

Guide to the end-of year PDCS process 2011/12

April 2012

Introduction

As the 2011/12 performance year ends all colleagues should be preparing to meet with their managers to review performance across the last twelve months, agree a final PDCS appraisal and set targets for the year ahead.

At this point it is perhaps worth reflecting on why effective management through the performance, development and competency scheme is so crucial to the success of the council.

The scheme enables managers to:

- Clearly communicate expectations
- Provide feedback
- Encourage performance improvement
- Motivate people to deliver excellent performance
- Set measurable goals
- Intervene when performance is below expectations
- Determine learning and development needs
- Improve team performance

Participation in the scheme should not be viewed as an additional responsibility of managers; rather, it is integral to the successful delivery of any Croydon manager's role and encourages good management practice.

For all staff, PDCS is an opportunity to a) clarify what is expected of them personally, and how this links to team plans, b) find out about what is going on in the council generally and how it will affect them, and c) to discuss how well they are doing and how they can develop their potential further.

To take full advantage of this opportunity it needs to be a two-way process in which the individual contributes at least as much as the manager. By doing so the individual benefits from:

- Good communication with his/her line manager
- Clear expectations and no surprises about how he/she is performing
- Increased performance through regular and timely feedback
- Valuable insights into the future direction of the team and the council
- The chance to propose new ideas and improved methods of working
- Recognition for goals which are achieved or exceeded
- Regular support and an individual learning and development plan

As the council responds to current financial pressures and puts in place the changes required to continue delivering for its customers, it is understandable that people feel the impact of change and uncertainty. Therefore, at this time it is even more important that we continue to use PDCS to ensure that people know what is happening, are clear on what is expected of them and also are recognised and thanked for their contribution.

The end of year performance discussion – Are you prepared?

Managers

To make sure that the end of year discussion is meaningful and valuable managers will need to undertake the following steps:

1. Review the jobholder's objectives, competencies and responsibilities
2. Prepare a preliminary assessment of the jobholder's performance across 2011/12
3. Discuss the preliminary assessment with the reviewing manager and ensure that there is agreement on the feedback and ratings you intend to give
4. Discuss team and service plans for 2012/13 with the reviewing manager and decide on the targets that the jobholder will need to achieve in the year ahead
5. Ensure that the jobholder is prepared for the performance discussion, making clear what you expect them to contribute
6. Prepare yourself for the performance discussion, what you want to say and how you want to say it

Jobholders

Like all other parts of the PDCS cycle, the end of year discussion is a shared responsibility between the manager and the jobholder. Therefore all staff should be ready to take part in an open and constructive review of the last twelve months. In order to be fully prepared the jobholder should:

1. Review his/her objectives, competencies and responsibilities
2. Reflect on his/her personal performance over the year, taking into account all achievements and accomplishments, but also any missed targets and areas for improvement
3. Identify what he/she has achieved in relation to the development plan
4. Write some notes about the points above to bring to the meeting (the manager may ask for a self-appraisal using the PDCS form)
5. Consider what his/her targets for the year ahead may be. These may be objectives not yet complete from 2011/12 or drawn from the 2012/13 team plan. **There should be a minimum of six objectives set.**

Reviewing managers

At the end of the PDCS year the reviewing manager has a number of responsibilities. The key responsibilities are:

1. Ensure that all performance discussions are held and submit the completed forms to WCR prior to 12 noon on 31 May
2. Ensure that PDCS appraisals are fair and thorough
3. Ensure consistency of approach to managers' rating of performance
4. Ensure that performance targets for 2012/13 are communicated to managers and support delivery of the team plan
5. Encourage honest and accurate appraisal, supporting managers who may have to deliver difficult feedback

Managing the end of year performance discussion

A successful meeting is a two-way discussion about performance and not simply the manager giving his or her view. Therefore managers should:

- Encourage the member of staff to discuss and assess his/her own performance and behaviours
- Ask questions and be prepared to listen. The performance discussion is an opportunity to seek the jobholder's input, reflection and ideas
- Explain the rating system and discuss the ratings you intend to give
- Gain agreement where possible on what you are going to write about each objective and competency and the ratings for each (further guidance on ratings can be found below)

Having completed the assessment of performance in the 2011/12 the discussion should then move on to goals for the year ahead. In most cases this can take place as part of the same meeting. The starting point for objective setting should be service and team plans.

