

13 November 2009

CIVIL SERVICE BUREAU CIRCULAR NO. 10/2009

Performance Management in the Civil Service

**To: Directors of Bureau
Permanent Secretaries
Heads of Department**

**c.c. Judiciary Administrator
Commissioner, Independent
Commission Against Corruption
Secretary, Public Service Commission**

(Note : Distribution of this Circular is Scale A. It should be read by all staff in the civil service. A Chinese version is attached.)

This circular sets out the updated guidelines and best practices in performance management in the Civil Service. Civil Service Bureau (“CSB”) Circular No. 10/2000 “Improvements to the Performance Management System” is hereby superseded.

Background

2. Performance management is an integral part of a comprehensive human resource management (“HRM”) strategy (**Annex I**). It is the translation of departmental strategies and objectives into practical and realistic performance goals down to individual staff at each level in a department. The purpose of performance appraisal is to record, review and monitor an officer's performance; to identify the officer's training and development needs, and any room for improvement; to facilitate the selection of officers for posting, promotion and succession planning; and to assist in overall manpower planning. A performance appraisal system that facilitates honest, fair, accurate and timely appraisals of staff is essential for successful management.

3. The Performance Management Guide (“the Guide”) published in 1999 which contained the principles and objectives of an effective staff performance management system and provided details on the implementation of the system has been updated. The Guide is for reference by Heads of Department/Grade (“HoDs/HoGs”) and those who are responsible for personnel management in bureaux and departments. The updated (2009) version of the Guide can be accessed on the Central Cyber Government Office Website (<http://portal.ccgo.hksarg>).

4. The guidelines and practices outlined in this circular are based on the updated Guide, and reflects the existing performance management system and techniques practised in the Civil Service that have proven to be effective. HoDs/HoGs are encouraged to adhere to both the Guide and this circular, having regard to the circumstances of their departments/grades and views of their staff/members as appropriate.

HoDs/HoGs/Appraisers' Responsibilities

5. HoDs/HoGs have the prime responsibility to ensure that an effective performance management system is in place for the staff/grades under their purview. They also have the overall responsibility and are in the best position to set the appraisal standards, monitor the performance of their staff/members and give them feedback and assistance. HoDs/HoGs should spread the important message that it is every supervisor's responsibility to carry out honest, objective and timely appraisals of their subordinates. They should ensure that supervisory staff at all levels are aware of and discharge their responsibilities in supervising, coaching, monitoring and assessing performance in an effective and fair manner.

Multi-perspective Appraisal and On-going Feedback

6. The civil service performance appraisal system is a multi-perspective assessment system involving three tiers of appraiser, namely, the Appraising Officer ("AO"), the Countersigning Officer ("CO") and the Reviewing Officer ("RO"). At the beginning of each performance management cycle, the AO should set the performance targets with the appraisee for the period of appraisal. These targets should be specific, measurable, achievable, result-oriented and time bound. They should be mutually agreed by the AO and the appraisee, and kept under periodic review to take account of changes in operational circumstances. In setting performance targets, both quantitative and qualitative targets should be included where appropriate, and work assignments should be translated into specific goals such as completion dates, key milestones/expected outcome and deliverables where practicable. Performance targets may be amended during the appraisal period, subject to agreement between the appraisee and the AO.

7. Performance management is an on-going process throughout the period of appraisal. The AO should ensure that the expected standards in respect of the performance targets set are clearly communicated to the appraisee at the beginning of the appraisal period. The AO should then monitor the progress and provide feedback to the appraisee on his performance on a regular basis throughout the appraisal period. On-going feedback is essential for improving understanding of work goals and expectation, resolving any problems arising from meeting such goals and expectation, encouraging good performance and assisting staff who under-perform.

8. Owing to the change of postings/AOs, an officer may not receive a full report in a reporting cycle and his performance throughout the year is covered by reports in the form of a memorandum (“memo form reports”). This is undesirable as memo form reports do not provide assessments on the officer’s competencies (see paragraphs 14 and 16) and hence his potential. In compliance with CSR 236(2), a full report should be written if the appraisal period exceeds six months. If the appraisee has taken up a long-term acting appointment during the reporting cycle on the recommendation of a promotion board, a separate appraisal report covering the acting period with his performance assessed at the acting rank should be prepared. Where practicable, there should be at least one full report in case more than one report is prepared during the reporting cycle.

