

Civil Service Conciliation and Arbitration Scheme

General Council Report 1368

(Meeting/s of 4 May 2000)

Agreement on the introduction of the Performance Management and Development System in the Irish Civil Service

Background

The implementation of an effective performance management process is central to achieving the goals set out in *Delivering Better Government* of a modern, dynamic, high performance civil service. For this reason, in Chapter 10 of *Partnership 2000 for Inclusion, Employment and Competitiveness*, the Social Partners identified the effective management of performance at all levels as a key modernisation principle. A Sub-Group of General Council has been meeting since September 1998 to agree the design, development and implementation of a Performance Management and Development System (PMDS) in each Department /Office. Finally, among the key objectives of the civil service modernisation programme set out in the *Programme for Prosperity and Fairness* is the implementation of the PMDS in each Department and Office. This is a specific performance indicator in the Public Service Pay Annex to the *Programme for Prosperity and Fairness*.

2. The Performance Management and Development System

Both sides note that the initial focus of the PMDS will be directed at the introduction of the framework of role profiles and competencies. This will involve, initially, clarifying the contribution which each role makes to the achievement of organisational objectives and identifying the required competencies, i.e. knowledge, skill and behaviours needed to perform the role effectively. The next step is to set out the training and development required to enable people to achieve the competencies required and to put this in place, in a structured way, through the training and development strategy for each Department/Office. From a practical viewpoint, people in each Department/Office will have to engage in a learning process with the new system. Both sides agree that implementation will take place in the shortest time feasible; however it is recognised that, for practical reasons, implementation may take longer in the larger Departments and Offices.

3. The detailed documentation on the new system and the associated implementation plan which has been agreed at the sub-Group is set out in the Annex to their accompanying report.

4. Ongoing monitoring and review

It will be important that the implementation and development of the PMDS is monitored and evaluated as it evolves. The sub-Group of General Council will continue in existence and will now develop an overall framework for the evaluation process. This will be designed to focus both on the experience of the implementation of the System and the areas for immediate further development. It will also encompass information on the implications for the future, in particular the information on how roles should change and evolve to support enhanced performance. This in turn will inform thinking and decisions on the organisation of work and defining future roles within the organisation, as well as how the System will be linked to an integrated Human Resource Management strategy. The evaluation will need to ensure that common information is collected across Departments/Offices and is fed back in a structured way into the evaluation and monitoring process at the central level.

5. At a meeting on 4 May 2000, the Council agreed this report.

Report of the Sub-Group of General Council on the introduction of the Performance Management and Development System in the Irish Civil Service

Background

1. Chapter 10 of *Partnership 2000 for Inclusion, Employment and Competitiveness*, and *Delivering Better Government* sets out the key principles which drive the action to modernise the Irish public service. One of these principles is the effective management of performance at all levels. The *Programme for Prosperity and Fairness* also identifies this as one of its key objectives.

2. Performance Management - Definition and Purpose

Performance management is a broad term to describe the way a jobholder's

work performance, career and development needs are managed. Performance Management can be seen as a process for establishing a shared understanding about what is to be achieved, how it is to be achieved, and an approach to managing and developing people that increases the probability of achieving success. It links the management of individual/team performance to the objectives of the Department, as set out in the Strategy Statement and Business plan, by focusing jobholder/team activity around these objectives and by better monitoring of progress towards achieving objectives. It allows resources to be managed more strategically to achieve organisational goals. Importantly, it seeks to enhance organisational values by making them a central foundation for the operation of the system. As agreed in *Partnership 2000*, the Performance Management and Development System (PMDS) seeks to strike an acceptable balance between the needs of the organisation and the development needs of those who work in it. It recognises the need for continual change and improvement and for the involvement of staff in bringing this about.

The goal of performance management is to contribute to continuous improvement in performance across the Civil Service by aligning individual and team performance with the goals of the organisation, through greater clarity in setting objectives and related performance targets for individuals and teams, and monitoring progress in their achievement. It also provides a context in which the development needs of job holders can be addressed.

3. Consultation process

In 1997 Hay Management Consultants were appointed to assist in the design and development of a performance management system for the civil service. As part of the preparatory work, a staff survey on performance management was undertaken and project groups representing staff and the civil service unions were established. The information obtained informed decisions made on the design and development of the PMDS.

In July 1998 the Government decided that consultations should begin with the civil service unions on the implementation of the PMDS. These consultations commenced in September 1998 with the establishment of a sub-Group of General Council. In all this Group has met on 16 occasions.

