Policy Statement

This Policy establishes a Performance Management System to be uniformly applied across the Public Sector to support the achievement of the National Sustainable Development Goals, Agency Strategic and Business plan goals.

Scope

This policy applies to Public Sector Heads of Agencies and employees.

This policy does not apply to the following:

- Independent Contractors
- Ministers and Members of Parliament
- Minister's office employees
- Island Mayors and Councillors

Independent contractors or consultants, as providers of technical assistance referred to in the Contracting for Services Policy, are not employees.

Principles

The Public Service Act 2009 identifies the following values for public servants to adhere to:	
Honesty	acting honestly, being truthful, and abiding by the laws of the Cook Islands
Impartiality	providing impartial advice, acting without fear or favour, and making decisions on their merits
Service	serving the people well through faithful service to the Government of the Cook Islands
Transparency	taking actions and making decisions in an open and transparent way
Accountability	being able to explain the reason for actions taken, and taking responsibility for those actions
Respect	treating the people, the Government of the Cook Islands, and colleagues with courtesy and respect
Efficiency and Effectiveness	achieving good results for the Cook Islands in an economical way

Performance Management improves Agency performance by strategically managing employee productivity and performance. It empowers employees to perform through role clarity and clear expectations on performance and conduct.

The development of talented Cook Islanders to perform will be emphasised and supported.

Legislation and Regulations

The Public Service Act 2009, Employment Relations Act 2012 and other relevant legislation apply.

Definitions

Agency means any Public Service Department, instrument, or agent of the Government and includes a body corporate or organisation that is wholly owned or controlled by the Crown

Coach is a person who actively supports the employee perform well in their job

Conduct is the way in which an individual behaves and adheres to public service and Agency values

Competencies are a combination of knowledge, skills and attributes that are directly related to successful performance on the job.

Development Plan outlines the competency improvements required by individual employees to support achievement of agreed targets and/or as part of professional development in line with Agency goals

Employee means any person who is an employee of the Public Sector

Employer means the Public Service Commissioner or Heads of Public Sector Agencies or their delegated authority

Job description is the document used to describe the job content, responsibilities, organisational context and specific competencies required to perform the job well

Key Output Deliverables are the programmes and actions in Agency Annual Business Plans

Key Results Areas (KRA) in job descriptions are used to determine performance targets, linked to the Agency's Annual Business Plan

Key Performance Indicators (KPI) are qualitative or quantitative measures, directly linked to performance targets, to assess performance

Leadership development enables employees to participate in leadership development programmes to support their progression into management or senior executive roles

Managers/Supervisors are those with responsibility for managing employees

Mentors support an employee's personal or professional development regardless of the role or position they hold

Performance Appraisal refers to a formal process of assessing or evaluating performance

Performance Agreement documents performance targets and measures agreed between the employer and employee, identified as focus areas from KRAs and KPIs for the financial year. Where annual attestation against professional standards is required, these standards will be the basis on the performance agreement

Performance Improvement Plan (PIP) has specific development activities to improve key areas of an employee's performance in their job and aims to improve poor performance

Performance Management is an ongoing process of identifying, monitoring, evaluating and developing the work performance of employees to enable overall achievement of Agency goals and targets

Performance Improvement Framework (PIF) aims to improve: decision making, resource allocation, accountability for delivering results and organisational management. Agency and Heads of Agency performance is assessed each year using the PIF

Performance Targets are outputs or goals to be achieved

Public Service Commissioner means the Public Service Commissioner appointed under Article 73 of the Constitution and Section 5 of the Public Service Act

Talent development is where employees with consistent exemplary performance are provided with relevant professional development opportunities

Procedures

Employers are responsible for administering and ensuring adherence to this policy. The employer is responsible for ensuring all policies are easily accessible to employees. Employees must read, understand, and comply with this and other relevant government policies.