Honest and Timely Appraisal

9. A good performance management system should facilitate honest assessments by the appraisers and enable the appraisees to receive constructive feedback in a timely manner. AOs, COs and ROs are duty bound to give their best independent assessment. They must guard against any tendency to be charitable to inefficient or ineffective officers; allowing personal prejudices (likes or dislikes) to colour their views; and overgrading to avoid embarrassment or confrontation. They must be explicit in commenting on the performance of their subordinates to include both their strengths and weaknesses in the appraisals.

10. Both over-assessment and under-assessment distort the performance management policy objectives and undermine the credibility of the appraisers as good managers. They deprive those who have shown inadequacies in performance of the chance to make timely improvement, and are unfair to those who genuinely perform well. They should elaborate on performance results to support their assessment. They should be highly selective of those who are rated “Outstanding”. Only a small number of staff, and only those who are genuinely deserving should be assessed as such. There must be concrete evidence and strong justifications in support of an “Outstanding” rating.

11. Delay in completion of performance appraisal reports is a poor management practice that reflects negatively on the appraisers concerned. A long lapse of time will also call into question the accuracy and credibility of the performance assessment made on an appraisee, hence adversely affecting other HRM functions such as promotion, human resource planning and training and development.

12. Given the importance of performance management, staff management ability including the timeliness and quality of the appraisal of subordinates should be an aspect on which the appraisers themselves are assessed in their own performance appraisals.

Assessment of Performance

13. HoDs/HoGs should ensure that the rating scales in use are supported by clear definitions for different performance ratings. Normally, the following performance ratings are adopted in appraisals:-

- Outstanding, distinguished from others in excellence, markedly superior than the rest
- Very effective performance which more than meets requirements consistently
- Effective performance which fully meets requirements, and occasionally exceeds such requirements
- Moderate performance which only meets the lowest acceptable standard with room for improvement
- Unsatisfactory performance with much room for improvement
- Poor performance which falls seriously short of requirements

The ratings should enable the appraisers to indicate clearly whether the appraisee's performance has met, exceeded or fallen short of the performance norm which is generally set at the "Effective" level. However, it is not unacceptable for the performance of the majority of officers to be in the "Very Effective" category (equivalent to the second level on a 6-point scale) for so long as honest reporting is practised. A rating at the fourth or fifth rating on a 6-point scale will normally represent a level of performance that has fallen short of the required standard, and will convey the unambiguous message that the appraisee has to strive for improvement in performance.

Assessment of Competencies

14. Competencies refer to the knowledge, skills and attributes required to perform a work function effectively. A competency-based approach enables departments to use a common language and provides a structured means to define and describe appropriate job behaviours across all grades and levels of staff in a department. The approach helps assess staff's potential and promotability to the next higher rank and identify development needs. It also enhances the objectivity and transparency of performance assessment.

15. CSB has updated the general appraisal form GF1 using the competency-based approach for use by civil servants remunerated at Master Pay Scale ("MPS") point 45 and above, and GF94 (a set of four forms) for civil servants remunerated at MPS points 10 to 44. Departments/grades/ranks who have not adopted a competency-based performance appraisal system are encouraged to use these general appraisal forms or develop their own appraisal forms based on them. The following is the assessment scale adopted in the general performance appraisal forms GF1 and GF94 for measuring competencies at the current and next higher levels:-

- Demonstrates competence to perform strongly at the next higher rank
- Displays potential and ability to perform well at the next higher rank
- Performs well in the current rank, with some potential for higher responsibilities
- Performs adequately and is consolidating at the current rank
- Does not yet perform well at the current rank
- Not tested/Not applicable

To warrant the top two ratings in the assessment scale above, an appraiser should consider such factors as exposure to or experience at the next higher rank either in an acting capacity or through special assignments, and the duration of such exposure/experience. He should be certain that the appraisee has demonstrated a strong potential or ability to shoulder higher responsibilities clearly and consistently.

16. For competencies to be useful and to serve the needs of a department/grade/rank, they should be department/grade/rank-specific and reflect the values, management practices and culture of the department/grade/rank. It is a good practice to review the competencies applicable to a department/grade/rank from time to time. Staff involvement during the review and any deliberation on change is crucial to the success of competency-based assessment.

