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Report on the GCC meeting of 5 December 2023

Dear Colleagues,

The General Consultative Committee (GCC) met on 5 December 2023. The following items were on the agenda of the meeting and the CSC members of the GCC raised their concerns and tried to get further clarifications:

- Circular 390 – New transfer coefficients (Article 12 of the Pension Scheme Regulations and New Pension Scheme Regulations) and Joint Report of the AAG on Article 12 – for consultation [GCC/DOC 34/2023](#)
- Amendments to Circular 364 - Implementation of the New Career System - Minimum qualifications for recruitment, grading on recruitment, promotion & other rewards – for consultation [GCC/DOC 35/2023](#)
- Amendments to Circular 366 - Guidelines on performance development – for consultation [GCC/DOC 36/2023](#)
- Adjustment of the structures of the Office – for information [GCC/DOC 37/2023](#)

The detailed and reasoned opinions by the CSC members of the GCC are annexed to this paper.

The Central Staff Committee

Opinion of the CSC members of the GCC on GCC/DOC 34/2023:

Circular 390 – New transfer coefficients (Article 12 of the Pension Scheme Regulations and New Pension Scheme Regulations) and Joint Report of the AAG on Article 12

The CSC members of the GCC give the following opinion on document GCC/DOC 34/2023.

The CSC members of the GCC welcome the pre-consultation of members of the Staff Committee on the Joint Report of the AAG on Article 12. On 13 November 2023, a meeting of the GCC SSPR with the Actuarial Advisory Group could take place in which questions as to calculation of the proposed transfer coefficients were discussed. The professional exchange with the external actuaries and the members of the Directorate Compensation & Benefits contributed substantially to the comprehensibility of the results.

The inward and outward transfer of pension rights as foreseen in Article 12 of the Pension Scheme Regulations and the New Pension Scheme Regulations is to be actuarially neutral, according to the opinion of the CSC members of the GCC. It could be established that the proposed transfer coefficients come closer to this goal. The revised discount rate of 3,25% in real terms and for the OPS also the revised career assumption have a significant contribution.

The CSC members of the GCC, however, regard the salary adjustment assumption of 0,2% in real terms with doubt. The adjustment of salaries with effect from 1 January 2023 was below the cap (see CA/74/22) and as the proposed adjustment of salaries with effect from 1 January 2024 will be substantially below the cap (see CA/76/23). Based on the weighted average salary adjustment according to the active employees distribution the gaps amount to roughly 30 bps and 220 bps respectively. As the weighted average salary adjustment will never be above the cap, a compensation for these gaps is missing. It is thus impossible to reach the above salary adjustment assumption.

The recommendation of the Actuarial Advisory Group to consider the transfer coefficients in conjunction with each actuarial study (see paragraph 14 of the Joint Report) has the support of the CSC members of the GCC. The finding that a change of 25 bps in the discount rate would be likely to lead to a material change of the transfer coefficients is a key observation. This not only emphasises the need for a regular update of the transfer coefficients. It also demonstrates the relevance of the overly optimistic modelling of the salary adjustment.

The CSC members of the GCC understand from the explanation given in the GCC meeting that the reference to “the salary referred to in Article 10, paragraph 1” in Rule 12.1/1 (iv) of the Implementing Rules to the New Pension Scheme Regulations is implemented as the lower of (A) the salary paid in respect of the last grade and step the employee had held (B) and twice the salary for grade G1, step 4. The CSC members of the GCC further understand that the reference in paragraph 20 of the Joint Report should rather point to paragraph 9 of the document.

Transfer of pension rights according to Article 12 of the Pension Scheme Regulations and the New Pension Scheme Regulations is currently only possible from and to pension schemes of a few Contracting States. The CSC members of the GCC recommend that the Office further endeavours to conclude agreements on the transfer of pension rights with other Contracting States.

The CSC members of the GCC further recommend that the introduction of the recalculated transfer coefficients be combined with a transitional measure of six months for the transfer of pension rights for all pension schemes concerned similar to the provisions in Rule 12.1/1 (vi) (b) of the Implementing Rules to the Pension Scheme Regulations and of the Implementing Rules to the New Pension Scheme Regulations.

The CSC members of the GCC

**Opinion of the CSC members of the GCC
on [GCC/DOC 35/2023](#):
Amendments to Circular 364 – Implementation of the New Career
System – Minimum qualifications for recruitment, grading on
recruitment, promotion & other rewards**

1. Circular 364 was amended already twice in 2023 in the GCC meeting of 28 February 2023 in [GCC/DOC 2/2023](#) (see [report](#)) and of 3 May 2023 in [GCC/DOC 10/2023](#) (see [report](#)).
2. The “strategic bonus” to reward achievement during the current year was introduced in the GCC of 1 June 2023 in [GCC/DOC 13/2013](#). It signalled the Office’s focus on short-term contributions to management projects rather than on fulfilling the long-term core mission of the Office (which must be rewarded with steps and promotions). Our opinion can be found annexed to this [report](#).
3. Beginning of 2023, the changes were the introduction of the calibration exercise in Circular 364, the definition of confidentiality requirements on observers in the Harmonization Committee, the abolition of the limitation to a monthly basic salary per year per employee and the specification of collaborative achievements as a ground for bonuses.
4. Less than 1 year after these amendments, the administration comes with a further proposal in the GCC meeting of 5 December essentially introducing different rounds per year for pensionable rewards and for bonuses, namely in July and December of year N for bonuses and in April of year N+1 for steps/promotions (see **Annex 2**).
5. The administration did not submit an explanatory note on the proposed changes in the GCC.
6. A comparative table was submitted in the Technical Exchanges (**Annex 1**) preceding the GCC meeting but was not submitted in the GCC within the two weeks statutory deadline. The document supporting the presentation made in the Technical Exchanges was not submitted in the GCC (**Annex 2**).
7. Both documents are therefore annexed to the present opinion.
8. The CSC members of the GCC give the following opinion on the document.

On the consultation

9. The administration informed the staff representation on 17 October that Technical Exchanges on Talent Management Topics would take place in view of the GCC meeting of 21 November.
10. The documents were provided on 26 October at 13.42h. The first technical exchange took place on 27 October 2023 from 10.00h to 11.00h. Shortly after the meeting on the same day the administration published a [Communiqué](#) (**Annex 3**) on its proposal. The premature publication of the main intended changes to the system, such as three rewards exercises per cycle, amounts to a determination not to be influenced by anything that might be said to the administration during the consultation.
11. The staff representation submitted a first set of comments on 31 October 2023 (see **Annex 4**).

12. A second technical exchange took place on 3 November 2023 from 11.00h to 12.00h. At the end of the technical exchange, the administration informed that the documents would be on the agenda of the GCC meeting of 5 December and expressed its readiness to continue the discussion with concrete proposals.
13. In an e-mail of 6 November the administration invited the staff representation to submit further questions/feedback by Wednesday 8 November at noon. In an e-mail of 7 November, the staff representation explained that a response can only be expected after the weekly Central Staff Committee (CSC) video conference on Thursday 9 November afternoon.
14. The staff representation submitted on 9 November 2023 a further set of comments and concrete proposals (see **Annex 5**), and requested to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme.
15. A third technical exchange took place on 14 November from 9.00h to 9.30h. The administration did not provide the requested financial assessment.
16. The consultation process on the Talent Management Topics remains substandard. The premature publication of the proposal on the Intranet was interpreted as evidence that the administration was not interested in reaching any agreement with the staff representation and not even willing to wait with the decision unless they have the benefit of their views after the consultation. Furthermore, it took line managers by surprise such that they were not in a position to answer immediate questions from their team members.
17. The administration spent only on 2h30 discussing these topics of high interest for staff, did not integrate any of the concrete proposals made by the staff representation and did not provide the requested financial assessment.
18. Finally, the GCC was not provided with an explanatory note, and the comparative table for the amendments was not sent within the two weeks statutory deadline.

