

<b>Meeting</b>	<b>Date</b>
Establishment Committee	3 December 2018
<b>Subject</b> Developmental Toolkit and Competency Framework Update	<b>For Information</b>
<b>Report of</b> Chrissie Morgan, Director of HR	
<b>Report Author</b> Lisa Parker, Head of Organisational Development	

### Summary

This paper updates Members on the pilot phase for the proposed new developmental framework for managing individual performance based on continuous improvement. The pilot exercise has been carried out with teams across the Corporation from the period of July – September 2018 and this report summarises that feedback. The most frequently consistent feedback from the pilot groups is that the link between appraisals and performance pay should be broken.

The newly proposed approach to appraisals provides continuous dialogue and assessment, and removes the rigid appraisal year, April to March. The key objective of the new approach is to shift the emphasis onto development and continuous improvement. This paper reports on the feedback from the pilot groups and next steps.

As mentioned in previous reports, subject to further consultation, contribution pay at the end of 2018/19 will be more flexible but will still use the 4-point assessment as a basis. Again, subject to consultation and agreement contribution pay in 2020 may change more radically.

### Recommendations

Members are asked to note: -

The findings and feedback from the pilot phase of the launch of the new appraisal toolkit and the next steps and changes to progress to 'go-live' launch phase in April 2019 across the whole Corporation.

The continuation of the pilot groups using the new competency continuum scales from December - February 2019 in conjunction with the pilot Clear Review online recording tool which launches in November to the pilot groups.

## Main Report

### Background

Earlier this year a consultation exercise was undertaken on a new framework for managing individual performance. These changes included an introduction of a competency framework and a dialogue known as coaching conversations. The competency framework attempts to translate the 4Ps and 4Rs into measurable behaviours or competencies which can then be used as a measure to appraise or evaluate individual performance using the grid tool. **(The most recent version of these can be seen in Appendix 2).**

The purpose of this report is to outline the feedback gained so far from the Pilot Groups taking part in the exercise and proposed next steps for a successful launch in April 2019.

### Current Position to date

To recap, at the start of the process, the Organisational Development team (OD) conducted a series of stakeholder engagement sessions across the Corporation throughout February – April 2018. This involved presenting a short overview on the following:

- Introduction to competency framework and its link to the 4Ps and 4Rs
- Explanation of a 9-box grid to support end of year performance evaluation
- Proposals around coaching style appraisal conversations

Approximately 600 employees from across the Corporation were provided an opportunity to attend a facilitated session and to comment on how they view the current appraisals process and were invited to make suggestions on what could be included in the appraisal review. In depth thematic analysis was conducted as a result of the sessions which were in turn drawn up in to recommendations and next steps, allowing commencement of the pilot appraisal process in July 2018.

Coaching Conversations courses were designed and offered throughout the Organisation, from July 2018 onwards (and continue to be offered) to allow all members of the pilot groups the opportunity to be trained in the new system and how to have coaching conversations with their staff. Meetings were held with the individual teams taking part in the appraisal pilot to ensure a seamless transition into the new process and support offered on an ad-hoc basis as and when required.

The appraisal toolkit and competency framework were amended based on feedback before launch to the pilot groups. A branding exercise has also been completed, based on feedback to modify and improve the look and feel of the system and toolkit ahead of scheduled date as it was felt that the pilot groups needed to work with a 'finished product'.

An extensive amount of work has gone into engaging with Clear Review, our proposed online provider who allow the digitisation of the new appraisal process. IT colleagues

from across the Corporation have been leading on allowing us to roll this out. The go live date with the pilot groups was 1<sup>st</sup> November 2018.

## **Key Feedback Themes from Pilot Groups**

### **1. The product**

The new appraisal and coaching conversations toolkit was well received by the pilot groups and it was found to be user-friendly and easy to use and navigate. Groups could see how this would be digitised and linked with an online system to allow ease of appraisal completion as opposed to the existing and perceived lengthy form filling exercise. The new toolkit allows for a better quality of conversation because the existing form can at times also detract from a quality discussion due to the emphasis around form completion for the purposes of compliance and 'getting the appraisal done'. The move towards an online system to support the toolkit was welcomed as a more efficient, cost-effective and agile way of working with less 'form filling'.

### **2. Competencies on a continuum**

Members of the pilot groups and Coaching Conversation Course attendees felt that it would be more helpful to see the competencies presented on a continuum of behaviour (example cited in appendix 2 for reference) as opposed to listing out negative and positive behavioural indicators as they can lead to a negative perception of the competency in certain situations. For example, it can be said that for some roles it is of importance to be organised, structured and follow a plan through to completion. The negative of this positive behaviour can be that the individual, at times, may be rigid and inflexible when the need arises to implement changes in plan or direction or project.

### **3. The timeframes**

Consistent feedback from the pilot groups was that there was not enough time to fully test out the new toolkit and process, firstly because the pilot fell across the summer months. The groups engaged well with the new process and found the conversations helpful, insightful and constructive, but would have welcomed extra time with team members in trialling the process out to allow for richer feedback.

### **4. Digitisation of appraisal system**

Groups have been very keen to embark on the digitalisation journey which accompanies the new appraisal process. A key request which came up from the pilot groups was to be able to access the Clear Review online system in conjunction with a further extension in timeframe around trialling the toolkit and coaching conversations. The Learning and Organisational Development Team have been working with the IT Team to ensure this was available from 1<sup>st</sup> November 2018 once all of the procedures and policies have been completed and adhered to. The L&OD Team have assigned admin managers and have

been trialling the online system and are confident of its success on roll-out as a user-friendly, agile, cost and time effective complement to the new toolkit.

## **5. Link to pay**

Hugely positive feedback was received after using the 9-box Conversation Grid particularly around the introduction of performance descriptors instead of ratings as this allowed for more constructive, developmental conversations with no reference to pay. This allows for flexible performance objectives which can be reviewed through regular touchpoints throughout the year as team, individual and organisational goals move.

