

MODEYE



ER in crisis

Employee Relations on brink of collapse

Prospect and the other unions are in dispute with the Department over its imposition of a new ER policy and processes, **without agreement**.

On 1 July the MOD published a new Policy and Process Document (PPD) on Employee Relations (ER). The PPD changes the process of consultation in the department replacing long-established and agreed machinery.

The attempt by the MOD to impose a new mechanism for consulting its staff came at the end of a project to implement government-inspired cuts to Facility Time (FT; the time reps are given to undertake union work).

Although we had been discussing changes to the consultative machinery in parallel with this, it had been agreed to decouple these issues —Prospect had argued that, while there was little chance of us reaching agreement on the FT cuts, a new agreement on ER was both essential and possible.

The FT changes had deadlines that were imposed on the MOD by the Cabinet Office. However, ER reform was an MOD initiative and had been under development for a number of years. Crucially, ER machinery has always been the subject of a collective agreement between the employer and the unions.

Therefore, we were more than a little surprised when the MOD sought to impose changes by simply implementing them!

The unions' reaction was to register a formal disagreement (FD) and Prospect reps were instructed not to engage in any consultation initiated under the imposed policy.

The unions sought to invoke the *status quo* at the Departmental Whitley Council with the Permanent Secretary on 16 July and demanded that the new suite of documents was withdrawn. We argued:

- ER policy and processes are collective agreements and cannot be imposed;
- no agreement means no extant ER machinery;
- the *status quo* features in both policies;
- the unions are confident of reaching agreement if allowed to engage properly.

Unfortunately, PUS did not agree. He was unwilling or unable to recognise that one party cannot *impose* an agreement on the other.

Prospect and the other unions have agreed to have further talks on this but we remain in dispute and have proposed that the matter be referred to ACAS for conciliation.

Performance Management tyranny

As members will be all too aware, the MOD is in the process of introducing a new Performance Management process based on the concept of **forced ranking**.

In Prospect's opinion, the new process is unfair, divisive, and discriminatory. The system being introduced is not even fit for

Detriment 5: attacks on Travel & Subsistence

MOD Eye Issue 1 highlighted four examples of detrimental changes being forced through by the MOD.

Unfortunately that trend is continuing with the latest proposals on T&S being issued for consultation. The proposals are:

- remove IEA for UK duty trips;
- limit overnight subsistence to £20;
- introduce a graduated system for day subsistence based on hours away from duty station;
- re-introduce policy of removing the normal home to duty mileage from any duty trips taken.

214 No More!

The MOD has changed the grade assessment process using Form 214. Now it only applies to new posts. Initially implemented to involve the unions in preventing grade-drift across the Department (6% per year according to the last report) the dilution of the assurance process shows the MOD is prepared to turn a blind eye to over-grading and the practice of using it to encourage recruitment where the advertised pay is too low to attract applicants.

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The more members we have — the stronger our voice. Ask your colleagues to join us at www.prospect.org.uk/join or call 020 7902 6600 for more details

those purposes: the MOD's attempt to implement it has been spectacularly cack-handed.

The new process has not been agreed by Prospect. Guidance has been issued to members through our MOD branches.

See over for full story.

Performance Management: a disaster happening to you

The MOD's new appraisal process is unfair, divisive, discriminatory and not agreed by Prospect.

In another example of MOD imposition, the department has implemented a new Performance Management policy, starting this year and to be fully in place at the close of 2013/14.

The reaction of staff has been a mixture of confusion and horror—whether they are simply subject to the reporting system or line managers expected to operate it.

It is important that you are aware that this has not been agreed by Prospect or the other trade unions. In fact, we have actively opposed the basic principles of the new system and the way it has been implemented. Unfortunately, the MOD ignored our predictions about the inevitable outcome and we are now in the position of saying “we told you so”.

Forced Ranking = Forced Out

Prospect's fundamental objection to the new system is its use of *Forced Ranking* to grade individuals' performance. This is a system of relative assessment being used in the MOD to identify the top 25% and bottom 5% performers. Only the top 25% will receive a bonus each year (ie non-consolidated performance pay). And the bottom 5% will be subject to 'improvement' measures - culminating in dismissal—and denied any pay award while they are in the bottom 5%.

Forced Ranking is a performance management system developed in the USA which was widely adopted in industry in the last decade, but has subsequently fallen out of favour as its negative impact on organisational performance has become apparent. The MOD has decided to pick up a discredited system and ignored all the evidence against it.

Forced Ranking is wrong in principle. For a start, it is **grossly unfair on everyone**. By its nature, relative assessment means that some staff who are perfectly satisfactory on any objective measure will be in the bottom 5%. The old appraisal system rated a very small number of staff as unsatisfactory or needing improvement. **5% equates to 2,500 civil servants**. Even an exceptional team will be obliged to threaten 5% of its staff with the sack, whether they are poor performers on any other measure or not. And the 70% deemed to be satisfactory will see no reward for their contribution.

This moves us on to our second objection. Forced Ranking is **divisive**. By introducing competition within teams, effective team working is undermined. Why encourage a struggling co-worker to improve when that improvement could mean you end up in the bottom 5%?! Actually, if you're in the bottom 5% wouldn't it be useful if your colleagues' work got 'lost' or 'corrupted', so they fail to meet their objectives?

One certainty (even accepted by the MOD) is that Forced Ranking will be **discriminatory**. Evidence from DASA analysis of the current appraisal and bonus scheme shows that it is clearly discriminatory—especially against part-time and disabled staff. The new process can only exacerbate this.

The final blow for MOD specialists?

A further problem with the new arrangements is their reliance on Civil Service Core Competences and *nothing* else. For Prospect, this is unacceptable: the CS Competencies cannot establish that someone is equipped to perform in highly technical and other specialist roles. Which competence do you want in a reactor engineer: “Seeing the big picture” or “Expert, NSQEP”?

2013: transition or implosion?

When the MOD announced the new PM process, it also announced that the 2012/13 appraisals would be bastardised into producing 25% Box 5s for bonus purposes. This was not proposed in the original consultation and the unions objected strongly.

There has been a mounting degree of panic as the MOD has attempted to roll this policy out. How much defence output has been lost over the last few months as a result of the emails, water-cooler discussions and Permanent Secretary blog space taken up with questions and challenges about the new system?

One thing is certain: the bonus outcomes will send shock-waves through the department. And the effect will be corrosive to morale.

Protect yourself with Prospect

Prospect issued guidance to members in May. This still stands and you have our commitment to support members who follow this guidance.

This year:

- *Appeal your box marking for performance pay purposes.* The old appraisal system was not designed to deliver 25% Box 5s, so any attempt to force this is subject to challenge. The only way to do that is to appeal using the grievance process.
- *In a protected group?* We believe the new systems are highly likely to discriminate against staff in some protected groups (ie people covered by discrimination legislation, notably part-time and disabled employees). Anyone in a protected group who feels disadvantaged by the new performance management arrangements should seek Prospect's advice as their grievance will need to be framed accordingly.

For the 2013/14 appraisal year:

- *Who's assessing you?* Insist that you are told who your Reporting Officer and Countersigning Officer are for this appraisal year. Without this, you cannot know who to approach to seek to agree the competencies and objectives that will be used to assess your performance.
- *Ensure specialist skills are recognised.* Some parts of the MOD are adapting the new system by adding functional competencies to the mix. Prospect supports this and you should make the case for the competencies that actually relate to your job to be an integral part of the overall assessment.