characteristics as loyalty, dependability and reliability, all valued components of the human character, they strike strong emotional chords in the person being appraised if the judgement is negative. In some systems, especially those that are not open and where the appraiser is never aware of the contents of the appraisal report submitted, they can give rise to much acrimony.

An example of an over-subjective scale in an outdated Annual Confidential Report system is given below.

| | | | | | |
|-------------------------|-----------------------------|----------------------------------|----------------|-----------------|------------------------------|
| Work application | <i>indifferent and lazy</i> | <i>tendency towards laziness</i> | <i>average</i> | <i>diligent</i> | <i>puts effort into work</i> |
|-------------------------|-----------------------------|----------------------------------|----------------|-----------------|------------------------------|

Modern appraisal systems increasingly seek to incorporate objective-setting, measurement of results, and potential for performance improvement through additional resourcing or training. Appraisals are therefore increasingly designed around a series of goals which have been set for a particular employee.

FOUR APPROACHES TO FINDING A BALANCE

However, there is a risk that the reaction against assessing personality characteristics has swung the pendulum too far in the other direction. There is a balance to be struck between assessing personal characteristics and assessing by results. The appraisal system should set specific individual targets for employees against which their achievements will be measured, but basing performance assessment only on results achieved can encourage overly competitive short-term behaviours. This may detract from the effective working of the organisation as a whole. Useful behaviours, such as lateral thinking, monitoring, environmental scanning and mentoring, that work to maintain underlying systems and long-term organisational health and viability, may go unrecognised and unrewarded.

This problem of finding a balance between assessing by results and assessing personal characteristics is overcome in public service organisations in four ways explained below.

1. Including behaviour-based generic tasks, performance indicators and standards in the annual appraisal

In such systems the employee is appraised on individual tasks achieved *and* whether he/she has met the desired performance level for generic tasks and standards. Such an approach can allow incorporation of desired organisational behaviours such as team co-operation and customer service.

For example, the following tasks, indicators and standards might be included in all appraisals of employees in a central public service agency which provides a service to other ministries and departments such as a central personnel office. These generic tasks and standards would accompany the individual targets against which the employee's performance is to be measured.

| Key Task | Performance Indicator | Performance Standard |
|--|--|---|
| Participate in urgent priority tasks of the unit | Response to management request for re-prioritisation | 100% response to priority requests |
| Respond to all client organisation enquiries | Timeliness and accuracy of responses | All complaints to be responded to within 2 days No complaints to be received relating to accuracy of information given |

2. Developing value statements for the organisation and including consideration of this in the annual appraisal

Such statements express the corporate values and desired employee behaviours, they are *the way we do things around here*. In such systems the employee is appraised on results achieved *and* the degree to which they have adhered to these values. For example, Champy³ suggests the following values which can be adapted for particular public service organisations.

Is the employee willing to:

| | |
|---|---|
| <ul style="list-style-type: none">• perform up to the highest measure of competence, always?• take initiatives and risks?• adapt to change?• work co-operatively as a team?• judge and be judged, reward and be rewarded on the basis of performance? | <ul style="list-style-type: none">• be open, especially with information, knowledge and news of problems?• trust and be trustworthy?• respect others and self?• answer for own actions, accept responsibility?• make decisions? |
|---|---|

3. Including assessment of whether the code of conduct has been adhered to in the annual appraisal

This can be a way of ensuring behavioural standards are being addressed without undertaking potentially resource-intensive competency development exercises. This approach was followed in the Performance Management System for the Lesotho Civil Service.

³ Reengineering Management: the Mandate for New Leadership, James Champy, 1995, HarperBusiness, HarperCollins, New York

Performance Management and the Code of Conduct

The performance management system encourages focus on work achievements rather than conduct. However, it is expected that all civil servants will meet the requirements of the Code of Conduct embodied in Part 2 of the Public Service Bill of 1994. A copy of the code is appended to this Guideline.

Performance Management System for the Lesotho Civil Service

4. Developing and including a set of desired core competencies in the appraisal

Competencies are the *defined skills, knowledge experience and behaviours required for successful performance in particular classes or types of jobs.*

Competencies describe what an individual is bringing to their job. Core competencies are the *common attributes, type, level and quantity of skills and behaviours that employees are expected to demonstrate so that the organisation may meet its future objectives.*

Competencies are increasingly being used in appraisal systems to establish one core set of required attributes for all employees. In such systems the employer is appraised on results achieved *and* whether they are demonstrating that they possess the core competencies.

In developing their Annual Performance Review System, the Government of Mauritius chose the areas Providing Service, Job Knowledge, Working with Others, Managing Work and General Conduct as areas in which all public servants were expected to show competence, in addition to the requirement that they meet individual task targets. To encourage supervisors and managers and professional/technical staff to attain higher standards, the areas of Managing Resources and Professionalism were included in their core competencies. Senior Managers were also rated on Leadership. The annual appraisal was based on assessment of how well each employee had performed in relation to each area of competence, how well they had achieved key tasks and whether they had made additional contributions.

To allow assessment in relation to core competencies, the appraisal form provided examples of observable behaviours which demonstrated the required level of competence.

The Government of Montserrat in the West Indies includes a set of competencies in its appraisal system to guide decisions relating to development and potential. An example of some of these competencies applicable to senior management is given below:

Adaptability – copes with consistently high pressure; maintains confidence in a prolonged crisis.

Initiative – applies innovative thought consistently; seeks opportunities to create and develop initiatives.

Analytical Ability – interprets and analyses for ministers and senior management, often at short notice, the oral and written views of others.

Judgement – applies to the most complex issues; gives on-the-spot judgements and reconciles or chooses between conflicting advice from other senior sources.

Inter-personal Skills – cultivates and makes effective use of high level and influential contacts, providing access to decision-makers, and uses public relations effectively to pursue objectives.

Communication Skills – makes convincing presentation of important/complex ideas at the highest level at home and overseas.

SUMMARY

While the major thrust of effective performance management systems is towards the setting of objectives and the measuring and achieving of results, many systems now successfully incorporate multi-dimensional performance criteria. The major dimension remains task achievement, while assessment against behaviour-based performance measures, value statements, codes of conduct or core competencies can provide reference points which give direction in how people are expected to behave to ensure the long-term success of the organisation.

The assessment of additional contributions can provide a useful means of identifying outstanding performance and encouraging a culture of continuous improvement.

In summary, performance appraisal systems for the public service will provide scales for measuring three areas of performance:

- performance in meeting personal targets;
- performance in adhering to behaviour-based criteria;

- performance in making additional contributions to the organisation.

Examples of observable behaviours for two of the core competencies selected by the Government of Mauritius.

Providing Service

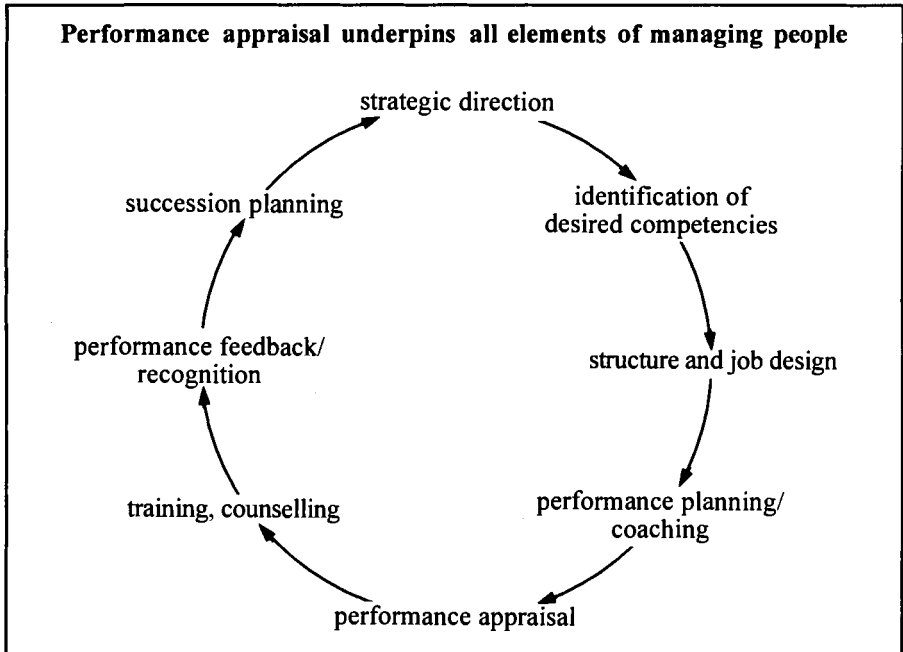
- responds sensitively and courteously to needs of public and other departments;
- responds within time standards of unit;
- complies to all safety standards when providing service.

Professionalism

- applies technical knowledge and experience to meeting division objectives;
- contributes to the improvement of professional standards in Government;
- adheres to all relevant professional standards;
- shares knowledge gained through training programmes with colleagues.

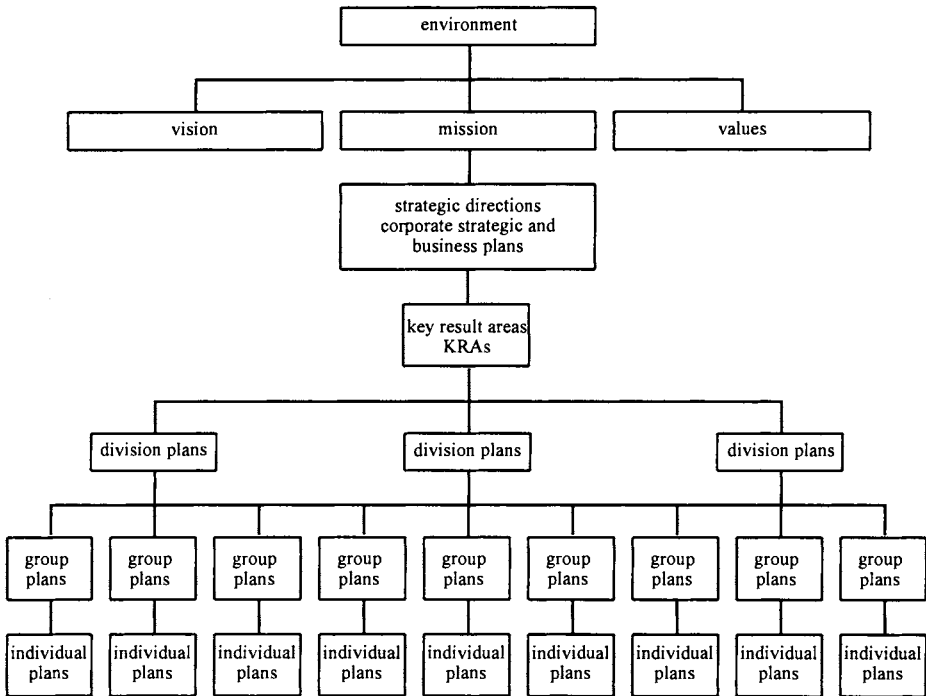
GETTING STARTED – DESIGNING THE PERFORMANCE MANAGEMENT APPRAISAL SYSTEM

Performance management appraisal is not just a system for annual employee assessment, it is an activity that impacts on every aspect of how each individual is managed in the organisation.



Planning and measuring are key processes of the performance management system. These are the processes that link goals to actions and achievements. In an ideal world, the planning system links all areas of activity and the work of every employee to the organisation's goals.

PLANNING FOR PERFORMANCE



In reality, of course, strategic planning activity is occurring in some public service organisations, particularly those moving towards commercialisation, and not in others. However, lack of perfect corporate planning should not delay the design of the system or the commencement of pilots. The very process of work plan development at individual level will cause a flow upwards and will foster the development of organisational objectives. In effect, the aggregate of the individual plans can form the basis of the division plan and the aggregate of division plans the organisation plan. This is not the ideal but it reflects reality and experience indicates that it works. The pilot period in one ministry or department provides an opportunity for ministries or units not involved in the pilot, to undertake corporate planning exercises in readiness for implementation of individual objective-setting in work plans.

In summary, it has been a common experience in a number of countries that the implementation of performance management is in a *bottom up* manner where the completion of work plans by employees aggregates up the system and helps both to speed up and shore up the mission-building and corporate planning processes. Over time, a balance is achieved and the desired linking of each employee's work to the corporate mission in a more *top down* mode occurs.