It was therefore suggested that this should be a purely developmental tool and should not 'force staff onto a distribution curve of pay'. There is a separate project within HR looking at pay and reward and the future link to pay.

## **Next steps**

Following on from the pilot exercise a number of suggested next steps are proposed to ensure successful transition into a new appraisal system and competency framework for a full launch in 2019-20.

- a) Finalise and launch competency continuum's (example cited at Appendix 2)**  
Competency descriptors and continuums will be developed and will detail behavioural indicators for each end of the continuum range to allow for a more constructive, developmental conversation, (getting away from negative behavioural perceptions), allowing greater levels of self-awareness and developmental suggestions.
- b) Extend pilot groups trial period from November – January 2019**  
Extend the timeframe to allow a richer level of feedback to be gleaned from the pilot groups using the new competencies on a continuum and in conjunction with the Clear Review online tool before release to the wider Organisation in April 2019.
- c) Devolve link to pay**  
The groups have found having a conversation with employees far more productive without having to talk about pay but instead focussing on work priorities and behaviours. A working group has been set up to look at how both contribution pay, and incremental progression be awarded in the future.
- d) Digitalise appraisal paper process**  
Formally launch Clear Review online tool for capturing coaching conversations and recording end of year performance evaluations in line with 'go-live' for new developmental system.

## **Appraisal Process for current year (2018/19)**

The existing appraisal paperwork and current four ratings will be used to determine performance, incremental progression and contribution pay. Departments who have been selected to participate in the pilot for the proposed approach will base performance ratings on existing processes but capture developmental performance using the new system. The 9-box grid will be used as a standalone tool and not to make a decision about contribution pay.

## **Development/Appraisal Process for 2019/2020**

The new system including coaching conversations and 9 box grid to be used from the start of the 2019/20 appraisal year underpinned by an online digital tool to allow for smoother completion and a paperless process. This means that at the end of the appraisal year in 2020, each employee will receive a development evaluation based on the new grid. These evaluations will also help departments with their future workforce/succession planning and inform training needs analysis across the Corporation.

## **Conclusion**

From both the consultation and pilot group work there is a need to change and to focus more on supporting employees in a more developmental sense, focussing on the employee/line manager relationship. By implementing the new developmental toolkit using the competencies on a continuum and breaking the link to pay, this will allow teams and departments to build their own fluid and flexible approaches to staff development and make it work on an individual basis using the Organisational template and toolkit. This is a huge and new step forward, but we fundamentally believe this will enhance the employee experience of working at the City of London corporation and allow development and support to be paramount, thus ensuring high levels of performance for teams and the Organisation.

## **Appendices**

Appendix 1 – Key milestones to appraisal launch, reminder of timetable agreed (on track)

Appendix 2 – Revised competency framework, competencies on a continuum and performance grid

## **Background Papers**

Managing Performance 2018 – Strategic Resources Group (12.01.18) and Summit (24.01.18)

HR Transformation Programme – Establishment Committee (22.05.18)

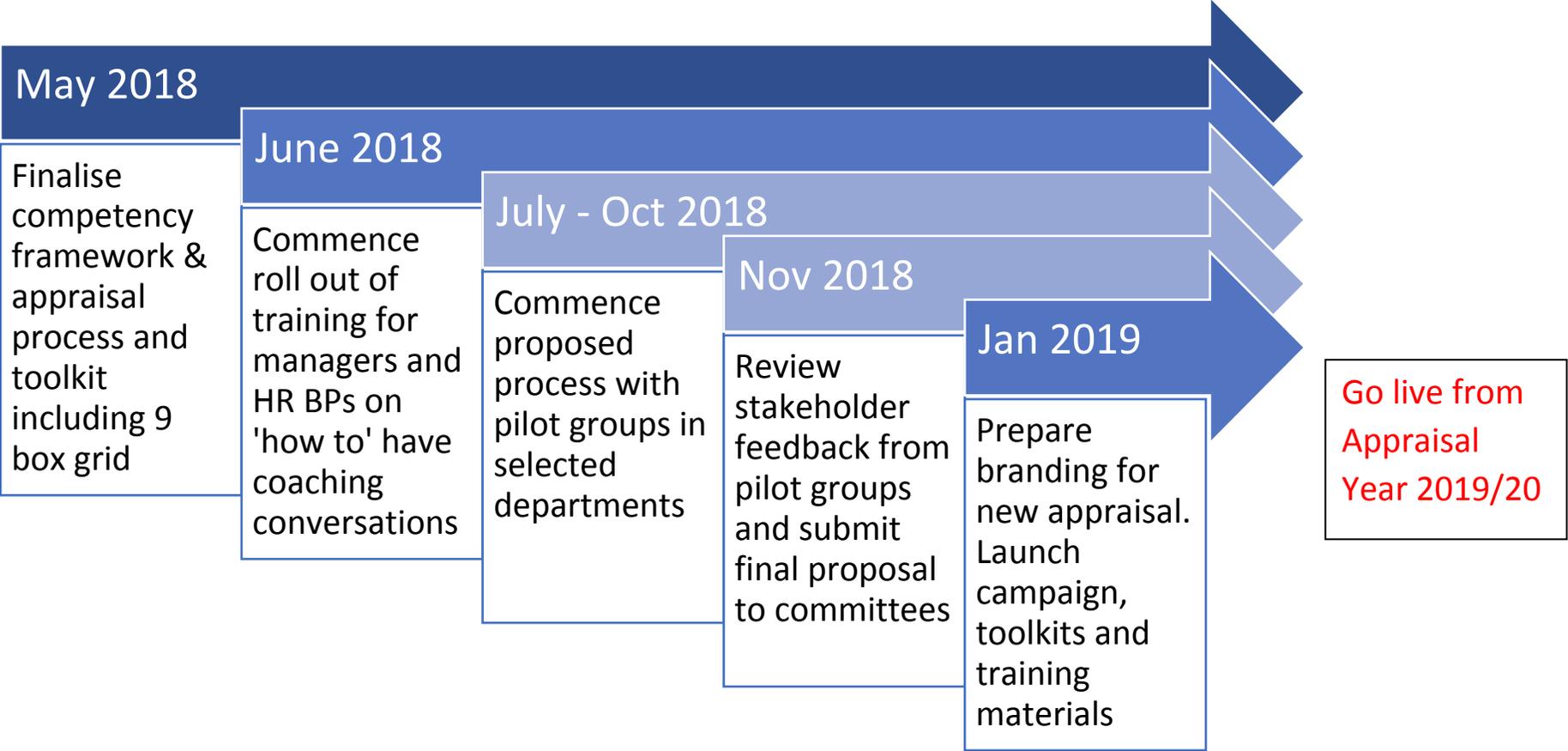
Developing Toolkit and Competency Framework Update – Strategic Resources Group (08.11.18) and Summit Group (14.11.18).

