

North York Moors National Park Authority Finance, Risk Audit and Standards Committee

25 November 2013

Appraisal Scheme

1. Purpose of the Report

- 1.1 To provide Members with an update on work done so far to develop the staff appraisal scheme and seek their views on the key principles of the revised scheme.

2. Background

- 2.1 The Authority's appraisal scheme is a key part of the way in which staff performance is managed and links individual staff work priorities back through to the Business Plan and Management Plan objectives. The scheme is also crucial to consistently increasing the Authority's performance by working with staff on a one to one basis to enable them to develop their skills.
- 2.2 The current appraisal scheme was developed 12 years ago as part of the Single Status package of terms and conditions of employment changes. The Scheme was subject to extensive constructive discussion and agreement with Unison. Although there have been 2 light touch reviews since then, the significant changes within the Authority over recent years mean that a more fundamental overhaul is now due.
- 2.3 The scheme provides staff with feedback on their performance via a face to face discussion with their line manager. This discussion also enables agreement to be reached about key objectives for the coming year and an opportunity for consideration to be given to each individual's personal development. To facilitate this discussion, there is a competency development guide.
- 2.4 The Authority's pay system has a lower and upper band for each grade consisting, typically, of 5 and 4 increments respectively. Incremental progress within the lower band is subject to satisfactory performance while progress into and through the upper band is subject to outstanding or consistently high quality performance as assessed via the appraisal scheme.
- 2.5 Staff are scored on a 1 to 5 scale by their managers, with these recommendations being subject to moderation by the Chief Executive and Directors. It is this score which then triggers incremental progression. The overall impact has been to provide some financial encouragement to the Authority's best performing staff while limiting the overall cost.
- 2.6 The current scheme has served the Authority well for a number of reasons;
- it happens and all staff do have a punctual annual appraisal;
 - it does provide a focus for work activity in the coming year;
 - the Authority's best performing staff do receive (modest) financial recognition;
 - it has helped to highlight and then assist staff who are struggling with their job roles;

3. Current Situation

- 3.1 There has been significant change within the Authority over recent years and the appraisal scheme does not really take account of developments such as the establishment of our Values. The Values describe how we work both individually and collectively. Officers believe that this is an important factor to be considered alongside the achievement of objectives when assessing work performance.
- 3.2 The Leadership Development Programme has led to an increased emphasis on informal communication, open and honest feedback, the development of coaching as part of an approach to managing staff, encouraging staff to take more responsibility for and find solutions for issues in their own areas of work. These should all form an overt part of the new appraisal scheme.
- 3.3 Current Government policy is emphasising the importance of performance related pay in the public sector and this is an additional reason for reviewing our scheme at the present time.
- 3.4 The need for the Authority to generate income has become a priority – this is now an essential part of day to day work for an increasing number of staff. Change has become more of a constant and staff at all levels need to be prepared to deal with change in a participative and pro-active way. The appraisal scheme should enable realistic income targets to be set (where relevant to the job role) and assessed and judgements to be made about the way in which we all engage with the change process.
- 3.5 Officers also recognise that appraisal schemes do have a finite shelf life and after a period of time need renewing and re-launching to ensure that the primary aims of the scheme outlined in paragraph 2.1 continue to be met.

4. Outline Principles

- 4.1 Staff were invited to a number of sessions in September and lively discussions were had about how a new appraisal scheme should work. 40 staff took part in these discussions and all staff saw the importance and value of a well thought through scheme that gave them the opportunity to have a constructive formal dialogue with their line manager. A summary of the outcome of these discussions is attached as **Appendix 1**.
- 4.2 There were many helpful suggestions made and these have been the subject of discussion within Directors and Senior Management team meetings, formally with UNISON at the Joint Consultative Forum and informally as part of the Appraisal Working Group. This has led to the establishment of a number of outline principles on which the new appraisal scheme will be based. These principles are as follows;
- all staff are responsible for ensuring that 1 appraisal per year is completed – their own;
 - the competency guide will be re-written to recognise significant difference between groups of staff, but **all** staff will have their performance judged against a set of core competencies which reflect our Values;
 - the competency guide will become central to the appraisal discussion rather than an optional add-on;
 - there will continue to be a link between performance and pay with individual performance being rated by their line manager as part of the appraisal discussion;

- the Directors' moderation meeting at the end of the process will not continue and line managers will be responsible for discussing performance and justifying their judgement. It is felt, however, that a meeting of Directors at the start of the appraisal process to share observations about overall performance would be helpful in ensuring that the scheme is applied consistently.
- paperwork and form filling will continue to be kept to a minimum;
- appraisal discussions should be the culmination of on-going discussions throughout the year;
- feedback between staff and their managers should be two way, open and honest;
- opportunities for 360 degree feedback will form part of the new scheme;
- while the scheme will be about individual performance, a greater emphasis will be put on the performance of teams;

4.3 Subject to Members' comments, Officers will be preparing a revised appraisal scheme incorporating these principles to be used in 2014. The consultation/discussion process with staff and UNISON will, of course, continue as well.

