

INTRODUCTION

A RESPONSE TO PRESSURE

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

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

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

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

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

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

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

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

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

A POINT OF ENTRY

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

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

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

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

BIG EFFORTS, BIG GAINS

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

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

Performance management carries the promise of:

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

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

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

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