

PUBLIC SERVICES COMMISSION



PERFORMANCE MANAGEMENT POLICY FOR THE PUBLIC SERVICES OF GHANA

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1.0 INTRODUCTION

Performance management is an integral part of the public service delivery mechanism. It is a process by which an organization can assess whether it is delivering the right services according to its mission and objectives in the right amount, at the right cost, at the right time and to the right people. The core assumption in performance management is that managers and policy-makers learn from performance information and make better decisions in the future based on empirical evidence. Hence, performance management is intended to improve rational decision making in management (Hilligan, 2008).

2.0 BACKGROUND INFORMATION

The **Public Service** in the last two decades, has undertaken several reforms, designed to improve the efficiency and effectiveness of its service delivery. One of its initiatives has been the desire to establish a performance management system. The purpose is to ensure an effective performance culture that sets objectives, targets and aligns staff performance to organisational and national development goals.

- **Annual Confidential Reporting System (ACRS)** was reviewed in 1974 to, among others, allow appraisees to have access to and comment on their performance appraisal reports
- **Performance Evaluation System (PES)**, was introduced in the Public Service in 1992 under the Civil Service Reform Programme (CSRP) -1987 – 1993. This is an interactive process between managers/supervisors and staff
- **Performance Agreement System (PAS)** was introduced in 1997 to provide an objective means of assessing the performance of Senior Staff of the Civil Service covered Chief Directors (CDs) in the Ministries, Regional Coordination Councils (RCCs) and Directors in the various Ministries, Departments and Agencies in the Civil and Local Government Services.

The system was operational from 1997 to 2008. This was, however, ad-hoc in its implementation and had no feedback system. For the other Public Services, a hybrid of performance management appraisal models have evolved based on the exigencies of the time and the dictates of their various Governing Boards/Councils. Some of the Boards/Councils were not particularly aware of their roles and responsibilities in ensuring an efficient and operational performance management system.

3.0 PROBLEMS OF THE EXISTING PERFORMANCE MANAGEMENT SYSTEM (PMS)

The current Performance Management System is beset with the following implementation difficulties and problems:

- Absence of a clearly defined, articulate and enforceable implementation framework ;
- Low Executive commitment/involvement and support for the PMS in contrast to what pertains in other developed/developing countries;
- Poor understanding of the roles of Governing Boards/Councils in the Appraisal system.
- Absence of rigour, objectivity and continuity in the administration of the system.
- Non-linkage of the process to an enforceable Reward and Sanctions Mechanism;
- Ignorance of Public Servants on the merits of PMS;
- Non-linkage of the system to staff development, i.e. training and career development;
- Lack of effective monitoring and annual reporting and feedback mechanisms;

The end result has been the inability of the public services to measure and evaluate the performance of their work. The cumulative effect is low productivity which ultimately affects the delivery of Government programmes.

4.0 **RATIONALE FOR THE NEW PERFORMANCE MANAGEMENT APPROACH**

- Value -for -money considerations make the review urgent considering that the annual Wage bill of public servants constitutes about 70% of the Government's annual budget.
- Makes sense to have in place a PMS which hinge on clear, quantifiable objectives with a reward and sanctions regime
- End the current practice of automatic yearly salary increment for public servants.
- Ensures accountability, transparency, equity and ownership.
- Improves the outputs of service delivery while providing a robust system of assessment and evaluation on the performance of these outputs.
- Ensures that public services are efficient, better targeted and more responsive to the needs of the citizens

5.0 **WHAT IS NEW?**

The **New Performance Management** is based on the principles of Accountability, Transparency, Equity and Ownership.

5.1 **Accountability:** Every individual, unit, department/division in the public service is to be held accountable on a continuous basis to his/her superior, the public/beneficiaries of services to ensure that national development goals and value for money for resources entrusted in his/her care are attained. Within this context, every individual including Heads of the Public Services Chief Executive Officers/Chief Directors, Heads of Departments and Directors are to have annual performance targets whose attainment will be enforced by appropriate combinations of incentives and sanctions.

