

EAST HERTS COUNCIL

HUMAN RESOURCES COMMITTEE – 11 JANUARY 2012

REPORT BY HEAD OF PEOPLE, ICT AND PROPERTY SERVICES

PDR QUALITY CHECKING

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

- To outline the results of the PDR quality checking exercise.
- To outline the changes to the PDR scheme.

<u>RECOMMENDATION FOR :</u>	
(A)	To note the results of the PDR quality checking exercise.
(B)	To note the changes to the PDR scheme.

1.0 Background

1.1 CMT gave approval in February 2011 for the HR team to complete a quality checking exercise. The aim of the exercise was to ensure that PDRs are of good quality, are graded correctly, that objectives are SMART and learning and development needs are identified and met.

1.2 Between April and September 2011 the HR team checked a spot sample of 158 PDRs (46% of staff). These were selected by taking two PDRs from each grade, service area and ensuring that at least one PDR was spot checked for each manager. These PDRs were checked and returned to managers with relevant feedback. Managers were asked to incorporate the feedback given into their next reviews.

2.0 Report

The Current PDR Scheme

- 2.1 The Council's current PDR grading system has four ratings. The Council's PDRS guidelines state that when looking at PDR grade distribution across the Council, approximately 20% should be awarded a grade A, 20% a grade B, 40% a grade C and 20% a grade D. This reflects the fact that the majority of staff should be meeting the requirements of their job, and therefore achieving a grade C. Those staff achieving a grade A should be the Council's top performers and those graded B should be meeting the requirements of their job and occasionally exceeding them. Staff with any performance issues should be graded as a D.
- 2.2 The Council's PDR scheme emphasises the importance of objectives being SMART and linked to service plans and corporate priorities. It is recommended that an average of six objectives are set. It is important that any learning and development needs are identified and then subsequently met through the appropriate training.
- 2.3 Guidelines are available for managers, which outline the PDR process and give guidance on how to grade appropriately. PDR training was provided to middle managers through the recent Management Development Programme. The Learning and Development Officer also holds one to one or group sessions with managers and teams as and when required. The PDR process is discussed at Corporate Induction and specific PDR training takes place each year and is scheduled to take place in December 2011.
- 2.4 On average more members of staff are graded a B than would typically be expected and grades A, C and D are all underrepresented. The abundance of B grades is likely to be due to a misunderstanding of a grade C whereby managers feel this indicates that staff are not performing as well as they could be, as it is the third rating out of four grades. A grade C actually shows that a member of staff is fully meeting the requirements of the job.

Quality Checking Exercise

- 2.5 158 PDRs were spot checked by the HR team. These were a mixture of 2010/11 end of year reviews and 2011/12 mid year reviews due to the timescale over which the quality checking exercise took place. 64 reviews were checked in Internal

Services, 41 in Customer and Community Services, 43 in Neighbourhood Services and 10 in Strategic Direction and Executive.

- 2.6 Of the 158 reviews checked, 104 were 2010/11 end of year reviews and 54 were 2011/12 mid year reviews. Disappointingly, 67 of the 158 reviews selected to check had not been completed, with some service areas within Internal Services not having completed PDRs for several years. A small proportion of the missing PDRs were due to legitimate reasons such as staff leavers, new starters, maternity leave etc.
- 2.7 Some of the PDRs reviewed had well structured, SMART and measurable objectives (3%), had the required level of detail in the evidence provided against the objectives (3%) and identified learning and development needs (1%).
- 2.8 However, there were several issues highlighted by the quality checking exercise. The HR team considered that many of the PDRs had not been graded appropriately given the evidence provided against the objectives, with most being graded too highly. Common themes identified across the reviews were as follows:
- 2.9.1 Evidence does not show how objectives have been partially / consistently exceeded for grade B or above (28%)**
This was the most common issue identified, with many grade A or B PDRs having no evidence to demonstrate how the employee had exceeded expectations, indeed many of the PDRs did not even have the level of evidence expected of a C grade PDR.
- 2.9.2 Lack of evidence (13%)**
The issue of lack of evidence was not just seen in A and B grade PDRs but also many of the C grade PDRs reviewed. In several instances the evidence box simply said 'achieved' with no detail of how the objective was achieved and what was involved.
- 2.9.3 Objectives not SMART or not aligned to council priorities (13%)**
Several of the PDRs reviewed did not have SMART objectives, they were often vague with no success measures detailed or timescales/milestones. This makes it very difficult for employees to know what is expected of them and whether they are on target to achieve their objectives.

2.9.4 Incorrect use of PDR forms (11%)

It was noted that for several of the PDRs that were checked, managers had completed the self review form on behalf of the employee. In addition, on a couple of occasions the review form had been used by the employee as a means to air grievances about their manager or the way their department is run rather than evidence their performance. Other incorrect use of the forms included employees writing a general self review rather than evidencing each objective and in some cases no self review being included at all.

