

EAST HERTS COUNCIL

HUMAN RESOURCES COMMITTEE – 21 OCTOBER 2015

REPORT BY HEAD OF HUMAN RESOURCES AND OD

PERFORMANCE DEVELOPMENT REVIEWS – REVIEW 2015
STAGE 1

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

- To review the progress of the Performance Development Review Process (Stage 1) review

RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE:

That:

(A)	The progress of Performance Development review Process Stage 1 be noted

1.0 Background

- 1.1 The Here to Help programme, Staff Survey July 2014 and H2H Staff Forum in February 2015 raised a number of comments/ideas regarding the Performance Development review process (PDRS).
- 1.2 It was agreed by Corporate Management Team (CMT) that a review of the PDRS would become a H2H corporate project for Human Resources.
- 1.3 The Head of Human Resources and Organisational Development carried out consultation on the PDRS during January to March 2015 with all employees, managers, SMG and Unison. All employees were given the opportunity to comment on the following:

- Process – time of year/frequency/length
- Form - is there anything missing/layout/aid to discussion
- Training – is more training need for managers/employee on how to conduct a PDR meeting
- Meeting – does the meeting aid discussion on career development/opportunities/interests/training and development/your ideas/suggestions

- 1.4 An EELGA survey was completed in January 2015 asking local Council's to share their PDR process, whether they used competencies and how they incorporated their values and behaviours into the process.
- 1.5 Research was also completed looking at best practice and current PDRS models available. The EELGA Competency Framework Model developed in 2014 was included.
- 1.6 The Council's old PDR processes and competency framework have been included as part of the review to ensure that the Council reflects and builds on its current process, rather than reinvents the wheel.
- 1.7 The Human Resources (HR) Committee on 25 March 2015 raised concerns about the completion of the PDRS by managers and recommended that the Head of Human Resources and Organisational Development undertake a review of the process to establish whether there were any blockages to services in undertaking PDR and how this could be overcome to ensure timely compliance with the PDR process; and relevant Heads of Service of those services not achieving the PDRS target of 100% be asked to attend a meeting of Human Resources Committee to explain and give assurances that matters were in hand to secure compliance.
- 1.8 The HR Management Statistics April-June 2015 was presented to the HR Committee on 8 July 2015. It was reported that the PDRS stats were 99.71% of mid-year and full PDRs have been completed and 100% of the Council have objectives set for 2015/16.

2.0 Report

2.1 Comments raised under the H2H programme were:

1. Incorporate the Council's values and behaviours into the process.

2. The PDRS cycle is out of line with the business, full and mid-year reviews are completed at the wrong times of the year.
3. When PDRs are performed, there needs to be more emphasis on personal targets as well as corporate and service ones.
4. PDRS should flow from the top and everyone should have the same deadline.
5. PDR form should be shorter, plus an additional section is added so employees have the opportunity to list any barriers to them completing their objective and feedback is given by Head of Service and/or Director on how these can be overcome.
6. Ongoing performance tool.
7. PDRS should be a valuable staffing tool but it is so time consuming and structured that employees do not value the process and managers dread the time that it takes to complete.
8. Need to be more meaningful in terms of what else happens during the year so employees feel it is relevant and meaningful, also training and development needs more emphasis and investment.
9. Can we use electronic signatures to speed up the process?
10. Grading should be reviewed in order for employees to have the opportunity to reach the top grade of 'Exceeding Expectations'.

2.2 Staff Survey 2014

- 2.2.1 The Staff Survey completed in July 2014 asked employees to indicate how often various statements on the PDR process applied to their line manager.
- 2.2.2 Four fifths or more of respondents reported that their line manager always/usually: agrees objectives with them to achieve as part of the PDR (88%), is supportive if they have a problem (86%) and gives them the support they need to do their job to a high standard (80%).

