



Tasmanian Audit Office

Employer Audit – Performance Management in the Tasmanian State Service: A focus on quality conversations

Report of the Auditor-General No. 7
of 2018-19



Objective

To evaluate the effectiveness of the performance management in the Tasmanian State Service with a specific focus on the ***effectiveness of performance and development conversations between managers*** (including supervisors) ***and employees*** that form the basis for providing and receiving feedback.

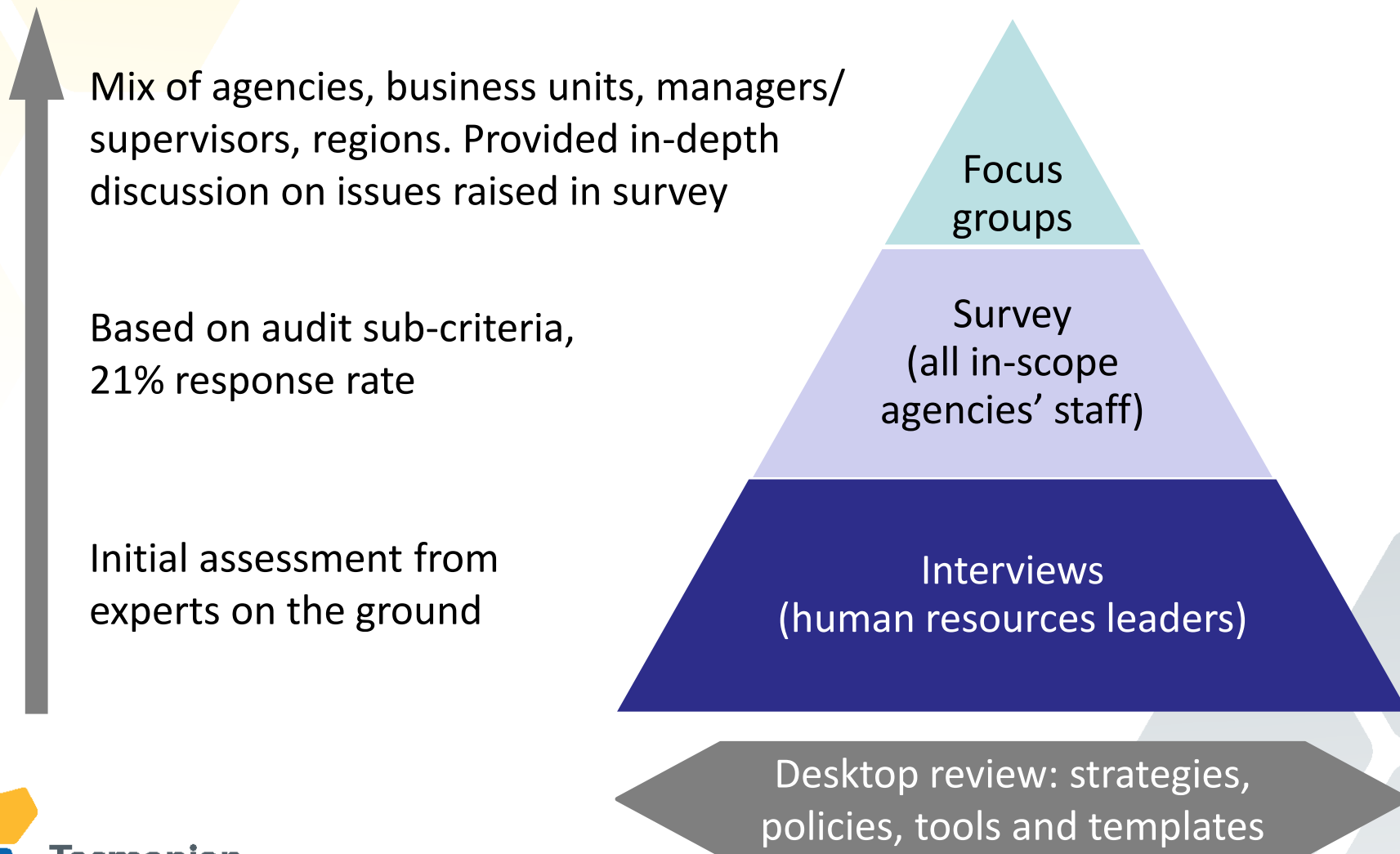
Scope

- Covered the following agencies:
 - Department of Communities Tasmania
 - Department of Education
 - Department of Health
 - Department of Justice
 - Department of Premier and Cabinet
- This accounted for approximately half the number of Tasmanian State Service employees.

