



# PSA Factsheet:

# Performance Management Systems

**This factsheet is to inform members about Performance Management Systems that may affect them.**

## The Framework for NSW Government Performance Management

Section 67 of the Government Sector Employment Act 2013 provides that all heads of NSW Government Section agencies must implement performance management systems. To support the implementation, in 2013 the Public Service Commission (PSC) introduced a "Performance Management Framework". Agency performance management systems (also known by other names such as Performance Development Plans) reflect PSC mandatory requirements in the Framework. The PSC created six essential elements which all agencies must show that they have in their performance management systems:

1. Set and clarify expectations
2. Monitor
3. Plan and Review
4. Develop
5. Recognise
6. Resolve unsatisfactory performance

*Further details on the PSC Framework is provided on the next page - Source: Public Service Commission's Performance Development Framework, Table 1: Page 3*

## Components and essential elements of the NSW Public Sector Performance Development Framework

	Component	Essential elements
CONTINUOUS	<b>Set and clarify expectations</b> Collaborative process between manager and employee to set performance expectations and clarify them on an ongoing basis	<ul style="list-style-type: none"> <li>Each employee has an up-to-date description of their role, including required capabilities and responsibilities linked to the organisation's strategy.</li> <li>All employees understand the public sector values, the capabilities required of them in their roles and the deliverables for which they are accountable.</li> <li>All employees are aware of the codes of conduct, policies, procedures and standards they are expected to observe.</li> <li>All new employees (in the sector or the team) undergo a review process that includes informal and formal reviews.</li> </ul>
	<b>Monitor</b> Ongoing joint evaluation of progress towards achieving work goals and expectations, involving regular two-way feedback.	<ul style="list-style-type: none"> <li>All employees have regular opportunities to discuss their work with their manager and receive informal feedback on their performance (either individually or as a team).</li> <li>All employees have the opportunity to provide informal and formal feedback (through a structured assessment method) to their manager.</li> </ul>
CYCLICAL	<b>Plan and review</b> Collaborative process between manager and employee to plan performance, linked to corporate objectives, with periodic reviews of progress towards achieving work goals.	<ul style="list-style-type: none"> <li>All employees have an annual formal performance agreement with their manager that sets out individual performance objectives linked to corporate objectives as well as the capabilities they are required to demonstrate in their role.</li> <li>Performance agreements for all executives who have financial accountability include mandatory performance objectives.</li> <li>Performance agreements for all employees who have responsibility for managing people include mandatory performance objectives.</li> <li>All employees have a formal performance review at least once a year.</li> <li>Formal performance reviews are to inform all assessments for incremental salary progression; payment of increases determined by the Statutory and Other Officers Remuneration Tribunal (SOORT); and any contract renewal.</li> </ul>
	<b>Develop</b> Collaborative process to identify and develop employees' capabilities with periodic reviews of progress.	<ul style="list-style-type: none"> <li>Development plans are based on the capabilities required in the role, the employees' existing capabilities and his/her performance objectives and/or career goals.</li> <li>Progress against development plans is formally reviewed at least once a year.</li> </ul>
	<b>Recognise</b> Regular practice of recognising employee efforts and excellent performance outcomes and achievements.	<ul style="list-style-type: none"> <li>Agencies have guidelines in place to help managers appropriately recognise employees at the local level.</li> </ul>
EVENT-DRIVEN	<b>Resolve unsatisfactory performance</b> Process of addressing employee unsatisfactory performance.	<ul style="list-style-type: none"> <li>Managers promptly work with the employee to understand and resolve instances or patterns of unsatisfactory performance.</li> </ul>



## Agency Performance Management Policies

Performance Management Systems may vary from one agency to another in form and style; however they should include the six elements.

Ideally, agencies should have a performance management policy that details how it manages performance agreements, performance reviews and unsatisfactory performance.

The policy should also include the various steps in the process and any rewards for excellent performance. The policy should also contain the agency's performance management forms and templates.

Performance review outcomes may inform decisions on the payment of annual pay increments. If the agency has a policy of denying payment of increments due to lower levels of performance, the performance management policy should make this clear. The policy should also outline if and when

the increment will be paid if the employee's performance improved and the way in which improvement will be monitored and assessed.

If your agency has a ratings scale attached to its performance management systems, it should define consequences for employees achieving high or low ratings. The PSA recognises benefits of awarding good performance and encourages employees to seek recognition for outstanding achievement.

Some agencies operate online performance management systems. Regardless of whether your agency has an online or paper based system, confidentiality provisions should be specified.

Any matters dealing with cases of alleged unsatisfactory performance should be managed sensitively and confidentially within the agency.