On the merits

19. In the presentation made in the Technical Exchanges (see **Annex 2**), the administration announces a “new” approach to rewarding performance which is “**more timely**”, “**more frequent**” and “**more clearly defined**”.
20. We are not convinced for the following reasons:

More clearly defined?

21. There is still no clear definition of what constitutes a contribution leading to a step or promotion.
22. The Office needs to be more transparent in its practices and the proposed documents do not address the problem. Staff needs to know what they have to do to get a step at the beginning of the reward cycle (i.e. performance year) and that these goals are achievable to motivate staff.
23. Since 2019 and also in the proposed amended version, Circular 364, Part IV, A (3) states that:

There is no automatic link between appraisal reports and the reward exercise.

24. This is a flaw of the current system and leads to situations where managers can arbitrarily not reward good performance.
25. The newly proposed text does not give any reassurance that the “comparison with peers” will be clarified in the Guidelines for Rewards. The term “peers” is not substantiated by any document: are the peers from the same team? from the same grade? from the same directorate? from the same technical field?

More timely?

26. The proposal introduces a shift of payment of steps and promotions from July to April of year N+1.
27. The earlier payment of steps and promotions may be seen as an improvement for those eligible, it still remains late compared to the Old Career System. For those not eligible, it is actually the quality of the reward decision which is a matter of concern.
28. The documents do not define when the Presidential Guidelines on Rewards (especially for steps/promotions) will be made available. Staff expects the criteria to be defined in advance of the performance year.

More frequent?

29. The proposal introduces different rounds per year for pensionable rewards and for bonuses.
30. According to the presentation made in the Technical Exchanges, three rounds shall take place namely in July and December of year N for bonuses and in April of year N+1 for steps/promotions (see **Annex 2**). These shall be specified in the future Guidelines on Rewards 2024.
31. According to the infographic of the document, the performance in Q1-Q2 can be rewarded with first bonus(es) overlapping with the period Q1-Q4 of the second bonus(es) and overlapping with the period Q1-Q4 step/promotion. Therefore, the performance of the period Q1-Q2 can be rewarded three times.
32. This is a flaw in the system. In a competition and quota-based system, redundant rewards for some cause others to not have the reward they earn.
33. The 2 rounds of bonus(es) in the performance year will be interpreted as giving a hint as to the ranking in comparison with others for the 3rd round for step/promotion. Those excluded from a round of bonus will likely be demotivated for the rest of the performance year. Those included in the first 2 rounds of bonus(es) will expect to still be on track for the 3rd round and will likely be demotivated if the step/promotion expected does not materialize. For this reason, the possibility to have bonuses only instead of steps appears impossible if the Office wants to maintain coherent expectations management. Therefore, we expect legal issues because a reward possibility will *de facto* disappear.
34. Rather than increasing frequency, the Office should focus on ensuring proper rewards to all staff. A step/promotion should be the standard. Bonuses are not adapted for an international organisation in charge of legal acts. A bonus should only be granted for exceptional service or for people at the end of their career. If the administration considers that liabilities are an issue, the staff representation requests the presence of the actuaries, as there is not necessarily a direct connection between steps/promotions and liabilities. The administration never reacted to this suggestion.

- 35. The additional rounds of reward exercises will be experienced by staff as micromanagement resulting in more friction at work, loss of capacity and disturbance of the service.
- 36. The planned reorganisation in [GCC/DOC 37/2023](#) foresees a strong reduction (from 40 to 22) in the number of DG1 directorates and hence larger directorates. This will be a further burden on line managers and staff.
- 37. In the Technical Exchanges, we requested to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme. The administration never provided any document in this respect.

More rounds of bonuses: Less for steps and promotions?

- 38. The announced introduction of two rounds of bonuses is matter of concern for staff. It hints at an inflation of bonuses at the expense of the budget envelope for steps and promotions.
- 39. In the meetings, the administration justified this trend by the need to motivate 850 DG1 examiners at the end of their Job Group in G13(5).
- 40. The draft budget document proposed in the December Council meeting reveals a drastic reduction of the planned budget envelope for 2024:

	2023	2024
Proposed in the Council	CA/50/22 (page 168/189)	CA/50/23 (page 79/111)
	€ 14,690 million	€ 9,440 million

- 41. This amounts to a **sharp decrease of -36%**. In this context, it is questionable whether the budget will be sufficient to maintain the already too low ceiling of 60% for steps and promotion among eligible staff. The administration seems to omit to motivate its younger colleagues who definitely need an early career progression.

Our proposals

An absolute reward exercise with direct transparent link to the reward exercise

- 42. The intention of the administration is to ensure a more clearly defined merit-based system.
- 43. However, the current box markings are based on soft skills and refer to individual goals. The individual goals are different between employees. This can lead to the situation in which met or exceeded goals will still not result to the reward deserved because a comparison with “peers” (not clearly defined) is simply not possible.
- 44. In our view, the intent of the administration can only be achieved with an appraisal exercise based on an absolute box marking (e.g. merit points from 1 to 10) with a direct transparent link to career progression.
- 45. The administration did not take this proposal into consideration.

Accumulation of points for a step / promotion from year to year

- 46. In the current system, there is a reset in the assessment of performance each year.

47. A performance not rewarded in a given year due to the 60% ceiling is currently lost completely. Instead to foster staff motivation, the performance should be carried-over to the next year and combined for the following reward exercise.
48. To this end, we propose that a principle of accumulation of merit points from year to year is put in place.
49. The administration did not take any single point of this proposal into consideration.

Sickness “neutralising”

50. Periods of maternity and adoption leave are meant to be “neutralised” by considering that performance prior to and after the leave is continuous. In the Technical Meetings, the administration suggested to change the term “neutralised” by “equalised” but kept the original wording in the final version.
51. We propose that the same principle is applied to sick leave and any period of reintegration. Sick leave should not be prejudicial to the career of a staff member.
52. In the Technical Exchanges, the administration explained that sickness was “neutralised” anyway in practice and that the Office was in a position to prove it in legal proceedings. However, the administration did not want to insert the term “sickness” in the text in order to keep it concise. We are not convinced by the argument.
53. When the New Career System was introduced, upper management ways stating in the GCC: “*The system is there to protect staff and not to promote them.*” If management wants to seriously depart from this policy, clear amendments to the Circular are needed.

A single reward exercise

54. Instead of several mandatory review meetings per year, line managers should spend more time to talk to their staff on other occasions.
55. In the Technical Exchanges, we requested to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme. The administration never provided any document in this respect.
56. If no such financial assessment is available or a negative impact is found, we suggest that there should be only one review interview and only one reward per year, i.e. step/ promotion.

Criteria for decisions on steps and promotions and bonuses

57. The amended circular contains several rewordings and insertions introducing stricter conditions for steps and promotions.
58. For step advancement (Part IV B.):

- ~~(b) good balance between expected leadership (where applicable) and functional and core competencies~~
(b) steady progress in mastering the job including e.g. increase scope of complexity of tasks

- (d) **continuous** engagement on the priorities of the Office

These amendments introduce conditions for steps which are close to the conditions for promotions.

