

PERFORMANCE MANAGEMENT PROGRAM

**For Deputy Ministers, Associate Deputy Ministers
and Individuals Paid in the GX Salary Range**



GUIDELINES

**Senior Personnel Secretariat
Privy Council Office
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1.0 INTRODUCTION

The purpose of this document is to provide an overview of the Performance Management Program as it applies to deputy ministers, associate deputy ministers, and individuals paid in the GX salary range.

1.1 Program Objectives

The objectives of the Performance Management Program are:

- to encourage excellent performance by setting clear objectives and rigorously evaluating the achievement of results;
- to recognize and reward strong performance and identify under-performance; and
- to provide a framework within which a consistent and equitable approach to performance management can be applied.

1.2 Compensation Plan

The Advisory Committee on Senior Level Retention and Compensation, composed of senior executives from the private and other public sectors, was established in 1997 to provide independent advice to the government on compensation and overall human resources management matters for public service executives and Governor in Council appointees.

In February 1998, the government accepted the recommendations contained in the First Report of the Advisory Committee. As a result, a new compensation plan for deputy ministers, associate deputy ministers, and other Governor in Council appointees was introduced.

As per the Committee's recommendation, cash compensation for senior personnel has two components – base salary and performance pay. Performance pay has two elements – a variable amount (at-risk pay) which must be re-earned each year and a bonus for performance that surpasses expectations. As in the private sector, it would be expected that most senior personnel would receive some at-risk pay.

An effective performance management program is integral to the success of this compensation plan.

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1.3 Eligibility

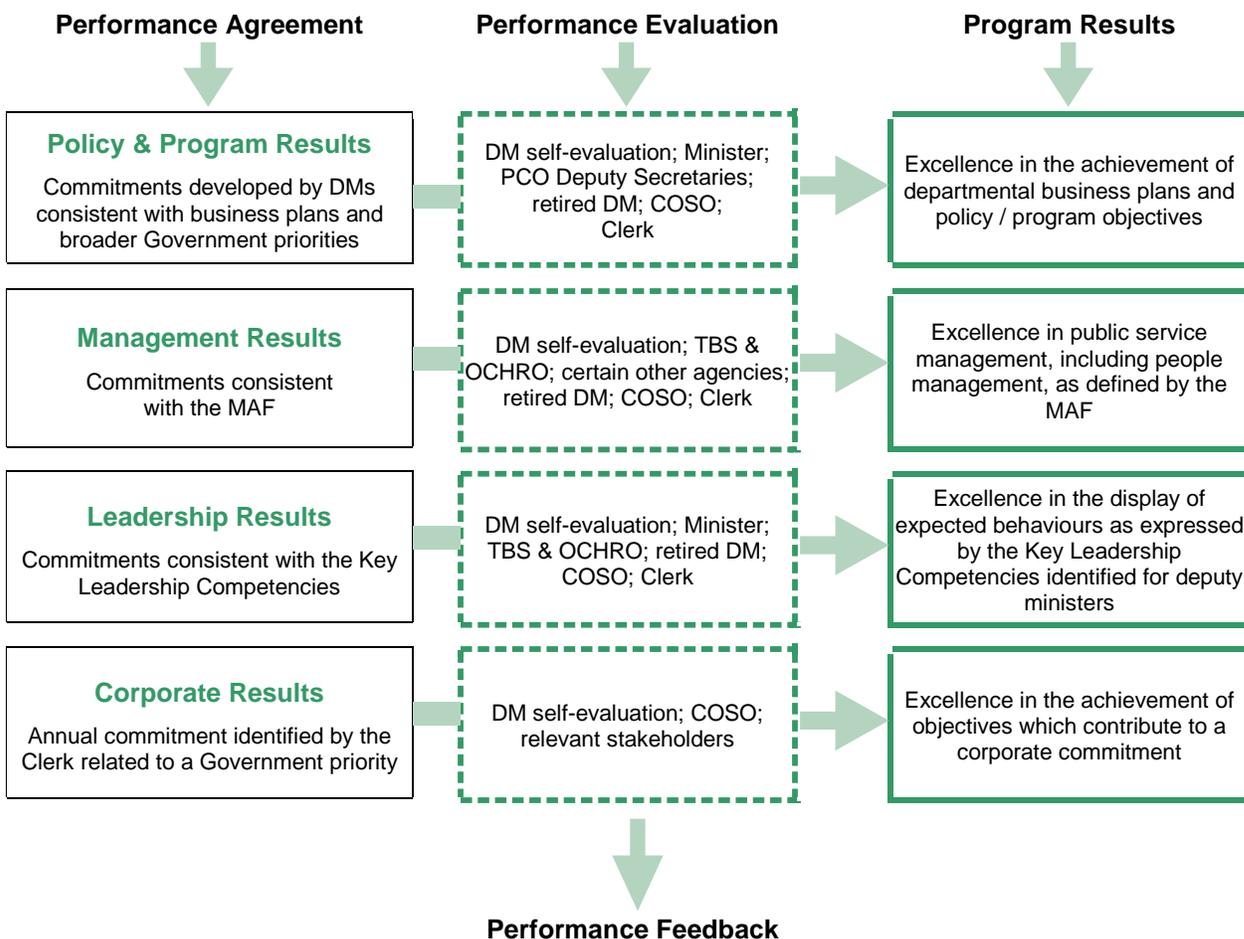
To be eligible for performance pay, incumbents appointed by the Governor in Council must normally hold their positions for at least three (3) consecutive months in the performance cycle. This period allows the incumbent sufficient time to achieve measurable results.

