Performance Management — they Key to Effective Management

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“Maybe it’s the dull title, maybe it’s that councillors like to do the big picture stuff...whatever the reason, performance management...rarely sets political pulses racing. But performance management...represents the practical steps that are needed to turn the vision we have for our local community into a reality. Whether or not we are aware of it, we are doing it all the time, though not always in a very systematic way”

(from A Councillor’s Guide to Performance Management 2nd edition, I&DeA*)

In July last year, I wrote about the importance of long-term financial plans supported by sound asset management plans. I’m pleased to be able to say that the Local Government Association of Tasmania will receive $870,000 through the Australian Government’s Local Government Reform Fund to work with Tasmanian councils in improving their work in this space. That project will likely commence in October, running through until early 2012, and will assist councils in relation to populating sustainability indicators (see News in Brief item on the Sustainability Objectives and Indicators project in this edition).

Given the increasing focus on council performance through these projects and others, it may be worth reflecting on why Local Government should be interested in measuring and managing performance.

Why do we do it?

At the risk of stating the obvious: “to do things better”. In the case of councils, from a holistic perspective it could be read as supporting the delivery of quality services that represent value for money for communities. However, sound, integrated performance management practices can support improvements in a range of organisational areas, from customer services, to attracting and retaining staff. Performance management is about good management. It is about prioritising what gets done and ensuring there are adequate resources to do it. It is about being effective and efficient. It is about motivating and managing staff. It is about learning and improving. It is about increasing community satisfaction.

Moving from measuring to management.

“Performance management is basically a set of management processes, often supported by technology,
that help to improve the strategic decisions people in organisations make every day”.

In any basic performance management model (see Figure 1 for example), performance improvements are achieved through clearly defining and understanding strategic objectives (agreeing what needs to be done), sound implementation plans (making sure that it happens), measuring and analysing performance (understanding how well it was done) and making decisions on future processes and objectives (doing it better).

Performance management is often associated with the management of the human resource of an organisation but, in an organisational context, it clearly includes a broader array of information and more in-depth analysis. There may be elements of strategic planning, performance measurement, forecasting, financial planning, asset planning, risk management, business process mapping, and so on. Performance management is integrated within all components of the organisation and undertaken continuously.

The principles of performance management are relatively simple but the achievement of successful outcomes can be difficult. There is a need for technical (data collection) and analytical skills in the council, targets must be meaningful, underperformance needs to be dealt with robustly, the approach must be system-wide and embedded in the organisational culture to be effective, it can be difficult to know where to begin, and it is a long-term activity that needs to be kept on track.

A key step in moving from measuring to managing is regular reporting and review and the prompt identification of remedial actions when targets are not being met. These actions must, in turn, be followed up to ensure they have led to improvement. Such activity sends out a clear signal that performance and improvement are being taken seriously.

If you are interested in exploring the issue of organisational performance management in more depth you may find the following websites of interest:

- The UK based Local Government Improvement and Development website (I&DeA) at www.idea.uk/idk/corepage.do?padeId=1 has an array of information, tools and case studies for council managers and councillors related to performance management (go to knowledge/performance management).
- The Advanced Performance Institute at www.ap-institute.com has resources available including public sector focused materials.

**LGAT Population Explosion**

The Policy area of LGAT is experiencing a mini baby boom. Kate Hiscock has commenced 12 month’s maternity leave. This is the first baby for Kate and her husband, Simon, and we all wish them well as the enter this exhausting but wonderful world of parenthood. But the congratulations don’t stop there. Ben Mooney and his wife Brenda are expecting a new sibling for their boys Will and Daniel any time now. Georgia Palmer and her husband, Damian Scott, will be giving Harriet a new brother or sister early in the New Year and will be reducing her hours prior to commencing maternity leave in December. I’m looking forward to some baby cuddles. However, given we only have a permanent team of four, this does mean a bit of change, so please bear with us and if you are uncertain who to address matters to, please contact me. LGAT has been successful in recruiting two new policy officers to fill the gap - Ivan Zwart and Melanie Brown. Find out more in this edition of LGAT News, in the Faces of Local Government section.

**Figure 1**

![Figure 1: Strategic Performance Management (SPM)](http://www.ap-institute.com/Performance/%)
Local Government faces many challenges in the area of training. Isolation, small and variable class numbers, the commercial basis of modern training, lack of funds, and requirements for unusual/specialist knowledge are all examples. For some skills, no courses exist in Tasmania. This creates a skills shortage on its own, regardless of demographics, or perceptions of our sector. Councils effectively share a limited pool of skilled workers and without an even spread of access to training by all councils, skills will logically flow from larger councils with sufficient funding and access to training, to smaller, less resourced councils that cannot access training.

For the training of existing workers, the project has had good results - obtaining $200,000 of funding covering up to 90% of the cost of 25 different Certificate and Diploma courses. Funded courses are in areas including project management, civil works, tourism and government. It was particularly pleasing to see King Island and Flinders Island Councils among the 11 councils accessing this funding through the LGAT. Distance mode training is playing an essential part in providing quality training to these councils.

The LGAT is currently seeking expressions of interest from council staff in doing degrees at UTAS on a LGAT scholarship. The scholarship will cover the cost of HECS in the areas of engineering or environmental health and other sciences. If you are interested in a HECS free degree in these areas, please contact me via email to discuss. Note that these UTAS courses are not distance courses and so are subject to location/travel considerations.

In the next issue of LGAT News, I’ll further explore some of the challenges in training and some of the data management issues associated with the project. 🚀

For more information, please contact Scott Blacklow on (03) 6233 5967, or email scott.blacklow@lgat.tas.gov.au.
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