

TASMANIAN STATE SERVICE EVALUATION REPORT 2006



AGENCY PERFORMANCE MANAGEMENT SYSTEMS

CONDUCTED BY:

THE STATE SERVICE COMMISSIONER

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CONTENTS

Commissioner's Foreword	2
Acknowledgements	3
1. Executive Summary	3
1.1 Introduction	3
1.2 Summary of Outcomes - Chart	4
1.3 Key Positive Findings	5
1.4 Key Opportunities for Improvement	5
1.5 Associated Performance Issues	7
1.6 Other Related Data	7
2. Evaluation Background	8
2.1 Evaluation Objectives	8
2.2 Evaluation Methodology	8
2.3 Evaluation Outputs	9
2.4 Other Related Data	9
3. Establishing Effective Performance Management Systems	11
3.1 Background Issues	11
3.2 Summary of Background Issues - Chart	12
4. Whole of Service Performance Management Assessments	13
4.1 System Overview	13
4.2 Principles	14
4.3 Standards	15
4.4 Equity	17
4.5 Reporting	18
4.6 Evaluation	19
4.7 Review	20
4.8 Associated Performance Issues	22
5. Agency Evaluation Assessment Summaries - Agencies with a PM System	23
5.1 Assessment Content	23
5.2 Department of Economic Development	24
5.3 Department of Infrastructure, Energy and Resources	27
5.4 Department of Justice	29
5.5 Department of Police and Emergency Management	32
5.6 Department of Premier and Cabinet	38
5.7 Department of Primary Industries and Water	40
5.8 Department of Tourism, Arts and the Environment	42
5.9 Department of Treasury and Finance	44
5.10 Port Arthur Historic Site Management Authority	46
5.11 Tasmanian Audit Office	48
5.12 The Public Trustee	50
6. Agency Response Summaries - Agencies without a PM System	52
6.1 Response Content	52
6.2 Department of Education	53
6.3 Department of Health and Human Services	55
6.4 TAFE Tasmania	58
Glossary of Terms	60
Appendix 1 – CD and CD Contents	61

COMMISSIONER'S FOREWORD

Following the release of my *Tasmanian State Service Employee Survey 2005*, I decided that I would evaluate and report on the development and implementation of systems to evaluate the performance of employees in State Service Agencies.

This decision was prompted by the fact that two of the lowest-scoring areas in that survey were associated with managing performance. In particular, employees showed their lowest level of confidence in the way their managers handle employees who are performing poorly, and in their recognition of good performance. In addition, I am of the view that a large number of the matters brought before me as Commissioner have their origins in the poor application of performance management processes.

From a legislative perspective, section 34(1)(g) of the *State Service Act 2000* (the Act) requires Heads of Agencies to develop and implement systems to evaluate the performance of employees to ensure that the duties of the employee are performed effectively and efficiently.

In addition, the State Service Commissioner is required under section 18(1)(h) of the Act *'to develop principles and standards to assist Heads of Agencies in evaluating the performance of employees and provide assistance to Heads of Agencies in the application of those principles and standards'*. As a consequence, Commissioner's Direction No. 4 was issued in November 2002, which established the mandatory minimum standards for Agency performance management systems. This was accompanied by a set of Guidelines, which cover the legislative basis for performance management, provide an outline of the elements of performance management systems and offer suggestions about how to establish and implement an effective performance management system.

Given that it is over 5 years since the Act was promulgated, it is reasonable to conclude that all State Service Agencies have had sufficient guidance, and a reasonable period of time, to implement and bed down their performance management systems in accordance with these legislative requirements.

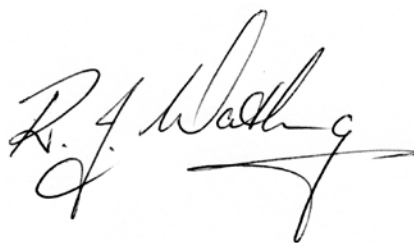
Accordingly, the primary objective of this evaluation was to assess the extent to which Agency performance management systems comply with the Act and, in particular, with the minimum standards of Commissioner's Direction No. 4.

It should be noted that an assessment of the effectiveness of performance management systems in meeting Agency objectives was not part of this evaluation. I consider this aspect to be primarily the responsibility of individual Agencies, although I may consider an evaluation if this presents as an issue in the future.

The methodology and processes adopted for this evaluation are outlined in the report. In terms of the evaluation outcomes, all Agencies were presented with their own individual Agency results for verification and comment. The verified results were then used to generate the whole-of-service outcome sections of this report and are presented in summary in this report and in detail on the accompanying compact disc. An electronic copy of the full report is also available on my website at www.ossc.tas.gov.au

In summary, the evaluation has demonstrated that the majority of State Service Agencies have performance management systems in place that meet the legislation and the requirements of Commissioner's Direction No. 4. That said, three large Agencies fall well short of these requirements, but to their credit they are currently investing considerable resources in the task of developing and implementing appropriate systems that should be operational at some stage in 2007.

I would like to conclude this introduction with a quote from the *CCH - Australian Master Human Resources Guide* that states, in relation to performance management, *'no organisation can ever expect to implement a system that works perfectly. The more pragmatic goal is that the organisation is better off with the system than without it'*.



Robert J. Watling

STATE SERVICE COMMISSIONER

ACKNOWLEDGEMENTS

I would like to acknowledge the co-operation and assistance provided by all State Service Agencies and Authorities throughout this evaluation process. The time and effort taken to source and provide policy documentation, written explanations and evidentiary material, and to work through that information with Office of the State Service Commissioner (OSSC) representatives, was much appreciated.

I would also like to acknowledge the particular role of the Department of Infrastructure Energy and Resources in being the pilot Agency for this evaluation. The Agency's contribution was significant, particularly as it assisted OSSC in fine-tuning the evaluation methodology and the content and presentation of the data requirements document.

Thanks must also go to Suzie Jones, Department of Infrastructure Energy and Resources, Robyn Pearce, Department of Police and Emergency Management and Kate Blizzard, Department of Health and Human Services, members of the Methodology Focus Group, who provided important feedback on the proposed methodology based on their operational experience of performance management systems within Agencies.

Special thanks also to Kane Vellar, a participant in the 2006 State Service Internship Program, who assisted in the development of the initial project methodology.

Finally I want to thank, and acknowledge the efforts of, Ian Wilcox and Benn Rafferty from my Office, who managed this project.

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

Based on information gathered through my State Service Agency and Employee Surveys, and the analysis of matters brought before me as State Service Commissioner, and consistent with my statutory functions, I decided to undertake an evaluation of performance management systems operating in Agencies as a major project in 2006 through my Evaluation Program.

The primary objective of this evaluation was to assess the extent to which Agency PM Systems comply with the *State Service Act 2000* (the Act) and, in particular, with the minimum standards of Commissioner's Direction No. 4 (CD No. 4). It should be noted that an assessment of the effectiveness of the Performance Management System (PM System) in meeting Agency objectives was not part of this evaluation.

Section 34(1)(g) of the Act requires Heads of Agencies to develop and implement systems to evaluate the performance of employees and CD No. 4 sets out the minimum principles, standards and requirements to assist Heads of Agencies. This Commissioner's Direction is supported by Performance Management Guidelines that provide assistance to Agencies by outlining the key elements of performance management systems and offer suggestions about how to establish and implement an effective system.

Agencies were advised during May 2006 of the evaluation process and provided with background material. During June 2006, Agencies were provided with a project briefing, a documentation package and a data collection instrument or worksheet to assist information-gathering. Agencies with an agency-wide PM System completed the data worksheet and presented appropriate documentary evidence. Where Agencies did not have an agency-wide PM System currently in place, they were requested to provide background information, an outline of their current situation, and their plans regarding the development of an agency-wide system.

Following is a chart presenting the *Overall Summary of Outcomes* for the evaluation. It is followed by the *Key Positive Findings; Key Opportunities for Improvement; comments related to Associated Performance Issues; and Other Related Data*.

1.2 SUMMARY OF OUTCOMES - CHART

Assessment Key:

- Complies with Legislative Requirement
- Does not comply with Legislative Requirement
- No agency-wide PM System
- N/A Unable to assess

	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
1. System Overview														
1.1 A PM System developed and implemented	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2. Management Principles														
2.1 There is an appropriate level of understanding of the connection between individual duties and performance and broader organisational goals and performance	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.2 There is sufficient flexibility in the system to accommodate diverse working environments within the Agency	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.3 There is a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.4 Performance evaluations relate to agreed objectives, criteria and standards, and these are clearly communicated to, and understood by, employees	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.5 Resources and training needs relevant to performance objectives are clearly identified and agreed upon and a strategy put in place to address them	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3. Management Standards														
3.1 The PM System promotes and maintains the State Service Principles	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.2 The PM System is fair and equitable	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.3 The PM System is aligned with Agency corporate objectives, priorities, strategies and processes	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.4 The PM System has clearly defined objectives and is well documented	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.5 The PM System ensures confidentiality and appropriate use of all information generated in the performance management process	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.6 The PM System operates on a regular cycle with performance management reviews occurring on at least an annual basis	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.7 The PM System includes measures to report on its effectiveness	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.8 The PM System is reviewed on a regular basis	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4. Equity														
4.1 Non-discriminatory principles are specifically outlined in Agency policy and documents	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4.2 Performance management processes are applied consistently and fairly to all employees	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4.3 The PM System policies and procedures are accessible to all employees	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5. Reporting														
5.1 PM System details and documentation have been provided to the Commissioner	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5.2 The latest version of the PM System has been lodged with the Commissioner prior to this evaluation	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6. Evaluation														
6.1 The PM System includes a set of performance indicators to evaluate the system's effectiveness and outcomes	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6.2 The Agency provides adequate information and statistical data on the PM System to the Commissioner	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7. Review														
7.1 The Agency meets the requirement to review the PM System at least once every four years	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7.2 The review ensures that the PM System continues to assist in promoting and maintaining the State Service Principles	N/A	●	●	N/A	●	N/A	●	N/A	N/A	●	●	●	●	●
7.3 The review ensures that the PM System continues to be consistent with the requirements of Section 4 of Commissioner's Direction No. 4	N/A	●	●	N/A	●	N/A	●	N/A	N/A	●	●	●	●	●

1.3 KEY POSITIVE FINDINGS

Most State Service Agencies have performance management systems that meet the minimum requirements of the *State Service Act 2000* and Commissioner's Direction No. 4 (CD No. 4). In summary:

- Eleven of the fourteen Agencies comply with the Legislative requirement to have a Performance Management System (PM System) in place to evaluate the performance of all Agency employees. This represents 79% of all Agencies, covering approximately 20% of State Service employees. Of these, two Agencies have systems that have been in place for over 10 years, although they have been reviewed and revised in recent years. One other Agency system is over 5 years old and is currently under review, and two others have been operational for around 2 years. Six Agencies have completed the implementation of new systems in the last two years.
- Ten of the eleven Agencies with a PM System met the five Management Principles that: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there is a clear and agreed understanding between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- Ten of the eleven Agencies with a PM System met the eight Management Standards that the system must: promote and maintain the State Service Principles: be fair and equitable; be aligned with Agency corporate objectives; have clearly defined objectives and is well documented; ensure confidentiality; operate on a regular cycle; include measures to report on its effectiveness and be reviewed on a regular basis. All Agency PM Systems had policies and procedures that were available to all employees and they were being applied consistently and fairly.
- All Agencies with a PM System met the Equity requirements that the system must not disadvantage, discriminate, harass or victimise any individual on the basis of gender, race, disability, sexuality, age, linguistic or cultural background, being an indigenous Australian or any other attribute not relevant to the workplace.
- Five of the eleven Agencies with a PM System had provided details of their system and supporting documentation to the State Service Commissioner.

- Nine of the eleven Agencies with a PM System met the Evaluation requirements to develop a set of performance indicators to evaluate the effectiveness and outcomes of their respective Agency's PM System, although these indicators generally only focussed on participation aspects.
- All Agencies with a PM System met the requirement to review their system at least once every four years, noting that all but two of the eleven Agency systems were introduced in the last four years following management reviews of existing arrangements.

1.4 KEY OPPORTUNITIES FOR IMPROVEMENT

Overall the evaluation identified that the key area for improvement was to ensure that those State Service Agencies currently without an agency-wide PM System take action to meet the Legislative requirement, consistent with CD No. 4. The evaluation also identified a small number of criteria where some Agencies have not fully met the minimum requirements of CD No. 4.

In addition, the evaluation has identified a range of issues related to the principles, standards and requirements of CD No. 4 where some Agencies could consider improvements to assist them to more fully meet the requirements of CD No. 4, and enhance the quality and outcomes of their respective performance management arrangements. In summary:

- Three Agencies did not comply with the legislative requirement, as they do not currently have an agency-wide PM System. These Agencies represent 21% of all Agencies, covering approximately 80% of all State Service employees. However, the evaluation found that two of these Agencies had a significant number of independent but limited PM Systems operating within some functional areas or business units within their Agency. The third Agency had a performance development program which addressed some aspects of a full performance management system. Further, all three Agencies have advised that they are actively developing appropriate PM Systems that will be implemented progressively throughout 2006/07.

- In a few Agencies the connection between individual duties and broader organisational goals is addressed as a requirement in their policy documentation but the limited scope of their 'performance review' documentation has resulted in the poor demonstration of these links. An improved agreement process that includes the documentation of an individual's specific job responsibility, tasks and/or projects, and their relationship to business plans, may enhance the system's value as a management tool.
- Some Agency PM Systems do not appear to have a process or documentation to measure the 'standard' of work expected of employees. Generally PM Systems have a documented process that outlines and assesses progress and performance against a set of core competencies and/or job-specific responsibilities to a prescribed standard. Whilst it is accepted that generally these Agencies initially developed their systems to encourage open, two-way communication between supervisors and employees, they could develop these further (as their systems mature), to improve the systems emphasis and documentation around the assessment of employee performance against specific job-related objectives, criteria and standards.
- The majority of Agencies operate their review cycle simultaneously throughout the Agency, over a set timeframe. However, a number of Agencies have systems where the timing of 'performance reviews' is activated by an employee's commencement or anniversary date, or is left to the discretion of business unit managers. Undertaking performance reviews other than simultaneously throughout the organisation (while consistent with the objective in some Agencies to build relationships) could be detrimental to the operation and efficiency of the PM System in the longer term. In particular, participation may be reduced and the relevance of performance agreements to the business planning cycle could be compromised.
- Some Agencies did not meet the administrative requirement to provide details of their PM Systems to the State Service Commissioner. This was not considered a significant omission and could be easily incorporated into their respective Agency management practices. The significance of the omission lies more in its potential impact on the Commissioner's capacity to undertake his review function when not having immediate access to current Agency policy information.
- Generally the performance indicators used to evaluate system effectiveness and outcomes were essentially limited to participation statistics such as the number of employees with agreements, reviews undertaken, and the nature and number of training and development activities completed. In a few cases, employee feedback mechanisms were also employed, essentially to gauge employee satisfaction with the system and/or to identify potential improvements.

Although important, a focus that is limited essentially to the measurement of participation and employee satisfaction ignores the important issue of the overall effectiveness of the PM System in assisting the achievement of organisational and individual employee goals and strengthening management practice.

All Agencies could consider developing a more comprehensive set of performance indicators to evaluate their respective system's effectiveness and to apply these measurements on a regular basis. The indicators might focus, for example, on issues such as the system's effectiveness in assisting the achievement of individual, divisional and organisational goals and on its effect on, or contribution to, improving morale and minimising employee turnover and grievances.
- Some Agencies could review their data collection systems to improve the frequency, quality and range of information gathered and their collection methods and procedures. Generally this could involve a move away from manual collection processes to regular system-based reporting arrangements. Improvements in this area would generate more accurate and meaningful data for the evaluation and operational management of their systems, particularly in regard to employee training and development matters.
- There are a number of small to medium-size Agencies that have PM Systems that are well constructed and managed, providing them with an opportunity to consider adapting their current manual systems to an 'online' application. Progression to an online system may generate additional benefits, such as increased participation, and improve administrative efficiency around records management, statistical reporting and evaluation processes.

1.5 ASSOCIATED PERFORMANCE ISSUES

This additional criterion was included in the evaluation assessment to explore current practices regarding the management of employee performance. This evolved from issues highlighted by the inaugural Employee Survey 2005, and the information obtained may assist in the review of CD No. 4.

All eleven Agencies with PM Systems met this additional criterion overall, although four Agencies did not adequately satisfy the component related to the measurement of individual performance. In addition, five Agencies were assessed as not adequately meeting the component on managing poor performance, as they currently do not have a formal (written) poor-performance management policy. In particular, it was noted that:

- In a number of Agencies individual performance appraisals don't identify or document the level of performance achieved. In these cases, Agencies have generally stated that their most important objective was to encourage further communication between supervisors and employees, and to obtain feedback, rather than to 'grade' performance. Whilst this approach may assist to build relationships, Agencies should consider reviewing this approach as employees' and supervisors' proficiency and reassurance with their respective systems grow.
- The practice in some Agencies of utilising a 'capability dictionary' (core capabilities or competencies by level) could considerably improve an Agency's PM Systems capability to assess employee performance and the feedback process. As PM Systems mature, Agencies may consider enhancing these systems by adopting this more detailed approach.
- Most Agencies have advised that, whilst their PM Systems provide an opportunity to discuss performance difficulties, 'significant underperformance' is generally dealt with on a case-by-case basis outside the performance management framework. Generally, Agencies consider it the role of managers and supervisors to deal with poor performance as soon as practicable, usually with human resource consultancy support. Typically, those issues directly related to work performance are managed by developing agreed strategies aimed at improving outcomes while those related to external issues are managed through Agency Employee Assistance Programs.