## Government Sector Employment Act/Rules on Unsatisfactory Performance

*Section 68 of the Government Sector Employment Act 2013 deals with unsatisfactory performance.*

1. *The government sector rules may deal with the procedural requirements for dealing with unsatisfactory performance (consistently with procedural fairness).*
2. *It provides that the employer may take any of the following actions:*
  - a. *Terminate the employment of the employee (after giving the employee*

*an opportunity to resign*

- b. *Reduce the remuneration payable to the employee*
- c. *Reduce the classification or grade of the employee*
- d. *Assign the employee to a different role*

*In order for your agency to take any of the actions listed above, it must follow the requirements of Rule 36 of the Government Sector Employment Rules 2014 dealing with unsatisfactory performance:*



3. *The head of a government sector agency may not take any action under section 68 (2) of the Act in relation to an employee unless:*

- a. *the employee's performance is determined by the agency head to be unsatisfactory in accordance with the agency's performance management system, and*
- b. *reasonable steps have been taken to advise the employee that the employee's performance is unsatisfactory and the basis on which it is unsatisfactory, and*
- c. *the employee is notified that the agency head is proposing to take specified action under section 68 (2) of the Act in respect of the employee, and*
- d. *the employee is given a reasonable opportunity to respond to the notice, and*
- e. *the agency head has taken any such response into consideration.*

The PSA can help to ensure that the proper procedures are followed for members when unsatisfactory performance is being managed. In practice, many agencies will establish a 'performance improvement plan' for an employee considered to be underperforming. At the end of that plan (which may be weeks or months), action may be taken in line with the above provisions if performance is still deemed unsatisfactory.

In some cases agencies will distinguish between informal and formal performance

improvement plans with only the later possibly triggering action under the above provisions.

Performance Improvement Plans (PIP) can be a challenge for members and you may want to seek advice from your delegate or the MSC if you are to be placed on a performance improvement plan. It is important that such a plan include:

- clear and specific targets that are to be met (which may cover the quality and timeliness of work etc.)
- detailed supports linked to the plan to assist performance improvement such as formal and informal training, mentoring and open discussion with managers
- a specific time frame for the plan with specific intervals for review
- detail on what will happen at the end of the performance improvement plan process including how progress will be measured and what progress will be deemed adequate for the employee to move off the performance improvement plan
- detail on whether the plan could be extended if performance has not improved enough or whether unsatisfactory performance at the end of the plan would trigger action under Section 68 of the Government Sector Employment Act
- information about other supports for the employee such as access to free counselling to support the employee through a stressful process.

## Getting the best out of Performance Agreements and Performance Reviews

*Establishing performance agreements and later participating in a performance review can be a complex and sometimes stressful process. Some considerations that may be relevant for members for the different stages are:*

### The Performance Agreement

- Refer to your role description as a guide in establishing what capabilities you need to perform your role.
- See the Public Service Commission's website ([www.psc.nsw.gov.au](http://www.psc.nsw.gov.au)) for further information about the Capability Framework. The PSC's "Capability Comparison Guide" reflects the capability levels required at various grades or classification levels.
- See your agency or department's standard performance agreement and performance review forms and attend any training offered to you so that you are equipped to negotiate your performance agreement.
- Check to see if your agency has a Performance Management Policy which covers setting up performance agreements, monitoring them, and conducting performance reviews.
- Use the Public Service Commission's (PSC's) Performance Development Framework as a guide to managing both your performance agreement interview and your performance review.
- Make sure your Performance plan includes training and development plans such as formal courses, mentoring, acting up opportunities and new work experience
- Meet regularly with your manager (not just on a formal basis every six months) to discuss and monitor your performance so that you receive immediate, meaningful and concrete examples of how you are performing.
- Negotiate the performance agreement with your manager, noting the range of tasks, projects, assignments or roles you will complete during the reporting period, and the capabilities that you will demonstrate
- Make sure the performance agreement is flexible enough to be adapted if new work priorities arise.
- Monitor excessive workloads and alert your manager. If you believe your workload is excessive, particularly at your classification level, let your manager know. Your manager should recognise that your agreed performance outcomes may need to be renegotiated.
- Identify any workload and training issues that emerge during your performance agreement period so that any issues can be resolved as soon as possible.
- Use your performance agreement interview as an opportunity to ask for learning and development opportunities, including secondments, temporary assignments or transfers.
- Negotiate regularly with your manager about the work you perform. If you are not developing your capabilities, achieving agreed goals or you are not satisfied that your work is challenging, ask for further development and challenges.



## The Performance Review

Performance Reviews are conducted at regular intervals, normally six or twelve months apart. A performance review involves meeting with your manager to examine how you have performed against the agreed objectives. There is usually scope to write your own assessment of your performance, using examples of good work that you have performed and how you have demonstrated the capability requirements that you have identified in your performance agreement.

