PURPOSE
This policy explains the Ministry’s approach to performance management. Performance management is an ongoing process of planning, feedback and review, underpinned by regular communication between an employee and their manager.

POLICY STATEMENT
Performance management ensures that our individual efforts, actions and behaviours are aligned to the Ministry’s strategic direction. It ensures employees and their managers have a common understanding of what is expected throughout the year, and that ongoing communication, coaching, and development enables employees to meet those expectations.

SCOPE
This policy applies to all permanent employees, and fixed term employees (minimum term 12 months).

OUR POLICY

Overview
- Performance management is a collaborative, two-way process between an employee and their manager. There are three phases to our approach to performance management; planning, feedback and review.
  - In the planning phase, employees and their managers should establish a common understanding of expectations for the year ahead.
  - In the feedback phase, employees and their managers should have regular discussions about progress against objectives and any training or development required.
  - In the review phase, employees and their managers should discuss and review how actual performance measures up to what was planned and expected. It should be a summary of the ongoing coaching and feedback discussions.
- This policy should be read in conjunction with other guidance on managing performance at the Ministry, which has been developed to help managers and employees gain value from engaging in the process.

Performance and development plans
- All employees should have a performance and development plan (PDP) that records their performance expectations for the performance year.
- PDPs should be set by the end of quarter one of the performance year (30 September). New employees should have a PDP set within three months of starting at the Ministry.
- A PDP is a ‘living document’ that should be reviewed throughout the year as part of regular performance conversations. It outlines what is to be achieved (objectives), how it is to be achieved (behaviours) and agreed development actions.
- Performance review discussions (including at the end of the year) use the PDP to measure what has been achieved, and the standard to which it has been achieved.

End of year performance review
- The purpose of the end of year performance review is to provide a ‘wrap-up’ of how achievements were met as compared with what was planned and expected, based on objectives outlined in the PDP. The performance review should be completed in line with the annual performance management timelines released each year.
- Both the employee and their manager should prepare for the performance review meeting by reflecting on achievements.
Following this discussion and final assessment of how performance achievements compared to expectations, managers should select an initial performance rating for their employee. This initial rating will form part of moderation discussions for the business group.

Performance ratings are discussed with the employee only after moderation has been completed.

Moderation

Moderation is the process designed to assist managers, business groups and the Ministry achieve consistent and robust application of the performance assessment process and performance ratings.

Moderation meetings happen at the end of the performance year. Managers within the same Business Unit or Group are required to attend moderation meetings to ensure that the Ministry is making consistent, evidence-based decisions to accurately assess performance in all roles, teams, levels, regions and business groups.

All performance ratings are subject to moderation and the final set of ratings across the Ministry are signed off by the Strategic Leadership Team (SLT).

Appeals

If an employee and their manager are unable to agree on the outcome of the performance review and rating, a review may be undertaken.

A review may be lodged on two possible grounds: (1) procedural (ie that the process followed in the review was unfair) or (2) substantive (ie that the outcome of the performance review and rating is inconsistent with the available evidence).

As a first step when the employee is advised of their final rating, they should discuss their grounds with their immediate manager and try to resolve the matter informally.

If an employee is unable to resolve the matter informally, a formal review process may be undertaken. A formal review must be lodged in writing with their manager’s manager within 10 days of receiving the letter. The results of the review will be made known to the employee within 10 days of receipt unless significant new information needs to be considered.

Timeframe

The performance year is from 1 July to 30 June each year.

PDPs should be set by the end of quarter one (30 September). New employees should have a PDP set within three months of starting at the ministry.

Performance discussions are held regularly.

End of year performance reviews should be completed in line with the annual performance management timelines released each year by People and Performance.

RESPONSIBILITIES

Manager

Ensure performance expectations have been discussed with all direct reports and the associated PDP agreed and documented by 30 September each year (or within three months of a new employee’s start date).

Ensure regular feedback and coaching discussions are held with direct reports throughout the year. Structured discussions should reflect on progress toward expectations and any training or development required and should occur on a regular basis.

Provide direct reports with constructive feedback that enables them to enhance performance, and where necessary, improve performance.

Conduct an end of year performance review with each direct report and determine an initial performance rating.

Contribute to moderation discussions in their business unit and/or group.

Retain an electronic copy of the PDP for each of their direct reports.
Employee

- Actively contribute to their own performance and development, including developing their PDP, and having regular discussions with their manager.
- Proactively raise concerns or issues that have the potential to impact on their ability to perform including any training or other support required.
- Self-monitor performance against PDP and keep their manager informed about successes and achievements as they arise.

People and Performance

- Ensure any changes to the PDP template, guidelines or policy are communicated to all Ministry managers and employees.
- Ensure training on managing performance is available to managers.
- Ensure timeframes are communicated clearly.

DEFINITIONS

Behaviour
This refers to the ‘how’ of performance and includes the interactions and conduct that are critical to achievement of objectives.

Development goal
These are goals focused on personal development. They may have a focus on improving performance in a current role or preparing for a future role.

End of year performance review
An end of year performance review assesses how actual performance measures up to what was planned and expected, based on objectives outlined in the PDP and progress discussions during the year.

Moderation
Moderation is the collective process of reviewing end of year performance ratings to ensure fair and consistent ratings have been applied to employees across business units and groups.

Performance and development plan (PDP)
A PDP is a document that records an employee’s performance objectives, behaviour expectations and development goals. It is a ‘living document’ that should be reviewed throughout the year as part of regular performance discussions.

Performance measure
A measure is something that will provide evidence on whether a performance objective has been achieved. Measures could relate to quality or quantity.

Performance objective
This refers to the ‘what’ of performance and are the deliverables that need to be achieved.

RELATED POLICIES, PROCEDURES AND LEGISLATION

- Performance and development plan (PDP) template
- PDP FAQs
- Manager guideline: setting performance objectives

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<th>Human Resources Business Partner</th>
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