New PDR System Q&A
February 2017

Values:

1. It is not clear where performance against ADHB values is assessed/discussed. AHDB values should inform everything we do as staff, and ought, therefore, to be included as part of the discussions on bi-monthly objectives. Noting performance against values can be included in the bi-monthly reports.

Timing of Launch:

1. To the untrained eye it looks like this is being launched too late. The end of year PDRs are due in May – yet the new process is launched in June. Should we all be pushing back end-of-year PDRs?

The new PDR is being launched in June for the next 12 months. Last year’s PDR is closed down in May.

Ensuring Consistency:

1. The benchmarking/moderation process isn’t clear to me to ensure assessments in individual forms aren’t subject to positive or negative bias.

The PDR life cycle includes a calibration process, in which assessments are reviewed and levelled. The calibration process is essentially an internal HR ‘sense check’ across the organisation led by the HR Business Partners, with oversight from a group which will include representatives from the Leadership and Senior Teams.

2. What is a calibration/moderation process?

This is where managers compare evidence they have gathered about individuals in similar roles and agree the appropriate rating for the level and quality of evidence provided. It is a benchmarking exercise to ensure that managers are applying the ratings in a consistent and fair way.

3. Will there be an appeals process if you disagree with your manager’s scores? In my experience, different managers can vary how they apply scores, how will this be addressed across the organisation to ensure a fair approach?

The calibration activity will ensure assessments are being made fairly and consistently across the organisation. Because this will be a robust process, we do not anticipate getting into this type of situation. However, if you disagree with your manager’s ratings, the grievance process is available to use.

4. My only concern is that managers might look to avoid difficult conversations by putting employees into the Great Job or Star Performer categories – as the other two sound like under-performance/less than competence to some extent.

Managers will receive thorough training to enable them to have difficult conversations, particularly where a manager’s assessment may differ from an employee’s. The training will also include examples of what “good” looks like. Encouraging managers to meet with their direct reports on a bi-monthly basis, progress against objectives and a review of the Areas of Expertise will form the focal point of the discussion. This will allow any under-performance issues to be dealt with at the appropriate time, but also enables the individual to track their own progress and identify any areas that they may need to work on.

5. Given the system is now to be linked with pay, which poses the question as to how the monitoring or enforcement will work.

HR’s calibration process will ensure all proposed pay increases for individuals are based on sound evidence gathered from review meetings and are not out of kilter with any other pay increases being proposed for staff in other functions. This will ensure a consistent and fair process.
Ratings:

1. Can you explain the need for ratings and how is it going to work?
   We need to provide a consistent framework for measuring performance. The ratings apply to both the "what you do" as measured in the objectives and "how you do it" which is measured by the Areas of Expertise. You receive separate ratings for each.

2. The four boxes indicate that performance and behaviours go hand in hand. In my experience, you may have someone who has development requirements (box 4), but their behaviours are exemplary.
   The rating descriptors apply to both the "what you do" as measured in your objectives and the "how you do it" which is measured by the Areas of Expertise. You receive a separate rating for each, so the example you give is possible.

3. In terms of ratings, this is a very tricky area to agree as it will always be subjective and, therefore, not easy to apply consistently.
   All managers within the organisation will be required to go through comprehensive training and the calibration process will address this. This will include worked-up examples of what "good" looks like to help managers.

4. Is it possible for this to remain a two-way process? Or will there be a requirement to take views from others (180 or 360 degree)? It would help to provide the evidence required if other feedback was mandatory.
   Individuals and managers can ask for feedback from third parties in preparation for their PDR meetings. We have already introduced a 180 Feedback process for all managers as part of the management development programme. This aims to encourage wider feedback, but we recognise that this will be a journey.

5. The pictures and text such as star performer, step it up, etc. are condescending. Statements based on performance would be better.
   We have taken on board the feedback regarding the pictures and have removed these.

Leadership Attributes:

1. In terms of leadership attributes, I question why this is only applicable to managers of people.
   In terms of career progression, leadership attributes are viewed as being essential, yet there is no way to demonstrate this unless you are directly line managing someone. How would the PDR form capture leadership attributes for employees who are wanting to progress within the organisation?
   The leadership attributes apply to managers who are currently managing people, plus Sector Strategy Directors. We cannot assess individuals against the leadership attributes where these do not form part of an individual’s role.
   For those aspiring to become managers in the future, the attributes can very much be used as part of development activity and can be included in the PDR.

   The Learning & Development Team is in the process of gathering nominations for an Aspiring Managers Training Programme. This programme will be similar to the current Inspiring Excellence Manager programme but will be targeted at people who do not yet have direct reports but hope to move into a line manager role in the next 12-18 months. If you would like to add your name to the waiting list, please discuss this with your line manager and then contact Val Vincent.