59. For bonuses (Part IV C.):

- (1) Depending on budget availability in the DG, a bonus in the form of a lump-sum payment is used to reward high performance and/or additional duties not otherwise rewarded ~~and~~, **provided that these are** resulting in ~~specific~~**consistent** achievement **during the performance year**, such as:
 - **(f) providing significant business contributions which go beyond achievement of the individual goals;**
 - ~~It is also used to acknowledge performance and demonstration of the expected competencies when step advancement is not available.~~ **Based on above criteria, bonuses continue to reward high performance, also after attainment of the end of the grade or the job group.**

The latter amendment can be considered as confirming the abolition of bonuses for staff still eligible to steps and promotions when such steps are not available because of the ceiling of e.g. 60%.

60. For promotions (Part IV D.):

- (b) proven performance and expected goals corresponding to the grade continuously achieved over ~~a long period of time~~**several years**
- (c) ~~application and demonstration of the expected competencies corresponding to their job profile over a period of several years and progression in the proficiency levels of the required competencies;~~**demonstrated competencies and abilities to perform in a higher grade;**
- **(e) continuous growth in role, along with an evolution in scope and complexity of the tasks.**

Remaining points of concern

61. In an email exchange with the CSC (see **Annex 6**), the administration pretends that “*transparency and fairness are key priorities for the Office in the rewards exercise*”. This statement is contrary to the recent reforms made by the Organisation:

Update to Staff Changes List

62. The EPO has made the Career System less transparent earlier this year with [GCC/DOC 10/203](#) reducing the amount of information in the staff changes list implementing Article 31 ServRegs. Our opinion can be found annexed to this [report](#).

63. Since then, the Staff Changes mention in the list of promotions neither the grade from which the employee was promoted nor the grade to which the employee is promoted.

64. At the time, management explained that Data Protection was the reason issue. We are not convinced. The change introduces a lack of transparency allowing to hide nepotism and cronyism in the Organisation.

Harmonization Committee

65. The possibility to nominate observers in the Harmonization Committee was introduced in Circular 364 via [GCC/DOC 2/2023](#). We refer to our opinion annexed to this [report](#) and which is also summarized below.
66. Management explains that the Harmonisation Committee (HC) is an advisory body and if a trend is identified there is still the possibility for the President to resubmit to the lower calibration level although this was never deemed necessary in the past exercises. In our opinion, the text should define this possibility, otherwise the Harmonisation Committee remains a rubber-stamping exercise.
67. The Promotion Board of the old career system was a paritary body and performed a good work accepted by staff. The Harmonisation Committee is not a paritary body and lacks transparency.
68. Staff representation is only allowed to have one observer and the latter should treat information and documents provided as confidential as such. This limitation hinders the work of the staff representation (see this "[report](#)" on the Meeting of the Harmonisation Committee of 27 June 2022).
69. We request that staff representation is allowed to have two observers and that confidentiality requirements are lifted.
70. In the email exchange with the CSC (see **Annex 6**), the administration wrote that:

"The Office also recalls that the latest HC attended by a staff representative was particularly constructive, and that the administration was able to provide all the requested clarifications."
71. We are surprised to see the administration commenting on the Harmonization Committee meeting in front of the whole CSC. According to the text, our nominee is not even allowed to comment on the meeting in front of other staff representatives. The administration is again applying double standards on confidentiality.
72. For the above reasons, the conditions are not met for the CSC to nominate an observer in the Harmonization Committee.

The CSC members of the GCC

- Annex 1 Comparative table Circular 364
- Annex 2 Evolution of performance and rewards – Presentation for Technical Exchange Meeting 27 October 2023
- Annex 3 "Proposed update to our rewards system", Communiqué of 27 October 2023,
- Annex 4 "Comments on the documents proposed in the First Technical Exchange on Talent Management Topics of 27 October 2023 at 10.00h", CSC letter of 31 October 2023
- Annex 5 "Further comments and concrete proposals on Talent Management Topics", CSC letter of 9 November 2023
- Annex 6 Emails exchange CSC / Social Dialogue, "Nomination of observer in the Harmonization Committee"

COMPARISON BETWEEN EXISTING AND NEW TEXTS

<u>Existing text</u>	<u>Proposed new text</u>
Circular N° 364 – Implementation of the New Career System – Minimum qualifications for recruitment, grading on recruitment, promotion & other rewards	<i>Unchanged</i>
Part I – Minimum qualification for external recruitment	<i>Unchanged</i>
A. Minimum qualifications for job groups 1 to 4	<i>Unchanged</i>
B. Minimum qualifications for job group 5	<i>Unchanged</i>
C. Minimum qualifications for job group 6	<i>Unchanged</i>
Part II - Grade and step on recruitment (Article 11 ServRegs)	<i>Unchanged</i>
Part III – Functional allowance (Article 12(2) ServRegs)	<i>Unchanged</i>
A. Definitions and conditions	<i>Unchanged</i>
B. Procedure	<i>Unchanged</i>
Part IV - Decisions on step advancement, bonuses and promotions (rewards)	
A. General (1) Depending on budgetary availability Office-wide, a budgetary envelope shall be awarded each year to all DGs for: (a) step advancements (Article 48 ServRegs)	A. General (1) Depending on budgetary availability Office-wide, a budgetary envelope shall be awarded each year to all DGs to be distributed as applicable in the rewards allocation rounds for: (a) <i>Unchanged</i>

(b) bonuses (Article 48a ServRegs)	(b) <i>Unchanged</i>
(c) promotions (Article 49(2) ServRegs).	(c) <i>Unchanged</i>
(2) It is the responsibility of the managers at each level to assess and propose the award of the elements mentioned in paragraph 1(a)-(c) above, and to ensure a harmonised approach, taking into consideration:	(2) <i>Unchanged</i>
(a) performance as explained below;	(a) <i>Unchanged</i>
(b) budgetary envelope availability in the DG;	(b) <i>Unchanged</i>
(c) equal opportunities among all categories of staff (such as but not limited to gender, job group, type of appointment, etc.);	(c) <i>Unchanged</i>
(d) that periods of maternity and adoption leave are neutralised by considering that performance prior to and after the leave is continuous;	(d) that periods of maternity and adoption leave are neutralised <i>equalized</i> by considering that performance prior to and after the leave is continuous;
(e) that attention is paid to employees who have not received any step advancement or promotion in several successive reward exercises.	(e) <i>Unchanged</i>
(3)	<i>Unchanged</i>
(4)	<i>Unchanged</i>
(5) In advance of the President's decision, each vice-president shall group and rank all proposals regarding the award of the elements mentioned in paragraph 1(a)-(c) above. They shall submit a final proposal subject to budgetary envelope availability in their DG.	(5) In advance of the President's decision, each vice president shall group and rank all proposals regarding the award of the elements mentioned in paragraph 1(a)-(c) above. They shall submit a final proposal subject to budgetary envelope availability in their DG.

