

Civil Service Conciliation and Arbitration Scheme

General Council Report 1452

(Meeting/s of 25 May 2005)

Integration of PMDS with HR Policies and Processes

1. In General Council Report 1368, which was agreed in May, 2000, management and unions agreed to the introduction of the Performance Management Development System (PMDS) in the Civil Service. This Report recognised that integration of PMDS with wider Human Resource policies and processes was an important area requiring further work.
2. In July 2004, the PMDS Sub-committee of General Council commenced negotiations to agree changes to the PMDS in light of the commitments in *Sustaining Progress* and the findings and recommendations of the Mercer evaluation of PMDS.
3. Regular meetings were held and a copy of the report of the PMDS Sub-committee is attached.
4. This report, recording agreement, was adopted on 1 June 2005.

Sub-Group of General Council on PMDS

Integration of PMDS with HR Policies and Processes

1. Background

An effective performance management process is central to achieving the goals set out in Delivering Better Government of a modern, dynamic, high performance Civil Service. In General Council Report Number 1368, which was agreed in May, 2000, management and unions agreed to the introduction of the Performance Management and Development System (PMDS) in the Civil Service. This Report recognised that integration of PMDS with wider Human

Resource policies and processes was an important area requiring further work.

2. Sustaining Progress

The commitment to integrating PMDS with wider HR policies and processes was reinforced in *Sustaining Progress*, which committed the parties to completion of an evaluation of PMDS and

"full integration of the PMDS with human resources policy and processes, including assessment systems."

3. Evaluation of PMDS

Report 1368 also recognised the need for monitoring and evaluation of PMDS to capture experience of implementation of the system and identify the areas for further development. In June, 2004, an Evaluation of PMDS was completed by Mercer Human Resource Consulting and noted by General Council. The evaluation concluded, inter alia, that linkage of PMDS with wider HR policy is essential to maintain the relevance and credibility of the system.

The findings of the Evaluation were widely disseminated across the Civil Service.

4. PMDS Subcommittee of General Council

In July 2004, the PMDS Subcommittee of General Council commenced negotiations to agree changes to the PMDS in the light of the commitments in *Sustaining Progress* and the findings and recommendations of the Mercer Evaluation of PMDS.

Regular meetings were held from September, 2004, to May, 2005, to consider position papers on the future development of PMDS including its integration with wider HR systems. These discussions were supported by research on good practice in other organisations.

These discussions highlighted the potential benefits from an integrated and more streamlined PMDS model for managers and staff. The new model reflects many of the findings of the Mercer Evaluation by simplifying and streamlining HR processes for both managers and staff, aligning assessments under PMDS with other HR processes, and providing a basis for identifying and responding

to different performance levels.

Arising from these discussions, agreement has been reached on implementation of an integrated PMDS model as described below.

5. Integrated PMDS Model

The main components of the integrated model are described in (i) to (vi) below. The Annual Assessment form included at Appendix 1 illustrates how the system will operate.

(i) Assessment Cycle

The annual PMDS assessments will continue to take place in accordance with the business planning cycle within each Department\Office. For practical reasons the timing of this cycle may vary between or within organisations. This assessment will carry forward for the following twelve months in respect of other HR decisions (see below) unless exceptional and unforeseen circumstances require otherwise.

As recommended by the Mercer Evaluation, only one interim review will be required.

(ii) Rating Scale

The annual assessment will be based on a uniform five-point rating scale for all grades. The decision to adopt this new scale is based on the conclusion in the Mercer Evaluation that a more robust rating system for staff is required. It reflects the Evaluation's finding that best practice suggests that a five point rating scale may be the most appropriate for the Civil Service and that in order to maintain the credibility of the rating system it should reflect the full spectrum of performance that is typically found in Departments/Offices

The suggested rating distribution (see Appendix) is to assist managers when making assessments. It is not intended to be binding, but to illustrate a broad pattern which could be expected at organisational level. It should be emphasised that each job-holder must be assessed on an individual basis and on their own merits and that expected performance must take into account the usual range of factors such as skills, experience and time in the job in the normal way. Personnel/HR Sections will maintain active support for

implementation of the integrated PMDS model. This will include measurement of progress with implementation of the model from a qualitative perspective through employee opinion surveys and any other appropriate means with particular emphasis on ensuring that it is applied in a consistent, fair and equitable manner across all staff in the organisation. It is critical that Departments/Offices monitor the actual ratings awarded over time.

(iii) Ratings

A rating of 3 means that a job-holder has met all the role requirements and performance is at a fully acceptable level. This would be the benchmark or normal performance standard.

