Performance Management Sampling Review for Year 2009/2010

1. Executive Summary

1.1 The engagement-based performance management (PM) system has now been through it’s first full annual cycle. HR has conducted detailed analysis of system compliance and assessment levels, following both Interim and End of Year Reviews. In addition HR has conducted comprehensive sampling of PM Workbooks, following completion of the End of Year (EOY) Reviews.

The main headlines from this analysis are as follows:

- There has been a high level of engagement with the system. Of people eligible for reviews, 90% of people had an interim Review and 97% of people had an End of Year Review.
- There is a realistic spread of assessment levels that does show performance overall higher at EOY than Interim, although not significantly.
- The evidence shows a well balanced spread of levels across the organisation, when looked at in relation to different characteristics, particularly considering this is the first year of this PM system.
- The evidence doesn't point to urgent and significant Equality & Diversity (E&D) issues, although does flag some areas that raise further questions, particularly in respect of part-time people and people over 61.
- The assessment level profile does look disproportionately high for Grade 9 and SMT potentially.
- The realistic spread of assessment levels points to an organisation that understands the system well and shows a high level of consistency.
- A large random sample of workbooks demonstrates a high level of engagement with the PM process, by both individuals and Reporting Officers.
- The levels recorded in the sample Workbooks are backed up by clear evidence of delivery against both objectives and competencies, taking into account both quantitative and qualitative aspects of delivery and the context surrounding an individual’s performance.
- In general PM workbooks tend to be too detailed. The strong recommendation is that people see the Workbook as a summary record of their achievements, rather than a detailed record of what they did.
- The sampling exercise of Workbooks shows that the sections on competencies and personal development are where people may need more support in recording their achievements and aspirations.
2. **Background/Approach Taken**

2.1 The engagement-based PM system has been in place for its first business year. As part of establishing the success of the system HR has conducted some detailed analysis using the following methods:

- Collecting hard data about completion of Interim and EOY Reviews
- Collecting hard data about assessment levels at both Interim and EOY reviews
- Extensive random sampling of PM Workbooks after EOY Reviews

2.2 The assessment levels were confidentially extracted into the Resourcelink HR system and a process of repeatable reporting developed. This enables HR to break down assessment levels across the organisation by categories such as gender, age and grade.

2.3 HR asked for a random sample of 150 PM Workbooks after the EOY reviews were completed. These have been reviewed confidentially within HR looking both at a basic analysis of sections completed and wider considerations such as consistency and E&D. The details of this analysis can be found in the next two sections.

2.4 HR is using multiple channels to gain feedback on the PM system as part of continuous improvement. Whilst this report focuses on the analysis of reviews, assessment levels and sampling of PM Workbooks the other channels are referenced below for completeness:

- PM enquiries dedicated e-mail address
- One to one consultancy/support
- HR surgeries
- Other group meetings, such as team meetings, where invited
- Senior management feedback
- IIP Liaison Group sounding survey
- Informal meetings with TU colleagues
- Anecdotal views
3. High-level Analysis

3.1 A random sample of 150 (around 15% of staff @ 31/03/2010) PM Workbooks was requested from across Acas covering all grades, roles and business units.

3.2 131 Workbooks were received (87% of those asked for) and this constituted a comprehensive sample, covering all the categories above.

3.3 The breakdown of samples was as follows:

<table>
<thead>
<tr>
<th>Sample category - Grade</th>
<th>Sample Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMT</td>
<td>6</td>
</tr>
<tr>
<td>Grade 8</td>
<td>25</td>
</tr>
<tr>
<td>Grade 9</td>
<td>47</td>
</tr>
<tr>
<td>Grade 10</td>
<td>36</td>
</tr>
<tr>
<td>Grade 11</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sample category - Role</th>
<th>Sample Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acas National</td>
<td>19</td>
</tr>
<tr>
<td>Admin. Support</td>
<td>18</td>
</tr>
<tr>
<td>Helpline</td>
<td>31</td>
</tr>
<tr>
<td>Individual Conciliation</td>
<td>48</td>
</tr>
<tr>
<td>Senior Advisory/Trainers/E&amp;D Advisers</td>
<td>9</td>
</tr>
<tr>
<td>SMT</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sample category – Business Unit</th>
<th>Sample Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acas National</td>
<td>21</td>
</tr>
<tr>
<td>Helpline</td>
<td>31</td>
</tr>
<tr>
<td>London</td>
<td>12</td>
</tr>
<tr>
<td>Midlands &amp; East</td>
<td>19</td>
</tr>
<tr>
<td>Northern</td>
<td>12</td>
</tr>
<tr>
<td>North West</td>
<td>11</td>
</tr>
<tr>
<td>Scotland</td>
<td>10</td>
</tr>
<tr>
<td>Wales, South West &amp; South</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
</tr>
</tbody>
</table>
3.4 The analysis of sections completed is as follows for the 131 Workbook received:

<table>
<thead>
<tr>
<th>Section of Performance Management Report Completed/Not Completed</th>
<th>TOTAL 'YES'</th>
<th>%</th>
<th>TOTAL 'NO'</th>
<th>%</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1. - Objectives</td>
<td>131</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>Clear focus on this area</td>
</tr>
<tr>
<td>Section 2. - Competencies</td>
<td>130</td>
<td>99</td>
<td>1</td>
<td>99</td>
<td>Clear focus on this area, although completed in too much detail in many cases</td>
</tr>
<tr>
<td>Section 3. - Personal Development</td>
<td>98</td>
<td>74.8</td>
<td>33</td>
<td>25.2</td>
<td>More variability evident in completion of this section</td>
</tr>
<tr>
<td>Section 4. - Interim ReviewJobholder (JH)</td>
<td>78</td>
<td>59.5</td>
<td>53</td>
<td>40.5</td>
<td>Interim Reviews more variable than EOY Reviews. Still the majority of Workbook samples have recorded comments. Needs to be viewed in the context of the first year of Interims being a formal part of PM</td>
</tr>
<tr>
<td>Section 4. - Interim Review Reporting Officer (RO)</td>
<td>77</td>
<td>58.8</td>
<td>54</td>
<td>41.2</td>
<td></td>
</tr>
<tr>
<td>Section 4. – Indicative Interim Assessment Level</td>
<td>93</td>
<td>71</td>
<td>38</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Section 5. - End of Year Review JH</td>
<td>119</td>
<td>90.8</td>
<td>12</td>
<td>9.2</td>
<td>All workbooks must include EOY summary comments by both JH and RO and a final assessment level. The sample shows close adherence to this requirement</td>
</tr>
<tr>
<td>Section 5. - End of Year Review RO</td>
<td>127</td>
<td>96.9</td>
<td>4</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Section 5. - Final Assessment Level</td>
<td>126</td>
<td>96.2</td>
<td>5</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Section 5. - Signature JH</td>
<td>71</td>
<td>54.2</td>
<td>60</td>
<td>45.8</td>
<td>Signature sometimes missing – may just be because electronic sample</td>
</tr>
<tr>
<td>Section 5. - Signature RO</td>
<td>90</td>
<td>68.7</td>
<td>41</td>
<td>31.3</td>
<td>Signature sometimes missing – may just be because electronic sample</td>
</tr>
<tr>
<td>Section 5. - Signature Countersigning Officer (CO)</td>
<td>87</td>
<td>66.4</td>
<td>44</td>
<td>33.6</td>
<td>Signature sometimes missing – may just be because electronic sample</td>
</tr>
<tr>
<td>Section 5. - Comments CO</td>
<td>10</td>
<td>7.6</td>
<td>121</td>
<td>92.4</td>
<td>CO comments all positive supporting comments – optional in PM system</td>
</tr>
</tbody>
</table>
4. Detailed Analysis – HR Observations

4.1 General

- Clear evidence that people have really engaged with the process and written up a comprehensive record of their achievements and development. This indicates that formal recognition is something that is important to people.
- Clear evidence of managers engaging with the process and recognising achievements in summary comments. Management comments in most cases are clearly adding value to the overall assessment and providing an additional dimension to the report.
- No evidence of major concerns around inappropriate language or unfairness in the application of the process.
- If anything many PM Workbooks are too detailed, particularly for competencies. There has been feedback from people that the process is too time consuming. With summary comments added at regular intervals throughout the year there is no need for it to be onerous.
- Really encouraging to see evidence of regular and positive informal engagement meetings referenced in the PM Workbooks.
- Clear evidence of PM Workbooks having been completely signed off by all parties before the deadline of 31st May.
- There is clear evidence that the final assessment levels signed off by managers align closely to the overall delivery and comments documented by both individuals and managers. In other words an independent person can look at a Workbook and understand why an individual has been assessed at a particular level.
- There is clear evidence exhibited in the Workbooks of those samples being marked as ‘Exceptional’. Reading them independently you can appreciate why these people are putting in a top performance, above expectations. This is both from the individuals’ comments and the managers’ comments.
- There are some good examples where someone has raised their game significantly in the second part of the year and this is matched by the assessment level going from Fully Effective to Exceptional.
- There is some evidence of people assessed as Effective With Some Development Needs (EDN), with specific reference to support via an Enhanced Development Plan worked on collaboratively between the individual and the manager, which is really positive.
- An interesting use, by individuals, of Continuing Professional Development sheets added as appendices to PM Workbooks – re-inforces development activity and works well.
- Not extensive evidence of proposals from line managers about areas to develop further and perhaps some advice about how to go about this, when people are performing well.
- There is some evidence of objectives not being met and constructive EOY comments outlining a legitimate element of under performance. Whilst this is quite correct it gives a mixed message when the Workbook records a ‘Fully Effective’ assessment level. Very few cases of this.
- Some evidence where it is not clear from either the jobholder or the Reporting Officer how the individual has delivered against objectives and competencies, even though assessed as Fully Effective.
- There is evidence of people correctly assessed as EDN but with no reference to the support being provided via the Enhanced Development Process. This can
look rather negatively focussed on failings, rather than on acknowledging issues honestly and providing support to the individual