Framework

- Existing model – Employment Direction 26 - *Managing Performance in the State Service* (ED 26)
- This was not a compliance audit against ED 26, as it is currently under review
- The Auditor-General formed an opinion through seeking feedback on quality of conversations, as well as the broader framework through a staged methodology.

Audit Approach



Audit Criteria

Is there a shared understanding between managers and employees on the purpose of performance and development conversations?

Are managers and employees equipped to engage in performance and development conversations?

Is there shared ownership and accountability for the performance management process?

Do employees and managers engage in quality performance and development conversations?

Are the principles and foundational elements of the broader performance management framework effective?



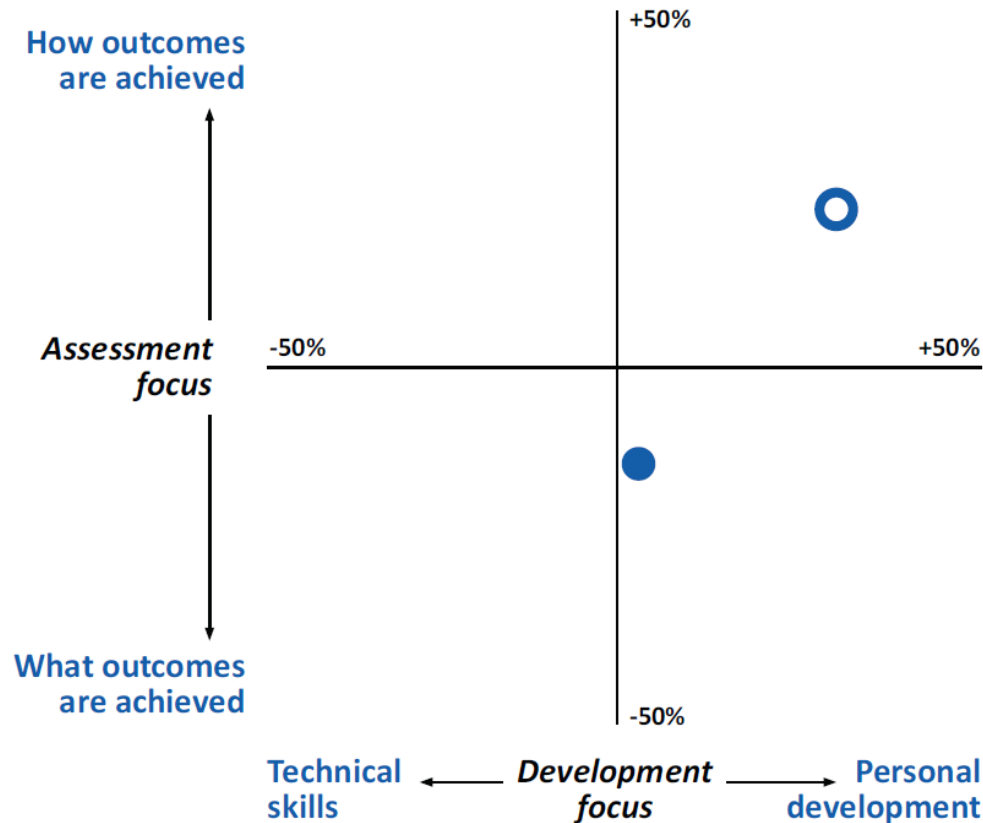
Findings

1. Is there a shared understanding between managers and employees on the purpose of performance and development conversations?

