

Performance Management Guide



**Civil Service Bureau
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INTRODUCTION

Staff Performance Management is one of the most important functions in human resource management. It provides the context to link individual objectives with departmental targets, thus supporting and facilitating the attainment of departmental goals.

Staff performance management can be a very effective management tool when applied properly. It provides staff with clarity of aims and focus on job expectation, motivates staff to perform better, cultivates the desired culture, helps focus on the desired results, improves communication, helps develop staff and helps achieve departmental objectives.

This Guide aims to create a better understanding of the principles and objectives of an effective staff performance management system and provides pointers on how a staff performance management system could be implemented successfully.

It is intended primarily for those who are responsible for designing and administering performance management systems in departments. It also provides useful practical advice for supervisors and appraisees in performance appraisal.

The Guide consists of two parts.

Part 1 explains what performance management is, how it is linked to other HR functions, its objectives, features and critical success factors for its implementation.

Part 2 is questions and answers on performance appraisal.

OBJECTIVES OF A PERFORMANCE MANAGEMENT SYSTEM

Performance management is an integral part of a comprehensive human resource management strategy. Its objective is to maximise individuals' performance and potential with a view to attaining organisational goals and enhancing overall effectiveness and productivity. A staff performance management system aims: -

To help achieve departmental objectives through staff

Departments formulate strategies and objectives to support their vision, mission and values. To achieve these broad objectives, departments have to turn them into specific objectives and targets for the divisions, sections, units and subsequently individual job objectives and targets for implementation. As individual job objectives are linked to those of departments', the performance of individual officers contributes to the delivery of departmental objectives.

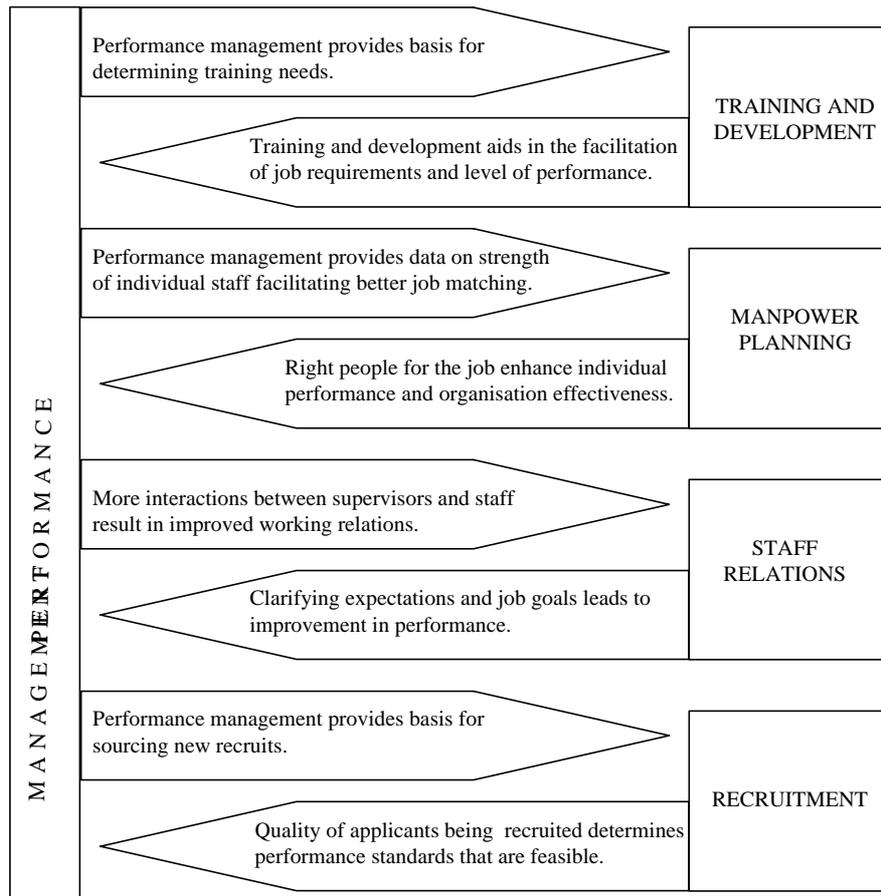
To evaluate performance and improve communication between managers and staff on managing performance

The staff performance management system provides a mechanism to monitor and evaluate staff performance. Performance objectives are set at the beginning of the performance management cycle through open discussion between the supervisors and the appraisees. Progress is monitored regularly and feedback from staff and supervisors is collated to help clarify objectives and output expectation; and to enhance performance.