<p>(6) Such decisions concerning the areas reporting directly to the President shall be taken, in the same way as explained above, by the President or by any person delegated the authority to take such decisions.</p>	<p>(6) — Such decisions concerning the areas reporting directly to the President shall be taken, in the same way as explained above, by the President or by any person delegated the authority to take such decisions.</p>
<p>B. Step advancement (Article 48 ServRegs)</p>	
<p>(1) Depending on budget availability in the DG, an advancement of one or two steps in grade is used to reward performance and demonstration of the expected competencies resulting in a sustained contribution towards the Office priorities and achievements.</p> <p>Demonstration of such contribution may be for instance:</p> <p>(a) achievement of the expected goals and competencies corresponding to grade, seniority and job profile;</p> <p>(b) good balance between expected leadership (where applicable) and functional and core competencies;</p> <p>(c) strength in the core competencies critical for the employee's role;</p> <p>(d) engagement on the priorities of the Office;</p> <p>(e) being a role model within and outside the employee's team.</p>	<p>(1) Depending on budget availability in the DG, an advancement of one or two steps in grade is used to reward performance and demonstration of the expected competencies resulting in a sustained contribution towards the Office priorities and achievements.</p> <p>Demonstration of such contribution may be for instance:</p> <p>(a) achievement of the expected goals and competencies corresponding to grade, seniority and job profile;</p> <p>(b) good balance between expected leadership (where applicable) and functional and core competencies; steady progress in mastering the job, including e.g. increased scope or complexity of tasks</p> <p>(c) strength in the core competencies critical for the employee's role;</p> <p>(d) continuous engagement on the priorities of the Office;</p> <p>(e) being a role model within and outside the employee's team.</p>
<p>(2)</p>	<p><i>Unchanged</i></p>
<p>(3) Step advancement shall take effect as of 1 July of that year.</p>	<p>(3) Step advancement shall take effect as of 1 July of that year.</p>
<p>(4) Decisions in this respect shall be taken annually as described in Part IV.A above.</p>	<p>(4) Decisions in this respect shall be taken annually as described in Part IV.A above.</p>

<p>C. Bonuses (Article 48a ServRegs)</p>	
<p>(1) Depending on budget availability in the DG, a bonus in the form of a lump-sum payment is used to reward high performance and/or additional duties not otherwise rewarded and resulting in specific achievements, such as:</p> <p>(a) contribution to strategic projects or well-defined work packages with a clear budgetary scope and timeline defined in advance;</p> <p>(b) collaborative achievements;</p> <p>(c) extraordinary workload due to specific organisational circumstances;</p> <p>(d) efforts towards a specific development critical to the employee's role;</p> <p>(e) meeting stretched goals.</p> <p>It is also used to acknowledge performance and demonstration of the expected competencies when step advancement is not available.</p>	<p>(1) Depending on budget availability in the DG, a bonus in the form of a lump-sum payment is used to reward high performance and/or additional duties not otherwise rewarded and, provided that these are resulting in specific consistent achievements during the performance year, such as:</p> <p>(a) contribution to strategic projects or well-defined work packages with a clear budgetary scope and timeline defined in advance;</p> <p>(b) collaborative achievements;</p> <p>(c) extraordinary workload due to specific organisational circumstances;</p> <p>(d) efforts towards a specific development critical to the employee's role;</p> <p>(e) meeting stretched goals;</p> <p>(f) providing significant business contributions which go beyond achievement of the individual goals;</p> <p>It is also used to acknowledge performance and demonstration of the expected competencies when step advancement is not available. Based on above criteria, bonuses continue to reward high performance, also after attainment of the end of the grade or the job group.</p>
<p>(2) Decisions in this respect shall be taken as described in Part IV.A above within the budgetary year.</p>	<p>(2) Decisions in this respect shall be taken as described in Part IV.A above within the budgetary year. Bonuses may be individual in nature or have a collective character.</p>

<p>(3) The amount of the bonus shall be defined within the limits of the budgetary envelope. It shall be granted within the budgetary year in one or more payments. Applicable amounts, including ceilings for the maximum amount that may be received per individual employee, are defined in the President's general guidelines on rewards.</p>	<p><i>(3) Unchanged</i></p>
<p>D. Promotions (Article 49(2) ServRegs)</p>	
<p>a. Definitions and scope</p> <p>These Guidelines concern normal promotion procedures within the meaning of Article 49(2) ServRegs: access to the next immediate higher grade within the same post not taking place following a selection procedure or reclassification.</p>	<p><i>Unchanged</i></p>
<p>(1) Employees of the Office shall be promoted by decision of the President.</p>	<p>(1) — Employees of the Office shall be promoted by decision of the President.</p>
<p>(2) Subject to the budgetary limits, promotions of eligible employees in each DG shall be based on the criteria described below.</p>	<p>(2) — Subject to the budgetary limits, promotions of eligible employees in each DG shall be based on the criteria described below.</p>
<p>(3) Depending on budgetary availability, a budgetary envelope per DG shall be used each year for the purpose of these promotions.</p>	<p>(3) — Depending on budgetary availability, a budgetary envelope per DG shall be used each year for the purpose of these promotions.</p>
<p>b. Eligibility criteria for promotion</p>	
<p>(1) The eligibility of an employee for promotion shall be assessed over time, taking into account inter alia the following conditions:</p> <p>(a) the employee has reached the last step in their grade in the calendar year prior to the promotion exercise;</p> <p>(b) proven performance and expected goals corresponding to the grade continuously achieved over a long period of time;</p>	<p>(1) The eligibility of an employee for promotion shall be assessed over time, taking into account inter alia the following conditions:</p> <p>(a) the employee has reached the last step in their grade in the calendar year prior to the promotion exercise;</p> <p>(b) proven performance and expected goals corresponding to the grade continuously achieved over a long period of time several years;</p>

<p>(c) application and demonstration of the expected competencies corresponding to their job profile over a period of several years and progression in the proficiency levels of the required competencies;</p> <p>(d) broadening or deepening of the employee's tasks, experience and responsibilities.</p>	<p>(c) application and demonstration of the expected competencies corresponding to their job profile over a period of several years and progression in the proficiency levels of the required competencies; demonstrated competencies and abilities to perform in a higher grade;</p> <p>(d) broadening or deepening of the employee's tasks, experience and responsibilities.</p> <p>(e) continuous growth in role, along with an evolution in scope and complexity of the tasks.</p>
<p>(2) The promotion exercise shall consider inter alia appraisal reports covering at least the period up to a given calendar year (N-1) prior to the year of the promotion exercise (N).</p>	<p>(2) The promotion exercise shall consider inter alia appraisal reports covering at least the period up to a given calendar year (N-1) prior to the year of the promotion exercise (N).</p>
<p>(3) The eligibility criteria shall have been met by 31 December of the calendar year (N-1) prior to the year of the decision for promotion (N).</p>	<p>(2)(3) The eligibility criteria shall have been met by 31 December of the calendar year (N-1) prior to the year of the decision for promotion (N).</p>
<p>E. Process</p> <p>The President shall take appropriate measures to ensure a smooth reward process and may specify the timeline, priorities and other rewards modalities in general guidelines on rewards.</p> <p>The procedure and responsibilities are described inter alia in Part IV.A above. More specifically:</p>	<p>E. Process</p> <p>The President shall take appropriate measures to ensure a smooth reward process and may specify the timeline, priorities and other rewards modalities in general guidelines on rewards.</p> <p>The procedure and responsibilities are described inter alia in Part IV.A above. The process may involve different rounds per year for pensionable rewards and for bonuses. More specifically:</p>
<p>(1) Subject to the budgetary limits and eligibility criteria, managers at each level shall propose the distribution of rewards for those employees under their managerial responsibility.</p>	<p>(1) Subject to the budgetary limits and eligibility criteria, managers at each level shall propose in each reward round the distribution of rewards for those employees under their managerial responsibility.</p>
<p>(2)</p>	<p><i>Unchanged</i></p>