- Managing performance and managing development seen as distinct exercises
- Perception by employees that performance management means managing underperformance
- Disconnect between managers and employees over the emphasis on either **how** outcomes are achieved, or **what** outcomes are achieved

Findings

Predominant focus of performance and development conversations:



Is the **development** focus on **technical skills** or **personal development**?

○ Managers +30% focus on <i>personal</i> development	● Employees +3% focus on <i>personal</i> development
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27% differential

Is the **assessment** focus on **how outcomes are achieved** or **what is achieved**?

○ Managers +22% focus on <i>how</i>	● Employees -14% focus on <i>what</i>
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36% differential

Findings

1. Is there a shared understanding between managers and employees on the purpose of performance and development conversations?

- 62% of survey respondents agree that performance assessments consider behaviours and capabilities
- Employees motivations:

What motivates you to go the 'extra mile'?

Least motivating:

- Public recognition
- Private recognition
- Monetary reward

Most motivating:

- Ownership of tasks
- Help my team
- Serving my community
- Learning something new

Findings

2. Are managers and employees equipped to engage in performance and development conversations?



59%

of respondents agree that
'performance and development conversations
with my manager are useful'

Assessment of effectiveness is low

with only a few employees and less than
half of managers agreeing that
'these conversations are effective'

28%

Employees

42%

Managers

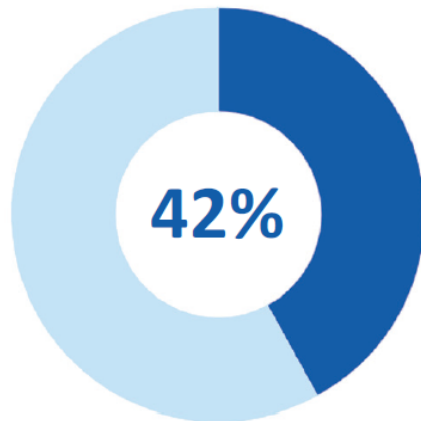
- Agencies generally not assessing the effectiveness of conversations, focus is on whether they took place

Findings

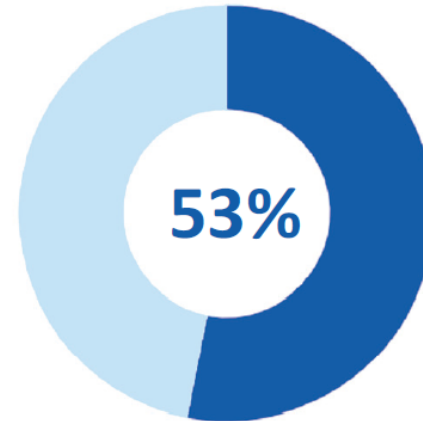
2. Are managers and employees equipped to engage in performance and development conversations?

- Training materials developed separately by agencies, and therefore not consistent

Percentage of employees who agree:
'I have access to, and use, coaching
and training materials that build the
skills I need for performance
management activities'



Percentage of managers who agree:
'I have access to, and use, coaching and
training materials that support me to
drive meaningful and constructive
conversations with my team'

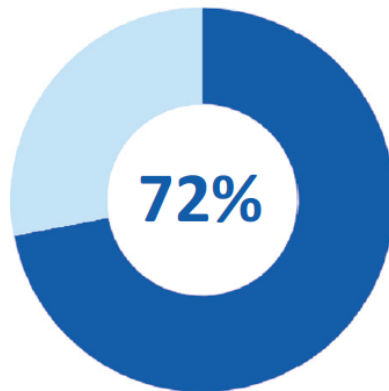


Findings

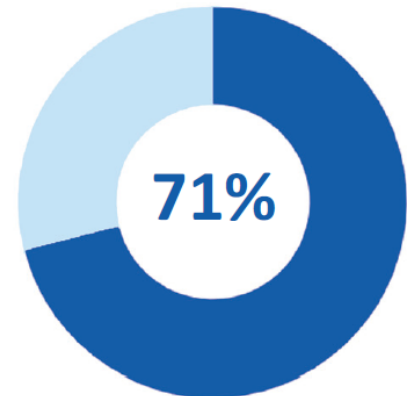
3. Is there shared ownership and accountability for the performance management process?