Assessment of Promotability

17. The assessment of an appraisee's promotability is basically an assessment of his suitability for promotion to the next higher rank. AOs, COs and ROs have their respective roles in assessing appraisees' promotability. In assessing an appraisee's promotability, the AO should base his assessment on the appraisee's performance as well as competencies as demonstrated in the appraisal period, and where appropriate, as compared to other appraisees in the same rank appraised by him. The CO should make reference to the appraisee's performance and ability demonstrated during the appraisal period as compared to other appraisees in the same rank being countersigned by him. He should also take into account the reporting standards of different AOs under his supervision in making the assessment. The RO (who is normally the HoG) should take account of the appraisals of the appraisee over time, including the past and current ones, and assess the appraisee's potential and abilities against the competencies and qualities required for the next higher rank. His assessment should also take account of the varying reporting standards of different AOs and the appraisee's performance and potential as compared to the rest of the rank. In assessing promotability, the appraisers should not factor in the vacancy position which should be considered by the promotion board.

18. As a good practice, promotability ratings should be descriptive and indicative of appraisees' demonstrated readiness for responsibility at the next higher level. The following is the scale being adopted in the general appraisal forms GF 1 and GF 94:-

- Strong candidate for promotion
- Suitable to be tested / further tested at next higher level
- Needs consolidating at current rank
- Not applicable as there is no promotion rank for the rank

19. Ratings in promotability are used by promotion boards as a factor for consideration. Promotion takes place only when a promotion board is satisfied that the officer concerned is in all aspects fit for promotion having regard to his character, ability (i.e. performance and potential) and qualifications and experience prescribed for the higher rank, and there is a suitable vacancy in the higher rank.

Appraisal Interview

20. Interviewing officers (either the AO or CO) should show the entire appraisal to appraisees prior to interviews and go through the comments in the appraisal during interviews. Appraisal interviews should be conducted face to face and involve a two-way communication flow. Appraisees should use the opportunity to give feedback on the appraisal. Interviewing officers should discuss in general terms appraisees' performance and how effective appraisees' contributions have been, and indicate areas where performance has been good, and where it has fallen below the required standard and what should be done to improve performance.

21. It is very much in the interests of both parties that appraisal interviews are honest and informative. For staff whose performance is inadequate, the aim should be to explain management's concerns fully and to agree on ways to correct any deficiency as soon as possible.

22. If an appraisee does not agree to the assessment made by his appraiser, his view and the reasons for his disagreement should be accurately recorded in the record of interview. The record of interview must be signed by both the interviewing officer and the appraisee as an indication that it has been duly read and noted.

Post-appraisal Follow-up Action

23. For training and career development proposals put forward in the appraisal, HoDs/HoGs should take into account such proposals when considering an officer's development plan. They should also consolidate the common themes on training and development identified in individual appraisees and incorporate them in the overall training and development plans of departments or grades as appropriate.

24. For appraisees whose performance has shown signs of deterioration, or who are sub-standard performers, HoDs/HoGs must ensure that suitable counselling, guidance and assistance will be given to them promptly and the performance of these officers is monitored closely. Where the deterioration in an officer's performance so warrants, prompt management actions (including the issue of written advisory letter to urge for improvement, as provided for under CSR 233¹) should be taken without waiting for the next appraisal. HoDs/HoGs should consider stopping or deferring the increment of an officer on his next incremental date if his conduct, diligence or efficiency at work are not up to standard during the appraisal period. For persistent substandard performers, consideration should be given to triggering the procedures for section 12 action under the Public Service (Administration) Order in accordance with CSB Circular No. 9/2005 and Circular Memorandum No. 16/2005.

25. To ensure consistency in assessment standards and fairness in appraisal ratings, HoDs/HoGs may consider if an assessment panel should be set up (see paragraphs 27 to 36).

26. If the appraisee complains or appeals against the AO/CO's assessment, his complaint/appeal should be dealt with within the performance management system as far as possible. HoDs/HoGs are normally the ultimate authority to determine on such complaints/appeals and the related follow-up actions.

Assessment Panel

27. The major objective of establishing assessment panels ("APs") is to ensure broad consistency and fairness in appraisal ratings (including ratings on performance, competence and promotability) within the rank.