<p>A Harmonisation Committee shall assist the President before conclusion of the rewards cycle by assessing and monitoring trends to ensure a balanced distribution among all categories of staff (such as but not limited to gender, job group, etc.). The Harmonisation Committee shall be responsible for ensuring a consistent approach across all DGs and observance of the applicable criteria Office-wide.</p>	<p>A Harmonisation Committee shall assist the President before conclusion of each round of allocation of the individual rewards cycle by assessing and monitoring trends to ensure a balanced distribution among all categories of staff (such as but not limited to gender, job group, etc.). The Harmonisation Committee shall be responsible for ensuring a consistent approach across all DGs and observance of the applicable criteria Office-wide.</p>
<p>(4)</p>	<p><i>Unchanged</i></p>
	<p>The President decides in accordance with this Circular on the final list of employees to be rewarded – notably including proposals for promotion.</p>
<p>(6) Rewards will take effect as of 1 July of the calendar year in which the decision is taken, provided that the conditions continue to be met on the date of the decision.</p>	<p>(5) Pensionable Rewards (step advancements and promotions) will take effect onas of 1 July April of the calendar year in which the decision is taken, provided that the conditions continue to be met on the date of the decision.</p>
	<p>(7) Non-pensionable rewards (bonuses) will be paid on the dates set out in the annual guidelines for rewards.</p>
<p>(7) The list of promoted employees shall be published.</p>	<p>(7)(8)The list of promoted employees shall be published.</p>
<p>(8) Upon approval of the President, a report will be published after closure of the reward exercise to provide general information about trends and global statistics.</p>	<p>(8)(9)Upon approval of the President, a report will be published after closure of the reward exercise to provide general information about trends and global statistics.</p>
<p>Part V - Entry into force</p>	<p>Part V - Entry into force</p>
<p>This Circular shall enter into force on 3 March 2023 It replaces the former Circular No. 364 in force until 2 March 2023.</p>	<p>This Circular shall enter into force on 1 January 20234. It replaces the former Circular No. 364 in force until 231 MarchDecember 2023.</p>
<p>ANNEX 1</p>	<p><i>Unchanged</i></p>



Annex2

EVOLUTION OF PERFORMANCE AND REWARDS

TECHNICAL EXCHANGE MEETING | 27 OCTOBER 2023

WHY ARE WE LOOKING AT REWARDS?

- New approach to rewarding performance is **more timely, more frequent** and **more clearly defined**:
 - Colleagues may be recognised for their efforts up to **three times a year**
 - July and Dec for bonuses (same year), April for steps and promotions (following year)
 - Rewards would be paid **swiftly** after performance conversations
 - Revised definitions of bonuses and steps make the **awards criteria clearer**

OVERVIEW OF NEW APPROACH

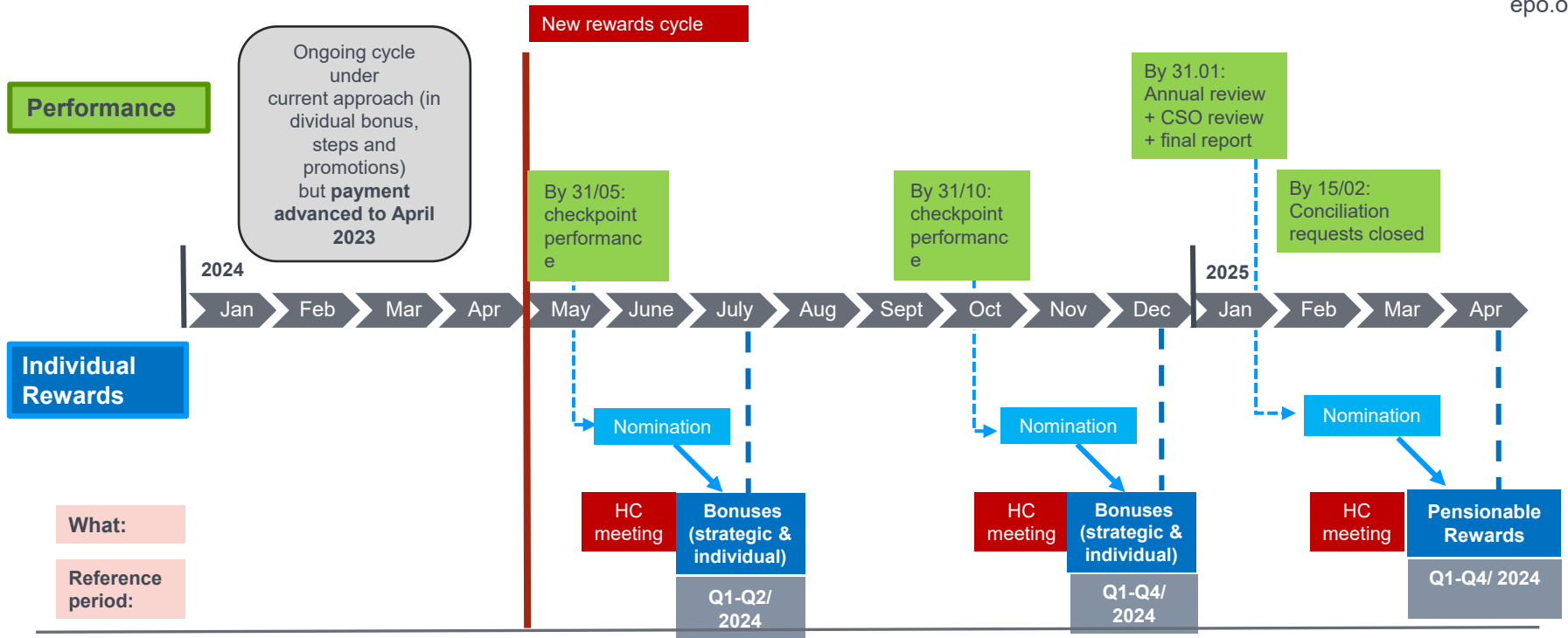
Main features:

- Decoupling of pensionable and non-pensionable (individual rewards)
- More **timely recognition with 3 reward opportunities per year**:
 - Pensionable rewards allocation advanced, payment now in April of year N+1
 - 2 rounds of bonuses paid already during the ongoing performance cycle (July and Dec of year N)
 - Harmonisation Committee will be involved in each of the 3 rewards rounds
- **Performance cycle adjusted accordingly**:
 - Two mandatory feedback rounds ahead of the bonus decisions
 - Final performance review at the end of the year in time for decisions on pens. rewards
 - Completion of annual reports advanced to end January (but no shortening of conciliations)
- Criteria for bonus, steps and promotion slightly refined for better differentiation
- 2024 rewards details and budgetary aspects (quota, figures etc.) are pending further decisions on rewards scenarios.

OVERVIEW OF OTHER CHANGES PROPOSED

Other points	Aims
Simplification of rules	<ul style="list-style-type: none">• Rewards process summarised now under one single point (E “process”) (and not split across Circular 364 as was before) and redundancies removed• Otherwise, the rewards process stays the same with its elements of line manager proposal, senior management calibration, Harmonisation Committee and Pres. approval.
Competencies	<ul style="list-style-type: none">• In view of an envisaged transition from competencies to skills, references to the existing competency framework have already been lightened as a first step of the transformation• Competencies continue to apply (as an overarching concept comprising also skills) in line with the ServRegs.

FUTURE PERFORMANCE & REWARDS CYCLE



Strategic bonuses: remain on top of individual rewards with separate process, payment also in July & December

Proposed update to our rewards system

More timely, more frequent and more clearly defined

Show target groups i

27.10.2023 in Office

👍 72

UPDATE TO OUR REWARDS SYSTEM

More timely, more frequent and more clearly defined

What's new?

MORE FREQUENT
Employees may be recognised for their contributions **up to 3 times per cycle**

MORE TIMELY

- Bonuses in July and December** (instead of July, the following year)
- Steps and promotions now in April** (instead of July)

MORE CLEARLY DEFINED
Refined definitions for bonuses and steps

Why?