- Two key foundational elements are in place:

Percentage of employees who agree:
'I am responsible for my performance management'



Percentage of employees who agree:
'I consider my performance objectives in my day to day work'



Percentage of **employees** that agree:
'I feel comfortable asking for feedback'



Percentage of **managers** that agree:
'My team feels comfortable asking for feedback'



Findings

3. Is there shared ownership and accountability for the performance management process?

- Performance outcomes cannot always be relied on to determine salary progression due to perceptions of unfairness, rigid focus on templates, methodology not supportive of a personal approach and inability to influence tangible outcomes
- Although it was generally found that conversations do result in agreed actions, the follow up of those actions was not considered effective

Findings

4. Do employees and managers engage in quality performance and development conversations?

- Mixed evidence of explicit reference to fairness within agency performance and development policies
- Time and capacity impact on conversations:

Percentage of **employees** that believe frequently:

**'Employees do not have the time
or capacity'**



Percentage of **employees** that believe frequently:

**'Managers do not have the time
or capacity'**



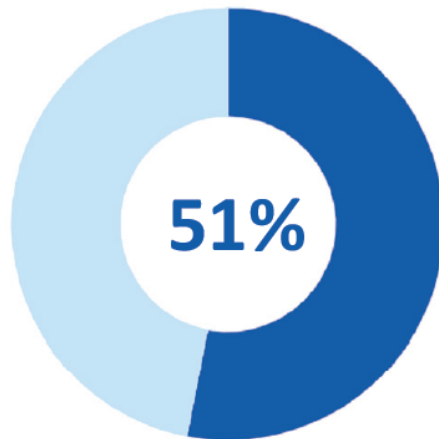
- Two-way feedback was not embedded in the performance and development process

Findings

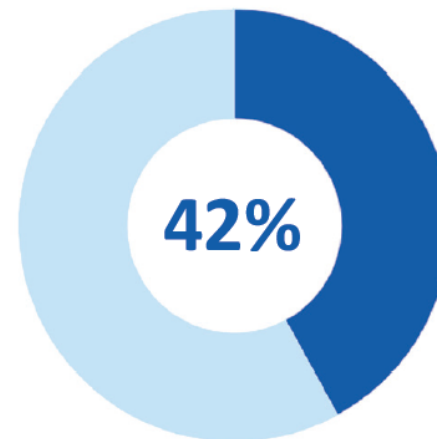
5. Are the principles and foundational elements of the broader performance management framework effective?

- Focus on compliance rather than employee development

When asked to best describe performance management at their agency the percentage of employees who chose the phrase:
'A compliance exercise'



When asked to describe the biggest barrier to performance management the percentage of employees who chose the phrase:
'The focus is on compliance rather than employee development'



Findings

5. Are the principles and foundational elements of the broader performance management framework effective?

- Managers believe performance and development conversations are occurring more frequently than employees do
- 80% of employees agreed conversations were occurring more than annually
- Difference in perception between managers and employees in what constitutes a performance and development conversation

Audit Conclusion

Foundational elements are in place for agencies to conduct performance and development conversations.

The framework is partially effective but requires a greater investment by agencies in policies, training, technology and quality review to remove current barriers to achieving more effective performance and development conversations.

Recommendation

That each agency undertakes a **self-assessment** against the possible agency responses listed in this report, to establish a clear understanding of the extent to which activities are already being undertaken within the agency, as well as whether that response is appropriate for their needs.

Once the self-assessment is complete, agencies should each develop a **plan for implementation** that links to their own level of organisational maturity and complexity and takes into account their resourcing priorities.

Comments received

Secretary DPAC, on behalf of all audited agencies

I was pleased to note that the Report focuses on improving quality conversations and our overall approach to performance management, rather than focusing on compliance with the current performance management procedures.

The Report provides a performance audit on the effectiveness of performance conversations between managers and employees that form the basis for providing and receiving feedback. The Report therefore provides an opportunity to advance the maturity of agencies' approach to performance management.

