DCSB HR-12.00

PERFORMANCE MANAGEMENT FRAMEWORK

Adopted 29 November 2018

Motion Number 320/18

Contents

Introduction

The Performance Management Framework is the subject of statutory requirement in Part 3, Section 107 of the *Local Government Act 1999* (the Act). The provisions of the Act require Council to establish and administer effective performance management systems in respect of all Council Employees. Further, the Performance Management Framework enables a clear line of site between planning, measuring and monitoring of employee outputs as they align with Council's Strategic Plan.

The community expect that Council employees will deliver services that are of value to them and that the services are delivered in a manner that upholds Council ethics and principles. Generating value will influence trust and confidence in Council services. Performance management is fundamental to ensuring Council meets community expectations and delivers services effectively and efficiently. At its most effective, performance management provides the foundation for a culture of productivity, growth and excellence.

Performance measurement is the key management activity that supports positive partnerships between departmental managers and employees, and a basis for effective leadership. It is a core commitment to developing and supporting our people. Through meaningful, regular performance conversations, departmental managers and employees can build a shared understanding of expectations, including what success looks like, and how it can be supported, achieved and maintained.

Definitions

Department(al) Manager – is one of the Executive Management Team. In this case either the Manager, Community and Economic Development; Manager, Corporate Services; Manager, District Services, or Manager, Regulatory Services.

Elected Members – a person elected to represent the community as part of the District Council of Streaky Bay and as defined in the *Local Government Act 1999*

Employee(s) – Council staff employed for the purpose of delivering specific roles required for Council to meet its strategic objectives.

Recovery Plan – a plan provided to alter an agreed KPI or, where circumstance may have changed, a plan offered to ensure a KPI is still met

Senior Manager – the manager of a Department

Supervisor – see Team Leader.

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Team Leader – a Council employee engaged to co-ordinate groups of employees and who is responsible for the performance of specific Human Resource functions in order to manage employees in the performance of the tasks required for their roles.

Purpose

This framework provides an integrated process for performance review and assessment and forms an integral component of the service agreement framework that underpins the relationship between Council and its employees.

The framework further outlines a transparent monitoring process through which performance will be assessed, including appropriate responses to instances of poor performance and where performance concerns arise. Identification and recognition of high performance is also seen as essential in order to share lessons and improvements across Council functions.

Scope

The Performance Management Framework encompasses all of the design and decision making functions, policies and procedures, defined management responsibilities, relevant professional capabilities and the administrative and other resources allocated to enact, monitor, maintain, review and adapt the performance management and development process.

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The responsibility for the establishment and administration of the Performance Management Framework rests with the Chief Executive Officer.

Performance Management Policies relate to the functional responsibility of departmental managers, team leaders or supervisors to ensure employees' activities, outputs and development are in line with Council's strategic goals.

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                        │  Performance Management │
                        │        Framework        │
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Job Analysis	Recruitment & Onboarding	Reward & Recognition	Performance and Development Planning	Dispute and Grievance Management	Learning & Development	Succession Planning & Retention
Job and Person Specifications	Selecting talent	Identify great performance	Setting expectations and accountabilities	Setting peformance standards	Skill gap analysis	Identify high performers
Setting KPI's and Accountabilities	Setting expectations	Reward great performance		Coaching poor performers	Coaching & mentoring	Career planning
	Setting performance standards	Feedback		Feedback	Training and skill development	
		Reinforcing values and behaviours				

Governance Arrangements

This section outlines the arrangements that govern the activities, roles and responsibilities of the Elected Members, Chief Executive Officer and senior management to operationalise this Performance Management Framework.

Roles and Responsibilities

Elected Members are responsible for monitoring and reviewing the overall performance of Council as compared to the achievement of performance targets set out in its:

- Strategic Management Plan;
- Long Term Financial Management Plan; and
- Annual Business Plan and Budgets.

The appointment, remuneration and performance and development of the Chief Executive Officer is the only human resource responsibility of the Elected Members of Council, as set out in Part 1 of Chapter 7 of the *Local Government Act 1999.*

The **Chief Executive Officer** is responsible for the overall co-ordination of departmental activities under the Performance Management Framework to enable a collaborative approach to performance improvement. All performance issues requiring a response and / or reporting to Council will be channelled through a single, integrated process.