Because rewards & conversations surrounding them

- FOSTER A POSITIVE WORKPLACE CULTURE**
- STRENGTHEN STAFF ENGAGEMENT**
- MOTIVATE EVERYONE TO DO THEIR BEST**

What's a step?^{1,2}

Rewards performance and demonstration of competences throughout the calendar year, that delivered a sustained contribution towards the Office's priorities. Did you achieve the goals assigned to you? Did you steadily get better at doing your job by mastering increasingly complex tasks? Double steps may be awarded to those who regularly excel during the year.

What's a promotion?

Rewards several years of performance and demonstrated competences. Did you continuously achieve your expected goals? Did you broaden or deepen your tasks, experiences and responsibilities? Did you demonstrate that you can perform in a higher grade? Please note that promotion is only available for those who are already on their grade's last step.

What's a bonus?

Rewards your achievements during the performance year. Did you meet stretch objectives or perform additional duties? Did you deliver significant business contributions? Bonuses are available for all staff, to reward high performance at any career stage. Strategic bonuses may be awarded for significant contributions to the achievement of the strategic initiatives.

What does it look like?

	2023				2024				2025								
	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April
2023/24 cycle	Strategic Bonus	Appraisal report			Steps, promotions & individual bonuses (2023 cycle)												
2024/25 cycle	Objective setting					Interim review		Bonuses (2024 cycle)		Interim review		Bonuses (2024 cycle)	Appraisal report				Steps and promotions
2025/26 cycle												Objective setting					

Download infographic

Recognising achievements is fundamental to our careers in the Office. Rewards are a valuable way to acknowledge our colleagues' hard work, efforts and dedication which have helped our Office achieve its goals. Rewards and the conversations surrounding them are vital for staff engagement and help cultivate a workplace culture that thrives on positivity and motivation, encouraging everybody to excel.

As part of our commitment to continually refine the rewards process, the Office is now proposing a refined approach that will make rewarding performance **more frequent, more timely and more clearly defined**. Pending consultation with our social partners, this enhancement is designed to offer greater transparency, faster recognition and improved feedback.

The scheme proposes to increase the number of times an employee may be recognised for their contributions to up to **three times a year**. Rewards would be paid **swiftly** after performance conversations, ensuring your efforts are acknowledged promptly. The award of steps and promotions will be brought forward three months, such that they are awarded in April instead of July the follow-

ing year. Bonuses will be paid in July and December of the same year, instead of the following year. Furthermore, the scheme provides refined definitions for steps, promotions and bonuses to make the awards criteria **clearer**.

The scheme will be discussed with our social partners in the coming months, for implementation in the performance cycle 2024.

What does it mean for you?

These enhancements mean that your performance will receive more timely acknowledgment, allowing you to see your efforts being recognised sooner. In the short term, the 2023 bonuses, steps and promotions will be awarded three months earlier, in April instead of July.

The proposed system brings greater transparency, offering clearer guidelines for performance evaluation and reward decisions. Furthermore, it brings rewards and feedback conversations closer together in time, ensuring that recognition of your performance aligns with your contributions to the organisation.

 Like **72**

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Related items



News

4.12.2023

JG5 opportunity in DG5 & closing date for DG4 TMs

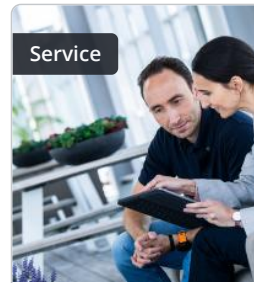
Administration & Process Expert in VP5 Office und new closing date of 21.1.2024



Service

1.12.2023

Healthcare insurance



Service

1.12.2023

MyFIPS - person

When using MyFIPS number of settings that adapt the interface

**Comments on the documents proposed in the
First Technical Exchange on Talent Management Topics
of 27 October 2023 at 10.00h**

I. Consultation

1. The administration informed the staff representation on 17 October that Technical Exchanges on Talent Management Topics would take place in view of the GCC meeting of 21 November.
2. The documents were provided on 26 October at 13.42h. The first technical exchange took place on 27 October 2023 from 10.00h to 11.00h. Shortly after the meeting on the same day the administration published a [Communiqué](#) on its proposal.
3. A second technical exchange is foreseen on 3 November 2023 from 11.00h to 12.00h.

II. Proposal: “Evolution of performance and reward”

4. In the documents, the administration announces a “new” approach to rewarding performance which is “more timely”, “more frequent” and “more clearly defined”. The staff representation submits to the administration the following comments:

A. More clearly defined?

5. There is still no clear definition of what constitutes a contribution leading to a step or promotion. The Office needs to be more transparent in its practices and the proposed documents do not address the problem. Staff needs to know what they have to do to get a step at the beginning of the reward cycle (i.e. performance year) and that these goals are achievable to motivate staff.
6. There is still no direct link between performance and reward. This is a flaw of the current system and leads to situations where managers can arbitrarily not reward good performance.
7. The move from a “competency” framework to a “skills” framework is not clearly defined. The appraisal process is defined as being “*managed in a holistic approach reflected in the EPO's goal framework*”. The terminology used remains smokescreen for staff.

B. More frequent?

8. The proposal introduces 2 rounds of bonuses (strategic/individual) paid during the ongoing performance year (July and Dec of year N) and 1 round of step/promotion reward allocation for payment in April of year N+1.
9. By rewarding with bonus(es) in the performance year and then rewarding with a step/promotion in the next year, the Office is in effect rewarding twice for the same performance – now and next year for this year’s performance. This is a flaw in the system. In a competition and quota-based system, redundant rewards for some cause others to not have the reward they earn.

10. The 2 rounds of bonuses in the performance year will be interpreted as giving a hint as to the ranking in comparison with others for the 3rd round for step/promotion. Those excluded from a round of bonus will likely be demotivated for the rest of the performance year. Those included in the first 2 rounds will expect to still be on track for the 3rd round and will likely be demotivated if the step/promotion expected does not materialize.
11. Rather than increasing frequency, the Office should focus on ensuring proper rewards to all staff. A step/promotion should be the standard. Bonuses are not adapted for an international organisation in charge of legal acts. A bonus should only be granted for exceptional service or for people at the end of their career. If the administration considers that liabilities are an issue, the staff representation requests the presence of the actuaries, as there is not necessarily a direct connection between steps/promotions and liabilities.
12. The proposed Guidelines on Performance Assessment (Circular 366, III 2.) now propose *“at least 3 mandatory recorded reviews per year, including the final review”*. The process will be experienced by staff as micromanagement resulting in more friction at work, loss of capacity and disturbance of the service.

C. More timely?

13. The proposal introduces a shift of payment of steps and promotions from July to April of year N+1.
14. The earlier payment of steps and promotions may be seen as an improvement for those eligible, it still remains late compared to the Old Career System. For those not eligible, it is actually the quality of the reward decision which is a matter of concern.
15. The documents do not define when the Presidential Guidelines on Rewards (especially for steps/promotions) will be made available. Staff expects the criteria to be defined in advance of the performance year.

III. Our concern

16. The proposed changes do not bring any reassurance to staff that the system will be fairer nor does it bring clarity as to what staff can expect as a career in the long term.

IV. Our proposal

- Introduce transparent and predictable conditions for career advancement. This can be achieved by setting clear criteria for step advancement and promotion.
- Define clearly different speeds of career advancement allowing all staff's professional development and recognising contributions of all staff members.
- Promote motivation of all staff by setting clear paths of professional development.