4. Agreed documentation

Following discussions, agreement has been reached between both sides on the key elements of the integrated PMDS. The following documents addressing the key issues have been developed:

<i>The framework for Performance Management and Development</i>
▪ <i>Introducing the Performance Management System in the Irish Civil Service 2000-2002;</i>
▪ <i>Overview of Implementation Process and Future Development;</i>
<i>Guidelines on the Performance Management and Development System</i>
▪ <i>Guidelines in Implementing the First Phase of the Performance Management Cycle;</i>
▪ <i>Guidelines in Implementing the Second Phase of the Performance Management Cycle;</i>
▪ <i>Guidelines in Implementing the Third Phase of the Performance Management Cycle;</i>
<i>The Approach to using competencies</i>
▪ <i>Using the Competency Framework;</i>
<i>Supporting the introduction of Performance Management</i>
▪ <i>Performance Management: Organisational and HR Strategy Context;</i>
▪ <i>Creating an Open and Supportive Climate for Managing in the Civil Service;</i>
▪ <i>Managing the Implementation of the Performance Management System in the Department and Office - a number of Key Roles;</i>
▪ <i>Pre-Implementation Guidelines for the Performance Management System;</i>
▪ <i>Training for Implementation of Performance Management;</i>
▪ <i>Appendix on Training in Behavioural Competencies;</i>
▪ <i>Communications Strategy for Performance Management;</i>
<i>Evaluation</i>
▪ <i>An approach to an Evaluation of the Performance Management System in the Irish Civil Service.</i>

5. A Partnership approach

As agreed in *Partnership 2000* and the *Programme for Prosperity and Fairness* the Performance Management and Development System recognises the need for continual change and improvement across the public service and within individual organisations. It also recognises that successful change must be based on a partnership approach and the involvement of staff in bringing this about.

Both sides accept the importance of implementing the PMDS in an open and transparent manner and within a culture of partnership and involvement at all levels in the Department/Office. Successful implementation will require that a participative style of management prevails in each Department/Office and proposals to give effect to this are outlined in the section 4.2 of the Annex - *Creating an Open and Supportive Climate for Managing in the Civil Service*. The new Partnership structures which have recently been put in place will be central to implementation.

6. Integrated Human Resource Management Strategy.

The sub-Group also recognises that links to an integrated Human Resource Strategy in each Department and Office will need to be developed. The *Programme for Prosperity and Fairness* confirms the need for increasingly innovative and flexible human resource management policies and strategies. This means that each organisation must develop a Human Resources (HR) strategy encompassing the key elements for managing its human resources - from recruitment to retirement. It is recognised that it will take some time to develop the individual HR strategies which have the PMDS as an integral part. For this reason, it is not proposed to integrate the PMDS with the wider HR agenda until such links are established. In this context it is noted that, in the first instance, the ratings systems used in the PMDS will not be used for assessments in relation to annual pay increments or promotion. However, the existing links between the performance management system for PSEU grades and promotion and assignments to higher scales will be continued.

In line with the *Programme for Prosperity and Fairness* the PMDS will be implemented within the developing equality and family friendly policies of the civil service and the code of practice for the employment of people with disabilities.

7. Importance of Training and Development

A positive and proactive approach to employee development means that the role of training and development for all staff is one of the keys to ensuring effective, ongoing implementation of the PMDS. Under the *Programme for Prosperity and Fairness*, the civil service is committed to enhanced training and development for management and staff at all levels in the context of implementing and developing the PMDS.

It is agreed to have a 5 day training programme (set out in section 4.5 of the Annex) for implementation of the new System, led by the Centre for Management Organisation and Development. Each member of staff will be given the necessary training before its application to his/her role.

At the end of the third phase of the performance management cycle, a comprehensive report on the training and development programmes implemented in the Department/Office should be presented to the Partnership Committee. An agreed programme of follow up action, which would also look at the overall effectiveness of the approach to training and development - including the distribution of training opportunities within the organisation - will be required and this should form part of the evaluation process.

All sides are also committed to a proactive approach in addressing the broader training and development needs of staff in Departments/Offices which will be more explicitly identified by the new system. The training and development needs identified will help inform Department/Office training strategies and programmes.

8. Effective systems of giving feedback.

While the main elements of the system to be implemented are agreed, one area in which further immediate work is required is the design of effective systems of giving feedback. Agreement given in this Report to the implementation of the Performance Management and Development System assumes that work on resolving this issue will be satisfactorily completed by the end of the first year. With this in mind the parties to the Agreement will review the progress made before the end of the first year.

9. Framework for implementation

The PMDS will operate within a framework where the strategic goals are translated into action through the business planning process and related to individual and team objectives.

