

ODI High Performance Work Initiative Programme 2015/16

Case Report – Waimate District Council Performance Management and Rewards-Recognition

Organisation Background

Waimate District Council (WDC) is responsible for local government services from the Waitaki River in the south, to Lake Benmore in the west and Paereora River in the north-east. The main town is Waimate, and there are many smaller rural communities dispersed throughout the area.

The Waimate District Council consists of a Mayor, eight Councillors and the operational staff. The operational staff are headed by the Chief Executive, who is responsible to the elected Council for ensuring the effective, efficient and economic management of the Council's activities.

With a 2015/16 revenue of \$13.451 million, WDC employs 45.32 full-time-equivalent staff who work across six service delivery departments: roading, utilities, parks and reserves, regulatory services, corporate support, and community services planning. It is one of New Zealand's smaller local authorities, yet is still responsible for delivering all of the service expectations outlined in the Local Government Act and other statutory documents. Turnover is currently low at 3.24%. Staff engagement was last measured by survey in December 2014. While disengagement was low at only 6%, engagement was also low at 23%. Most staff were recorded as 'neutral' (71%).

WDC joined ODI's High Performance Work Initiative programme (ODI HPWI) in order to source expertise to help them transition and optimise performance in their small, busy and challenging work context.

Consultancy Goal

Following the diagnostics phase of the ODI HPWI, WDC commenced its two consultancies on:

- Performance management and rewards/recognition
- Leadership behaviours which was undertaken by another consultant and is presented as a separate case-study

Both consultants sought to run their consultancies in tandem and in such a manner that they would help achieve efficient and desirable outcomes for WDC.

This consultancy allowed for 30 hours of external consultation with Linzi Ebbage-Thomas from ODI to work with WDC to address the existing and future Performance Management System (PMS). A further 7 hours were added to enable the development of skills, including courageous conversations to be delivered through a facilitated workshop.

More specifically, the consultancy goals were:

- To determine the success and failures of the existing PMS
- In consultation with the employees design a new approach to Performance Management; ensuring that the new system would be simple, clear and would allow the individual to be appraised honestly, accurately and without too much personal bias from the appraiser. Furthermore the ability to link this new system to reward and recognition was sought
- To re-design the Position Description template ensuring that both the '**what**' (technical knowledge and skills) and the '**how**' (the competencies and behaviours required) are clearly stated.

Consultancy Action Plan

Position Descriptions

The aim was for well-written PDs that gave the reader a sense of the priorities involved in the position and provide a clear picture of the role for potential candidates, but is also would become a useful tool for measuring performance and a vital reference in the event of disputes or disciplinary issues.

Performance Management System

Following a recent Staff Survey, Waimate District Council (WDC) had data to show that their current Performance Management System (PMS) was not working as effectively as it could. The Chief Executive (CE) believed that the current system *'grinds the organisation to a standstill for 2 weeks every year'*.

The Staff Survey had clearly indicated:

- *"The team would like to be consulted with, rather than communicated with. More importantly, there needs to be more consultation rather than 'after-the-fact' communication."*

In 2016, Human Resources (HR) at WDC had addressed this issue by discarding the existing PMS and replacing it temporarily with 16 suggested questions and a loose time-frame. The temporary PMS had variable success.

So, in order to ensure that all staff had an opportunity to be involved in the re-design of the PMS a series of three 2-hour workshops with all staff, managers and the SLT were held in September 2016 – facilitated by Linzi Ebbage-Thomas. The aim was to fully understand the current situation and what all employee ideas for future systems and resources looked like and to consider any obstacles and possible solutions.

Questions posed included:

- *What the current and past Performance Appraisal System successes and failures are/have been?*
- *What the obstacles to using the Performance Appraisal Systems are?*
- *The benefits of a well designed Performance Appraisal System?*
- *What the future Performance Appraisal System and resources might look like?*

The consultant travelled to Waimate to deliver the workshops over a day and a half.

Consultancy Outputs Produced

These were the five outputs of the consultancy:

- 1. A new Position Description template**
- 2. Three workshops**, each of 2-hours duration for the staff, managers and SLT
- 3. Report for the SLT** including a summary of the feedback received and consultant recommendations.

The information below gives an example of the feedback comments gathered (those words in italics are the actual words spoken):

Current Situation - as viewed by the Staff, Managers, SLT

- The current system is described as *rubbish, pointless, a tick box exercise and not simple*.
- The time gaps between the appraisals are too long and feedback gets lost and consequently, problems do not get handled fast enough.
- Poor performance was generally viewed as being handled poorly across the organisation, being *stepped around* – with a recurrence of poor behaviours *being allowed*, having gone on for a *long-time* and being *accepted as the norm*.

- However... there were *contented pockets* throughout the organisation.