2.9.5 No evidence of what impact training has had on performance (8%)

Some of the PDRs reviewed detailed the training undertaken in the past year but gave no detail of how this has impacted on their performance which is what the PDR form asks employees to detail.

2.9.6 Lack of detail about extra work completed in addition to main objectives (8%)

It was often noted that the extra work employees have taken on in addition to their main objectives was what contributed to them achieving their A or B grade. However this was often only touched on briefly in the manager comments with no detail from the employee in the self review about what this entailed. This is what the 'Other' section of the self review form should be used for.

2.9.7 (For managers) Lack of focus in their objectives on effectively managing the performance of their staff (7%)

Several managers did not have any objectives which related to the management and running of a team. In some instances there was criticism of management ability in the manager's comments but there was still no objective set to manage this issue.

2.9.8 Not enough objectives (6%)

A few PDRs were observed to have less than the 6 recommended objectives, with some having as little as only three objectives set. It was also noted that some managers only set objectives which relate to extra projects rather than setting objectives which cover the 'day-job'. It is important that objectives also relate to the day job as it is critical that managers are able to measure performance against these.

2.9.9 Objectives not met or partially met but awarded a grade B or

above (4%)

In some instances where a grade A or B had been awarded it was clear that one or more objectives had not been met. This is not appropriate as a grade B or above should only be awarded where all objectives have been achieved and the employee has taken on additional work on top of these.

2.9.10 Graded a 'D' without a formal performance plan already being in place (2%)

A couple of the PDRs reviewed had been graded a D without the employee being formally managed for performance issues. It is important that the PDR grade should never come as a surprise and it could be observed from the employee comments sections that they clearly did. In both cases performance development plans were drawn up after the PDR meeting but ideally these should have been in place before a D grade was awarded at the PDR.

- 2.10 For the 60 2010/11 end of reviews that were available to be checked and feedback was given to managers, the 2011/12 mid year reviews were also checked to see if the feedback had been incorporated into their next review. 22 mid year reviews showed some improvement, 2 showed no demonstrable improvement and the remainder had still not been completed.
- 2.11 Of the 132 2011/12 mid year reviews submitted, <1% were graded an A, 48% were graded a B and 39% graded a C. When these are compared to the 2010/11 end of year PDR grades a decrease in the number of B grades awarded (58% to 48%) and an increase in the number of C grades (30% to 39%) can be observed. The numbers of A grades have not significantly changed and still remain less than 1%. There were 4 D grades in the 2010/11 end of year reviews but no D grades at the mid year review stage.
- 2.12 It is possible that the reduction in B grades and increase in C grades at the mid year stage are a result of the feedback given to some managers regarding the end of year reviews. Making managers aware of the fact that a C grade means that a member of staff is fully meeting the requirements of the job and giving them examples of the sort of evidence required to support a grade A or B seems to have had an impact on the number of B grades awarded.

Recommendations

- 2.13 It is important that the quality of PDRs is improved and that return rates increase. In the current climate of efficiency savings, restructures are becoming increasingly more frequent and PDRs should be used to aid management selection where there are more employees than available posts. Where PDRs are not completed or completed to a poor standard this tool becomes unavailable to managers, making the process more difficult.

Therefore the following changes to the PDR scheme were approved by CMT, supported by Unison and have been implemented for the December/January end of year reviews:

2.14 Introduce descriptions and a 5 grade scale

- 2.14.1 To move to five descriptive grades to support the understanding, the distribution and perception of the grades.

- 2.14.2 An additional level was introduced to allow managers to select the 'middle' rating without feeling uncomfortable that they are rating their staff at the lower end of the scale. The scale therefore runs as follows:

- **Exceptional** - Performance/contribution consistently exceeds the requirements of the role and all objectives are achieved.
- **Exceeding Expectations** - Performance/contribution on occasion exceeds the requirements of the role and all objectives are achieved.
- **Meeting Expectations** - Performance/contribution meets the requirements of the role and objectives are achieved.
- **Opportunity for Improvement** - Performance/contribution is occasionally below the requirements of the role (some development and support needed).
- **Immediate Improvement Required** - Performance/contribution is consistently below the requirements of the role and immediate improvement is required (development and support needed and being formally managed under the Managing Performance Policy).

- 2.14.3 To update the PDR form, so one form is used for objective setting, mid year and full year reviews.

2.15 Continue PDR training and support.

PDR training will continue to be included as a standard item in the

Corporate Training Plan to ensure that new managers are trained to use the Council's scheme appropriately. PDR training is scheduled to take place in 2011/12 and will be based around the feedback collated during this quality checking exercise.

2.16 Annual PDR Spot checking

The HR team will continue spot checking PDRs on a yearly basis but on smaller scale than this particular project. Therefore a random 10% of PDRs will be checked.

3.0 Implications/Consultations

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

Background Papers

None

Contact Officer: Emma Freeman- Head of People, ICT and Property Services.

Report Author: Claire Kirby- HR Officer

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	N/A
Legal:	N/A
Financial:	N/A
Human Resource:	As detailed in the report
Risk Management:	N/A