

PERFORMANCE MANAGEMENT OF STAFF AT AVDC

1 Purpose

- 1.1 In June 2010 Resources and Corporate Performance Scrutiny committee received a report on the current arrangements with the performance management and staff at AVDC. The committee recommended that their concerns regarding the performance management of staff be reported to the Leader of the Council and Cabinet Member for Community Matters, and they be asked to raise these matters with Cabinet and report back to Resources and Corporate Performance Scrutiny on the measures that can be taken to allow AVDC to take a more serious, proactive and modern approach to the performance management of staff. The Committee received an update report in July 2011 and this report is an update on progress during the last 12 months.

2 Recommendations/for decision

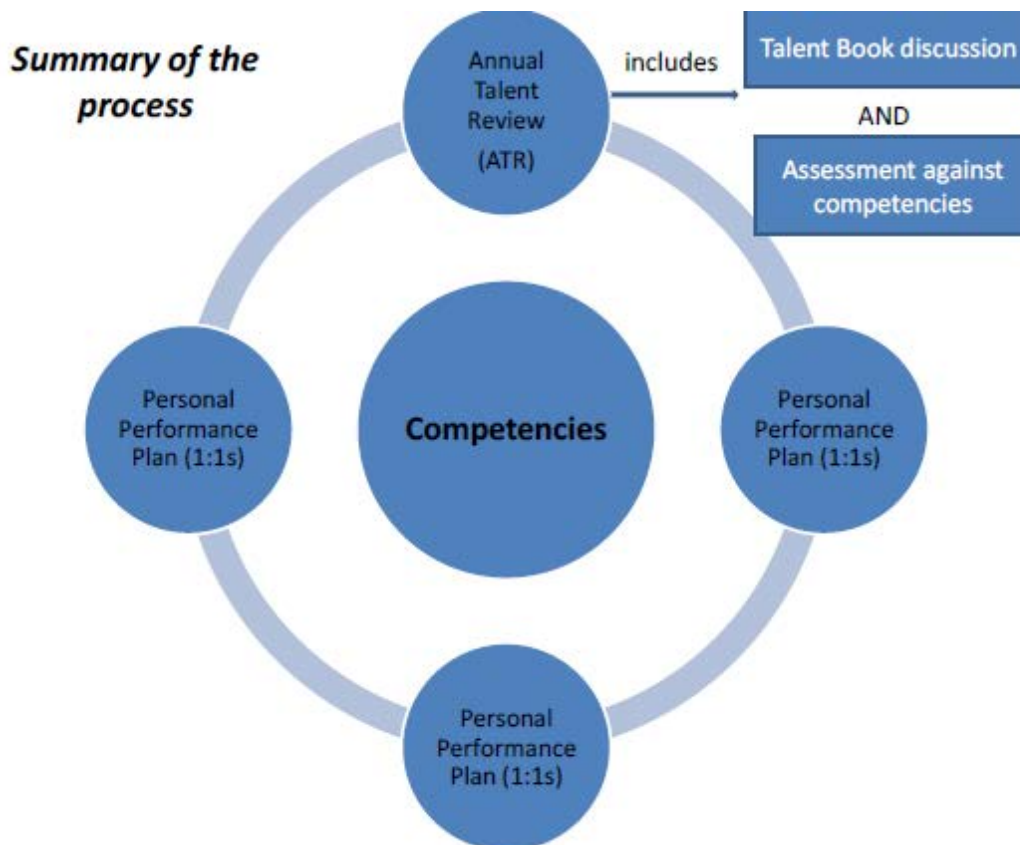
- 2.1 To note the on-going work in relation to performance management at AVDC

3 Executive summary

- 3.1 Both Resources and Corporate Performance Scrutiny Committee and senior managers had identified there were concerns with the former performance management approaches at AVDC and in particular that the underperformance of staff was not being adequately addressed.
- 3.2 Since June 2010, performance management at AVDC has been dramatically transformed. The performance appraisal process has been removed and replaced with an annual talent discussion and quarterly performance personal performance planned meetings. The talent management tool, Talent Book has been incorporated into the annual talent review. To support the new arrangements behavioural competencies have also been developed which are applicable to all employees.
- 3.3 The work which has been on-going in this area, is known collectively by the term 'House of Performance Management' and has been incorporated into the Council's Business Transformation Programme.
- 3.4 The new performance management arrangements have now been in full operation for over one year and we are currently now in the 2nd 'round' of annual performance reviews under the new processes.