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Co-ordination by the Chief Executive Officer includes:

- liaison with relevant senior staff to prepare and consolidated performance reports and undertake performance analysis;
- preparation of Quarterly Performance Reports against agreed Performance Targets and KPIs
- scheduling of monthly senior management meetings which ensure escalation processes are followed where required;
- maintaining of records of performance assessment outcomes, turn around and recovery plans at departmental level;
- issuing of formal actions agreed during senior management meetings within five (5) business days; and
- arranging an appropriate level of support when further escalation is required, including liaison with other senior staff or Elected Members where recovery plans are required to ensure there is a co-ordinated response

All departments will work to ensure a co-ordinated and consistent approach.

The Manager Corporate Services, supported by relevant financial policies and protocols, will develop appropriate financial performance measures to enable Council to perform effectively.

Senior Management will determine funding and activity methodologies, to support the financial performance measurements discussed above.

Departmental mangers will continue to discuss a range of relevant financial policy and program matters with the Manager, Corporate Services as required.

Senior Managers are required to have in place an effective internal performance framework which supports delivery of the various Plans, standards and measures relevant to their department, including:

- actively monitoring KPIs and other measures;
- ensuring appropriate governance arrangements are in place for performance management and development that include clearly identified accountabilities and responsibilities; and
- identification of delegated responsibility at service level for delivery against KPIs

Senior Managers will:

- report promptly to the Chief Executive Officer any emerging or potential performance issues and / or performance risks including immediate actions taken and / or early assessment of actions that may be required to prevent an issue from deteriorating;
- ensure information is submitted in accordance with requirements of each data collection, ensuring data quality and timeliness;
- ensure the provision of information and / or analysis to support performance monitoring and improvement processes, including preparation and submission of progress reports and risk assessments for achieving successful outcomes and options to mitigate any risks to the monthly meetings as required;
- work collaboratively with the CEO to resolve performance issues and adhere to all responses to performance concerns as determined; and
- establish and maintain a culture of performance improvement by:
  - promoting the Performance Management Framework at all levels within their department;
  - identifying shortfalls in relation to performance and devising and implementing appropriate support and development arrangements to facilitate long-term and sustainable delivery;
  - providing relevant tools and resources to enable effective performance improvements and ensuring all employees understand their performance responsibilities and the consequences of not effectively executing these; and
  - ensuring active monitoring of implementation of agreed actions.

Key Performance Indicators

Key Performance Indicators (KPIs) will be established for each Performance Target within the Strategic Plan. Performance against these indicators is reported on a regular basis through ordinary Council meetings and Committee meetings. The performance of teams will be assessed in terms of whether it is meeting performance targets for each KPI.

Where Council make a formal resolution to no longer pursue a strategic goal, or where they change the Annual Business Plan to exclude previously agreed targets, the KPI will no longer be relevant to the measurement of that Senior Manager's KPIs.

A tolerance band for each indicator will be set. Actual performance for each indicator will be assessed to determine whether the indicator is outside the tolerance band.

Performing (at or better than target)

Underperforming (within tolerance range)

Not Performing

Individual performance and development agreements will reflect how each individual will assist with the achievement of team KPIs.

KPIs (Tier 1) generate a performance concern where performance is outside the tolerance threshold for the applicable reporting period.

Supporting Indicators

In addition to KPIs a range of service and other measures and standards will need to be considered when assessing the levels of performance attained. These other measures and standards allow for a more detailed analysis and interrogation of a broad range of factors that may impact on performance in order to gain a more comprehensive understanding.

The level of performance concern in each case will be determined by the particular indicator, the seriousness of the issue, the speed with which the situation could deteriorate further and the time it would take to achieve turnaround.