RESISTANCE

Developing a new performance management appraisal system is a major organisational intervention and change strategy. It requires adjustments in many other management activities and practices and raises issues that people find disturbing. Reaching agreement with others on organisational objectives and individual tasks, and roles and changing expectations of supervisors towards discussing rather than directing, entails people having to face what they really should be doing and how well they should be doing it. This can be threatening.

Evaluations have shown that in following a performance management pilot it is often the employees who identify the most benefits from the system and are enthusiastic for the approach. Perhaps for the first time they feel they understand what they really have to do and what standard of performance is expected of them. Also, possibly for the first time, they are receiving regular feedback, guidance and recognition for their achievements. Psychological and cultural studies indicate the degree to which everyone requires attention from authority figures – negative feedback is preferable to no feedback at all. Performance management with its cycle of structured feedback forces even the most people-shy supervisor to provide needed attention to employees.

Supervisors often find that the introduction of performance management encourages them to give immediate attention to managing in a way that is both more people- and more process-oriented. They are required to be analytical and to develop clear, strategic objectives and tasks for their unit, reach agreement with employees on work plans and be subject themselves to regular appraisal. Initially, this undoubtedly forces supervisors to work harder before they can reap the benefits of a regular and consistent approach to work planning and monitoring.

The impact of these changes can be initial resistance to the development and introduction of a new performance management system. The presence of a currently inadequate system or the remembered history of a previously unsuccessful one may add to resistance and negativity.

The Government of Zimbabwe Civil Service Reform Programme commenced in 1989 with the setting up of the Public Service Review Commission and the development of a framework for reform. To date, achievements have included rationalisation of the size and functions of government and the introduction of modern policies and management methods.

A cornerstone of reform has been the introduction of performance management. The Government of Zimbabwe started with a best practice *top down* approach with the training of senior managers and the completion of 15 corporate plans for ministries across government. Training of all employees and the development of individual work plans has now commenced.

SPONSORSHIP AND COMMUNICATION

To deal with this resistance, two issues must be addressed at the very start of the performance management project: the issues of government and/or senior management commitment, and of communication.

Sponsorship at the highest level is needed for a performance management project. This is to ensure that adequate initial and on-going resourcing is provided, and that a clear message comes through to the organisation that the idea is not a fad but a modern management system that will be introduced both for the benefit of the organisation and of the individual. This sponsorship must come from the senior management team and, when appropriate, the relevant minister or Cabinet. The first task of the reform group, personnel division or project team initiating the system is to obtain this sponsorship by appropriate submissions and presentations to ensure top level commitment to the project.

Submissions need to detail the history and current status quo in relation to performance management in the public service or individual organisation, the objectives of the proposed system, expected benefits, resourcing requirements and anticipated timeframes. There should be an official sign-off that provides legitimacy for the performance management project.

Following sign-off, a project plan is developed detailing all action steps involved in development, piloting and implementation, together with timeframes and allocation of responsibilities. To assist in on-going sponsorship and commitment from senior management, they are given a clear role in the project that involves an on-going organisational and public profile. Ideally, a senior management team member would be included on any steering committee or other task direction group set up to oversee design, development and implementation of the performance system.

In line with best change management practice, communication strategies commence at the initial stages of system design and are included in the project plan. Initial strategies include such activities as discussions with key stakeholders, e.g. department heads and representatives of employee associations, circulars to staff at key stages, government media releases and document launches.

DESIGNING THE RIGHT SYSTEM

There are a number of options for designing the appraisal system:

- appointing a steering committee to oversee the project, including representatives of senior management, the human resource and personnel

and training departments, employees, a representative of the public service unions and other key stakeholders;

- placing the project under the control of the director of an appropriate functional area, e.g. the Reform Unit, the Quality Unit, or the Human Resource Division;
- appointing a project officer or project team to carry out development and implementation of the system;
- contracting an outside consultant either to develop the system or to advise and facilitate an in-house project team.

Whichever combination of the above options is adopted, it is critical to the development, implementation and overall success of the performance management system that it is treated as a key change project that requires dedicated resourcing and senior management support.

Staff involved should possess project management, change management, human resource management and policy development skills.

Activities involved for the project in the initial stages will include:

- research of performance management theory;
- research of other performance systems;
- consideration of the strengths and weaknesses of the old system and employee expectations of the new;
- consideration of the impact on and any required adjustments to other people-management processes such as job evaluation and promotion practices;
- consultation with management and employees and employee associations on the policy and procedural rules of the system;
- design of guidelines detailing the objectives of the performance management system, the annual performance management cycle and processes;

- design of appropriate forms for progress and annual reviews;
- identification of pilot sites;
- agreement with pilot sites on participation;
- preparation for pilot through examination of reporting structures, availability of duty statements and other factors that might impact during the pilot;
- development of pilot evaluation strategies;
- development of training strategy and training materials for the pilot;
- briefing sessions for key managers and groups on the nature and expected impact of the performance management system;
- development of communication materials and activities for launch of the guidelines and forms and announcement of the pilot.

DELEGATING DESIGN

In some countries, the public service has modernised the performance appraisal system by defining key requirements and then encouraging ministries, departments and other agencies to design systems which meet those requirements but which are tailored to suit their own particular culture and function.

THE DESIGN MODE IN LESOTHO

At the end of 1995, a Commonwealth Secretariat consultant worked with a Lesotho Civil Service team of eight members over a five-week period to develop a performance management system. Over this period, consultation across Government was held, system forms and guidance notes, training and evaluation plans and negotiations for pilots in three sites were all completed. Communication and presentation materials were prepared and a major launch for eighty senior members of Government held in the form of a one-day seminar. The pilots will occur during 1996 and full implementation is planned for 1997.

The project was seen to accomplish a major step forward in a very short space of time due to a number factors:

- readiness for a new approach to planning and appraisal, as performance management had been taught for some time as a management training segment at the Government training institute, even though it was not being practised;
- widespread dissatisfaction with the current closed appraisal system;
- combination of a knowledgeable local team selected from a range of key areas including the civil service reform project, the public service human resource and personnel units, and the Government training institute, supported by good resources, dedicated keyboard operator and vehicle driver, and led by a consultant with strong technical expertise in performance management.

The U.K. Civil Service has been seeking to delegate ownership and autonomy as far as possible on performance appraisal. There are only two rules that must be complied with:

- the arrangements must include a means of rating overall performance which is unsatisfactory or unacceptable; and
- they must underpin the organisation's arrangements for performance-related pay.

There are, however, principles which must be taken into account:

- a system for regular appraisal is a key element in the delivery of results and improving the performance of people;
- the system should be appropriate to particular management and operational needs and should be reviewed regularly to ensure they are cost-effective;
- staff should know in advance what is expected of them, how their performance will be assessed, and should get effective feedback: if assessment of fitness for promotion is made, they should be informed;
- those responsible for appraising people should be competent to do so and have received training;
- training and development needs should be identified where not established separately;
- there should be arrangements for recording and handling any disputes and management and staff should be aware of them.

These key requirements are likely to include:

- executive support and sponsorship;
- consultation with management and staff on the objectives and components of the system;
- links to the corporate planning, strategic planning processes, or in the absence of these, to organisational or division goals and objectives;
- development of simple processes, easy to understand forms and guidelines;
- provision for individual work plans with key tasks, and qualitative and quantitative performance measures;
- provision for skill development needed for individuals to complete tasks to required standards;

- provision for on-going review throughout the year and for an annual appraisal based, in the main, on work results;
- strategies for dealing with unsatisfactory performance and for recognising good performance;
- procedures for dealing with grievance resolution;
- systems for ensuring appropriate confidentiality of appraisals and document storage;
- training for all staff before commencing participation in the system.

The Australian Public Services encourages agencies to develop their own performance management system within a framework of guidelines. However, so that equity of pay outcomes across the public sector can be assessed, each agency is required to have a five-point rating scale from (1) Unsatisfactory to (5) Outstanding (Auditor-General's Report No. 16 1993-94 'Pay for Performance').

The following guidance example is given to agencies.

1 Unsatisfactory

Performance does not meet the standard expected at this classification level. This level indicates that the employee has failed to deliver satisfactory results against a significant number of indicators.

2 Adequate

Performance just meets the standard expected of officers at this classification level. This level indicates that the officer has delivered satisfactory results against most indicators. It could be expected that some inexperienced officers would be rated adequate.

3 Fully Effective

Performance fully meets the standard expected of officers at this classification level. This level indicates the officer has delivered satisfactory or better results against most indicators.

4 Superior

Performance exceeds the standard expected of fully effective officers at this classification level. This level indicates that the officer has delivered better than satisfactory results against most indicators.

5 Outstanding

Performance far exceeds the standard expected of fully effective officers at this classification level. This level indicates the officer has delivered exceptional results against all indicators.

Availability and widespread distribution of definitive guidelines is a key element in introducing a new performance appraisal system. The guidelines provide:

- a consistent and holistic view of the organisation's policy on performance management and what the appraisal system is expected to achieve;
- a day-to-day guide to employees and supervisors of their roles and responsibilities in relation to performance appraisal and how these should be undertaken;
- a source document for the development of performance management training materials that are in line with the particular policy and system details adopted and detailed in the guidelines;
- a means of providing an understanding of the system for employees who may not have yet attended an appraisal training course.

GUIDELINES

Guidelines should take employees and managers step by step through the stages of the annual performance appraisal process, from objective setting to decisions following the annual review. The language used and the tone of the document should encourage open discussion and participation. Brief but comprehensive and easy to understand guidelines will assist in improving the quality of performance management, lessen misunderstandings about the system, promote a joint ownership approach between employees and those who will review them, ease pressure on personnel inquiry systems and help to cover any gaps left between training and implementation. An example of the contents of appraisal guidelines are given below.

APPRAISAL GUIDELINES – EXAMPLE OF CONTENTS

1. Introduction

Government policy statement on Performance Management and Appraisal giving authority and compliance status to the material in the document.

2. What is Performance Management

Statement explaining principles of objective-setting, measuring and feedback at level of organisation and the individual.

3. Objectives of the Performance System

Detailing the overall objectives sought from application of the system.

4. How does the Performance System work each year

Diagram providing visual representation of how the system will work, i.e. the annual cycle of organisational planning, individual work planning, progress reviews, annual appraisal and decisions flowing from that appraisal.

5. Planning

One or two paragraphs on:

- Ministry/Division planning;
- Unit planning;
- individual work planning;
- the work plan meeting;
- confidentiality and storage of work plan forms.

6. Reviewing progress

One or two paragraphs on:

- the role and importance of progress reviews;
- when to conduct;
- how to conduct and document.

7. The Annual Performance Appraisal

One or two paragraphs on:

- preparing for the appraisal;
- the appraisal meeting;
- discussion;
- the training plan;
- completing the form.

8. Decisions from the Performance Appraisal

One or two paragraphs on:

- resolving lack of agreement (including any grievance processes to be utilised);
- dealing with unsatisfactory performance;
- rewarding outstanding performance;
- administrative arrangements, roles and responsibilities.

9. Examples

- examples of work plan section of form showing objectives and performance measures for a range of positions.

THE FORM

The same care should be taken in designing the appraisal form. A form that meets all the reporting and systems requirements, that cues the desired responses, controls for bias and is easy to use and understand, can contribute greatly to the success of the appraisal system.

Over-emphasis on numbers, averaging and complex arithmetic should be avoided as it distracts from open discussion and sharing of perceptions between employee and appraiser. The form should be designed to encourage fair and considered judgement and make transparent the basis of the judgement process that has occurred.

The appraisal form may contain the following features:

- brief and simple design;
- form advising that guidelines should be consulted, but each page of the form to contain enough procedural instructions so that the form can also 'stand alone';
- agreed level of confidentiality of the form to be clearly stated;
- information gathered in relation to employee's name, position, etc. to be confined to information that the system genuinely needs;
- form to contain a work plan that is output-focused, with allowance for details of the appraisee's work objectives for the appraisal period, together

with details of the standard expected and how success against that standard will be measured in both qualitative and quantitative terms;

- allowance for details of training needed to complete objectives to be documented on the form when the objectives are developed;
- form to contain a progress review sheet which allows realignment of objectives, if necessary, and early identification of unsatisfactory performance;
- form to include allowance in the annual appraisal section, for achievement against objectives, conformity with organisational behavioural standards, e.g. code of conduct, values etc. and details of additional contributions;
- rating scale descriptors to be positive and not punitive in tone, e.g. the middle of the five-point scale as *good*;
- full statements as to meaning of, or expected performance behind, each rating scale point descriptor to be included on the form;
- full statements of the implications of a particular overall rating, for example *payment of increment requires a rating of satisfactory* to be included on the form;
- allowance for both appraiser and appraisee's comments to be included on the form;
- allowance for training and development discussion and agreement on needs to be included in annual appraisal section;
- allowance for additional comments by other managers in cases of dispute.

