



Cheshire Ireland Performance Management and Development System

“In the final analysis, it will all come down to the calibre of your staff and the relationships they establish with the residents”

(Leonard Cheshire, 1981)

Cheshire Ireland

Performance Management and Development System

Foundation of the Process

Cheshire Ireland published its most recent strategy statement, Developing Quality – Promoting Choice, in July 2003. One of the key strategic result areas (SRA) within this strategy aims to develop and keep a skilled and motivated workforce through positive and proactive human resource management throughout the organisation. Within this SRA the following objectives are detailed:

- **Ensure all Cheshire management and other staff in leadership roles have the core competencies to perform their current and future roles effectively**

Effective Cheshire service provision is critically dependent on the role played by skilled and knowledgeable managers and supervisors and other staff at team, service, regional and national levels. This objective is concerned with ensuring that, in the first instance, all employees in leadership positions have the core competencies required in their roles with Cheshire.

Supporting actions:

- *Define the core competencies at each management & supervisory level.*
- *Put in place a development plan to address identified gaps.*
- *Integrate management development with appraisal & objective setting for all employees in leadership positions.*

- **Develop & implement a standard performance management & development scheme covering, initially, all management and other employees in leadership positions**

Management of individual performance is critical to each employee's success in their individual role. A focus on development ensures employees have the skills, knowledge and ways of thinking which are critical to their roles. This objective aims to ensure all Cheshire employees in key roles are clear as to performance expectations and have the required training and development supports available to them.

Supporting actions:

- *Research current models of performance management and development.*
- *Adopt a suitable model and adapt, as necessary, for use within Cheshire.*
- *Communicate the performance management & development scheme and deliver required training.*
- *Implement the scheme, initially, for all employees in management and leadership roles. Extension to all other employees on a rolling basis.*

Thus, this Performance Management and Development system sets out to meet the objectives as set out above in the strategy statement.

Defining Performance Management

Sparrow and Hiltrop (1994; 553) define performance management as a strategic management technique “which links organisational objectives and strategies to individual goals, actions and performance appraisal through a defined process”. They identify the important feature of an effective performance management system as its ability to be seen as a method of continuously securing improvements in the performance of teams and individuals against predefined business objectives.

This definition is very much in line with the HSEA’s definition of a performance management system as “a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors” (HSEA, 2003; 4)

Performance Management and Development for Cheshire Ireland is a broad term to describe the way an individual's work performance, career and development needs are managed. Performance Management and Development can be seen as a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing the performance and development needs of people that increases the probability of achieving success.

The goal of the performance management and development system is to contribute to continuous improvement in performance across Cheshire Ireland by aligning individual and team performance with the strategy and objectives of the organisation, through greater clarity in setting goals and related performance targets for individuals, and monitoring progress in their achievement. It also provides a context in which the development needs of job holders can be addressed. It allows the organisation to manage its resources within a strategic framework and achieve more effective performance.

STAGE 1**IMPLEMENTING THE PERFORMANCE MANAGEMENT
AND DEVELOPMENT PLAN**

The first stage of the Performance Management and Development process involves completion of the Performance Management and Development Plan document . This requires discussion between the line manager and the job holder which identifies his/her role and contribution to the implementation of the Cheshire Ireland Strategy objectives and other relevant standards within their service area. While in some cases it may be possible to use a generic job description/role profile, in all cases it will mean each job holder and his/her manager discussing and agreeing on a personal performance plan.

There is no one 'right way' to do this and it will require some effort and time to get it right. However, the quality can be greatly improved if some time is spent thinking about how it will be tackled and if managers create an open and supportive climate which promotes two-way communication and builds rapport.

There are three key steps in completing the Performance Management and Development Plan.

STEP 1: FOCUS ON THE JOB!

Set the key result areas and goals for the year. This will involve four elements:

1 *Establish the purpose of the job*

In the light of the objectives in the (i) Cheshire Ireland Strategy, (ii) what service users expect from the job, and (iii) other organisational and national standards and policies, it is important that the jobholder clarify the contribution his/her particular job makes to achieving the goals of the organisation, both at individual and team level. It is crucial there is shared understanding between manager and job-holder.

The job purpose links the three elements above to the job holders role at an individual level and clearly outlines how the job fits into the bigger picture of Cheshire Ireland's overall strategy.