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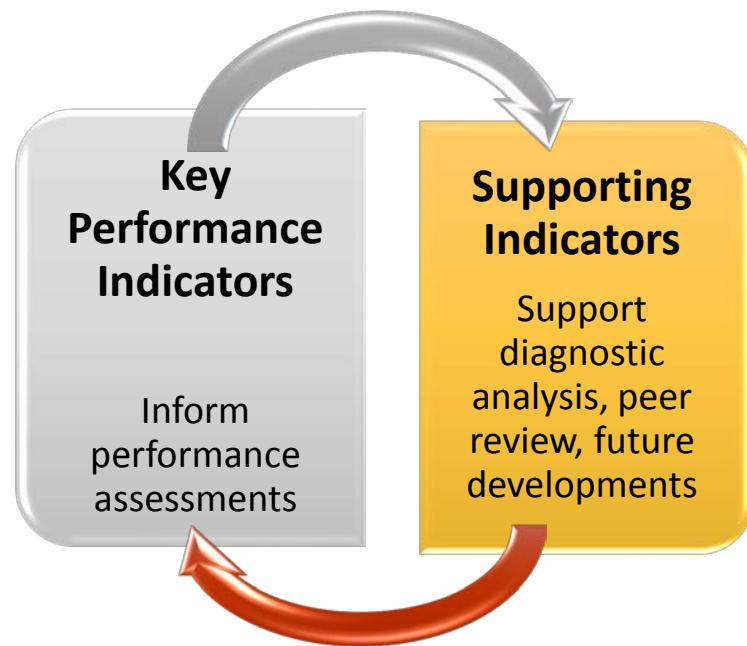
Service measures and standards may include objectives set out in:

- the Annual Business Plan;
- the Long Term Financial Plan;
- the Asset Management Plan;
- the Risk Management Plan; and
- other relevant plans as adopted by Council.

Other measures and standards which may be considered with regard to performance management include:

- the Public Service Code of Conduct
- the Code of Conduct for Council Employees;
- the Disaster Recovery Plan;
- the Business Continuity Plan; and
- the Emergency Response Plan;
- legislation relevant to the team's everyday functionality and service delivery;
- any Codes of Practice relating to the team's everyday functionality and service delivery; and
- any qualifications required to perform as a member of the team to achieve team objectives.

These measures may assist with benchmarking, ensuring compliance with mandatory standards and ongoing development, providing insight into potential future areas of focus.

Managing Performance

The strategic intent of the Performance Management Framework is to improve and enhance the performance of employees and managers, when working to achieve the strategic and operational goals of Council. Performance management and development provides the opportunity to optimise employee performance by building a shared understanding of expectation and responsibilities, and ensuring accountability for delivery through a clear appreciation of the requirements of a role. It is a supporting mechanism for continuous improvement, through the provision of timely, constructive feedback and the ongoing development of employee skills, competencies and behaviours, in alignment with agency strategy and services.

In this sense, the Framework is designed to promote best practice performance management and development that is focused on supporting employee performance optimisation and improvement. Performance management and development are a supporting platform for Council to encourage, challenge, coach and develop employees to reach their individual and collective potential.

To achieve successful performance management outcomes, departmental managers will ensure performance management tools include the following attributes:

Transparency	Clear agreed performance milestones to achieve performance targets
Accountability	Clear roles and responsibilities so all employees understand the roles they play in ensuring the performance expectations of Council as a whole are met
Responsiveness	Performance issues are identified early and responses are timely.
Predictability	It is clear what constitutes good performance and when performance concerns arise, what responses are required.
Recovery	Ensure recovery plans are clear and practical
Integrated	The Performance Management Framework incorporates Council's strategic objectives and links those objectives to safe, effective and efficient service delivery.
Consistency	Responses to poor performance are proportionate to the issue being addressed and based on the level of risk
Recognition	Sustained and / or superior performance is appropriately recognised and lessons from good practice shared
Informed Decision Making	The Performance Framework provides a process for pre-emptive and pro-active decision making to support current and future service needs.