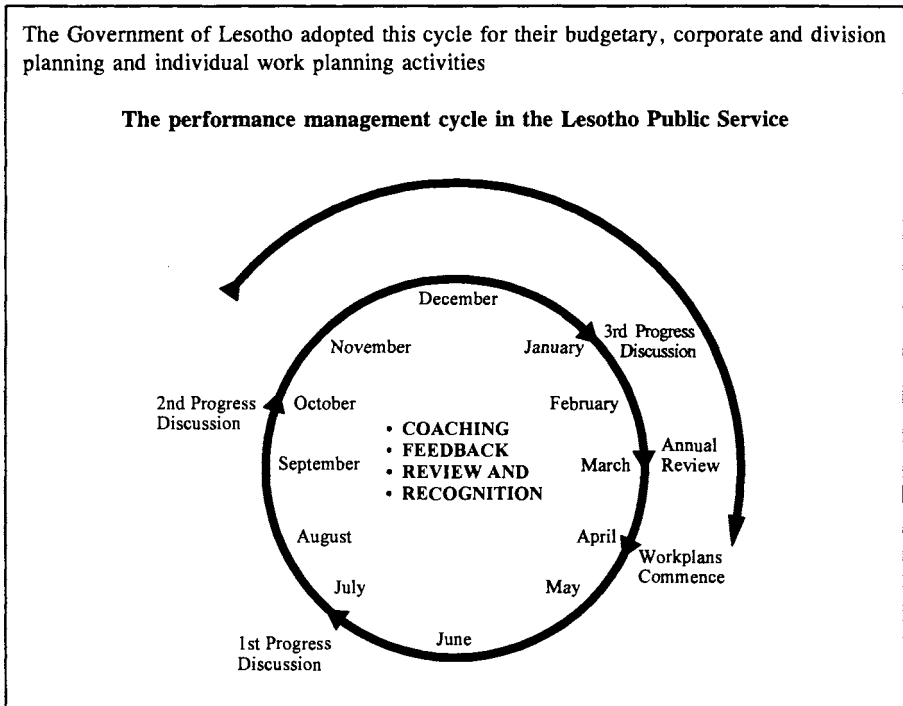
EXAMPLES

Some worked examples of a balanced performance appraisal form and supporting guidelines are provided in Appendices A and B respectively.

THE ANNUAL PERFORMANCE CYCLE

FOUR STAGES

In designing the processes of the performance management appraisal system, an important element will be decisions on the most appropriate start and finish dates of the annual performance appraisal cycle. Considerations will include organisational strategic planning timeframes and dates for payment of merit-related pay increases. Generally, setting of individual objectives and development of work plans occurs at the appropriate point in the budgetary cycle when overall priorities for the year have been set and available resources are known.



The four key stages are:

1. setting individual objectives through work plan development;
2. adjusting objectives, assessing progress and providing feedback;
3. the annual appraisal;
4. making decisions.

STAGE ONE IN THE ANNUAL PERFORMANCE CYCLE – SETTING INDIVIDUAL OBJECTIVES THROUGH WORK PLAN DEVELOPMENT

A work plan for individual employees is a statement of what the employee is expected to achieve and to what level of performance over a particular period of time. It is generally part of the form on which progress reviews and the annual appraisal are documented.

The United Kingdom Social Security Headquarters have further developed the SMART formula and include it in their Guide to Performance Appraisal:

S – *Simple* – clear, understandable.

Does the staff member understand precisely what he or she has to do to achieve this objective?

M – *Measurable* – quantity, quality, money, time.

The most difficult area, particularly in jobs which do not lend themselves to quantifiable outputs.If quality of work is a major factor in determining whether the objective has been successfully achieved, the concept of ‘assessability’ may be more relevant than ‘measurability’.

A – *Agreed* – between you, your staff member and the countersigning officer.

This speaks for its itself – commitment is only possible if objectives are genuinely agreed.

R – *Realistic* – within the control of the individual, takes account of their experience and capability.

Take the opportunity to ascertain how stretching the staff member perceives each objective to be and discuss any differences between you. Also, check that achievement of the objective does not depend substantially on the work of others. If it does, then be prepared to re-frame it to take account of the specific contribution of the staff member.

T – *Timely* – reflects current priorities, assessable within the annual reporting cycle.

If projects are likely to take a number of years to complete, set ‘milestones’ for what is expected to be achieved in the current year.

The work plan is completed by the supervisor and employee at the start of the annual appraisal cycle. The key elements in the work plan design are:

- drawing up of the work to be done from both the objectives and plans of the organisation and from the employee’s job description;

- describing the work to be done in terms of objectives or outputs of what will be achieved over the period covered;

Example of work plan page for a performance management appraisal form.

WORK PLAN

to be agreed between the supervisor and the employee at the start of the annual appraisal cycle

| Key Job Accountabilities <i>drawn from job description and department goals</i> | Objectives <i>results to be achieved</i> | Performance Measures <i>how you will know that results have been achieved, include quantitative and qualitative measures</i> | Additional Skills <i>any additional skills required to achieve objectives</i> |
|--|---|---|--|
| | | | |

Supervisor's Signature

Employee's Signature

Date

- identifying performance measures that show how success will be measured;
- identifying and stating the required level of performance;
- allowance for a skill development plan to identify any special assistance or training the employee might need to achieve the set goals for the year;
- allowance for sign-off of agreement between the supervisor and the employee on content.

A number of countries, including Zambia and Zimbabwe, have found the SMART formula useful in developing performance objectives, and included it on their work plans:

- *Objectives must be Specific; Measurable, Achievable; Results-Oriented and Time-Framed.*

STAGE TWO – ADJUSTING OBJECTIVES, ASSESSING PROGRESS AND PROVIDING FEEDBACK

Performance management encourages regular and on-going communication and feedback between supervisors and employees. The inclusion of formal, documented progress reviews as part of the annual performance appraisal cycle ensures this important management activity occurs. Progress reviews provide the opportunity for adjustment of objectives in line with changed organisational priorities, for any resourcing, skills needs or performance difficulties to be identified and quickly resolved. Ideally, reviews should be scheduled quarterly.

Example of a PROGRESS REVIEW page
to be completed quarterly by the supervisor and employee

Progress Discussed & Agreements Reached as Detailed **Date -----**

Employee's Signature

Supervisor's Signature

Progress Discussed & Agreements Reached as Detailed **Date -----**

Employee's Signature

Supervisor's Signature

Progress Discussed & Agreements Reached as Detailed **Date -----**

Employee's Signature

Supervisor's Signature

STAGE THREE – THE ANNUAL APPRAISAL

Good system policy and rule design, and appropriate form design can greatly assist in ensuring that the annual appraisal is a time for open discussion, agreement,

increased understanding and trust, and commitment to future achievement. The inclusion in the overall rating of consideration and comment on the three key areas of achievement against objectives, demonstration of required behaviours and additional contributions, and comments by supervisor and employee at appropriate stages, can greatly assist in ensuring that the process of formulating the overall appraisal is considered and transparent.

The use of a number of other contributors to the overall rating, including peers, customers and subordinates, in processes that have come to be known as 360 degree rating is popular in some private sector organisations. However, these processes are administratively complex, and in public service settings, which often include complex legal dispute-settling processes, require clear advance identification to the employee of who will comment, and on what aspect of performance. There is then no hard evidence to suggest that 360 degree rating produces a result that is less subject to bias than supervisor rating and it may work to undermine the development of trust and open communication between the supervisor and the employee.

The annual appraisal is the tip of the performance management iceberg. Re-capping on points covered above, it will have impact on performance if:

- the work plan objectives and measures have been openly agreed;
- the supervisor provides day-to-day assistance as necessary;
- formal progress reviews occur quarterly to adjust plans and priorities, if necessary, and to identify and remedy any difficulties that may be occurring;
- supervisors have been trained in carrying out their performance management system duties, including carrying out interviews and bias-free appraisal;
- employees have been trained for their role in performance management, including negotiating realistic work plans and measures, and preparing appropriately for the appraisal interview so that evidence of achievement is brought forward;
- full description of the rating scale appears on the appraisal form;
- rating scale descriptors are carefully selected to ensure they are encouraging to employees;
- complex numeric calculations have been avoided;

- sampling of forms across the organisation occurs regularly, as part of system monitoring of outcomes to assess if managers are using the rating scale in a similar way or if they are exhibiting overly punitive or lenient characteristics.

STAGE FOUR – MAKING DECISIONS

Decisions from the appraisal can be placed along a scale stretching from those concerned with reward for good performance, to those which emphasise improved standards for under-performers. The following section explores these two options in more detail.

REWARDING THE BEST – TURNING AROUND THE WORST

PAY IS ONLY ONE ASPECT

The issue of performance-based reward and recognition has long been a contentious one in public service employment. Many have considered performance reward only in the context of performance pay and debate rages over whether performance pay creates an overly competitive work environment. The research literature stresses that what is valued varies for individuals in differing circumstances and at varying stages in their life. It is unanimous, however, in stating that it is feedback and recognition that motivates rather than money per se.

Survey evidence points to a low correlation between performance and performance pay. It has even been claimed that for tasks requiring intellectual thought and creativity, the prospect of a performance pay assessment has a detrimental effect on the quality and scope of the outcome.

Studies in OECD countries have shown that most performance pay schemes for public sector managers do not have a strong perceived link between performance and pay, and do not have rewards which are patently equitable or large enough to motivate.

However, financial and other awards for excellent performance are increasingly employed within the public service. Performance-related pay may be the most contentious of the approaches, but has been widely adopted. Public servants, like all other employees, require recognition of their achievements to maintain their motivation in a demanding and fast-changing environment.

Performance awards have become a tool in the move away from the static, reactive notion of salary administration towards a more dynamic, strategic approach to rewards management. Bureaucratic payment systems, where people doing the same work are paid the same, are being replaced by more flexible and personalised reward structures which specifically set out to reward an individual's contribution.

Performance-related pay raises some particular risks:

- *Short-termism.* There is little evidence that extra payments do improve overall performance. Most motivational theories stress intrinsic motivation (i.e. the job itself) rather than extrinsic motivation (money and benefits). Performance-related pay schemes must avoid the risk that employers' long-

term targets will be replaced by short-term responses which trigger the rewards.

- *Inappropriate targets.* In setting explicit and well-defined targets, units and departments must avoid the risk of squeezing out broad public interest considerations which are less amenable to target-setting.
- *Weak methodologies.* Performance-related pay can be a contentious development and may be subject to some resistance within the public service. If it is to be credible and sustainable, it must avoid any risk of serious challenge to the performance appraisal methodology which underpins it.

OTHER FORMS OF RECOGNITION

Non-financial performance awards honour and reward public servants who have shown a willingness to make an extra effort in carrying out their duties or who have distinguished themselves in serving the public.

In the South African Public Service, the following performance-based compensation systems have been introduced and are currently utilised to grant special recognition to personnel who have distinguished themselves from their peers through sustained above-average work performance. This is expected to stimulate the initiative of personnel and to encourage them to be more efficient and effective. Components are:

Merit award system – applicable to all public servants. A cash amount, calculated at either 18% or 10% of basic annual salary, depending on the evaluation of results, can be made to an individual.

Special recognition by way of either cash payments or commendations can be granted to personnel for suggestions, inventions improvements, etc.

Department-specific award system where awards, bonuses or allowances may be granted to persons of exceptional ability, or to those who possess special qualifications utilised to the benefit of the employer and those who have rendered sustained meritorious service over a long period.

Introducing such awards requires a clear policy statement indicating the intention to recognise particularly meritorious contributions, the range of awards to be provided, and the means by which outstanding contributions are to be identified, including the development of performance appraisal systems.

In Canada the idea of using performance incentives was put forward in December 1990 as a part of Public Service 2000. The Government proposed to phase out performance pay and replace it with performance awards, to be given at the discretion of Deputies.