This section asks the individual to consider the purpose of their job and to think about the contribution it makes to achieving the service's goals at individual and team level. The job purpose is a brief statement of why the role exists. What is the overall contribution the job makes i.e. what "business needs" does it serve. How does this job contribute to outcomes for service users? The job purpose should be no longer than 5/6 lines.

2 *Identify Key Result Areas*

The Key Result Areas (KRA) are specific performance areas where results are required. Key result areas will be discussed and agreed with the manager. Remember to ensure the KRAs are in line with the broader organisational direction. The key result areas identified must reflect the key priorities for the service and the organisation for the coming year.

The KRAs will be identified from the key strategic areas of the Cheshire Ireland Strategy, the 7 sections of the Draft National Quality Standards for Residential Services for People with Disabilities and/or the 10 areas of service delivery in the Basic Assurances Framework. In all cases KRAs will clearly impact outcomes for service users.

3 *Identify Goals*

Each KRA will be broken into goals. Goals are general in nature and represent the broad final result that you wish to achieve. Goals

will relate to the actions of the Cheshire Ireland Strategy, the standards of the Draft National Quality Standards for Residential Services for People with Disabilities and/or the goals in the Basic Assurances Framework.

4 *Identify Objectives*

The objectives set out the main results the job holder is expected to achieve within the Performance Management and Development cycle (usually 1 year). Objectives are detailed in nature and represent a clear statement of specific expectations. Each goal of the KRAs will have a number of specific objectives for the job holder. These objectives will directly relate to outcomes for service users, and to the Cheshire Ireland Strategy, Draft National Quality Standards for Residential Services for People with Disabilities and /or the Basic Assurances Framework. This is an opportunity for the manager and job-holder to agree objectives and clarify the standard of performance required.

A participative approach to objective-setting builds commitment and facilitates discussion relating to support required, interdependencies and resources.

To be effective objectives should be **SMART**:

- **Specific** – and clear
- **Measurable** – in quality and quantity where possible
- **Achievable** – but stretching, providing stimulation and challenge
- **Relevant** – to the key objectives of the service and the organisation
- **Time bound** – i.e. to be achieved within the agreed timeframe.

Appendix 2 outlines the use of SMART objectives and will be of assistance here.

5 *Establish the Critical Success Factors that influence the achievement of objectives, and what can be done to respond to them*

In this section the job holder identifies the key elements which must go right/must be in place for him/her to achieve their objectives. References may be made to challenges and/or opportunities, which need to be addressed in the course of the year. This affords the manager and job holder the opportunity to consider the key links and interdependencies with other services/organisations which could be critical in achieving success in the objectives.

When identifying the Critical Success Factors the job holder should look at how they can influence these so as to best achieve their objectives.

Where barriers that hinder effective performance are identified, the jobholder should examine how they intend to address them.

STEP 2: FOCUS ON THE PERSON!

Identify the competencies required to be effective and achieve results.

Cheshire Ireland's strategy for strengthening performance management and development adapts from a management competency framework developed by the Office for Health Management and was developed originally for managers at Grades IV to Senior Management. For Cheshire Ireland structure this equates to levels of management from team leader/co-coordinator senior management. Please refer to the Management Competency User Pack.

This competency framework was developed through widespread consultation, and identifies a comprehensive outline of the necessary management skills and attributes along with indicators of more and less effective performance for each competency to assist in development planning.

To cope with the diversity of management roles, the competency framework is presented in a highly flexible format that requires managers to tailor it to their individual circumstances.

Competencies are defined as a complex set of measurable behaviors consisting of knowledge, skills, and attitudes that can be shown to predict and measure effective performance (Parry, 1998). The competency framework comprises of 14 competencies clustered into 4 principal and interrelated domains of:

- Managing the Service
- Managing People
- Managing Yourself
- Managing Change.

The specific competencies defined in each domain are shown in the Tables below.

Managing the Service

1.	Knowing the Service and how it works
2.	Planning and Managing Resources
3.	Evaluating Information and judging situations
4.	Setting standards to be proud of
5	Delivering quality and fairness for service users

Managing People

6.	Influencing people and events
7.	Managing individual performance
8.	Being the communication channel
9.	Creating team spirit
10.	Supporting personal development

Managing Yourself

11.	Being a Role model
12.	Maintaining composure and quality of working life

Managing Change

13.	Integrating the service
14.	Embracing the change agenda

Management Level

Each of the fourteen competencies above is defined by indicators of more effective performance behaviors that result in positive individual, team, service and organizational outcomes, and indicators of less effective performance behaviours which would indicate areas requiring development for the job holder.