If the period covered by the performance evaluation is more than three months but less than 12 months (full performance cycle), performance pay, if approved, may be prorated.

If an individual is appointed as a deputy minister (or an associate deputy minister or to a position paid within the GX salary range) from an assistant deputy minister (ADM) position during the performance cycle, the individual will be included in the Performance Management Program for the complete cycle.

2.0 PROGRAM OVERVIEW

The diagram below summarizes the performance management program.



3.0 PERFORMANCE AGREEMENTS

The performance agreement is a mutual understanding between the deputy minister and the Clerk of the Privy Council (or the associate deputy minister/GX and the deputy minister) as to what is expected for the performance cycle.

The performance agreement is comprised of individual commitments, as well as the related performance measures:

Individual Commitments:

- **Policy and Program Results:** These commitments reflect the organization's priority areas of focus during the performance cycle, related to business plans. They are challenging but achievable with effort through the individual's own influence and control. They must also be results-oriented and measurable or clearly demonstrable. Commitments must be such that the deputy minister will personally make a significant contribution to their achievement. Individuals are expected to develop the following as part of their performance agreements:
 - commitments based on the business plans of the organization; and
 - commitments that reflect priority areas of focus of the Government.

Each commitment must be accompanied by related performance measures which are observations or data that determine and define if and how well the commitments are met. They will form the basis of reporting at the end of the performance cycle.

- **Management Results:** Individuals with responsibility and accountability for the management of an organization will also be measured on their progress in implementing the management conditions described in the Management Accountability Framework (MAF), with emphasis on the priorities identified by the deputy minister and the Secretary of the Treasury Board or the Chief Human Resources Officer, including people management.

The management conditions set out in the MAF translate into generic commitments and serve as benchmarks for expected performance of all deputy ministers (see Annex A). ***As such, there is no need for deputy ministers to include management results in their performance agreements unless they wish to highlight a particular initiative.***

- **Leadership Results:** These commitments reflect the expected demonstration of the Key Leadership Competencies which are required to successfully carry out the responsibilities of the position. The Key Leadership

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Competencies are generic commitments and serve as a benchmark for expected performance of all deputy ministers (see Annex B). ***As such, there is no need for deputy ministers to include leadership results in their performance agreements unless they wish to highlight a particular initiative.***

- **Corporate Results:** This commitment reflects a current Government priority. It will be identified on an annual basis by the Clerk of the Privy Council and the results will be evaluated and rewarded based on the contribution of the individual towards the corporate commitment.

Details on the corporate priorities are posted annually on the [Privy Council Office website](#).

3.1 Changes to Performance Agreements

Changes may be made to the performance agreement during the performance cycle, in consultation with the Clerk (or with the deputy minister in the case of associate deputy ministers and persons paid in the GX salary range).

4.0 PERFORMANCE EVALUATION

4.1 Input on Performance Evaluation

At the end of the performance cycle, each deputy minister completes a self-evaluation assessing achievements against the agreed upon commitments. Deputy ministers also complete an evaluation of their associate deputy minister(s), as well as those paid in the GX salary range, where applicable. **A concise summary of each evaluation (i.e. half a page) should also be completed in addition to the full (self) evaluation.** Both documents will be submitted for consideration by the Committee of Senior Officials (COSO).

Additional information is sought by the Privy Council Office to supplement the self-evaluations including:

- the input of the responsible Minister;
- the comments of central agencies including the Privy Council Office, the Treasury Board Secretariat and the Office of the Chief Human Resources Officer reporting on results in relation to the MAF and, if appropriate, the annual corporate commitment;
- the input gathered by a retired deputy minister from others as appropriate, such as chairpersons of deputy minister committees and other deputy ministers or deputy heads in the portfolio; and
- the input of COSO.