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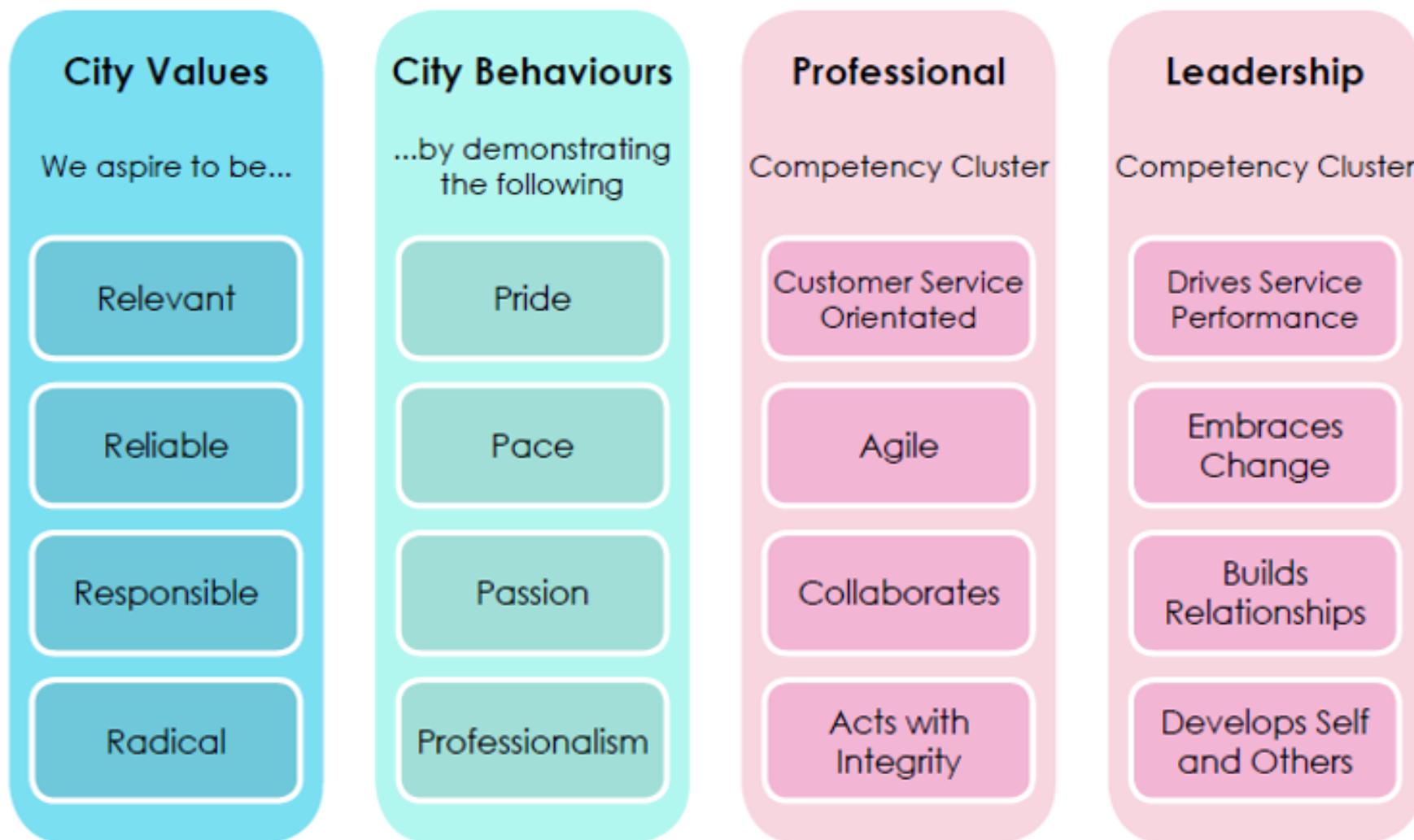
E: [lisa.parker@cityoflondon.gov.uk](mailto:lisa.parker@cityoflondon.gov.uk)