Each of indicators for the fourteen competencies is individually defined for 4 different levels of management:

(1) Coordinator/ Team Leader/ Assistant Manager (defined by Grades IV,V,VI in the competency framework)

(2) Service Manager (defined by Grades VI, VII, VIII in the competency framework)

(3) Regional Manager / some Central Office management grades (defined by Grades VIII & General Manager in the competency framework)

(4) The Senior Management team.

It is important that each job holder agree with their line manager the level of management competency they will work from.

Selecting Competencies

This step of the Performance Management and Development process involves identifying, prioritising and agreeing the competencies that hold most importance in your current situation to successfully accomplish a job or role. Since jobs and roles vary, so do the competencies which matter most. From a practical viewpoint, the emphasis in this first year of the process will be on introducing people to the approach to competencies and identifying 3-4 key behavioural competencies which are required to be effective in the job. These will be built on and added to in future years.

Job holders should use the following steps to select the competencies appropriate to their role:

- Agree with their manager the level of management competencies best suited to their role (e.g. Coordinator, service manager, regional manager)
- Examine the four domains of competencies and the definitions of the 14 competencies
- Select 3-4 competencies from the 14 outlined that are considered the most relevant to the performance of their job in an efficient and effective manner. Ideally the 3-4 chosen should be from more than one competency domain.
- For each of the 3-4 competencies identified, select the indicator or combination of indicators of effective performance which are necessary to be effective in the job.
- Clarify and agree with the line manager that the indicators selected are appropriate to the job/role.
- Discuss with the line manager the current proficiency in achieving the level of behaviour outlined in this indicator i.e. strengths and weakness in relation to each indicator
- Where there is action needed to help the job holder achieve the required level of proficiency in the selected competency such as training, task assignment, coaching, etc., this should be identified and agreed between job holder and line manager. This is then set out in Step 3, on the following page, the Personal Development and Training Plan.

STEP 3: FOCUS ON DEVELOPMENT NEEDS!**Decide on the training, development (including self development), coaching and mentoring needs.**

By now, each person will have determined what is expected in his/her job and the competencies required to be effective in the job/role. The next key step is to establish how training and development will facilitate the individual to acquire and strengthen the required competencies. This means looking at the personal development requirements which the job holder needs to be successful. These will be incorporated into the personal training and development plan.

This step involves a discussion between the manager and the jobholder, in order to:

- Identify if there is a gap in required competencies which impacts on performance.**

- Identify ways to close the gap**
 - what needs to be done through self development, on-the-job assignment, coaching and mentoring, especially for those competencies which are not readily acquired through formal training e.g. initiative, judgment.
 - how formal training can contribute e.g. through service design courses, management courses.

- Monitor/evaluate through the performance process itself the improvements achieved and the further enhancements to the personal development and training plan that are necessary.**

Where a performance gap is identified, it is important that commitment and time be invested to construct effective development solutions. Most of the training for effective job performance will take place on the job, working with the manager and members of the team.

Job holders at all levels have a reasonable expectation of personal and career development. Managers will actively encourage and support staff in pursuing their aspiration in the context of implementing the Performance Management and Development System. The approach to training will need to deliver planned results, and in allocating resources will need to address priorities and strike a realistic balance between overall organisation needs and the pursuit of personal and career development goals

Personal development goals should be a topic for discussion at each phase of the Performance Management and Development process.

Conclusion

The Performance Management and Development Plan is a working document which should be referred to regularly by both parties, but by the job holder in particular to make sure that his/her performance is moving in the right direction.

It is important to note that plans are **'not set in stone'** and what has been agreed can be reviewed in the light of changing circumstances at any time following consultations between the job holder and his/her manager.

