

Employment Direction No. 26

MANAGING PERFORMANCE IN THE STATE SERVICE

Operative Date: 4 February 2013

Directive

Pursuant to Section 17 of the *State Service Act 2000*, I hereby direct that the arrangements and requirements set out in this Employment Direction are to apply.



Issued by authority of the Minister administering the *State Service Act 2000*.

Date: 4-2-13

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Attachment 1 - Managing Performance in the Tasmanian State Service

Attachment 2 - Managing Performance Guidelines for the Tasmanian State Service

1. Purpose

- 1.1 To emphasise that effective performance and managing for performance are critical for the State Service workforce to deliver quality services for Tasmanians.
- 1.2 To outline the performance management roles, responsibilities, administrative requirements and accountabilities of Heads of Agency, managers and employees.
- 1.3 To ensure Performance Management Systems in the State Service are based on regular constructive feedback, support a clear link between the performance and development of individual employees, and achieve business requirements and other workforce management practices.

2. Application

- 2.1 This Employment Direction applies to the development, implementation and evaluation of performance management of all employees appointed under the *State Service Act 2000*, but does not apply to Heads of Agency, Prescribed Officers or Officers of the Senior Executive Service (SES) Officers appointed under Section 31 of the Act.
- 2.2 Performance Management for Heads of Agency, Prescribed Officers and SES Officers are outlined in separate instruments.

3. Legislative Basis and Related Documents

- 3.1 *The State Service Act 2000* as the Principal Act with amendments identified in the *State Service Amendment (Performance) Act 2011* in the following sections:
 - a. Section 3(1) Interpretation;
 - b. Section 7(1) State Service Principles;
 - c. Section 34(1) Functions and Powers of Heads of Agency;
 - d. Section 36 Annual Reports by Heads of Agency;
 - e. Section 44(3)(c) Termination of Employment of Officers/Employees; and
 - f. Part 7A Managing for Performance.
- 3.2 Employment Direction No. 17 - Senior Executive Officers and Equivalent Specialist Officers Administrative Arrangements and Conditions of Service.

4. Directive

- 4.1 Pursuant to Section 17 of the State Service Act, I hereby direct that the administrative requirements outlined in Attachment 1 apply to the management of performance, recognition of performance and management of underperformance of employees to whom this Employment Direction applies.

5. Date of Operation

5.1 This Employment Direction will take effect from the date of issue or date of proclamation of the State Service (Performance) Act whichever is later and remain in force until a replacement Ministerial Direction is issued or this Direction is rescinded.

6. Review

6.1 The Employment Direction will be reviewed by 4 February 2014.

7. Authority

7.1 Issued by authority of the Minister administering the State Service Act pursuant to Section 17(1).

MANAGING PERFORMANCE IN THE TASMANIAN STATE SERVICE

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1. Introduction

- 1.1 The *State Service Act 2000* provides for improved performance management in the State Service, which is contemporary, productive and service focused.
- 1.2 The underpinning principles of effective performance management throughout the State Service are:
 - a. employee performance is aligned to government policies, programs; priorities in Agency strategic and operational planning; and the State Service Principles, Code of Conduct and Agency values;
 - b. effective performance is required of all employees regardless of role, responsibility or level;
 - c. all employees share responsibility for improving performance;
 - d. underperformance is not acceptable and is addressed by defining clear expectations and consequences and providing support and feedback in a procedurally fair manner;
 - e. procedural fairness is integral to all performance management processes, which include open, regular and constructive feedback in a supportive workplace environment; and
 - f. employees are not disadvantaged nor discriminated against within the meaning of the *Anti-Discrimination Act 1998*.

2. Purpose of Performance Management

- 2.1 The purpose of Performance Management in all Agencies throughout the State Service is to:
 - a. promote a culture of shared responsibility for positive workforce behaviours and encourage performance that will improve delivery and quality of service for Tasmanians;
 - b. ensure that employees know what is required and how they are expected to contribute to unit/team operational goals;
 - c. promote an open communication environment that provides ongoing, constructive feedback and support to employees in order to achieve better performance outcomes and specific requirements;
 - d. provide a work environment that encourages skill and career development and learning directed at continually improving performance;
 - e. support the development of a productive and satisfying work environment that attracts and retains quality employees;
 - f. recognise employee performance that exceeds expectations or delivers specific outcomes and requirements; and
 - g. identify, manage and resolve underperformance issues.