5. **Financial and Staffing Implications**

5.1 There are no significant financial or staffing implications contained within the contents of this report. Any changes to the rate of progression or regression along the pay scales will be designed to be cost neutral.

6. **Contribution to National Park Management Plan**

6.1 It is intended that the revised appraisal scheme will have more focus on how staff members' job roles contribute to the Business Plan and Management Plan, thereby creating greater 'ownership' and delivery of both.

6.2 Measures within the appraisal scheme to continually improve the Authority's performance via the staff who are employed to work for it does contribute to the successful achievement of Management Plan outcomes.

7. **Legal Implications**

7.1 There are no legal implications contained within the contents of this report.

<h2>8. Recommendation</h2>

<p>8.1 That Members note the work done so far on reviewing the appraisal scheme and give their views on the principles contained in Paragraph 4.2</p>

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Background papers to this Report (available on request from Ian Nicholls)

1. Appraisal, Feedback and Development (Making Performance Review Work) – Clive Fletcher
2. Chartered Institute of Personnel and Development – Papers on appraisal schemes and performance management

North York Moors National Park
Appraisal Scheme Consultation Workshops
September 2013

Introduction

Five workshops of 90 minute duration took place with 40 staff on 10 and 17 September 2013. The meetings were facilitated by Peter Lumley, Coach Trainer and HR Consultant with Ian Nicholls. Attached are the handwritten notes taken at the meetings.

The main question explored was *'what would an appraisal scheme look like that ensured you really engage with it?'*

The following is a synopsis of key points raised, distilled from the attached notes, plus some observations by the writer.

Key points raised

Purpose and Purposefulness

1. Got to feel that there's a point to it, that there's a positive purpose and useful outcome.
2. Needs to be more of a two way process.
3. Does the scheme drive the right behaviours?
4. Scheme should be sufficiently flexible to accommodate departmental differences.
5. It should be more about **how** you have done things, less about what things you have done.
6. Spend less time looking back, more time looking forward.
7. Appraisal should support and promote the concept of letting go (delegating), in order to help others develop.
8. Needs to feel like a useful and valuable process – possibly by involving more than one person, promoting the idea of self development, and having good, well quantified / qualified evaluation.
9. The Performance Related Pay aspect of the scheme informs the way some approach the scheme.
10. Need to be done for the right reasons (genuine improvements, further the organisation, shared goals, promoting team work etc), not a 'tick box' exercise.
11. It is an insulting and stagnant process, scrap it.

Timing

1. Consider doing appraisals at different times of year.
2. Flex on timings of appraisal (spring is very busy time for some).
3. Stagger timings of appraisal throughout the year.
4. Consider April / May rather than February / March.

Objectives

1. Targets and Objectives should not be a statement of existing job, but should stretch.
2. Revisit and tweak objectives through the year (don't wait until end of year).
3. Cross reference personal objectives back to the Business Plan.
4. Should be more clearly linked to Park plans.
5. Cross reference objectives to the business plan.
6. Consider longer term objectives (not just one year).
7. Quality of Objective setting should improve.
8. Reporting on objectives should be more evidence based (even though this is hard with more qualitative objectives).
9. Should flex objectives through the year to reflect changing agendas.
10. Consider a moving 12 month window of objectives.
11. Difficult to appraise performance where nature of job is more reactionary than planned. Scheme should be flexible enough to accommodate change of plans.
12. Questions, particularly around objectives, could be better phrased.
13. Make sure individual targets aggregate to corporate targets.
14. Don't be tied to five objectives.
15. Objectives are not always easy to write down.
16. Could improve / tighten up on SMART objectives.
17. Objectives need to flex to accommodate the unforeseen.
18. Consider having one objective for everybody, that is organisation wide.

Reward and Recognition

1. Consider separating Performance Related pay and Appraisal.
2. Consider other forms of reward, such as honorariums or non consolidated bonus, or holidays.
3. Separate pay discussion from appraisal.
4. Nice to get some personal recognition.
5. Consider an honorarium for exceptional performance.
6. Need to feel appreciated and motivated.
7. Consider different types of reward – holidays, ABCD scoring, + / -, Traffic lights.

Interim Reviews

1. Concept of 121s to be more widely used and integrated with the Appraisal process.
2. Six monthly reviews could be fuller and more outcome based.
3. Make better use of the 121s.
4. Comfortable with relative informality of 6 monthly reviews.
5. Six monthly reviews are useful, could be more frequent, and would benefit from more framework.

Training and Learning

1. Scheme needs to promote Personal Development as much as simply getting the job done.
2. Some shortfall between training requests and training delivery – perhaps a need to explore more creative learning solutions.
3. Emphasis should shift from ‘training’ to ‘learning’.
4. Training doesn’t always happen – should this be the individual’s responsibility ?

Team Appraisal

1. Consider the value of team based appraisal to supplement individual appraisal.
2. Consider the role of Team based assessment.

Competencies

1. Competency framework should be realigned to fit with the leadership training.
2. Competencies are far too general, and could usefully be more specific to departmental needs.
3. Competency framework is not used sufficiently or consistently. Wording could be improved.

