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From: Anne Mueller
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CABINET OFFICE AND MPO GRADE 2s AND 3s

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cc Mr Ingham
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MR GURNEY
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APPRAISAL OF PERFORMANCE AND POTENTIAL IN THE SENIOR OPEN
STRUCTURE

A project team in the Cabinet Office (MPO) is drawing up proposals for the introduction of more structured and formalised methods of appraising performance at Grades 2 and 3, and will be reporting to a Steering Group under my chairmanship in early June.

2. I thought you would like to see a copy of the paper which we are using to consult Heads of Departments, PEOs and a sample of staff in departments at Grades 2 and 3. I should be glad to receive any comments on the issues raised.

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ANNE MUELLER

APPRAISAL SCHEME FOR THE SENIOR OPEN STRUCTURE
Consultative Paper

INTRODUCTION

1. As part of its response to the 1985 TSRB Report, the Government stated that it would give further consideration to the arrangements for the assessment, appraisal and review of performance at the levels of Grades 2 and 3.

2. Regardless of decisions yet to be made by Ministers on discretionary pay, it is felt to be desirable that more structured and formalised methods of appraising performance at Grades 2 and 3 should be introduced. There are two main objects. The first is to improve performance by linking the activities of jobholders more firmly to departments' needs and priorities as determined by their high level planning systems. This will help to fulfil the principle set in successive White Papers on the Financial Management Initiative, that each department should have a system in which managers at all levels have a clear view of their objectives; and means to assess and, wherever possible, measure outputs and performance in relation to those objectives. The second is to improve the quality of information available to those responsible for the personnel management of senior staff both within departments and at the centre. No standard form exists, though examples of points which could be usefully covered were circulated to Permanent Secretaries in February 1985.

3. The aim is therefore that the Cabinet Office (MPO), in consultation with departments, will introduce an appraisal scheme this summer for Grades 2 and 3 throughout the Civil Service. This will be on a pilot basis, to assess the procedures and associated documentation and then to make any necessary improvements before finalising the scheme. The initial work that has been done on designing the appraisal scheme has taken account of experience gained from the revised scheme being introduced for other Civil Service grades and from other public and private sector organisations. Views are now being canvassed from a representative sample of all those who will be affected by the introduction of the appraisal scheme about the shape it should take, the documentation that will be used, and the briefing that will be required to support its introduction.

4. This paper sets out issues to be decided in the light of the views gathered between now and the end of May 1986. The framework for a scheme is described in outline, and first drafts of forms which could be used are attached for consideration. A report on the consultations, together with an outline of the pilot scheme, will be circulated to Permanent Secretaries at the end of June.

BASIC REQUIREMENTS OF THE NEW APPRAISAL SCHEME

5. Certain key principles are to be observed in shaping the new scheme. These are listed here.

(a) Objective setting

Jobholders will pick out the main objectives to which they intend to give personal priority at the beginning of the reporting year, and the results achieved in these areas will receive particular attention in the performance appraisal. There will need to be a clear link between this objective setting and the department's high level planning system: indeed, some of the paperwork may apply to both. Objectives may also need to take account of the particular nature of the work of people at this level, including their personal contributions as leader, representative, senior advisor and member of the corporate management team.

A workable procedure might be for a standard set of headings to guide the preparation by the job holder of a 'Forward Job Plan' at the beginning of each reporting year. The Plan could then be discussed and agreed with the reporting officer. (An illustrative draft is provided at Annex A.)

(b) Separation of performance appraisal and promotion assessment.

Whereas the performance assessment will emphasise the results achieved including those against set objectives, the promotion appraisal will focus more on the personal qualities of the job holder.

Draft appraisal documents are shown at Annex B. These have been developed from the model report forms for Grades 5 to CO, but with the provision for focussed narrative assessments rather than ticks in boxes. The qualities used as "prompts" were identified from recent research conducted for the Top Management Programme together with a survey of appraisal practices in public and private sector organisations outside the Civil Service.

(c) Openness of performance appraisal

If the appraisal scheme is to promote improvements in performance, the jobholder has to receive feedback on the assessments that have been made.

ISSUES FOR DECISION

6. Should the central departments set general principles to be followed or ask for a common form to be used?

The revised arrangements for Grade 5 level and below enable departments to design their own forms within common principles. But the need for a common form within the Senior Open Structure is much stronger, given the requirements of interdepartmental postings and of the centre. It could also reduce the cost of design and testing work if it is felt that one tailor-made system could be developed for these levels. Given the need for rapid introduction of a pilot scheme, there may be advantage in using common forms and procedures, and in reviewing this choice in the light of experience.

7. How much openness should there be?

Greater openness has been a key feature of the revised system for more junior grades. At the more senior levels it may be right to repeat the distinction used lower down the line between an open performance appraisal, and a relatively closed assessment of potential. Options range from showing all the completed forms to the jobholder at one extreme, to disclosure of an overall performance mark at the other. A common practice is to show the completed performance form, together with oral disclosure of the promotion mark (and providing the jobholder with the option of refusing such disclosure).