3. Obligations, Roles and Responsibilities

- 3.1 A Head of Agency is accountable for developing and implementing effective performance management arrangements in their Agency consistent with, and reflective of, this Employment Direction. In particular, a Head of Agency is to implement performance management arrangements that:
- a. integrate government policies, programs and priorities; Agency strategic and operational planning; the State Service Principles; the Code of Conduct; and Agency values with workforce management practices;
 - b. support communication and information to clarify employee participation in, and understanding of, performance management and the Agency Performance Management System;
 - c. support training, education and/or development for managers to effectively manage employee performance;
 - d. ensure completion of Performance Management Plans for each employee which are prepared by the employee and their manager;
 - e. ensure information is readily available on the Performance Management System, including the Performance Management Plan and the programs and infrastructure which exist and are available to assist employees to achieve agreed performance outcomes, specific requirements and workplace behaviours; and
 - f. enable reporting in Agency Annual Reports in relation to performance management activities and the effectiveness of the Agency performance management arrangements.
- 3.2 An employee has an obligation and responsibility to:
- a. fully prepare for, and engage in, the discussion, development and completion of their Performance Management Plan;
 - b. undertake agreed development to achieve positive workforce behaviours, performance outcomes and specific requirements; and
 - c. demonstrate positive workforce behaviours and perform to the requirements identified in their Performance Management Plan and be accountable for that performance.
- 3.3 Managers (including supervisors) have an obligation and responsibility to:
- a. prepare for the discussion and development of Performance Management Plans and support employees in their endeavours to achieve performance requirements;
 - b. be consistent, fair and objective in specifying performance requirements and in managing, monitoring and assessing employee performance;
 - c. identify and enable appropriate development activities;
 - d. provide ongoing recognition and constructive feedback to the employee on their performance, including when they meet, exceed or do not meet requirements identified in the Performance Management Plan; and

- e. undertake development to prepare for performance management activities and to effectively manage the performance of employees that report to them.

4. Key Elements of a Performance Management System

- 4.1 The Performance Management System within each Agency is effective when it is integrated with other workforce management strategies. The Performance Management system is to:
 - a. stimulate improved performance and a cooperative, team-oriented workplace culture;
 - b. provide fair, equitable, open and transparent processes;
 - c. improve knowledge and understanding of the performance management principles;
 - d. shape skill and career development based on the qualities and capabilities of employees that are identified and developed over time;
 - e. be supported by appropriate and relevant documentation which is maintained in accordance with records management principles, including ensuring confidentiality and appropriate use of all information;
 - f. operate on a regular time cycle with at least one formal annual review of employee performance; and
 - g. report according to Section 10 of this Employment Direction.
- 4.2 Agency Performance Management Systems are to be reviewed regularly (at least every three years).

5. Performance Management Plan

- 5.1 The Performance Management Plan identifies the performance outcomes and specific requirements for an individual employee according to the duties, responsibilities and behaviours required by their role.
- 5.2 The Performance Management Plan documents the feedback provided on an ongoing basis as part of regular reviews. The Performance Management Plan, and the feedback as part of its development, is pivotal to the Performance Management System.
- 5.3 To be effective, the Performance Management Plan needs to be based on clear, measurable and sustainable employee or team performance outcomes and requirements related to the job including:
 - a. accountabilities;
 - b. objectives/targets;
 - c. primary tasks and duties;
 - d. competencies and professional standards to be met or maintained;
 - e. priority result areas; and/or
 - f. behavioural standards.