In the event of differing views arising, concerning any aspect of the Performance Management and Development process, the matter will be referred to the appropriate Regional Manager and/or the Human Resource Department for consideration and resolution

STAGE 2

IMPLEMENTING THE INTERIM REVIEW

The second stage of the Performance Management and Development System involves each jobholder and his/her manager assessing progress against the performance plan on an ongoing informal basis and as part of a **formal interim review** meeting. The interim review would ideally be 4 months after the Stage 1 – Implementing the Performance Management and Development Plan. In an average annual cycle the Plan is agreed in January, an interim review occurs in May, an interim review occurs in September and the end of year performance review occurs in December. (It is important to note that this annual cycle is a recommendation and is of course flexible).

This stage utilises the Performance Review Form to identify and document areas that are going well and those which need improvement.

There is no "one right way" to do this and it will require some effort and time to get it right. However the quality will be greatly improved in an open and supportive climate which promotes two way communication and builds rapport which can be developed throughout this process. In particular there should be an opportunity for the individual jobholder to express openly his/her experiences/concerns. The key steps are:

Step 1: Monitor and Review Performance at the Interim Performance Review Meeting.

This step will involve the following elements:

- examination of individual job-holder performance, including as a member of a team, on an ongoing basis against the performance plan.
- Identification of areas where acceptable progress is being made in relation to objectives agreed in the plan and addressing issues that are presenting difficulties in achieving progress and those where additional help may be needed.
- building on the informal monitoring and assessment of individual and team performance and will involve a structured discussion about any gap between actual and desired performance.
- Agreement of a way forward, with the manager offering the appropriate support and encouragement.
- A supportive management style will be important in creating a constructive environment in which to do this.

- In reviewing performance it will be important to identify where additional help is needed and put in place a system to support achievement of results. The personal training and development plan will also need to be reviewed here.

Step 2: Identify any change in goals and/or any change in objectives for the year

For most jobholders there will be no change here. However as part of the review of the process of developing services, the jobholder and his/her manager may find that during the year the performance plan needs adjusting to remain in line with changes in the service. It may be that some new objectives have been introduced or that some objectives become unrealistic or lower in priority and need to be reviewed in line with changing circumstances.

Step 3: Review the development of key competencies

The jobholder and manager review the level of proficiency achieved by the jobholder in each of the 3-4 competencies identified in the planning stage. Review closely the indicator or combination of indicators of effective performance which are necessary to be effective in the job and compare these to the performance of the staff member for each competency.

Where there is further action needed to help the job holder achieve the required level of proficiency in the selected competency such as training, task assignment, coaching, etc., this should be added to the Personal Development and Training Plan.

Step 4: Identify any change in Personal Development Plan

Changes in the goals and/or objectives mean that consequential self development, coaching, and training needs may arise. These will need to be reflected in the personal training and development plan.

Conclusion

It will be important for the manager and the jobholder to consider if they are both satisfied with the implementation of the Performance Management and Development System. Where they are not satisfied the matter will be referred to the appropriate Regional Manager and/or the Human Resource Department for consideration and resolution.

STAGE 3

IMPLEMENTING THE END OF YEAR PERFORMANCE MANAGEMENT AND DEVELOPMENT REVIEW

The third stage of the Performance Management and Development System involves each jobholder and his/her manager undertaking a formal review of performance at the end of the performance cycle.

The quality of the formal review will be greatly improved if managers have created an open and supportive climate, including mechanisms for informing and consulting staff, building on the rapport which has already been developed throughout this process. It is important both parties have adequately prepared for the meeting. In particular there should be an opportunity for the individual jobholder to express openly his/her experiences/concerns.

The key steps in this stage are:

Step 1: Prepare for the formal review meeting

- In order to prepare effectively for the formal review, the jobholder and the manager should confirm, in advance of the meeting, the sources of performance information which will form the basis of discussion and evaluation. These will be the Performance Management and Development Plan, and any revisions made to it during the year, as well as the two Interim Review Forms (May & September).
- Both the manager and jobholder will separately complete a draft End of Year Performance Review Form.
- This preparation will involve, in advance of the meeting, the manager and jobholder each separately reviewing, in relation to each objective and each key competency:
What went well?
Why did it go well?
What didn't go well?
Why didn't it go well?
- The jobholder should forward their draft of the End of Year Review Form to their manager one week prior to the formal review meeting.