Departmental awards

Long Service Awards for significant years of service;

Merit Award to individuals or groups who have significantly exceeded what has been expected of them in their jobs – a certificate and a cash award of up to \$5,000 (up to \$10,000 for groups);

Special Awards programmes can be developed by individual agencies – non-monetary;

Suggestion Awards certificate and up to \$15,000 in cash (the Executive Group is not eligible for cash awards);

Corporate Awards

Awards of Excellence plaques for the best departmental Suggestion and Merit awards;

Outstanding Achievement Awards to no more than five senior officials every year – to recognise outstanding career accomplishments, distinguished service of national or international significance, and sustained commitment to quality service to the public. Presentation of a citation by the Governor General and the Prime Minister, a Canadian work of art and gold pin;

Senior Officer Retirement Certificates presented by the Governor General every year.

Non-financial awards may be at departmental level or service-wide and can cover groups or individuals only. The key to their credibility is that they are associated with recognition from the highest levels of the public service.

IMPLEMENTATION

Strategies for introducing financial awards, including performance-related pay, require:

- a determination to challenge the perceived right to automatic annual pay increases, irrespective of performance;
- a comprehensive dialogue with staff associations and other representative bodies;

- a full explanation to all affected staff; and
- a sound, tested and credible system for performance appraisal.

Performance pay is that part of remuneration to an individual which is linked to agency, group or individual performance. Main types include merit pay, pay for skills acquisition and one-off bonuses.

In 1994, the State Government of Victoria in Australia broadbanded its non-executive structure. The structure now comprises only five levels, with overlapping pay bands and the work-value level of each band set at the base. This allows for performance-based increases to be made to salary. There is also the capacity to pay a bonus (up to 15% as a one-off payment) for exceptional performance in particular circumstances – and to be reported in the organisation’s Annual Report.

Merit pay schemes link base salary increases to performance. In the most simple form of merit pay, the anticipated annual increment within a pay band becomes available only if performance is satisfactory and accelerated progression is available for outstanding performance.

Skill-based pay is used where the acquisition of particular skills by employees is an important issue for the organisation. Employees move through a range of grades on the basis of the demonstration of acquisition of certain pre-defined skills.

Performance pay schemes include payment of one-off bonuses in a range of configurations. The type of schemes which are seen as most successful in public sector environments are those which create many winners and few losers. Those seen as most successful, provide for performance bonuses for the whole organisation in a successful year, together with additional bonuses for successful teams, divisions and individuals.

The New Remuneration System came into effect on 1 January 1992 in Malaysia. Under this system, consideration for promotion, salary increments, training and placement of government officers is based on the officer's performance on the job and contribution towards the organisation and the civil service.

A significant aspect of the restructuring of the civil service was the re-classification of 574 schemes of service into 19 service classifications. These, in turn, were divided into three service groups: top management, management and professional, and support group.

The re-classification significantly reduced the number of grades in the public sector pay systems and consequently the civil service has a flatter organisation structure. A performance-related system was made possible through the introduction of the matrix salary schedule in which the pay increase of a civil servant is related to his or her job performance.

Panels, formed under each government agency, review job performance and decide on one of the four possible types of salary movements or increments:

- a. static (no increment);
- b. horizontal (normal, one increment);
- c. vertical (merit increment, ranging from greater than one to double the normal increment); and
- d. diagonal (merit increment, which ranges from double to triple increment).

The Government of Malaysia places great emphasis on giving due recognition to and expressing appreciation of civil servants. This appreciation is important to provide motivation to civil servants to improve their performance in line with the aim of providing quality services. Various other measures have been implemented in this area, among which is the Public Service Innovation Awards which recognises individuals for ideas to improve the quality of public service. A civil servant who has successfully introduced an innovation in the service stands to win a cash award of RM 1,000 together with a plaque inscribed "Public Service Innovation Award for the Year ..."

Another important measure is the presentation of Public Service Excellent Service Awards to individuals who have rendered services exceeding expectations and the normal responsibilities of the job. Such excellent services are examples to be followed and act as catalysts to diligence and creativity among other civil servants. The winner of the Excellent Service Award receives a certificate of excellent service, a souvenir of value not exceeding RM 300, bonus equivalent to a month's salary, and seven days' unrecorded leave with full pay. The name and photograph of the winner is displayed in the office at a strategic location or an area frequented by the public or visitors.

NECESSARY FOUNDATIONS OF PERFORMANCE-RELATED PAYMENTS

The following questions should be explored when examining the possible introduction of performance pay:

- Could generic standards for similar groups of staff be developed, particularly for lower classification levels?
- Is there equity in the amount and type of work allocated and targets set?
- Is there a moderation system to compare ratings and recommendations for performance pay allocation made by different managers within the same organisation?
- Could performance pay act as a disincentive if the actual performance pay received by the majority is less than they expected?
- Could the system diminish teamwork and co-operation?
- Could other incentives be used as effectively at no cost or less cost?
- Is there a risk that the performance pay or bonuses will reward staff for performing their usual work to a usual standard?
- Is the system supported by clear and motivating communication with staff?
- Does the system have an inbuilt or agreed review mechanism?

The New Performance Appraisal System for the Public Service of Malaysia utilises a Countersigning Officer approach, as well as establishing Co-ordination Panels on Performance Appraisal and Salary Progression to ensure fair and just appraisals.

In his 1993/94 Report on 'Pay for Performance', the Australian Auditor-General noted in his key findings that:

"There is an urgent need for the PSC and DIR to make a clear statement on whether performance pay is to be used as a reward for performance above normal job requirements or as recognition for the achievement of an officer's normal job requirements", and

"The scheme is costly in administrative terms – \$52m for the initial cycle. However, a significant number of agencies did not expect any improvement against the majority of the objectives for performance appraisal and pay".

Remember that performance pay is an 'add-on'. The planning, efficiency and communication benefits of the system should be fully developed and non-pay-based reward and recognition schemes should be fully established before performance pay is considered. Some public service employers are

getting into difficulty by allowing performance pay to become a bargaining point in industrial negotiations and subsequently an entitlement rather than a reward for performance.

A CONTINUING DEBATE

The question of performance-related pay in the public service will not go away. In settings where it has not been introduced it will remain a source of continuing speculation. Where it has been introduced, it requires constant attention and adjustment. Appendix C provides a synopsis of a 1996 review of performance assessment and reward in the Victoria Public Service, Australia. It shows the continuing discussion that this issue generates.

In 1990, the *Australian* Government was considering introducing performance-related pay into the Senior Executive Service. However, a Senate Standing Committee concluded "(we) are far from convinced that it is desirable to introduce performance-related pay at all" and suggested a thorough cost-benefit analysis, piloting of various appraisal systems, and ascertaining staff acceptance of performance-related pay prior to implementation.

Performance-related pay has been introduced for the top three levels of the *Maltese* Civil Service, linking this to the notion of a three-year "Performance Contract". It is based on the assumptions of fairness and consistency, pay for performance, linking of individual and organisational objectives, participative leadership, and openness.

A Flexible Wage System was introduced into the whole *Singapore* economy in 1986 to attempt to overcome the contradictory pressures of the need for flexibility versus the need for security/stability of earnings. This was extended into the public sector in 1988 whereby variable payments could be made to civil servants depending on the performance in the economy. Additionally, the Flexible Wage System sets a guideline maximum of 20 per cent for the variable component of reward.

In the *U.K.*, the 1994 White Paper, *Continuity and Change*, proposed an extension to existing delegated pay and grading arrangements in order to establish a clear link between pay and performance. By 1996, responsibility for all staff below senior levels will be passed to individual departments and agencies. All pay increases are now made through performance-related pay systems.

TURNING AROUND THE WORST

The objective-setting and progress review processes of performance management provide managers with an excellent opportunity to bring under-performers up to organisational standards.

Goals and targets for the year are developed in agreement during the work plan development phase of performance management ensuring that there is a clear understanding of what must be done and the standard expected.

Progress reviews should ideally occur quarterly and provide the opportunity for any performance problems to be identified, causes explored and strategies for resolution developed.

If at the end of three progress reviews a problem still exists at the annual review, the manager, while giving a performance rating of unsatisfactory, should attempt to explore underlying causes. The manager might seek the assistance of experienced personnel experts in the organisation or referral of the employee to a professional counselling service. The full confidentiality of the performance management process should be maintained during these discussions.

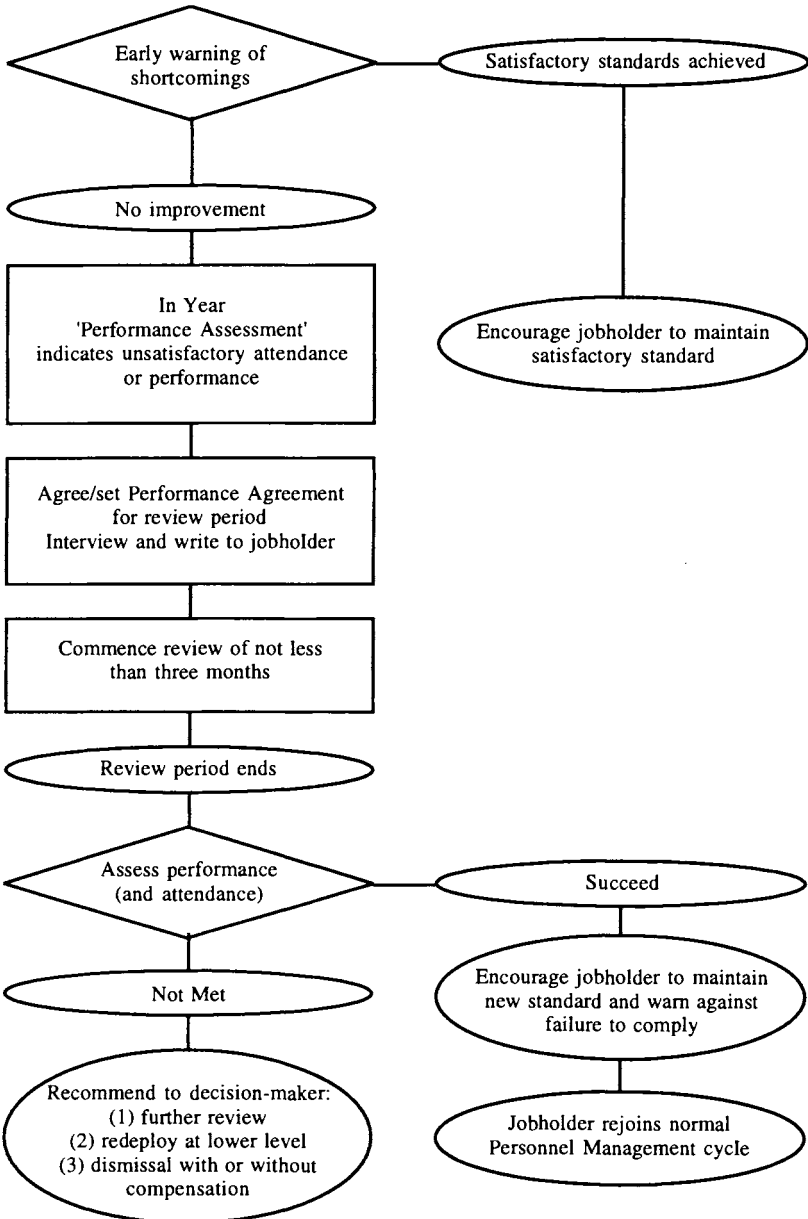
If underlying causes are workplace-related, the manager should develop with the employee a Performance Improvement Plan. This plan should document agreed improvements, strategies to achieve improvement and dates for review. The Performance Improvement Plan should form part of the new work plan for the employee. The manager's manager or a personnel expert should take part in reviews of the Performance Improvement Plan. If, after six months of implementation of the Plan, performance is still unsatisfactory, consideration should be given to other remedial actions. These will depend on the nature of the performance problem, but include such actions as transferring the employee to another location, regressing the employee to a lower grade or commencing disciplinary action.

Details of strategies for dealing with unsatisfactory performance should be included in the appraisal guidelines.

Under-performance can be minimised through three features of the performance management system:

- developing a training plan in tandem with the work plan for each individual which ensures that the employee has the skills to complete the expected tasks;
- training individuals to negotiate realistic work plans;
- regular consultation, discussion and feedback sessions.