- 5.4 The various components outlined in 5.3 may change over time and may need to be updated periodically to ensure they remain relevant in order to reflect individual employee performance requirements.
- 5.5 Establishing development plans is an important part of the Performance Management Plan. Agreed learning (education, training or experience) is to be identified, with a set of actions and timeframes, to address agreed learning. Career options and timeframes to address these are also to be discussed and, where appropriate, activities identified to assist in this area.
- 5.6 Identifying the performance outcomes and specific requirements against which performance will be assessed is a shared responsibility of the manager and employee. At a minimum, these performance outcomes and specific requirements must relate to the requirements specified in the Statement of Duties during the assessment period.
- 5.7 The Performance Management Plan should be agreed between the employee and manager. Agreement between an employee and manager in the identification of outcomes, specific requirements and behaviours in a Performance Management Plan is important to ensure that the purpose, role and responsibilities of a job are clarified. Agreement regarding the standard necessary to meet performance requirements strengthens understanding and commitment to the workplace, and assists in identifying the support and development that is appropriate to achieve these outcomes.
- 5.8 Provision is to be made in the Performance Management Plan for comments by the employee.
- 5.9 If agreement is not reached on the Performance Management Plan the matter is to be referred immediately to the next highest manager to resolve which may require discussion with the employee and manager, separately or together, as appropriate.
- 5.10 Issues that remain unresolved are to be addressed through the Agency's Internal Dispute and Grievance Resolution Process.
- 5.11 Regular and timely informal feedback between managers and employees is essential for the effective monitoring of performance outcomes against the identified requirements. Regular and timely informal feedback between managers and employees is a quality assurance function to:
 - a. provide a stable environment to monitor progress in meeting performance outcomes and specific requirements;
 - b. recognise performance that exceeds or meets performance outcomes and specific requirements;
 - c. encourage continual improvement; and
 - d. ensure any assessment of underperformance is addressed by defining clear expectations and consequences and providing support and feedback in a procedurally fair manner.
- 5.12 Adequate time is to be made available to enable employees and managers to prepare for their active participation in developing and completing their Performance Management Plans.

- 5.13 Where an employee takes up a fixed term role or moves to a new role mid-cycle within the State Service, the employee's new manager should review the employee's current plan. A revised action plan will need to be developed in the context of the new role. The assessment performance in the new role as well as in the previous role, for the relevant period, is to be taken into account.
- 5.14 Performance Management Plans and Assessments are to be completed at least annually for each employee.

6. Performance Assessment

- 6.1 Performance Assessment (Appraisal) is central to managing performance that involves measuring and evaluating performance of employees.
- 6.2 This involves making judgements and forming opinions in relation to their performance as established in the Performance Management Plan:
 - a. communicate feedback to, and receive input from, the employee;
 - b. evaluate where performance requirements have been exceeded, met or not met;
 - c. identify the impact and significance of the employee's performance;
 - d. identify the extent to which performance issues are within the control of the employee; and
 - e. formalise the assessment of the employee and documented evidence for the record.
- 6.3 It is critical that appreciation for individual and team achievements occurs on an ongoing basis and is formalised annually as part of Performance Assessment. Informal recognition at the time expectations are achieved or exceeded is effective in rewarding employees.
- 6.4 The Performance Assessment feedback is to be linked to, and consistent with, other human resource management practices including salary progression within Bands/Levels, training and development, job design and modification to Statements of Duties.
- 6.5 Provision is to be made in the Performance Assessment documentation for comments by the employee, particularly in relation to differences.
- 6.6 If there are differences in relation to the Performance Assessment they are to be referred to the next level manager for resolution.

7. Managing Underperformance

- 7.1 Underperformance, in whole or in part, is to be actively managed and addressed by the processes in this Employment Direction.
- 7.2 Whenever underperformance is identified, intervention is to occur early and is to be as constructive as possible. Early informal intervention can prevent minor issues from developing into more significant matters requiring performance management processes at a later time.

- 7.3 When an informal process is successful in addressing performance issues, the employee will continue in the Performance Management System.
- 7.4 Underperformance that is significant and/or has not been successfully addressed through informal processes is to be managed through a formal and documented process. A Performance Improvement Plan is to be developed between an employee and their manager in consultation with Human Resource Management and the next level of manager. The employee is to be offered access to appropriate support, either internal or external to the work area.
- 7.5 The Performance Improvement Plan is to identify and document the requirements that have not been met, and the development and support to be provided to the employee to help them achieve documented performance outcomes. These aspects include the timeframe for achievement, the identification of relevant milestones, the manner in which the Performance Improvement Plan will be monitored, the specific work requirements and behaviours that must be demonstrated by the employee for them to satisfactorily meet the performance outcomes, and any other relevant factors.
- 7.6 The Performance Improvement Plan is to clearly state the consequences if the employee's performance does not improve, which may include a formal warning that a recommendation for termination may occur. Provision is to be made for comments by the employee.
- 7.7 Formal, documented feedback by the manager to the employee on their progress is to occur throughout this stage and is to include the opportunity for the employee to respond to this feedback.
- 7.8 If, while being managed under a Performance Improvement Plan, the manager assesses the employee as meeting the identified performance outcomes the employee may resume working within the Performance Management Plan.
- 7.9 If underperformance, in whole or in part, is determined as continuing at the completion of the agreed timeframe the manager, in consultation with Human Resource Management, may:
- a. extend the timeframe for the Performance Improvement Plan to allow further development and the opportunity to demonstrate improved performance; or
 - b. review the measurement and assessment process adopted in the Performance Improvement Plan, with any other relevant documentation, from either manager or the employee, with Human Resource Management to:
 - ensure they are appropriate, fair, equitable and reasonable; and
 - determine options for appropriate action.
- 7.10 The appropriate action available may include but is not limited to:
- a. additional skill development, mentoring or further assistance in identified areas;
 - b. counselling, training, adjustments to duties;
 - c. variation or reassignment of the employee's duties;