5.2 **Transparency:** The process for holding individuals and Public Service Institutions accountable should as practically as possible be transparent. This implies the following amongst others :

- (i) setting of performance targets at both the individual and institutional level and based on a consultative process between the assessee and the assessor;
- (ii) assessment outcomes should be discussed between assessee and assessor and where necessary, divergent perceptions should be recorded for review by a higher level;
- (iii) forms and formats for the assessment process should be easily available to all, clear and precise in terms of what has to be done; and
- (iv) at the institutional level, service beneficiaries should be part of both the process and outcome of the assessment.

5.3 **Equity:** In addition to transparency is equity consideration in the assessment process. Equity in the context of this policy implies the following amongst others:

- (i) the system should not be discriminatory with respect to gender, ethnicity, geographical location, physical infirmity etc;
- (ii) there should be horizontal equity in the sense that as practically as possible, grades within classes located in different public service organisations should be accessed through the same process;
- (iii) there should be vertical equity in the sense that as practical as possible the assessment process and its outcomes should be complementary/consistent with the ladders in each class; and lastly

- (iv) frequency and use of assessment outcomes should as practical as possible be the same for every individual or public service institution.

5.4 **Ownership:** The process and outcome of the assessment mechanism must be owned by the assessee, the assessors and stakeholders. This implies that at the individual level of assessment

- (i) the assessee and the assessor should set and agree on the targets;
- (ii) the assessee and the assessor should agree on the assessment mechanism;
- (iii) the assessee and the assessor should agree on the incentive/sanctions framework; and
- (iv) the individual personal development plan should be part of the assessment framework. At the institutional level ownership will entail
 - a. as practical as possible, the public service institutions and their stakeholders setting the performance targets together;
 - b. as practical as possible the public service institutions and their stakeholders agreeing on the assessment mechanisms within a government policy framework; and lastly
 - c. the public service institutions strategic/corporate/sector plans should be part of the assessment framework

6.0 **THE PERFORMANCE MANAGEMENT POLICY**

6.1 **POLICY GOALS**

This policy establishes methods and processes for motivating and assessing staff and institutional performance in the Public Service in an effective manner. The goals of this Performance Management Policy are to:

- achieve institutional performance plans/goals and linking individual and team performance objectives to the institutional performance goals.
- provide a balanced approach for measuring performance results and competencies
- develop core competencies that reflect the values and skills that are necessary for individual and government success
- develop people through regular constructive coaching and dialogue.
- promote job satisfaction in a motivating environment and recognize and reward good performance; manage & sanction non-performance in the Public Service.

6.2 **POLICY STATEMENTS/ GUIDELINES**

The public service is currently operating mostly at the output stage though it still has a foot in the impact stage in terms of its institutional growth. Although considerable effort in the past and present has been put in terms of budgetary support by the Government so as to improve on their outputs, this has been hampered by lack/ inadequate comprehensive performance management policy and an uncertain rewards and sanctions framework. In order to introduce some elements of the impact stage in its evolutionary development the under-listed shall constitute some of the policy guidelines:

POLICY STATEMENT 1: Performance Management (PM) shall be a management tool for meeting organisational goals.

- Performance management is an integral part of the institution's business process. It is about the everyday actions and behaviours of managers and employees working as a team to deliver the goals of the institution to meet customer needs, improve performance, and themselves.

Performance management is not about a set of forms, the annual appraisal ritual, or the merit or bonus scheme only.

POLICY STATEMENT 2: Performance Management shall be used to create a shared understanding of what is to be achieved and how it is achieved.

- Managers and employees are required to use a PM system to create a shared understanding about what is to be achieved and how it is achieved. Managers and supervisors must ensure that individuals and teams have a common understanding of how their jobs connect to the mission and goals of the business. To improve performance they also need to know what superior performance looks like, and how to achieve it.

POLICY STATEMENT 3: Performance Management shall be viewed both as an approach and a system for managing people and other organisational resources.

- The focus of performance management in public service institutions is connecting people to one another, and to the institution as a whole and its values. Managers and supervisors are mandated to support people to work together to achieve shared aims through effective utilisation of resources. Managers and supervisors will be accountable for working effectively (through coaching and motivating) with those for whom they are accountable.

POLICY STATEMENT 4: Performance Management shall be used to promote the health and long-term growth of the institution

- Managers and employees are enjoined to work together to meet the vision and goals of the organisation through consistent capacity building of the employees to ensure the sustainability and longevity of the institution.