Please indicate how often the following statements apply to your line manager. My line manager...	% who said always/ usually 2011	% who said always/ usually 2014	% point change since 2011
Agrees objectives with me to achieve as part of PDRS process	N/A	88	N/A
Is supportive if I have a problem	79	86	↑7
Discussed my development with me	N/A	68	N/A
Give me the support I need to do my job to a high standard	74	80	↑6
Gives me feedback on how I am doing	64	67	↑3
Identifies my training and development needs	60	62	↑2
Holds regular one-to-one meetings with me	56	59	↑3
Discusses how I can apply any training I have had recently	51	54	↑3

2.2.3 Employees also had the opportunity to give comments in open text boxes based on the Here to Help values. One comment raised refers to the PDR process:

“Ensure employee’s skills are developed and sufficient thought is given to ensuring training and development needs are considered during PDRS and courses are booked every year and tracked by senior management / relevant person.”

2.2.4 When comparing 2014 staff survey results with the 2011 staff survey results, it can be seen that there have been increases across the board in regard to the PDR process.

2.3 Consultation Feedback

2.3.1 Consultation with employees, managers, SMG and H2H Staff Forum was completed in January to March 2015. The following points were raised:

1. Clarity of performance ratings is needed.
2. Less objective fields, so focus on main objectives.

3. Training for managers on performance ratings. Guidance for managers on how to recognise exceeding/exceptional performance. It was felt by employees that many managers would not award the top rating and it was unachievable to gain.
4. Process and time of year was ok.
5. Moving the PDRS cycle will impact on the year end process and should be taken into consideration.
6. The form should include a summing up section to allow for the employee/manager's overall thoughts which are separate from the main objectives. Such a section would serve as a memory jogger to raise issues outside of the set objectives, which may get forgotten at the PDR.
7. Training requests identified under the review are carried through.
8. Process to be completed electronically on the new HR and Payroll system.
9. PDRS should cascade from service plans, so the timing of the PDR process should be at the end of the financial year.
10. Discussion should add value and therefore not only be about tasks completed and therefore it could focus on three core objectives, knowledge to do the job, behaviour and values and problem solving.
11. There should be consequences for managers and employees who do not complete their PDRS.
12. Objectives should be realistic and achievable.
13. 360 degree reviews might be a good idea and to make it compulsory that objectives are reviewed at each 121.
14. To ensure PDR's are of a sufficient quality, provide managers with examples of good practice and well-structured objectives.
15. Formalise the time that managers should spend creating objectives, for example a new PDR should take about (say) two hours of your time per person to construct and you must ensure that objective are appropriate and s.m.a.r.t. Managers should be encouraged to take set time away from their daily work to do this.
16. Take into consideration CPD requirements/records into the process, to avoid duplication and to recognise professional development.
17. Review the questions asked in the form as the answers can be repetitive due to the nature of the employee's role.
18. The PDR process should incorporate a section to allow employees to raise ideas/suggestions to support H2H programme.

19. Greater importance and value given to 121s.
20. A bank of best practice objectives be created, improving overall standards, reducing time taken to complete PDRS.
21. A lighter version of a PDRS, giving managers and employees the option to choose which process suits their needs.
22. What will a competency framework achieve for East Herts? The focus should be on key areas and skills.

2.4 Unison Consultation

2.4.1 Consultation was carried out with Unison asking for their comments on the process, form, training and meeting.

1. Process –UNISON suggests that the frequency be just once a year only and linked in with one to ones. Otherwise time of year is ok and length is ok we think
2. Form – UNISON is generally ok with this. Perhaps a tweak is needed to allow employees during the PDRS to discuss workloads and highlight where the service needs to be expanded to provide more resources (staffing, equipment etc.).
3. Training –UNISON suggests that some managers use PDRS as a way of bullying / intimidating employees (perhaps unintentionally). More training and perhaps have the option of HR sitting in on a few to see they are being conducted correctly.
4. Meeting – UNISON's view on this is that the PDRS is not currently able to adequately provide ways for employees to access required training and ongoing development (usually due to lack of funds).