Suggestions for the Future - as viewed by the Staff, Managers, SLT

- An on-going, continuous process of informal (positive and developmental) feedback that happens on a regular basis but is different for each individual and context.
- The focus should be on Performance Conversations (rather than an annual appraisals).
- That is evidence based and from multiple sources.
- Performance Development takes an experiential bias (with formal and coaching supporting) – a 70:20:10 approach.
- Backed up by an annual (October was suggested) Summary Performance Review.
- PDs become owned by the individual and the Manager and are a dynamic document (reviewed regularly) and that detail the *What* and the *How* – allowing for them to be used for recruitment, induction, development and review of performance.

Recommendations were made to the SLT as below.

Position Descriptions: WDC have been provided with a new PD template that enables rich conversations between the individual and their Manager. Employees are able to develop and agree with their Manager their role purpose, responsibilities and tasks and the expectations of the role. There is an opportunity for team building and culture development through this work.

Performance Management System: The recommended future picture includes small, regular conversations that provide 'evidence' of performance from multiple sources. The frequency and length of conversations would be left to the discretion of the individual and their Manager.

Whilst not ideal there was an agreement that a 'formal' summary of the year's conversations would allow the organisation to take a strategic perspective of common needs, challenges and issues and individuals could be held accountable. The 'formal' discussion was recommended to be:

- Not scripted or in a strict template
- More of a suggested structure and guidance on questions and agreement on the outcomes being aimed for – allowing for individual adaptation

Staff and Managers were enthusiastic about having help in developing skills to have more frequent robust performance conversations that tackle both the positive and developmental feedback.

- 4. A Performance Management System guide** outlining the new approach was drafted and supplied to WDC for discussion with the new CE. It was agreed that whatever the system and resources are - they are only as good as the user and their motivation and capabilities. Therefore, any new system or resources would require careful 'selling in' and development of skills to ensure that their use is fully maximised. The timing to do this in late 2016 was not appropriate for WDC. The extra 7 hours assigned for delivery of a Courageous Conversations workshop were used to develop this guide – which was not part of the initial brief.
- 5. Competency Framework** Whilst not part of the initial brief it was suggested to WDC that the organisation would benefit from a competency framework. It was agreed that such a framework would give a more in depth and consistent approach to the existing WDC *Personal Attributes* detailed in PD's (currently described in the categories of global and selected). The Leadership Behaviours being developed by the other consultancy would be a critical part of the framework development.

WDC were open to considering implementing a competency framework however, due to timing (a new CE is imminent) and financial reasons progression of this framework did not happen in 2016.

Issues, Opportunities and Solutions identified during the Consultancy

Issues

The consultant presenting the second case study for WDC summed up the biggest challenge for WDC perfectly:

As she stated, by their very nature, local government organisations have a challenging time in election years, while they seek to deliver their busy activity management plan work programmes, as well as support the electoral process through the transfer and induction processes as politicians finish and start their (new) terms in office. There is no 'easy time' in local government to embark on high performance work initiatives, and certainly there is no mandate to stop other work in order to make progress, even if making such progress will significantly benefit the organisation in busy times.

Furthermore, the departure of the existing Chief Executive and the recruitment of a new one offers potential challenges. Will the strategy of developing a High Performance workplace be challenged, the course altered and the suggestions recommended by both consultants be supported? Any further actions at this stage seem premature.

Opportunities

The biggest opportunity presented by this consultancy has been the opportunity to consult with all employees about their suggestions and to develop their commitment to the future of Performance Management and Development within WDC. Allowing the other consultancy, around Leadership Behaviours, to run concurrently has enabled the consultants to collaborate and ensure alignment between messaging. Both consultants agree that there is now a platform formed for having effective performance conversations within a larger 'system' and the understanding of leadership behaviours has certainly been enhanced.

Solutions

Solutions offered by this consultancy are to finalise the suggested new Performance Management System of **Performance Conversations** based on clear **Position Descriptions** (stating both the what and the hows) and an annual **Summary Performance Review** and to embed it into the organisation. For example, skills in having constructive, robust, evidence driven, healthy performance conversations that at time can be challenging.

Assessment of results and outcomes achieved

The client has confirmed the value of the consultancy in increasing short-term engagement (with longer term improvement dependent on implementation of the new approach), and access to new ideas, advice, support and facilitation. Although the two consultants collaborated effectively, the client would have preferred a single consultancy relationship.

The Way Forward (90-day and 180-day Implementation Expectations)

During the next 90 days it is expected that the workplan for implementing the Position Descriptions and Performance Management will be prioritised and agreed, including review by the new Chief Executive.

During the next 180 days the implementation steps are expected to result in enhanced communication between managers and their staff, and improved systems.

Linzi Ebbage-Thomas

ODI

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