

Managing for Performance

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Functional Sub group Personnel/Workforce - Conditions of employment
Personnel/Workforce - Learning and Development

Summary This Policy Directive identifies the key features to be reflected in all NSW Health organisation policies on performance management, building on the core requirements of Government Sector Employment legislation and the related essential elements outlined in the NSW Public Sector Performance Development Framework, including requirements for managing unsatisfactory performance.

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Applies to Local Health Districts, Board Governed Statutory Health Corporations, Chief Executive Governed Statutory Health Corporations, Specialty Network Governed Statutory Health Corporations, Affiliated Health Organisations, Public Health System Support Division, Community Health Centres, Dental Schools and Clinics, NSW Ambulance Service, Ministry of Health, Public Health Units, Public Hospitals, NSW Health Pathology, Cancer Institute (NSW)

Audience All staff, all managers / supervisors, human resources

Distributed to Public Health System, Health Associations Unions, NSW Ambulance Service, Ministry of Health

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Director-General

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

MANAGING FOR PERFORMANCE

PURPOSE

This Policy Directive sets out key features to be incorporated in all performance management systems across NSW Health.

It reflects the core requirements of the [Government Sector Employment \(GSE\) Rule 35](#) and their essential elements as outlined in the [NSW Public Sector Performance Development Framework](#). The core requirements and essential elements are supported by a number of Guides and other tools developed by the Public Service Commission for use by government sector agencies.

All NSW Health organisations are expected to review their existing local policies and practices to ensure they are consistent with this policy.

MANDATORY REQUIREMENTS

The following key features are to be incorporated into all NSW Health 'managing for performance' systems:

- The six core requirements of [GSE Rule 35](#) and their essential elements as outlined in the [NSW Public Sector Performance Development Framework](#)
- Procedures for managing unsatisfactory performance in line with [GSE Rule 36](#) and [Section 68 of the GSE Act](#), and including identification and management of any risks posed by the unsatisfactory performance
- Clearly defined objectives linked to corporate objectives, priorities and strategies
- Consultation with staff, unions and other relevant stakeholders during development and implementation
- Consideration during the system's development and implementation of the special needs of staff with literacy issues; from racial, ethnic and ethno-religious minority groups; with disabilities; or of Aboriginal and Torres Strait Islander descent
- Clearly listed responsibilities and accountabilities for all parties
- A statement outlining the Chief Executive's commitment to all staff that the 'managing for performance' process will be equitable and confidential
- Integration with other workforce management processes, including recruitment and selection, orientation, career development, and grievance management
- Measurable performance criteria which focus on achievements and outcomes, and reflect the capabilities required by the role, as well as its context and scope
- A focus on performance improvement including strategies for mentoring, coaching and career development
- An implementation and communication strategy to ensure all staff are aware of the organisation's performance management process

- Appropriate training for all staff (including integration of relevant information into orientation and workplace induction)
- A mechanism to regularly evaluate performance management to ensure it meets stated objectives for the organisation
- Appropriate business processes to populate and maintain the performance fields in StaffLink for each staff member (including Staff Specialists) in order to facilitate any mandatory reporting on staff performance.

IMPLEMENTATION

This Policy Directive applies to all staff employed in any body or organisation under the control or direction of the Minister for Health or the Secretary of NSW Health, other than members of the NSW Public Sector Senior Executive (PSSE) or Health Executive Service (HES) (from 1 January 2017 the Health Service Senior Executive (HSSE)), visiting practitioners, other independent contractors, agency staff supplied by another employer, students, volunteers, or external researchers who are not part of the government sector.

The [Staff Specialist \(State\) Award](#) contains specific provisions about annual performance agreements and reviews for Staff Specialists. Where they differ from this policy directive, the Award provisions take precedence.

Performance management requirements for visiting practitioners are contained in [PD2011 010 Visiting Medical Officer \(VMO\) Performance Review Arrangements](#); and for members of the PSSE and the HES/HSSE in [PD2016 019 Executive Performance Management](#).

The policy may be varied in respect of its application to casual and temporary staff who are employed for less than three months, but setting and clarifying expectations, monitoring, and acknowledging good performance should apply as a minimum.

Senior executives are required to ensure that:

- This policy is communicated to all supervisors / managers involved in managing staff
- Performance management systems are linked with organisational planning, systems and processes
- All facilities within each NSW Health organisation meet, or have plans in place to actively work towards meeting, the requirements of this policy.

Workforce Directorates / Human Resources Departments are required to:

- Ensure provision of advice, information and training as necessary to support effective implementation of this policy.

Supervisors / Managers are responsible for:

- Building capability to ensure continual development and success
- Setting clear performance objectives for their staff / team, monitoring their performance, and providing regular and ongoing feedback to them (including structured conversation about performance and development needs)

- Honestly and openly addressing unsatisfactory performance.

All members of staff are responsible for:

- Developing their own performance with the support of their manager
- Actively contributing in all aspects of performance management, including openly receiving feedback and providing open and honest feedback to their manager.