Self Assessment

1. Greater engagement with self assessment process would drive subsequent appraisal more strongly.
2. Self Assessment Form should be simplified, and retained by the employee (concern over confidentiality) and should include stronger element of feedback on Manager performance.
3. There should be more opportunity for self assessment.
4. Improve the process of self assessment.
5. Concept of us appraising ourselves.
6. Introduce a ‘self analysis’ toolkit along the lines of the leadership programme.

Scoring

1. More input from line managers on reasons for scores. Need more feedback from managers.
2. Need evidence to authenticate score.
3. Difficulty of addressing the question 'what do I need to do to be a 2 or a 1?'
4. Score yourself on your core work and your objectives.
5. Particularly disappointing when unaware of any reasoning behind the scores – it is so secretive.
6. Scoring is seen as 'marks out of ...' which predictably leads to disappointment when one gets 3 out of 5.
7. Scoring system can demoralise. It is subjective and lacks consistency.
8. There is a lack of transparency between the appraisal and subsequent letter of rating. How can SMT judge what we do?
9. Consider the implications of the word 'satisfactory'.
10. If we retain ratings they should be words not numbers.
11. Needs to be more discussion about assessment with line manager, have more input into appropriate scoring.
12. There are inconsistencies in scoring. We need opportunity to discuss scorings, not for them to be done in secret. Gradings could be simplified.
13. Value of what we do is less well known beyond our team, so hard to understand how SMT can make rating judgements.
14. If scoring is to remain, there needs to be better ways of measuring, and better classifications of levels – there is a misconception of Level 3. Whether true or not, there is a feeling that a 'quota' exists.
15. Discomfort with grades – outcome is often one of feeling undervalued, especially when never getting to know why certain grades have been allocated.
16. Comparisons with performances of colleagues are not helpful – a feeling that we are being judged in relation to others, rather than in relation to our objectives.

Feelings

1. Be more honest.
2. The forms put you off from the start – they can be intimidating and prescriptive.
3. We need to feel trusted and safe in these reviews, not fearful.
4. Some people feel threatened by the existing scheme.
5. A feeling that 'Appraisal is done to us'.
6. Gets boring after a while.
7. Concept of the 'interview' is not helpful, can make people nervous, and is often too formulaic.

Other suggestions

1. Maybe have a choice of appraiser.
2. Pilot new scheme with one department.
3. Discussion needs to be much more open, to really get an insight into 'how I'm doing'.
4. Need for more bespoke / personal feedback.
5. More likely to be successful if we have good pre appraisal meetings.
6. Give appraisees time to preview their manager's thoughts.
7. Consider an appraiser toolkit.
8. Possibly modify types of appraisal people do after a few years.
9. Important for line manager to receive feedback on staff performance (360 or similar).
10. Try and address the qualitative as well as the quantitative.
11. Can we make the process less formal?
12. Consider a revised title – 'Personal Development Plan'.
13. Consider concept of core needs and bespoke needs.

Other points raised

1. Support for the idea of taking more ownership for one's own appraisal.
2. Need for improved consistency with time frames, paper work, and sign off.
3. There seem to be elements of repetition in the forms.
4. Can be hard to find new ideas / areas for discussion in some roles.
5. Some questions have unhelpful negative connotations.
6. Venue for meeting is important, as is a sufficiency of time.
7. Workshops help – could we do more to improve communications within the authority.
8. Concept of discussion and objective setting is good.
9. Forms could be modified, as there are elements of repetition.
10. Completion of some tasks is an absolute, e.g. gate repair, some are more abstract.
11. Relies on the quality of relationship with one's line manager.

View from a distance

These were on the whole very open and frank discussions. Comments are non attributable. There is a general acceptance of the need for and usefulness of appraisal, and less disquiet about the concept of scoring than perhaps anticipated. There is a strong feeling of need for improvement in the application, targeting and delivery of the scheme however. Of particular note is the feeling of frustration around scoring and perceived distance and secrecy in its application.

There is a wide range of levels of engagement with the existing scheme, ranging from exemplar to indifference. Well placed practitioners of best practice could do much to influence the behaviours of those around them. Much has been done around Coaching in the organisation in recent months, and a coaching approach to appraisals should improve the experience and outcomes.

The objective setting process is clear, but is sometimes ill-used. It is not appropriate to use statutory or organisational requirements as objectives (they ordinarily are part of the core job, not a stretching objective). Equally there is an imbalance in the objective setting process that favours easily quantified targets at the expense of harder to measure (but arguably more important) qualitative targets.

The competency framework appears to get less attention than it deserves. As this, and the Core Values, drive the preferred / required behaviours within the organisation this would appear to be a worrying level of disconnect between how people behave and how the organisation wishes them to behave. As behaviours drive performance, and performance drives outcomes this warrants attention.

The exercise has been conducted in good faith. It is flagging up a need for a cultural shift in the way that the organisation and its employees view and enact the legitimate and necessary process of performance management and appraisal. This will become progressively apparent as the organisation addresses challenging times ahead.

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26 September 2013