V. Motivation

17. EPO staff is highly qualified and need to be managed accordingly. Staff engagement can only be achieved by providing employees with the means to self-develop professionally, i.e., allowing them to be as much as possible involved in their own professional and career development.
18. Therefore, it is essential that a clear definition of the goals and career are set. This will allow staff to self-develop their abilities in their daily work and will result in a high sustainability and profit for the EPO.

VI. Conclusion

Staff representatives are ready to engage in redrafting circulars 364 and 366 together with the administration. We would like to discuss this within the framework of the Working Group on Performance Management to solve for instance the problem of glass ceilings.

The members of the staff representation in the Technical Exchanges

Further comments and concrete proposals on Talent Management Topics

I. Consultation

1. The administration informed the staff representation on 17 October that Technical Exchanges on Talent Management Topics would take place in view of the GCC meeting of 21 November.
2. The documents were provided on 26 October at 13.42h. The first technical exchange took place on 27 October 2023 from 10.00h to 11.00h. Shortly after the meeting on the same day the administration published a [Communiqué](#) on its proposal.
3. The staff representation submitted a first set of comments on 31 October.
4. A second technical exchange took place on 3 November 2023 from 11.00h to 12.00h. At the end of the technical exchange, the administration informed that the documents would be on the agenda of the GCC meeting of 7 December and expressed its readiness to continue the discussion with concrete proposals.
5. In an e-mail of 6 November the administration invited the staff representation to submit further questions/feedback by Wednesday 8 November at noon. In an e-mail of 7 November, the staff representation explained that our response can only be expected after the weekly Central Staff Committee (CSC) video conference on Thursday 9 November afternoon.
6. The present document constitutes further comments complementing the first set of comments sent on 31 October and brings concrete proposals.

II. Concrete proposals

Absolute appraisal with direct transparent link to the reward exercise

7. The intention of the administration is to ensure a more clearly defined merit-based system.
8. However, the current box markings are based on soft skills and refer to individual goals. The individual goals are different between employees. This can lead to the situation in which *met* or *exceeded* goals will still not result to the reward deserved because a comparison with “peers” (not clearly defined) is simply not possible.
9. In our view, the intent of the administration can only be achieved with an appraisal exercise based on an absolute box marking (e.g. merit points from 1 to 10) with a direct transparent link to career progression.

Accumulation of points for a step / promotion from year to year

10. In the current system, there is a reset in the assessment of performance each year.

11. A performance not rewarded in a given year due to the 60% ceiling is currently lost completely. Instead to foster staff motivation, the performance should be carried-over to the next year and combined for the following reward exercise.
12. To this end, we propose that a principle of accumulation of merit points from year to year is put in place.

Sickness “neutralising”

13. Periods of maternity and adoption leave are meant to be “equalized” by considering that performance prior to and after the leave is continuous.
14. We propose that the same principle is applied to sick leave and any period of reintegration. Sick leave should not be prejudicial to the career of a staff member.

A single reward exercise

15. According to the infographic of the proposal document, the performance in Q1-Q2 can be rewarded with first bonus(es) overlapping with the period Q1-Q4 of the second bonus(es) and overlapping with the period Q1-Q4 step/promotion. Therefore, the performance of the period Q1-Q2 can be rewarded three times.
16. Instead of several mandatory review meetings per year, line managers should spend more time to talk to their staff on other occasions.
17. We kindly request to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme.
18. If no such financial assessment is available or a negative impact is found, we suggest that there should be only one review interview and only one reward per year, i.e. step/promotion.

III. Conclusion

Staff representation remains ready to contribute constructively to the progress of the Circulars 364 and 366. We would like to discuss this within the framework of the Working Group on Performance Management to solve for instance the problems of glass ceilings, reckonable experience and the catch-up mechanism (budget and frequency).

In any case, a close monitoring of the system is necessary and to be made in the Working Group. The Office should also consider different criteria per DGs taking into account their specificities.

The members of the staff representation in the Technical Exchanges

9 November 2023

Thomas Franchitti

From: centralstcom
Sent: 27 November 2023 12:11
To: DL-LSCMN; DL-LSCVI; DL-LSCTH; DL-LSCBE; Carmen Schuhmann; DL-CSC; Ingrid Peller; Isabelle Brandt; Monika Ernst
Subject: FW: Nominations & Topics for Introductory Meeting with the President: appointment of an observer to the harmonisation committee (HC)

Fyi, see below "the next Harmonisation Committee is scheduled for 5 December 2023"

KR

Derek

From: Social Dialogue <socialdialogue@epo.org>
Sent: 27 November 2023 09:19
To: centralstcom <centralstcom@epo.org>; PRESIDENT <president@epo.org>
Subject: RE: Nominations & Topics for Introductory Meeting with the President

Dear Chair,

We refer to your email regarding the CSC's appointment of an observer for the Harmonisation Committee (HC), which expressed broader concerns about transparency and the perceived arbitrariness of the rewards process.

We wish first to emphasise that transparency and fairness are key priorities for the Office in the rewards exercise. This commitment is not only evident in the Office's repeated request for the CSC to appoint an observer to the HC, but is also reflected in our attachment to continuous and transparent feedback during the performance year. This is expected to be strengthened further with the changes currently discussed with the CSC.

The Office also recalls that the latest HC attended by a staff representative was particularly constructive, and that the administration was able to provide all the requested clarifications.

Indeed, recent data on Management Reviews, which indicates a decreasing frequency and limited overall number of reviews, seems to further underline the success of these efforts.

As always, the Office remains open to discussing such concerns, as it did already in the context of the recent technical meetings on the changes to the rewards scheme. In the meantime, we kindly remind you that the next Harmonisation Committee is scheduled for 5 December 2023, and that you are welcome to appoint an observer to this meeting.

Yours sincerely,
The Social Dialogue Team

From: centralstcom <centralstcom@epo.org>
Sent: 11 October 2023 14:24
To: Social Dialogue <socialdialogue@epo.org>; PRESIDENT <president@epo.org>
Subject: RE: Nominations & Topics for Introductory Meeting with the President

Dear Fiona,

The CSC has taken note of your invitation of 18 September 2023 to nominate an observer to the Harmonisation Committee. In view of the ILOAT Judgment No. 4711 it is necessary that the procedure is not arbitrary and transparent. We invite the administration to a discussion on how to achieve these

conditions, in particular concerning the Harmonisation Committee. For this reason the nomination to the HC is still pending and we are waiting for your positive reply.

Kind regards,

Derek

Derek Kelly
Chair of the [Central Staff Committee](#).

From: Social Dialogue <socialdialogue@epo.org>
Sent: 18 September 2023 09:53
To: centralstcom <centralstcom@epo.org>; Derek Kelly <dkelly@epo.org>
Subject: Nominations & Topics for Introductory Meeting with the President

Dear Derek,

May I kindly remind you of the outstanding nominations for the statutory bodies list (Disciplinary Committee/ Joint Committee on Arts 52 & 53, Observer to the Harmonisation Committee). I would also ask you to reconfirm the nominations made by the previous CSC to the ApC. To ensure legal certainty we would appreciate your nominations by 22 September.

Regarding the introductory meeting with the President, we will confirm the date and send the invitations very soon. Should any further topics crop up once you have received the invitations please send me an email with the topic and a short description and we will do our best to look into the matter before the meeting.