Roles and Responsibilities

The Office of the Public Service Commissioner (OPSC) must:

- Provide awareness and guidance on performance management
- Monitor Agency compliance with this policy
- Investigate unresolved employment disputes that may arise from this policy

Employers and Managers must:

- Ensure staff understand how their performance is assessed and links to pay and training
- Hold employees accountable for performance and provide regular feedback on performance
- Ensure agreed changes to job descriptions are reflected in performance agreements

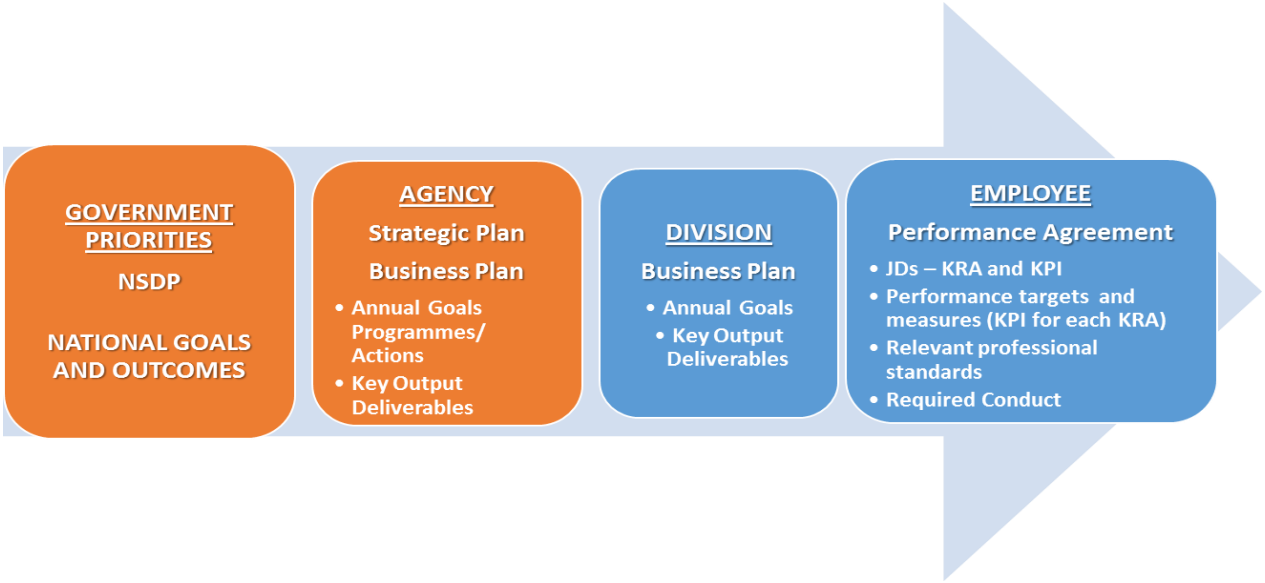
- Provide coaching and mentoring support to enable the achievement performance targets
- Manage and resolve disputes that may arise from this policy

Employees must:
- Understand how performance management is applied in their Agency
- Understand how their performance contributes to the Agency's business plan targets
- Participate fully in the performance management process
- Be accountable for meeting performance targets and address performance issues
- Be responsible for self-development and learning

Performance Management

Performance Management clarifies linkages between National, Agency and Employee goals.

Diagram 01: **Linkages between National and Agency Goals and Employee performance**



Performance Management offers the following benefits for:

Agencies
- Produces a highly motivated and productive workforce
- Supports achievement of the Agency goals and outputs
- Facilitates a team work environment that promotes employee engagement and retention
- Provides a systematic way of assessing and improving Agency performance
- Supports performance recognition and informs succession, training and development plans

Employers – Managers/Supervisors
- Facilitates transparent and consistent performance management practices
- Provides a systematic way of assessing and managing employee performance
- Enables professional development of employees for career progression

Employees
- Clarifies job and performance expectations linked to the Agency's goals
- Promotes job satisfaction and engagement in the performance of the Agency
- Provides clear linkages between performance, pay and training progression
- Enables feedback, recognition and career planning