4 Supporting information

- 4.1 The new performance processes and the behavioural competencies are summarised by the diagram below – which illustrates the cyclical nature of the process.



- 4.2 Alongside these changes, AVDC's capability policy (which outlines the formal processes to address poor performance in role, which could lead to dismissal) have also been revised to make the process clearer and more straightforward.
- 4.3 The key further developments in the House of Performance management work during 2012, has been the introduction of an additional recognition system for rewarding and recognising excellent performance and work to change the recruitment and selection process to incorporate the behavioural competencies and to ensure new staff are recruited based on competency rather than solely on specific experience and qualifications, which often unnecessarily restricted the appointment of new talent to the Council.
- 4.4 The new recognition system sits alongside existing reward and recognition policies, including the Star Awards and the payment of one-off or monthly payments for additional responsibilities. The new system, which was implemented in April, 2012 allows managers to award 'points' to those staff who regularly achieve outstanding scores on their regular performance assessments or undertake a one-off exceptional task. Employees 'cash' in their points from a choice of low value rewards, eg: a day's leave, 2 theatre tickets, box of chocolates. The new scheme was developed in this manner as focus groups with staff revealed that different staff wanted different types of rewards, and in most cases, staff just wanted the acknowledgement and recognition for work well done, with the value of the reward not seen as the most important factor. These rewards are not designed to be motivators but recognition after the event for excellent performance.
- 4.5 In the first 12 months of operation the annual talent reviews have been well received by staff. Managers and staff seem to welcome the less intimidating approach which replaced a 9 page performance appraisal form which felt very bureaucratic, to an

approach which allows more open discussion and one which addresses an employee's aspirations and how they wish to develop, whereas the former process focussed more on task completion.

- 4.6 The saturation of undertaking annual talent reviews has been good, although at the last report, 12% of staff had not had a talent review rating recorded on their HR record. Active messaging and communications to managers was undertaken to ensure that all staff have an annual talent review.
- 4.7 Where there have been challenges has been in the saturation of regular PPPs (or one to one meetings). The new processes said staff should have a PPP with their manager at least quarterly, (this is only 3 times a year in addition to their annual talent review so is not seen as an overly onerous commitment on the managers). It is important for managers to regularly discuss performance and progress of objectives with their direct reports. It is also an essential part of performance management to record an overall assessment score, (ie: how well staff are performing, not satisfactory, satisfactory, exceptional etc). This score is entered on the Council's HR system, so we can assess the Council's performance overall. This helps with workforce planning and training needs analysis. It also helps understand whether there is consistency between service areas and which are the high performing areas.
- 4.8 Unfortunately, at a Mavis poll over a third of staff said they have never had a PPP with 10% of those staff not even knowing what a PPP was. In the HR system, only 13% of staff have had an overall assessment score recorded.
- 4.9 Communication with managers by a variety of methods was used to ensure they understand the importance of the regular PPP and the performance score. It provides a way of letting staff know when they are doing a good job, (all staff say they want to be recognised for doing a good job), and is necessary if the manager then wishes to reward that employee with 'points' in the new reward and recognition scheme. It also means that where improvement is needed, the employee can be clear what is expected of them, and if they are not performing to the required standard it ensures the manager has a robust and fair way of dealing with that issue.
- 4.10 Following the first round of annual talent reviews, a number of small modifications were made to the process and refresher training held. It is intended to review again after the next round and particularly to see if there has been an improvement of the frequency of PPPs.
- 4.11 The other area where more work was needed was that managers (and staff) were sometimes unsure about what they did with the Talent Book rating after it was done. A Talent Strategy was developed which outlined ideas and suggestions for how managers can take forward outcomes following the talent discussion with their direct report. What this might be, will vary depending on the individual's own aspirations/preferences etc. This is attached as Appendix 1.
- 4.12 Annual workforce analysis will also be undertaken, assessing the Councils' overall performance, and any skills gaps in the competencies. This will be used to help determine future learning and development offerings.
- 4.13 Overall, the changes have meant that staff understand the importance of excellent performance and the differentiation between staff who are good or excellent performers and those who are not. The outcomes from the Talent Book discussions have been used in a variety of ways, and have helped with succession planning, internal recruitment, selection for learning and development such as the leadership programme and selection for involvement in project work.