Step 2: Hold the Formal Review Meeting

- The manager and jobholder will review performance by the manager completing the final End of Year Review form with the jobholder. The manager will use the two draft review forms (one from the jobholder and one from the manager) as a guide.
- It will be important to discuss and agree the areas that have gone well and those that have gone less well in terms of achieving each objective and in

terms of the development of each key competency. It is important to examine the reasons objectives were achieved or not achieved. Furthermore it is important to discuss how performance can be strengthened the following year.

- It will also be important to examine to what extent training and development needs have been met.
- In commenting on the overall performance the manager should consider both the achievement of objectives and the development of key competencies. The manager will consider overall performance at both the individual and team level and the manner in which outcomes were achieved
- The final portion of the form involves reviewing and discussing how the jobholder's performance at individual and team level can be strengthened and improved in the short and long term. It also involves identifying the supports and follow up action that can be given so that realistic personal development plans can be put in place. This is of particular importance in the case of a jobholder where poor performance is indicated. In such cases the personal development plan in their next Performance Management and Development Plan Stage should be designed to bring him/her up to a satisfactory level. The opportunity should also be taken to discuss career development and to address any immediate issues that arise that may impact on service delivery.

Conclusion

Finally, the jobholder, the manager and should make any additional comments on the form.

In the event of differing views arising, concerning any aspect of the review, please refer to the Appeals Procedure in Appendix 2.

It will be important for the manager and the jobholder to consider if they are both satisfied with the Performance Management and Development System being carried out in their area. Where they are not they should discuss the matter, including any suggestions for improvements, and, refer it to the manager's line manager or the Human Resource Department.

Appendix 1

Setting Objectives for Performance Management

The setting of objectives is an essential part of the Performance Management and Development process. To get the maximum benefit from this process, "SMART objectives" can help to ensure that individuals and teams focus on the critical factors for success by ensuring that objectives are:

- clear
- provide stimulation and challenge
- encourage more objective assessment of performance

SMART Objectives are:

SPECIFIC *Written in explicit terms, defining the output. There should be no doubt about what is to be achieved by the individual/team.*

MEASURABLE *Individuals will need to know, not only what they will be accountable for, but also how performance will be measured. Objectives will obviously vary between individuals and, therefore a variety of types of measures will be necessary. The most common types are:*

- *quality*
- *quantity*
- *time*
- *cost*

ACHIEVABLE *Objectives must be challenging and motivating rather than easy to achieve but they must also be **reasonable**. They should represent a degree of 'stretch' in terms of resources, personal challenge and authority.*

RELEVANT *Ensure that the objectives are written to drive those actions and produce results which are part of the strategic direction of the team, division and Department. These will be set out in the business plan and the Department's strategy statement.*

TIMEBOUND *SMART objectives will have specific timescales and target dates. Key dates are important to ensure that activities are structured effectively and deadlines met.*

APPENDIX 2

APPEALS PROCEDURE

The Performance Management and Development System has been designed to ensure, in so far as possible, that the planning and performance review meetings (Interim and End of Year Review meetings) are conducted in a fair and objective manner. The expectation is that the vast majority of issues arising in the course of these meetings will be resolved satisfactorily between the jobholder and line manager. Nevertheless, there may be exceptional occasions when the jobholder or manager is not satisfied with the review. In these cases the following procedure will be followed;

1. It is the requirement of the PMDS that performance planning and reviews are discussed in formal planning and review meetings. Should any areas of dissatisfaction arise they should be raised, discussed and documented at that meeting
2. If ,after the performance planning or review meeting, areas of dissatisfaction still exist; the jobholder and line manager should seek to resolve the matter with the assistance of the manager's immediate manager
3. In the event of the matter still not being resolved and where an individual believes there are substantial grounds for appeal, the individual should then submit an appeal to the Regional Manager.
In the event the Regional Manager is the immediate manager then the appeal should be sent to the Director of HR Development. The appeal should specify the areas of disagreement and the reason why the performance plan or review is being contested
4. The Regional Manager (or Director of HR Development) will facilitate a meeting between the jobholder and manager to discuss all areas of difficulty. The Regional Manager or (Director of HR Development) will make a final decision with respect the areas if disagreement.

REFERENCES

Parry, S.B. (1998) Just what is a competency? And why should you care?
Training, 58-64.

Sparrow, P. & Hiltrop, J.M. (1994) *European Human Resource Management in Transition*. Prentice Hall, U