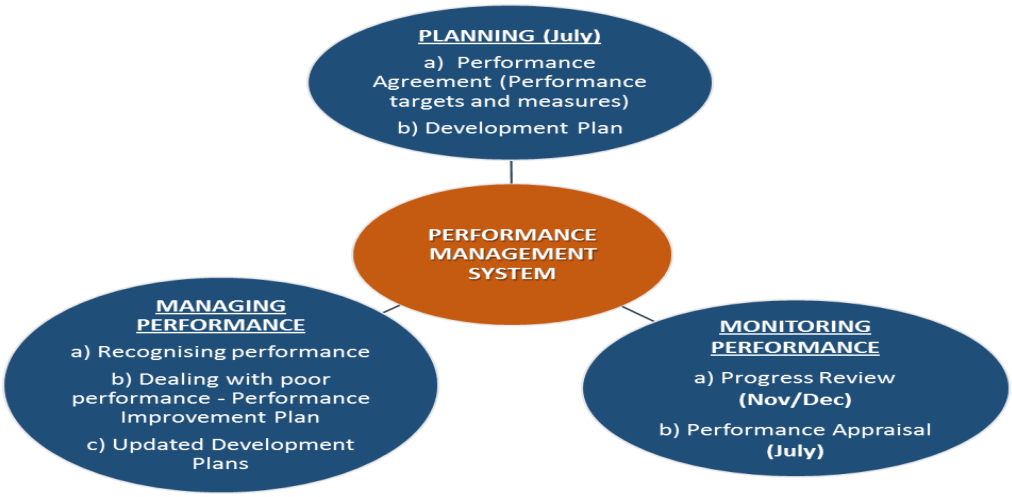
Stages of the Performance Management System

The Performance Management System comprises three key stages (see Annex 01):

1. **Planning**
   - Employers and employees jointly agree on performance targets and measures, identified as focus areas from KRAs and KPIs for the financial year. Where annual attestation (validation) against professional standards is required, these standards will be the basis on the performance agreement

2. **Monitoring Performance**
   - Progress Review – monitoring, feedback and coaching
   - Performance Appraisal/Evaluation – assessing how the employee achieves the agreed targets

3. **Managing Performance**
   - Recognising performance and developing employees for career progression
   - Addressing poor performance through training, transfer or release



1. Planning

The annual performance management (PM) cycle starts in May-July each year, with the employer and employee setting performance expectations and agreeing on the development needs, within the employee's job responsibilities, and linked to the agency/division's business plan output deliverables.

Performance and Development Plan (PDP)

All employees must have a Performance and Development Plan comprising a Performance Agreement (PA) and Development Plan (DP) where the:

a) Performance Agreement (PA): outlines the performance expectations for the year, agreed between the employee and their manager, set by:
   - Reviewing the job's Key Results Areas (KRAs) and Key Performance Indicators (KPIs) and the required competencies outlined in the Job Description (JD)
   - Defining the performance goals/targets and measures for the year in line with the Agency business plan deliverables. Goals and targets must be Specific, Measurable, Achievable, Realistic and Timely (SMART) and resourced appropriately
   - Reaffirming Agency values the employee must demonstrate as they do their job

b) Development Plan (DP): defines the training and development needs to:
   - Enhance specific skills and knowledge of employees so they can fulfil key requirements of their current job

- Build skills and knowledge of high performing employees, focused on both their immediate needs in relation to their long term contribution to agency strategic goals such as: Leadership or professional development and succession planning

Employees are responsible for developing their own development plan in discussion with their employer. The plan should be reviewed and revised periodically (at least twice per year) to reflect the changing needs of the employee and/or Agency within the employee performance management cycle.

A copy of the development plan should be retained by the employee, the manager and be kept on the employee's file.