**Appendix 1 – Key Milestones to Appraisal Launch**

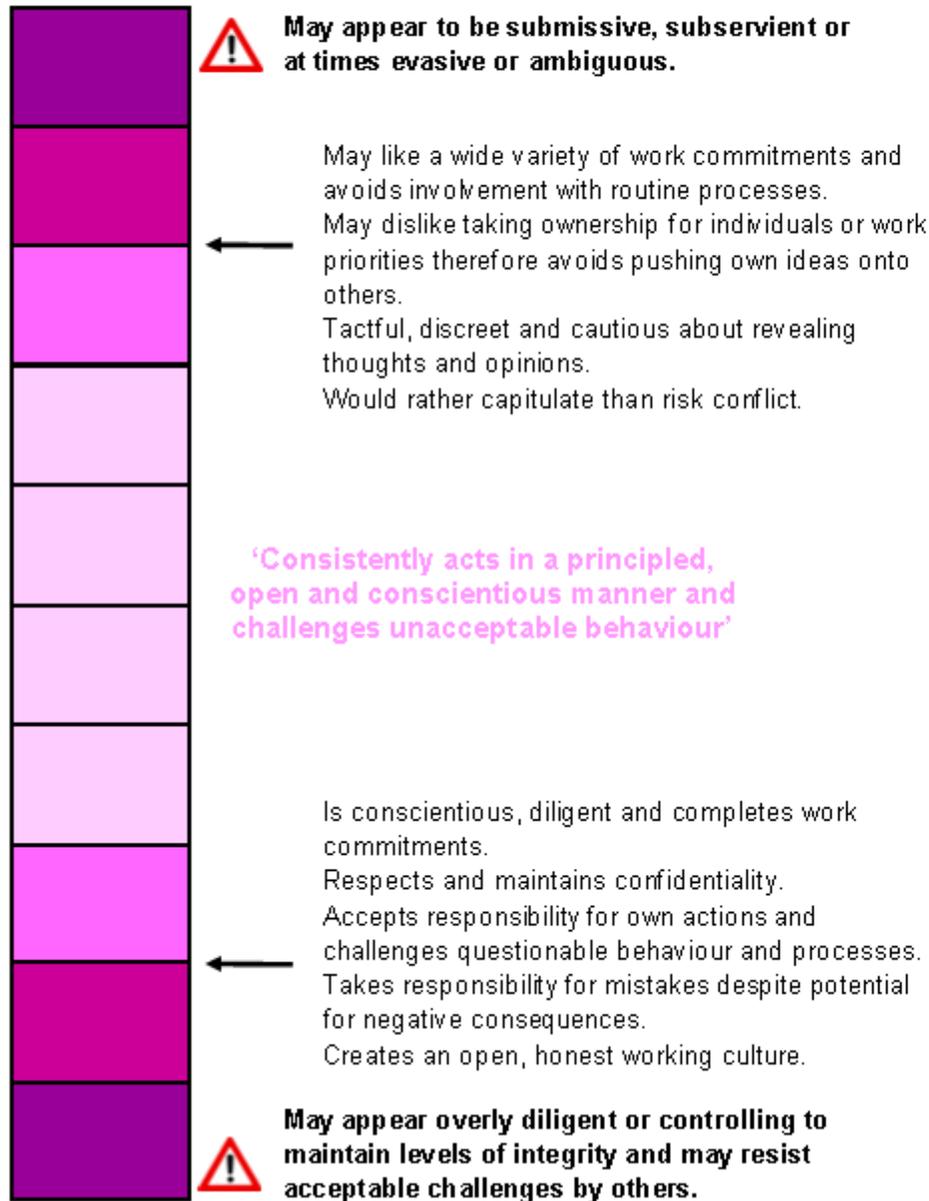


Appendix 2 – Competency Framework, Example of a competency continuum and 9 Box Development tool