- Agree what the individual's contribution to the delivery of these plans will be
- Your conversation should be informed by the review of 2011/12, e.g. are there objectives which have yet to be completed? Does the review throw up development needs for the individual?
- Remember that objectives should be **specific, measurable** (in terms of quantity, quality, time and cost), **achievable, realistic and time-**

related. They should also be reviewed regularly in the light of changing circumstances over the year

- Record the agreed objectives on a new PDCS form
- End the discussion by thanking the member of staff for their contribution during the past year. Don't assume that they will think this is implied

Rating performance

Managers are encouraged to use the full range of ratings available to them to effectively demonstrate the contribution of an employee over the performance year. Information about ratings and how they should be applied can be found at the end of this section.

All overall ratings should be discussed and agreed with the reviewing manager prior to informing the jobholder at the performance discussion.

Overall rating of 'Excellent'

As a result of the collective agreement signed between the council and the unions on the Employment Based Cost Review (EBCR) incremental salary progression is no longer automatic. An award of discretionary incremental progression is dependent on the following factors:

- An overall PDCS rating of 'Excellent', based on a full performance year in role
- Subsequent confirmation of the rating by the corporate moderation panel
- Headroom for progression within the grade

Where a provisional rating of 'Excellent' is agreed with the reviewing manager, the relevant divisional director should be informed and his/her approval will be required. In these cases it will be the director who will forward the completed forms to WCR.

In order to ensure consistency of ratings across the council a corporate moderation panel will be formed in June to review all appraisals which would result in the awarding of an increment.

Managers and staff are reminded that ALL overall ratings of Excellent are provisional until corporate moderation panel has completed

The panel will also review a sample of all other appraisals in order to ensure consistency and that quality standards are being met.

Questions asked by the moderation panel

The moderation panel asks five key questions of every PDCS that it reviews. The five questions are –

- 1) Are the objectives smart and sufficient in number (minimum six objectives not including mandatory ones)
- 2) Are the objectives performance outcome based
- 3) Are the objectives relevant and stretching for the role?
- 4) Do the comments against objectives justify the ratings given?
- 5) Do the comments against the competencies justify the ratings given?

The panel, in discussion with the jobholder's director, will then decide whether to confirm the rating or to amend it. Where the award of an increment is approved it will be backdated to April 2012.

Overall rating of 'Unsatisfactory

Not everyone will meet the standards and targets agreed through PDCS. It is a key responsibility of managers to take action as early as possible to confront poor performance. Highlighting the performance gap provides the jobholder with a strong incentive to address the issues, as well as alerting him/her to the possible consequences of failing to do so.

Whilst this will lead to a difficult conversation it is necessary in order to ensure that the council can deliver best value for its customers.

Disguising poor performance can also have negative consequences for the jobholder as it hampers their ability to deal with their development needs, progress in their career or to find a more suitable position. Most people who are unsuited to a role, or not capable of delivering it, end up unhappy as a consequence.

Poor performance which is not addressed also has negative consequences for the team, who are often expected to do more to compensate and feel unfairly treated as a consequence.

Where the jobholder's performance is significantly below expectations an overall rating of 'Unsatisfactory' is the likely outcome. This should be agreed with the reviewing manager in the first instance.

The manager should seek HR advice by calling the advice line (extension 88333) or by contacting the relevant departmental HR business partner.

The manager should undertake a performance discussion during which the jobholder should be informed of the overall rating of 'unsatisfactory' and of the instigation of the formal capability procedure. Underperformance should have been addressed throughout the year and so the member of staff should already be aware that this was a possible outcome.

Individual Objective Ratings

EXCELLENT	GOOD	FAIR	UNSATISFACTORY
Is able to demonstrate through evidence that all measurements exceed the agreed objective.	Is able to demonstrate through evidence that all measurements meet the agreed objective.	Is able to demonstrate through evidence that all measurements partially meet the agreed objective.	Is unable to demonstrate through evidence achievement of any measurements of the agreed objective

Overall Objective Ratings

EXCELLENT	GOOD	FAIR	UNSATISFACTORY
A contribution that consistently exceeds the agreed objectives. Demonstrating outstanding performance far beyond the normal requirements of the role.	A contribution that consistently achieves the agreed objectives, fully meeting the normal requirements of the role.	A contribution that is stronger in some aspects of the role than others, where some, but not all agreed objectives are met.	A contribution that is below requirements, where few, if any of the agreed objectives are met.