POLICY STATEMENT 5: Competencies and measurement standards shall drive the performance management process to achieving desired results.

- Managers and employees are required to identify and define the competencies and measurement standards to steer the work unit, teams, and individuals to produce superior performance, and foster a learning climate conducive to continuous development.

POLICY STATEMENT 6: Performance Management shall drive the process through clear, consistent, visible and active involvement of the governing bodies, senior executives and managers.

- Senior leadership is directed to personally articulate/spread the word about the mission, vision, and goals to various levels within the company, and are also involved in the dissemination of both performance expectations and results throughout the business.

POLICY STATEMENT 7: Management and staff shall adopt effective and open communication systems at all levels for the successful promotion of the performance management process.

- Managers and employees are required to proactively communicate with one another, stakeholders, and customers in order to share assessment results, and any new initiatives to improve performance.
- Internal communication is an inherent requirement for all employees and managers to ensure accomplishment of organisational goals. External communication is important to strengthen partnerships with customers and in eliciting favourable support from stakeholders.

POLICY STATEMENT 8: Performance measurements shall be linked to performance planning and assessment.

- Targets should be linked to appraisal and assessment discussions. Managers, supervisors, and employees are required to identify the correct measures by which performance and competence will be assessed. The institution shall have valid and reliable data for the selected measures.
- Targets that are linked to appraisal and assessment discussions are designed to make managers, teams, and employees at all levels accountable for their contributions to the achievement of the overall strategy.

POLICY STATEMENT 9: Incentives, rewards, recognition and sanctions shall be linked to performance.

- A clear link between achieving a specified performance target and some form of meaningful incentives, rewards or recognition should be used as a positive performance incentive.

POLICY STATEMENT 10: Performance results and progress shall be openly shared/communicated with employees, customers, and stakeholders.

- While sensitive information generally must be protected performance measurement information will be openly and widely shared with employees, customers, stakeholders, vendors, and suppliers to the greatest extent practicable. Information about performance objectives and specific progress toward these objectives should be provided on an organization's Intranet site, employee bulletin boards, and public notice boards.

POLICY STATEMENT 11: Performance measurement results shall be used to effect continuous change and improvement.

- It is mandatory to use assessment results to identify career-path and progression, to foster continuous performance improvement, and to set realistic goals for managers and employees.

7.0 THE PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

This new approach offers, the basic constructs or the building blocks for developing a robust performance management system for the Public Services of Ghana.

This policy framework promotes a holistic approach to performance management by incorporating all aspects of performance management within a single integrated framework. It encapsulates the underlying principle that performance is an on-going process that takes place from the time an employee joins the organisation until they leave and should be used in that time to support and develop people through their employment with the organisation.

An effective performance management system needs to facilitate alignment between the strategic direction of the organisation, its various organisational units and teams, and the performance of individual members of staff, while also ensuring that the core principles upon which it is founded provide for a fair, equal and open process for assessing, monitoring and reviewing performance.

The performance management system which has evolved from these principles depicts a cyclical process consisting of six stages:

- Performance Planning

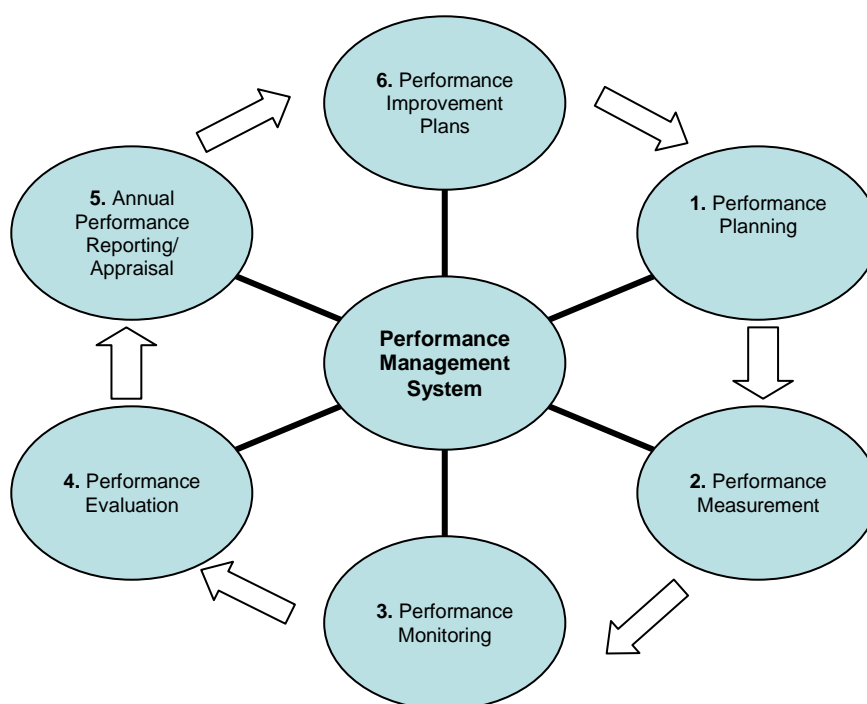
- Performance Measurement
- Performance Monitoring
- Performance Evaluation
- Annual Performance Reporting/ Appraisal
- Performance Improvement Plans

This system follows a logical succession of stages which facilitates explicit links between each phase of the performance management process be it probation, appraisal, career development, promotion, rewards, discipline etc

7.1 The key elements include:

- Ensuring an objective, universally acceptable and transparent scheme of assessment of performance;
- Translation of national development plans into work plans by institutions;
- Developing performance targets from the work plans by institutions;
- Ensuring that work is aligned with the strategic efforts and direction of individuals and the organisation they work for through realistic targets;
- Developing work plans based on the Strategic/Business Plans of the institutions;
- Developing processes and framework for rewards, incentives, sanctions, training, career development etc. to ensure the cultivation of the performance management mindset in the Public Service;
- Establishing Monitoring and Evaluation mechanism for ensuring adherence and compliance.

7.2 Model for the Performance Management System



There are two levels of assessment within the performance management system - the institutional and the individual levels;

7.2.1 Institutional Level: Every institution in the Public Service will undertake a bi-annual institutional level assessment.

7.2.2 Individual Level: Individual levels of assessments will involve every Head of the Public Service, Chief Executive Officer, Chief Director, Director, Head of Department and other Staff of the Public Service. Each of these positions is designated as an accountability position.

7.3 **PERFORMANCE PLANNING**

- 7.3.1 The performance plans should include key metrics at the institutional and individual level, how these metrics are going to be used/ attained; the timelines associated with each of these metrics, the capacity building needs including environmental factors required to ensure the attainment of the targets, the cost associated with the implementation of the performance plans etc.
- 7.3.2 Public Service Institutions shall ensure that they develop their strategic/corporate/sector plans. These documents shall serve as reference points for measuring institutional performance. It is also to be employed in setting targets for the employees and measuring the performance of work.
- 7.3.3 In relation to the above, if a superior/manager changes an employee's performance plan during the performance cycle, the employee would be evaluated based on the performance plan in effect during each portion of the cycle.

7.4 **PERFORMANCE MEASUREMENT**

Performance measurement is of use in helping set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current policy or programme directions to meet those goals, and report on the success in meeting those goals.

The tools include:

- Competency frameworks
- Key performance indicators
- Metrics (scaling, ratings)
- Annual appraisal/ assessment system
- Probationary reviews
- Observation on the job
- Psychometric tests and other behavioural assessments
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7.5 **PERFORMANCE MONITORING**

- It shall be the responsibility of each Head of Public Services/Chief Executives of Public Corporations to develop monitoring mechanisms and take corrective measures to deal with issues identified through its established monitoring mechanism. Major systemic constraints should be referred to the Public Services Commission for resolution/ advice.
- The Public Services Commission may periodically conduct audit of organizational performance management practices to ascertain compliance by the Public Services/Institutions.

7.6 **PERFORMANCE EVALUATION**

- Performance Evaluation/Assessment shall be an important component of this Performance Management System. It shall be conducted for the various levels and grades of the public services and the results employed for Strategic Human Resource decisions including recognition, rewards, sanctions and assessing institutional performance and productivity.