- Where the separation of the management of poor performance from the performance management framework is not well supported by human resource services and/or there is no formal (written) Agency poor performance policy, this could potentially create concerns about an Agency's ability to effectively resolve the issues at hand.
- In a couple of Agencies it was noted that the performance appraisal process only allows for the resolution of potential disagreements between employees and managers through the Agency's formal internal grievance resolution process. Consideration should be given to amending the performance appraisal process and associated documentation to allow an opportunity for disagreements to be resolved through the intervention of a third party such as a higher-level supervisor.

1.6 OTHER RELATED DATA

The following information and comments emerged from a brief analysis of related data obtained from my annual Agency Surveys of 2004/05 and 2005/06 and *Tasmanian State Service Employee Survey 2005*.

- On average, Agency Surveys (for those Agencies that were able to provide statistics) showed that 52% of employees participated in PM Systems over the last two years. Similarly, data from the *Employee Survey Report 2005* reported that across all Agencies, on average, 40% of respondents indicated that they had participated in a formal 'sit down' performance management discussion with their manager/supervisor.
- The conclusion to be drawn from these statistics is that, despite the fact that a majority of Agencies have PM Systems in place, there are a significant number of employees in most Agencies that have not participated in these processes. That said, there are a small number of Agencies where participation exceeds 80%.
- Whilst the issue of participation was outside the scope of this evaluation, it is disappointing to note that some Agencies, whilst meeting the requirement to have an appropriate PM System in place to evaluate the performance of employees, do not appear to have measures in place to ensure that all employees actually participate.

2. EVALUATION BACKGROUND

From a legislative perspective, section 34(1)(g) of the *State Service Act 2000* (the Act) requires Heads of Agencies to develop and implement systems to evaluate the performance of employees to ensure that the duties of the employee are performed effectively and efficiently.

State Service Commissioner's Direction No. 4 (Performance Management), issued on 11 November 2002, outlines the performance management principles, standards and requirements for the development and implementation of performance management systems in the State Service. In addition, Commissioner's Guidelines for Performance Management Systems were also issued, designed to assist Heads of Agencies to meet their statutory obligation to implement a performance management system within their Agency.

From an evaluation perspective, the State Service Commissioner's statutory function includes a responsibility to evaluate the application within Agencies of the practices, procedures and standards in relation to the management of, and employment in, the State Service.

As part of this evaluation role, the State Service Commissioner has surveyed Agencies annually to ascertain what actions have been taken, and what practices, procedures and standards are in place to ensure compliance with the State Service Principles and Code of Conduct. This annual Agency Survey is useful in identifying the actions that Agencies have taken to implement the Principles. However, it provides limited information about the effectiveness of these actions and strategies, and no information at all about the extent to which employees are confident that the Principles are reflected in the employment practices, procedures and systems in their workplace.

In respect of the latter issue (employee perceptions) my inaugural *State Service Employee Survey* was conducted in mid-2005 to contextualise and complement the information obtained through the *State Service Agency Survey* by providing information about employees' confidence in the application of the Principles in their workplace. Two of the lowest-scoring areas of the Survey were associated with managing performance. In particular, employees showed their lowest level of confidence in the way their managers handle employees who are performing poorly, and in their recognition of good performance.

Based on information gathered through my *State Service Agency Surveys* and *State Service Employee Survey 2005*, and the analysis of matters brought before me as State Service Commissioner, and consistent with my statutory functions,

I decided to undertake an evaluation of PM Systems operating in Agencies as a major project in 2006 under my Evaluation Program.

2.1 EVALUATION OBJECTIVES

The objectives of the Evaluation project were to:

- Assess the extent to which Agencies Performance Management Systems (PM Systems), strategies and plans comply with the Act, *State Service Regulations 2001* and, in particular, with the minimum standards of Commissioner's Direction No. 4 (CD No. 4);
- Assess if the administration of performance management is being implemented efficiently and effectively at (including employee and supervisor training);
- Measure the extent to which Agencies record and report on employee participation in the performance management system; and
- Obtain sufficient data and information to inform the production of a discussion 'White Paper' on the revision of CD No. 4 on Performance Management and the associated Guidelines.

2.2 EVALUATION METHODOLOGY

The Evaluation project was essentially built around a 'compliance audit' of the performance of State Service Agencies against CD No. 4. It had four major phases:

- Development of the project plan, evaluation methodology and survey tools, overseen by a Methodology Focus Group comprised of selected Agency representatives;
- Trialling and revision of the methodology through an Agency pilot;
- The conduct of individual Agency evaluations; and
- The analysis and reporting of individual Agency and whole-of-service outcomes.

The methodology was piloted in the Department of Infrastructure, Energy and Resources during May - June 2006. This resulted in some alterations to the format of the worksheet and a decision to provide Agencies with individual, rather than group, project briefings.

Agencies were advised during May 2006 of the evaluation process and provided with background material. This correspondence also sought the nomination of a Liaison Officer to facilitate data collection and requested copies of current performance management policy documentation.

During June 2006, representatives from OSSC provided each Agency with a project briefing, a documentation package and a data collection instrument or worksheet to assist information gathering. Agencies with an agency-wide PM System completed the data worksheet and presented appropriate documentary evidence through a process facilitated by OSSC representatives. Where an Agency did not have an agency-wide PM System in place, they were requested to provide background information, an outline of their current situation, and their plans regarding the development of an agency-wide system.

In addition to this information, Agencies were also asked to respond to a number of questions examining the extent to which the introduction of their system was consistent with the broad framework outlined in the Commissioner’s Guidelines for establishing an effective performance management system. This data was primarily collected with a view to contextualising the Agency’s PM Systems and to assist the process of reviewing CD No. 4 and the associated Guidelines.

2.3 EVALUATION OUTPUTS

Consolidated Agency data and evaluation outcomes for the State Service as a whole are presented in Section 4 of this report. These outcomes also appear in the Executive Summary.

Data from each Agency was used to produce an individual Agency Evaluation Assessment, comparing and assessing the information in the worksheet document, together with other information and explanations provided by the respective Agencies, against the minimum requirements of CD No. 4. The narrative components of these individual Agency assessments appear in Section 5 of this report. Complete assessments are on the CD attached to this Report.

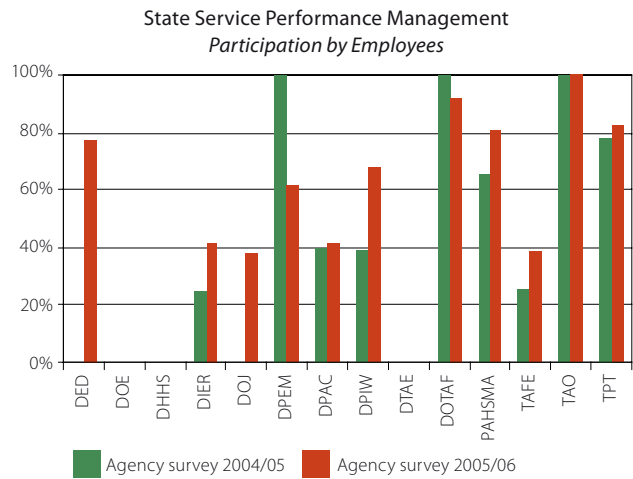
Where an Agency did not have an agency-wide PM System in place, explanations and documentary evidence supplied by the Agency were used to construct an individual Agency written summary that is presented in Section 6 of this report.

2.4 OTHER RELATED DATA

Each year the State Service Commissioner conducts an annual *State Service Agency Survey* to ascertain what actions have been taken, and what practices, procedures and standards are in place, to ensure compliance with the State Service Principles and Code of Conduct. This information is published in the Commissioner’s Annual Report.

A ‘snapshot’ of some of this data has been used to add value to this report. The following represents a graphical presentation of this data with associated comments. Reference was also made to related data from the *Employee Survey Report 2005*.

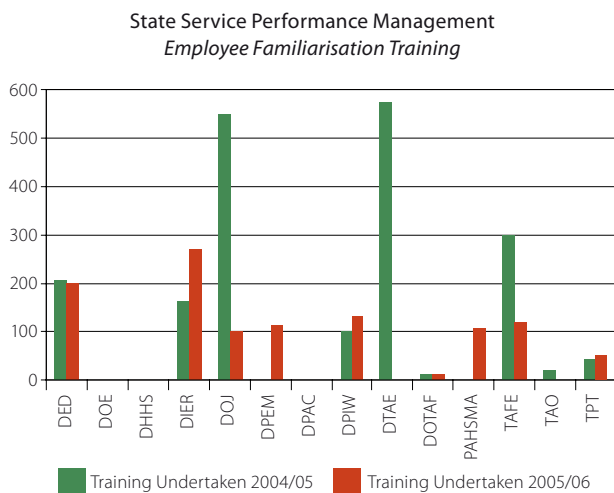
Figure 1.0 – Percentage of Employees Participating in Performance Management Systems



- Figure 1.0 shows the number of State Service employees who participated in Agency PM Systems for the reporting periods ending 30 June 2005 and 2006 respectively. These statistics were reported by Agencies in the annual *State Service Agency Survey*. It should be noted that no statistical data was available from three Agencies (DOE, DHHS and DTAE).
- These statistics indicate that on average (for those Agencies that were able to provide statistics) showed that 52% of employees participated in performance management arrangements over the last two years. Essentially this statistic ignores those larger Agencies that do not as yet have an agency-wide PM System and those Agencies where these statistics were not available.
- Similarly, data from the *Employee Survey Report 2005* reported that across all Agencies, on average, 40% of respondents indicated that they had participated in a formal ‘sit down’ performance management discussion with their manager/supervisor. This compares more than favourably with the above 52% participation rate, as it represents all Agencies, including those larger Agencies that do not as yet have an agency-wide PM System.

- However, the conclusion to be drawn from these statistics is that, despite the fact that a majority of Agencies have PM Systems in place, there is a significant number of employees in most Agencies that have not participated in these processes. That said, there are a small number of Agencies where participation exceeds 80%.
- Whilst the issue of participation is outside the scope of this evaluation, it is disappointing to note that some Agencies, whilst meeting the requirement to have an appropriate PM System in place to evaluate the performance of employees, do not appear to have measures in place to ensure that all employees actually participate.

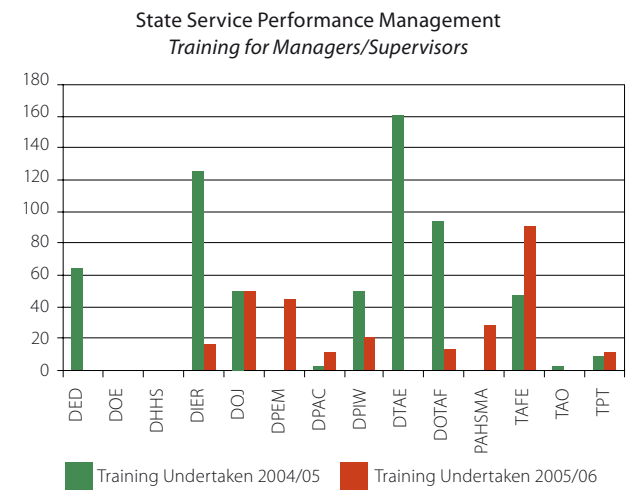
Figure 2.0 – Employee Familiarisation Training



- Figure 2.0 shows the number of employees in the State Service who undertook PM System familiarisation training for the years ending 30 June 2005 and 2006 respectively. These statistics were reported by Agencies in the annual *State Service Agency Survey*. It should be noted that no statistical data was available from DOE and DHHS for 2004/05 and 2005/06, DPEM for 2004/05 and DTAE for the 2005/06 reporting periods.
- Generally, these statistics are consistent with the major training efforts undertaken by Agencies associated with the introduction of their PM Systems. In particular, there was little activity for those Agencies with long-established systems or for those Agencies with no agency-wide system. Activity was centred on those Agencies that have implemented PM Systems over the last few years, such as DED, DIER, DOJ, DTAE, PAHSMA and TPT.

- There are two anomalies, however: TAFE currently has no agency-wide PM System but all employees have access to a Performance Development Program, for which the training has been recorded in this statistic. The DPIW figure misrepresents the Agency's situation in that the majority of their staff did not require separate familiarisation training, as they had been heavily involved in the development of their individualised Divisional PM System arrangements, based on the generic Agency model.

Figure 3.0 – Managers/Supervisors Participation in Performance Management Training



- Figure 3.0 shows the number of managers/supervisors in the State Service who undertook PM Systems training for the years ending 30 June 2005 and 2006 respectively. These training statistics were reported by Agencies in the annual *State Service Agency Survey*. It should be noted that no statistical data was available from DOE and DHHS for 2004/05 and 2005/06, DPEM for 2004/05 and DTAE for the 2005/06 reporting periods.
- As with employee training above, generally these statistics are consistent with the major training efforts undertaken by Agencies associated with the introduction of their PM Systems. In particular, there was little activity for those Agencies with long-established systems or for those Agencies with no agency-wide system.

3. ESTABLISHING EFFECTIVE PERFORMANCE MANAGEMENT SYSTEMS

3.1 BACKGROUND ISSUES

The following comments relate to the background components of the evaluation where OSSC examined the extent to which the introduction of Agency PM Systems were consistent with the broad framework outlined in the Commissioner's Guidelines for establishing an effective PM System.

This data was primarily collected with a view to contextualising Agency PM Systems and to assist this office in the process of reviewing CD No. 4 and the associated Guidelines. A chart summarising these findings follows.

Key observations concerning this background information were:

- Agency PM Systems were primarily developed to promote communication and build relationships between managers and employees (through performance discussions) and/or to facilitate integration with their respective Agency business and individual planning processes, to enable employees to understand the goals of the Agency and how individual and team outputs contribute to the achievement of Agency objectives.
- Primary environmental factors considered by Agencies in developing their respective PM Systems were centred on the culture of the organisation, leadership style and commitment, past performance management experiences, the skill level of Agency managers and Human Resources personnel and the maturity of other systems within the organisation. The industrial climate within individual Agencies and the potential cost of the system were not generally listed as major considerations.
- Other factors listed by Agencies as significant when designing their PM Systems were the desire to ensure employee involvement, the need to integrate the system with corporate and business planning systems, the potential complexity of the system and the functional and/or organisational diversity of the organisation.
- All Agencies involved employees at some stage in the development of their respective PM Systems. Generally the process involved the development of a management-initiated model that was refined following employee input either through an agency-wide structured consultation process or as feedback following formal information/training sessions. In a small number of cases the initial model was developed through representative 'working groups' and then finetuned through internal employee consultation processes. Union involvement has generally been at the periphery, although comparatively significant for one Agency.
- The majority of Agencies formally piloted their respective PM Systems prior to implementation. This usually involved a controlled trial of the proposed system by selected functional areas or with a selected group of employees within the Agency. Four Agencies did not conduct formal pilots due to the nature of their consultative processes, which had allowed extensive employee input and system refinement over an extended period of time.
- All Agencies developed appropriate implementation plans and communication strategies. Most utilised in-house communication methods such as electronic employee newsletters, information brochures and management-led information and/or training forums.
- All Agencies provided managers, supervisors and employees with essential PM System familiarisation training. Many Agencies also provided an associated range of linked skills training options such as communication techniques, principles of management, giving and receiving effective feedback and reporting, particularly for supervisors.

3.2 SUMMARY OF BACKGROUND ISSUES - CHART

Assessment Key:

- Components consistent with the Commissioner's Guidelines for PM System
- No agency-wide PM System

Background	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
1. Agency's primary objectives in developing the PM System		●	●									●		
Alignment of individual and Agency's performance	●				●	●	●	●	●	●	●		●	●
Assessment of performance against performance measures	●			●	●	●			●	●	●		●	●
Mechanism for employee feedback and input	●			●	●	●		●	●	●	●		●	●
Linkage between employees learning and the Agency needs	●				●	●	●		●	●			●	●
Identify employee/Agency achievements					●				●	●	●			●
Promote open communication between employees' & supervisors & foster a supportive working environment	●			●	●	●	●	●	●	●	●		●	●
Provide positive strategies for managing poor performance	●			●	●	●	●	●	●		●		●	●
2. Environmental factors considered by the Agency in developing the PM System		●	●									●		
Culture of the organisation	●			●	●	●	●		●	●	●		●	
Industrial climate					●	●							●	
Leadership style and commitment	●			●	●	●	●		●	●	●		●	●
Performance management experience	●			●	●	●	●	●	●		●		●	●
Maturity of systems within the Agency				●	●		●		●	●			●	
Cost of the system					●				●					
The skill level of Agency managers and HR personnel				●	●	●		●	●	●				●
Specific employment arrangements within the Agency	●					●		●						
Desire to implement a non-threatening feedback system at all levels of the organisation				●		●	●							
3. Other factors the Agency considered in designing an appropriate model		●	●									●		
Employee involvement	●			●	●	●	●	●	●	●	●		●	●
Integration with Agency's corporate and business planning	●				●	●	●	●	●	●	●		●	●
Complexity of the PM System	●			●	●	●	●		●		●			
Performance assessment criteria					●	●			●		●		●	●
Mechanisms for managing good and poor performance					●	●			●				●	
Employee records-management and use					●	●			●					
Performance measurement indicators	●							●					●	●
Employee training, development, work/life balance & retention					●	●		●	●	●	●		●	●
Confidentiality				●	●	●								●
Diversity of the organisation				●	●	●	●	●	●					
4. Employees involved in the development of the Agency's PM System	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5. The PM System piloted prior to full implementation	●	●	●	●	●	●	●		●	●		●	●	●
6. An implementation plan and communication strategy developed	●	●	●	●	●	●	●	●	●	●		●	●	●
7. Training provided to employees and managers on the PM System		●	●									●		
Employees	●			●	●	●	●	●	●	●	●		●	●
Managers	●			●	●	●	●	●	●	●	●		●	●

4. WHOLE OF SERVICE PERFORMANCE MANAGEMENT ASSESSMENTS

4.1 SYSTEM OVERVIEW

Legislative Requirement

Section 34 (1)(g) of the *State Service Act 2000* requires Heads of Agencies to “develop and implement systems to evaluate the performance of employees in that Agency to ensure that the duties of the employee are performed effectively and efficiently”.