As part of the discussions the sub-Group have agreed the following framework for implementing the PMDS:

Implementation at the level of the Department/Office on a partnership basis

- local implementation/roll out arrangements to be put in place
- core competencies for Department/Office and role specific competencies to be identified
- customisation of forms
- training programmes to be put in place
- local monitoring and evaluation of the system

At the level of the jobholder/team

- agreement on role profiles
- agreement on objectives to be achieved
- agreement on competencies
- agreement on training and development activity
- agreement on annual review and rating.

Implementation across the Civil Service - role of the sub-Group of General Council

- agreement on issues arising in respect of the principles and the central elements of the system
- agreement on changes as implementation progresses
- monitoring and evaluation of the system
- ongoing development of the next phase of the system, building on experience.

A Performance Management project group, which will be a sub-group of the Partnership Committee and will be representative of management, staff and unions, will support the Secretary General/Head of Office and the Management Advisory Committee in preparing for the introduction of the system in the Department/Office. It is likely also that expert facilitation will be required to help individual Departments and Offices to effectively implement the PMDS. Any industrial relations dimensions arising will be dealt with through the existing mechanisms.

10. Framework for Addressing Issues which arise as Implementation Progresses

While the primary responsibility for managing the performance management cycle rests with the manager and jobholder at all levels of the process, in the event of differing views arising the matter should be referred to the Reviewer for consideration and resolution. The Reviewer will:

- ◆ ensure consistency and correct application of the performance management system to a high standard within his/her area of responsibility;
- ◆ act as an independent source of help/guidance if difficulties arise between the manager/jobholder;
- ◆ be proactively involved in the development of the performance management system in his/her area; including reviewing the role profiles to ensure that they are consistent, fair and relevant to the needs of their

business unit; and being involved in coaching managers to develop their skills.

- ♦ have a key role to play in the event of differing views arising in relation to any aspect of the performance management process which cannot be reconciled by the manager and jobholder.

The Partnership Committee will also have a role to play in ensuring consistency and correct application of the PMDS in the Department/Office. In this context any learning from the first iteration of the PMDS will help inform improvements to the system, for example in terms of role clarity, communications style, effectiveness of the Reviewer process, etc.

Finally, implementing the system may raise questions about the overall effectiveness of existing practices in Departments regarding the organisation of work and reporting and accountability structures. Evaluation should ensure that the lessons learned at Departmental level in this context will be raised specifically in the sub-Group of General Council.

11. Resources

The implementation process will need to be fully supported locally and centrally in the context of an implementation plan drawn up in each Department/Office, with resources made available to support implementation. In this context the Change Management Fund will act as a source of financial assistance.

12. Evaluation

The sub-Group acknowledge that full implementation of the PMDS may take some time and that the entire implementation process will need to be monitored and evaluated and the lessons applied to ongoing refinement and enhancement of the System and the future development of the Irish civil service. The existing joint management/civil service union group, which operates as a sub-Group of General Council, will oversee the monitoring and evaluation and agree any changes required in the light of the outcome and experience gained.

The experience gained from the introduction of the PMDS will also inform the medium term issues identified, including organisation of work, grading structures, competencies required and reward/recognition and inform the appropriate fora at which decisions on these matters will be made.

The proposed approach is set out in the detailed paper on evaluation in

section 5.1 of the Annex.

**Agreement in relation to the introduction of
the Performance Management and Development
System
in the Civil Service.**

Annex to the Agreed Report number 1368

<u>SECTION 1:</u>	The Framework for the Performance Management & Development System
1.1	Introducing Performance Management 2000-2002
1.2	Overview of Implementation Process and Future Development
<u>SECTION 2:</u>	Guidelines on the Performance Management & Development Cycle
2.1 2.2 2.3	<u>Guidelines in Implementing:</u> First Phase of the Performance Management & Development Cycle Second Phase of the Performance Management & Development Cycle Third Phase of the Performance Management & Development Cycle
<u>SECTION 3:</u>	The Approach to using Competencies
3.1	Using the Competency Framework
3.2	Appendix 1 - Appendix to Using the Competencies Framework
3.3	Appendix 2 - Performance Management & Development System Selecting required competencies - A 3 Step Approach.

<u>SECTION 4:</u>	Supporting the introduction of the Performance Management & Development system
4.1	Performance Management & Development System: Organisational and Human Resources Strategy Context
4.2	Creating an Open and Supportive Climate for Managing in the Civil Service
4.3	Managing the Implementation of the Performance Management & Development System in the Department and Office - a number of Key Roles
4.4	Pre-Implementation Guidelines for the Performance Management and Development System
4.5	Training for Implementation of the Performance Management and Development System
4.6	Appendix on Training in Behavioural Competencies
4.7	Communications Strategy for the Performance Management and Development System

<u>SECTION 5:</u>	Evaluation
5.1	An approach to an Evaluation of the Performance Management and Development System in the Irish Civil Service.

This report was adopted on 4 May 2000