

THE ETHICAL CONSULTING GROUP

PERFORMANCE FRAMEWORK GUIDANCE

STATEMENT

1. THE ECG PERFORMANCE FRAMEWORK APPROACH

1.1 What is it?

- 1.1.1 *At an everyday level:* Performance management is a development tool for promoting open communication between an employee and their manager about their expectations of each other. It focuses on setting shared expectations and agreement on the three elements of work performance; behaviour, skills and knowledge, and work executed.
- a. Employees, through good quality conversations with their manager about performance, let their supervisor and/or manager know what they need in order to do their work well, get clarification on what is required of them, give their supervisor and/or manager feedback, discuss ongoing professional development, reflect on their work challenges and receive recognition for their achievements.
 - b. Supervisors and managers, through good quality conversations about performance, let employees know what is expected in terms of their conduct and way they behave at work, the skills and knowledge they need, the tasks they are expected to perform and how the manager will support them to reach their professional potential.
- 1.1.2 The phrase 'good quality conversations', for the purposes of the ECG Performance Framework Policy and this guidance statement, means: respectful, constructive and timely discussion of matters relating to an individual's work performance.
- 1.1.3 *At a strategic level:* The Performance framework links with other 'people management' practices, especially Learning and Development, to assist the ECG to reach its strategic objectives by getting the best from its people.
- a. ECG performance management and development embeds expectations of conduct and behaviour at every level in the organisation and makes these expectations an explicit part of the organisational culture.

- b. Achievement and talent is to be recognised and acknowledged, improvement and development is to be supported and a more engaged and a resilient, adaptable and outcomes focussed workforce will develop across the ECG.
- c. These factors will assist the ECG in becoming a model employer and attracting and retaining a high performing workforce.

1.1.4 Performance management is not the same as managing underperformance.

1.1.5 The ECG Performance Framework operates throughout the duration of an individual's employment with the ECG, not just 'when things go wrong'.

1.2 Who does it apply to?

1.2.1 The ECG Performance Framework policy applies to all ECG employees regardless of whether they work full-time or part-time.

1.2.2 It does not apply to:

- a. People or companies who hold contracts of employment that have been negotiated independently such as consultants and Labour Hire Contractors. The performance of these staff or companies should be addressed through a robust contract management approach;
- b. Volunteers.

2. LEGISLATION RELATING TO ECG PERFORMANCE FRAMEWORK

The ECG approach to performance management and development is supported by legislation which aims to ensure consistently fair and reasonable treatment of employees.

2.1 Fair Work Act 2009

2.1.1 The Fair Work Act forms the overarching legal instrument for Industrial and Employee Relations for any employee in Australia.

2.1.2 Amongst many other provisions, it establishes the legal basis for action against discrimination, unjust, harsh, or unreasonable treatment of employees and unfair dismissal.

2.1.3 To comply with the Fair Work Act, the ECG Performance Framework must be reasonable, fair and supportive, never used to bully or discriminate against employees, and applied consistently.

3. ECG EXPECTATIONS

3.1 Three elements of activity make up the way we think about employee performance in the ECG.

- The work that an employee executes or is expected to execute: **their main outputs, tasks, projects or deliverables.**
- The way in which an employee engages with their work and other people they come into contact with relating to that work: **their conduct and behaviour**¹.
- The understanding and expertise that an employee has or is developing in order to meet work performance expectations: **their knowledge and skills.**

3.2 The ECG recognises that employees are entitled to clarity about what their manager expects of them. For this reason ECG managers should take care to localise and articulate their expectations in a way which is meaningful to their staff.

3.3 Setting Performance Expectations

3.4 ECG areas might choose to set performance expectations in a number different ways. Some of the following mechanisms could be used or combined to support employee understanding.

3.5 ECG Tasks: Expectations of the pieces of work an employee is expected to complete is expressed in terms of local expectations, divisions and teams. Work priorities, tasks and deliverables are often clearly explained within position descriptions at the recruitment stage however if the remit of a role has changed since that time employees may feel the need to seek clarification about what they are being asked to do. If this is the case, a manager may choose to refresh or review a position description and (depending on the scale of the changes proposed) should ensure that it is done in accordance with their employer agreement requirements for consultation. As part of their ongoing performance management and development practices some managers choose to use employee-maintained work-plans to ensure their staff have constant clarity about what they are being asked to achieve. Other managers use informal regular 'catch ups' about the progress of projects to great effect. As well as the formal performance appraisal documentation; these are examples of effective ways to set expectations of employee performance as it relates to deliverables, tasks or work projects.

¹ As stated in the ECG Code of Conduct and *Our Values and Signature Behaviours*.