To provide opportunities for development

The staff performance management system serves as a multi-purpose management tool. It provides valuable information to help identify individual training needs so as to enhance performance and to develop the potential of the staff for further advancement.

The following figure provides an illustration of how performance management links with other human resource functions :-



Performance Management's linkage with other HR Functions

FEATURES OF A GOOD STAFF PERFORMANCE MANAGEMENT SYSTEM

A good staff performance management system normally consists of the following features :

Open, fair and objective

The system designed should aim to facilitate objective and fair assessment by the management and encourage frank and constructive feedback of appraisees. These can be achieved through :

- setting clear targets and standards;
- providing opportunities for supervisors to inform appraisees of their performance regularly, to be accompanied by timely coaching and counselling;
- permitting the appraisee to have access to the entire report and to review the appraisal before the appraisal interview; and
- where necessary an assessment panel should be formed to ensure fairness in performance rating.

Adopting such an open system for staff performance also supports the spirit of the Personal Data (Privacy) Ordinance.

Competency-based

Competency refers to the knowledge, attributes, attitude and skills required to perform a job effectively. There are two broad categories of competencies : core competencies and functional competencies. Core competencies are the generic competencies associated with effective performance required by a group of job holders in a department across different divisions/sections. An example is managerial competencies required for staff in managerial positions. Functional competencies are the competencies specific to certain job functions, such as computer programming skills for programmers in the Computer Section and classroom skills for trainers in the Training Division of a department.

Competencies are reflected in a set of desirable behaviour patterns which are observable, measurable and can be tracked and monitored.

Developing and using a competency-based approach enables departments to use a common language and structured way to define and describe appropriate job

behaviours at different ranks as officers progress through the grade. The approach help to assess staff's potential and promotability to the next higher rank and identify development needs of the staff. It also enhances the objectivity and transparency of performance assessment.

When core competency-based approach is adopted, departments need to ensure that the competencies are developed properly by :

- aligning individual performance objectives with departmental ones,
- securing senior management's commitment, and
- involving staff in the process.

Furthermore there should be a clear differentiation in competency descriptions among different ranks in the same grade. An unduly long list of competencies may adversely affect the effectiveness of the system.

For competencies to effectively serve the needs of a department, they should be department-specific and reflect the missions, values and culture of the department. Any list of competencies cannot be exhaustive. It only provides the common language and understanding of the key dimensions and descriptions that warrant attention.

Upon implementation, there should be proper and adequate training for the staff on the implementation of the performance management system.

A continuous process

Staff performance management cycle is a continuous process which involves :

- performance planning
- continuous coaching and development
- interim review
- performance appraisal

Performance planning

Performance planning starts with session between the appraising officer and the

appraisee to agree on the list of objectives/responsibilities for the coming appraisal period. The agreed list will include the objectives of the section/unit and the broad areas of responsibilities of the appraisees, that is key result areas (KRAs).

Examples of KRAs are :

- timely completion of caseloads
- customer satisfaction and relations
- staff development
- resource management
- project management

Specific, measurable, achievable and timebound targets will then be set on the basis of the KRAs. The appraising officer should ensure that these targets are in alignment with the overall departmental objectives and that they are clearly understood by the appraisee.

Depending on the nature of the job, appraising officers may alternatively agree with appraisees a list of key responsibilities with specific performance results. This list provides the appraisees and the appraising officers with the yardstick to objectively discuss, monitor and assess performance. The list should be kept under frequent review and be revised whenever there are changes in the job.

Continuous coaching and development

The performance management system is a on-going process. After work targets and standards have been decided and performance objectives agreed upon, the appraising officer should start the coaching and development process which threads through performance planning, regular feedback and guidance, interim reviews and performance appraisal. Coaching is about providing regular feedback to staff on their performance. It aims at : -

- giving recognition to encourage and reinforce good performance; and
- providing advice and counselling to help improve performance, and where appropriate, take corrective action.

Through the coaching sessions, training needs should also be identified and followed up.

Interim review

An interim review is a scheduled, formal discussion between the appraising officer

and the appraisee to review the latter's progress in meeting the agreed objectives/responsibilities. This usually takes place in the middle of the appraisal period.