Assessment Key:

- Complies with Legislative Requirement
- Does not comply with Legislative Requirement
- Assessment criteria met
- Assessment criteria not met

1. System Overview	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
1.1 A PM System has been developed and implemented	●	●	●	●	●	●	●	●	●	●	●	●	●	●
1.1.1 PM System fully implemented	●	●	●	●	●	●	●	●	●	●	●	●	●	●
1.1.2 PM System partly implemented		●	●									●		
1.1.3 PM System policies and procedures documented and operational	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Comments

Eleven of the fourteen Agencies comply with the legislative requirement to have a PM System in place to evaluate the performance of all Agency employees. This represents 79% of all Agencies, covering approximately 20% of State Service employees. For those Agencies with PM Systems in place at the time of the OSSC evaluation (June – September 2006):

- DPIW and DTAE had just completed their PM System implementation.
- TPT, DOJ, DED and PAHSMA had completed implementation of their PM Systems within the last year.
- DPAC and DIER have had their PM Systems in place for around 2 years.
- DPEM have had their PM System in place for over 5 years, although the Tasmania Fire Service are still in the process of implementing their PM System.
- DOTAF and TAO have had their PM Systems in place for over 10 years.

Three Agencies do not comply with the Legislative requirement, as they do not currently have an agency-wide PM System. These Agencies represent 21% of all Agencies, covering approximately 80% of State Service employees. However, two of these Agencies had a significant number of independent but limited PM Systems operating within some functional areas or business units within the Agency. The third Agency had a performance development program which addressed some aspects of a full performance management system.

AGENCIES WITHOUT A PM SYSTEM

All three Agencies without agency-wide PM Systems (DOE, DHHS & TAFE) advised that substantial progress has been made and all have planned for and commenced the development and implementation of PM Systems that will be in place within 12 months.

Comments

- DOE have advised that an agency-wide PM System entitled *Managing for High Performance* was currently being developed to complement and supplement the processes already in place across the Agency. The system is to be implemented within the Corporate Services Group of the Agency from September 2006 and it is anticipated that implementation within the school and college sector will take place in 2007.
- DHHS have advised that the Agency is currently producing a project plan around the development and implementation of an agency-wide performance management framework entitled the *DHHS Performance Management Framework*. The plan was due for completion by 30 September 2006.
- TAFE have advised that the development and implementation of an agency-wide Performance Management Framework has been included within the Human Resources Branch 2006 Business Plan, against which considerable progress has been made. The implementation of the PM System is scheduled to commence in April 2007 and should be completed by the end of that year.

4.2 PRINCIPLES

Assessment Key:

- Complies with Principle in Commissioner's Direction No. 4
- Does not comply with Principle in Commissioner's Direction No. 4
- No agency-wide PM System
- Assessment criteria met
- Assessment criteria not met
- N/A Not applicable

	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
2. Management Principles														
2.1 There is an appropriate level of understanding of the connection between individual duties and performance and broader organisational goals and performance (Section 4.2a, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.1.1 Links between corporate/business or operational plans and individual Statements of Duty	●			●	●	●	●	●	●	●	●		●	●
2.2 There is sufficient flexibility in the system to accommodate diverse working environments within the Agency (Section 4.2b, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.2.1 The Agency has a number of different PM Systems	N/A			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A
2.2.2 The PM System allows for different approaches in different workplaces	●			●	●	●	●	●	●	●	●		●	●
2.3 There is a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees (Section 4.2c, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.3.1 Performance objectives, criteria and standards are documented for each employee	●			●	●	●	●	●	●	●	●		●	●
2.4 Performance evaluations relate to agreed objectives, criteria and standards, and these are clearly communicated to, and understood by, employees (Section 4.2d, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2.5 Resources and training needs relevant to performance objectives are clearly identified and agreed upon and a strategy put in place to address them (Section 4.2d, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Comments

All Agencies with PM Systems, except DIER, met the requirements of the five Management Principles of CD No. 4.

DIER was unable to meet the Management Principle related to an appropriate level of understanding of the connection between individual duties and performance and broader organisational goals and performance. The Agency has advised that, “as a consequence of an internal review, the Agency will consider ways to strengthen the linkages between the corporate and business planning processes and the performance management system”.

Opportunities for Improvement

Despite the majority of Agencies meeting the minimum requirements of the five Management Principles, the evaluation identified a number of significant operational issues that could be reviewed by a number of Agencies.

- In relation to Management Principle 2.1 above, DOJ and TPT address these connections as a required action in their policy, but the limited scope of their ‘performance agreement’ documentation could be improved to more adequately demonstrate the links. Documentation of an individual’s specific job responsibility, tasks and/or projects, and their relationship to business plans, could enhance the system’s value as an Agency management tool.

- In relation to Management Principle 2.3 above, DED, DOJ, DPAC and DPEM have been assessed as meeting this principle on the basis of documenting performance (job) objectives and/or listing expected knowledge and skills capabilities (as detailed in employee Statements of Duty) or by identifying broad expected outcomes. However, their PM Systems do not appear to have a process or documentation to measure the ‘standard’ of work expected of them. Generally PM Systems have a documented process that outlines and assesses progress and performance against a set of core competencies and/or job-specific responsibilities to a prescribed standard. Whilst it is accepted that generally these Agencies initially developed their systems to encourage open two-way communication between supervisors and employees, these Agencies could develop these further, as their systems mature, to improve the system’s emphasis and documentation around the assessment of employee performance against specific job-related objectives, criteria and standards.
- In relation to Management Principle 2.5 above, although DIER has been assessed as meeting this principle, the Agency has advised that they will be considering “ways to more effectively identify individual training and development needs and a process for following up on the implementation of actions to address those needs”.

4.3 STANDARDS

Assessment Key:

- Complies with Principle in Commissioner’s Direction No. 4
- Does not comply with Principle in Commissioner’s Direction No. 4
- No agency-wide PM System
- Assessment criteria met
- Assessment criteria not met

3. Management Standards		DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
3.1	The PM System must promote and maintain the State Service Principles (Section 4.3a, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.2	The PM System must be fair and equitable (Section 4.3b, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.3	The PM System must be aligned with Agency corporate objectives, priorities, strategies and processes (Section 4.3c, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.4	The PM System must have clearly defined objectives and be well documented (Section 4.3d, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.5	The PM System must ensure confidentiality and appropriate use of all information generated in the performance management process (Section 4.3e, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.5.1	Appropriate confidentiality is observed by the Agency	●			●	●	●	●	●	●	●	●		●	●
3.5.2	Confidential records are managed and access authorisations are administered satisfactorily	●			●	●	●	●	●	●	●	●		●	●
3.5.3	Confidential PM System information is used constructively	●			●	●	●	●	●	●	●	●		●	●
3.6	The PM System must operate on a regular cycle with reviews occurring on at least an annual basis (Section 4.3f, CD No. 4)		●	●	●	●	●	●	●	●	●	●	●		
3.6.1	The performance management review cycle operates														
	Annually				●		●	●				●			●
	Half-yearly	●				●	●			●	●			●	
	Quarterly														
3.6.2	The PM System review cycle process is activated														
	Simultaneously throughout the whole Agency	●								●	●	●		●	●
	By work group (division / branch)					●		●	●						
	By employee start / anniversary date				●		●								
3.7	The PM System must include measures to report on its effectiveness (Section 4.3g, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3.7.1	Management-reporting arrangements are in place to report on PM System effectiveness	●			●	●	●	●	●	●	●	●		●	●
3.7.2	These arrangements include reporting on training and staff development statistics	●			●	●	●	●	●	●	●	●		●	●
3.8	The PM System must be reviewed on a regular basis (Section 4.3a, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Comments

All Agencies with PM Systems, except DIER, met the requirements of the eight Management Standards of CD No. 4.

- DIER was unable to meet the Management Standard related to having a system that was aligned with corporate objectives, priorities, strategies and processes. Whilst their Performance Management Framework is focused on linking outcomes to an individual’s work activities, the Agency’s performance appraisal system does not appear to make those linkages sufficiently explicit at present.

- The Agency has advised that, “as a consequence of an internal review, the Department will consider ways to strengthen the linkages between the corporate and business planning processes and the performance management system”.

Opportunities for Improvement

Despite the majority of Agencies meeting the minimum requirements of the eight Management Standards, the evaluation identified a number of operational issues that could be reviewed by some Agencies.

- In relation to Management Standard 3.4 above, both TPT and DPEM (Tasmania Fire Service) had systems documentation that would benefit from being consolidated and published in a format consistent with other internal policy and guideline material.
- In relation to Management Standard 3.6 above, a majority of Agencies operate their appraisal cycle simultaneously throughout the whole Agency, over a set timeframe. A number of Agencies, including DIER, DPEM, DOJ, DPAC and DPIW, have systems where the timing of 'performance appraisals' are activated by an employee's commencement or anniversary date or is left to the discretion of business unit managers.
- Undertaking performance appraisals other than simultaneously throughout the organisation (while consistent with the objective in some Agencies to build relationships) could be detrimental to the operation and efficiency of the PM System in the longer term. In particular, participation may be reduced and the relevance of performance agreements to the business planning cycle could be compromised.
- In relation to Management Standard 3.7 above, both DPEM and DPAC meet the minimum requirements for this standard (based on their strong corporate reporting structures), but may need to consider more frequent and robust reporting arrangements, particularly around participation statistics and employee training and development outcomes.

4.4 EQUITY

Assessment Key:

- Complies with Equity requirement in Commissioner’s Direction No. 4
- Does not comply with Equity requirement in Commissioner’s Direction No. 4
- No agency-wide PM System
- Assessment criteria met
- Assessment criteria not met

4. Equity	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
4.1 The PM System must not disadvantage, discriminate, harass or victimise any individual on the basis of gender, race, disability, sexuality, age, linguistic or cultural background, being an indigenous Australian or any other attribute not relevant to the workplace (Section 4.4, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4.1.1 Non-discriminatory principles are specifically outlined in Agency policy and documents	●			●	●	●	●	●	●	●	●		●	●
4.1.2 Performance management processes are applied consistently and fairly to all employees	●			●	●	●	●	●	●	●	●		●	●
4.1.3 The PM System policies and procedures are accessible to all employees	●			●	●	●	●	●	●	●	●		●	●

Comments

All Agencies with PM Systems met this requirement.

The assessment of these criteria was based on the qualitative examination of all data, information and explanations supplied by each Agency. In particular, the results draw on responses related to the:

- Extent of employee involvement in the development of the PM System;
- Nature and extent of associated employee and supervisor training;

- Completeness and clarity of policy and guideline documentation;
- Principle of employees having a clear and agreed understanding of, and being evaluated against, their performance objectives, criteria and standards; and
- Standard of Agencies having clearly defined system objectives and ensuring the maintenance of confidentiality and the appropriate use of all information generated in the performance management process.

4.5 REPORTING

Assessment Key:

- Complies with Reporting requirement in Commissioner’s Direction No. 4
- Does not comply with Reporting requirement in Commissioner’s Direction No. 4
- No agency-wide PM System
- Assessment criteria met
- Assessment criteria not met

5. Reporting	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
5.1 As soon as practicable after establishing a performance management system, details of the system and any supporting documentation must be provided to the Commissioner (Section 5.1, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5.1.1 PM System details and documentation have been provided to the Commissioner	●			●	●	●	●	●	●	●	●		●	●
5.2 If the Head of Agency alters or revises the system in any significant way, the Head of Agency must as soon as practicable provide details of the revised system to the Commissioner (Section 5.2, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5.2.1 The latest version of the PM System has been lodged with the Commissioner prior to this evaluation	●			●	●	●	●	●	●	●	●		●	●

Comments

At the time of the evaluation, only five Agencies with PM Systems had met the requirement to provide details of their system and supporting documentation to the State Service Commissioner.

- Agencies that had not supplied details were DOJ, DPEM, DTAE, PAHSMA, TAO and TPT. While DOTAF had supplied details of their PM System to the Commissioner, they had not provided details of significant recent revisions.

Opportunities for Improvement

Although some Agencies did not meet this administrative requirement, it is not a significant omission, and this requirement could be easily incorporated into their respective Agency management practices. The significance of the omission lies more in its potential impact on the Commissioner’s capacity to undertake his Review function when not having immediate access to current Agency policy information.

4.6 EVALUATION

Assessment Key:

- Complies with Evaluation requirement in Commissioner's Direction No. 4
- Does not comply with Evaluation requirement in Commissioner's Direction No. 4
- No agency-wide PM System
- Assessment criteria met
- Assessment criteria not met

6. Evaluation	DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
6.1 A Head of Agency must develop a set of performance indicators to evaluate the effectiveness and outcomes of the Agency's performance management system (Section 6.1a, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6.1.1 The PM System includes a set of performance indicators	●			●	●	●	●	●	●	●	●		●	●
6.1.2 The performance indicators have been used to evaluate the PM System	●			●	●	●	●	●	●	●	●		●	●
6.2 A Head of Agency must evaluate and report on the employment policies and practices of the Agency including details of and statistical information (where applicable) relating to performance management (Section 6.1b, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6.2.1 The Agency provides adequate information and statistical data on the PM System to the Commissioner	●			●	●	●	●	●	●	●	●		●	●
6.2.2 The Agency has systems in place to provide information and statistical data to OSSC	●			●	●	●	●	●	●	●	●		●	●

Comments

All Agencies with PM Systems, except DIER and DPEM met this requirement.

- DIER had undertaken some limited measurement against broader 'organisational health-type' indicators and is currently working to develop a set of human resource metrics, including quantitative and qualitative measures to assess the effectiveness of their PM System.
- DPEM have no set performance indicators in place at this stage and no formal system to record training and development activities. The Tasmania Fire Service system is still being implemented but they expect to develop evaluation and participation measures by the time their system is fully operational.

Opportunities for Improvement

While the majority of Agencies met the minimum requirement, generally the performance indicators used to evaluate system effectiveness and outcomes were essentially limited to participation statistics such as the number of employees with agreements, appraisals undertaken, and the nature and number of training and development activities completed. In a few cases, employee feedback mechanisms were also employed, essentially to gauge employee satisfaction with the system and/or to identify potential improvements.

- Although important, a focus limited essentially to the measurement of participation and employee satisfaction ignores the important issue of the overall effectiveness of the PM System in assisting the achievement of organisational and individual employee goals and strengthening management practice.

- All Agencies could consider developing a more comprehensive set of performance indicators to evaluate their respective system's effectiveness and to apply these measurements on a regular basis. The indicators might focus, for example, on issues such as the system's effectiveness in assisting the achievement of individual, divisional and organisational goals and on its effect on, or contribution to, improving morale and minimising employee turnover and grievances.
- All Agencies with PM Systems demonstrated, through their involvement in the OSSC evaluation and through their 2005/06 annual *State Service Agency Survey* returns, that they had the capacity to provide adequate information to the Commissioner for evaluation and reporting purposes. However, DTAE were unable to produce participation statistics for 2005/06 due to their systems redevelopment not being fully implemented, but at the time of the OSSC evaluation they were able to demonstrate that their new 'online' system would accommodate these information requirements.
- While all Agencies met the minimum requirements of providing adequate statistical information, it was apparent that some Agencies needed to review their data collection systems to improve the frequency, quality and range of information gathered and their collection methods and procedures. Generally this could involve a move away from manual collection processes to regular system-based reporting arrangements. Improvements in this area would generate more accurate and meaningful data for the evaluation and operational management of their respective systems, particularly in regard to employee training and development matters.

4.7 REVIEW

Assessment Key:

- Complies with Review requirement in Commissioner's Direction No. 4
- Does not comply with Review requirement in Commissioner's Direction No. 4

- No agency-wide PM System
- N/A Unable to assess
- TBD To be determined

		DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
7. Review															
7.1	A Head of Agency must review the Agency's performance management system at least once every four years (Section 7.1, CD No. 4)	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7.1.1	Date the PM System was last reviewed	7/05			6/06	3/03	00	7/03	N/A	N/A	05	3/05		02	05
7.1.2	Date scheduled for the next PM System review	6/07			TBD	6/08	8/06	TBD	9/06	TBD	N/A	TBD		06	TBD
7.2	The review must ensure that the PM System continues to assist in promoting and maintaining the State Service Principles (Section 7.2 (a), CD No. 4)	N/A	●	●	N/A	●	N/A	●	N/A	N/A	●	●	●	●	●
7.3	The review must ensure that the PM System is consistent with the requirements of Section 4 of Commissioner's Direction No. 4 (Section 7.2 (b), CD No. 4)	N/A	●	●	N/A	●	N/A	●	N/A	N/A	●	●	●	●	●

Comments

Eleven of the fourteen Agencies with PM Systems met the requirement to review their system at least once every four years, noting that many of the current systems resulted from 'reviews' or 'redevelopments' prompted by CD No. 4. In particular:

- The current DED system was implemented following a review of arrangements in 2004/05. The Agency has indicated that their system will be further reviewed in the first half of 2006/07.
- The DIER system was introduced in 2003 and refined in 2004 with the addition of a formal 'performance appraisal' process. A review of these arrangements was being conducted at the time OSSC undertook its assessment.
- The DOJ system was developed following a management evaluation of the existing arrangements in early 2003. The Agency plans to conduct their next formal review in 2008, although they will survey employees on a regular basis to gauge the ongoing effectiveness of the system.
- The DPEM system has been in place for 6 years and this system is currently under review. It has been assessed as meeting the 4-year review requirement, as CD No. 4 was only issued in November 2002. The Tasmania Fire Service system was implemented in early 2005 following an external review and extensive employee consultation.
- The DPAC system was implemented following a review of arrangements in 2003. The Agency has also indicated that their system will be reviewed on an ongoing basis, but as yet no specific schedule has been determined.