Formal Review Procedure used in the United Kingdom Tax Office to manage staff who demonstrate unsatisfactory attendance or performance



OTHER DESIGN CONSIDERATIONS

CONFLICT RESOLUTION

While the open, consultative nature of performance management is aimed at consensus-building and striving for shared organisational goals and work rewards, it is inevitable that performance appraisal outcomes will at times be challenged. While assessment, based in the main on results achieved, offers the best chance of a bias-free appraisal, it is inevitable that personal differences will at times cloud issues and biased ratings may be given or considered to have been given.

Mechanisms need to be built into the administrative policies and rules of the performance system, documented in the guidelines, and allowed for in the forms, to deal with these issues.

The culture change thrust of performance management encourages the development of consultation, co-operation, trust, openness and work satisfaction. Adversarial approaches to conflict resolution should therefore be avoided and efforts made to contain the issue at the lowest possible level.

Strategies include involving the next level manager as an arbiter in any disagreements relating to performance management and, if resolution is not achieved, referring the issue to either:

- the general grievance resolution mechanism of the organisation;

Design of a General Grievance Panel in Lesotho

As part of the development of its performance management system, the Government of Lesotho decided to develop general grievance mechanisms in every ministry. These mechanisms deal with day-to-day problems that occur at the workplace among employees, and between employees and supervisors, that affect normal performance of duties, as well as those emanating from the performance appraisal process.

The procedure involves the following:

1. Details of the complaint in writing to the immediate supervisor, who must deal with the complaint in three days. The complaint is considered in a meeting of the employee, their supervisor, a representative of the personnel office and the next level supervisor.
2. If the issue is not resolved at Step 1 the issue is referred to a meeting chaired by the head of department or senior officer at district level which is again attended by the employee, their supervisor, a representative of the personnel office and the next level supervisor.
3. Issues not resolved at Step 3 are referred to the Ministry Grievance Mediation Panel. This panel comprises a chairperson, the Head of the Ministry or Nominee, a representative of the personnel office at personnel officer level or higher who will act as a secretariat of the panel, the head of the department, a legal officer, the head of the cadre involved and a representative of the appropriate employee association.

- a specially developed performance management grievance handling panel;
- a nominated senior manager.

The first of these is generally considered the most desirable reference point. In all cases, it should be documented in the performance management guidelines that the decision of the body referred to is final. The performance review forms should, through the provision of general comments sections, make provision for any disagreement to be recorded, including comments from the employee.

PERFORMANCE APPRAISAL RECORDS – CONFIDENTIALITY, HANDLING AND STORAGE

The issue of confidentiality of documents and the use to be made of appraisal results, particularly in relation to promotion, should be part of the consultation that occurs with employees and with representatives of employee associations during the development of the performance management system.

Efforts should also be made to keep the administrative processes relating to appraisal forms, simple and streamlined, avoiding unnecessary duplication of processes and documents.

Details of confidentiality requirements and how forms are processed and stored should be included in the appraisal guidelines.

A well-accepted approach is as follows:

- for the appraisal to be confidential between the employee, the supervisor and the next level manager;
- for the employee to have the use of the appraisal to bring forward as a referee report when applying for promotional positions;
- where pay or promotion systems are linked to the appraisal, only the current appraisal is used to make decisions;
- when pay, promotion and training decisions are related to the appraisal, summary reports of training requirements, pay increase lists, lists of those who are considered ready for promotion etc., are forwarded by the manager to the relevant section, rather than allowing circulation of the confidential appraisal forms of individual employees;

- during the appraisal cycle the manager keeps the appraisal forms for the section in a confidential file and the employee holds a copy;
- after the annual appraisal is completed, the form is kept in the employee's personnel file and the same confidentiality rules which apply to the personnel file apply to the appraisal form.

MANAGING THE PERFORMANCE OF SENIOR MANAGERS AND CHIEF EXECUTIVES – TWO KEY QUESTIONS

In the development of performance management systems, an early question for resolution concerns whether it is appropriate to have the same system for senior officers and Permanent Secretaries/department heads as for other employees. The related question concerns who appraises them.

These questions are complex because of the nature of the public service in serving the government of the day and the difficulties that occur for senior public servants in maintaining an appropriate balance between the political focus of the minister to whom they report and their role as a public official.

However, although the questions are difficult, organisational achievement or non-achievement directly reflects on senior executives, even though the achievement of agency objectives is more difficult to measure in the public service than in companies driven by a bottom line.

Experience increasingly indicates that an organisational performance appraisal system, designed through emphasis on results and behaviourally described required competencies, to minimise bias in appraisal, can be quite appropriate for use by senior officials. In many settings, systems for performance appraisal of senior staff are not differentiated from those of others. This common approach assists the capacity of senior managers to lead by example and to reach equitable decisions on performance rating across the board.

Many settings have found it helpful to support the performance and development of their senior staff by developing a specific set of competencies for that group.

The Australian Auditor General saw the presence of a well-documented, consistently applied performance appraisal scheme as critical to the appraisal of senior executives and recommended attention to these details:

- agency (performance management appraisal) guidelines should be consistent with the Workplace Bargaining Agreement and the Australian Public Service guidelines;
- agencies should implement quality control mechanisms which ensure that agreements and appraisals are in accordance with the guidelines, e.g. agreements are negotiated early in the cycle, agreements and appraisals are equitable and of comparable worth, and documented agreements and appraisals exist in support of performance payments;
- active moderation processes should be implemented to ensure that reasonable spread of ratings is achieved and that significant variances in ratings between work groups, regions, classifications and gender etc. are justified;
- agencies should not apply a flat rating or payment approach;
- agencies should ensure the gradations between the levels of performance pay attached to each rating are appropriate to offering financial incentive to staff to aim to achieve higher levels of performance;
- training strategies should be reviewed to ensure that key elements of performance appraisal are covered and that appropriate officers are targeted;
- performance indicators should be developed (both quantitative and qualitative) which will enable agencies to measure achievement against each of the objectives of performance appraisal and pay; and
- agencies should evaluate their appraisal and pay scheme to ensure that these objectives are being achieved.

Pay for Performance, Performance Appraisal and Pay in the APS

The issue of who should be involved in the appraisal to ensure a fair outcome has generally been addressed by involving the Head of the Public Service, as well as the minister and the head of department, in the appraisal of senior executives.

In New Zealand, the Government's goals and priorities for the year are detailed in annual agreements between Ministers and Chief Executive Officers, with advice in relation to Key Result Areas from the Department of Prime Minister and Cabinet and the Treasury and on-going advice from the Public Service Commissioner.

To support the performance of chief executives, New Zealand has developed a set of Chief Executive Competencies that are to be utilised:

- in the person specifications and selection of Chief Executives;
- to assist succession planning by targeting developmental needs of aspiring senior managers;
- to provide a framework for self-assessment of personal/ career development needs;
- for increased emphasis on personal and career development planning, monitoring and review as part of the performance management process.

The competencies are Strategic Leadership, Honesty and Integrity, Intellectual Capability, Managing of People, Building and Sustaining Relationships, Commitment to Achievement, Effective Communication, Managerial Expertise, Managing in the Political-Cultural Context. They are each described in terms of a set of indicators of highly effective and highly ineffective behaviour.

IMPLEMENTING THE PERFORMANCE APPRAISAL SYSTEM

PILOTING THE SYSTEM

A new performance management system should be pilot-tested at a number of sites before full implementation.

The following issues will need to be considered in undertaking the pilot:

- suitability of the sites in terms of providing a range of occupations and sufficient numbers of employees to test the processes and materials;
- senior management sponsorship at the pilot locations;
- preparedness of the sites in relation to:
 - availability of realistic reporting structures;
 - availability of organisational objectives and job descriptions to form the basis of individual's work plans;
- communication to participants of the benefits of the new approach and of participating in the pilot;
- training of participants;
- provision of performance management project team and local human resource personnel support at the pilot sites;
- provision for a pilot timeframe that encompasses at least work plan development, one progress review and an annual appraisal (six months minimum);
- evaluation of the pilot.

TRAINING

Implementation training is a vital part of introducing a performance management system, particularly where the public service organisation has not previously had a performance management system in place.

Consideration should be given to the need for comprehensive training so that, as well as covering systems procedures, there is guidance on the acquisition of the people management and communication skills and practices which underpin successful implementation.

There are a variety of options for length and content of training programmes. A longer programme is useful for participants who are managers as considerable improvement is usually needed in management, communication and work planning to support effective performance management. Some initial training is therefore recommended to ensure some initial success. Performance management training can be incorporated at a later stage into mainstream training programmes, such as induction programmes for new starters and management training for supervisors. The length of the initial training programmes will have an impact on when implementation can occur.

The style of the initial performance management training programmes will depend to some extent on the amount and type of resources available for delivery. A system with access to very experienced workshop convenors may tend towards training which seeks to modify substantially the behaviour of participants during the workshop.

An implementation training strategy for an entire public service will probably need to depend on initial training of facilitators who can then carry out the training in each ministry.

The style of the Zambian training package is to provide comprehensive guidance to the programme convenor so that the package can be delivered by well-educated, articulate and experienced public servants who have had very little experience as convenors. This is an alternative to a "train the trainer" approach. This approach works well where there is considerable focus on conveying systems knowledge rather than on skills training.

An outline of the Zambian Training Package is given in Appendix D.

In developing its performance management approach, the Government of Zimbabwe plans to prepare a team of 70 trainers to conduct a cascade training programme covering 170,000 employees. Training in the new performance management system concepts will be provided for existing trainers, while those inexperienced in training will also be trained in training methods.

Proposed outlines for the Zimbabwe courses for supervisors and employees are given in Appendix E.

COMMUNICATION

To help alleviate fears and misconceptions and ensure that the implementation plans and benefits of the performance management approach are well understood, an on-

To help to support implementation of its new objective-based appraisal system across a large number of employees, the Zimbabwe Government has developed a question-and-answer brochure to circulate to all employees. A video is also planned for managers to show to employees in the workplace. Examples of the questions and answers from the brochure are shown below.

How many objectives should I set myself?

All objectives should be agreed with one's supervisor. Most officers/employees will have between five and ten objectives.

If I am unhappy with my supervisor's rating what should I do?

The subordinate should take the matter up through his/her supervisor to the latter's superior. If still unhappy after this meeting, he/she can go to the head of the ministry or his/her designate (where the matter should be finally resolved).

Is it not risky to have one person deciding whether someone deserves a 1 or a 5 rating, when the implications are so important to the rated person's career?

It is strongly recommended to all ministries that all ratings of 1 to 5 should be corroborated by the supervisor's superior. Supervisors who abuse their authority will find their own ratings negatively affected.

going communication strategy encompassing all employees and employees' organisations should be part of the implementation process. The communication strategy can be part of a one-page implementation plan which defines accountabilities, how reporting and recording will occur, and what training and information will be provided.

The Provincial of Gauteng in South Africa decided to overcome a short implementation lead time by providing performance management concept training to a team of 30 trainers and 75 human resource practitioners to allow them to assist supervisors and employees in carrying out the new objective development and review processes.

Due to the timeframes, they decided to provide an initial half-day seminar to all of the 17,000 employees prior to the commencement of the system, followed by training courses of one day for employees and two days for supervisors during the first two years of system implementation.

EVALUATING THE PILOT

The initial evaluation of a pilot scheme should be simple and direct – *are forms completed satisfactorily and are system-users satisfied?* A further evaluation after a year of operation will allow the system to be assessed over an annual cycle and

The Government of Lesotho task team developed the following desired outcomes and performance indicators and targets to assess its pilot programme.

Desired Outcome

Acceptance of an understanding of the training programme by the employees and supervisor

Indicators

Evaluation of the training at the end of training before the pilot

Target 60% participants satisfied with course

Evaluation of the initial training programme at the end of the pilot

Target 75% of participants found the training relevant

Desired Outcome

Understanding of the instructions in the guidelines by employees and supervisors

Indicators

Percentage of forms completed adequately in desk check of a random group of forms

Target 90% of forms are completed adequately

Users' views in focus groups on ease or difficulty in completing the form

Target 90% found forms reasonably easy to understand

Desired Outcome

A satisfactory grievance mechanism

Indicators

Number of grievances satisfactorily resolved

Target 80% grievances satisfactorily resolved

Views of the grievance panel

Target panel members to provide constructive advice

Desired Outcome

Effectiveness of the personnel advice system

Indicators

Client/User satisfaction gauged in focus groups

Target 95% of users satisfied

Desired Outcome

Identification of areas for change and user recommendations for change

Indicators

Recommendations for improvement obtained in focus groups

Target recommendations available

can introduce the longer-term topics for evaluation. It is also an appropriate point to ask ministries or other units for feedback on implementation and systems issues and problems, as well as assessing human resource data on key issues such as absenteeism, disciplinary cases, and training provision for improvements.