28. After appraisals reports have been written by appraisers, HoDs/HoGs may decide to form APs to undertake levelling and moderating work among the reports in circumstances where there are differences in assessment standards due to the following reasons, amongst others:-

- (a) many different AOs/COs are involved in the appraisal of staff performance (e.g. in large departments/grades);
- (b) officers of the same rank are involved in a wide variety of work responsibilities and there are variations in assessment standards applied to these responsibilities;
- (c) officers are seconded to other departments (outstationed officers) and are appraised by officers of another grade, who may not be familiar with the assessment standards adopted by the parent grade of the appraisees; and

¹ CSR 233 – "If an officer is less than fully efficient or productive for any reason, e.g. because of his general conduct, ability, temperament or attitude to work, this should normally be dealt with as soon as the shortcoming is observed either by speaking to him or writing to him, without waiting for the annual staff report."

- (d) where there are no officers at the departmental level to ensure consistency in assessment standards.

29. APs should be formed on a rank basis, and should be chaired by the Head of Branch/Division or HoG or their representative with members comprising section/unit heads. Members of an AP should have sufficient knowledge of the work and responsibilities of the officers of the concerned rank or the work of the appraisees whose appraisals will be moderated by them. Membership of APs should be kept transparent to staff.

30. An AP, when formed, should agree on the “assessment standards” that it will use, including those for measuring how far an appraisee has exceeded the required work targets to justify an overall “Outstanding” rating, and how far an appraisee has fallen below such targets to justify an overall “Moderate” or “Unsatisfactory/Poor” rating. It should avoid applying assessment standards through the rigid use of a formula to work out the overall rating based on individual ratings. Instead, it should give consideration to the quantitative and qualitative aspects of work targets in undertaking moderation work.

31. An AP should meet when a performance appraisal cycle has completed and a fresh round of appraisal reports are available, and if practicable, before the RO has completed his part. It should attend to the following tasks:-

- (a) to moderate the appraisal reports (full/part/memo form) within the rank in the current year, having regard to the agreed assessment standards, with focus on appraisals in the “Outstanding” and “Moderate” (or below) categories;
- (b) to identify glaring cases of overly harsh or loose marking that may lead to unfair assessment of the appraisees concerned, with special attention on cases where the CO disagrees with the AO’s assessment;
- (c) to ensure that only those fully deserving appraisees are rated at the extremities of “Outstanding” and “Unsatisfactory/Poor”; and
- (d) as soon as practicable after the meeting, to bring to the attention of the concerned HoD/HoG or management appraisal reports with ratings at “Outstanding”, “Moderate” and “Unsatisfactory/Poor”, and cases of poor reporting standard (where the AO is either too generous or too stringent) for appropriate follow-up actions.

32. For appraisees who have been assigned to undertake special projects or who are taking up more taxing duties than their peers, the AP may consider whether the nature and complexity of such projects or duties call for a different set of appraising criteria and if so, whether the assessment and ratings shown in the appraisals are well justified against those criteria. Where appropriate, the AP may consider if any aspects of the appraisees’ core competence have been untested or under-tested due to the nature

of such projects or duties. If the AP considers that an appraisee has been in his post for too long, which rendered certain aspects of his core competence untested or under-tested, it may draw this to the attention of the concerned HoD/HoG or management.

33. For appraisees who are seconded to other departments or posted to outstations and are appraised by officers of another grade, the AP should pay attention to whether there are obvious differences in appraising standards or practices amongst appraisers in different departments or grades.

34. In moderating performance appraisals, the AP may make adjustments to appraisal ratings. It should, as soon as practicable after the AP meeting, inform the relevant appraisee, AO and CO, as appropriate, of such adjustments. The AP should also provide specific comments in relation to the adjustments made. It should document such comments with a copy placed in the appraisee's staff report file for future reference.

35. A mechanism should be put in place to handle complaints by appraisees who are aggrieved by the decisions of an AP. An AP should not handle complaints against its own decisions. HoDs/HoGs should be the final authority for adjudicating on complaints involving APs' decisions.

36. The best practices of APs in respect of maintaining transparency, parity of assessment, moderation practice and distinguishing itself from the work of promotion board are given at **Annex II**.

Civil Service Regulations and Circulars Relating to Performance Management

37. These are listed at **Annex III**.

Support Service

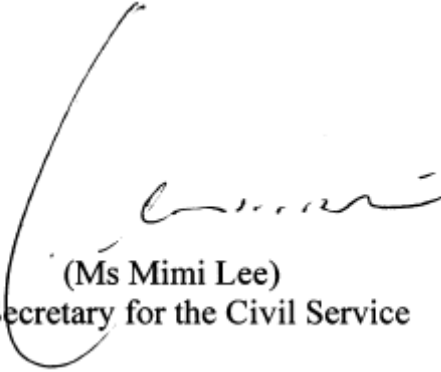
38. The Civil Service Training and Development Institute ("CSTDI") provides a broad range of training programmes and advisory services on performance management including the development and review of core competencies, review of performance management system, formulation of training and development policies and implementation, and establishment and operation of APs, etc. CSTDI also organizes experience sharing sessions to enable bureaux and departments to exchange views and share best practices with each other.