2.5 EELGA survey/competencies

2.5.1 The EELGA survey completed in December 2014 highlighted that some Councils have competencies that are based on their values and behaviours. Many were in the process of reviewing their PDR process.

2.5.2 EELGA has developed the East of England Competencies in 2014 that Councils can utilise. These are grouped under eight headings from partnership working to customer focus.

2.6 East Herts Competencies

2.6.1 Employees as part of the Here to Help programme in 2014 developed the Council's values and behaviours. The next stage

of the process is to embed the values and behaviours into the PDR process; therefore part of this review was to review the Council's previous competency framework.

- 2.6.2 East Herts developed competencies as part of its performance review process in 2005. These were refreshed in 2009 and were used as a tool to help managers and employees review performance and contribution and talk about behaviours. The competencies were not mandatory and therefore not used by all services.
- 2.6.3 The Competency Framework 2009 had core competencies for all employees to be assessed against and management competencies for managers and SMG. The framework focused on four main clusters; delivering a quality service, managing and motivating people, valuing diversity and personal effectiveness.
- 2.6.4 The PDR process was reviewed annually from 2009 and in 2012 feedback gained from managers and employees was that the competency framework was not used and therefore it was removed from the process.
- 2.6.4 The Competency Framework 2009 is out of date and does not reflect the Council's behaviours and values and the priorities of the Council. A new competency framework if developed should include commercial acumen, change and innovation which the current version does not. A full redesign would be needed.

3.0 Summary

- 3.1 The performance development review process is designed to:
- Ensure that the employee objectives feed into the service and corporate goals, priorities and the outcomes for customers the Council is aiming to achieve.
 - Identifies training and development needs that support employees and corporate objectives/needs. Give employees and managers the opportunity to discuss learning aspirations and career development.
 - Encourages high performance, giving sufficient time to focus on knowledge and skills to perform the job, behaviours and values and problem solving.
 - Gives the opportunity to reflect on the previous year, to look forward and identifying ideas for improvement.

3.2 The PDRS has two key focuses:

1. Performance review: regularly reviewing progress against objectives – the **WHAT**
2. Here to Help review: reviewing **HOW** objectives have been achieved.

3.3 In addition to the tangible benefits, there are substantial intangible benefits as it:

- Supports an opportunity for a high quality conversation between employee and manager
- Can build relationships
- Generate motivation and commitment
- Share successes, praise and recognise achievements
- Celebrating what is good and sharing good practice
- Improving how we work together
- Gives the opportunity to focus on how we can improve the service we provide to customers/our residents.

4.0 PDRS Review Stage 2

The following recommendations are made to establish the direction the Council would like the Head of HR and OD to pursue in consultation with employees, Unison and SMG; to improve the process, embed the Council's values and behaviours and address the issues raised:

1. The PDRS time cycle moves to support service planning and therefore full year reviews are completed in the last quarter of the financial year – Quarter 4 Jan to March. Mid year reviews are completed in Quarter 2 July to Sep. This would support the Council allocating employee resource to corporate and service plan objectives.
2. The PDR form is reviewed and completed online, reducing the level of administration. The timescale of this recommendation would be factored into the project plan of the new HR and Payroll system.
3. A new streamlined version of the form is developed giving employees and managers the choice of a more detailed or condensed PDR process.

4. Ensuring that 121s are a critical and embedded part of the PDR process and consider whether the PDR process is once or twice a year.
5. The need to strengthen the connection between training needs identified through PDR and training programmes and outcomes. The Organisational Development Strategy 2015 to 2019 will support this recommendation.
6. Training is given to managers and employees on the new process, including the use of performance ratings and incorporating the Council's values and behaviours framework.
7. A separate competency framework is not designed but the use of incorporating the Council's values and behaviours into the PDR form and process is considered as part of the ongoing review.
8. The completion of the PDR process is mandatory and therefore employees or managers failing to complete the PDR process would be dealt with under the Disciplinary Policy.

5.0 Implications/Consultations

- 5.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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