Methods of evaluation include the use of questionnaires, interviews or focus groups. Suggested topics are given below. It is recommended that initial evaluations go no further than halfway down this list.

Topics for evaluation questionnaires and interviews will be selected from:

- clarity and usefulness of the appraisal documents;
- comprehensiveness of performance appraisal training/instruction;
- increased knowledge of overall objectives and specific performance expectations;
- improved quality of work allocation process;
- identification of development needs;
- suggestions for system improvement;
- motivation to work better;
- improvement in working relationships and communication;
- constructiveness of feedback from manager;
- increase in responsibility and autonomy;
- existence of on-going feedback;
- opportunity to input to the assessment;
- agreement with the assessment;
- actual provision of useful training and development;
- proper handling of information;
- fairness of appraisal.

Longer-term evaluations can explore whether there has been improvement in planning, performance, staff development, communication, understanding, and management.

Performance appraisal systems should be kept under regular review. Experience in various Commonwealth countries has shown that they may require major updating after five years.

The Government of New South Wales, Australia, has included audit of performance management systems as a compulsory item in the annual audit of agencies conducted by the Auditor General. The audit looks at, for each agency, whether there is a system in place in the agency, how many appraisals were completed and the number of ratings given in each performance category.

In addition to system evaluation, monitoring of outcomes should be undertaken by using a basic set of statistics focusing on appraisal outcomes and comparing them across job levels, ministries, and by factors such as gender and age, to ensure equitable use of the system.

MAINTAINING THE PERFORMANCE MANAGEMENT SYSTEM

CONSULTATION

A commitment culture has strong implications for ownership of the performance management system. A culture based on two-way communication and mutual agreement requires all parties to be consulted and to feel that they are 'owners' of the system.

The principles of consultation in the continuing development of the system are:

- earlier attempts to introduce performance management-related systems should be fully explored;
- the system objectives should be stated in full;
- the rewards and sanctions frameworks should be set out clearly;
- the method for evaluating the system should be explained;
- system changes and developments should be communicated regularly.

LEADING DEVELOPMENTS

It is important that there is one focal point of responsibility for the overall system, ideally a central agency that can oversee the system, monitor and review implementation and lead further developments.

Detailed responsibilities vary according to the degree of delegation.⁴ In public services where there is *limited* delegation, the following approach is generally adopted:

- comprehensive system procedures, guidance notes and forms are developed and maintained by a central agency with responsibility for the reform process or the human management resource process, in consultation with departments and employees' representatives;

⁴ The varying degrees of delegation in personnel management, and the rough categories of limited, moderate and significant, are explored in detail in *Redrawing the Lines – Service Commissions and the Delegation of Personnel Management*, Commonwealth Secretariat 1996, ISBN 0 85092 461 8, Price: £9.00/US\$14.00

- on-going training, evaluation, monitoring and changes to the system are carried out by the central agency.

In public services where there is *moderate* delegation, the following procedure is often followed:

The Provincial Government of Gauteng in South Africa developed the following plan for the maintenance phase of its planned new performance appraisal system.

| ACTIVITY | RESPONSIBLE |
|---|---|
| Maintenance Owner | Corporate Services |
| On-going policy change | Corporate Services (Personnel Utilisation Division) |
| Master document maintenance | Corporate Services (Personnel Utilisation Division) |
| Maintain enquiry line | Corporate Services (Personnel Utilisation Division) and 11 Departments HR Divisions |
| Monitor system outcomes in terms of merits, promotion and nationally required statistics to ensure equitable outcomes | Corporate Services (Personnel Utilisation Division) and 11 Departments HR Divisions |
| Review potential problems indicated by monitoring, e.g. biased use of rater scale | Corporate Services (Training Division) |
| On-going overview of training and of the training content | Corporate Services (Training Division) |

- system procedures, guidelines and forms are developed, and monitoring of departmental outcomes is carried out by the central agency;
- departments are given the opportunity for system ownership and better departmental *fit* by being permitted to make adjustments and additions to the central model, within well-defined parameters: they will generally be required to conform to a common rating scale to allow comparison of outcomes across agencies, especially if performance-based pay or promotion is linked to the performance appraisal system;

agencies, especially if performance-based pay or promotion is linked to the performance appraisal system;

- departments will arrange their own system training, maintenance and support.

In public services where there is *significant* delegation, the central agency may make a performance management approach and use of a performance management-type appraisal system a legislative or administrative requirement. In addition, it will probably define a number of components which must be included in the departmental systems.

The Commonwealth Public Service in Australia requires the following of its agencies in relation to performance appraisal:

- Performance appraisal programmes are the responsibility of individual agencies in consultation as appropriate with employees and staff associations, and in accordance with guidelines issued by the Public Service Commission. Under the Australian Public Service Workplace Bargaining Agreement, these programmes need to be endorsed by the PSC.

Individual agency performance appraisal programmes should include:

- a rating scale by which an individual's performance can be assessed;
- provision for appraiser and appraisee training, including giving and receiving feedback;
- development needs analysis based on a separate assessment against the competencies appropriate to the officers' level;
- a process to monitor continually and review performance outcomes to take account of changing circumstances;
- a moderation process to ensure equity and consistency in ratings;
- arrangements for review of individual ratings;
- arrangements for quality control, monitoring and evaluation; and
- effective privacy arrangements.

A framework for Human Resource Management in the Australian Public Service.

- Departments then develop their own systems, forms and guidance notes in line with the centrally defined system components and in consultation with their line departments and employee associations.
- Departments will arrange their own systems training, maintenance and monitoring.

- The central agency will generally require system audits to ensure that the defined components are maintained and that performance pay implications are monitored across departments.

RESOURCING

Implementation requires provision of forms, procedures and training programmes. It may also involve assistance with connected initiatives such as strategy review and work re-design. At least initially, there is usually provision of dedicated staff, often in a temporary project team, to lead introduction of the system. However, consideration of on-going resourcing can be overlooked or deliberately excluded. This deliberate decision not to provide resources for maintaining the system springs from a desire to incorporate the system immediately into on-going management practices. It is also often part of a best practice philosophy that the system should not require additional resources.

On-going resourcing needs to be addressed realistically and its elements may vary widely according to the local context. However, the following should provide guidance:

- training programmes – on performance management operations and associated skills such as communication;
- management committees and monitoring/evaluation working groups;
- advisers/experts – for further assistance;
- reporting/communicating vehicles such as newsletters (including use of general newsletters);
- information management tools and systems (such as computer packages, registry systems);
- data collection/analysis and evaluation of results.

AN OVERVIEW

A performance management system provides a vehicle for common understanding of the organisation's purpose and of the requirements and management expectations in relation to each individual's work. The system recognises the importance of the work of each employee to the success of the organisation. It promotes open communication between the manager and the employee by providing regular discussion on expectations and progress. It allows for identification of skill development needs and assists the organisation in career development and succession planning. It provides management with a mechanism for the early turnaround of unsatisfactory behaviour, for assessment of performance, for appropriate employee recognition and the equitable distribution of reward.

Performance management is a point of entry into wider programmes for improving public service performance, and performance appraisal is the key to sound performance management. But it is important to remember the large picture. Performance management systems must be integrated with other systems – a lack of integration and strategic alignment will lead to ineffectiveness and overload.

Individual performance management begins with the strategic plans and objectives of the organisation and work unit, and the budget allocation. It is assisted by effective management – consultation on work plans, coaching and feedback – and by providing employees with information and sufficient freedom to allow them to be fully effective. It is supported by appropriate training and development. Pay and reward systems should be developed with considerable caution and need to be consistent with the particular performance management system and its objectives.

Good design of organisations and jobs will considerably assist successful performance management. This is also helpful in identifying the required underlying competencies so that the best people are selected in the first place. In the dynamic environment of the 1990s, organisations are increasingly adopting generic structures such as broadbanding job levels and job categories. This shifts the focus to the competency set of the team, rather than on detailing the duties and qualifications of individual jobs which have to be frequently adjusted. Sound performance management will, in turn, allow for more flexible arrangements to be

“Employee performance and productivity is best supported through effective communication and organisational goals and combined with the career aspirations of employees.”

(Explanation of the context of performance review policy for the Canadian Public Service)

adopted, as it forces consideration and reform of many of the traditional requirements of the organisation.

Performance management is becoming increasingly important in the public service. It provides a strong and flexible management framework originating at government level and sets the context for better management at the level of the work unit and the individual.

Performance planning and review will help to ensure that the right things are being done. It will provide for continuous improvement and, when radical change is warranted, good performance management will aid its implementation.

Performance management requires a change from a culture based on inputs and control to a culture based on commitment and results. It is about planning, communicating, providing feedback and on-going adjustment. Above all, performance management emphasises the key theme of public service management in the 1990s – performance management is about leadership not control, and it requires leadership by demonstration rather than leadership by instruction. This is a tough challenge, but the pressures for improvement in public service will not allow it to be avoided.

APPENDIX A

Example of a Performance Appraisal Form

example only

**PERFORMANCE MANAGEMENT SYSTEM FOR THE
GOVERNMENT OF xxxxxxxxx**

PERFORMANCE APPRAISAL FORM

This form is part of the Performance Management System for the Government of xxxxxxxxxx.

Before commencing the form, supervisors and managers should refer to the Performance Management System Guidelines.

The Performance Management System provides agreement on work objectives and performance measures, ongoing monitoring and feedback on progress, identification of skill development needs and annual appraisal based on performance.

| |
|--|
| PERIOD OF REVIEW: From: _____ To: _____ |
| NAME: _____ |
| POSITION: _____ |
| PAYROLL NUMBER: _____ |
| DEPARTMENT/MINISTRY: _____ |
| SUPERVISOR _____ |
| SUPERVISOR'S POSITION _____ |

The form is confidential between the employee, supervisor and senior management, as required. During the review year the original is held by the supervisor and a copy by the employee. At the completion of the appraisal, the form is kept on the employee's personal file.

WORKPLAN

To be agreed between the supervisor and the employee at the start of the annual appraisal cycle, or when a new employee commences.

| Key Job Accountabilities <small>Drawn from job description and department's goals.</small> | Objectives <small>Results to be achieved. Should be specific, measurable, attainable, realistic and time framed.</small> | Performance Measures <small>How you will know that results have been achieved. Include targets and measures of quantity and quality.</small> | Additional Skills <small>Any additional skills required to achieve objectives.</small> |
|--|--|--|--|
| | <i>example only</i> | | |

Workplan Agreed

Supervisor's Signature: _____

Employee's Signature: _____

Date: _____

example only

Career Development Comments and Plan

Completed by the supervisor in discussion with the employee.

Employee's Comments

Signature

Date: _____

Next Level Manager's Comments (If Required)

Signature

Date: _____

APPENDIX B

Example Guidelines

example only

It should be noted that this document is an example to assist you. Details in relation to each section of your performance management guideline require development in line with the unique environment and needs of the particular Government or organisation.

PERFORMANCE MANAGEMENT SYSTEM FOR XXXXXXXXXX GUIDELINES

example only

1. INTRODUCTION

This Government (*or organisation*) is committed to becoming increasingly efficient, cost effective, and responsive to the public in all aspects of its operations.

To achieve this change a program of structural, policy and management reform is now underway. A major element of the reform program is the introduction of a new performance management system.

This system aims to develop a performance culture in the organisation by:

- linking the tasks of each employee to the overall objectives of the organisation;
- providing processes for improved work planning;
- identifying and prioritising training and development needs of employees;
- encouraging better communication and understanding of work expectations between employees and supervisors;
- encouraging the early identification and turnaround of unsatisfactory performance;
- recognising and rewarding outstanding performance.

example only

2. WHAT IS PERFORMANCE MANAGEMENT

Performance management is an organisational approach to improve performance by aligning planning and management. It links corporate planning and budgetary cycles and plans to division, team and individual work planning, training and reward and recognition activities. It promotes non blame related problem solving, employee empowerment and the development of a performance culture.