Performance Improvement Plans (PIP) will be developed for poor performing employees identified through the appraisal process outlined in the next stage below.

2. Monitoring Performance - Performance Review and Appraisal

Formal performance reviews must be undertaken twice a year: mid-year and at the end of the year.

Informal performance reviews must take place throughout the year. The purpose of this is to monitor progress against agreed performance targets and measures outlined in the Performance Agreement, and to assess the impact of training and development activities undertaken on performance.

Employers and Managers must carry out regular informal meetings with employees to discuss progress, provide coaching and to resolve any problems that may exist.

a) Progress Review

Mid-year progress reviews should formally document:

- Progress to date on performance targets
- Any challenges affecting the achievement of the targets (due to changes in the internal or external operating environment)
- Any modifications or changes that may need to be made to the target
- Any development or coaching support required

b) Annual Performance Appraisal

Employers and/or Managers must formally assess the performance of employees every year. Annual performance appraisals consolidate formal and informal reviews conducted during the year.

This process requires the employer and employee to:

a) Separately rate the achievement of performance targets (KPIs) with numeric ratings (1-5)
b) Separately rate employee conduct demonstrated with alphabetical ratings (A, B, C)
c) Support the ratings with evidence, comments and examples
d) Discuss and agree on an overall performance rating (e.g. 3A)
e) Discuss any future development (for career progression or performance improvement)

(i) Numeric Performance Ratings to assess KPI achievement

The following numeric ratings scale is used to measure and rate performance. Ratings are based on a numeric criteria between 1- 5 (5 being the highest and 1 the lowest).

5	4	3	2	1
Exceptional Performance	Above average performance	Performance meets expectations	In development or needs improvement	Unsatisfactory, poor performance

(ii) Alphabetical Performance Ratings to assess Conduct

An alphabetical score (A, B, C) reflects how well the job holder adheres to the Public Service and Agency specific values. A rating of A is the highest and C the lowest.

A	B	C
You are a role model and living the values	You demonstrate the values	You do not demonstrate all the values

3. Managing Performance – Recognition and Performance Improvement

The annual performance appraisal confirms the employee's performance and behavioural ratings and enables employers to recognise consistent exceptional performance or address poor performance.

Below are management actions that should be applied according to the performance ratings

a) Management actions in response to the numeric performance ratings:

Rating	Interpretation	Management Actions
5	Exceptional performance	- Recognition and reward - Leadership/Talent development - Career progression
4	Performance exceeds expectations	- Recognition and reward - Leadership/Talent development
3	Performance meets expectations	- Recognition - Leadership development
2	Performance improvement required	- Performance Improvement Plan
1	Major performance improvement required	- Performance Improvement Plan - Train, Transfer, Terminate

b) Management actions in response to alphabetical performance ratings:

Rating	Interpretation	Management Actions
A	You are a role model and living the values	- Recognition and reward - Leadership/Talent development - Career progression
B	You demonstrate the values	- Recognition
C	You do not demonstrate all the values	- Counselling - Termination

c) Management actions in detail:

Recognition involves acknowledging employee performance through formal or informal means. For example: employee of the month or awards at staff meetings, etc.

Rewards could be in one of the following ways:

- Financial: one off bonus payments, paid time off, or a pay increment; or
- Non-financial: career advancement, leadership/management development, recognition

Employers must ensure rewards adhere to government fiscal principles and practice. Agencies are also encouraged to develop an internal Performance Recognition and Rewards Policy to recognise and reward pockets of excellence or exemplary performance. This should be designed with the intent of building a culture that values high performance.