4.2 Performance Ratings

Performance ratings depend not only on each deputy ministers' own performance against their commitments, but also on the relative scope and complexity of the challenges they faced. Ratings will be based on results achieved, as well as on the manner in which they were achieved.

Overall performance is evaluated with the following possible results:

- **Did not Meet /Unable to Assess**
Did not achieve performance expectations or unable to assess the performance during the cycle (due to leave, training, special assignment).
- **Succeeded -**
Did not fully succeed in meeting performance expectations. Or, while succeeded, it was in a position with performance expectations of less scope and complexity in relation to those of other deputy level jobs.
- **Succeeded**
Has fully achieved the performance expectations.
- **Succeeded +**
Exceeded the performance expectations. Or, fully succeeded in a position of greater scope and complexity in relation to those of other deputy level jobs.
- **Surpassed**
Went well beyond performance expectations.

4.3 Performance Awards

The Performance Management Program provides the opportunity to earn the following performance-based compensation:

- **Economic Increase**
An economic increase can be recommended annually by the Advisory Committee on Senior Level Retention and Compensation, and if applicable, would reflect a percentage increase in base salary. Eligibility for this increase is normally dependent upon the successful achievement of commitments. An economic increase can also be awarded in cases where performance is unable to be assessed for reasons such as leave, training, etc. Normally, no economic increase is awarded for performance that does not achieve expectations.

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- In-Range Salary Movement

Movement through the salary range, up to the maximum of the range, is earned through the successful achievement of commitments. Normal progression for successful performance is 5% per year. Higher or lower percentages may be approved based on the degree of performance against expectations. No in-range salary increase is awarded for performance that does not achieve expectations.

- At-Risk Pay

The lump sum payment is equivalent to a percentage of base salary and must be re-earned each year, based on the successful achievement of commitments. The amount of this lump sum may vary, depending on the degree of success achieved, as outlined under the section on Performance Ratings. This payment does not increase an individual's base salary but is included in average salary for pension calculations. At-risk pay can be earned regardless of an individual's position in the salary range; however, no at-risk pay is awarded for performance that does not achieve expectations.

- Bonus

This lump sum payment is in addition to at-risk pay and is based on the individual's demonstrated performance that has surpassed expectations. Like at-risk pay, this payment does not increase an individual's base salary but is included in average salary for pension calculations. Bonuses can be earned regardless of an individual's position in the salary range.

In implementing in-range salary increases, at-risk pay and bonuses, the salary used as the base for calculations is that in effect on the last day of the performance cycle; that is, March 31st. Economic increases apply to the upcoming fiscal year and are based on the salary following application of any in-range salary increase.

4.4 Performance Award Percentages

The Privy Council Office annually issues information on the range of performance awards available, according to performance achieved and the individual's classification. This information can be found on the [Privy Council Office website](#).

5.0 APPROVAL AND FEEDBACK PROCESS

Compensation for deputy ministers and associate deputy ministers is approved by the Governor in Council. Copies of the Order in Council authorizing payment are provided to the individuals concerned for forwarding to their compensation office for implementation.

Compensation for individuals paid in the GX salary range is approved by the Prime Minister.

5.1 Feedback

Emphasis is placed on developing and sharing constructive feedback, including any recommendations for strengthening performance. As appropriate, the Clerk of the Privy Council, the Associate Secretary to the Cabinet, or the Deputy Secretary to the Cabinet (Senior Personnel, Business Transformation and Renewal), will provide performance feedback.

5.2 Recovery of Performance Pay

The Performance Management Program for Governor in Council (GIC) appointees incentivizes performance by linking a portion of compensation to the achievement of results. A rigorous evaluation process and the ability to accurately compensate for results are essential to the program's integrity. On occasion, information may come to light following the evaluation period that is relevant to the assessment and performance pay that was provided to an appointee:

- when it has been determined, following due process, that an appointee willfully or recklessly sought to hide or misrepresent their achievements such that any deficiencies would have been difficult to detect at the time of evaluation; or
- when it has been determined, following due process, that an appointee committed serious breaches of conduct or mismanagement within a particular performance period that would have had such a negative effect on the rating provided that they would have received a rating of "did not meet".

In such cases, the GIC may assign a revised performance rating for the period in question and recover any performance pay and associated compensation provided to the appointee during that period:

- the amounts eligible for recovery are deemed under the *Terms and Conditions for Full-Time Governor in Council Appointees* to be an overpayment under s.155 of the *Financial Administration Act*, and,
- the amounts eligible for recovery include any at-risk pay, bonus and in-range movement earned as a result of the initial rating assigned during the performance cycle in question. This also includes a recalculation of pension entitlements, should the appointee have retired and recovery of any overpayments as a result.