Individual Competency Ratings

EXCELLENT	GOOD	FAIR	UNSATISFACTORY
Demonstrates <u>all</u> of the behavioural indicators at the required level on a consistent basis <u>and</u> some at the next level or at the top level for that Competency.	Demonstrates <u>many</u> of the behavioural indicators at the required level on a consistent basis.	Demonstrates <u>some</u> of the behavioural indicators at the required level on a consistent basis.	<u>Rarely or never</u> demonstrates any of the behavioural indicators at the required level on a consistent basis.

Overall Competency Ratings

EXCELLENT	GOOD	FAIR	UNSATISFACTORY
Demonstrates <u>all</u> of the competencies at the required level on a consistent basis and some at the next level or at the top level for that Competency.	Demonstrates <u>many</u> of the competencies at the required level on a consistent basis.	Demonstrates <u>some</u> of the competencies at the required level on a consistent basis.	<u>Rarely or never</u> demonstrates any of the behavioural indicators at the required level on a consistent basis.

Ready Reckoner to identify the PDCS Overall Performance Rating

		COMPETENCIES RATING			
		Excellent	Good	Fair	Unsatisfactory
OBJECTIVES RATING	Excellent	Excellent	Good	Good	Unsatisfactory
	Good	Good	Good	Fair	Unsatisfactory
	Fair	Good	Fair	Fair	Unsatisfactory
	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory

Submitting PDCS forms

Once the end-of-year discussion has taken place the completed form should be shared with the jobholder, signed and a paper copy held on the jobholder's local file.

The line manager should send electronic copies of the completed PDCS document for 2011/12 and of a new PDCS document (containing 2012/13 objectives) to the reviewing manager.

All forms should be saved using the following naming conventions:

Completed 2011/12 PDCS documents:

(DEPT) Surname, Forename – 1112 END

For example:

(CFL) Smith, John – 1112 END
(CRCS) Smith, John – 1112 END
(DASHH) Smith, John – 1112 END
(D&L) Smith, John – 1112 END
(P&E) Smith, John – 1112 END
(WCR) Smith, John – 1112 END

New PDCS documents for 2012/13

(DEPT) Surname, Forename – 1213 START

For example:

(CFL) Smith, John – 1213 START
(CRCS) Smith, John – 1213 START
(DASHH) Smith, John – 1213 START
(D&L) Smith, John – 1213 START
(P&E) Smith, John – 1213 START
(WCR) Smith, John – 1213 START

The reviewing manager should check that the PDCS process has been completed fairly and in accordance with the guidance. He/she should then send all electronic copies to the appropriate departmental email inbox no later than **12 noon on the 31 May 2011**

Departmental inboxes can be found through the Outlook address book as follows:

**PDCS-CFL
PDCS-D&L**

**PDCS-CRCS
PDCS-P&E**

**PDCS-DASHH
PDCS-WCR**

Submitting forms with a provisional overall rating of 'excellent'

If an overall rating of excellent is given, the documents should be sent on to the appropriate divisional director and in these cases the form should be returned to the appropriate inbox by the director stating their support for the rating.

If the form is submitted after the reviewing panel has met, the excellent rating will be automatically rejected unless there are extenuating circumstances. The decision of the Director of Workforce and community resources shall be final.

Paper copies will only be accepted if the manager concerned has absolutely no access to IT to be able to complete the process electronically.

Ensuring quality and consistency

All completed 2011/12 forms should include:

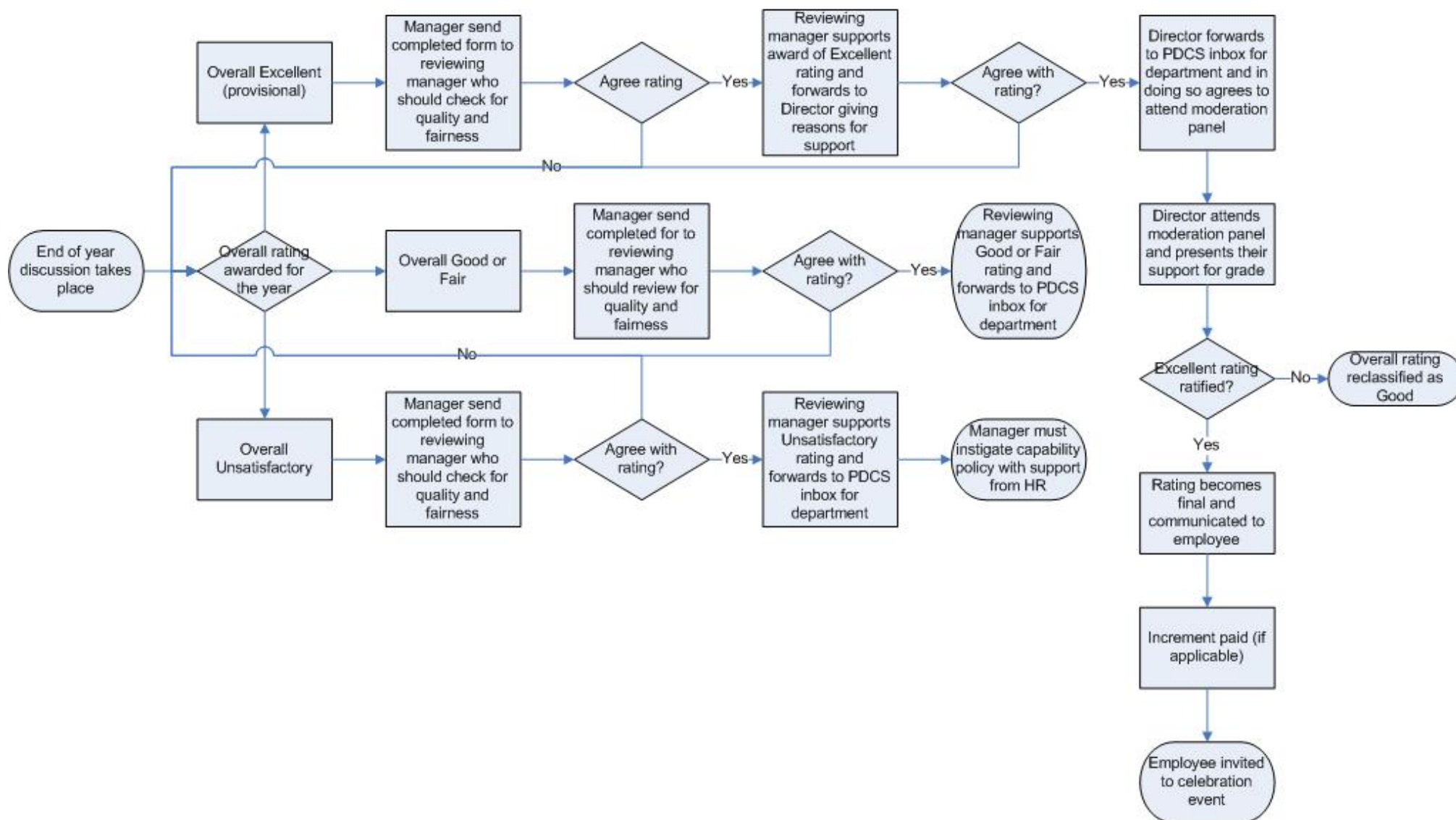
- The names of a) the member of staff, b) the line manager (you) and c) the reviewing manager (usually your manager)
- The employee number of the member of staff
- The name of the department and division; the job title
- Dates of PDCS meetings throughout the year
- The final, agreed objectives for the year
- The competencies and levels linked to the role
- An assessment against each objective and competency sufficiently detailed to be meaningful to the reader and useful to the member of staff, e.g. 'met/not met' will not normally be sufficient
- A rating against each objective and competency (unsatisfactory; fair; good; excellent)
- A rating for objectives as a whole and a rating for competencies as a whole (unsatisfactory; fair; good; excellent)
- A final overall rating for the year (unsatisfactory; fair; good; excellent)

If any of this information is not contained in the final version sent to WCR it will be considered 'incomplete' and will be flagged back to the department for action.

In order to ensure that the PDCS process is carried out to the highest possible standards a sample of completed forms will be quality assured on a random basis.

Training will be provided to those managers who have been identified through this process as needing additional guidance and support.

PDCS Process



Enhancements to the PDCS process from 2012

The performance, development and competency scheme is the key management tool for ensuring that all staff understand what is expected of them, how they contribute to delivery of the council's objectives and how the organisation will support them to continuously develop and improve.

To further enhance the impact of the scheme we are making a number of changes from 2012.

360 degree feedback for managers

2012 will see the launch of 360 degree feedback for managers as part of the PDCS process.