- The DPIW system was implemented in 2003 following an internal review. The Agency has advised that the current PM System was to have been reviewed by end-June 2006 but that this has been postponed until September 2006 due to the scheduling of two related external audits.
- The current DTAE system was developed following machinery of government changes that brought together Divisions from other Agencies. In this context a review of the existing arrangements prompted the current redevelopment. The Agency has indicated that they now plan to conduct annual reviews of the system, based around employee feedback.
- The DOTAF system has been in place since 1993 and has been regularly reviewed, with the most recent review being in late 2005.
- The PAHSMA system was implemented following a major review of existing arrangements in early 2005. The Authority has indicated that their current PM System will be reviewed within the four-year requirement, but as yet no specific schedule has been determined.
- The TAO system has been in place since 1989 and has been regularly reviewed. It is currently under review in the context of negotiations related to the establishment of an Agency-based Industrial Agreement that may include capacity for financial rewards.
- The TPT system has recently been implemented following a 12-month review. The Authority has indicated that their system will be reviewed on an ongoing basis, but as yet no specific schedule has been determined.

Opportunities for Improvement

There are a number of small to medium-size Agencies that have PM Systems that are well constructed and managed, providing them with an opportunity to consider adapting their current manual systems to an 'online' application.

- DED, DOTAF, DPAC and TAO could specifically consider this option.
- Progression to an online system may generate additional benefits, such as increased participation, and improve administrative efficiency around records management, statistical reporting and evaluation processes.
- The new online PM System at DTAE is a recent model that could be of assistance in considering a move to an online process. The system is contained, accessed, recorded and managed on their Agency Intranet and is supported by a separate but linked intranet-based database and workflow application titled 'LADDER', that records review outcomes and action plans for learning and development activities.

4.8 ASSOCIATED PERFORMANCE ISSUES

ADDITIONAL CRITERION

This additional criterion was included in the evaluation assessment to explore current practices regarding the management of employee performance. This evolved from issues highlighted by the inaugural *Employee Survey 2005*, and the information obtained may assist in the review of CD No. 4.

Assessment Key:

- Additional criterion satisfied
- Did not satisfy additional criterion
- No agency-wide PM System

- Meets additional criterion
- Additional criterion not met

		DED	DOE	DHHS	DIER	DOJ	DPEM	DPAC	DPIW	DTAE	DOTAF	PAHSMA	TAFE	TAO	TPT
1	The PM System produces individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed	●	●	●	●	●	●	●	●	●	●	●	●	●	●
1.1	Individual performance evaluations identify and document the level of performance achieved	●			●	●	●	●	●	●	●	●		●	●
1.2	Good performance is recognised	●			●	●	●	●	●	●	●	●		●	●
1.3	Mechanisms are in place to manage poor performance	●			●	●	#	●	●	●	●	●		●	●
1.4	The PM System allows employees to review an adverse performance assessment prior to finalisation	●			●	●	●	●	●	●	●	●		●	●
1.5	The PM System has an internal grievance processes to dispute an adverse final performance assessment	●			●	●	●	●	●	●	●	●		●	●

Tasmania Fire Service has a mechanism in place to manage poor performance.

Comments

Eleven of the fourteen Agencies with PM Systems met this additional criterion overall, although four Agencies did not adequately satisfy the component related to the measurement of individual performance. In addition, five Agencies were assessed as not adequately meeting the component related to managing poor performance, as they currently do not have formal (written) poor-performance management policies.

Opportunities for Improvement

It was noted that in a number of Agencies individual performance appraisals don't identify or document the level of performance achieved. In these cases, Agencies have generally stated that their most important objective was to encourage further communication between supervisors and employees, and to obtain feedback, rather than to 'grade' performance.

- Whilst this approach may assist a number of Agencies to build relationships, Agencies should consider reviewing this approach as employees' and supervisors' proficiency and reassurance with their respective systems grow.
- The practice in some Agencies of utilising a 'capability dictionary' (core capabilities or competencies by level) could considerably improve an Agency's PM Systems capability to assess employee performance and the feedback process. As PM Systems mature, Agencies may consider enhancing these systems by adopting this more detailed approach.

- Most Agencies have advised that, whilst their PM Systems provide an opportunity to discuss performance difficulties, 'significant underperformance' is generally dealt with on a case-by-case basis outside the performance management framework. Generally, Agencies view it as the role of managers and supervisors to deal with poor performance as soon as practicable, usually with human resource personnel support. Typically, those issues directly related to work performance are managed by developing agreed strategies aimed at improving outcomes while those related to external issues are managed through Agency Employee Assistance Programs.

Where the separation of the management of poor performance from the performance management framework is not well supported by human resource services and/or there is no formal (written) Agency poor-performance policy, this could potentially create concerns about an Agency's ability to effectively resolve the issues at hand.

- In a couple of Agencies it was noted that the appraisal process only allows for the resolution of potential disputes between employees and managers through the Agency's formal internal grievance process. Consideration should be given to amending the performance appraisal process and associated documentation to allow an opportunity for disputed issues to be resolved through the intervention of a third party such as a higher-level supervisor.

5. AGENCY EVALUATION ASSESSMENT SUMMARIES - AGENCIES WITH A PM SYSTEM

The following Agency Evaluation Assessment Summaries represent the documented outcomes of the OSSC evaluation of each Agency's PM System(s), against the minimum principles, standards and requirements of CD No. 4.

Agencies were advised during May 2006 of the evaluation process and provided with background material. During June 2006, Agencies were provided with a project briefing, a documentation package and a data collection instrument or worksheet to assist information-gathering.

Agencies completed the data worksheet and provided associated policy and documentary evidence. Detailed individual Agency Evaluation Assessments were then produced by OSSC, following an analysis and assessment of the information presented by each Agency.

Agencies in this category were:

Department of Economic Development
 Department of Infrastructure, Energy and Resources
 Department of Justice
 Department of Police and Emergency Management
 Department of Premier and Cabinet
 Department of Primary Industries and Water
 Department of Tourism, Arts and the Environment
 Department of Treasury and Finance
 Port Arthur Historic Site Management Authority
 Tasmanian Audit Office
 The Public Trustee

5.1 ASSESSMENT CONTENT

Each Agency Evaluation Assessment Summary contains information under the following headings:

PM System Overview

This provides a brief descriptive overview of the Agency's PM System.

Background Information

This section outlines the extent to which the introduction of the Agency's PM System was consistent with the broad framework in the Commissioner's Guidelines for establishing an effective PM System. This data was primarily collected with a view to contextualising an Agency's PM System and to assist the process of reviewing CD No. 4 and the associated Guidelines. This information did not form part of the compliance aspect of the Agency assessment.

Assessment Comments

These are essentially comments on the outcomes of the evaluation of the Agency's PM System. In particular:

- **Key Positive Findings** – these are areas in the Evaluation Assessment where the Agency complies with CD No. 4.
- **Key Opportunities for Improvement** – these are areas in the Evaluation Assessment where the Agency did not comply with CD No. 4 or where the Agency has met the minimum standard but could potentially enhance their process.
- **Associated Performance Issues** – This additional criterion was included in the Evaluation Assessment to explore current practices regarding the management of employee performance. They were issues highlighted by the inaugural *Employee Survey 2005*, and information obtained may assist in the review of CD No. 4.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.2 DEPARTMENT OF ECONOMIC DEVELOPMENT (DED)

PM SYSTEM OVERVIEW

A performance management system, *Developing Together*, was fully implemented in the Agency on 1 July 2005. The Agency is of the view that effective performance development integrates Agency, business and individual planning and performance, enabling employees to understand the goals of the Agency and how individual and team outputs contribute to the achievement of Agency objectives.

The aim of their performance development system is to:

- Articulate the standards and expectations of work by employees and how they will be measured and assessed;
- Give guidance to the appropriate values and behaviours employees are expected to uphold in meeting their job requirements and communicating and working with others;
- Align the individual's goals with those of the Agency and business unit;
- Integrate the performance of the individual within their business unit;
- Provide opportunities for employees to discuss their professional development needs and relationships with their manager;
- Provide regular and systematic feedback to employees on their performance and give employees the opportunity to identify areas where their manager can improve; and
- Develop individual performance development plans.

The key features of the Agency's Performance Development Framework are:

- The provision of clear and concise guidelines to ensure ease of use, transparency, compliance and consistency.
- Annual Performance Development Plans set yearly and reviewed bi-annually between the employee and their manager.
- Clarification of performance objectives including tasks, outcomes, behaviours and/or values and linking these with Agency business plans.

- The setting of realistic expectations through mutual discussion and agreement, with emphasis on continuous improvement and achieving actual goals and outcomes.
- Consideration of individual training and development requirements.
- Integration, with regular feedback and assessment as part of normal management responsibilities.

The Performance Development Framework involves two formal exchanges per year. The annual Performance Development Exchange, held during July to September, is a review and evaluation against the performance objectives set in the Performance Development Plan (Plan on a Page) of the previous year and when the development of the Plan for the current year occurs. The half-yearly Exchange, held during January to March, is a review and evaluation of progress against the performance objectives set in the current Performance Development Plan.

Performance development reviews are considered in the context of making decisions regarding one-off remuneration increases for officers and annual salary increments for employees.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation – key conclusions were:

- The Agency's PM System was primarily developed to integrate Agency, business and individual planning and performance to enable employees to understand the goals of the Agency and how individual and team outputs contribute to the achievement of Agency objectives. In addition, it was developed to provide employees with guidance on work standards and expectations, appropriate values and behaviours, to provide systematic feedback on performance and to discuss development needs and workplace relationships.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly issues concerning the level of cynicism regarding the performance development models as they had been implemented and failed in the past; a level of 'reform fatigue' following the protracted transitional process from employment arrangements under the TDR to those under the *State Service Act 2000*, and a desire to keep the initial model at an uncomplicated level whilst other key strategies were developed across the Agency.

- The Agency's PM System was developed using a consultative approach: employees were initially involved via a 'Working Group', which represented all areas within the Agency. Initial drafts of the framework were then circulated to members of the Departmental Management Group who were encouraged to discuss the proposed model with their staff prior to providing feedback.
- The model was first trialled with the Agency's 25 Senior Executive Officers. The paperwork associated with the framework was also trialled and specific feedback was sought on the usability of the documentation.
- An implementation and communication program was developed, involving promotion of the system through the Agency's electronic newsletter and by emailing all staff during the first weeks of the system's operation. Business unit managers were also encouraged to openly discuss the system with employees.
- All employees and supervisors received appropriate training prior to undertaking their first performance development exchange under the new framework.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4.
- It meets the Reporting requirement, in that PM System details and documentation have been provided to the Commissioner.
- It meets the Review requirement, given that the Agency's current arrangements were implemented following a review of arrangements in 2004/05. The Agency has also indicated that their system will be further reviewed in the first half of 2006/07 when it is envisaged that the framework will be further developed as organisational values and behaviours, and core competencies, are developed.

ASSESSMENT COMMENTS

The Agency's PM System, *Developing Together*, presents as a new, well-considered and well-structured framework (supported by sound policy and process documentation) that meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.

1. KEY POSITIVE FINDINGS

- The Agency's current PM System was implemented in July 2005 and presents as a new, well-considered and well-structured framework, supported by sound policy and process documentation.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency's PM System is new and meets all the minimum requirements of CD No. 4, there is little to be noted in relation to potential improvements.
- However, section 4.2c of CD No. 4 states as a principle that there be 'a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees'. The Agency has been assessed as meeting this principle on the basis of documenting performance (job) objectives, listing expected knowledge and skills (capabilities), as detailed in the employee's Statement of Duties, and by identifying broad expected outcomes. However, currently there appears to be no articulation or measurement of the 'standard' of work expected of employees.

The Agency has already recognised this issue and plans to introduce, in the near future, measurement techniques such as core competencies and competencies particular to each Award level and/or position type across the Agency. This would be a positive and significant enhancement to their system.

- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to date to evaluate the system's effectiveness and outcomes have been essentially limited to participation and staff training statistics and to confidential verbatim comments from the Agency's annual Pulse Check survey. The Agency has advised that the need for a more comprehensive and specific set of performance indicators to evaluate the system's effectiveness will be examined in a scheduled review of the framework in 2006/2007.
- Given that the Agency's system is well constructed and of a manageable size, there may be an opportunity to easily adapt and manage the current manual PM System by transferring it to an 'online' application. This may provide additional benefits, particularly to the system's records management and statistical reporting arrangements.

3. ASSOCIATED PERFORMANCE ISSUES

- Individual performance reviews don't document the level of performance achieved but individual performance can be measured using rating systems developed on an individual plan-by-plan basis. This aspect was also discussed above in relation to Section 4.2c of CD No. 4.

The Agency has advised that, with the development of values, behaviours and core competencies in the 2006/07 financial year, individuals will be held accountable against criteria in 2007/08.

- Whilst the Performance Development Exchange may provide an opportunity to discuss performance difficulties, the Agency has advised that underperformance is generally dealt with outside the Performance Development Framework. However, it was noted that currently there is no formal Agency poor-performance management policy in place; rather, performance issues are handled by line managers with HR consultancy guidance.
- It was also noted that the individual Performance Development Exchange process only allows for the resolution of potential disputes between employees and managers through the Agency's formal internal grievance process. Consideration should be given to amending the Performance Exchange process and associated documentation to allow an opportunity for disputed issues to be initially resolved through the intervention of a third party such as a higher-level supervisor.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.3 DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES (DIER)

PM SYSTEM OVERVIEW

The Agency formally committed to a framework for performance management in 2003. The framework looks at Performance Management from three perspectives. These are: defining performance, equipping the person and influencing performance. Essentially, the Agency's PM System is built on a platform of 'continuous informal review' where managers ensure that employees are aware of how they are going and their strengths and weaknesses on an ongoing basis.

This is supported by a formal 'performance appraisal process' (introduced April 2004) which is completed annually by all employees. It is designed to formalise the continuous, informal review activity and enables a systematic monitoring of plans and actions. A separate but linked process of 'self management planning' further supports this, where employees discuss with their managers what they need to better perform their existing role or prepare themselves for future ones.

This framework was designed with a view to creating an environment where managers and employees could conduct performance-related discussions. Essentially, the aim was to encourage managers and employees to "talk to one another on a regular basis". This approach was based on feedback from staff within the Agency that indicated that this had not been occurring consistently across the Agency.

Whilst the Agency's Performance Management Framework focuses on matching individual performance to Agency outcomes, a recent internal review of the performance appraisal system identified the need to strengthen the forward-looking aspects of the process, including focusing on linkages between individual and corporate performance, and associated learning and development outcomes.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- DIER's performance management strategy was primarily developed to encourage dialogue between managers and employees regarding performance by creating a 'safe' environment in which they could conduct performance-related discussions, due in large part to past system failures.
- It was developed with appropriate consideration of a wide range of environmental and organisational factors, particularly those associated with the culture of the organisation, leadership commitment, the occupational diversity of the organisation and past performance management experience.
- The development of the system used a consultative approach: the HR Branch developed a broad framework that was 'road-tested' and amended through staff information sessions. The CPSU was also consulted in the developmental phase.
- The system was not specifically piloted due to the extensive 8-month consultation process of preparatory information, review, and training sessions.
- An implementation and communication strategy was developed, supported by a comprehensive training program. Communication strategies included information sessions, promotion via the Agency's weekly electronic newsletter and management/supervisor staff briefings. In addition to staff information sessions, all managers and supervisors and many employees undertook training and skills development courses in the area of giving and receiving performance-related feedback.

ASSESSMENT COMMENTS

The DIER PM System is a comparatively new system introduced to create an environment where managers and employees can undertake performance-related discussions.

It meets most of the minimum requirements of CD No. 4 but the performance appraisal system does have one main weakness – its lack of alignment between individual and corporate objectives. There is also a need to strengthen its focus on learning and development outcomes and to consider establishing a set of performance indicators to evaluate the system's effectiveness and outcomes. The Agency has advised that these issues are now being considered in a current internal review of the Agency's PM System.

1. KEY POSITIVE FINDINGS

- The Agency's PM System has been fully implemented (implemented April 2004 to November 2004) and is currently undergoing a review.
- It meets a significant number of the minimum principles, standards and requirements set out in CD No. 4.
- It meets four of the five Management Principles: there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets seven of the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness and is reviewed on a regular basis.
- It meets the Equity, Reporting and Review requirements set out in CD No. 4.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- Whilst the Agency's Performance Management Framework is focused on linking outcomes to an individual's work activities, the Agency's performance appraisal system does not appear to make those linkages sufficiently explicit at present (Section 4.2a and 4.3c of CD No. 4). The Agency has advised, "as a consequence of an internal review, the Department will consider ways to strengthen the linkages between the corporate and business planning processes and the performance management system".
- Although the Agency's PM System has been assessed as meeting the principle that resources and training needs relevant to performance objectives are clearly identified and actioned (Section 4.2d of CD No. 4), we have been advised that the Agency will be considering "ways to more effectively identify individual training and development needs and a process for following up on the implementation of actions to address those needs".

- Whilst some consideration and measurement has occurred against broader 'organisational health-type' indicators, the Agency should consider developing and implementing a more comprehensive set of performance indicators to evaluate the system's effectiveness. The Agency has advised that it "is currently working to develop a set of HR metrics, including quantitative and qualitative measures to assess the effectiveness of the performance management system".

3. ASSOCIATED PERFORMANCE ISSUES

- It was noted that currently there is no formal Agency poor-performance management policy in place but performance issues are being managed 'outside' the Agency's performance appraisal process.
- The Agency has said that their "Performance Management Framework establishes appropriate expectations about manager's responsibilities for dealing with poor work performance, and the HR Relationship Management structure supports managers to fulfil this responsibility on a case-by-case basis and via the provision of training programs".