A rating of 2 means that some role requirements have been met, but performance has fallen short in some respects and needs to improve, while a rating of 1 means that performance falls clearly short of the required standard and is not acceptable.

(iv) Linkage with Increments

If the jobholder receives a rating of 2 or over, the manager is recommending payment of the next increment to the jobholder. The increment will then be paid when it falls due subject to the usual sick leave and punctuality requirements. There will also be a facility for a rating to change in the event of an exceptional occurrence between the annual assessment and the increment date. The existing arrangements whereby Personnel Officers are involved in the increment process are also being retained within the integrated PMDS model.

(v) Higher Scale Posts

A jobholder who receives a rating of 3 or higher at the last Annual PMDS Review will be considered eligible to apply for a higher scale post. Where competitive processes or other local arrangements are in place for the assignment of higher scale posts, such processes will take account of the last two Annual PMDS Review assessments in the grade. This will include both the rating and narrative assessment in the Annual Review form.

(vi) Promotion

In the case of promotion, managers will continue to complete separate assessment forms in relation to required competencies in respect of staff going forward for promotion competitions. However, in relation to both departmental and inter-departmental competitions:

- a jobholder who receives a rating of 3 or higher at the last Annual PMDS Review will be considered eligible to apply for promotion. This means that the PMDS Review will act as a gateway to promotion and will also provide a basis for discussion between a manager and jobholder about the jobholder's future development.
- when a jobholder who is eligible applies for promotion, the last two PMDS Annual Reviews in that grade will be supplied as part of the documentation in support of his/her application. This will include both the rating and narrative assessment in the Annual Review form. This will ensure that current performance is part of the promotion assessment.
- an option exists for jobholders to have their potential for promotion assessed at the time of the annual review. Essentially, this measure is designed to benefit jobholders – by giving them an opportunity to get feedback in relation to their suitability for promotion. This will facilitate jobholders with a view to their attaining the level of development required to reach the standard for promotion. However, this assessment will not be made available for the purposes of promotion competitions.

(vii) Review

If dissatisfied with his/her rating the jobholder will have recourse to the Reviewer (second supervisor). For the benefit of all parties the review should take place as quickly as possible. It is important to reiterate the key role of the Reviewer in relation to consistency, fairness and relevance of role profiles, and in the event of differing views arising in relation to any aspect of the PMDS that cannot be reconciled by the manager and jobholder. In certain instances, for example a discontinuity in the trend of ratings, or where a rating of 1 or 2 has been given, the Reviewer must be satisfied that all relevant factors have been taken into account. In advance of undertaking a review both the Reviewer and jobholder may consult with the Personnel Officer as appropriate.

In all cases the Reviewer must be of a higher grade than the manager who made the original rating.

(viii) Probation

It is not proposed that a specific minimum rating threshold would be applied in relation to probation. Instead, the following approach has been agreed:

- staff on probation will join the normal PMDS cycle and complete a role profile as soon as possible in line with local arrangements,
- they will complete the interim and final PMDS reviews in the same manner as other staff,
- in addition, probation reviews will be completed in accordance with the normal cycle determined by their starting date;
- the probation reviews will explicitly take account of the PMDS assessments, but will also involve a broader assessment of suitability.

6. Timescale for Implementation

The integrated PMDS assessment system will be applied with effect from agreement at General Council and used for all annual reviews carried out from 1st January, 2006, for training and familiarisation purposes only.

Assessments made under the integrated PMDS model from 1st January, 2007, will be used for actual decisions in relation to increments, higher scale posts and promotion competitions. This will mean that separate increment forms will no longer be required from that date while annual PMDS assessments will from that date be utilised for higher scale and promotion processes.

In the initial period during 2007 where only one annual assessment (rather than two) will be available for individual jobholders, this single assessment will be used for higher scale and promotion competitions. Thereafter the last two annual assessments will be used as set out earlier in this paper under 5(v) and 5(vi).

7. Support for Implementation

Primary responsibility for implementation will fall to each Department\Office through the partnership process.

At a central level a number of measures to support implementation

are proposed:

- more detailed design work on the format of revised PMDS forms and documentation (while leaving scope for localisation by partnership committees within each organisation)
- developing training and information materials which can be used by Departments\Offices

In addition, consideration will be given to:

- further development of the electronic HRM system to facilitate greater computer-based support for PMDS in Departments\Offices
- further work to develop the current competency framework to support the integrated PMDS model. The PMDS Evaluation published last year highlighted the need to strengthen the current competency framework and the Subcommittee of General Council will consider this area in more detail.