7.7 **ANNUAL PERFORMANCE REPORTING/ APPRAISAL**

Annual Performance Reports will be a key mechanism by which public service institutions are accountable through the Public Services Commission to the Government and ultimately to Parliament for the efficiency, effectiveness and economy with which they manage the resources they administer. This is at the institutional level.

The New Staff Performance Appraisal System is to help develop individuals, assist in identifying individual training needs, and ensure career and succession planning. The system applies to all levels of staff. It provides for the use of different instruments of assessment for the Heads of public institutions. It has the following five main facets, listed sequentially:

- Annual Performance Appraisal Planning, which is expected to be completed in January each year
- Mid-year Performance Review
- End of year Review and Appraisal
- Decision Making
- Grievance Resolution

8.0 **TRAINING**

Further training may be appropriate to improve poor performance or to increase effective performance and such needs will be identified in the appraisal process

9.0 **PERFORMANCE INCENTIVES, REWARDS AND SANCTIONS**

This policy proposes recognition of incentives, rewards and sanctions based on the overall assessment scored by an assessee. This will vary for each grade of persons in the public service taking into account responsibilities, career dynamics and progression of the affected persons.

9.1 **Extra ordinary Performance**

Superior /managers are encouraged to recognize incidents of employee performance that truly are extraordinary. A supervisor should document incidents of extraordinary performance on a special form to be designed.

The form must be signed by the superior/manager and reviewer, given to the employee, and a copy retained in the supervisor's confidential file until the annual performance evaluation is completed. If the employee receives an overall annual evaluation of extraordinary performance, the form must be attached to the annual evaluation form to support the performance scores.

9.2 **Sub-standard Performance**

Superiors/manager should immediately identify poor, substandard, or unacceptable performance. Supervisors normally should address first-time minor or marginal performance issues through performance counselling and coaching. Where an employee's performance is found inadequate after counselling /coaching, he/she should be subject to informal improvement action.

9.3 The Sanctions for non-performance shall apply to all officers in the public service who score a performance rating equivalent to unacceptable/substandard. In all instances they shall be in the form of moderate to harsh decisions for each category.

9.4 **Actions for Non-Performance**

* **Demotion or re-assignment**

An employee, whose performance during the period is documented as not improving, may be demoted to a position in a lower Pay Band or reassigned to another position in the same Pay Band that has lower level duties if the institution identifies another position that is more suitable for the employee's performance level.

* When an employee is moved to another position with lower duties due to unsatisfactory performance during, or at the end of the evaluation period, the action is considered a Performance Demotion.

* **Reduced Duties**

As an alternative, the institution may allow the employee who is unable to achieve satisfactory performance during the period to remain in his or her position, and reduce the employee's duties. Such a reduction should occur following and based on evaluation and must be accompanied by a concurrent salary reduction of at least 5%.

* **Termination**

If the organization determines that there are no alternatives to demote, reassign, or reduce the employee's of duties, termination based on the unsatisfactory re-evaluation is the proper action. The employee who receives an unsatisfactory re-evaluation will be terminated at the end of evaluation period following due process.

10.0 **APPEALS**

If an employee disagrees with an evaluation and cannot resolve the disagreement with the supervisor, the employee may appeal for another review of the evaluation based on the appeal process provided as in the Public Services Staff Appraisal Form.

11.0 **DISPUTE RESOLUTIONS**

The Heads of the Public Services/Chief Executive Officers/Chief Directors shall develop a procedure for reviewing and resolving disputes of employees concerning performance ratings and /or performance evaluation decisions. Such a procedure may be incorporated as part of an existing grievance procedure, or it may be administered separately.