Circulation

39. Bureaux/departments are requested to re-circulate this circular to their staff annually.

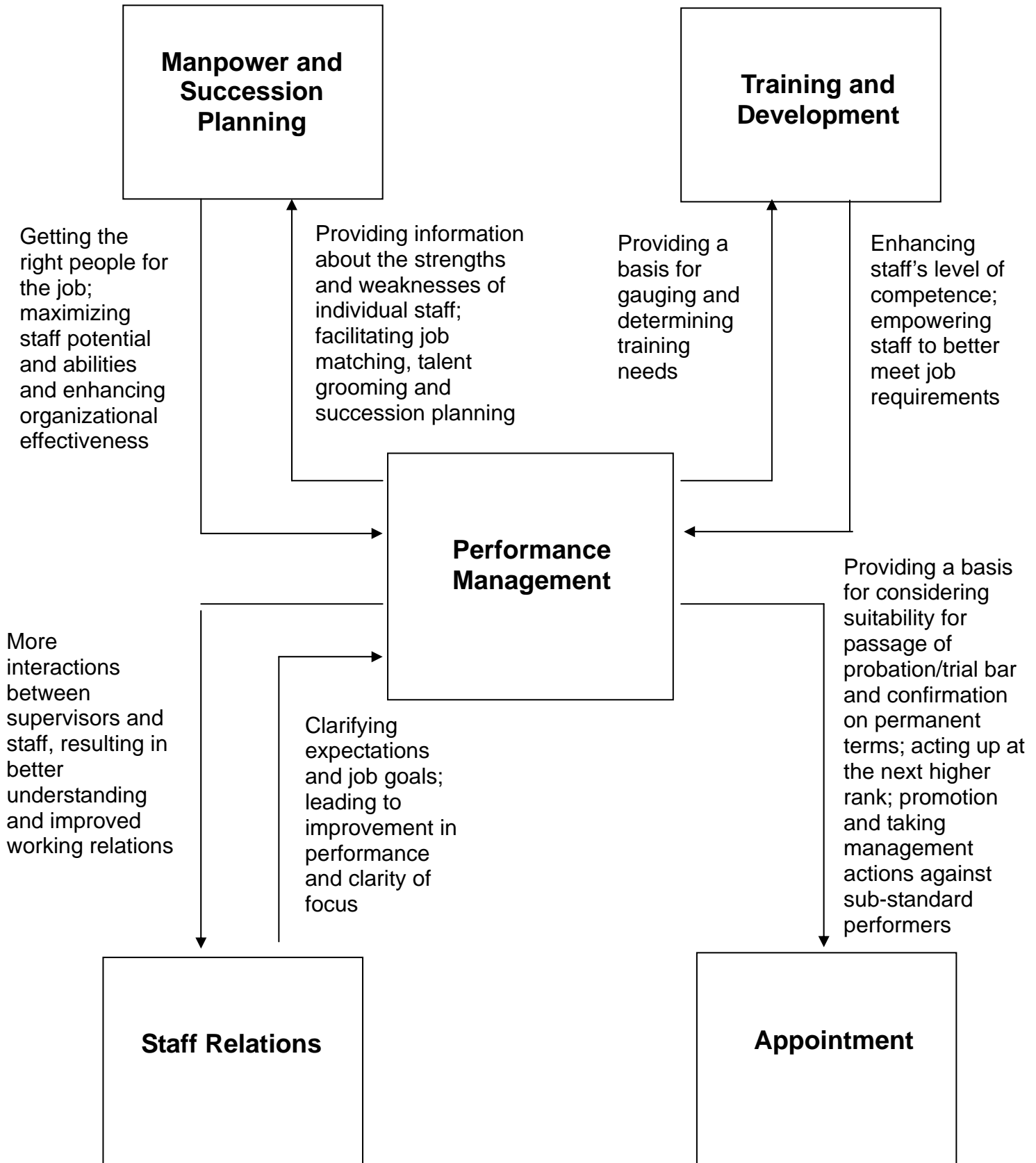
Enquiries

40. Officers with enquiries on this circular should approach their Departmental Secretaries who, if in doubt, should contact the Chief Training Officer (Human Resource Management Advisory Unit 1) at 2231 3853 or the Senior Training Officer (Human Resource Management Advisory Unit 1) at 2231 3881 of this Bureau.