- 4.14 These are a series of changes which represent a shift from traditional approaches at AVDC, however, they are not unusual and similar to performance processes at many organisations in both the public and private sector.
- 4.15 The House of Performance work had been shortlisted for 2 national awards during 2012, the Personnel Today 'HR Excellence in the Public Sector' award and the Local Government Chronicle 'Workforce' Award. Regrettably, AVDC did not win on the night, but it does provide AVDC with external recognition and shows us that what we are doing is considered excellent in the local government and the public sector.
- 4.16 The overall aim of introducing these new ways of working is to ensure that AVDC has a highly performing and happy workforce who understands what is expected of them and have the appropriate training and support provided to them in order that they can give the very best performance they can.

5 Resource implications

- 5.1 The work has been undertaken in-house, there has been additional temporary resource required to develop and then train in the new recruitment and selection techniques and develop the relevant e-learning.

6 Response to Key Aims and Objectives

- 6.1 This meets the Corporate Plan priority of "Motivated staff delivering great services".

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Background Documents

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Talent Strategy

AVDC's Talent Strategy

Introduction

In 2010, AVDC implemented Talent Book to help the Council identify potential amongst its staff; identify areas of performance concern, support succession planning and employees' own career development.

In 2011, AVDC incorporated the Talent Book into its new performance management processes; 'The House of Performance Management' and rolled it out to all its office based staff.

Details on how the Talent Book works is detailed in the document 'Personal Performance Management Handbook'.

This strategy document outlines how AVDC will use the Talent Book and the information obtained from the Talent Book process.

Executive Summary

AVDC needs to have a healthy balance of 'leaders' and 'specialists' through a motivated and innovative workforce. It also seeks to develop a robust approach to succession planning, performance management and managing the risks associated with recruiting and retaining key staff.

The Talent Book discussions across the Council have been used to create a Talent Strategy for the AVDC. This addresses critical areas in order to consider the quality and consistency of the talent (people) base, for example:

- Make the highest quality appointments (recruitment)
Improve the calibre and performance of existing talent (personal development plans, learning and development, performance management)
- Prepare high potential for the next level (talent book discussion and succession planning)
- Retain the best people, skills and knowledge
- Address areas where performance is not being met to required standards

Talent Book allows AVDC to have an overview of how the Council is performing as a whole and what scope there is to increase this. Corporate Board and managers will use Council wide grid placement mapping to identify individuals for training and development and to see if there are any gaps.

The Talent Strategy will be used to target the council's resources for training and to identify individuals to lead specific projects and support corporate initiatives.

Section One – Organisational analysis

Once moderation is completed annually, Corporate Board will consider overall reports on numbers of staff in each of the 9 grids.

A separate report for those on Managers Group, incorporating Corporate Board will be considered. This is to consider any possible concerns with AVDC's leadership. Necessary actions will be considered depending on the placement of managers on the grid and whether or not the distribution of managers across the grid raises any workforce or leadership concerns.

Necessary actions will also be considered having regard to the entire AVDC staff population. AVDC would expect to see most of the placements arranged along the six boxes in the middle column and the right column of the grid. Where there are staff in the left-hand column (underperforming), it would expect to see actions put in place by the relevant managers to address those issues. In an ideal scenario less than 5% of AVDC's employees would be expected to be in this left-hand column.

This information will play in key role in the Authority's future workforce planning and in identifying relevant actions for the workforce plan.

This process of preparing an action plan based on results from moderation will be undertaken annually. The Talent Book global information will also be included in the Council's Annual Workforce Report.

As well as considering talent positions corporately, equally Talent Book should be used in service areas to provide an overview of a whole team and its potential and help to identify how teams can be developed. It can identify skills gaps and assist in recruitment. This should be undertaken annually. This process should also be used for service areas to identify learning and development needs as required in the annual submission on learning requirements to People and Payroll to assist in developing AVDC's annual learning and development offering.