AGENCY EVALUATION ASSESSMENT SUMMARY

5.4 DEPARTMENT OF JUSTICE (DOJ)

PM SYSTEM OVERVIEW

Making a Difference Together is the Performance Management Strategy for the Agency.

The Strategy is about a *Performance Discussion*: a two-way open communication between manager/supervisor and staff member designed to build relationships, strengthen rapport and enhance trust, through recognising achievements, addressing issues, managing performance and progressing development.

The objectives of *Making a Difference Together* are to:

- Promote communication between management and staff through the performance discussion;
- Build relationships between the manager and staff members and enhance rapport;
- Recognise management and staff achievements;
- Link personal and work goals with corporate goals;
- Promote a results-oriented work outlook;
- Identify learning and development needs for both management and staff that are relevant to the achievement of organisational goals;
- Ensure management and staff are aware of key tasks and employer expectations;
- Improve planning processes;
- Provide constructive feedback on performance, as a two-way process;
- Increase workplace morale, energy, enthusiasm and optimism for the job;
- Motivate and encourage staff towards improved performance;
- Support staff in accepting accountability for their work; and
- Identify performance issues early.

It is about creating optimism and new energy for the job with the benefits being increased workplace morale, communication strategies to get across a range of messages, learning and development around self-reflection, goal-setting, giving performance feedback, working collaboratively to develop future plans, and planning for learning and professional development.

Operationally, the Strategy is a vehicle for effective performance management, integrating organisational, business and individual planning and performance, enabling staff to understand the goals of the organisation and to see how individual and team outputs contribute to the achievement of organisational objectives. It articulates the standards of work expected of staff and the values and behaviours staff are expected to uphold in meeting their job requirements and in communicating and working with others. It also assists staff to understand what work they do well and how they can improve their performance as well as providing a basis for career development.

The Strategy is achieved by management and staff maintaining continual dialogue on an ongoing basis and meeting twice per year (once every 6 months) to have an organised, structured meeting, the *Performance Discussion*, to focus on specific performance activities and development objectives.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- DOJ's performance management strategy was primarily developed to promote communication and build relationships between managers and staff (through performance discussions) with an objective of strengthening rapport and enhancing trust through recognising achievements, addressing issues, enriching work organisation and job design, managing performance and progressing development.
- It was developed with appropriate consideration of a wide range of environmental and organisational factors, particularly those associated with the culture of the organisation, the industrial climate, leadership commitment, the functional diversity of the organisation and past performance management experience.

- The development of the system used a consultative approach: a Steering Committee was formed with cross-Agency membership essentially at the management level supported by a Project Manager. Consultation was extensive, although primarily pitched to Business Unit Heads and other key operatives.
- The system was extensively piloted through selected Business Units such as Consumer Affairs and Fair Trading, Corporate Services, Crown Law, Magistrates Court, Prison Services, Secretariat and the Supreme Court.
- There was a wide-ranging implementation and communication strategy developed, supported by a comprehensive training program. Communication strategies included information sessions, manuals, brochures and flyers, intranet information, a Contact Officer and an official launch. Training was provided to managers, supervisors and employees.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirements, given that the current Agency PM System was developed following a management evaluation of the existing arrangements in early 2003. The Agency has indicated that they now plan to conduct their next formal review in 2008, although they will survey employees on a regular basis to gauge the ongoing effectiveness of the system.

ASSESSMENT COMMENTS

The Agency's PM System presents as a relatively new, well-considered, yet measured, system, initially aimed at building communication and relationships between management (managers and supervisors) and employees, rather than overly focussing on process and documentation.

It meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4 except for the administrative requirement for Agencies to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Agency's PM System was introduced progressively from September 2003 through to end-June 2005 and presents as a relatively new, well-considered, yet measured, system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- OSSC records indicate that the Agency did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Agency.
- Section 4.2a of CD No. 4 states that there should be a connection between individual duties and performance and broader organisational goals and performance, such as corporate, business and/or Divisional operational plans. Whilst this is addressed as a required action in the Agency's policy documentation, the limited scope of the Performance Agreement documentation could be improved to demonstrate these links. A process that includes discussion and the documentation of job-specific responsibilities, tasks and/or projects, and their relationship to business plans, may enhance the PM System's value as a management tool.

- In addition, Section 4.2c of CD No. 4 states as a principle that there be 'a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees'. The Agency's policy documentation makes reference to documenting 'performance activities' and the need for employees to 'have a clear understanding of their work responsibilities and the standards of work expected of them' but, again, these elements could be improved and articulated in the *Performance Discussion* documentation. Generally PM Systems have a documentary process that outlines and assesses progress and performance against a set of core competencies and/or job-specific responsibilities.

Whilst it is accepted that the *Performance Discussion* process was initially designed primarily to re-open two-way communication between manager/supervisor and staff members and to re-build relationships, the Agency should, as the system matures, improve the system's emphasis and documentation around the assessment of employee performance against job-related objectives, criteria and standards.

- The practice of allowing managers and employees discretion in determining the start date of the first performance discussion in the cycle (while consistent with the objective to build relationships) could be detrimental to the operation and efficiency of the PM System, particularly its relationship to the business planning cycle.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to date to evaluate the system's effectiveness and outcomes are essentially limited to participation statistics and employee feedback systems. Whilst some consideration and measurement has occurred against broader 'organisational health-type' indicators, the Agency should consider developing and implementing a more comprehensive and specific set of performance indicators to evaluate the system's effectiveness.

3. ASSOCIATED PERFORMANCE ISSUES

- The Agency's PM System essentially meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it recognises good performance, has a formal policy and mechanism in place to manage poor performance and a fair processes to ensure that outcomes from performance discussions can be reviewed.
- However it was noted, consistent with the other performance discussion documentation issues outlined above, that individual performance discussions do not identify or document the level of performance achieved.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.5 DEPARTMENT OF POLICE AND EMERGENCY MANAGEMENT (DPEM)

PM SYSTEM OVERVIEW

The Department of Police and Emergency Management (DPEM) implemented the Agency's performance management process from 1 July 2000 following recommendations from a Human Resources Strategic Planning Report identifying methods that could develop committed and motivated personnel. A review is scheduled for completion by August 2006.

Termed *Performance Feedback*, it is a discussion between supervisor and participant, where areas can be identified either that require development or training, or where the participants perform well. It also involves the development of a plan of action where strengths can be recognised and, if appropriate, acted upon, and any areas requiring development can be addressed through a number of methods, including on-the-job training or mentoring.

One of the core reasons behind the development of the feedback process was to encourage communication between employees' and their supervisors'. In order for the process to work and have the most achieved from it, it was considered that the employee's and supervisor's assessments, as well as group feedback sessions, needed to be timely and honest. Supervisors identifying ongoing problems with an employee manage these over time, in line with departmental policies and procedures, not just within the feedback process.

The first steps in the process are an independent assessment of the employee by the supervisor and a self-assessment by the employee participant. The focus of this process is to obtain an honest appraisal of the employee's work performance including the identification of strengths and developmental needs. During the actual feedback session, both parties aim to agree on ways to utilise employee strengths as well as identifying areas that may require development. Outcomes are recorded on a *Performance Feedback Action Plan*, noting that formal training courses are not seen as the only method of development, but, as well, on-the-job training is encouraged through mentoring and job-rotation arrangements and by expanding responsibilities or through secondments. Supervisors will also outline in the plan any discussions concerning the employees' career aspirations.

Performance feedback sessions are undertaken every 6 months based on an employee's commencement/ anniversary date. A new action plan is developed for the employee every 12 months. Individual managers have the responsibility of ensuring that performance feedback sessions are completed in a timely manner.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- The Agency's PM System was developed following recommendations from a Human Resources Strategic Planning Report identifying methods that could develop committed and motivated personnel. The impetus came from a leadership desire to develop an organisational culture that embraced personal accountability for performance, to provide feedback and recognition to increase employee engagement and to provide development for employees.
- It was developed with appropriate consideration of a number of key environmental and organisational factors particularly those associated with the mixed cultural and structural nature of the department (sworn and unsworn), a need for the design of the system to be flexible due to the broad range of functions, work environments and locations to be covered, coupled with a desire to encourage strong employee involvement, particularly by focussing on developmental and career progression needs.
- Development of the system was managed internally and overseen by a Steering Committee. The developmental process involved extensive consultation with the Community and Public Sector Union (CPSU) and the Police Association of Tasmania (PAT). The Agency's formal network of internal Network of Change Agents were also heavily involved in the development and implementation process. Their role was to facilitate and communicate two-way feedback between employees and the project sponsors.
- The Agency's PM System was formally piloted within a large and small operational unit under the direction of the Steering Committee. Communication and implementation strategies were also produced and implemented under the direction of the Steering Committee. The department's normal communication processes and the Network of Change Agents was also utilised.

- A comprehensive training strategy was developed and implemented with training and information sessions provided to both managers and employees. Training was supported by the appointment of Implementation Liaison Officers whilst guidance manuals and process forms were provided via an intranet induction website.

ASSESSMENT COMMENTS

The Agency's PM System presents as a soundly constructed yet measured system, aimed at attracting employee engagement in order to generate personal accountability for performance and to promote access to developmental opportunities.

It meets most of the minimum requirements of CD No. 4 but falls short on the Reporting, Evaluation and Review requirements. It does not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner and there are no set performance indicators in place to evaluate the system's effectiveness and outcomes.

1. KEY POSITIVE FINDINGS

- The Agency implemented its PM System in July 2000 following a sound developmental process with strong consultative input and staff involvement. The system presents as a soundly constructed yet measured system, aimed at attracting employee engagement in order to generate personal accountability for performance and to promote access to developmental opportunities.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets seven of the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle and has measures to report on its effectiveness.
- It meets the Equity requirements set out in Commissioner's Direction No. 4.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- Section 4.2c of CD No. 4 states as a principle that there be 'a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees'. Whilst the Agency has been assessed as meeting this standard on the basis of documenting some job objectives and performance criteria, there appears to be no process or documentation to measure the 'standard' of work expected of them.

Whilst it is accepted that the *Performance Feedback* process was primarily developed to facilitate discussion between supervisors and participants to identify areas where the participant is performing well or requires development and training, the Agency could, as the system matures, improve the system's emphasis and documentation around the assessment of employee performance against specific job-related objectives, criteria and standards.

- The practice of conducting performance feedback sessions based on an employee's commencement/anniversary date could be detrimental to the operation and efficiency of the PM System as sessions may be overlooked, particularly during peak workload situations. Systems that link performance reviews with annual business planning cycles generally have a higher completion rate and gain the added benefit of more closely linking employee performance to current corporate and business objectives. Any planned review of the system should examine the operational effectiveness of the system in this regard.
- Whilst the Agency has met the minimum requirement to include measures to report on the PM System's effectiveness, this positive assessment was primarily based on its strong corporate reporting structure and processes. However, the Agency only has a manual arrangement to capture staff development and training information and participation statistics. The Agency may need to consider developing an appropriate collection and reporting system to cover this area.
- OSSC records indicate that the Agency did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Agency.

- The Agency's System does not meet the Evaluation requirements of CD No. 4, as there are no set performance indicators in place at this stage to evaluate the system's effectiveness and outcomes. Also, the Agency does not have a formal method in place to capture relevant statistical information, particularly information relating to training and development activities.

The development of a comprehensive set of performance indicators to evaluate the system's effectiveness should be actively considered, particularly as the system has been in place for some time and they could assist the process of monitoring the system's effectiveness.

3. ASSOCIATED PERFORMANCE ISSUES

- It was noted that individual performance feedback plans don't identify or document the level of performance achieved. The Agency may consider reviewing these processes as proficiency and comfort with the system grows.
- It was noted that the Agency does not currently have a formal (written) poor-performance management policy in place but poor performance issues are identified and addressed on a case-by-case basis. Those related to workplace issues are managed 'within' the performance management process by developing agreed strategies aimed at supporting and improving outcomes, while those related to external issues are managed 'outside' the performance management system usually through the Agency's Employee Assistance Program. The Agency could consider developing a formal policy statement on managing poor performance.
- The Agency's PM System essentially meets all the remaining elements of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it recognises good performance and has fair, formal processes in place to ensure that outcomes from performance feedback discussions can be reviewed.

DPEM (TFS) EVALUATION ASSESSMENT SUMMARY

PM SYSTEM OVERVIEW

The Tasmania Fire Service (TFS) implemented the *Workplace Feedback System* in early 2005 following ongoing workplace indications that employees would like to receive constructive feedback on how they were going at work.

The aim of the policy is to have a work environment where regular constructive feedback on an individual and group basis enables a person to work towards achieving personal and organisational goals, including personal and professional training, development and improvement.

The policy applies to all members employed under the *State Service Act 2000*, and relates to the giving of two-way feedback on individual skills and behaviour between a supervisor and employee as a normal part of work. It also includes two-way feedback that is given on a regular basis as part of a formal feedback system.

The feedback system is not designed to manage disciplinary issues or continuing poor performance issues that require a specific performance improvement plan. Those issues are managed through a poor-performance system or disciplinary process.

The effective operation of the feedback system is underpinned by the following principles:

- The system needs to be flexible enough to meet the needs of the TFS which is made up of diverse work groups with varying management arrangements and work cultures;
- It is accepted that employees will only participate willingly if they believe their privacy will be respected and confidentiality is an essential part of the integrity of the system;
- Employees should gain significant benefits when they openly and honestly discuss skills and behaviour that affect performance; and
- The feedback system should be developed, implemented and operated in a way that is consistent with the TFS Values and Behaviours.

The purpose of the system is to:

- Enable employees to talk comfortably about uncomfortable topics;
- Let employees know how they are doing at work;
- Give employees recognition for what they are doing well;
- Set up developmental opportunities; and
- Allow the Agency to coordinate developmental opportunities.

The *Workplace Feedback System* combines general (ongoing) feedback with a formal feedback process. General feedback refers to the giving and receiving of feedback as part of normal work routines and would normally be a conversation that occurs frequently, looks at how employees are progressing with tasks, what is done well and what can be improved and their behaviour. Generally, these discussions are not documented.

Formal feedback is a structured discussion that occurs on a regular basis and involves the summation of general feedback discussions, the review of progress on any plans developed as part of the last formal feedback session and the development of new plans based on the outcomes of the formal feedback session. The frequency of formal feedback sessions depends on the workgroup but at a minimum there is one discussion each twelve months and preferably a short discussion after six months to monitor plans.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- The TFS PM System was primarily developed to get employees talking skilfully about difficult issues, to provide feedback and recognition to increase employee engagement, to promote the accountability of employees and managers, to address performance issues early and effectively and to provide planned professional development for employees.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly those associated with an historical 'command and control' leadership style which discouraged upward feedback and encouraged top-down negative criticism, coupled with a strongly unionised workforce with unions that were heavily involved in grievance resolution processes. In addition, the design of the system had to

be flexible due to the broad range of functions, work environments and locations to be covered and to encourage strong employee ownership.

- Employees and union representatives were heavily involved in the development and trialling of the system. Initial design of the system was done by a 'reference group' of 20 people comprised of employees who had self-nominated, a union representative from the UFU and CPSU and a University of Tasmania consultant.
- The TFS PM System was formally piloted over a twelve-month period involving around 100 employees from a wide variety of work groups. Individual work groups adapted the draft paperwork and system to fit their situation and all progress was independently evaluated by the University of Tasmania. Communication and implementation strategies were also produced and implemented by the reference group.
- A comprehensive training strategy was developed and implemented, with training provided to both managers and employees. Training was provided on systems familiarisation, giving and receiving effective feedback and management techniques.

ASSESSMENT COMMENTS

The TFS PM System is relatively new and presents as a comparatively simple and measured system, designed to operate within a diverse group of employees to enable them to engage with management and to openly discuss their roles, performance and developmental needs.

It meets most of the minimum requirements of CD No. 4 but does not meet the Evaluation requirements, as there are no set performance indicators in place at this stage to evaluate the system's effectiveness and outcomes or to capture statistical information. Also it does not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The TFS commenced implementation of its PM System in May 2005 and expects it to be completed by April 2007. The implementation period is intentionally elongated due to the functional complexity and geographic spread of the TFS and because of the highly consultative nature of the PM System.
- The TFS PM System is relatively new and presents as a comparatively simple and measured system that meets most of the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the TFS; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with TFS corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirements, given that the current system was a result of a review of past arrangements. The TFS has also indicated that their new PM System will be reviewed within the next two years with continued input from the University of Tasmania.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- Section 4.2c of CD No. 4 states as a principle that there be 'a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees'. Whilst the TFS has been assessed as meeting this standard on the basis of documenting job objectives and performance criteria, there appears to be no process or documentation to measure the 'standard' of work expected of them.

Whilst it is accepted that the *Workplace Feedback System* was primarily developed to get employees talking skilfully about difficult issues and to provide feedback and recognition to increase employee engagement, the TFS could, as the system matures, improve the system's emphasis and documentation around the assessment of employee performance against job-related objectives, criteria and standards.

- Consistent with Section 4.3d of CD No. 4, an Agency's PM System must have clearly defined objectives and be well documented. Whilst the TFS's documentation was assessed as meeting the minimum standard, and accepting that the system is still going through an implementation period, there is scope for the existing policy documentation to be consolidated and published in a format similar to the TFS *Resolution Procedures (Grievance Procedure) Policy*.
- The practice of allowing the work group (managers and employees) discretion in determining the start date and frequency of the feedback sessions (while consistent with the objective to build relationships) could be detrimental to the operation and efficiency of the PM System in the longer term. Any planned review of the system should examine the operational effectiveness of the system in this regard.
- Whilst the TFS has met the minimum requirement to include measures to report on the PM System's effectiveness, the measurements appear to be largely built around consultative arrangements. The TFS will need to consider additional (and more frequent) reporting arrangements once the system is fully implemented.
- OSSC records indicate that the TFS did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Agency.
- The TFS does not meet the Evaluation requirements of CD No. 4, as there are no set performance indicators in place at this stage to evaluate the system's effectiveness and outcomes or to capture statistical information.