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5.3 Communications

To ensure transparency and understanding of the program objectives and results, as well as alignment in the organization, individuals are encouraged to share their performance commitments with their organization.

6.0 TIMELINES

January – March

- The Clerk sends a call email to deputy ministers requesting the following:
 - a self-evaluation of performance during the previous fiscal year against individual commitments, and evaluations of associate deputy ministers and GXs, if applicable;
 - a concise summary of each full performance evaluation; and
 - a proposed performance agreement for the next fiscal year.
- Deputy ministers finalize planning processes, meet with management teams on performance commitments, etc.

Mid-April

- Evaluations and summaries are due.
- New performance agreements are due.

April – June

- A retired DM reviews DM self-evaluations and gathers further assessments on deputy ministers' and associate deputy ministers' performance related to achievements and leadership competencies.
- The Clerk seeks input from various sources including Ministers, the Privy Council Office, central agencies and other stakeholders on achievements.

June

- A COSO meeting is held to provide advice to the Clerk on performance.

July – August

- Performance feedback is provided to deputy ministers.

September

- Performance pay is implemented.

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October

- Final amendments to performance agreements for the year in progress are due, including any changes related to the performance feedback received.

Management Results Generic Commitments

These commitments reflect the core organizational and management accountabilities, as described in the Management Accountability Framework.

Leadership and Strategic Direction

Articulates and embodies the vision, mandate and strategic priorities that guide the organization while supporting Ministers and Parliament in serving the public interest.

Results and Accountability

Uses performance results to ensure accountability and drive ongoing improvements and efficiencies to policies, programs, and services to Canadians.

Public Sector Values

Exemplifies the core values of the public sector by having respect for people and democracy, serving with integrity and demonstrating stewardship and excellence.

Continuous Learning and Innovation

Manages through continuous innovation and transformation, to promote organizational learning and improve performance.

Governance and Strategic Management

Maintains effective governance that integrates and aligns priorities, plans, accountabilities and risk management to ensure that internal management functions support and enable high performing policies, programs and services.

People Management

Optimizes the workforce and the work environment to enable high productivity and performance, effective use of human resources and increased employee engagement.

Financial and Asset Management

Provides an effective and sustainable financial management function founded on sound internal controls, timely and reliable reporting, and fairness and transparency in the management of assets and acquired services.

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Information Management

Safeguards and manages information and systems as a public trust and a strategic asset that supports effective decision-making and efficient operations to maximize value in the service of Canadians.

Management of Policy and Programs

Designs and manages policies and programs to ensure value for money in achieving results.

Management of Service Delivery

Delivers client-centred services while optimizing partnerships and technology to meet the needs of stakeholders.

*Individuals should consult the Management Accountability Framework, available online at www.tbs-sct.gc.ca, for a complete understanding of the MAF elements and objectives.

Leadership Results Generic Commitments

These commitments reflect the expected demonstration of the Key Leadership Competencies required to successfully carry out the responsibilities of the position.

Create Vision and Strategy

Leaders define the future and chart a path forward. They are adept at understanding and communicating context, factoring in the economic, social and political environment. Intellectually agile, they leverage their deep and broad knowledge, build on diverse ideas and perspectives and create consensus around compelling visions. Leaders balance organizational and government-wide priorities and improve outcomes for Canada and Canadians.

Mobilize People

Leaders inspire and motivate the people they lead. They manage performance, provide constructive and respectful feedback to encourage and enable performance excellence. They lead by example, setting goals for themselves that are more demanding than those that they set for others.

Uphold Integrity and Respect

Leaders exemplify ethical practices, professionalism and personal integrity. They create respectful and trusting work environments where sound advice is valued. They encourage the expression of diverse opinions and perspectives, while fostering collegiality. Leaders are self-aware and seek out opportunities for personal growth.

Collaborate with Partners and Stakeholders

Leaders are deliberate and resourceful about seeking the widest possible spectrum of perspectives. They demonstrate openness and flexibility to forge consensus and improve outcomes. They bring a whole-of-government perspective to their interactions. In negotiating solutions, they are open to alternatives and skillful at managing expectations. Leaders share recognition with their teams and partners.

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Promote Innovation and Guide Change

Leaders have the courage and resilience to challenge convention. They create an environment that supports bold thinking, experimentation and intelligent risk taking. They use setbacks as a valuable source of insight and learning. Leaders take change in their stride, aligning and adjusting milestones and targets to maintain forward momentum.

Achieve Results

Leaders mobilize and manage resources to deliver on the priorities of the Government, improve outcomes and add value. They consider context, risks and business intelligence to support high-quality and timely decisions. They anticipate, plan, monitor progress and adjust as needed. Leaders take personal responsibility for their actions and outcomes of their decisions.