An interim review should take the form of a structured session to provide an opportunity for additional coaching, for problem solving, and for updating objectives/responsibilities. An interim review aims to :

- identify performance results that are below, on or above target and determine appropriate responses on corrective measures. Supervisors should use this occasion to recognize and encourage good performance. On the other hand, performance below targets is to be pointed out and guidance for improvement to be given;
- assess and follow up development or training need of staff to assist them in achieving their objectives/responsibilities;
- ascertain whether there are potential problems that may affect the appraisee's performance in the latter half of the reporting cycle and put in place preventive measures; and
- review whether adjustments to the agreed objectives/responsibilities are required.

Performance appraisal

Performance appraisal is the formal assessment on the appraisee's performance for the appraisal period. It covers the following aspects:

- how effectively the agreed objectives/responsibilities have been carried out and targets met;
- whether the effectiveness has been adversely affected by any constraints or obstacles;
- the strengths and weaknesses of the appraisee which affected or will affect the officer's further development; and
- what sort of personal/career development and training actions should be taken.

To maintain an open system :

- (a) the appraisee should be shown the assessment by the appraising and countersigning officers before the appraisal interview;

- (b) countersigning officers are encouraged to complete the appraisal form before the appraisal interview is conducted; and
- (c) an interview record has to be prepared and signed by both parties.

For training and career development proposals put forward in the appraisal, the grade management must take the initiative to ensure any necessary follow up actions are taken in a timely and appropriate manner. These proposals will also provide useful reference for the supervisors to develop the staff's competencies. Common themes on training and development identified should be consolidated for incorporation into the training and development plans of the department and the grade.

To ensure consistency in assessment standards and fairness in performance rating in staff appraisals, heads of departments/grades may consider if an assessment panel should be set up. An assessment panel is a management tool to help departments cross moderate appraisal ratings.

An assessment panel is usually chaired by the head of branch/division or head of grade with members drawn from section/unit heads. At the start of a reporting cycle, the assessment panel will meet to discuss the marking criteria and standard. Staff will be informed of these criteria and standard and clear guidelines will be issued to appraising officers.

The assessment panel will review the completed reports on the basis of panel members' knowledge about the performance of the appraisees. If the assessment panel disagrees with the assessment of a report, the reviewing officer and the appraising/countersigning officer, where necessary, may be requested to explain before the panel. Amendments may be made to the appraisal reports to ensure parity of assessment, if necessary.

CONCLUSION

Whether the staff performance management can achieve its objectives depends on :

- senior management's leadership and support through articulating the organisational goals and ensuring alignment of performance management objectives with these goals;
- charging managers at all levels with clear responsibility for coaching, monitoring and improving performance of their respective divisions/units/sections;
- continuous improvement to managers' skills on performance management, including objectives setting and measurement, coaching, appraising, and motivating staff;
- engendering staff ownership of the performance management system by effective communication and regular feedback in the performance management processes.

SOURCES OF ADVICE

Departmental Secretaries are the first point of contact for advice on issues relating to performance management.

Civil Service Training and Development Institute (CSTDI) provides a broad range of training programmes on performance management to equip supervisors with the necessary knowledge and skills. Examples of some of the areas covered in these programs are as follows :

- performance management system
- setting performance objectives
- making competency-based assessments
- managing non-performers
- conducting appraisal interview
- dealing with difficult people
- communicate assertively
- managing conflict situations
- manager as a people developer
- coaching skills
- assessing subordinates' performance through a systematic approach
- using effective language for writing clear and accurate performance appraisal reports

To complement central programmes CSTDI can design and organise courses based on departments' specifications and requirements. It also provides departments with advisory and human resource development consultancy services including the development of core competencies and the formulation of training & development road maps. Departments could approach the Human Resource Management Advisory Unit 1 of the Institute for advice and assistance.

In addition, colleagues in the Civil Service Bureau stand ready to offer assistance and information. We provide financial assistance and consultancy support to assist departments reviewing their performance management system and developing core competencies for performance management. Interested departments are invited to contact us at 2231 3855 or write to us at

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QUESTIONS AND ANSWERS ON PERFORMANCE MANAGEMENT

Some colleagues may question whether a staff performance management system really works, given the many issues that could render effective operation of a performance management system difficult. Below are some of these commonly asked questions and answers to them.

Q **1. Officers of the same ranks in the grade are subject to**
A **different appraising officers who hold different**
 standards. How is consistency in appraising
 standards ensured?