The development of a comprehensive set of performance indicators to evaluate the system's effectiveness should be actively considered, particularly as the system is new and they could assist the process of monitoring implementation effectiveness.

The TFS has advised that a system to capture statistical data will be developed as part of the full implementation of the system and will include participation and training and development statistics. The TFS has been able to provide some initial statistical information as a result of monitoring the system's implementation phase.

3. ASSOCIATED PERFORMANCE ISSUES

- It was noted that individual feedback plans don't identify or document the level of performance achieved. TFS indicated that the important objective was to get supervisors and employees to have a conversation and to obtain feedback rather than to start 'grading' performance. The TFS has indicated that this arrangement will be reviewed as proficiency and comfort with the system grows.
- The TFS PM System essentially meets all the remaining elements of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it recognises good performance, has a relatively formalised policy and mechanism in place to manage poor performance, and fair formal processes to ensure that outcomes from performance feedback discussions can be reviewed.
- In respect of performance assessment (feedback) arrangements, the TFS has indicated that their PM System at this stage 'produces' a performance feedback 'agreement', not a hard 'assessment'. Nevertheless, if agreement cannot be reached, appropriate review arrangements are in place.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.6 DEPARTMENT OF PREMIER AND CABINET (DPAC)

PM SYSTEM OVERVIEW

The Agency's Performance Management and Development (PMD) program is all about open communication, two-way discussion between staff and supervisors, recognising achievements, addressing issues, managing performance and progressing development.

The objectives of the Agency's program are to:

- Promote communication between employees and supervisors;
- Recognise employee and Agency achievements;
- Provide ongoing management of individual performance against agreed activities and measures;
- Identify learning and development objectives and design linkages between these and individual, team and Agency needs; and
- Help align individual and Agency planning.

Further, the Agency's policy states that the program is not about discipline, inability, increments, probation, designing unwelcomed career paths or insisting employees attend training.

The Agency views their PMD program as part of the greater planning cycle of the Department. It helps to connect the performance of individual employees to the corporate, strategic, business and budget planning and performance of the Department and to the requirements of the State Service Act 2000, particularly the Code of Conduct.

Individual performance management meetings are held at least annually, ideally in July after the corporate planning targets have been set and the budget finalised. Alternatively, the meetings may be staggered throughout the year on a continual cycle. The meeting includes an open discussion, a review and resetting of performance activities and completion of the performance management and development plans.

In the open discussion of the meeting, four broad topics are normally covered: the employee's achievements, capabilities, aspirations and role; changes (past or future); the Agency's structure, direction and priorities; and any other issues.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- The Agency's PM System was primarily developed to promote open dialogue communication between employees and their supervisors and to foster a supportive working environment that encourages employees to use and develop their skills in alignment with the corporate needs of their Division.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly issues around perceived past performance management system efforts, such as a desire to develop a system that was inclusive, decentralised, adaptable, non-threatening and reflective of the Agency's 'open communication' management/leadership style.
- The Agency's PM System was created by the Corporate Management Group but significantly changed following extensive employee feedback collected through the training component of the initial implementation process.
- The Agency's PM System evolved through a number of versions that were piloted in various DPAC Divisions prior to full implementation.
- An implementation and communication program was developed, supported by a comprehensive training program. Training was provided to both supervisors and employees.

ASSESSMENT COMMENTS

The Agency's PM System presents as a relatively new, carefully constructed yet measured system, primarily aimed at promoting open communication between employees and their supervisors and fostering a supportive working environment.

It meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.

1. KEY POSITIVE FINDINGS

- The Agency's current PM System was implemented in July 2004 and presents as a carefully constructed yet measured system, that meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.

- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity, Reporting and Evaluation requirements set out in Commissioner’s Direction No. 4.
- It also meets the Review requirement, given that the Agency’s current arrangements were implemented following a review of arrangements in 2003. The Agency has also indicated that their system will be reviewed on an ongoing basis, but as yet no specific schedule has been determined.
- Whilst it is accepted that the Performance Management and Development (PMD) program was primarily developed to promote open dialogue communication between employees and their supervisors and to foster a supportive working environment that encourages employees to use and develop their skills, the Agency could, as the system matures, improve the system’s emphasis and documentation around the assessment of employee performance against job-related objectives, criteria and standards.
- Whilst the Agency’s PM System has a very comprehensive process in place to report on its effectiveness on an annual basis, consideration should be given to providing progress participation information on performance management meetings and training and development activities on a more regular basis. This may enable the PM System to be more proactively monitored and managed.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to evaluate the system’s effectiveness and outcomes are essentially limited to participation statistics and training and development activity. The development of a more comprehensive and specific set of performance indicators to evaluate the system’s effectiveness should be considered.
- Given that the Agency’s system is well constructed and of a manageable size, there may be an opportunity to easily adapt and manage the current manual PM System by transferring it to an ‘online’ application. This may provide additional benefits, particularly to the system’s records management and statistical reporting and evaluation arrangements.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency’s PM System is relatively new and meets all the minimum requirements of CD No. 4, there is little to be noted in relation to potential improvements.
- However, Section 4.2c of CD No. 4 states as a principle that there be ‘a clear and agreed understanding of performance objectives, criteria and standards on the part of both supervisors and employees’. The Agency’s policy documentation makes reference to documenting ‘activities’ to be undertaken by the employee and to the ‘measurement’ of these activities by listing specific deliverables, milestones, targets or components of a project. However, there appears to be no process or documentation to measure the standard of work expected of them. Generally PM Systems have a documented process that outlines and assesses progress and performance against a set of core competencies and/or job-specific responsibilities.

3. ASSOCIATED PERFORMANCE ISSUES

- The Agency’s PM System recognises good performance and has good internal review mechanisms.
- However, it was noted that individual performance discussions might not identify or sufficiently document the level of performance achieved. This aspect was also discussed above in relation to Section 4.2c of CD No. 4.
- It was also noted that currently there is not a formal Agency poor-performance management policy in place, and performance issues are managed on a case-by-case basis ‘outside’ the Agency’s performance and development system. The Agency considers that it is a supervisor’s normal day-to-day responsibility to monitor performance and deal with poor performance as soon as practicable and provides HR consultancy support.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.7 DEPARTMENT OF PRIMARY INDUSTRIES AND WATER (DPIW)

PM SYSTEM OVERVIEW

The DPIW PM System operates alongside and to complement existing initiatives designed to assist the Agency to achieve its strategic directions and business goals. These existing initiatives are the corporate plan, branch business plans, specific operational project plans and individual Statements of Duty.

The Agency's PM System is currently focused on two key strategic issues:

- It is aligned with the Department's existing planning processes; and
- It is aimed at improving communication between managers, supervisors and their staff, and at creating a culture that fosters and encourages discussion and feedback between employees.

Due to the diverse nature of the organisation, the Agency's PM System provides for managers, in consultation with their staff, to develop and implement performance management within individual divisions and branches in a way that takes account of workplace culture, staffing structures and business needs and operations.

Divisions and branches are able to determine when to schedule performance management for their branch, with due regard to the department's comprehensive planning processes. Although there is no standard performance management pro forma, there is a model template included with the guidelines that can be adapted by local workplaces.

Performance Management Reviews are regular, at least bi-annual, between staff and their manager or supervisor to assess performance and to discuss issues that affect an employee's working life. Specific goals of the Performance Management Review are to:

- Assess work performance;
- Identify and plan training and development needs and goals;
- Ensure that the Statement of Duties is accurate; and to
- Raise any other issues relating to an employee's working life.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- DPIW's PM System was primarily developed to promote an alignment between individual, branch and corporate planning, to improve communication between managers, supervisors and their staff and to create a culture that fosters and encourages discussion and feedback.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly issues associated with the diversity of the organisation, the skill level of managers and a poor previous history with PM Systems, and to ensure integration with the Agency's business planning.
- The PM System was designed in consultation with management and staff: individual meetings were held with general and regional managers; employees and unions were consulted and all employees had an opportunity to comment on the draft guidelines. The system's design also allows local workplace consultation to establish arrangements that best suit staffing, structural, and cultural and business/operational needs.
- The Agency's PM System was not piloted prior to full implementation due to the extent of consultation undertaken and because the generic model encouraged workplaces to adapt the process to local needs. Some piloting of local models may have occurred.
- An implementation and communication program was developed, supported by a comprehensive training program. Training was provided to both supervisors and employees.

ASSESSMENT COMMENTS

The DPIW PM System is a comparatively new and flexible arrangement aimed at integrating performance management with existing Agency planning processes and improving communication between managers, supervisors and employees. It essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.

1. KEY POSITIVE FINDINGS

- The Agency commenced implementation of its PM System on 1 July 2004 with a two-year implementation period having ended in June 2006. The system presents as a comparatively new, flexible arrangement that meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity, Reporting and Evaluation requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirement, given that the current DPIW PM System was developed in 2003, essentially following an internal review that established that the existing system no longer had management or employee support. DPIW have also advised that the current PM System was to have been reviewed by end-June 2006 but this has been postponed until September 2006 due to the scheduling of two related audits.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency's PM System is comparatively new and meets all the requirements of CD No. 4, and is about to be audited both internally and by an external consultant, there is little to be noted in relation to potential improvements.
- It was noted that, despite having developed a comprehensive set of performance indicators, the Agency has not as yet used them to evaluate their system's effectiveness. In addition, employee participation and training statistics are limited in scope and may benefit from being collected through a centralised arrangement. However, it is accepted that the full application of these performance indicators has been delayed due to an extended implementation process.

3. ASSOCIATED PERFORMANCE ISSUES

- The DPIW PM System meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it has a documented policy framework in place to manage poor performance.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.8 DEPARTMENT OF TOURISM, ARTS AND THE ENVIRONMENT (DTAE)

PM SYSTEM OVERVIEW

The Agency's performance management framework is titled "Working, Learning and Achieving Together". It provides a flexible approach to enable the Agency to work towards building and maintaining a workplace culture that has the characteristics of a high-performing organisation that also recognises the long-term benefits of developing its employees.

The framework is designed to have a direct and positive influence on workplace culture to deliver high-quality products and services; continually improve systems and processes; display leadership excellence at any level; participate in on-going learning; engage in open two-way communication; recognise good performance or achievements and support organisational values.

Specifically, the framework is designed to provide an ongoing opportunity for its employees to:

- Understand their role or purpose within their workplace;
- Maintain a partnership with their manager to achieve success at work;
- Set goals for or clarify expectations about their position;
- Receive feedback from their manager about their work;
- Identify different ways to learn new skills or develop more knowledge;
- Establish family-friendly work practices and expectations;
- Receive recognition for good or exceptional performance;
- Improve communication with their manager;
- Strengthen work relationships within their team;
- Remove or minimise barriers that impede their work; and
- Reflect on long-term career goals.

To achieve these objectives, the framework aligns an employee's work contributions and capability development to the strategic plans and business objectives of each workplace; improves leadership/management practices amongst managers and supervisors and individual job competencies for employees; and encourages a partnership between

managers, supervisors and their teams or individual staff to achieve success.

The framework is based on a twelve month 'Review Cycle' aligned to the Agency's business and budget planning process. Following the development of business plans, Managers or supervisors work with employees to identify and agree to work and learning goals (or expectations). These goals or expectations are reviewed after 6 months and the cycle is completed after 12 months at an 'Annual Review' after which a new cycle commences. Review cycle dates and action plans for learning and development activities identified through this process are recorded, maintained and managed in an intranet-based database and workflow application titled "LADDER".

"LADDER" is an Agency-wide training database that each person can access via their intranet desktop.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- DTAE's framework was primarily developed to provide more opportunities for managers, supervisors and employees to have two-way communication, to improve employee awareness of the role of their positions and how those roles assist the achievement of organisational goals, and to align employee learning and development needs to workplace planning.
- It was developed with appropriate consideration of a wide range of environmental and organisational factors, particularly those associated with the fact that the Agency was relatively new and its culture and senior management structures were evolving, the organisation was diverse and there were varying levels of maturity and capability to manage performance, coupled with some scepticism towards more traditional 'appraisal' approaches to performance management. In addition, it was viewed as critical that the system was directly linked to the Agency's business planning process.
- The development of the system used a consultative approach: the HR Branch provided an initial generic framework based on research of good HRM practice with management and employee focus groups for each Division identifying further customisation to suit their business needs. This promoted a view that the business owned the PM System (not HR) and that its success relied on the leadership and commitment of a Division's managers and active participation by its employees.

- The system was piloted initially within the Corporate Services Division and Tourism Tasmania with feedback confirming the fundamental process but recommending some user-friendly design changes to the intranet site.
- An implementation and communication strategy was developed, supported by a comprehensive training program. Training was provided to managers, supervisors and employees.

ASSESSMENT COMMENTS

The DTAE PM System presents as a well-developed and innovative system that generates open communication between managers and employees and demonstrates a strong alignment of individual employee roles with business goals.

It meets all the minimum principles, standards and requirements set out in Commissioner’s Direction No. 4 except for the administrative requirement for Agencies to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Agency’s PM System was introduced progressively from July 2004 and presents as a well-developed and innovative system that essentially meets all the minimum principles, standards and requirements set out in Commissioner’s Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner’s Direction No. 4.

- It also meets the Review requirements, given that the current DTAE PM System was developed following machinery of government changes that brought together Divisions from other Agencies. In this context a review of the existing arrangements prompted the current redevelopment. The Agency has indicated that they now plan to conduct annual reviews of the system, based around employee feedback.
- The system’s design, objectives and ‘comparatively’ unique ‘online’ processes, make it a good example for other State Service Agencies that are considering moving to an online PM System process. The PM System is contained, accessed, recorded and managed on the Intranet. It is supported by a separate but linked intranet-based database and workflow application titled ‘LADDER’, that records review outcomes and action plans for learning and development activities.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency’s PM System currently meets the requirements of CD No. 4, there is little to be noted in relation to potential improvements.
- However, OSSC records indicate that the Agency did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Agency.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to evaluate the system’s effectiveness and outcomes are essentially limited to participation statistics and employee feedback systems. The development of a more comprehensive set of performance indicators to evaluate the system’s effectiveness should be considered.

3. ASSOCIATED PERFORMANCE ISSUES

- The DTAE PM System meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it has a thorough and fair mechanism in place to manage poor performance.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.9 DEPARTMENT OF TREASURY AND FINANCE (DOTAF)

PM SYSTEM OVERVIEW

The primary objective of Treasury's Performance Management System is to provide a feedback mechanism between employee and supervisor, promote open discussion and focus the performance of individuals directly on the achievement of organisational goals. The system is based on two formal interviews each year with informal monitoring and feedback occurring on an ongoing basis.

Performance Management is undertaken for all permanent employees, and fixed-term employees with contracts of three months or more. The use of Performance Management for fixed-term employees with contracts of less than three months is at the discretion of the relevant Branch Head. Where Performance Management is undertaken with fixed-term employees, the Performance Management Interview form can be tailored to suit specific circumstances.

Treasury's PM System provides a process that:

- Promotes alignment between individual Branch and Corporate planning processes;
- Reviews performance in the past period;
- Reviews training and development activities in the past period;
- Assesses future training and development needs;
- Helps individuals plan and achieve career aspirations;
- Identifies and develops needed skills within Treasury;
- Plans and agrees key individual actions to contribute to the achievement of Branch outcomes;
- Sets standards for individual performance over the cycle; and
- Discusses achieving results in a way that supports Treasury's values and behaviours.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- Treasury's PM System was primarily developed to promote an alignment between individual, branch and corporate planning, to manage and recognise employee performance and to assist the identification of learning and development needs.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly the fact that feedback was of fundamental relevance to the culture of the organisation and the way in which it achieved its goals and objectives.
- The original PM System was designed in consultation with staff and additional opportunities were provided for staff to provide feedback both before and after the first interview round. Since implementation the system has been regularly reviewed with staff input being the key factor in shaping improvements.
- The Agency's PM System was piloted prior to full implementation through a process involving introduction sessions that encouraged comments and feedback.
- An implementation and communication program was developed, supported by a comprehensive training program. Training was provided to both supervisors and employees.

ASSESSMENT COMMENTS

The Treasury PM System presents as a mature (well constructed and managed) and comprehensive system that meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4, except for the administrative requirement for Agencies to provide revisions of those System(s) to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Agency's PM System has been in place since 1993 and presents as a mature, comprehensive system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified; and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirement, noting that the Treasury PM System has been regularly reviewed, with the most recent review being in late 2005. All reviews have featured staff input as the key factor in shaping improvements.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency's PM System is a mature system that meets the requirements of CD No. 4, and the Agency has consistently undertaken internal formal and ad-hoc reviews of the PM System, there is little to be noted in relation to potential improvements.
- However, whilst OSSC records indicate that the Agency last lodged their PM System in April 2002, a brief analysis of that document and the current guidelines indicated content and layout changes. In addition, the incorporation of values and behaviours into the PM System is viewed as a significant change requiring relodgement. In future it would be beneficial for the Agency to lodge amended PM System documentation to the Commissioner when changes are made.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to evaluate the system's effectiveness and outcomes are essentially limited to participation statistics and employee feedback systems. The development of a more comprehensive set of performance indicators to evaluate the system's effectiveness should be considered.
- Given that the Agency's system is well constructed and of a manageable size, there may be an opportunity to easily adapt and manage the current manual PM System by transferring it to an 'online' application. This may provide additional benefits, particularly to the system's records management and statistical reporting arrangements.