- Some limited evidence of PM Workbooks not completed with comments and assessment levels, although reported as complete with a confirmed level
- Where people have multiple roles this all needs to be recorded on one PM Workbook, with the different roles clearly signposted. It is not necessary to attach multiple Workbooks together
- Only one example of a review completed on the wrong form – i.e. the old PA Form rather than the PM Workbook. This also included assessing the individual using one of the markings from a previous system
- A small number of examples of where individuals are raising the issue that they feel disadvantaged by being part time. Although they have pro-rated objectives, they feel they have to spend a higher proportion of their working time in activities like team meetings and knowledge update than full time colleagues
- It is recommended that we encourage the JH and RO to use an appropriate font and size i.e. verdana 11. Smaller font size could have an adverse effect on the reader with a visual impairment. HR can add this recommendation to the Workbook template to support this

4.2 Objectives Section

- Achievement against objectives documented by individuals featured in all of the Workbook samples
- Clear evidence of people recording delivery against objectives in recommended bullet point format
- Objectives not particularly well aligned to core objectives templates. For example a separate line management objective added in that is different to the generic line-management one (not necessary)
- Evidence of large blocks of text referring to achievement against objectives – only needs to be a brief summary of key achievements

4.3 Competencies Section

- There is evidence of where people have briefly documented a clear example of delivery to a competency, referring to positive indicators
- Often too many examples and focussed on what was done, rather than an example of how something was achieved, using ‘Situation, Task, Action, Result’ (STAR)
- People documented evidence against too many competencies – system only requires core competencies for the Workbook, although more can be recorded if desired
- Competency examples need to link more closely to the positive indicators and competency descriptors
- Recommend one example per competency, summarised in brief
- Evidence of generally vague terms such as ‘I always represent myself well to people’
- Extensive evidence of long narratives for the competencies – it is suggested that a less detailed summary example for each core competency would be more beneficial. Writing long narratives is onerous for JHs and not what is required by the system, which is a summary record
Variable use of the ‘Embracing Equality and Diversity’ competency – recorded in the following ways a) N/A, b) identified as category ‘A’ assessment with no comments c) assessed with clear examples to reflect Job Holder’s day to day duties e.g. responding promptly to a helpline caller with an impairment. Noticeable that for those carrying out Disability Champion roles specific examples given against this competency

Implicit that in a few cases, little dialogue may have taken place at the start of the year to agree on competency category, between JH and RO as category not specified. It is important that individuals understand what is expected of them in terms of competency categories

4.4 Personal Development Section

- Clear evidence of examples of Personal Development Plans PDPs related to realistic career aspirations
- Clear examples of good personal development plans, where it is clear to see developmental achievements over the year and what their development priorities are going forward
- Clear evidence of a strong correlation between people receiving ‘exceptional’ markings and focused high-quality development plans. This suggests higher performers are maintaining a strong focus on their ongoing professional development
- Evidence of headings for development aspirations but with no specific PDP focussed on how these aspirations might be achieved
- PDPs can tend to be rather vague without signalling the learning and development outcome desired
- Some Workbooks have very limited focus on personal development – this is not mandatory but a key part of ongoing performance management
- Not completed at all in some cases. There is some evidence that there is a correlation to people who feel frustrated by what they see as a lack of development opportunities (referenced elsewhere in the Workbook).
- Are individuals being given the opportunity to discuss development or are assumptions being made by the RO that there are no development needs?