- 3.6 ECG Behaviour: As defined by the ECG conduct: expectations of conduct and behaviour are the same at a general level for everyone who is considered an employee. The general obligations of ECG employees are set out in the Code of Conduct and Values and Signature Behaviours. Many ECG areas have chosen to localise these further and have spent time developing them with their employees. Some teams across the ECG have chosen to express their agreed signature behaviours through team conduct charters. Other managers may feel that talking individually to an employee and incorporating work-related behaviours into the annual performance appraisal is a useful approach to test understanding and develop high performance. These are all effective ways to set expectations of performance relating to conduct and behaviour.
- 3.7 ECG Skills: Expectations of the knowledge and skills that an employee should have, or should develop, is already articulated in a number of ways across the ECG. Requirements relating to employees in certain roles mean that some skills and knowledge, such as qualifications, are mandated by law. For these employees' managers; ways of articulating their expectations of the skills and knowledge of these employees (and addressing them if they fall short) will be built in to clinical supervision frameworks, recruitment practices and registration renewal processes. For other ECG employees, whose skills and knowledge requirements are not so strictly defined, the way of setting expectations of skills and knowledge required for a role is often done at the recruitment stage through position descriptions or work level standards. As time passes a manager or employee may wish to review that documentation to ensure its currency. Issues may arise during the usual course of employment which prompt an employee to informally let their manager know that they feel the need to develop their level of knowledge or skill in a certain area. During performance appraisal discussions agreements can be made about what skills an employee may need to develop to perform well in the role. These are all effective ways to set expectations of work performance relating to skills and knowledge. The Performance Framework is closely linked to learning and development particularly as it relates to skills and knowledge. Using performance management and development practices, managers should identify gaps in an employee's skills and knowledge and support improvement through learning and development (which should not be limited to formal training).

4. HOW DOES IT WORK?

4.1 Good quality informal feedback and dialogue

- 4.1.1 Effective, informal feedback and discussion of performance is critical for forming a sound understanding of expectations and building resilient working relationships within teams and between managers and their staff.
- 4.1.2 Managers and supervisors have a primary responsibility for making informal feedback and dialogue successful in their workplaces.
- 4.1.3 Continuous performance dialogue takes many forms within workplaces. Examples include ad-hoc workload discussions, 'team values' meetings and conversations about 'how did you think that went?'. Discussion topics could include, but not be limited to, behaviour, skill and task elements.
- 4.1.4 *The big picture*: Supervisors and managers have a responsibility to engage and inspire employees by explaining how their work fits into 'the big picture'. Informal discussion is an ideal opportunity to introduce teams to the way their performance links into broader organisational goals. It builds a sense of collective achievement and accountability as individuals understand how their performance impacts on the achievements and reputation of the team and broader organisation.
- 4.1.5 *Factors affecting employee performance*: In order to work effectively, each employee requires a clear understanding of what is expected of them and how they are progressing towards meeting these expectations. Informal feedback and discussion is an effective way of achieving these aims and gives the employee a chance to respond to and address any concerns at an early stage.
- 4.1.6 Informal performance management and development discussions should respond flexibly to the needs of an individual employee or team. Issues such as health, finances, relationships in (and outside of) work, workplace safety, wellbeing needs and communication style preferences all impact on work performance. Informal discussion and 'approachability' is the best way for managers to become aware of these issues and support employees to maintain their performance.
- 4.1.7 Where a performance issue or potential issue is identified, this should be discussed with the employee as soon as possible. An initial informal discussion is often an effective means of drawing the issue to the employee's attention and enabling open discussion.

4.1.8 Employees contracted on a casual basis or for a period of less than three months are not required to undergo formal, documented performance appraisal. It is recommended that, for these employees, expectations are clearly set and achievements are recognised through good quality feedback. This will enable casual employees to gain the same benefits from performance management and development as other employees.

4.2 Performance Appraisal (Formal feedback)

4.2.1 Performance appraisal is the process by which an employee's performance is *formally* assessed over a set period of time, usually a twelve-month period. It provides a record of the agreed goals, exchange of feedback and discussion of between managers and employees achievement and areas for improvement.

4.2.2 Team Performance Plans are a suitable way of setting work expectations and assessing the performance of employees where there is a large team with a high staff to manager/supervisor ratio. The principles of the ECG Performance Framework apply to team-based performance planning and appraisal.