3. ASSOCIATED PERFORMANCE ISSUES

- The Treasury PM System meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it has a thorough and fair mechanism in place to manage poor performance.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.10 PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY (PAHSMA)

PM SYSTEM OVERVIEW

The Authority's performance review and development policy states that it is a process of identifying, evaluating and developing the performance of employees so that business goals and objectives are effectively achieved, while, at the same time, benefiting employees through recognition of their contributions, receiving feedback and catering for work needs and development. The approach is consultative and increases communication to ensure that each employee has a clear direction and expectations to work towards.

The policy applies to all PAHSMA employees' with the process being a flexible, ongoing cycle of three main phases:

- On an annual basis employees' and their managers are required to create an agreed plan of action for the forthcoming 12 months. This 'Employee Performance Plan' is documented and aims to assist the employee to determine what has to be done and how to do it, to work more effectively as part of a team, to set directions and challenges and to understand the performance expectations.
- The second phase, 'Progress Coaching', is the day-to-day implementation, management, encouragement and monitoring of progress. During this phase the employee and manager observe, track and evaluate performance, informally discuss tasks and projects and modify the Plan as required.
- The third phase, the 'Performance Review', allows for a formal review of past performance and changes in job responsibilities or plans. The primary purpose of this review discussion is to review performance and achievements against the agreed plan and the success of training and development undertaken.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- PAHSMA's PM System was primarily developed to assist in the development of employee accountabilities, and to align organisational and employee goals.
- It was developed with appropriate consideration of a number of key environmental and organisational factors, particularly those associated with an open leadership environment in which there was a genuine interest to provide opportunities for managers and employees to discuss achievements and challenges in a structured framework.
- An external business consultant developed the current PM System with close liaison and substantial input from PAHSMA's Human Resources area. The process also drew heavily on employee feedback, particularly in relation to why the previous system was not a success.
- The Authority's PM System was not formally piloted prior to implementation and no documented implementation or communication strategy was produced. However, its development and implementation was specifically monitored and discussed at all management forums and progressively outlined at workplace meetings.
- A comprehensive training strategy was developed and implemented, with training provided to both managers and employees. Training was provided on systems familiarisation, communication techniques, principles of management and reporting.

ASSESSMENT COMMENTS

The PAHSMA PM System is relatively new and presents as an uncomplicated system, designed to operate openly within a diverse group of employees to enable them to directly influence their roles, reporting and training.

It meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4, except for the administrative requirement for Agencies to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Authority's PM System was implemented in September 2005 and presents as an uncomplicated system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Authority; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Authority corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirements, given that it was a major review of the existing arrangements that prompted the recent redevelopment. The Authority has indicated that their new PM System will be reviewed within the 4-year requirement but as yet no specific schedule has been determined.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Authority's PM System is relatively new and essentially meets the requirements of CD No. 4, there is little to be noted in relation to potential improvements.
- However, OSSC records indicate that the Authority did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Authority.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to evaluate the system's effectiveness and outcomes are essentially limited to participation statistics and employee feedback systems. The development of a more comprehensive set of performance indicators to evaluate the system's effectiveness should be considered.

3. ASSOCIATED PERFORMANCE ISSUES

- The PAHSMA PM System essentially meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it has a practical and fair mechanism in place to manage poor performance.
- However, it was noted that, whilst the Authority's 'performance review' process allows for the documentation of points of difference, the only avenue for resolving a potential dispute appears to be through the Authority's formal grievance process. Consideration should be given to amending the performance review process and associated documentation to allow an opportunity for disputed issues to be resolved through the intervention of a third party such as a higher-level supervisor.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.11 TASMANIAN AUDIT OFFICE (TAO)

PM SYSTEM OVERVIEW

The Tasmanian Audit Office is committed to encouraging all employees to perform at an optimal level by providing timely and constructive feedback and appropriate training and development opportunities.

The Office has a holistic approach to reviewing employee performance, which includes:

- Opportunities for formal and informal feedback;
- Development of performance development objectives;
- Assessment of work behaviours and skills against core competencies;
- Assessment of job roles and key responsibilities;
- Positive strategies for the management of poor performance; and
- Employee Assistance Programs where required.

The Performance Management Process is a planned process that supports continued improvement in work performance for all employees. The basis of the process is employees and supervisors working together to identify objectives and developmental opportunities, and then creating plans to achieve these objectives. The process also assesses the employee's competency against core competencies and in the performance of their key responsibilities or outcomes from their job description.

The process involves staff appraisals twice yearly (July and January). Both the supervisors and employees have a 'working' copy of the current appraisal document outlining the agreed objectives set six months previously. Both parties rank the competencies individually and the supervisor records the results for these performance measures. The parties meet to have a 'conversation' about the rankings against the competencies. Differences are explained and an overall rating agreed through negotiation. Training provided during the review period, and developmental opportunities for the new period, are discussed and outcomes recorded.

The Tasmanian Audit Office's 'Performance Management Policy' states that both their Grievance Resolution and Managing Poor Performance Policy and Guidelines support the policy.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- The Agency's PM System was primarily developed to align corporate objectives with individual job objectives, to formalise an opportunity to provide feedback to employees and discuss training and learning opportunities and strategies, together with a process to assign and assess job roles and responsibilities and measure competency.
- It was developed with appropriate consideration of a number of key environmental and organisational factors but particularly as a means of developing a values-based culture. Associated with this objective was the need to improve the alignment of employee objectives to key corporate objectives and to improve employee skill levels to meet job competencies.
- The original PM System was designed in consultation with a committee representative of the Office staffing profile. Since implementation the system has been regularly reviewed and modified by involving staff from middle management.
- The Agency's original PM System was piloted prior to full implementation, through a process involving a number of selected employees who participated under trial conditions and provided operational feedback.
- An implementation and communication program was developed, supported by a comprehensive training program. Training was provided to both supervisors and employees. Training is now associated with the Agency's induction process.

ASSESSMENT COMMENTS

The Agency's PM System presents as a well-constructed and technically thorough system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4, except for the administrative requirement for Agencies to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Agency's PM System has been in place since 1989 and presents as a well-constructed and technically thorough system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Agency; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly. The Agency's PM System process and documentation around these management principles is particularly thorough, and technically precise.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Agency corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4.
- It also meets the Review requirement, given that the Agency's PM System has been regularly reviewed and is currently under review in the context of negotiations related to the establishment of a new Agency-based Industrial Agreement that will include capacity for financial rewards. All reviews have included staff input.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Agency's PM System meets all the requirements of CD No. 4, except the reporting requirement, and the Agency has consistently undertaken internal formal and ad-hoc reviews of the PM System, there is little to be noted in relation to potential improvements.
- However, OSSC records indicated that the Authority did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Authority.
- Whilst assessed as meeting the Evaluation requirements of CD No. 4, the performance indicators used to evaluate the system's effectiveness and outcomes are essentially limited to participation statistics and employee feedback systems. The development of a more comprehensive set of performance indicators to evaluate the system's effectiveness should be considered. It is noted that the Agency has advised that some additional measures are under consideration such as the measurement of organisational and employee goal alignment, skill/competency gap reduction and ease of use.
- Given that the Agency's system is well constructed and of a manageable size, there may be an opportunity to easily adapt and manage the current manual PM System by transferring it to an 'online' application. This may provide additional benefits, particularly to the system's records management and statistical reporting arrangements.

3. ASSOCIATED PERFORMANCE ISSUES

- The Agency's PM System meets all aspects of the potential standard relating to the production of individual performance evaluations that are measurable, objective, internally reviewable and appropriately managed. In particular, it has a thorough and fair mechanism in place to manage poor performance.

AGENCY EVALUATION ASSESSMENT SUMMARY

5.12 THE PUBLIC TRUSTEE (TPT)

PM SYSTEM OVERVIEW

The Public Trustee Performance Management System is viewed as a key driver for service excellence and employee retention. Over the last 12 months the PM System has been reviewed and, whilst the format for the management process has been retained, there has been a significant increase in clarity around expectations and shared understanding.

The primary objectives of the performance management process is to enable an opportunity to:

- Directly focus the performance of individual employees on the achievement of organisational goals;
- Promote a results-oriented work outlook;
- Enhance clear expectations between managers and employees about performance and support required;
- Provide performance-related feedback and identify obstacles to good performance;
- Identify professional development needs;
- Review progress and acknowledge achievements over the past year;
- Establish goals for the coming year including recognising and utilising diversity;
- Discuss career direction implications; and
- Raise any other issues relating to the work situation.

All employees and officers of The Public Trustee participate by collaboratively developing an agreement with their team manager. The current requirement is for agreements to be developed between July and August with a half-yearly review between February and March. Monthly progress meetings between employees and their relevant manager/team leader will support this cycle.

BACKGROUND INFORMATION

The following comments relate to the background components of the evaluation. Key conclusions were:

- The Authority's PM System was primarily developed to promote an alignment of individual and Authority performance, to enable an assessment of employee performance against agreed performance measures, as a mechanism for employee feedback and input, and to assist the identification of learning and development needs.
- It was developed with appropriate consideration of a wide range of environmental and organisational factors, particularly those associated with the culture of the organisation, leadership commitment, and past performance management experience, coupled with a desire to integrate the system with the Authority's business plans and goals and to link performance with established performance criteria and competencies.
- The development of the system used a consultative approach: there was organisation-wide consultation on policy content and draft formats were presented at all team meetings, with feedback strongly encouraged.
- The system was initially piloted through the Authority's smallest office. Following feedback around the clarification of instructions for pre-meeting preparations, it was again piloted in another small office leading to state-wide implementation.
- There was an appropriate internal implementation and communication strategy developed and actioned, supported by a comprehensive training program. Training was provided to managers, supervisors and employees.

ASSESSMENT COMMENTS

The Authority's PM System has been reviewed over the last year and presents as a relatively straightforward system, designed to operate openly within a comparatively small group of employees spread over a number of geographic locations around the State.

It meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4, except for the administrative requirement for Agencies to provide details of their PM System(s), and revisions of those System(s), to the Commissioner.

1. KEY POSITIVE FINDINGS

- The Authority's PM System was progressively implemented from October 2004 but has been significantly reviewed over the last year. It presents as a relatively straightforward system that essentially meets all the minimum principles, standards and requirements set out in Commissioner's Direction No. 4.
- It meets all the five Management Principles: there is an appropriate connection between individual duties and performance and broader organisational goals and performance; there is sufficient flexibility to accommodate diverse working environments within the Authority; there are clear and agreed understandings between managers and employees regarding performance objectives and the assessment of performance against those objectives; and resource and training needs are identified and actioned accordingly. It was noted that the Authority has recently introduced into its PM System a 'Capability Dictionary', or list of core capabilities or competencies by level, that significantly improves their capability against the 'performance objectives' principle.
- It meets all the eight Management Standards: it promotes and maintains the State Service Principles; is fair and equitable; is aligned with Authority corporate objectives; has clearly defined objectives and is well documented; it ensures confidentiality; operates on a regular cycle; has measures to report on its effectiveness; and is reviewed on a regular basis.
- It meets the Equity and Evaluation requirements set out in Commissioner's Direction No. 4. In respect of the evaluation requirement, it was noted that the Authority has made specific efforts to develop and apply a more comprehensive set of performance indicators to evaluate the system's effectiveness.
- It also meets the Review requirements, given that the Authority's current arrangements have just been implemented following a 12-month review. The Authority has also indicated that their system will be reviewed on an ongoing basis but as yet no specific schedule has been determined.

2. KEY OPPORTUNITIES FOR IMPROVEMENT

- As the Authority's PM System has been recently reviewed and essentially meets the requirements of CD No. 4, there is little to be noted in relation to potential improvements.

- However, OSSC records indicate that the Authority did not meet the administrative requirement to provide details of their PM System(s), and revisions of those System(s), to the Commissioner (Section 5.1 & 5.2 of CD No. 4). This is not a significant omission and can be easily corrected administratively within the Authority.
- Section 4.2a of CD No. 4 states that there should be a connection between individual duties and performance and broader organisational goals and performance, such as corporate, business and/or Divisional operational plans. Whilst this is addressed as a required action in the Authority's policy documentation, the limited scope of the Performance Agreement documentation could be improved to demonstrate these links. An Agreement process that includes the documentation of an individual's specific job responsibility, tasks and/or projects, and their relationship to Authority business plans, may enhance the PM System's value as a management tool.
- Consistent with Section 4.3d of CD No. 4, an Authority's PM System must have clearly defined objectives and be well documented. Whilst Authority documentation meets the minimum standard, and accepting that the system has been recently amended, there may be scope for the existing policy documentation to be consolidated and published in a format similar to the Authority's Grievance Resolution Procedures.

3. ASSOCIATED PERFORMANCE ISSUES

- The recent introduction of a 'Capability Dictionary', or list of core capabilities or competencies by level, significantly improves the PM System's capability to assess employee performance. As the system matures, the Authority may consider enhancements to the Performance Agreement process to more precisely rate, record and review their 'capability' assessments.
- It was noted that the Authority does not currently have a formal (written) poor performance management policy in place; all poor performance issues are addressed on a case-by-case basis. Those related to workplace issues are managed 'within' the performance management process by developing agreed strategies aimed at supporting and improving outcomes while those related to external issues are managed 'outside' the performance management system usually through the Authority's Employee Assistance Program.

6. AGENCY EVALUATION RESPONSE SUMMARIES - AGENCIES WITHOUT A PM SYSTEM

The following Agency Response Summaries represent the documented outcomes of the OSSC evaluation of those Agencies without an agency-wide PM System.

Agencies were advised during May 2006 of the evaluation process and provided with background material. During June 2006, Agencies were provided with a project briefing, a documentation package and a data collection instrument or worksheet to assist information-gathering.

Where an Agency did not have an agency-wide PM System in place, they were asked to provide relevant background information and to outline the current arrangements for, and progress towards, the development of an appropriate agency-wide PM System. In these cases, OSSC has summarised and documented the Agency response.

Agencies in this category were:

Department of Education

Department of Health and Human Services

TAFE Tasmania

6.1 RESPONSE CONTENT

Each individual Agency Response Summary contains information under the following headings:

Overview

This provides a brief summary of the Agency's PM System situation.

Background

This section essentially outlines the reasons why the Agency has not developed and implemented an agency-wide PM System.

Current Arrangements

This provides an outline of any existing performance management arrangements that may be operating within the Agency.

Progress

This section outlines the progress being made by the Agency in planning, developing and implementing an agency-wide PM System.

AGENCY RESPONSE SUMMARY

6.2 DEPARTMENT OF EDUCATION (DOE)

OVERVIEW

The Minister for Education has recently announced the *Student at the Centre Plan* – a plan to support improving schools. This Plan clearly states a commitment to an agency-wide approach to managing performance through the development of a strong feedback culture.

The Department is diverse and decentralised and the state's largest employer, with nearly 10,000 employees working in over 300 locations including 207 schools, 8 senior secondary colleges, 9 Adult Education centres, 53 public libraries and 64 Online Access Centres. In addition, the Department annually employs in excess of 3,000 relief employees.

A number of these employees already have access to formal and structured feedback and review processes. While the Department has not yet implemented a PM System, as per the requirements of Commissioner's Direction No. 4, an agency-wide PM System is currently being developed to complement and supplement the processes already in place across the Department. Entitled *Managing for High Performance*, the system is based on the implementation of an annual feedback cycle that will ensure all employees have access to regular feedback on their performance.

BACKGROUND

Whilst the Agency does not as yet have an agency-wide PM System, a number of specific employee groups have access to formal and structured feedback and performance review processes, including the Corporate Services Group (250 Employees), Library and Information Services (370 employees), as well as principals and some senior officers employed under the Teaching Services award, which have access to The Principals Leadership Agreement (over 250 employees).

In addition, most school-based employees are supported by workplace-specific processes founded on Individual Professional Learning Plans. Principals and managers have responsibility for the day-to-day management of their particular unit, division or school, including the performance of employees. By regularly engaging with employees to provide feedback in an informal manner, principals and managers celebrate high-level performance as well as dealing with emerging concerns in relation to employee performance or work conduct.

This 'workplace-centred' approach to employee performance management is in keeping with the Department's diverse and decentralised nature and, in the main, is the reason why one agency-wide PM System has not been implemented to date. In essence, a range of programs and practices has been developed at business unit and workplace level, supported by the Department's ongoing commitment to fostering a performance culture.

CURRENT ARRANGEMENTS

The Department already has a number of performance management arrangements in place (as outlined above) supported by a suite of management practices designed to ensure high employee performance. These arrangements will also underpin the agency-wide PM System (Managing for High Performance) that is currently being developed. Together, these practices, policies and processes constitute a total human resource framework in which performance management is a fundamental component. These practices include:

- **Recruiting and selecting for high performance:** Targeted recruitment strategies arising from comprehensive workforce planning ensure that current and future workforce needs will be met. A variety of recruitment strategies and tools are utilised to fulfil workforce requirements, including the Graduate Recruitment Program, the Teaching in Tasmania Website and the EPool Register.
- **Role clarity and performance standards:** All employees are made aware of their responsibilities and the expectations placed upon them as described in the State Service Principles and the State Service Code of Conduct as well as the DoE Employee Conduct and Behaviour Standards policy.

All positions within the Department have associated Statements of Duties; the Tasmanian Professional Teaching Standards provide performance standards for teaching employees, the Teacher Aide Learning Recognition Framework and the School Administrators Learning Recognition Framework provide further definition to the generic Statements of Duties.

These standards and frameworks can inform formal probation processes, employee development and learning needs as well as providing a context for ongoing performance appraisal and feedback over time. Principals, supervisors and managers are also able to negotiate performance standards and local tasks lists with employees at the workplace level, in the context of Statements of Duties.