Unsatisfactory Performance

The appropriate management of unsatisfactory performance is integral to the success of the Performance Management Framework. Unsatisfactory performance processes should be viewed as a distinct subset of performance management and development that apply when performance issues are identified that cannot be addressed through processes geared toward performance optimisation. It is a way of escalating performance concerns to a more serious level when regular conversations occurring as part of the employee performance review process have not generated an improvement in performance to the required standard.
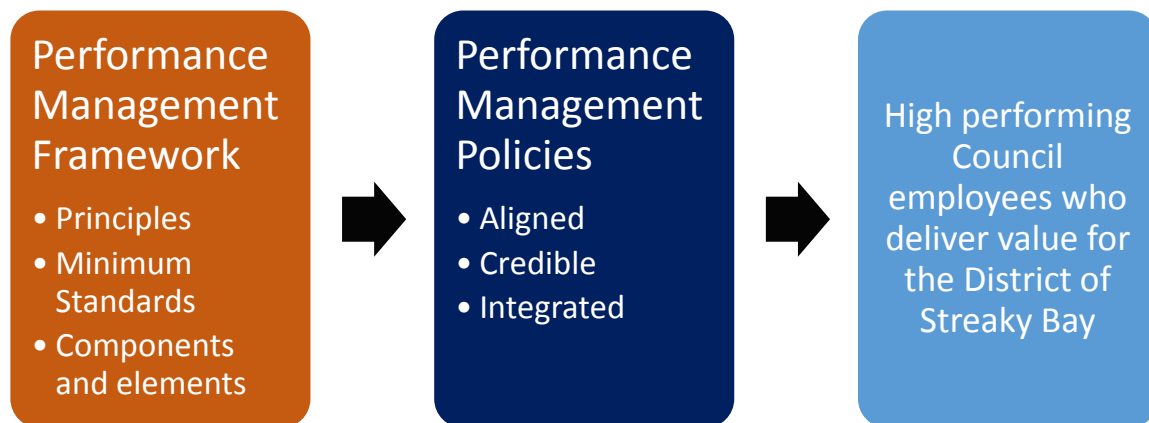
Detailed information relating to the management of unsatisfactory performance is available in Council's Grievance Management Policies and Procedures.

Performance Requirements

Performance management and development is a key enabler for employee performance, through the alignment of individual, team and Council objectives and outcomes. To ensure the Performance Management Framework meets these expectations it clearly articulates the principles, minimum standards and required components for performance management

Underpinning the Framework are performance management policies which provide:

- *alignment* with the priorities and outcomes sought by Council through its Strategic Plan;
- *credibility* through clearly defined KPIs which stretch individual and group performance but are attainable; and
- *integration* with the overall management structure of Council, providing a clearer link between employee work and the priorities of Council.

| Performance Management Framework

 • Principles
 • Minimum Standards
 • Components and elements | → | Performance Management Policies

 • Aligned
 • Credible
 • Integrated | → | High performing Council employees who deliver value for the District of Streaky Bay |

Principles

Meaningful, regular conversations between departmental managers and employees that lead to performance optimisation and improvement are seen as effective performance management and development systems. To demonstrate Council's commitment to developing and supporting our employees and promoting a culture of productivity, growth and excellence, our approach to performance management and development is based on the following principles:

Role Clarity and Alignment

Our role is to serve the community. To be effective, employees need to be clear about expectations and have a clear line-of-sight between their work and Council operational and / or strategic priorities. A clear understanding of roles and expectations supports greater productivity, motivation and improve employee innovation and performance. Job and Person Specifications will therefore clearly outline what is expected of each role.

Partnerships

Respectful and genuine partnerships between departmental managers and employees are central to the success or failure of performance management and development. Regular two-way conversations provide the opportunity to build rapport, agree on accountabilities, focus work outputs, provide timely feedback, to work together to create solutions, and address barriers to achieving performance goals.

Coaching for Success

Coaching is important to empower, develop, assist and motivate employees to achieve. Adopting a coaching approach in performance conversations provides the opportunity to bring out the best in employees by sharing expertise and perspectives, developing self-awareness, necessary capabilities, building on strengths, prioritising wellbeing and recognising achievements.

Growth Focus

To attain and maintain high performance, managers should aim to optimise employee potential through the development of knowledge, mindset, skills and competencies that align with Council priorities and future needs. Our commitment to learning and development of our people creates a mutual benefit:

- supporting career resilience;
- the realisation of employee potential; and
- ensuring sustainable Council performance through an engaged and skilled workforce.

Agility

Council operates in a complex, rapidly changing and collaborative environment. To anticipate and be responsive to change, performance management and development should involve frequent conversations and feedback, be flexible to shifting priorities, emphasise timely development, and be designed for a collaborative environment. Performance management and development processes are therefore flexible and open to regular review.

Minimum Standards

The minimum standards for performance management and development require:

- all Performance and Development Planning reviews are to be conducted annually (including senior management); and
- the CEO will report to Council when all senior manager's Performance and Development Planning reviews have been completed; and
- each senior manager will report to the CEO the percentage of Performance and Development Planning review which have occurred within their department.