Ideally, the performance review should contain no surprises if you have met regularly with your manager to give and receive feedback. Some agencies may use the performance review as an opportunity to negotiate the new performance agreement as well as to review the existing agreement. Here are some tips for when you are completing your performance review:

- Write a positive account of your performance and provide examples of instances where you have shown qualities such as initiative, sound technical, analytical or communication skills, attention to detail, precision and good judgement. Try to use examples where you have received positive feedback from others.
- Consider legitimate barriers to achieving agreed outcomes, for example, any new priorities or directions that arose during the period of the agreement.
- Use the performance review to highlight areas where you believe you need further training or development.
- Consider any circumstances that may have affected your performance during the reporting period. Examples are

excessive workloads, changing priorities, lack of training and/or any personal factors such as ill health or periods of absence. Discuss these points with your manager.

- Discuss your manager's appraisal of your performance and find points of agreement. Your manager can provide feedback and examples of good work, as well as areas for improvement or development.
- Advise your manager if you disagree with the performance review. Note any points on which you and your manager disagree, especially if their assessment is unfavourable. You may be able to have adjustments made to the manager's assessment or at least ensure that your response is recorded in writing.
- If your manager tells you that your performance is lacking or unsatisfactory in some way, ask them for specific feedback and how you can bridge the gap between your current performance and what they expect. Are there any factors that have been adversely affecting your performance? If so, both you and the agency should discuss these factors before any steps such as a performance improvement plan.
- Sign your performance review only when you are satisfied that you have presented all evidence of your performance and that your views have been considered.
- Talk to your PSA Delegate or the PSA Member Support Centre (MSC) if you feel you have been dealt with unfairly.



## Good Practice in Performance Management

The PSA believes that good practice in performance management could include:

1. Quality training: The agency should provide training to all employees about the performance management system, how it works, how to develop a performance agreement and review it with your manager.
2. An up to date role description: See Page 3 of the PSC's "Capability Framework" for the table "Components and essential elements of the NSW Public Sector Performance Development Framework". The PSA agrees that employees must have an up to date role description so that they know how their performance is being assessed against the capability requirements. If you do not have an up to date role description, there is a danger that your manager will expect a higher degree of achievement than is reasonable at your classification.
3. Regular conversations about performance: Any conversations you have with your manager about performance should be regular and positive so that feedback is two way, meaningful and immediate. It is not satisfactory for your manager to talk to you about your performance once at every six month performance review.
4. Evidence and examples of performance: The PSA believes the spirit of performance management systems should be positive and encourage the employee's development. Your manager needs to provide examples of where you have performed well and specific evidence of any shortfalls.
5. A clear, consistent, fair and equitable process for managing unsatisfactory performance: While there are some positive aspects of performance management systems for members, the PSA cautions that there is always the possibility that agencies may unfairly assess that employees are not performing satisfactorily. Agencies should have a consistent method of managing alleged unsatisfactory performance, detailed in a policy.
6. Depending on the agency policy, the outcomes of a performance review may be linked to formal or informal improvement plans. Payment of increments may also be linked to the outcome of the performance review.
7. These can be contentious issues and members should seek advice from their delegate or the MSC in cases where there is perceived unfairness or non-compliance with policy or the Government Sector Employment Act.
8. Proper support for employees: The agency should advise any member alleged to be performing unsatisfactorily of the relevant processes and their rights. The agency must provide clear information about any informal or formal stages of performance management and support the employee by providing good supervision, support and counselling.



## What to do if you have been treated unfairly?

If you believe you have not been treated fairly as part of the performance management process, you are entitled to ask your manager to reassess your performance review. Failing a good outcome, you can consider:

- speaking with the Human Resources Managers in your agency about the problem;
- making use of the internal agency grievance mechanisms;
- seeking advice from your PSA delegate; or
- contacting the MSC on 1300 772 679.

## What has the PSA done to help ensure that members are treated fairly?

In 2015, the PSA conducted a consultation or “listenings” campaign with a cross section of members in all NSW Public Sector agencies. The aim of the listenings was to gather member views about what elements

constitute fair, consistent and equitable performance management systems. The results have informed this fact sheet and other PSA assistance on performance management.

## What Delegates can do to Support Members

PSA delegates can support and guide members when it comes to negotiating their annual performance agreements and performance reviews. Delegates may be well placed to understand the agency’s Performance Management Policy and the best ways to navigate the process. It can be an intimidating and uncomfortable experience for members to discuss their performance with managers. Even if their performance is exemplary, members may feel uncomfortable discussing their strengths and weaknesses, and recognising where they may have to make adjustments to how they work.

For more information about the Performance Development Framework, see the Public Service Commission’s website: <http://www.psc.nsw.gov.au/workforce-management/performance-development/performance-development-framework>

Don’t forget that the PSA is here to support you in managing any issues connected with performance. If you want information or support, please call the Member Support Centre on 1300 772 679 or 1300 PSA NSW.