- d. issue of a formal reminder, warning or lawful directive; or
- e. recommendation to the Minister that the employee be terminated under Section 44(ca) of the *State Service Act 2000*.

8. Action to Recommend Termination

- 8.1 If the Head of Agency is of the opinion that the employee has not performed to the required standard and, as a result, is considering recommending to the Minister termination of employment under Section 44(ca) of the *State Service Act*, the employee is to be advised in writing and provided with documentation upon which the Head of Agency has relied in considering this action.
- 8.2 The employee is to have a minimum of 14 calendar days from the date the notice is provided to respond.
- 8.3 After the receipt of the employee's response and/or not before expiration of 14 calendar days from the date of notice the Head of Agency, after considering the response of the employee, may take action to recommend termination of the employee's employment in the *State Service* to the Minister.
- 8.4 If the Head of Agency decides to take action to recommend termination to the Minister under Section 44(ca) of the *State Service Act* the Head of Agency must advise the employee in writing including the reasons for that recommendation.
- 8.5 The reason(s) for deciding to recommend termination to the Minister must be in sufficient detail to enable the employee to ascertain the facts found and the appropriate issue that were accepted or rejected in taking this action.
- 8.6 A recommendation to terminate to the Minister is to be submitted through the Director, *State Service Management Office* with documentation relevant to the case including (but not limited to):
 - a. employee's Statement(s);
 - b. Performance Management Plan; and
 - c. Performance Improvement Plan.
- 8.7 The Minister (or delegate) will regulate their own procedure and make a decision based on evidence, documentation and being satisfied:
 - a. procedural fairness has occurred;
 - b. the underperformance warrants termination; and
 - c. mitigating factors provided by the Head of Agency and the employee.
- 8.8 The relevant Head of Agency will be notified of the decision of the Minister (or delegate) and the reasons for the decision.
- 8.9 If the decision is to terminate the employee from the *State Service* the Head of Agency will provide notice, reasons for the decision and advise the employee of their rights of review/appeal.

9. Education, Training and Development

- 9.1 Education, training and development programs are to be established to ensure Agency Performance Management Systems are implemented effectively. The education, training and development programs are to enable:
- a. an understanding of the purpose of performance management and the development by employees and managers of an understanding of, and commitment to, their roles, obligations and responsibilities;
 - b. providing skills to employees and managers to enable their full participation in the Performance Management System, including the preparation, completion and assessment of a Performance Improvement Plan; and
 - c. an understanding of the importance of appropriate conduct and behaviours with respect to performance management and employment in the State Service.

10. Agency Reporting Requirements

- 10.1 A Head of Agency is required to report on activities and effectiveness related to performance management in the Agency's Annual Report in terms of:
- a. alignment of employment practices to meet Government priorities, Agency strategies and operational plans, the State Service Principles, the Code of Conduct and/or Agency corporate values;
 - b. operation of the Agency's Performance Management System including:
 - the effectiveness of the Agency's Performance Management System in improving Agency performance;
 - employee's perceptions of the fairness, transparency and objectivity of their Agency's system; and
 - employee's understanding of the importance of performance management for their own performance;
 - c. integration of strategic and operational planning into performance management business activities and employment performance management practices, including:
 - quantitative statistical information on employee participation in the Performance Management System, consistent with Agency protocols; and
 - quantitative statistical information on education, training and development activities undertaken in the Agency.

11. Grievances and Reviews

- 11.1 The Agency Internal Dispute and Grievance Resolution Process available for employees to resolve issues.

- 11.2 If the decision is taken that the employee's employment is terminated, any dispute will be dealt with by the appropriate industrial tribunal.
- 11.3 Other than termination of employment, the employee has rights of review under Section 50 (1) (b) of the *State Service Act 2000*.