Components and Elements

The Performance Management Framework provides an overview of best practice components that comprise effective performance management and development tools.

<table>
<tr><td colspan="2" align="center">Council's Core Values*</td><td rowspan="9">Council Strategic Plan</td></tr>
<tr><td>Leadership and direction</td><td>• Well prepared, informed, consistent, accountable and acctive support by the Council's CEO and senior management</td></tr>
<tr><td>Policy and procedure framework</td><td>• A dfinitive and comprehenvie policy and procedural framework</td></tr>
<tr><td>Performance objectives and standards</td><td>• Strategic plans, operational plans, and standards of behaviour and competencies are articulated.</td></tr>
<tr><td>Employee review process</td><td>• A valid process for communicating employee performance expectations, maintaining ongoing performance converstaions and conducting reviews</td></tr>
<tr><td>Performance management training</td><td>• Training to ensure employees and managers have the mindset, skillset and tools to participate effectively in performance management and development</td></tr>
<tr><td>Development Activities</td><td>• Resources and opportunities for development as per the individual performance plans are available in a timely manner</td></tr>
<tr><td>Support mechanisms</td><td>• Appropriate resources and support structures are in place to enact, monitor, maintain, review, evalute a adapt the preformance management and development processes.</td></tr>
<tr><td>Recognition Guidelines</td><td>• Guidlines and tools are in place to help managers recognise good performance</td></tr>
</table>

Code of Conduct for Council Employees and Elected Members

* Council's Core Values are stated in its Strategic Management Plan

Leadership and Direction

In order to be well prepared, informed, consistent and accountable, with regard to performance management, the Chief Executive Officer and senior management will

- ensure all employee actions comply with the Code of Conduct for Council Employees at all times;
- ensure all Elected Members interact with staff according to the Code of Conduct for Elected Members at all times;
- ensure all individual and team outputs are aligned directly to the Strategic Plan;

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- consider how individual and team goals might best align to all relevant annual plans (such as the Annual Business Plan, Asset Management Plans and Risk Management Plans);
- consider how performance management tools will reinforce and meet Council's Core Values and contribute to Council's culture;
- consider how individual performance management planning will contribute to the development of a competent and highly skilled workforce;
- ensure information regarding performance management and development is available to all Council employees; and
- ensure 100% of employees have performance and development plans in place.

Policy and Procedure Framework

In order to maintain a definitive and comprehensive performance management policy and procedural framework Council will:

- ensure employees understand what performance management and development is and why it is used;
- ensure each policy and procedure developed includes essential requirements, characteristics and review frequency to ensure it meets current expectations and delivers Council's strategic objectives;
- ensure performance management and development responsibility of the Chief Executive Officer, departmental managers, and employees are clearly articulated and sufficient training and implementation tools provided;
- ensure policy and procedure surrounding training needs identification outline clearly the ways in which employee development will be prioritised and actioned whilst balancing individual and Council's needs and resourcing requirements;
- ensure a clear process is developed and implemented to support departmental managers and employees, particularly in relation to resolving disagreement should it arise;
- ensure processes are in place to assist the timely management of unsatisfactory performance; and
- ensure the method for recording and storing performance and development agreements appropriately maintains confidentiality and enables ongoing use of the agreement which will not only integrate these agreements into the human resource management system but allow increased employee engagement in the development cycle.

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Performance Objectives and Standards

To ensure performance management systems align with the Strategic Management Plan, relevant operational plans, the Code of Conduct for Council Employees and individual Job and Person Specifications, senior managers will aim to:

- create a clear link between team deliverables and the goals set out in the Strategic Management Plan, outcomes required by various operations plans (such as the Asset Management Plan and Risk Management Plan), and relevant workforce plans (i.e. the "why" of delivery);
- create a clear link between individual performance and development agreements and deliverables set out in the relevant Job and Person Specifications (i.e. the "what of delivery);
- create a clear link between individual performance and development agreements and the Code of Conduct for Council Employees (i.e. the "how" of delivery);
- consider how people management responsibilities are reflected in their own performance objectives;
- consider how their own performance targets affect each individual in their team;
- consider the tools they will use to measure and assess performance (i.e. the "when" of delivery);
- ensure all employees are informed about how performance will be assessed and are advised of the results of an assessment of their performance; and
- review performance measures and assessment tools regularly to ensure currency and relevance to their work team.