8. Should self-appraisal be included as a formal part of the scheme?

Experience suggests that self-appraisal can make a valuable contribution to the assessment of performance, and that its use can make subsequent discussions about a performance appraisal between line manager and jobholder more constructive. Self-appraisal could be built into the scheme by asking the jobholder to provide an appraisal of the year's achievements compared with the objectives set at the beginning of the year, as the basis for the performance report by the line manager. Alternatively, line manager and jobholder could meet to discuss and agree a performance assessment before the report is written.

9. What links should be made with job weight?

Although Grade 2 and 3 posts may be correctly graded, it is widely recognised that the grades cover quite wide bands, and that some posts (as the Wardale Report put it) appear to be much more difficult and much more important than others. It seems therefore that at the very least, a subjective assessment of job weight, and of the difficulty of achieving set objectives, should be included. (For an example, see Annex B: section 2 of the Performance Assessment.) Experience of using such an assessment could be useful, should discretionary pay awards be introduced.

10. What briefing should be provided to support the introduction of the new scheme?

Setting objectives or appraising fairly the performance of people at the most senior levels is not always easy. They may, for example, be concerned with advising on policy or managing programmes which are affected by factors outside their immediate control, and which develop over a very long time scale. The difficulties are not, we think, insuperable, but these issues may provide appropriate subject matter for short introductory seminars in departments.

SSE Division
Cabinet Office (MPO)

April 1986

ANNEX A

SENIOR OPEN STRUCTURE APPRAISAL SYSTEM

Notes on construction of a Forward Job Plan

Every year, a Forward Job Plan is drafted by the job holder and then discussed and agreed with the line manager. Once agreed, the Forward Job Plan is not intended to be set in concrete. It should be amended as necessary during the year so that it can be used as a basis for the annual appraisal.

These notes provide the headings to be used in constructing the forward job plan

1. Name; Job Title and Grade; Period covered (ie the coming reporting year).

2. Purpose of job: a few words describing the main contribution the job is meant to make to the work of the Department.

3. Responsibilities: list the main functional responsibilities of the job in order of importance.

4. Main objectives: not more than five of the most important objectives set for the job holder's own command as part of the Department's top management system should be chosen, where the job holder will be closely involved in their achievement. They should include statements about expected outcomes and should identify specific measures of achievement such as deadlines, resource usage, output quantity and quality. Any relevant planning assumptions should be mentioned.

5. Personal objectives: these should cover any more directly personal contribution to the achievement of the department's aims, as well as plans aimed at improving personal effectiveness.

5. Responsibilities for Resources: (as projected)

i. Number of staff in command

ii. Running costs

iii. Programme expenditure
- direct
- indirect

NB: The Forward Job Plan should be updated during the year to incorporate any significant changes that may arise.

DEPARTMENT: _____

A. PERSONAL PARTICULARS

Name: _____ Grade: _____

Date of Birth: _____ Seniority date: _____

Post held: _____

Date of taking up present post: _____

Period of Report from: _____ to _____

B. PERFORMANCE ASSESSMENT

1. Appraisal of Performance

How effectively has the work been performed? On the basis of the past year's Forward Job Plan comments on the results achieved, taking account of the checklist below:

Managing resources,
including planning,
staff development
and expenditure
control

Use of intellectual
skills, including
analytical and
constructive ability

Working relationships

Presentational skills
oral and written

Active pursuit of
objectives

Use of professional
knowledge and skills

2. Job Weight

In relation to the average for the grade, how demanding has the job been in terms of, for example, political sensitivity, the management charge, the exercise of specialist skills, and the intensity of the effort required? Have there been particularly significant obstacles to overcome?

3. Overall Assessment of Performance

This overall rating should be related to actual performance. Any mitigating circumstances should be noted below.

Outstanding	Significantly above requirements of the grade	Fully meets normal requirements of the grade	Not fully up to requirements of the grade	Unacceptable
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>

Mitigating circumstances (eg ill health, newness to the task and circumstances outside the control of the job holder):

Signature _____ Grade _____

Name (in capitals) _____ Date _____

4. Countersigning Officer's Comments (where appropriate)

Signature _____ Grade _____

Name (in capitals) _____ Date _____

SENIOR STAFF - IN CONFIDENCE

Name _____

Period of Report: from _____ to _____

C. PROMOTION ASSESSMENT

1. Appraisal of Personal Qualities and Abilities

Write a short pen picture taking account of the qualities listed below and any others which are relevant.

Leadership

Stamina and
resilience

Judgement in
analysing
problems and
reaching
decisions

Adaptability

Other
qualities
and
abilities

A large empty rectangular box with a black border, intended for the handwritten appraisal of the individual's qualities and abilities. The box is positioned to the right of the list of qualities.

2. Promotability

Comment here specifically on the potential to perform duties of the next grade, drawing attention to the nature of any limitation on the type of post.

Signature _____ Grade _____
Name (in capitals) _____ Date _____

3. Countersigning Officer's Comments (where appropriate)

Indicate whether you agree with the Reporting Officer's assessment and add any comments of your own about the officer's potential.

4. Promotion Marking

Record here the promotion mark, in accordance with the succession planning instructions.

Signature _____ Grade _____
Name (in capitals) _____ Date _____