Performance Improvement Plan (PIP)

A performance improvement plan aims to improve poor performance resulting from a number of factors which may include: low productivity, insufficient knowledge or skills, poor accountability or poor time management. The PIP has two key areas of focus: training or transfer.

a) Training may involve:

- Development to address gaps in performance
- Job rotation or secondment
- Counselling for behavioural issues inconsistent with the agency or public service values
- Regular monitoring, coaching and feedback

b) Transfer involves changing jobs or functions to better suit the employee's competencies

The PIP timeframe can be anywhere between one to six months with the following options available at the end of this period:

1. If the employee shows acceptable performance- No PIP required
2. If employee shows improvements but needs more time to embed the changes- PIP extended
3. If lack of improvement or motivation to improve according to the PIP- Termination

Head of Agency Performance

Heads of Agencies are assessed according to their overall management and performance of their Agency against government priorities. As leaders, they are expected to report annually on their success in achieving the goals of their business plan linked to the NSDP goals. They are further assessed on the leadership and management of their people and resources and conduct.

Heads of Agencies are expected to sign a performance agreement with the Public Service Commissioner.

a) Heads of Agency Performance Agreement

This covers Agency specific goals and commitment and Agency contribution to sector wide initiatives within the following areas:

1. **Results –** has two critical elements:
   - Delivery of government priorities to achieve the National Development Plan goals
   - Delivery of the Agency mandated functions as stated in the business plan

2. **Agency Management –** has five critical elements:
   - Leadership, Direction and Delivery - purpose, vision, strategy, leadership development
   - Customer – customers, operating systems and service delivery
   - People development - leadership and management of employees
   - Financial and resource management - financial, information, and risk management
   - Relationship management - communications and engagement with various stakeholders

3. **Conduct –** has four critical elements:
   - Role model in living and promoting the Public Service and Agency specific values
   - Minimal public or stakeholder complaints that are valid and upheld
   - Number of unresolved employment disputes reported to the Commissioner
   - Innovative and good stewardship of public resources to achieve results

b) Head of Agency Personal development goals

Heads of Agencies are encouraged to identify individual development goals for the performance period by considering the knowledge, skills or competencies that they would like to further develop to enable them to achieve the key deliverables outlined in the performance agreement,

c) Performance Assessment

Heads of Agencies' performance is assessed according to the Agency's contribution towards, their specific sector and management priorities. The targets within these are rated according to the performance ratings specified below with evidence to support.

Performance ratings

The performance ratings for Heads of Agencies are similar to those used to assess employee performance, however, the management actions are different.

Management actions in response to numeric performance ratings:

Rating	Interpretation	Management Actions
5	Exceptional performance	- Recognition and Excellence Award - Performance bonus - Asked to Mentor/Coach others - Contract rollover recommended
4	Performance exceeds expectations	- Recognition and Excellence Award - Performance bonus - Trained to Mentor/Coach others - Contract rollover recommended
3	Performance meets expectations	- Recognition - Contract rollover recommended with specific performance improvements
2	Performance improvement required	- Performance Improvement Plan - Contract rollover not recommended
1	Major performance improvement required	- Manage poor performance - Performance Improvement Plan - Contract termination recommended

Management actions in response to alphabetical performance ratings:

Rating	Interpretation	Management Actions
A	You are a role model and living the values	- Recognition - Leadership award
B	You demonstrate the values	- Recognition
C	You do not demonstrate all the values	- Counselling/Termination

Disputes

Any disagreements or disputes must be resolved in a timely manner.

Unresolved employment disputes should only be reported to the Public Service Commissioner where the employer cannot resolve these in adherence with the Employment Disputes Policy.