2. If a truly representative assessment of leadership attributes is to be made, it must include the views and experiences of the person being managed.
   Part of a manager’s preparation for a direct reports PDR meeting is to collate evidence. This may also include feedback and general observations from those who report into the direct report.
3. The proposed PDR form includes a section on ‘Leadership Attributes (applicable to managers of people only)’ – Why is this the only skill set covered under the form or is this just to give an example? Are the attributes required for other skillsets listed elsewhere? Personally, I’d be nervous of a system linked to pay without the expected attributes/skillsets within a role being clearly set out.

The other skill sets are contained within the Areas of Expertise Framework. HR Business Partners will be working with Band F managers to populate role profiles with the appropriate skills/areas of expertise to be measured.

Areas of Expertise:

1. Can you explain the Areas of Expertise?
   Areas of Expertise in AHDB’s PDR context are “competencies”. Each role within the organisation will have a set of six priority Areas of Expertise, which will be tailored to the role. The Areas of Expertise document is currently being reviewed by a number of managers and Employee Forum Representatives from across the business. As soon as this is finalised, the HR Business Partners will be working with Band F managers to determine the Areas of Expertise for the roles within their teams.

2. Areas of Expertise: what is meant by "level required" and "current operating level", this is not clear.
   The Areas of Expertise are the core competencies that relate to the role. The "level required" relates to the expected standard at which the competency must be performed and the "current operating level" is the level at which the individual is currently performing compared to the level at which the role requires the individual to perform.

3. We’ve not been given any detailed indication of how the “level required” is going to be defined and, therefore, how people will be able to rate it.
   This will be done by the HR Business Partners and Band F managers. See above.

Performance-Related Pay (PRP):

1. What is performance-related pay?
   Performance-related pay is a financial reward system, which links a monetary award to an individual’s performance.

2. The proposed timeline to bring in the performance-related pay of 2018 is too late.
   It is important to have evidence-based assessment of performance for a complete 12-month period, prior to proposing any sort of monetary award.

   The new PDR system is due to launch in June 2017. We anticipate payments to be made in autumn 2018, once the HR calibration exercise has been completed.

3. PRP would not work for this organisation. It would not be a fair system. Performance-related pay only works for sales organisations and organisations that have sales targets such as recruitment, insurance, etc.
   PRP is used by a wide range of organisations to generate a workforce motivated to achieve.

   The Board is very keen to see AHDB drive a performance-driven culture and to introduce performance-related pay to help the organisation become more outcome-focused.

4. Where is the money coming from when budgets have been set?
   The Board has discussed options to fund the PRP system and the organisation is looking at what will be the most appropriate way to do this.

5. How much money are we talking about (with no information, this has raised expectations with sums between 100s and 1000s of pounds being bandied about)
   The Board has discussed options to fund the PRP system and the organisation is looking at what will be the most appropriate way to do this.
6. Within the slide deck on ‘performance pay’, please confirm the rating bands and percentage monetary award. Is this a percentage of current salary or will there be bands so those that score the same rating receive the same monetary award? If there are not bands, those on a higher salary could have a lower performance rating but get a higher monetary award. Detail relating to the percentage monetary award is not yet available.

The percentage monetary award is connected to the ratings scale not job bands or role profiles. Everyone who gets an “on the right track” rating will receive “X” per cent.

7. Will the monetary reward be a one-off payment or an increment to your salary?
   This will be a one-off payment and is not added to your annual salary.

8. Linking the staff appraisal to salary turns out to be a demoralising exercise with pressure put on marking staff lower than they deserve by finance.
   The assessment of staff will come first. We are not trying to fit the members of a team into a particular pattern.

Bi-monthly Meetings:

1. The two-monthly objectives seem onerous compared to what we do now. I think having bi-monthly objectives feels like micromanagement or performance management. I also manage a field-based team 100s of miles apart and will not have the time to do bi-monthly meetings with them all.

   My reading is that there will be a form to complete every two months. If so, this seems a bit excessive.

   Bi-monthly reviews are not realistic – many of us already work under very tight time constraints and we should at least have a process here that is achievable – 6-monthly.

   It is not acceptable to speak only with your direct reports about their performance every six months. We are now a fast-moving organisation and that essentially requires managers to assess performance on a more regular basis. The meetings do not have to be lengthy or onerous, but a sensible regular review of current objectives. The training will cover what “good” looks like to help managers run these meetings.

Training:

1. I think line managers will require intensive training to deal with the (potentially difficult) conversations which may arise from the performance-related pay aspect of the PDR. I think it’s important that line managers get intensive training as this could initiate some potentially difficult conversations in PDR meetings. Also, it would be good to find out how they are planning to deal with moving from one system to another.

   Managers will receive thorough training to enable them to set clear objectives, give feedback effectively and have difficult conversations, where necessary. HR support will be accessible at all times and user guides will be available for both individuals and managers to help them use the new system.