REVISION HISTORY

Version	Approved by	Amendment notes
September 2016 PD2016_040	Deputy Secretary, Governance, Workforce and Corporate	Updated to ensure compliance with Government Sector Employment legislation regarding managing unsatisfactory performance and reflect changed reporting requirements.
October 2013 (PD2013_034)	Director General	Updated to comply with the NSW Public Sector Performance Development Framework.
January 2005 (PD2005_180)	Director General	New policy

ATTACHMENT

1. Managing for Performance: Procedures.

Managing for Performance



Issue date: September-2016

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1 BACKGROUND

1.1 About this document

The alignment of workforce capabilities with performance and organisational objectives is a NSW government sector wide priority.

Section 67 of the *Government Sector Employment Act 2013* (GSEA) requires all government sector agencies to have a performance management system that meets the core requirements of [Rule 35 of the Government Sector Employment \(GSE\) Rules 2014](#) and their essential elements as outlined in the [NSW Public Sector Performance Development Framework](#).

The core requirements and essential elements apply to all NSW Health organisations, and accordingly, have been incorporated into this policy framework for NSW Health.

It is recognised that a single 'model' is unlikely to be readily applicable in NSW Health due to the diversity of occupational groups, and the need to build commitment to performance management processes within each NSW Health organisation by involving key players in the design and review of systems. However, NSW Health organisations must ensure that local policies and practices reflect the principles, core requirements and essential elements outlined in this Policy Directive, the *Government Sector Employment legislation* and the [NSW Public Sector Performance Development Framework](#).

1.2 Key definitions

Capabilities – Knowledge, skills and abilities that a staff member must demonstrate to perform their role effectively.

Capability Framework – Refers to the NSW Public Sector Capability Framework, which describes the core capabilities and behaviours for all public sector staff. The Framework supports all workforce management and development activities, including role design, recruitment, performance management, learning and development, and strategic workforce planning.

NSW Health organisation - For the purposes of this policy directive, any body or organisation under the control and direction of the Minister for Health or the Secretary, NSW Ministry of Health.

Staff member - For the purposes of this policy directive, any person who is employed in any body or organisation under the control and direction of the Minister for Health or the Secretary, NSW Ministry of Health, excluding members of the NSW Senior Executive Service or Health Executive Service, visiting practitioners, other independent contractors, agency staff supplied by another employer, students, volunteers, or external researchers who are not part of the government sector.

2 ESSENTIAL ELEMENTS OF A ‘MANAGING FOR PERFORMANCE’ SYSTEM

2.1 The Public Sector Performance Development Framework

[GSE Rule 35](#) and the [NSW Public Sector Performance Development Framework](#) mandate that all performance management systems in the NSW government sector must contain the following six core components and essential elements:

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

For detailed information and further guidance, refer to the following Public Service Commission documents available at the [Public Service Commission's Performance Development Framework website](#):

- NSW Public Sector Performance Development Framework (mandatory), including mandatory performance objectives for everyone managing people
- Managing for Performance – Guide for Human Resources (support only)
- Managing for Performance – Guide for Managers (support only)
- Managing for Performance – Guide for Employees (support only).

The website also provides access to other supporting material, including password protected access for HR staff to a Communications and HR toolkit.

2.2 Additional guidance for the NSW Health context

2.2.1 The NSW Health workforce

In making provision for an on-going local process for managing performance in NSW Health organisations, consideration should be given to the nature of the workforce (such as the proportion of staff working in a 24/7 environment involving shift work).

In some cases staff on rotating shifts may work for a number of different managers in a given period. In these instances the essential elements identified in 2.1. could be implemented in a way that can accommodate feedback from a number of managers while giving responsibility for face-to-face feedback to one manager.

2.2.2 Providing performance feedback

Given the diversity of functions and roles carried out within a NSW Health organisation, the design of the performance review processes for particular categories of staff may be flexible and vary from facility to facility, while meeting the broad public sector requirements outlined in 2.1.

2.2.3 Linking pay and performance

Notwithstanding that the [NSW Public Sector Performance Development Framework](#) would require that formal performance reviews are to inform all assessments for incremental salary progression, the majority of NSW Health awards provide for salary progression based on years of service rather than satisfactory performance.

Where award provisions differ from the provisions of the Framework, the award provisions take precedence.

3 DEALING WITH UNSATISFACTORY PERFORMANCE

[GSE Rule 36](#) sets out the procedural requirements for dealing with unsatisfactory performance, consistent with procedural fairness.

If the performance of a staff member is determined to be unsatisfactory in accordance with [GSE Rule 36](#), [Section 68 of the GSE Act](#) provides for the possible actions that can be taken by the Chief Executive.

NSW Health organisations must develop procedures for dealing with unsatisfactory performance consistent with the above legislative requirements.

Such procedures must also include assessment and management of any risks related to the unsatisfactory performance (eg clinical risks etc), and any notifications required internally or externally in relation to the unsatisfactory performance (eg notification to the relevant professional council etc).

4 DATA COLLECTION AND REPORTING

All NSW Health organisations are required to populate and maintain the fields provided in StaffLink for performance reviews and agreements/development plans for each of their staff members.

This data will facilitate reporting against the performance KPI in the NSW Health Service Agreements (currently 'percentage of total eligible staff with performance reviews completed within the last 12 months'), and assist in any ad hoc and / or future government sector wide reporting requirements on staff performance.