4.5 Interim Review Section

- Clear evidence of brief interim summary comments by both JH and RO
- Some Interim summary comments are too long and detailed
- Some evidence of EDN being used at Interim for people new to a role and on a learning curve. This level is intended to reflect a legitimate element of under-performance and is not intended for people new to roles who are performing in line with expectations
- Evidence of no RO comments at Interim. The reason for not holding an Interim Review needs to be recorded on the Workbook
- Some workbooks have no Interim Review documented at all
- Quite a number of Interim review assessment levels recorded, with no summary comments from individuals or managers
4.6 End of Year Review Section

- Clear evidence of individuals writing meaningful and, in most cases concise, end of year summaries. These show how they have delivered and often a clear insight into development aspirations – really positive and clearly showing people valuing their own career development
- It is clear that thoughtful and supportive comments by Reporting officers are adding significantly to the overall recognition of achievement and clearly show it is not all about assessment levels
- Clear evidence of brief summary comments by both JH and RO
- Clear evidence of using the End of Year RO summary comments to reflect granularity of performance levels – e.g. top of Fully Effective
- Good use of positive language by managers in EOY comments reflecting that ‘Fully Effective’ is a strong performance
- Evidence of managers using their end of year comments to re-inforce the comments of individuals, where they believe that has been understated. It is important for managers to do this where it is appropriate
- Evidence of managers acknowledging recorded concerns by their people in an empathetic way – really positive
- Evidence of managers acknowledging personal issues in an empathetic way – positive use of comments
- Clear evidence of managers thanking people for their efforts over the year in End of Year comments, which is a nice touch
- Clear evidence of managers writing comments adding something different and valuable to what the individual has written
- Some evidence of constructive advice from managers about how individuals might progress to a higher assessment level in future years
- Some good examples of ROs signposting improvements that will be required in 2010/2011 for key objectives if they are to remain at Fully Effective. This is in cases where one objective may have not been fully met but others have been delivered to a higher than expected standard
- It is recommended that EOY summary comments from managers always make a summary reference to achievement against objectives, competencies and also to development. The focus tends to be on objectives
- There is an example of referring to a specific medical condition in EOY comments, which is not something that would be expected
- Some evidence of somewhat negative managerial comments, for example ‘Generally this hasn’t been too bad a year for …….’
- Some evidence of referring to absence levels directly – not something for performance management
- A small number of examples where the EOY comments were handwritten. Whilst this is not an issue from a PM system perspective it would be preferable for them all to be typed, making them easier to read
5. **Next Steps**

- Build on what we have learned in the first year of the PM System so that it becomes a ‘Business as Usual’ activity in the organisation
- Work with Internal communications about communicating key messages from the first year to all Acas people
- Make adjustments to the tools in the PM System where continuous improvement amendments have been identified
- HR and business areas to discuss further where potential issues have been identified
- HR to consider if extra guidance/support is needed for areas where people are finding it harder to complete Workbooks in a concise way
Annexe 1

This annexe shows the high level measures for the first year of the PM system as previously published:

Measures of Success

This paper documents the measures of success for the performance management (PM) Change Project that introduced an engagement-based PM system. This system has been in place for its first full business year – 1st April 2009 to 31st March 2010.

The 4 key objectives identified for the revised performance management process in Acas were defined as follows:

1. A process clearly promoted by senior management and supported by everyone across Acas, which helps to deliver continual business improvements, in line with the expectations of us as a public body
2. A process that is simple, fair and easy to use, which delivers recognition and development support for staff in a motivating way
3. A process which allows for achievements to be assessed against fair and consistent objectives and competencies, but one which also allows for communication of tough messages where under-performance has been identified
4. A process which complies with HR strategy and Diversity/Equality requirements

The best way to assess the effectiveness of a performance management system is to measure engagement, both between managers and staff and also with the process. Changes as a result of the revised process can be tracked over time, starting from a baseline position.

Whilst business delivery is not directly measured exclusively in relation to performance management, the generally accepted wisdom is that higher engagement leads to business improvements.

PM System Measures

<table>
<thead>
<tr>
<th>Measure of Success</th>
<th>Date</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Formal Reviews Completed</td>
<td>June 2008</td>
<td><strong>Baseline</strong> Percentage of eligible End of Year reviews completed using the On-line system (OLS) – 60% in 2007/2008</td>
</tr>
<tr>
<td></td>
<td>June 2009</td>
<td>Percentage of eligible End of Year reviews completed using either the OLS or the PA Form - 88% in 2008/2009 (compromise EOY solution whilst transitioning to engagement-based system)</td>
</tr>
<tr>
<td></td>
<td>February 2010</td>
<td>Percentage of eligible Interim reviews completed – 90% in 2009/2010</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>Percentage of eligible End of Year reviews completed – 97% in 2009/2010</td>
</tr>
</tbody>
</table>
**Spread of Assessment Levels**