Employee Review Process

A valid process for communicating employee performance and development expectations, maintaining ongoing conversations and conducting review shall include:

- a review process which aligns with Council strategies for talent, retention and succession management;
- provides processes that define, facilitate, encourage and measure performance and provides feedback regarding performance information, including the identification of personal and professional development needs and opportunities;
- considers the overall impact of the employee review process and how the approach adds value to management outcomes for employees;
- ensures all employees have an established performance and development agreement in place within 90 days of commencement;
- ensures every employee, including senior managers, establish a minimum of one performance and development agreement annually;

- considers ways in which casual employees become involved in attaining team goals and meet relevant personal development requirements;
- ensures personal development reviews occur biannually;
- ensures the process chosen, decision and actions taken are impartial, transparent and reviewable;
- ensures appropriate methods are utilised in the identification of learning and development needs of employees;
- considers how the performance management and development processes reinforce the development of meaningful partnerships between departmental managers and employees (e.g. includes an emphasis on regular, quality conversations and two-way feedback);
- considers the use of multi-sources feedback (such as 360 degree feedback) as a way to facilitate two-way feedback, including the views of stakeholders, the collection of perceptions about manager or employee behaviours that may impact on performance, and / or inform employee development priorities;
- includes clear process to assist in the early identification of unsatisfactory performance and appropriate management tools; and
- ensures performance management and development conversations are underpinned by the Code of Conduct for Council Employees and Council's Core Values.

Performance Management Training

A successful performance management system relies on an education strategy which ensures employees and managers have the mindset, skillset and tools to participate effectively in performance management and development. To achieve this Council will:

- provide ongoing and systematic training (and support) for managers and employees to ensure appropriate capability to apply the performance management and development system requirements effectively;
- consider how training offerings contribute to strengthening quality performance conversations between managers and employees;
- provide training for managers which consider:
  - o Council's process for performance management and development;
  - o the mindset, skillset and tools needed to effectively manage performance and guide development;
  - o the skills to establish performance standards required to achieve goals and objectives;
  - o identification of employee development gaps and needs, and delivery of necessary supports; and

> o skills to undertake difficult conversations and the management of unsatisfactory performance.

- consider training for non-managerial employees focussing on effective participation in performance management and development processes.

Development Activities

Resources and opportunities for development as per individual performance and development agreements should be available in a timely manner. To achieve this Council will aim to:

- regularly capture and respond to identified development needs and barriers to performance;
- establish a Workforce Development Plan;
- establish a suite of policies and procedures for efficient delivery of employee development needs, appropriately identified and prioritised through the performance management process;
- ensure development opportunities include development of capability to achieve expected outcomes relevant to the requirements of employee roles;
- ensure a planned and resourced induction process; and
- ensure development programs are delivered in a timely manner and are of appropriate quality.

Support Mechanisms

Appropriate resources and support structures must be in place to enact, monitor, maintain, review and adapt the performance management system and processes. Council will therefore aim to:

- ensure managers have access to appropriate resourcing and expertise for the design, maintenance, improvement and reporting of performance development and development processes;
- ensure adequate administrative capability and resources to support the process and to address identified development priorities;
- ensure delegated management responsibilities, lines of reporting and administrative functions are appropriate to enact and support the performance and development system;
- consider ways in which performance management and development systems might be implemented progressively to develop skills of all participants and build trust in employee review processes;
- ensure management information relating to the performance management and development system is collected, reported and acted on;

- critically analyse, test and evaluate the validity of a performance management and development process under consideration or in operation;
- ensure appropriate review mechanisms are available to evaluate and improve the effectiveness of the performance management and development system and processes, including employee perceptions of the process (i.e. via an employee survey or similar); and
- participate in inter-agency information and knowledge exchange for the development of appropriate performance management and development systems and processes.

To ensure legislated performance management requirements are met and maintained, Elected Members must maintain employment budget to ensure Council are able to meet administrative requirements of the Human Resource function.

Recognition Guidelines

Guidelines and tools are required to assist managers appropriately recognise good performance. To achieve this Council will:

- consider current mechanisms and practices that reinforce desired performance and behaviours; and
- establish formal and informal methods to appropriately recognise individual and team performance, progress, dedication and results.