8. Monitoring and Evaluation

The PMDS Sub-Committee of General Council will be responsible for overseeing central monitoring and evaluation of implementation of the integrated PMDS model.

Both management and staff sides have agreed to the implementation timescale set out at paragraph 6 above and will work jointly to ensure that it is introduced in Departments and Offices in accordance with this agreement. In particular, they will work together in the interim to fully implement the existing PMDS agreements, including phase three of Upward Feedback, in order to meet the timetable set out in paragraph 6. In this regard the introduction of the integrated model, for training and familiarisation purposes, in 2006 will be initiated by all Departments and Offices in the expectation that the agreed timescale will be met.

Any difficulties which may emerge affecting the achievement of the agreed timescale for full introduction of the integrated model will be addressed by the Sub-Group of General Council as a matter of urgency.

A formal evaluation of the revised model will commence in 2009.

Review Period:
Please give an assessment of the overall performance based on the criteria set out in the Role Profile Form <i>(This should take account and make reference to any factors outside the control of the job-holder which impacted on the performance).</i>
Performance Rating For All Grades* (see note at end of page)
Rating Description Please Circle the Relevant Box
Outstanding Role holder has substantially exceeded standard in all role requirements and performance has been consistently exceptional. 5
Exceeds Required Standard Role-holder has fully met all role requirements to required standard and significantly exceeded standard in some respects. 4
Fully Acceptable Role-holder has met all of the role requirements to required standard and performance is at a fully acceptable level. 3
Needs Improvement Role holder has met some role requirements to required standard but performance has fallen short in some respects. 2
Unacceptable Role-holder has met few of the role requirements and performance falls clearly short of the required standard. 1

* Rating Distribution

Jobholders must be assessed on an individual basis and on their own merits. When making ratings managers might find it useful to note the following rating distribution. It is not intended to be binding, but to illustrate a broad pattern which could be expected at organisational level.

- Between 0-10% of staff would be rated as 5
- Between 20-30% of staff would be rated as 4
- Between 40-60% of staff would be rated as 3
- Between 10-20% of staff would be rated as 2
- Between 0-10% of staff would be rated as 1

Suitability for Promotion

(To be completed by the manager where the jobholder wishes to be assessed for promotion)

If the jobholder wishes to be assessed for promotion please give an assessment of his/her suitability for a higher grade.

Please Mark the Appropriate Box

Capable of performing consistently strongly in a more senior role.

Capable of fully meeting the requirements of a more senior role.

With further experience and development, should be capable of fully meeting the requirements of a more senior role.

Not suitable for promotion to a more senior role.

SIGATURES OF JOBHOLDER AND MANAGER

Signed by _____ (job-holder) Date:

Signed by _____ (manager) Date:

REVIEWER'S INPUT

Reviewer's input, if necessary (in the event of differing views arising, the matter should be referred to the Reviewer for consideration and resolution): **Comment on the Overall Performance**

Signed by: _____ (Reviewer) Date:

❖ **What, if any, improvements in Performance are required?**

❖ **What supports and follow-up action are required?**

Signed by: _____ (job-holder)

Date: _____

Signed by: _____ (manager)

Date: _____

Reviewer's input, if necessary (*in the event of differing views arising, the matter should be referred to the Reviewer for consideration and resolution*): **Comment on the Overall Performance**

Signed by: _____ (Reviewer)

Date: _____

⇒ **On the job**

⇒ **Training Course(s)**

⇒ **Coaching**

⇒ **Self-learning**

⇒ **Other**

⇒ **What can others on the team do to help me improve my performance?**

⇒ What can I do to help others on the team improve performance?
-----?----- -----
SEND THIS PORTION TO THE TRAINING UNIT
Name: _____ Grade: _____ Section: _____
⇒ On the job
⇒ Training course(s)
⇒ Coaching
⇒ Self-learning ⇒
⇒ Other

UPWARD FEEDBACK*

Please refer to Upward Feedback Code of Practice and the "Suggested Upward Feedback Themes" before completing the Upward Feedback PMDS discussion.

Confirmation the upward feedback discussion has taken place:

Tick Appropriate Box

- Jobholder did not wish to give upward feedback
- No follow-up action required
- Action plan for manager agreed following discussion

Signed:

Manager Jobholder

* This part of the form is intended to be for guidance only and Departments/Offices are free to customise it to suit their own requirements.

Agreed report, recording agreement.

This report was adopted on 1 June 2005