<table>
<thead>
<tr>
<th>Baseline</th>
<th>June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment levels for 2008/2009 Appraisal year:</td>
<td></td>
</tr>
<tr>
<td>99.9% SATISFACTORY</td>
<td></td>
</tr>
<tr>
<td>0.1% UNSATISFACTORY</td>
<td></td>
</tr>
</tbody>
</table>

**New PM System Introduced April 2009**

<table>
<thead>
<tr>
<th>Interim Assessment levels for 2009/2010 Appraisal year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2010</td>
</tr>
<tr>
<td>E – 8%</td>
</tr>
<tr>
<td>FE – 85%</td>
</tr>
<tr>
<td>EDN – 7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End of Year Assessment levels for 2009/2010 Appraisal year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2010</td>
</tr>
<tr>
<td>E – 11%</td>
</tr>
<tr>
<td>FE – 87%</td>
</tr>
<tr>
<td>EDN – 2%</td>
</tr>
</tbody>
</table>

**Brief Commentary**

Interim Reviews were not a mandatory part of the PM system in place at Acas prior to April 2009 and so cannot be shown as a comparison.

The Baseline for this measure was chosen as End of Year 2007/2008 which was based on the previous PM system. End of Year 2008/2009 used a compromise solution whilst Acas was transitioning to the PM system used now in the organisation.

Assessment levels are not a direct comparison however it is clear that there is a performance spread now, which would be expected for an organisation of this size.

**Equality & Diversity/Consistency Assessment**

<table>
<thead>
<tr>
<th>July 2010</th>
<th>Independent Initial E &amp; D Impact assessment on the PM system completed within HR.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Detailed E &amp; D and consistency analysis of Interim and End of Year Assessment levels completed within HR.</td>
</tr>
<tr>
<td></td>
<td>A detailed sampling exercise of Workbooks from right across the organisation being conducted within HR – sample size 15% of the organisation.</td>
</tr>
</tbody>
</table>
Annexe 2

This annexe contains graphs of the spreads of assessment levels when considered against different categories of people. This is to gauge whether there are indications that different groups are being unfairly advantaged or dis-advantaged.

These graphs have also been discussed in confidence with Steve Williams in Acas National Knowledge to get an expert Equality & Diversity view on how people are being assessed in performance management.

Comparison by Gender

![Comparison by Gender graph](image)

HR comments

- Whilst there is a higher percentage of female staff being assessed as EDN the overall number of people at this level is small
- At Interim the proportion of men and women at all 3 levels was almost identical
- There is a slightly higher proportion of females receiving the ‘Exceptional’ level
**Comparison by Grade**

The graphs suggest ‘Exceptional’ levels are disproportionately high for grade 9 and SMT, relative to the other grades.

The highest proportion of people at EDN are at grade 10 and this typically tends to be Helpline Advisers.
Comparison by Full Time/Part Time

**HR comments**

- The graphs do suggest that part time people are less likely to receive an ‘Exceptional’ level
- This is a concern in HR and aligns to anecdotal evidence from some part time people who say they feel at a disadvantage when being assessed. They say this is because they have pro-rated objectives but for other activities such as knowledge update, team meetings etc, they believe these activities take up a higher proportion of their available time at work than they do for full time colleagues
- There are comments directly raised by some part time individuals in the sample Workbooks stating that they feel disadvantaged
Comparison by Office based/Home based

HR comments

- HR do not have any particular concerns about these categories
- It is encouraging to see that people working at home are able to receive ‘Exceptional’ levels
Comparison by Disability Recorded in Resoucelink

HR comments

- HR do not have any particular concerns about these categories
- It is encouraging to see that people recorded as disabled are just as likely to receive ‘Exceptional’ levels as non-disabled people
Comparison by Age

HR comments

- There is a higher proportion of people in the 18 – 25 age group receiving the EDN level, although actual numbers are quite small. This may be reasonable as people in this category may be starting out in their careers.
- It is interesting to note that nobody in the 61+ age group received an ‘Exceptional’ level. With the abolition of the mandatory retirement age it is an important consideration that people are fairly assessed regardless of age.
- HR are not suggesting that there is an issue with age in the organisation; it is important to flag it as a consideration in line with the new legislation.
Comparison by Ethnic Origin

HR comments

- HR do not have any particular concerns about these categories
- Whilst there is a slightly higher proportion of BME people at the EDN level the actual numbers of people are small