Performance management incorporates:

- corporate and strategic planning to define the long and short term aims and values of a particular organisation;
- translation of these into operational plans for the organisation and each division, and workplans for each individual;
- assessment and provision of training and other resources based on the priorities identified in the planning phase;
- development of appropriate measures of performance at the level of the organisation, the division and the individual;
- regular review, adjustment, feedback and recognition of achievement.

The diagram below illustrates elements of performance system activities :

example only

**PERFORMANCE MANAGEMENT ALIGNING PLANNING AND
MANAGEMENT**

GOVERNMENT PRIORITIES

key government objectives



BUDGET ALLOCATIONS

prioritised resources in line with government objectives



ORGANISATION'S GOALS/OBJECTIVES

what the organisation needs to achieve to meet government objectives



STRATEGIC & ANNUAL PLAN ACTIONS

how the objectives will be achieved



UNIT ACTION PLAN

how particular units will operationalise the annual plan



INDIVIDUAL WORKPLAN OBJECTIVES OR KEY TASKS

how each individual will work towards objectives

PERFORMANCE MEASURES/INDICATORS/TARGETS

Measures at each planning level to indicate task completion/success
and allow appropriate feedback and adjustments.

example only

3. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

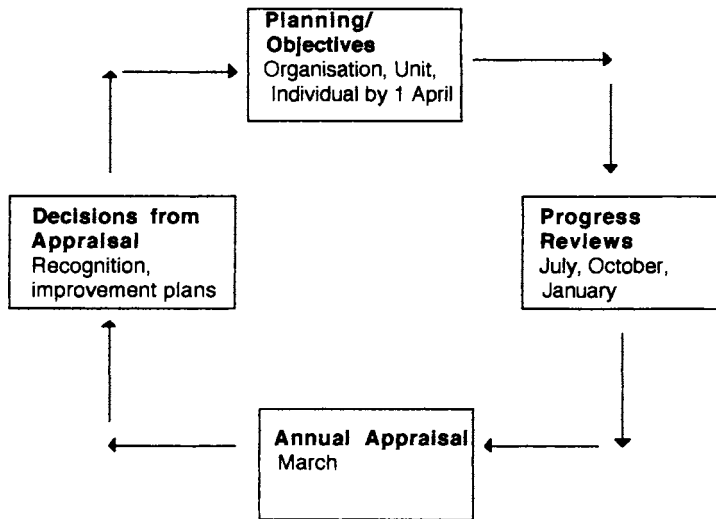
The objectives of the performance management system for the Government (*or organisation*) are:

- to ensure that individual's tasks and priorities are in line with the organisation's objectives;
- to improve planning and work processes for improved productivity;
- to identify skill training and career development needs;
- to foster ongoing communication, coaching and feedback between supervisors and employees;
- to review individual performance objectively against agreed standards;
- to recognise and reward good performance.

example only

4. HOW DOES THE PERFORMANCE SYSTEM WORK EACH YEAR?

The performance management system is an annual cycle of planning, objective setting, coaching, appraisal and feedback.



example only

5. PLANNING

Ministry and Division

As part of the budget allocation activities, Ministers and senior management meet during October and November to decide on Government and departmental priorities and objectives. These meetings are followed by meetings in each department when senior management bring their unit heads together to develop plans to allow the Government's objectives and priorities to be met.

Units

During March unit heads meet with their staff to discuss the department's objectives and how the unit's work can be aligned to meet these objectives. Discussion also takes place during the unit meeting on any objectives staff may have in common and consideration is given to appropriate performance measures and targets for these objectives.

Individual Workplan Development

Following unit planning, or when an employee joins the unit, the supervisor arranges an individual workplan development meeting.

The appraiser sets aside a time for the meeting, gives the appraisee advance notice and ensures they have a copy of the performance management appraisal form and guidance note.

Both prepare for the meeting by considering the objectives of the unit, the responsibilities detailed in the individual's job description, and what should be the priorities and team and individual tasks for the year.

During the workplan meeting the supervisor and the employee draw from the job description the employee's key job accountabilities for the year, taking into account the department's priority objectives.

They then develop objectives to be achieved relating to each key accountability area. The objectives are expressed in a way that details what will be achieved, when, and to what level or standard.

For each objective, details of how success will be measured ie performance measures are also developed.

example only

Consideration is also given to whether any additional skill development is required by the employee to allow them to achieve their objectives, and plans are made for this development.

The workplan form page of the performance appraisal form is fully written up, following the meeting, and signed by the supervisor and employee.

An example of a completed workplan is given at the back of this guideline.

Confidentiality of the Performance Appraisal Form

The performance appraisal form is confidential between the employee, supervisor and senior management as required. During the review year the original is held by the supervisor and a copy kept by the employee. At the completion of the appraisal, the form is kept on the employee's personal file.

example only

6. REVIEWING PROGRESS

While performance management promotes a climate of continuous feedback, quarterly progress reviews provide opportunity to allow for changed priorities, coaching, problem identification and resolution, and early turnaround of unsatisfactory performance.

In July, October and January the supervisor arranges to meet with each employee to consider progress in relation to workplan objectives.

Any changes to workplan objectives are detailed on the progress review page of the Performance Appraisal Form, together with details of strategies for resolution of any performance difficulties identified.

The supervisor and employee complete and sign the appropriate progress review section of the form.

example only

7. THE ANNUAL PERFORMANCE APPRAISAL

The supervisor gives the employee at least one weeks notice of the appraisal meeting, sets aside sufficient uninterrupted time, considers the appraisee's performance and makes notes as to what they consider the performance recommendation should be.

Prior to the meeting, the supervisor ensures they fully understand the performance appraisal processes and the relationship of the performance rating scale to the achievement of objectives as described on the performance appraisal form.

The employee also considers how well they have achieved their objectives and what rating is appropriate. They should note down details of achievements to bring forward in the appraisal meeting.

During the meeting each objective and how well it has been achieved is discussed in turn.

The supervisor then indicates to the employee what the supervisor comments and proposed ratings are. Further discussion may then occur.

The supervisor then completes the comments and ratings section of the form and the employee completes the employee comments section.

example only

8. DECISIONS FROM THE PERFORMANCE APPRAISAL

Lack Of Agreement

If the appraiser and appraisee cannot reach agreement on the workplans and/or the rating of performance, the appraiser refers the discussion to the appropriate next level manager.

Dealing with Unsatisfactory Performance

It is expected that as part of their role, managers and supervisors will monitor work progress and provide day to day assistance for employees.

The progress reviews of the performance management process provide valuable opportunities to formalise this process, to recognise performance problems and to provide coaching, counselling and other remedial strategies at the earliest opportunity.

For employees who meet minimal requirements or fail to meet requirements at the annual appraisal, a performance improvement plan should form part of the next annual work plan.

The performance improvement plan should clearly identify required areas of improvement and expectations and strategies for improved performance.

example only

WORKPLAN

To be agreed between the supervisor and the employee at the start of the annual appraisal cycle, or when a new employee commences.

| <p>Key Job Accountabilities <i>Drawn from job description and department's goals.</i></p> | <p>Objectives <i>Results to be achieved. Should be specific, measurable, attainable, realistic and time framed.</i></p> | <p>Performance Measures <i>How you will know that results have been achieved. Include targets and measures of quantity and quality.</i></p> | <p>Additional Skills <i>Any additional skills required to achieve objectives.</i></p> |
|--|--|--|--|
| <p>To carry out organisational reviews.</p> | <p>To review provision of hospital outpatient services and prepare a report with recommendations for improvement.</p> | <p>Report prepared and completed by 30th June.</p> | <p>One week's training with Government statistician required.</p> |
| <p>To train junior staff in the section.</p> | <p>Produce and conduct a training programme on review methods for section staff.</p> | <p>Report recommendations 50% accepted.</p> <p>2 training sessions conducted for 20 employees by 30 September.</p> | |
| <p>To ensure all position vacancies are filled</p> | <p>To arrange advertising, selection committees and appointment of recommended candidates.</p> | <p>80% of participants rate course at 4 or better.</p> <p>Vacancy rate to be no more than 10% throughout the year.</p> | |

Workplan Agreed

Supervisor's Signature: _____ Employee's Signature: _____ Date: _____

**THE TRANSITION TO PEOPLE
PERFORMANCE MANAGEMENT**

**Review of Performance Assessment and Reward for
Victoria Public Service Non-Executive Staff
May 1996**

SYNOPSIS

The performance-related pay band strategy for the Victoria Public Service non-executive structure was introduced in 1994. The objective was to assist in implementing Government's work reform objectives for the Victoria Public Service, particularly in relation to:

- More efficient organisation of work
- Development of a culture of reward based on performance
- The introduction of employment agreements

This review was undertaken to provide an overview of the performance assessment and reward aspects of the system, including identifying issues and systems features. The aim was to inform what needs to be done in the future. The major issues, and possible responses to them based on re-alignment of systems features, are the focus of the Review Report. However, some of the possible changes will be constrained by the two-year agreements that are currently being made. The possible responses to issues have therefore been presented with this in mind.

KEY FINDINGS

- Departmental approaches vary. All departments have a rating scale to determine performance pay. One department, in some instances, pays performance pay as a lump-sum. Three departments use control point within the pay band – this divides the band into two zones to allow more planning control over performance appraisal and pay.
- Most departments have some form of performance standard for band levels and the major work boundaries or job families of the department. These were developed with reference to the National Competency Standards.

- The distinct exception is the Department of Premier and Cabinet's model. This requires continuing performance improvement at the level of the individual for performance pay to continue to be paid from one year to the next.
- Moderation of performance pay outcomes occurs in virtually all departments from a corporate perspective.
- The links between business planning and performance planning need further development.
- Most departments have instigated significant training and development of staff and managers in support of the system.

KEY ISSUES

The Contribution of the Performance Pay Systems to Continuous Improvement

The basis of payment needs further consideration. At present, apart from across-the-board pay band adjustments, increased payment can only be made by departments through annual performance assessment. Government policy requires payment to be made only for performance that is above adequate (that is, above the level for which individuals are paid to do a job). However, it should be stressed that even where performance pay is only awarded for above adequate or fully effective performance, this will not necessarily ensure continuous improvement. This is because the majority of systems may continue to award performance-based increases where a static level of above-adequate performance is maintained.

Possible Response

Set remuneration targets for individuals on the basis of performance expectations for the ensuing planning period. The expectations would take account of the assessed capacity of the individual to deliver required outputs and this, in turn, would be dependent on the level of performance demonstrated by the employee in the previous year's assessment. This would involve the wider recognition in the Victoria Public Service that band ranges reflect a performance scale, where a given level of performance, once achieved, must be exceeded to be able to attract a further pay increase.

The key consideration is that the organisation must be in a position to be able to match required outputs with the level of performance expected at any given point within the range. This implies a dynamic approach to the organisation of work and

to negotiation between the manager and employee on an annual basis as to the outputs expected.

It should be stressed that while this is seen as the ideal way in the right environment for ensuring continuous improvement, the choice of how (and whether) to pursue this must lie with the individual department.

Productivity Improvement

The expectation underpinning the performance pay system is that it will be paid for by continuously improving level of productivity in individual departments. The assumption, therefore, is that increased departmental productivity equates to the accumulated increase in performance by departmental employees. However, performance improvement does not always yield productivity improvement as it can be qualitative as well as quantitative.

The equation is complicated by across-the-board pay band adjustments made centrally to Government that are, in part at least, based on assumed increases in productivity. This is a pay policy issue.

The broader, more flexible pay bands were intended to facilitate fundamental redesign and reform of work within departments. Work redesign represents an opportunity for departments to significantly reduce costs by, for example, eliminating hierarchical organisation structures, defining individual jobs more broadly, making better use of teams to deliver services, and reducing handover points.

Possible Response

Better organisation of work so that it enhances productivity gains. This would be based on adoption of the concept of redefining jobs around evolving individual and organisational capabilities. That is, a dynamic approach to lock in continuous improvement. This is an area where it would be appropriate for departments to be supported with useful models and examples. The Office of the Public Service Commission (OPSC) would be prepared to research this issue to draw on and utilise relevant organisations with expertise.

Merit and Equity

While difference in systems features is not a problem from a service-wide perspective – that is, the system should have the flexibility to support particular human resources strategies and business priorities in individual departments – it is important that the system within a department is seen to be consistent and based on merit.