12.0 **EXPECTED BENEFITS**

The proposed system has the following expected outputs and benefits:-

- Enables the Public Service to attract and retain talent;

- Leads to significant improvement in performance and customer sensitivity among Public Servants;
- Promotes professionalization of the HR Management in the entire Public Service for improved management of staff;
- Offers equal opportunities, for progression on merit and recognition for all sexes, ethnic backgrounds, occupational groups and grades; while ensuring high morale amongst public servants;
- Contributes to higher productivity, strengthens the ability of the public service to create the enabling environment for private sector operations and attainment of Millennium Development Goals;

13.0 **BUY-IN AND OWNERSHIP BY ALL PUBLIC SERVICES**

- Contribute to higher productivity and increase in the national gross domestic product.
- Positively impact on the macro-economy and its indicators and accelerate the pace towards achieving the Millennium Development Goals.
- Expected benefits to the Nation and stakeholders shall outweigh the total investment outlay.
- As a management tool for assessment, public service institutions shall endeavour to meet timelines and deadlines and at the same time not sacrificing quality.
- Lead to improved customer sensitivity and responsiveness.
- Public satisfaction with the services of the Public Service Institutions shall be greatly enhanced.

14.0 **GOVERNANCE MECHANISMS**

The governance mechanisms capture the roles, responsibilities, authority relationships and how these processes/relationships would ensure the sustainability of the system in place.

- The **Public Services Commission** will be responsible for developing the guidelines, standards, regulations and procedures which will provide the framework for institutionalization of the PMS in the public services.
- Governing Councils and Boards will be responsible for the administration and evaluation of Performance Agreements signed with CEOs and CDs.
- The Heads of the Public Services/Chief Executives/ Chief Directors will be responsible for the administration and enforcement of the Performance Management System (PMS) in their respective agencies
- The Ministry of Finance and Economic Planning, the National Development Planning Commission and the Fair Wages and Salaries Commission providing indices/ measures incentives, rewards/ increments and productivity.
- The Public Services Commission shall require each public service organization to provide annually a performance report on all aspects of its Human Resource Managements activities or submit whatever evidence and / or information it deems appropriate to facilitate its work.

A major focal area being addressed by this system is to develop a more comprehensive approach to organizational performance and assessment and ensure stronger linkages between organizational planning on the one hand and individual performance planning and measurement on the other.

15.0 **CURRENT STATUS**

The Public Services Commission in collaboration with the public service institutions have developed a New Staff Performance Management Instrument and a draft Performance Management Policy

Document to be employed across board. Cabinet approval has been given for the roll-out of the system awaiting the validated Performance Management Policy Document. A phased implementation is underway:

15.1 Phase 1 – January, 2010 to December, 2010.

- Design and validation of the Staff Performance Appraisal Format and the Practitioner’s Manual. **COMPLETED**
- Performance Agreement (PA) validated.
- Sensitization and capacity building to support the eventual roll-out and implementation. **ON-GOING**

15.2 Phase 2 – January 2011 to December, 2011.

- This phase will mark the start of implementation of the PMS using the new performance appraisal instruments. This will be on a pilot basis, limited to Directors, Deputy Directors and Public Servants in analogous grades.
- Three public service training institutions have been selected to undertake the training of HR Managers and other line Managers/Supervisors in the administration of the New Staff Performance Appraisal instrument. The Appraisal Instruments was developed with support from the HR Managers and Training Providers from Public Service Agencies and the Private Sector. The training agencies are the Management Development and Productivity Institute, GIMPA and the Civil Service Training Centre.

15.3 Phase 3 – January 2012 onwards

- From January 2012, all Public Servants will be assessed on an annual basis using the new performance appraisal assessment instruments. Appropriate performance rewards and sanctions shall be instituted.
- This phase will cover the Heads of the Public Services, Chief Executive Officers, Chief Directors and Heads of Departments at all levels commencing January 2012. It will involve the signing of PAs and the conduct of the first Institutional Performance Assessment (IPA).

16.0 **CONCLUSION**

The Ghana Public Services are required to play a more proactive role in the development agenda of Government by effectively supporting the private sector to deliver as the engine of growth of the economy. In exercising this role, the Public Services must demonstrate leadership and professionalism in their undertakings.

An effective performance-based Human Resource management (HRM) System is a critical ingredient for the efficient functioning of any institution. It is the quality of the skills, numbers and competencies of the personnel, which determine to a large extent the performance of the organisation. However, for the organization to meet its stated objectives and rationale for its continued existence, it is imperative that the Performance Management function be strengthened to meet the goals of the organisation.

The Ghana Public Services are no different, and being service-oriented institution, the quality of outputs and services rests to a large extent on the quality of its personnel, resources and structures available to ensure maximum efficiency, performance and productivity.