- **High-quality induction:** The Department of Education website includes comprehensive information on induction. This information provides support to employees, principals, managers and supervisors, and includes a New Employee Information Package and an Induction Checklist for Managers/Principals/Supervisors.
- **Effective probation processes:** The Department of Education website includes comprehensive information and documentation on probation to support employees and principals, managers and supervisors. The Beginning Teacher Time Release Program also provides support to teachers in the first year of teaching and can be incorporated into probation processes.
- **Safe and supportive work environments:** The Department of Education website includes comprehensive information on employment conditions and safe and healthy workplaces. This information provides support to employees and principals, managers and supervisors, and includes: good-character check provisions, HR policy and services, workplace relations, OHS, leave and workers compensation provisions, workplace conduct (including the management of grievances and investigations into alleged misconduct), and the Employee Assistance Program.
- **Employee development and learning:** The setting of professional learning/skill development goals as part of a regular performance feedback process is regarded as essential workplace practice. The use of Individual Professional Learning Plans and programs like Achieving Together can provide a useful structure for this aspect of PM Systems.

Departmental employees also have access to a wide range of training, employee development and/or professional development programs and opportunities. The Department also regards study assistance as one means of supporting the development of its employees in a way that is aligned with both the needs of the organisation and the relevant career pathways.

- **Recognising and rewarding high performance:** High performance is recognised and celebrated through a variety of means, including Pay Day News, Learning Together Awards and 25 Year Service Awards. Teaching employees are able to apply for study scholarships/fellowships such as the Westfield Premier's Education Scholarships and the Hardie Fellowship.

PROGRESS

An agency-wide PM System entitled *Managing for High Performance* is currently being developed to complement and supplement the processes already in place across the Department.

The objectives of the *Managing for High Performance* cycle are to ensure that all employees:

- Can see how their own role contributes to the overall goals of their workplace
- Understand what is expected of them in their job, and get regular feedback about how they are performing in their job
- Understand, and have input into, how their performance is assessed
- Identify learning and development needs and ways that these will be met.

The *Managing for High Performance* cycle will be undertaken on an annual basis. However, it is expected that informal feedback on expectations and performance will be provided to employees on an ongoing basis.

The *Managing for High Performance* cycle represents the minimum process to meet the requirements of Commissioner's Direction No. 4. This cycle is not intended to replace PM Systems or processes that may already be in place within individual workplaces. Where such systems are already in operation, these existing systems will be cross-referenced against the *Managing for High Performance* cycle process to ensure that the minimum requirements are being met by the current system.

The system is to be implemented within the Corporate Services Group of the Department from September 2006. It is anticipated that implementation within the school and college sector will take place in 2007. In preparation for this implementation phase, a number of schools will be involved in an implementation trial during Term 3 2006 (September – December). Feedback gained from the trial implementation will be used to finalise 2007 implementation plans. Implementation of the *Managing for High Performance* cycle in Libraries and Information Services and other non-school business units is currently being negotiated.

The Department's Corporate Report will be used to track the number of employees participating as well as the perceived effectiveness of the process. The Organisational Health Survey will be used to evaluate the impact of the performance feedback process.

AGENCY RESPONSE SUMMARY

6.3 DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)

OVERVIEW

The Secretary, Dr Martyn Forrest, recently launched the *Fit Program* that consists of a number of governance-improvement initiatives. A commitment to implementing an Agency performance management system is specifically referenced.

A recent audit of Agency business units demonstrated that many teams are using the two existing performance management tools currently available on the intranet while many others have developed their own systems.

The Agency is currently developing a project plan around developing and implementing a whole-of-agency performance management framework entitled the *DHHS Performance Management Framework*. The plan is due for completion by 30 September 2006. As a first step in this process, a Performance and Development Agreement was recently introduced to all of the Agency's Chief Executive Officers and Directors. A Performance and Development Agreement (PDA) template, based on similar outcomes, will then be cascaded down through all Business Units.

BACKGROUND

Performance management processes were historically co-ordinated through a centralised Staff Development Unit with Business Units having access to the intranet-based Performance Development Program (PDP). With the decentralisation of the Staff Development Unit in 1998, responsibility for performance management processes has predominantly been dealt with in each of the Business Units.

As a result, there has been a lack of a coordinated, strategic approach to an agency-wide PM System, which has resulted in many units either utilising the current intranet-based performance development program resources or their own procedures. A recent internal audit has shown that activity is particularly prevalent in business units whose functions are linked to accreditation standards in clinical/health areas.

The Agency has recently embarked upon a comprehensive reform program of its governance arrangements, and has developed a framework with which to manage their planning and performance against a base that is common to the wide diversity of activity across the Agency's services. Launched in May 2006 by Dr Martyn Forrest, the *Fit Program* consists of a number of governance-improvement initiatives.

A commitment to implementing an Agency PM System is particularly referenced under the *Strengthening Staff Capacity* element. The specific references are: implementing consistent and effective individual performance appraisal and management arrangements throughout the Agency, and establishing performance agreements for Deputy Secretaries and Directors linked to the *DHHS Progress Chart* (the Chart) of the business unit(s) for which they are responsible.

A key part of the *Fit Program* is the Chart that will help measure how well the Agency is delivering their services, planning improvements and importantly, supporting and developing staff. The Chart is based on a balanced scorecard approach and provides a framework to manage the Agency's business and will enable managers, government and the public to assess the progress of the Agency towards meeting performance goals.

At the centre of the Chart are three key performance categories – achievement, quality and access. The key performance categories are enabled by a group of five supporting action areas, which frame the work of managers and employees. In particular, the key supporting action area, 'high-performing, motivated and supported workforce' is where the *DHHS Performance Management Framework* will be embedded. The proposed framework will incorporate the PDA.

To support the initiative, a dedicated project team, titled The Human Resources Development Unit, has been established and project planning is currently underway to develop and implement the *DHHS Performance Management Framework*. The project plan will be completed by 30 September 2006 and implementation is expected to follow shortly thereafter.

CURRENT ARRANGEMENTS

As a response to the OSSC performance management evaluation, the Agency conducted its own internal audit of performance management activity within the Agency. This revealed that Human Resources had conducted various internal training programs over the past eighteen months relating to the performance development process and its benefits, the cycle, preparation for the conversation, planning processes, feedback tools and developing the PDP plan. The number of employees participating in these activities is not available.

The audit also demonstrated that many business units are using the two existing performance management tools that are currently available on the intranet (namely the 1997 model and a current model), while others have developed their own systems. A brief summary of business units applying a performance development process is as follows:

Shared Services Group

Business units within this group are using either the current model available on the DHHS intranet or various models that have been developed independently. Generally, participation is voluntary with approximately half the employees being currently involved.

Acute Health Services Group

Ambulance Services have clinical performance reviews and performance agreements for senior employees.

The Royal Hobart Hospital has a PDP policy that was implemented in 1999 that states that every employee will participate. They also apply some national competency standards required by regulatory bodies for registered nurses such as those required by the Australian Nursing and Midwifery Council (ANMC).

Other functional units within the hospital (such as Outpatients, Food Services, Pathology, Clinical Coding and the Women & Children's Unit) have 'in-house' PDPs that essentially review performance against position requirements and focus on training and development requirements. Junior Medical Officers have a mid/end-of-term performance appraisal to assist with their professional development.

The North West Regional Hospital/Mersey Hospital (Burnie Campus) has a Performance Review and Development Plan in place for a number of work groups. Registered Nurses base their plan on the Australian Nursing Council national nursing competencies in conjunction with a PDP model.

The Launceston General Hospital uses the intranet 1997 model. Managers and employees generally undertake the performance development process with some areas also using peer review.

Human Services Group

The Housing area uses an in-house performance development model with full employee participation. Youth Justice are using a "Supervision Model for Professional Staff (1998)" while Disability Services are using the current 1997 PDP model.

Community Health Services Group

Mental Health and most Palliative Care and Community Health Centres have been using the current 1997 intranet model. The Deloraine District Hospital uses the Poor Performance and Performance Improvement Protocols and Employment Management Policy when required. The West Tamar Health and Community Service and Beaconsfield District Health Service use the current 1997 intranet model, in conjunction with self-assessment tools for ANC National Competency Standards for Registered Nurses, Community Registered Nurses and Enrolled Nurses.

PROGRESS

The Agency is currently developing a project plan around developing and implementing the whole-of-agency performance management framework entitled the *DHHS Performance Management Framework*. In line with the outcomes determined through the *Fit Program*, the plan is due for completion by 30 September 2006.

The Agency's primary objectives in developing and implementing the *DHHS Performance Management Framework* is to encompass the whole process that commences with recruitment, induction and orientation of an individual and continues with an ongoing cycle of planning, coaching and reviewing individual performance within the context of the Agency's corporate goals and strategies. Within this framework the Agency aims to create a culture where managers and employees can conduct performance-related discussions, have a system that will incorporate a focus on learning and development outcomes and the alignment of individual and corporate objectives. This approach will clearly signal to employees that performance management is a fundamental component of the overall human resource framework and has a direct connection to other HR policies and practices.

The *DHHS Performance Management Framework* will incorporate a PDA, which will be designed to encourage dialogue between managers and employees regarding performance. Assessment of an individual's performance will be made against agreed measures and will help identify and develop means for recognising employee achievements and/or addressing areas for improvement.

As a first step in this process, and in line with the outcomes of the *Fit Program*, a PDA was recently introduced to all of the Agency's Chief Executive Officers and Directors. A PDA template, based on similar outcomes, will then be cascaded through all business units.

The Agency has indicated that the *DHHS Performance Management Framework* will be developed around the following key considerations:

- The culture of the organisation, particularly in the context of current reforms
- The level of maturity of people management systems within the Agency and the past experience teams have had in using performance management systems
- The industrial climate and the desire to involve union partners in planning processes
- The low level of managerial skill in relation to applying performance management
- The desire to involve all employees in developing and trialling the system
- The recognition that the system needs to be simple to maximise acceptance and usage but flexible enough to cover the needs of a large and diverse organisation
- The recognition that a fundamental component of the system is employee learning and development, and to provide improved training strategies and resources
- The need to have clear processes around maintaining system confidentiality
- The need to develop a set of performance indicators to evaluate effectiveness
- The overall need to ensure compliance with Commissioner's Direction No. 4.

AGENCY RESPONSE SUMMARY

6.4 TAFE TASMANIA (TAFE)

OVERVIEW

Although TAFE Tasmania has not as yet implemented a formal agency-wide PM System, all employees currently have access to a comprehensive Performance Development Program (PDP) that involves a structured focus on development, feedback, recognition and approval.

The development and implementation of an agency-wide Performance Management Framework (PMF) has been included within the Human Resource Branch 2006 Business Plan, against which considerable progress has been made. This PMF will effectively extend the current PDP by ensuring that measurements of performance are made against agreed criteria and individuals are provided with effective feedback.

A draft PMF document has now been completed. The processes outlined in this document will be endorsed by the Agency's Corporate Strategy Group (CSG) in October 2006, go through an employee/Union consultation process and then a trial. The implementation of the PM System is scheduled to commence in April 2007 and should be completed by the end of that year.

BACKGROUND

TAFE Tasmania is a large and diverse organisation both in terms of worksites and the training that is delivered both on campus and within enterprises. Therefore, it has been critical that the development of a PM System be thoroughly considered and the necessary planning undertaken to ensure its success and effectiveness.

Whilst performance management for employees is managed on a daily basis in a variety of ways, TAFE Tasmania has been in the process of establishing a formal PM System for some time. The initial phases of this process have included building the PDP process (outlined below) and implementing comprehensive business planning within TAFE Tasmania. All employees are required to participate in PDP, as it is one element within the balanced scorecard targets for the organisation. Each team is also required to complete a business plan, which focuses on the primary objectives in the Corporate Plan. This includes establishing staff development priorities and performance recognition.

The implementation of a formal performance management framework or system is the final stage in the cycle. The framework is currently being reviewed to ensure it is appropriate, in line with State Service requirements, and sufficiently flexible to meet the needs of the diverse teams in TAFE Tasmania.

CURRENT ARRANGEMENTS

Whilst TAFE Tasmania does not currently have a complete agency-wide PM System, all employees currently have access to a PDP with managers being responsible for ensuring that the process is followed and implemented each year. This involves a focus on development, feedback, recognition and approval but lacks formal measurement and effective feedback of an individual's performance against agreed criteria.

The PDP is designed to assist with ensuring the effective achievement of TAFE Tasmania's goals and objectives. The principle aim of the PDP is to motivate and empower employees to perform their work roles effectively and to the highest standard, and to acknowledge and recognise each employee's contribution to the goals of the organisation, together with promoting ongoing learning and development.

In addition to the PDP, numerous training opportunities are provided to managers and employees in regard to both general performance management and to dealing with employees whose work performance is inadequate. At the present time a program, titled *"Improving People Performance"*, has been developed to provide managers with communication and management strategies for dealing with performance issues on a day-to-day basis. This includes the introduction of a number of tools that can be used under a PM System.

PROGRESS

The development and implementation of an agency-wide PMF has been included within the Human Resources Branch 2006 Business Plan, against which considerable progress has been made. This is considered a significant project, as the introduction of the PMF will place a much greater emphasis on the management of behaviours and performance of individuals, which has not been measured to such a degree previously.

A project plan and implementation schedule has been developed for the project although some initial timeframes (milestones) have had to be amended. The scope of the plan indicates the need for extensive consultation with stakeholders; the development of an IT system to support the performance management process, and linkage with other HR resource strategies including rewards and recognition, grievance and conflict resolution strategies.

In progressing this initiative, a previously drafted PMF was reviewed, with particular emphasis on the current requirements of Commissioner's Direction No. 4 and the associated Performance Management Guidelines. As part of this process, a gap analysis was completed to identify any omissions that needed to be addressed and make related amendments to the draft PM System. This is currently being progressed. In addition, TAFE Tasmania is in the process of engaging a consultant to provide additional resources and further direction and guidance, to ensure that the objectives of the performance management project are met.

A new draft PMF document has now been compiled, titled "Performance Management and Development". Although this has not been approved at this stage, it should be endorsed by CSG in late 2006, then widely discussed with employees and unions, amended where appropriate and then piloted. At this stage it is anticipated that the completed Performance Management and Development process will be ready for implementation by end-March 2007. Full implementation, including the training of managers, supervisors and employees, together with the loading of documentation onto the TAFE Tasmania intranet site, is scheduled for completion in December 2007.

The draft Performance Management and Development document indicates that the program will extend the current PDP by providing employees and supervisors with the opportunity to plan and review work achievements and developmental activities, and exchange feedback in a positive environment. Further, that the processes are designed to help teams and individuals determine how their work goals, priorities and standards will contribute to achieving the business and corporate plan objectives. The process will focus on dialogue between employees and supervisors about the important aspects of job role, job objectives, expectations and outcomes, job support and learning and development.

A separate process has previously been approved by the CSG for managing unsatisfactory performance and this will be refined on an ongoing basis. The link to this separate support process will provide support for team members and managers/team leaders when an issue or pattern of issues is identified that cannot be resolved using the Performance Management and Development program. This process will ensure appropriate investment and intervention is applied to support the achievement of identified activities or objectives by providing the resources and training to employees to ensure the needs of the situation are met.

TAFE Tasmania has stated that it fully supports the implementation of a formal PM System that will provide worthwhile and positive outcomes to the organisation. Their aim is to have the Performance Management Framework operating in such a way as to complement existing initiatives so that strategic directions and business goals are achieved in accordance with the corporate plan. Such an approach will assist with ensuring the organisation is operating as effectively and efficiently as is practicable, together with assessing organisational 'health'.

GLOSSARY OF TERMS

DED	Department of Economic Development
DOE	Department of Education
DHHS	Department of Health and Human Services
DIER	Department of Infrastructure, Energy and Resources
DOJ	Department of Justice
DPEM	Department of Police and Emergency Management (including the Tasmania Fire Service)
DPAC	Department of Premier and Cabinet
DPIW	Department of Primary Industries and Water
DTAE	Department of Tourism, Arts and the Environment
DOTAF	Department of Treasury and Finance
PAHSMA	Port Arthur Historic Site Management Authority
TPT	The Public Trustee
TAFE	TAFE Tasmania
TAO	Tasmanian Audit Office
Agency Survey	State Service Agency Survey
ANMC	Australian Nursing and Midwifery Council
CD No.4	Commissioner's Direction No. 4
Commissioner	State Service Commissioner
CPSU	Community and Public Sector Union
CSG	Corporate Strategy Group
<i>Employee Survey 2005</i>	Tasmanian State Service Employee Survey 2005
HR	Human Resources
LADDER	Learning and Development Database and Employee Records
OSSC	Office of the State Service Commissioner
PAT	Police Association of Tasmania
PDA	Performance and Development Agreement
PDP	Performance Development Program
Performance Management Guidelines	Guidelines for Performance Management Systems
PM Systems	Performance Management Systems
PMD	Performance Management and Development
PMF	Performance Management Framework
TDR	Tasmanian Development Resources
TFS	Tasmania Fire Service
the Act	<i>State Service Act 2000</i>
UFU	United FireFighters Union (TAS)

APPENDIX 1 - CONTENTS OF THIS CD

1. Tasmanian State Service Evaluation Report 2006 - Agency Performance Management Systems
2. Commissioner's Direction No. 4 – Performance Management
3. Commissioner's Performance Management Systems Guidelines
4. Agency Evaluation Assessments:
 - Department of Economic Development
 - Department of Infrastructure, Energy and Resources
 - Department of Justice
 - Department of Police and Emergency Management
 - Department of Premier and Cabinet
 - Department of Primary Industries and Water
 - Department of Tourism, Arts and the Environment
 - Department of Treasury and Finance
 - Port Arthur Historic Site Management Authority
 - Tasmanian Audit Office
 - The Public Trustee
5. Agency Response Summaries:
 - Department of Education
 - Department of Health and Human Services
 - TAFE Tasmania
6. State Service Principles
7. State Service Code of Conduct
8. State Service Commissioner's Annual Report 2004-2005
9. State Service Commissioner's Annual Report 2005-2006
10. State Service Employee Survey 2005



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