(Ms Mimi Lee)
for Secretary for the Civil Service

How Performance Management Links with Other HRM Functions



Best Practices of Assessment Panels

Transparency

It is important that the role, objectives and operation of APs be made known to staff as far as practicable so that staff would have a correct perception i.e. APs are to ensure consistency and fairness in assessment, rather than to downgrade appraisal ratings. If an AP makes changes to the assessment standards adopted in the previous year when it meets in the following year, it should make such changes transparent by drawing them to the attention of staff. HoDs/HoGs should explain the role, objective and operation of APs to staff through briefings or other channels like meetings with members of the Departmental Consultative Committee or staff associations.

Parity of Assessment

2. Normally just one AP should be formed to consider completed appraisal reports of all officers in the same rank. If more than one AP have to be formed, the same set of assessment standards should be adopted and there should be a degree of overlapping membership to ensure consistency in the levelling and moderation work across the panels.

3. If an AP is required to moderate the appraisal of outstationed officers, appropriate measures should be put in place to ensure that members of the AP have adequate knowledge about these officers, e.g. through meetings with the supervisors in the host departments to discuss the work and performance of the outstationed officers.

Moderation Based on Actual Performance

4. APs should adopt a holistic approach to moderation work. They should not adjust the rating distribution statistically for meeting a fixed rating distribution framework, and should avoid applying an arithmetic formula in a mechanical manner. These inflexible approaches would undermine the effectiveness of APs in moderating appraisals based on their knowledge of the appraisers' reporting standard, actual performance of the officers concerned and the common assessment standards adopted for the rank.

AP versus Promotion Board

5. An AP's main role is to undertake levelling and moderating work among appraisal reports in the current year and to determine if such appraisals are evidence-based and the ratings are fully justified, based on the assessments provided in the reports and members' knowledge about the work requirements for the rank, the assessment standards, the supervising officers' reporting standard, etc, where applicable. Its role should be clearly distinguished from that of a promotion board.

**Civil Service Regulations and CSB Circulars on
Performance Appraisal and Related matters**

1. **CSR 230 – 240** on “Staff Reports”
2. **CSR 451 – 452** on “Grant of increments” and “Stoppage and deferment of increment”
3. **CSB Circular No. 15/1995 dated 8.8.1995**
“Staff Report Writing in Chinese”
4. **CSB Circular No. 13/2000 dated 30.6.2000**
“Increments – Civil Service Regulations 451 and 452, Abolition of Efficiency Bars – Civil Service Regulations 207 – 219”
5. **CSB Circular No. 13/2002 dated 6.9.2002**
“Personal Data (Privacy) Ordinance Guidelines for Users of Employment-Related Personal Data in the Civil Service”
6. **CSB Circular No. 9/2005 dated 17.10.2005**
“Retirement in the Public Interest on Account of Sub-standard Performance”
7. **CSB Circular Memorandum No. 5/2000 dated 31.1.2000**
“Recording of Acting Appointments in Performance Appraisal Reports”
8. **CSB Circular Memorandum No. 30/2002 dated 15.11.2002**
“Performance Appraisal System”*
9. **CSB Circular Memorandum No. 9/2003 dated 24.4.2003**
“Performance Appraisal for Officers on Probation”
10. **CSB Circular Memorandum No. 16/2005 dated 17.10.2005**
“Procedural Guide for Handling Sub-standard Performers”
11. **CSB Circular Memorandum No. 15/2009 dated 1.9.2009**
“Implementation of Competency-based General Performance Appraisal Forms and Related Amendments to Civil Service Regulations and Civil Service Bureau Circular”
12. **Code of Practice on Employment under the Disability Discrimination Ordinance issued by the Equal Opportunities Commission**

* This circular memorandum announces (a) the introduction of a performance appraisal system for all Model Scale 1 staff; (b) the new arrangement on calling for annual performance appraisal reports for officers with salaries on or above point 45 of the Master Pay Scale and Superintendents and above in the Hong Kong Police Force; and (c) the introduction of the general forms on performance appraisal (i.e. GF1, GF94 and GF95) in electronic format.