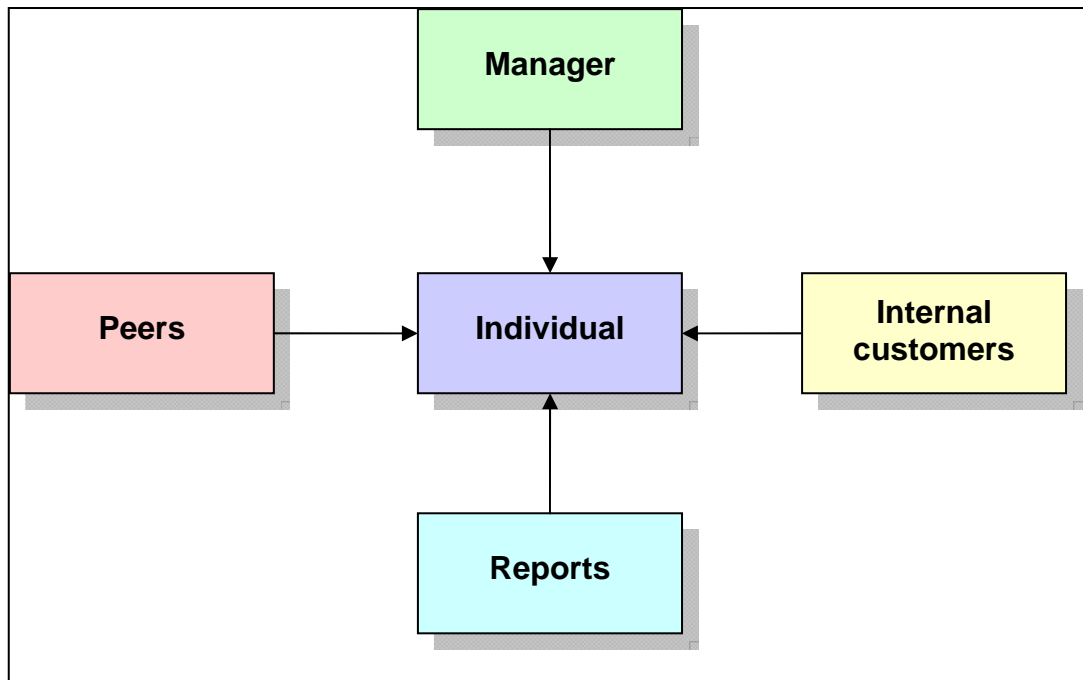
The objective of a 360° feedback is to help managers to gain a better understanding of their impact on the organisation and how they are perceived in a range of tasks and roles; providing information about the views of a range of stakeholders and allowing the managers to compare these to their own perceptions.

Advantages of gathering feedback from these important stakeholders include:

- More reliable feedback for managers about their performance
- Increased awareness of the personal impact that we have on others, both positive and negative
- Identification of strengths, which can be built on to support delivery of objectives
- Identification of areas for further development, which can be addressed to maximise personal and team performance
- Recognition of the importance of the range of stakeholders impacted by the manager's role
- Enhancing a culture of feedback and continuous improvement

Feedback is gathered through an online questionnaire focussing on a range of key competencies and skills. This is completed by the manager themselves and by identified stakeholders (see diagram below).

This is then collated into a report which should be discussed with the individual's own line manager at one-to-ones. The report and these discussions will help inform the development plan and will not contribute towards the overall end-of-year rating.



360 degree feedback will become part of the annual PDCS cycle for managers in tier 1-4.

Tier 1-3 managers will be required to attend training focused on giving and receiving 360 feedback. Tier 4 managers will be required to attend a briefing session on receiving and actioning 360 feedback

Talent management

The new talent management process will apply to all staff. Following the end of year process, managers will discuss the new talent grid with their employee and agree a rating. Those members of staff who are identified as high potential will have the opportunity to work on key projects.

To support this process, managers will be required to attend training focused on using the talent grid. Staff will be required to attend a briefing session on using the talent grid.

Competency framework

As of 2012/13 a new competency framework will be used. The framework will make it easier to understand what is expected from staff at each level. The level of competencies required for each role will be set as part of the Layers and Spans project. This new framework will be implemented in 2012 and should be used for the 2012/13 PDCS year.

To support this process, managers will be required to attend training focused on using the new framework.

PDCS online

2012/13 will see the initial stages of a move away from a paper-based system and towards an online PDCS tool.

This is expected to deliver significant benefits for the council as a whole and to make the process leaner and more efficient for both staff and managers.

Moving PDCS online will allow:

- Staff and managers to complete the process in real time
- The effective management of performance information across departments and the council, identifying risks and highlighting successes
- Improvements in the way the council assesses learning and development needs and identifies the talent and potential of its people

Managers and staff will be moved over to the new system during the PDCS year as it becomes available.