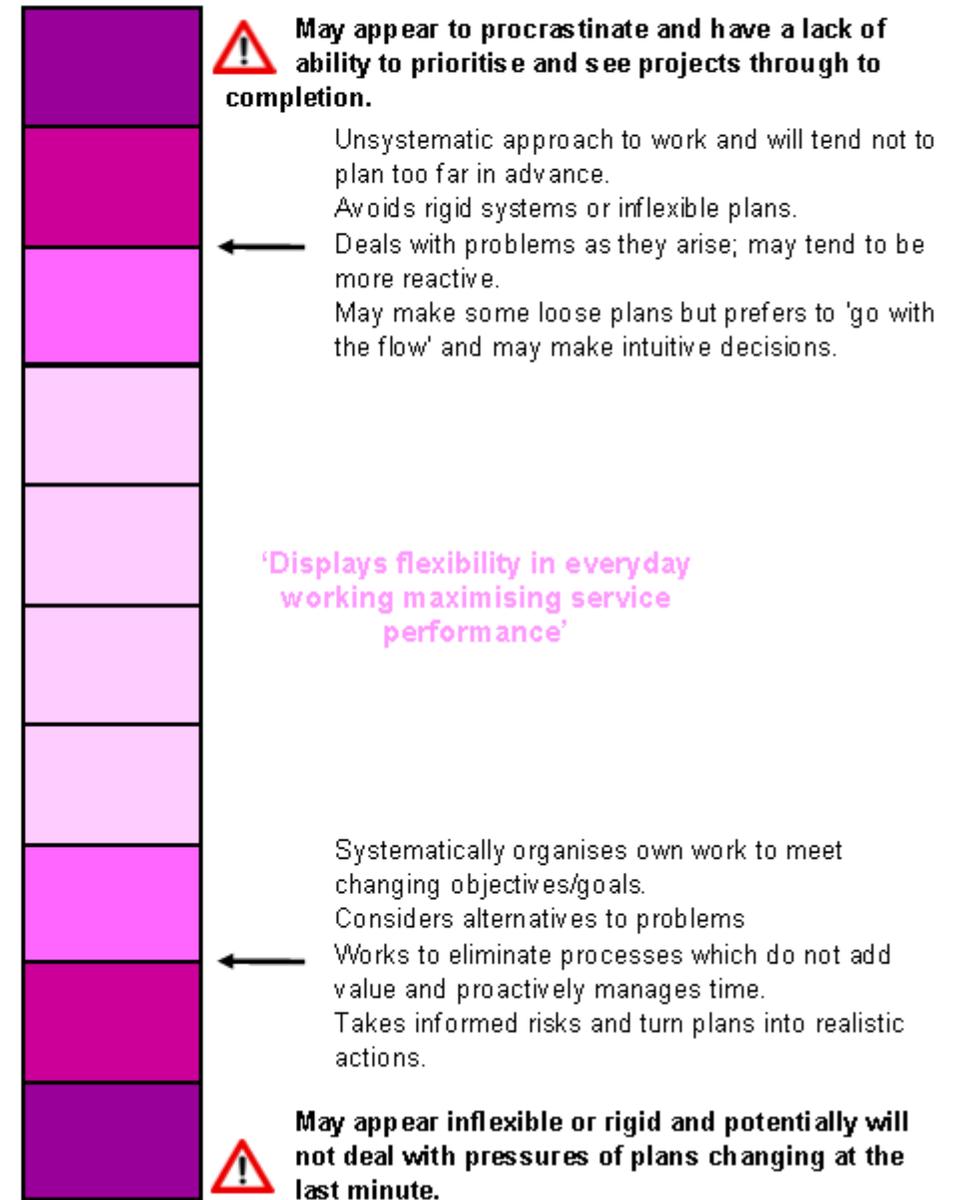
# Professional Competency Continuum

## Acting with Integrity



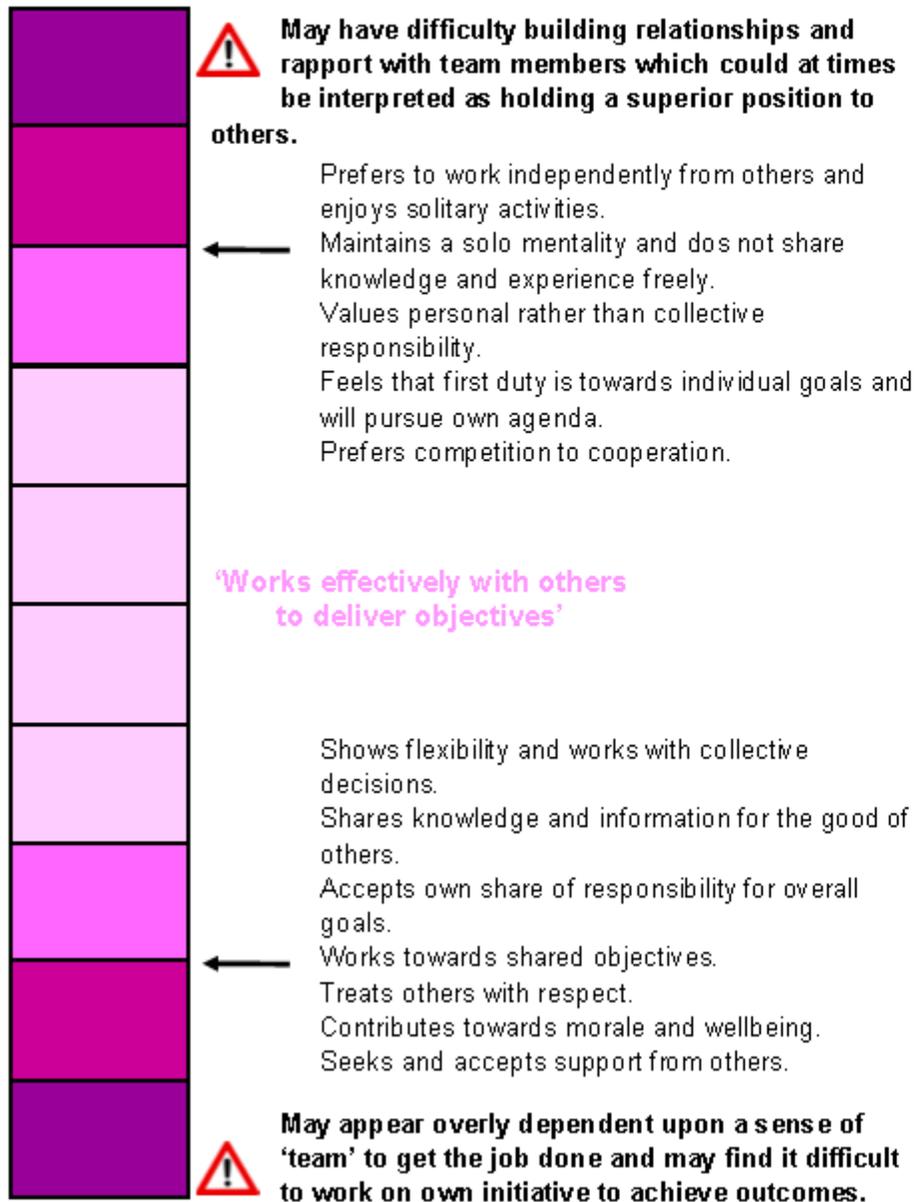
# Professional Competency Continuum

## Agile



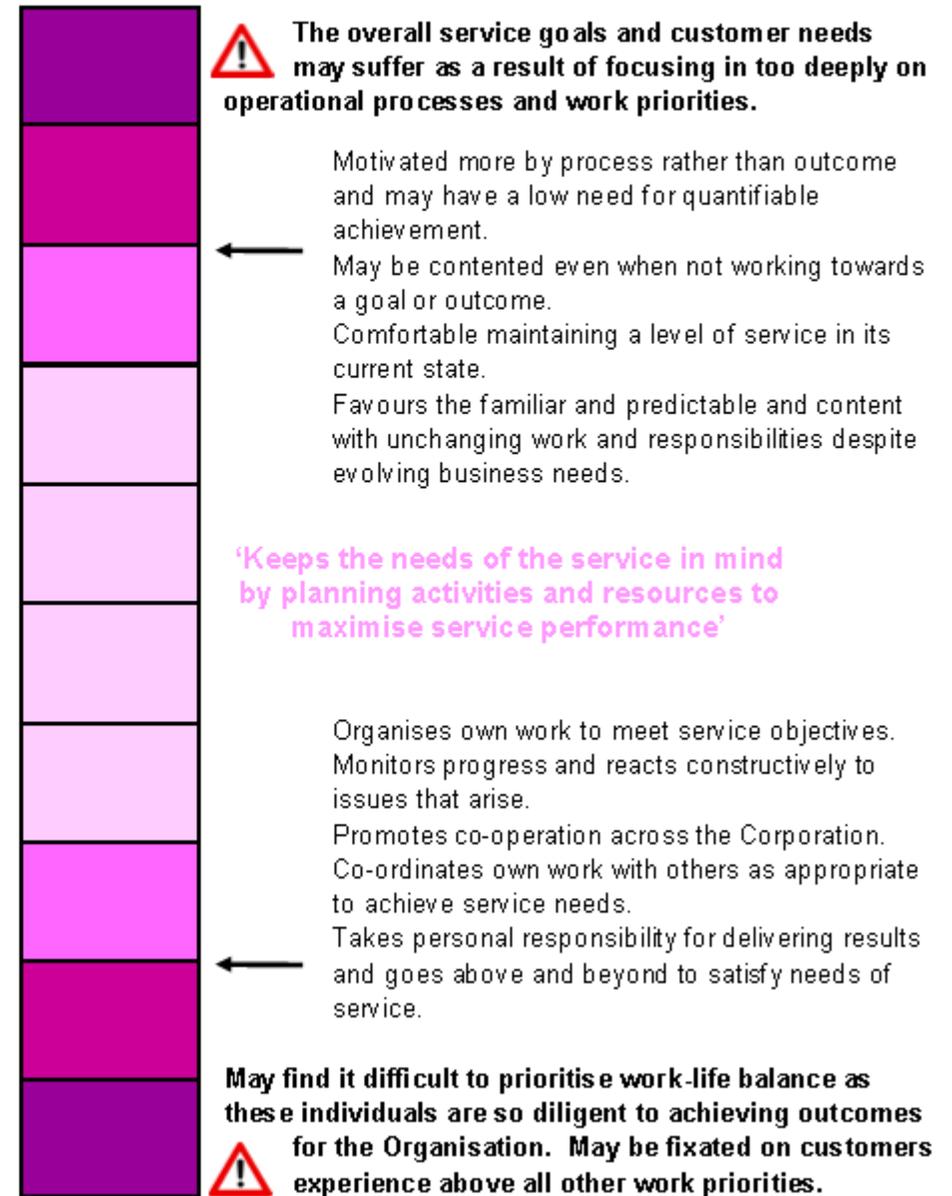
# Professional Competency Continuum

## Collaborates



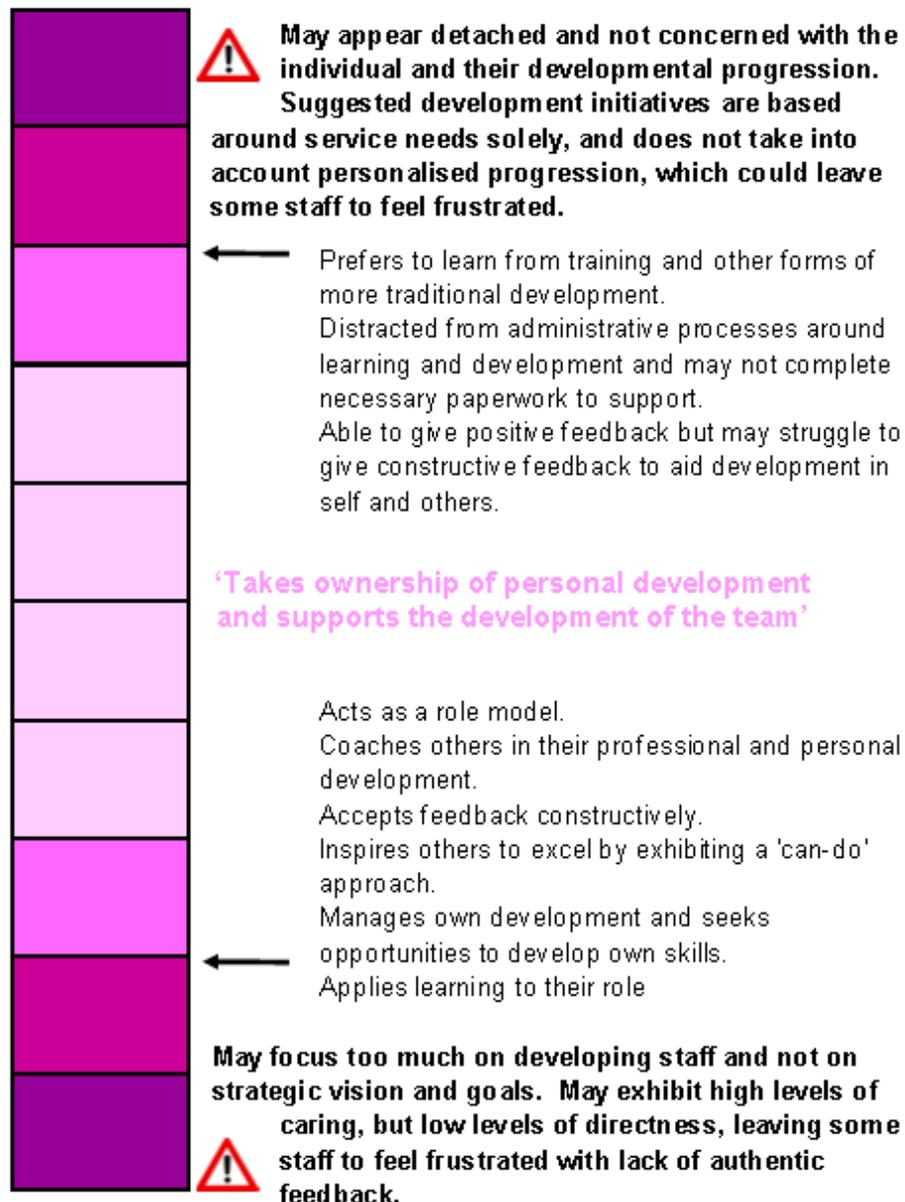
# Professional Competency Continuum

## Customer Service Orientated



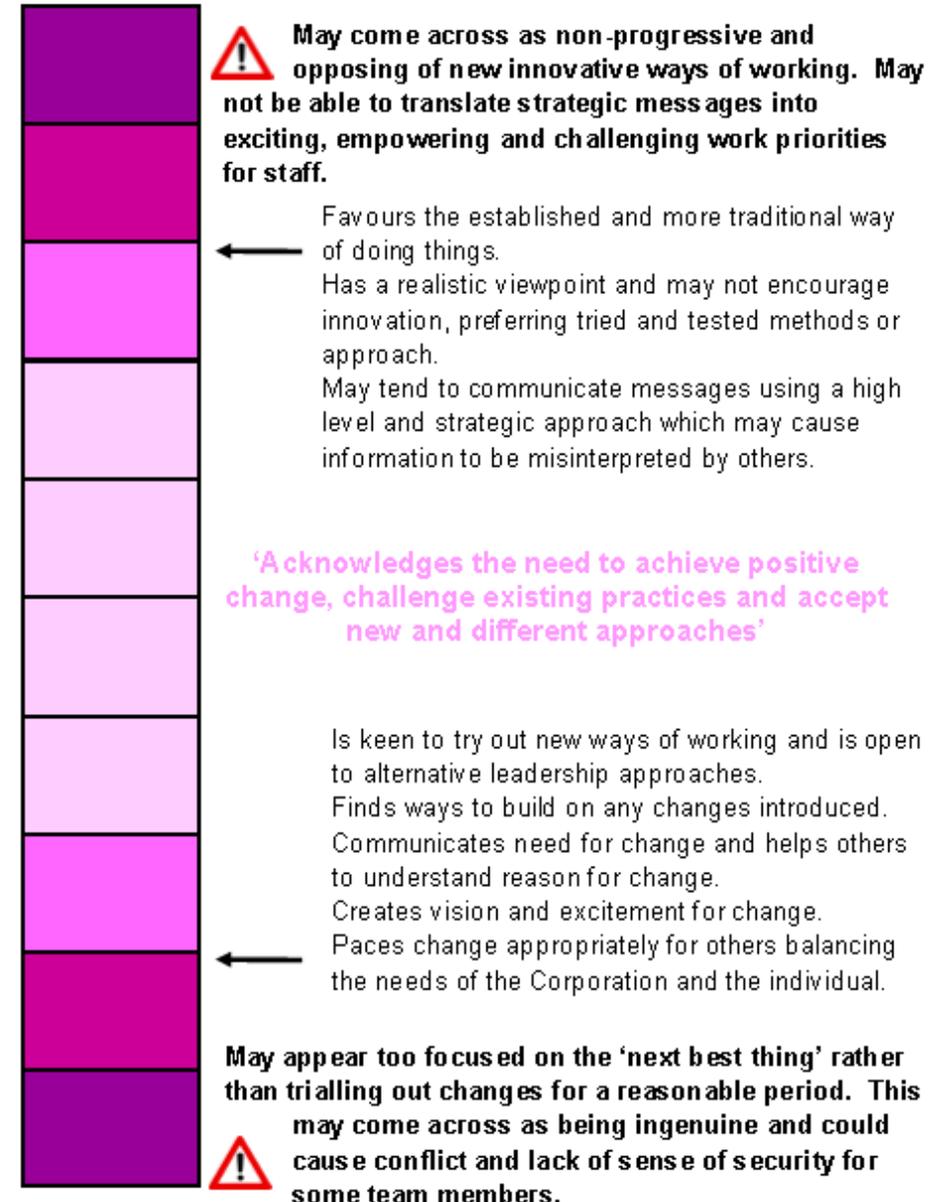
# Leadership Competency Continuum

## Develops Self and Others



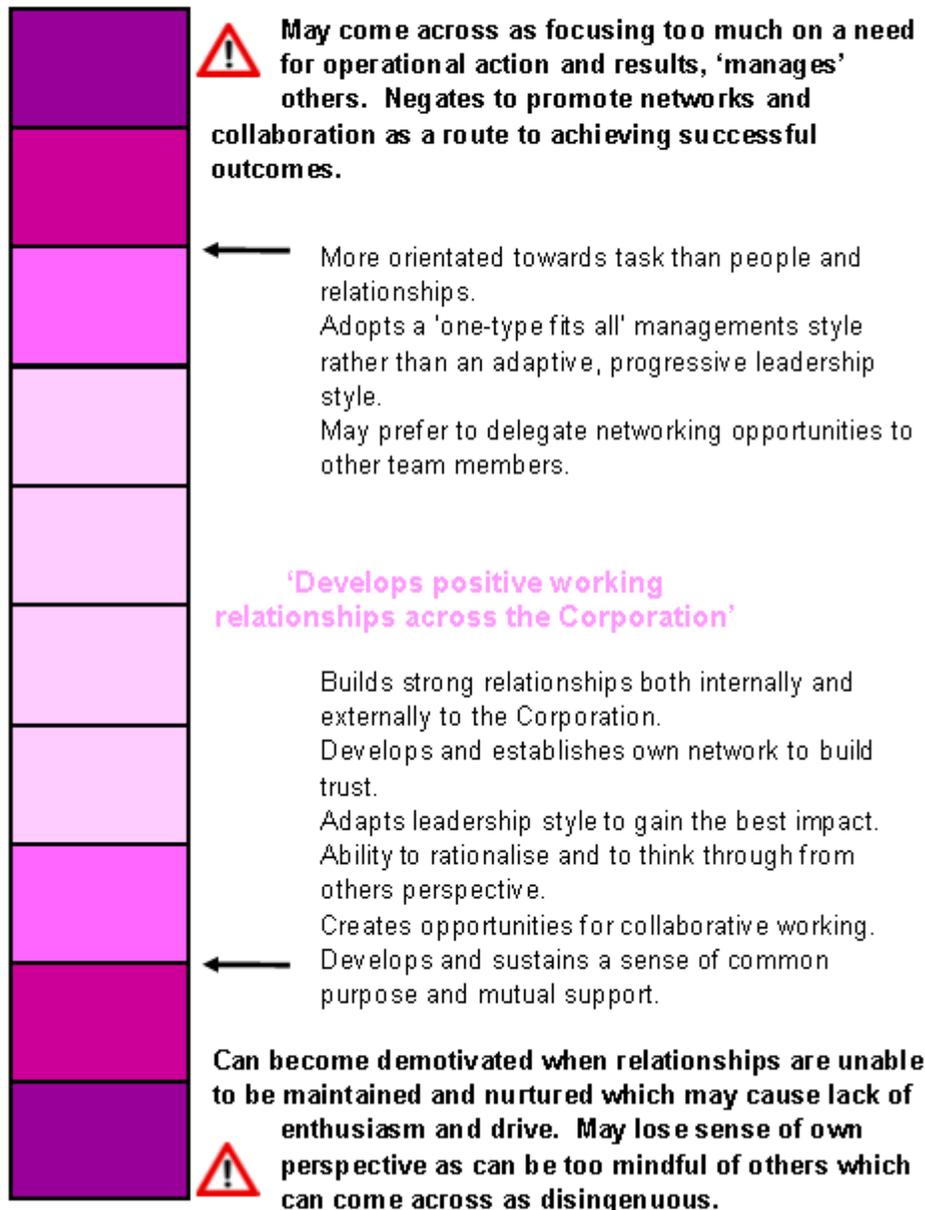
# Leadership Competency Continuum

## Embraces Change



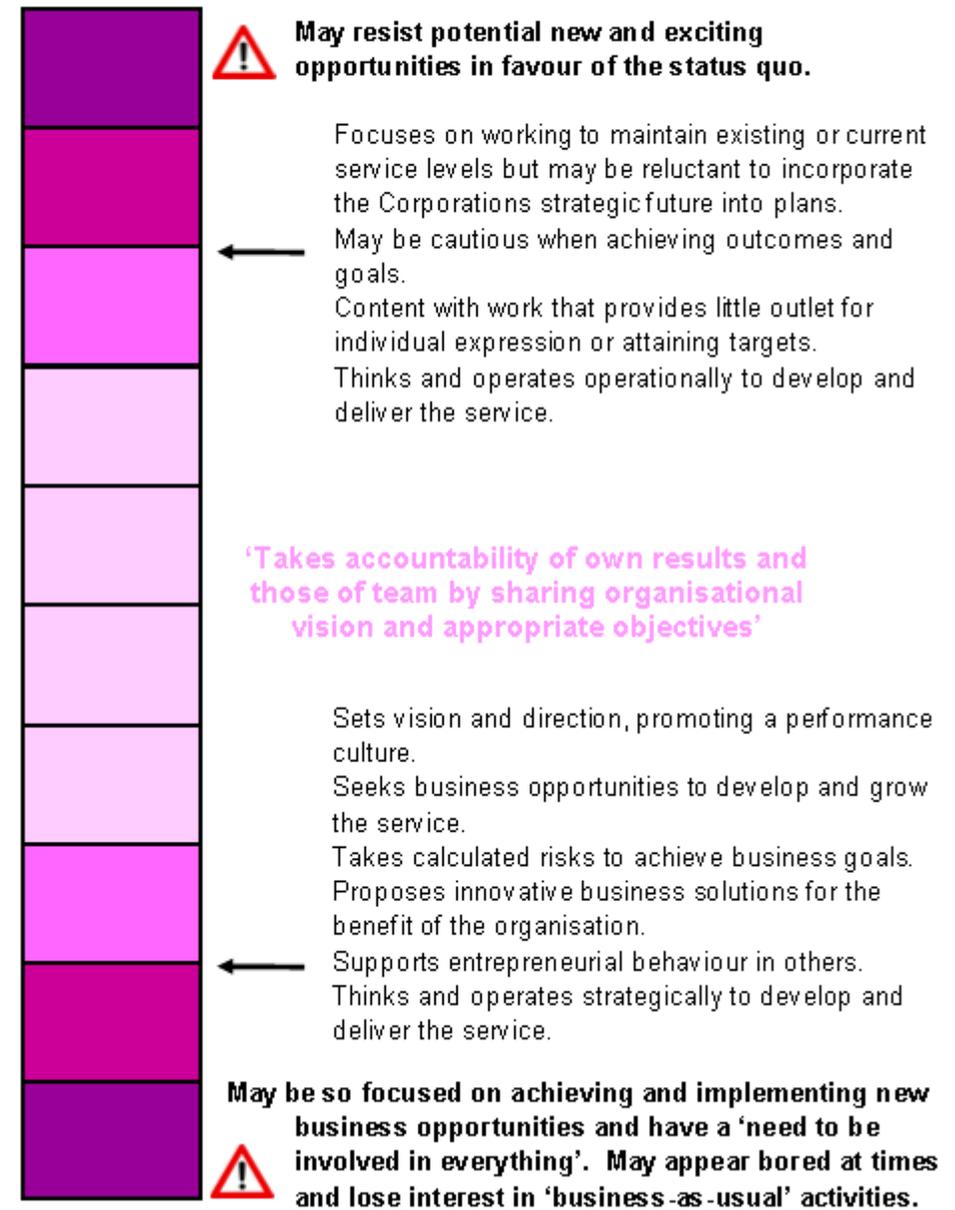
