



Report of the Corporate Director of Resources

Managing Individual Performance- the new 'MIP' scheme

RECOMMENDATIONS

- 1.1 To approve the introduction of a new scheme for managing individual performance – MIP, in April 2010, incorporating the following principles of managing individual performance:
 - Objective setting using 'The Golden Thread' approach – so that all individual objectives are firmly linked to the rest of the business planning framework
 - Leadership Principles
 - Employee Behaviours
 - Personal Development Plan
 - Employee Comments
 - Annual Performance Rating.
- 1.2 To agree to a review of the Improving Employee Performance Policy so that a new process, better able to deal with under-performers is in place from April 2011, when the first performance ratings are given as part of MIP.

SUPPORTING INFORMATION

- 2.1 This report seeks approval to introduce a new individual performance management scheme – MIP - from 1 April 2010 for all employees. The scheme incorporates two significant changes: overall annual performance ratings and a set of six employee behaviours. MIP is designed to replace Achievement and Development, A&D, and all other current schemes.
- 2.2 The new scheme envisages that all employees will have a minimum of two individual meetings with their manager during the first year, increasing to four meetings after two years.
- 2.3 A project team with members from departments, corporate functions and initially a trade union representative have worked together with pilot groups to test and refine the concepts and processes of the proposed new scheme over more than two years.
- 2.4 Many facets of existing individual performance management practices are incorporated and updated as well as the introduction of key, new elements to strengthen the effectiveness of the individual's contribution to the Council's success.

- 2.5 At the start of a financial year, a meeting to discuss and agree objectives will be held. It is strongly recommended that subsequent reviews to discuss and record progress take place during the year. At the end of the financial year, an annual appraisal will be completed which incorporates an overall performance rating.
- 2.6 To reinforce the role and value of every employee in achieving the Council's Corporate Vision and Priorities, the link between individual and corporate objectives is represented using a 'golden thread' to provide a clear 'line of sight' between the work required by the employee and the organisation's strategic plan. Additionally, the responsibilities of managers and supervisors are integrated into the new process through inclusion of the Council's Leadership Principles.
- 2.7 The project team and pilot group members felt employees who did not manage or supervise others needed a set of behaviours to compliment the Leadership Principles in order to encourage and foster the behaviours we want other Council employees to adopt. Through focus groups and consultation the following have been developed and successfully piloted:
- | | |
|----------------------|---|
| Customer first | - putting customers at the heart of everything we do |
| Team focus | - always thinking about our colleagues |
| Committed to success | - dedicated to the continued success of the Council |
| Personal integrity | - takes responsibility and manages own behaviour |
| Values people | - treats everyone with courtesy and respect |
| Continuously learns | - enthusiastic about learning and manages own development |
- 2.8 The personal development plan element promotes development beyond training courses and provides evidence of the Council as a learning organisation.
- 2.9 To maximise employee engagement and to reinforce the process as two-way, employees have the opportunity, and are encouraged, to comment on their performance.
- 2.10 The annual appraisal is an objective assessment of the employee's performance based on evidence which has been discussed with the employee during the previous 12 months. Although the appraisal is based on the 12 months to 31 March, completion of the process may take up to 30 June. It includes an overall performance rating of 1-4. The following four ratings reinforce the positive and motivational aspects of the scheme:

- | | |
|---|--|
| 1 | significantly exceeds expected performance |
| 2 | exceeds expected performance |
| 3 | meets expected performance |
| 4 | not meeting expected performance. |

Pilot groups have used these performance ratings. Employees have been rated across the range without dissent.

2.11 We will revise the existing Improving Employee Performance, IEP, Policy over the course of 2010 to provide a better route for dealing with employees identified under MIP as not meeting expected performance. The new policy will be introduced in April 2011.

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Background papers: None

List of appendices: Appendix 1 Implications

IMPLICATIONS

Financial

1. Improved individual performance management with strong links to corporate performance will make a contribution to efficiency savings.

Legal

2. None directly arising.

Human Resources

3. The scheme will impact upon how every employee is managed. To provide documentation and supportive information an HR intranet site is available at [Derbynet: HR Managing Individual Performance](#) This site will continue to evolve as wider feedback is received.

Equalities Impact

4. An equality impact assessment has been completed.

Corporate Priorities

5. Managing individual performance will contribute to the corporate priority of 'Giving you excellent services and value for money'.