The statistics demonstrate that, across the Victoria Public Service, both the incidence and percentage of performance pay increase as band level increases. There has also been the issue of "hard and soft markers" which departments have addressed to some extent in the moderation process.

Possible Response

Enhance the tools that are used to assess people (combined with good moderation processes). This would include extending the use of standards, which are generally a better assessment tool for lower-level staff, to all departments. It would also focus on ensuring consistent thresholds for access to performance pay.

The Link to Pay Policy

A number of related pay issues were raised, including:

- the relationship between performance pay and across-the-board pay band adjustments;
- the funding of across-the-board increases;
- more flexibility for departments to pay one-off bonuses (for particular achievements during the planning period);
- the capacity to negotiate payment to attract and retain staff; and
- salary on transfer and salary of re-deployees.

It was felt that these matters would be better dealt with through the forthcoming review of pay policy.

IMMEDIATE RESPONSES

These are a number of areas where further enhancements could commence now. The use of pilot sites for developing best practice would be an appropriate technique. These include:

- development of models for work reform, including to support appraisal and reward of teams;
- strengthening communication on work planning and the link to strategic plans;

- consideration of the increase use of standards and improved rating scales to enhance the focus on continuous improvement;
- further development of quality moderation processes to enhance merit and equity and motivation; and
- continuing development and application of training and communication strategies.

FUTURE DIRECTIONS

There is the need for adoption of a two- to three-year outlook. Research outside of the Victoria Public Service indicates that performance management systems are undergoing considerable change. There is a move away from performance management systems that look at individual performance as a self-contained process and towards systems that seek to align individual performance management with the strategic needs of organisations. In keeping with this, performance management systems are operating differently in each department. Notwithstanding these different applications, the issues and concerns raised by departments are similar. Immediate options for change are limited and therefore need considering in the context of the desired future.

Employment agreements need to recognise that appraisal systems will probably need to change as we learn from experience. It is generally understood that performance management systems in departments will undergo considerable change as managers and staff develop the competencies needed to negotiate and plan work, establish key performance management on the acquisition of key organisational capabilities that are critical to the future direction of departments.

In developing policy in this area, central agencies should undertake rigorous consultation with departments to develop flexible arrangements that are responsive to the needs of different businesses. Establishing and maintaining a culture of performance management requires continual reassessment of the capabilities being developed and their alignment with the organisation's strategic direction.

**PERFORMANCE MANAGEMENT
WORKSHOP OUTLINE**

ZAMBIA

1. Opening
2. Overview of the new performance management package
 - merits of the new package
 - characteristics and elements of the new system
 - relationship to the Public Service Review Program (PSRP)
3. Performance management (in PSRP context)
 - definition and models of performance management
 - discussion of PSRP
 - different types of performance management systems
 - importance of performance management
4. Organisation Work Plan and Target-Setting
 - steps in developing an organisation work plan
 - mission or broad objective*
 - key result areas (KRAs)*
 - principal accountabilities of KRAs*
 - target-setting*
 - schedule of programme activities*
 - organisations that contribute to progress*
 - resource persons*
 - estimates of supplies, equipment and services*
 - cost of programme*
 - assumptions*
 - work plan charts*
5. The Individual Work Plan/Target-Setting
 - steps in developing individual workplans

job purpose
KRAs and principal accountabilities
targets
performance/KRAs/target form

6. APAS (Annual Performance Appraisal System) Procedures

- why appraise?
- uses/benefits of appraisal
- the APAS forms
- the overall systems
- Ministry APAS committees
- central agency role and monitoring/reviewing APAS
- rewards and incentives

7. Preparing for the Appraisal Interview – Providing Performance Feedback

- motivation
- informal feedback
- preparing for formal feedback
- physical setting
- attitude
- the procedure
- role-play exercise

8. Managing Performance Problems

- what's the problem?
- what's causing the problem?
- solving the problem

9. Performance Development Plans

- review the targets/clarify the 'gap'
- choosing which issues to work on
- explore the options
- agree on strategy
- set a review date
- closing the discussion
- the follow-up

10. Post-Programme Work
 - next steps
 - the Ministry APAS committee
 - group-sharing
11. Questions/Discussion
12. Summary and Program Evaluation

Appendix E

Aims, learning objectives and course content for courses to be delivered across the Civil Service following the planned cascade training programme

Developed jointly by Directorate of Training, Zimbabwe Institute for Public Administration (ZIPAM) and Commonwealth Consultant

It was agreed that at the end of the *train the trainer programme*, covering 70 trainers (30 undertaking 7 days' training, 40 undertaking 3 days' bridging), trainers would be equipped with material and course outlines to conduct two types of course.

Course 1 to be a three-day programme, *Performance Management for Non-Supervisors* (job-holders who will not be conducting appraisal).

Course 2 to be a three-day programme, *Performance Management for Managers and Supervisors* (job-holders who will be conducting appraisal).

Proposed aims, learning objectives and course content for each of these courses is given on the following pages. It was agreed that ZIPAM would develop course outlines based on these proposals. It was also discussed and agreed that:

- the revised and Government-endorsed *Guide to Performance Management* would be part of the course hand-out material;
- the yearly performance management cycle of planning and work planning meetings, progress review meetings, the annual appraisal, and decisions flowing from that appraisal would be the focus of training;
- that necessary skills training, e.g. negotiation, communication, coaching etc. would be built around, and reinforce understanding of the activities of the annual cycle.

COURSE 1 Performance Management for Non-Supervisors

Course Duration

2 days

Course Aims

To provide course participants with an overview of the Zimbabwe Government Performance Management System and its focus of working towards results to improve efficiency, productivity and service to the public.

Learning Objectives

By the end of the course participants will be able to:

- assess the attitudinal barriers to, and the benefits of, the performance management system;
- explain the Zimbabwe Government Performance Management System and describe its goals;
- formulate KRAs and objectives;
- develop own work plans for discussion with supervisor;
- discuss, negotiate and agree on work KRAs and objectives;
- provide appropriate input into work plan, progress review and annual appraisal interviews.

Course Content

Course to include:

- group exercise on perceived barriers and benefits of performance management;
- explanation of system using performance management system diagrams:
 - cascading objectives with feedback arrows;
 - cycle of performance management activities, planning, progress review, annual appraisal and judgements;

- developing KRAs and objectives and description of KRAs as coming from both mission statements, ministry or unit objectives and individual job descriptions;
- completing the work plan, including when generic objectives and standards are appropriate, work processes and job boundaries and SMART;
- appropriate preparation for, and input into the interview process, the work plan meeting, the progress review meeting and the appraisal interview.

COURSE 2 Performance Management for Managers and Supervisors

Course Duration

3 days

Course Aims

To provide participants with an overview of the Zimbabwe Government Performance Management System as a tool for improved management, increased organisational efficiency, productivity and service to the public, and the role of the manager and supervisor in achieving change through performance management.

Learning objectives

By the end of the course participants will be able to:

- assess the attitudinal barriers to, and the benefits of, the performance management system;
- explain the Zimbabwe Government Performance Management System and describe its goals;
- draw up departmental work plan in consultation with staff;
- link departmental and individual work plans to ministry's mission;
- discuss and resolve communication barriers with staff;
- develop individual or group work objectives and performance standards in collaboration with staff;

- help staff to produce individual work plans;
- conduct regular progress interviews;
- recognise, manage and improve unsatisfactory performance;
- conduct objective appraisal interviews;
- complete the appraisal form and use the rating scale fairly and accurately.

Course Content

Course to include:

- group exercise on perceived barriers and benefits of performance management;
- explanation of system using performance management system diagrams:
 - cascading objectives with feedback arrows;
 - cycle of performance management activities, planning, progress reviews, annual appraisal and judgements;
 - manager's and supervisor's roles and responsibilities;
- performance management as change management and the implications;
- running the division planning meeting and other team meetings;
- developing KRAs and objectives and performance standards for groups and individuals in collaboration with staff;
- building and communicating to staff the links between the group and individual plans, the mission statement and Ministry objectives;
- managing the interview process, in the work plan meeting, the progress review meeting and the appraisal interview;
- managing unsatisfactory performance;
- understanding bias in making appraisal judgements and the use of rating scales;
- recognising and rewarding performance.

TERMS COMMONLY USED IN PERFORMANCE MANAGEMENT

Complex terminology has developed in relation to performance management. In different settings, different meanings are often ascribed to terms. Performance management theorists hotly debate meanings of such terms as *performance standard*. In practice, which term is used is not important, what is important is there is a common understanding of the particular term in the setting in which it is being used. This may be helped by providing your own set of definitions for the terms your agency has decided to use within your performance management system.

The list that follows details a number of terms commonly used in performance management, together with generally accepted meanings.

| TERM | MEANING |
|----------------------|--|
| Assessment | Formal evaluation of performance usually annual, used interchangeably with the terms, appraisal and review. |
| Appraisal | Most common term used to describe annual evaluation of performance, meaning as assessment. |
| Capabilities | Generally used to identify and describe the attributes, in terms of organisational structure, and type, level and quantity of skills of employees, a particular agency may need to meet its future objectives. |
| Competencies | Defined skills, knowledge and experience required for successful performance in particular classes or types of jobs. |
| Feedback 360 degrees | Describes processes being developed in some settings for including information from peers, subordinates and internal and external customers as well as the supervisor in appraising performance. |
| Inputs | The resources, skills and experience brought to an activity before objectives are achieved and outputs produced. |
| Key Result Areas | The major programme or work areas in which it is decided an organisation, group or individual must achieve objectives. |
| Key Tasks | Used to describe the major activities to be undertaken to complete an objective. Commonly used in performance systems, instead of the term objective. |
| Merit Pay | Performance-related pay type in which increases to base salary are determined on performance. |
| Milestone | Term borrowed from project planning. Generally describes when a significant stage is reached in the achievement of an objective. |
| Mission | A broad, highest level statement of purpose for an organisation which defines its business and direction. |
| Objectives | Concise statements which detail outcomes the organisation, group or individual plan to achieve within a particular time frame. Statements of objectives may incorporate performance targets. |
| Outputs | The end results of processes or activities undertaken by agencies, groups or individuals. |
| Peer Review | Incorporation in performance assessment of the views of individual's colleagues as well as their manager. |

| | |
|---|--|
| Performance Indicator | A performance indicator expresses how results will be measured. In developing performance indicators, time, cost, quality and quantity relating to the objective are considered. |
| Performance Management | System designed to improve organisational performance, linking Corporate Planning and Budgetary cycles and plans to division, team and individual work planning, appraising, training and reward and recognition activities. |
| Performance Measure | Unit of measure used to determine whether objectives or outputs were achieved. Often used in place of term performance indicator, and sometimes includes standards or targets. |
| Performance Standard | Agreed level of achievement to be reached by all employees involved in the achievement of a particular objective or key task. |
| Performance Target | Targets include amount, quality and/or timeframe for completion of activity. |
| Performance Bonus | One-off sum paid to groups or individuals for performance achievements. |
| Performance-Related Pay | That part of remuneration to an individual which is linked to agency, group or individual performance. Main types include merit pay, performance bonuses, and pay for skills acquired and used. |
| Plan Business | Plan which translates strategic directions into action, operational in focus and includes resourcing and detailed timelines. |
| Plan Corporate | Overview plan for the agency which details the agency mission, vision, and strategies for realising them. |
| Plan Strategic | Plan to establish high level strategic direction for the agency for periods of 3 to 5 years. Focuses on the operating environment, overall objectives and best strategies to achieve them. |
| Plan – Performance Plan, Work Plan or Action Plan | Plan of agreed group or individual objectives and performance targets for an appraisal period. Generally includes training and development plan. |
| Progress Review | Periodic discussions between managers and employees to discuss progress, resolve problems and adjust workplans, if necessary during the annual performance cycle. Generally documented and takes place quarterly or six-monthly. |
| Review (Annual) | Term adopted by some performance management systems to describe the annual evaluation of performance. Common meaning with assessment, appraisal in performance management terms. |

| | |
|------------|---|
| Strategies | Best actions for achieving results. |
| Vision | A broad, highest level leadership statement of what an organisation aims to become. |

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Initial enquiries and requests can be made to:

The Director
The Management and Training Services Division
Commonwealth Secretariat
Marlborough House
Pall Mall
London SW1Y 5HX

Telephone: (+44) 171 839 3411

Facsimile: (+44) 171 747 6335

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