Section Two - Identifying high potential

It is AVDC's intention that those employees who have been identified as having high potential and this includes Next-generation leader (NGL), High impact performer and Growth employees would be given opportunities which allow AVDC to capitalise on their potential and to ensure those individuals are given appropriate avenues for career development and job satisfaction. As employees in these boxes are deemed to be those who are seeking new challenges is important to AVDC's retention strategy to ensure that these employees do not become stale or dissatisfied with their work.

Some of the ways in which opportunities may be afforded to these individuals may include (this list is not intended to be exhaustive);

- Opportunities to lead or take part in project work across the authority or to backfill posts
- Opportunities to take part in the Council's leadership programme or other appropriate level of organisational development depending on the individual's role
- Opportunities to work shadow other staff so as to expand and broaden their knowledge and experience
- Opportunities to take part in external conferences or other networking events

- AVDC will establish a regular forum and invite these individuals (the 'Top Talent Table') so that they can generate and discuss ideas which would help AVDC achieve its priorities
- Opportunities to become a mentor to other staff
- Opportunities to take part in external secondments, where they can be arranged

Individual managers should ensure that they have an employee in any of these 3 boxes of the grid, then they should be working with that individual to identify potential opportunities for them within their own service area and this will link to the personal performance plan (see Section Four for more detail).

It is important to stress that employees in other parts of the grid should also have opportunities afforded to them as appropriate, however the reason that AVDC has adopted a policy of specifically looking for additional opportunities for employees in these three parts of the grid, is to ensure that these individuals and their skills and talent can be retained in the organisation - as they are more likely than others to become dissatisfied and to want to exit the organisation.

Section Three - Succession planning

It is vital that every organisation plans for the future to ensure that its needs are continuously met. The advantages of succession planning are:

- No hidden surprises
- Strong pipeline of leaders and experts
- Encourages thinking beyond the immediate line or function
- Encourages development of successors in advance of them taking on that role or level
- Encourages thinking around future needs and skill set requirements
- Provides a career structure

Succession planning enables the identification of successors within individual services and across the organisation. Managers at AVDC should regularly consider potential candidates for their roles in the following way;

- An immediate successor
- A successor in 1-2 years
- A successor in 3-5 years
- An emergency replacement

It is also likely that these are not the same individual. The person who has the potential to be the permanent replacement in 1+ years may not yet have the skills. They can therefore be supported, coached and trained to develop these skills and given opportunities to expand their experience through project work and corporate initiatives. Equally the person who could take over tomorrow as an interim measure may not have career ambitions but can act as a temporary stop-gap until a permanent replacement is found.

It is important to note, that this does not need to be restricted to persons in their immediate area of responsibility. Through moderation and other mechanisms and exposure to

corporate projects and work, it is expected that individuals across the organisation should be considered. It is important that talent, potential and behavioural competencies and transferable skills take precedence over technical or functional skills or experience, which could be learned or trained.

In order to ensure service continuity it is important that the emergency replacement is identified and that it is agreed with that individual. Similarly through the Talent Book discussion managers will also establish their employees' career ambitions and should be able to identify the immediate or longer term successors.

It is important to remember, that succession planning does not mean 'ring-fencing' or guaranteeing certain future roles or vacancies to specific people. It is about developing staff so their skills and experience may be suitable for these roles when they become available and are of a comparable standard as potential candidates from an external market.

Section Four - Personal Development Planning

Every single employee, regardless of which of the nine boxes in the grid they have been placed, should have a personal development planning discussion with their manager. This will vary depending on which grid they are placed and also their own aspirations. Some staff may be happy to stay in the grid in which they have been identified, but others may wish to be given the opportunity to develop skills and show their initiative in order to progress to other parts of the grid. These discussions will vary and will be individual between each employee and their line manager. **However it is important to stress that regardless of where an employee is placed, these discussions should occur.** The guidance at Appendix One may help managers think about how they might approach a PDP with each individual employee.

Personal development planning is not just about attending training courses and but may involve a range of possibilities such as, getting involved in other tasks and responsibilities within the area, or groups inside or outside the authority, work shadowing, e-learning or undertaking external qualifications. For the full range of learning and development options available to AVDC employees, line managers are encouraged to refer to the 'AVDC's learning and development opportunities' brochure. It is important to stress that this list is not exhaustive and individual employees and managers may arrive at other ways to meet an employee's personal development needs and aspirations.