# Leadership Competency Continuum

## Builds Relationships



# Leadership Competency Continuum

## Drives Service Performance



Exceeds competencies

Achieves competencies

Meets some competencies

**Values focussed**

Excellent understanding and consistent demonstration of how we operate. Needs support to improve service delivery and outcomes.

**Ambitious Achiever**

This individual shows depth of experience in current role. Takes responsibility for consistently demonstrating high levels of both behaviour and performance.

**Exemplary Achiever**

This individual has both capacity and the ability for long term development challenges. Consistently exceeds performance goals and acts a role model for organisational behaviour.

**Values driven**

This individual demonstrates the behavioural competencies expected. Needs further development around performance outcomes, to ensure relevance to organisational outcomes.

**Reliable Performer**

This individual displays the desired competencies and achieves required outcomes for their role.

**Emerging Ambition**

This individual will be ready soon for additional stretch projects/challenges to allow further development. Consistently exceeds performance goals and demonstrates required organisational behaviours.

**Support**

This individual requires high levels of developmental support to achieve competency standards and performance objectives. This individual may also be in a role unsuited to them.

**Scope**

This individual will be experienced but requires further development around the competencies associated with their role. It is likely that this individual will be a good performer in terms of outcomes.

**Task**

This individual has an excellent understanding of their role and consistently achieves performance outcomes. However, needs support to improve demonstration of behavioural competencies within existing environment.

Meets some outcomes

Achieves outcomes

Exceeds outcomes