There are a number of measures that can be put in place to facilitate the fairest possible appraisal. Examples of check and balance measures to ensure fairness in the reporting system are :-

- setting target oriented performance objectives at the beginning of the appraisal period with the appraisees;
- specifying observable behavioural indicators by way of competencies and communicating them to appraisees;
- requiring countersigning officers to supplement the assessment on the performance of the appraisee and comment on the assessment given by the appraising officer. Reviewing officers are required, among others, to monitor the standards of appraisal. These efforts will ensure a more balanced view on the performance of the officers; and
- setting up assessment panel to review individual appraisals report and level performance ratings with a view to ensuring consistency in reporting standard;

Q **2. How to ensure fairness in performance appraisal**
A **when the appraising officer is not of the same grade**
 as the appraisee?

The appraising officer, even though he/she may not be of the same grade as the appraisee, is best placed to appraise the performance of the appraisee as the appraising officer will set work targets and performance targets/measures for the appraisee. Countersigning officer, reviewing officer or assessment panel plays a major role in ensuring the appraisal is conducted fairly and properly.

Q 3. What is the role of a reviewing officer?
A

The reviewing officer should normally be the Head of Grade or Head of Department or his/her delegated representative. The reviewing officer's task is to examine the appraisal reports on the officer's performance and to :

- (a) assess the officer's suitability for promotion and future potential;
- (b) determine the need for and type of improvement action to be taken if performance has fallen below an acceptable level;
- (c) conduct or arrange career development interviews from time to time; and
- (d) monitor the standard of ratings for appraisals across the board.

Q 4. How to address staff concern of their report being downgraded after they have seen it?
A

The countersigning officer should as far as possible complete his/her assessment before the interview so that the appraisee is shown the assessment before the interview.

If the assessment of either the appraising officer or the countersigning officer is subsequently revised by the reviewing officer or the review/assessment panel, the appraisee should be informed of such revision by the management.

Staff have the right to request access to his/her staff reports.

Q 5. What can be done if the appraising officer only informs me of my weaknesses at the appraisal interview?
A

Performance management is an on-going exercise which calls for regular communication between supervisors and appraisees. While supervisors have the responsibility to coach and guide their staff, appraisees could also adopt a more proactive approach by seeking feedback from their supervisors on their strengths, weaknesses and improvement areas at anytime during the appraisal period. This would help improve communication between supervisors and appraisees.

If a mid-year review is included as part of the performance management process, supervisors will, in addition to routine feedback and guidance, formally review with the appraisee the performance during the first half of the reporting cycle. This would

further enhance the communication process and improve the effectiveness of performance management.

The assessment at the annual appraisal should not therefore be a surprise.

Q A 6. How should appraising officers handle complaints lodged by appraisees if the appraisees are unhappy about the appraisal?

Honest and objective appraisal is the key. Appraising officers should not overgrade staff reports in order to avoid confrontation with subordinates. Nor should they overgrade reports in the belief that it motivates staff or helps improve the promotion prospect of staff. Overgrading would undermine the appraising officer's credibility as a good manager and deprive management of a useful performance management tool. It is also grossly unfair to those who genuinely perform well. Staff should be briefed on their weaknesses and areas for improvement. Appraising officers should also give specific guidance to staff on how they may improve and offer more regular review and monitoring of performance.

If the appraisees complain and disagree with the appraisal, their comments/concern should be recorded in the staff appraisal for reference of users who have causes to make use of the appraisal reports.

Q A 7. What happens if it is impossible or difficult to assign measurable targets for an individual's work objectives?

If quantitative targets are neither possible nor meaningful, it would be helpful to translate qualitative objectives into actions or activities with specific goals such as completion dates or incremental deliverables.

Q A 8. Is it possible for the staff to get a copy of his staff report?

The Personal Data (Privacy) Ordinance provides that an individual has the right to seek access to his personal data including staff appraisals, subject to any exemptions provided by the Ordinance.

To make such requests, officers should normally contact their Departmental Secretary or the relevant Head of Grade.

Q 9. What can be done if an appraisee argues against the assessment of his performance and refuses to sign on the report?

Under the open reporting system, the appraisee is required to put down his signature on the record of the interview. His signature serves the purpose of confirming that he has read the contents of the report.

If the appraisee does not agree to the assessment made on him, the appraising officer should record the disagreement in the record of interview column. The appraisee signs to acknowledge that he has read what has been written down in the report form. If he disagrees with the record of interview, he may add this remark when signing. The appraisee may appeal separately to senior officers/head of departments/head of grades if he feels aggrieved.

If the appraisee insists on not signing the report, the appraising officer should record this point in the record of interview section.