Section Five - Performance which does not meet required standards

Where an employee has been placed in the left-hand column, specific action planning should be taken to ensure that they do not remain in that column for any longer than six months. Where employees are new to a role, this may naturally occur after they have gained more experience. For others it may be a case of ensuring they obtain additional support or training in their role or possibly even to consider alternative roles for that individual, where possible.

It remains AVDC's aim, to develop and support these employees to enable them to move to the section of the Talent Book where they will meet or exceed performance expectations.

Where an employee is in the under-performer part of the grid, specific action should be taken with the employee to try and improve their performance. Depending on the length of time they are in this box and where no improvement has been shown (around 6 months) it will be necessary to enact the Council's capability procedure. Failure to do so, will reflect on that manager and will be addressed by their line manager.

Section Six – Internal recruitment and promotion

An employee's Talent Book position will be considered as part of the recruitment and selection process where there is an internal appointment, or opportunity for secondment or Skills Share. It would not be appropriate to consider in cases where external candidates are considered as we would not be able to assess all candidates equally. The Talent Book position will be considered alongside other relevant factors including an individual's behavioural competencies assessment and any other essential skills required for the role. As with succession planning, it is important that in future, talent, potential and behavioural competencies and transferable skills have equal precedence in recruitment decisions along with technical or functional skills or experience, which could be learned or trained.

Appendix One

Leadership Development Strategies for Talent Book Matrix

Suggestions for managers

Next Generation Leader (NGL)

- Stretch assignments, things they don't already know how to do, assignments that take them beyond their current role; high profile, where stakes are high
- Give them a "start-up" assignment, something no one has done, a new product, process, territory, etc
- Give them a "fix-it" assignment, a chance to step in and solve a problem or repair someone else's mess
- Job change, rotations, job swaps, - an opportunity to experience a brand new role, short term or long term
- Help them build cross-functional relationships with other A players
- Find them a mentor – at least one level up. Provide an internal or external coach
- Access to exclusive training opportunities
- Access to meetings, committees, etc... one level up; exposure to senior managers, VPs; advisory Councils
- Watch out for signs of burnout
- Watch for signs of retention risks
- Next level up exposure, responsibilities, shadowing

High Impact Performer (HIP)

- Development activities similar to NGL
- Difference is often degree of "readiness" for larger roles.
- Development is preparation for longer term opportunities

Trusted Professional (TP)

- Ask what motivates them and how they want to develop
- Provide recognition, praise, and rewards
- Provide opportunities to develop in current role, to grow deeper and broader capabilities and knowledge
- Provide honest feedback about their opportunities for advancement if asked
- Watch for signs of retention risks; know how to "save" trusted professional
- Ask them to mentor, teach, and coach others
- Allow them to share what they know, presentations at company meetings, external conferences, to be "the highly valued expert"

Growth Employee (GE)

- Development activities similar to NGL
- Difference is current performance level
- Focus more on competency gaps that will move them to Exceeds Performance

Core Employee

- May not be eager or able to advance; don't push them, allow them to stay where they are
- Continuously check-in regarding willingness to advance, relocate
- Provide occasional opportunities to "test" them
- Provide stretch assignments
- Provide coaching and training
- Help them move from "good to great"
- Tell them they are valued
- Listen to their ideas
- Praise their accomplishments
- Trust them

Effective

- Combination of performance management, training, and coaching to help them move from "OK to good"
- Provide honest feedback about their opportunities for advancement if asked

Enigma

- Find out the root cause of poor performance and together develop an action plan to improve
- Consider moving the high potential to a different role (may have been a poor fit)
- Provide additional support, resources
- Look for ways to shadow NGL's, HIP's and GE's
- After a "reasonable" period of time, if performance does not improve, re-examine your potential assessment

Dilemma

- Focus is on boarding, orientation, relationship building
- Provide a peer mentor
- Provide formal "new-leader" training

Under Performer

- Use a performance management approach, not a developmental approach
- Improvement action plan
- Clarify expectations
- Identify and remove "blockers", poor performers that are standing in the way of high potentials
- Provide clearly defined goals
- Be explicit about the ways in which they must improve
- Provide remedial coaching and feedback
- After trying all of the above, after a "reasonable" amount of time, move the person out of the role
- Dismiss.