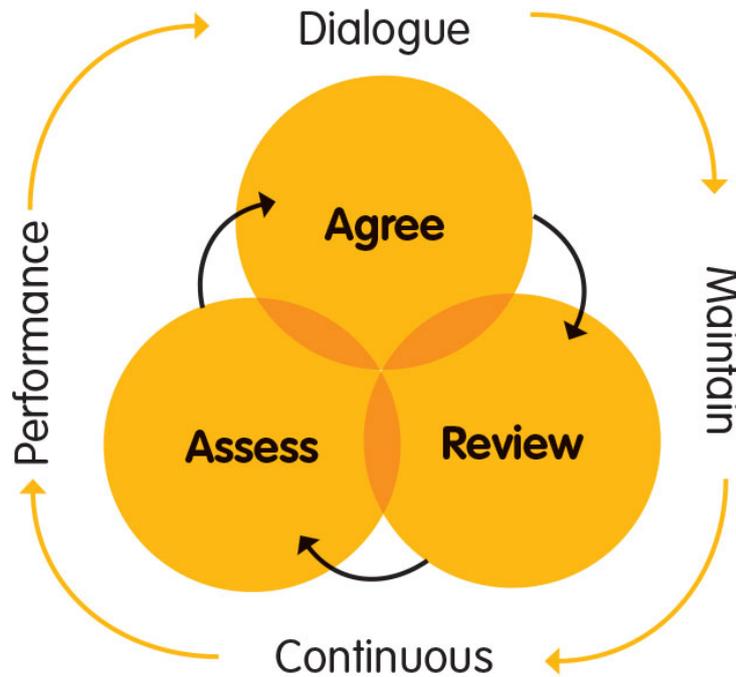
4.2.3 Performance appraisal will only be successful if feedback and informal performance discussion has occurred throughout the period covered by the formal appraisal.

4.2.4 Formal performance appraisal meetings should not introduce new or surprising feedback issues. Performance appraisal cannot be conducted in the absence of continuous feedback and dialogue on performance. Feedback, positive or negative, should not be 'stockpiled' for performance appraisal meetings.

4.2.5 The following process should be conducted by employees and their supervisor/manager in a formal manner, with records kept and signed by both:

- *Agree* - Goals for individual employees or teams should be set and agreed. Discussion should take place as to how the employee or team's performance fits into broader team, area and company commitments. Performance appraisal goals should be constructed around the three themes of; conduct and behaviour, skills and knowledge and pieces of work, projects or tasks;
- *Review* - A review of progress towards agreed goals should take place after a reasonable time has elapsed so that achievements to date can be acknowledged and/or work can be redirected or refocussed if necessary;
- *Assess* - A final appraisal meeting should be conducted after a reasonable period following the review. Formal feedback should be given at this point relating to

whether the employee or team has met the goals contained in their agreement. The appraisal process should then begin again.



4.2.6 ECG Performance Appraisal template documents are available for use. They are deliberately simple to assist clarity. The templates are intended as best practice examples that can be tailored by each manager for use with individual employees and teams if desired.

4.3 Flexibility

4.3.1 The ECG Performance Framework provides flexibility to respond to the individual circumstances of an employment situation. Because of the highly diverse nature of employment, a 'one size fits all' approach will not be as effective as one that can be customised to suit individual areas, teams, work patterns and individual employees.

4.3.2 Supervisors and managers are responsible for finding a way to hold good quality feedback conversations with the employees in their teams. It is acknowledged that this may be difficult in some situations, for example, international staff and managers may need to find alternate means of communicating if regular face to face communication is not feasible.

4.3.3 Employees have an equal responsibility to work with their manager to participate in and contribute to feedback and performance discussion that is appropriate for their situation.

5. GOVERNANCE

5.1 Company directors are responsible for issuing principles and guidelines for the ECG Performance Management Schemes and ensuring appropriate monitoring and assistance to managers in the implementation of Performance Management Schemes.

5.2 Company directors are responsible for implementing the ECG Performance Framework and delivering it in a way that is consistent with the principles contained within the ECG Performance Framework policy and this Guidance Statement. This means:

- ensuring that continuous performance dialogue is practiced across the organisation; and
- ensuring performance appraisals are conducted fairly, consistently and appropriately.

5.3 Human Resources teams within Directorates have a role and responsibility to assist all Managers and Supervisors to build their capability to maintain reasonable, effective and appropriate performance management and development practices in line with the principles detailed in the ECG Performance Framework Policy Statement and this Guidance Statement.

5.4 Review and evaluation of the ECG Performance Framework's application must take place every three years.

6. REPORTING

6.1 Senior managers are responsible for recording whether performance management and development appraisals have been completed in their area.

6.2 This quantitative information will be:

- gathered centrally and used to identify areas of strengths and weakness across the organisation, for recognition or improvement; and
- used with ECG and its areas to inform ongoing implementation, improvement and development of the ECG Performance Framework.

6.3 Qualitative data on the impact of performance management and development, particularly concerning the value of regular feedback and performance discussion, will be

gathered via employee satisfaction surveys. Questions will measure how the ECG approach to performance management and development affects employee engagement and how satisfied employees feel with the level of performance support they receive.

6.4 This qualitative information will be:

- used within areas to identify areas of good practice and areas where performance management and development can be improved and act on this information; and
- used by company directors to inform policies and strategic HR for the ECG.