Other Provisions

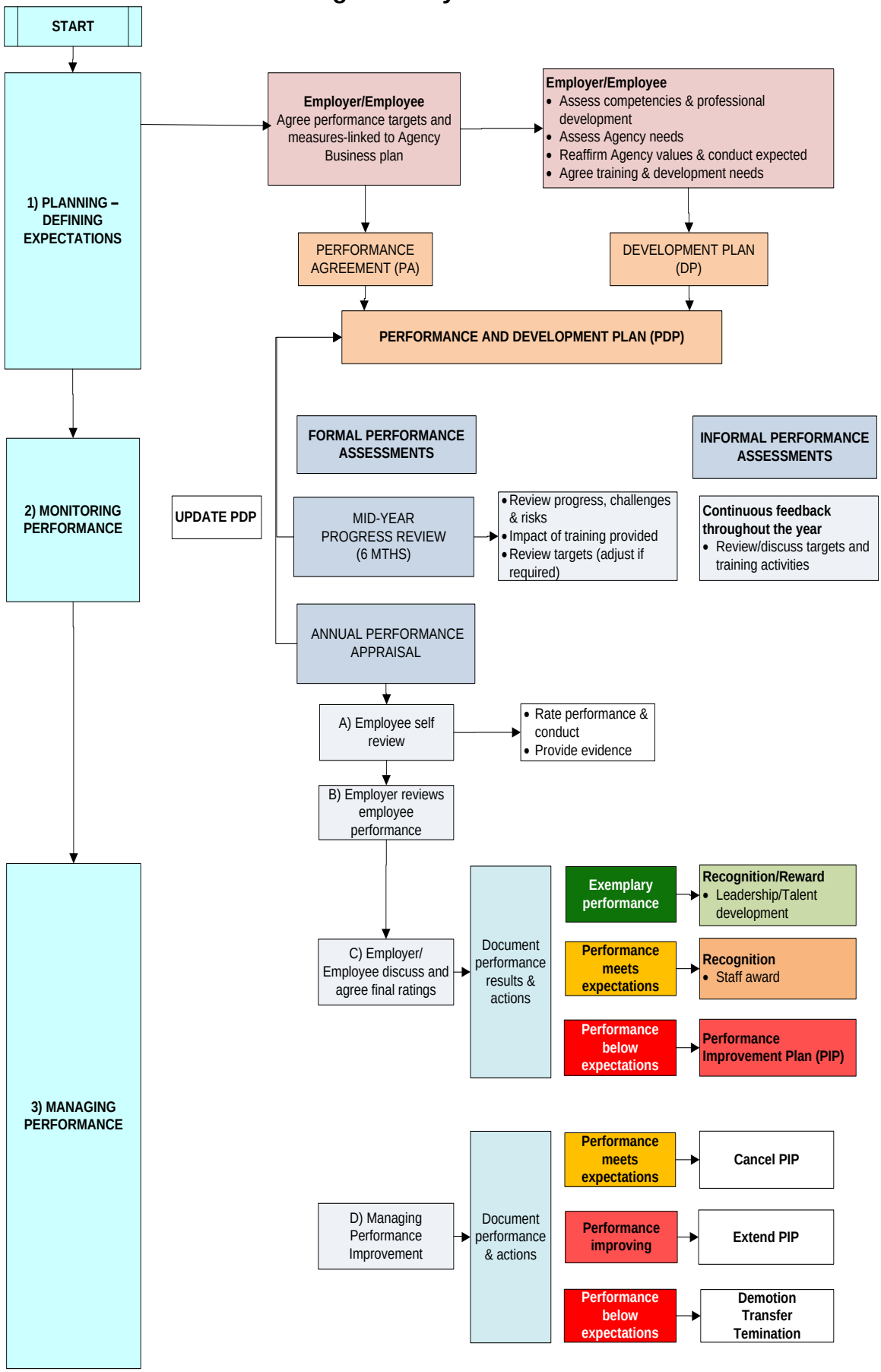
All records relating to the performance management policy must be kept for at least seven years and will only be accessible by the employer and/or authorised staff. After the seven year period, the agency may destroy the documentation in adherence with government official information management policies.

The Office of the Public Service Commissioner is responsible for reviewing and updating this policy annually.

Other information

For policy queries contact the Office of the Public Service Commissioner on phone (682) 29 421 or email: opscinfo@cookislands.gov.ck

Associated Documents

Remuneration Policy
Training and Development Policy
Code of Conduct Policy
Employment Disputes Policy
Job Evaluation Policy

Annex 01- Performance Management System