

OTHER DESIGN CONSIDERATIONS

CONFLICT RESOLUTION

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

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

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

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

- the general grievance resolution mechanism of the organisation;

Design of a General Grievance Panel in Lesotho

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

The procedure involves the following:

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

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

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

PERFORMANCE APPRAISAL RECORDS – CONFIDENTIALITY, HANDLING AND STORAGE

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

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

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

A well-accepted approach is as follows:

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

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

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

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

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

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

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

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

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

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

Pay for Performance, Performance Appraisal and Pay in the APS

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

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

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

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

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