



## **Reform of Australian Government Administration: Building the world's best public service**

Submission to the Advisory Group on Reform of Australian  
Government Administration on Performance Leadership

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## 1. Introduction

I have read the Discussion Paper with great interest and welcome the opportunity to make a submission.

The focus of my submission relates to leadership within a performance management context. The discussion paper poses the question, 'what is required for high performance among SES in the future' and it responds by listing four domains of excellence. One of these is having 'well calibrated performance management frameworks that ensure that the policy-work of the APS supports the priorities articulated by government and rewards collaboration, creativity and investment in organisational capability'.

I also noted a quote from a recent speech made by Terry Moran at the Commonwealth Association of Public Administration hosted by the APSC; 'We need to harness the community sector's strengths – flexibility, innovation and connectedness – and deploy them within an appropriately rigorous accountability and performance management framework, all in the service of our citizens'.

My concern is that the emphasis on renewal in the area of performance management will be predictably bureaucratic in nature, and focus on making the various performance management ('tick 'n flick) systems more efficient, rather than be focused on performance leadership, especially equipping managers with the right attitudes and skills to drive higher performance among their people and overcome the fear of dealing with feedback.

This submission attempts to respond in part to question 28 listed in the Discussion Paper: 'What skills and capabilities are required to drive efficiency throughout public sector organisations?' It also takes into account the results of the APS Staff Satisfaction Survey which indicates that less than half of employees agreed that their agency was well-managed.

## **2. Background**

I have been involved in the design and implementation of performance management systems for over 25 years and have studied the area extensively, and have found that sound performance management is stubbornly elusive.

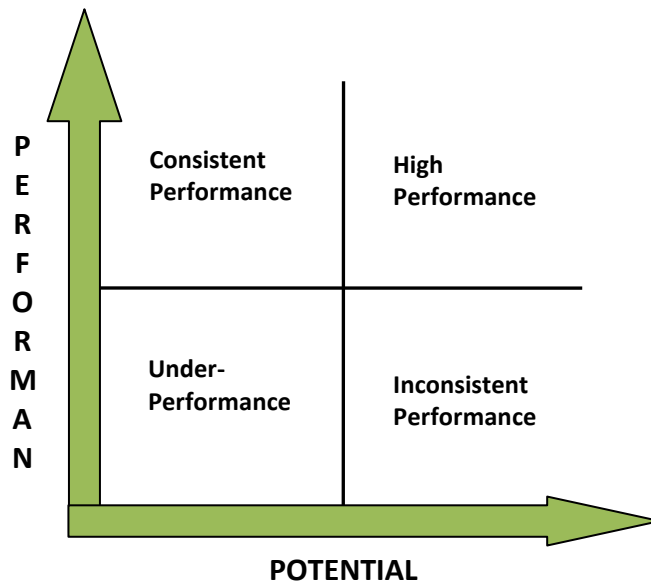
My experience is that apart from issues relating to the performance appraisal process, employees have issues around the following matters; a perceived absence of backing from their Department when dealing with difficult performance issues; inadequate skills and confidence among managers for conducting performance related conversations; limited corporate support and advice available to cope with unsatisfactory performance issues; and, a lack of commitment from some senior managers to make it work.

There is often a measure of dislike around performance management. A major reason is that performance management is dominated by underperformance concerns and the twice-yearly formal performance appraisal process – these are generally perceived as unpleasant management chores and distract managers from the ‘main game’. However, it need not be like this if performance management is treated as a high level leadership capability.

## **3. Performance Leadership**

The First step is to change the language and culture around performance management activities by connecting them with good leadership practice. Performance leadership is about developing the skills and confidence necessary to conduct meaningful conversations in order to build relationships, agree career and personal development plans, do coaching, and work on issues before they become major problems. The focus should be on building high performance and retaining top people, as well as dealing with underperformance.

In most organisational settings, four main types of performance exist to varying degrees, as set out in the performance/potential diagram below.



The PERFORMANCE axis relates to performance compared against the goals and key performance indicators for the role. The POTENTIAL axis relates to a capacity to work effectively in a higher or more complex role. The challenge for managers is that each type of performance requires different and distinct leadership.

#### 4. Partnership Approach

A key outcome of any performance leadership program should be on creating a new approach to managing performance, where the employee and manager develop a partnership built on trust and a genuine desire to help each other grow and develop, rather than being based on an un-equal top down, boss-subordinate arrangement.

Moreover, HR staff, managers and the department need to work in a collaborative way to achieve positive outcomes for the performance leadership program. HR should provide the knowledge around the process as well as advising and counselling managers about preparing for and conducting difficult conversations. Managers will retain overall responsibility for achieving good performance outcomes as well as maintaining good employee relations. The department will need to provide resources plus appropriate levels of interest, encouragement and support.

## **5. Recommendations**

In order to establish balance between the various elements of the performance management function, and to allow leadership practice to take its rightful position, three separate but linked domains or pillars need to be established – Performance Development, Performance Appraisal, and Formal Underperformance. These three pillars are separate but linked activities, each playing an important role in the overall performance management program.

The Performance Development domain should be the cornerstone of the framework and focus on the skills and support for building relationships through meaningful conversations; and, setting and implementing goals around performance and personal improvement.

It should focus on equipping managers with the skills and confidence to maximise the performance of all their staff as well as deal with underperformance issues. To ensure effective skills transfer and the application of those skills in the workplace, a blended development approach is recommended including facilitated small group workshops, structured individual workplace actions, peer co-coaching and ongoing self managed action learning groups.

The emphasis on the Performance Appraisal system should be on going continuous improvement to maintain a simple and easy to use process, and provide participants with the knowledge and skills needed to apply the tools.

Most managers have difficulty developing and retaining the skills required to deal competently with complex underperformance problems. Therefore, it is proposed that a small specialist unit be set up within HR to help managers with Formal Underperformance. This unit will provide timely expert advice once formal procedures are required. The manager will retain overall responsibility for achieving a satisfactory outcome.

## **6. Conclusion**

De-coupling performance development activity from the performance management system, and building leadership skills, are important aspects of effective performance management necessary to build the world's best public service. Other key principles are listed below:

- Clarifying and communicating the needs and benefits for sound performance management for the individual and the department
- Linking it with organisational and individual goals
- Having senior management model best practice
- Providing managers with the confidence and skills to conduct effective performance conversations
- Providing adequate corporate support for managers to deal with underperformance
- Reinforcing good performance management practice and responding to bad practice.