Many thanks in advance
Fiona

Opinion of the CSC members of the GCC
on [GCC/DOC 36/2023](#):
Amendments to Circular 366 – Guidelines on performance development

1. The latest amendments dated from 1 January 2020 (see [Communiqué](#) of 17 February 2020), were submitted in the GCC meeting of 19 December 2019 in [GCC/DOC 27/2019](#) and discussions can be found in the minutes [GCC/PV 6/2019](#).
2. The major changes at the time were the tighter timeline for the setting of goals and for the establishment of the appraisal report. Line managers were also recommended to make quarterly “feedback” meetings.
3. The new amendments submitted in the GCC meeting of 5 December 2023 go further into this direction.
4. The administration did not submit an explanatory note on the proposed changes in the GCC.
5. A comparative table was submitted in the Technical Exchanges (**Annex 1**) preceding the GCC meeting but was not submitted in the GCC within the two weeks statutory deadline. The document supporting the presentation made in the Technical Exchanges was not submitted in the GCC (**Annex 2**).
6. Both documents are therefore annexed to the present opinion.
7. The CSC members of the GCC give the following opinion on the document.

On the consultation

8. The administration informed the staff representation on 17 October that Technical Exchanges on Talent Management Topics would take place in view of the GCC meeting of 21 November.
9. The documents were provided on 26 October at 13.42h. The first technical exchange took place on 27 October 2023 from 10.00h to 11.00h. Shortly after the meeting on the same day the administration published a [Communiqué](#) (**Annex 3**) on its proposal.
10. The staff representation submitted a first set of comments on 31 October 2023 (see **Annex 4**).
11. A second technical exchange took place on 3 November 2023 from 11.00h to 12.00h. At the end of the technical exchange, the administration informed that the documents would be on the agenda of the GCC meeting of 5 December and expressed its readiness to continue the discussion with concrete proposals.
12. In an e-mail of 6 November the administration invited the staff representation to submit further questions/feedback by Wednesday 8 November at noon. In an e-mail of 7 November, the staff representation explained that a response can only be expected after the weekly Central Staff Committee (CSC) video conference on Thursday 9 November afternoon.
13. The staff representation submitted on 9 November 2023 a further set of comments and concrete proposals (see **Annex 5**), and requested to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme.

14. A third technical exchange took place on 14 November from 9.00h to 9.30h. The administration did not provide the requested financial assessment.
15. The consultation process on the Talent Management Topics remains substandard. The premature publication of the proposal on the Intranet was interpreted as evidence that the administration was not interested in reaching any agreement with the staff representation. Furthermore, it took line managers by surprise and they were not in a position to answer immediate questions from their team members.
16. The administration spent only on 2h30 discussing these topics of high interest for staff, did not integrate any of the concrete proposals made by the staff representation and did not provide the requested financial assessment.
17. Finally, the GCC was not provided with an explanatory note and the comparative table for the amendments was not sent within the two weeks statutory deadline.

On the merits

Appraisal vs Career

18. The General principles and structure of the career system are defined in Art. 47(1) ServRegs:

The career system shall offer opportunities for professional development based on performance and competencies, within the available budgetary limits.

19. Staff therefore expects that their performance and competencies will lead to career progression.
20. The Guidelines on performance development (Circular 366) are mentioned as applying Article 47a of the Service Regulations for appraisal reports:

The assessment of performance and competencies is a managerial responsibility. It shall be conducted in a fair and objective manner.

21. By relating Circular 366 to Art. 47a only and not to Art. 47, the administration is making appraisal reports less relevant for the purpose of career progression.

Timeline and mandatory reviews

22. Back in 2019, the administration had shortened in [GCC/DOC 27/2019](#) the performance cycle (after conciliation) reports from 15 May to 15 March of year N+1. The cycle is now to be closed on 15 February of year N+1 (section VII).
23. Since 2019, line managers were recommended to make quarterly “feedback” meetings. Now, (section III. 2. And VII), the proposed text adds “including at least 3 mandatory recorded reviews per year, including the final review”.
24. The process will be experienced by staff as micromanagement resulting in more friction at work, loss of capacity and disturbance of the service.
25. The planned reorganisation in [GCC/DOC 37/2023](#) foresees a strong reduction (from 40 to 22) in the number of DG1 directorates and hence larger directorates. This will be a further burden on line managers and staff.

26. In the Technical Exchanges, we requested to be provided with a financial assessment on the loss of capacity among line managers and staff caused by this new scheme. The administration never provided any document in this respect.

Competencies vs skills

27. In its presentation (see **Annex 2**), the administration announced mentioned that:

In view of an envisaged transition from competencies to skills, references to the existing competency framework have already been lightened as a first step of the transformation.

Competencies continue to apply (as an overarching concept comprising also skills) in line with the ServRegs..

28. No clear explanation was given as to the distinction between the two. It is doubtful whether this move will actually goes into the direction of more clarity for staff.

“Holistic” vs Instructions

29. The new Circular 366 mentions in section III:

*Performance development is a continuous cycle built on collaborative discussions between employee and manager **and managed in a holistic approach reflected in the EPO's goal framework.***

30. The term *holistic* was introduced in performance development by the President in his [Communiqué](#) of 2 December 2020. Since then, it remains essentially quoted in President and Vice-President Communiqués. Now, the term is promoted to Circular 366.

31. This terminology is a smokescreen for staff and apparently used to qualify anything which is inconsistent, illogical and lacks explanation. In the perception of staff, the term aims at hiding arbitrariness, nepotism and cronyism allowed with the career system.

32. This perception is reinforced by the fact that the Office appoints as Director Holistic Performance Communication (see [VP1 Communiqués of 14 March 2022](#) and [28 March 2022](#)) directors who are actually sidelined *ad personam* or pending retirement.

33. Instead of the term “holistic”, staff expects clear Presidential instructions on how to draft the appraisal report as well as a clear template. None of these essential documents are annexed to the amended Circular 366.

Our proposal

An absolute reward exercise with direct transparent link to the reward exercise

34. The intention of the administration is to ensure a more clearly defined merit-based system.

35. However, the current box markings are based on soft skills and refer to individual goals. The individual goals are different between employees. This can lead to the situation in which met or

exceeded goals will still not result to the reward deserved because a comparison with “peers” (not clearly defined) is simply not possible.

36. In our view, the intent of the administration can only be achieved with an appraisal exercise based on an absolute box marking (e.g. merit points from 1 to 10) with a direct transparent link to career progression.
37. The administration did not take any single point of our proposal into consideration.

Remaining points of concern

38. The timeline for contesting an appraisal report is tight for the employee (see section VII).
- In cases of disagreement [...] the employee may ask for conciliation by contacting the countersigning officer and reporting officer within two weeks of receipt of the report.
 - An employee who is still dissatisfied with their report following conciliation may challenge it by raising an objection in accordance with Article 110a ServRegs within two weeks of receipt of the conciliation report.
39. However, no deadline is explicitly specified for countersigning and reporting officers, nor for the Appraisal Committee.
40. The Appraisal Committee is composed solely of line managers who are subordinates of the President and the Vice-Presidents. Its composition is not even submitted for consultation in the GCC.

The CSC members of the GCC

- Annex 1 Comparative table Circular 366
Annex 2 see Annex 2 of the opinion on Circular 364
Annex 3 see Annex 3 of the opinion on Circular 364
Annex 4 see Annex 4 of the opinion on Circular 364
Annex 5 see Annex 5 of the opinion on Circular 364

COMPARISON BETWEEN EXISTING AND NEW TEXTS

<u>Existing text</u>	<u>Proposed new text</u>
Circular No. 366 (1 January 2020)	<i>Unchanged</i>
<p>Guidelines on performance development</p> <p>I. SCOPE</p> <p>Within the framework of Article 47a of the Service Regulations for permanent and other employees of the EPO (ServRegs), these guidelines set out further conditions with regard to performance development.</p> <p>These guidelines apply to all employees under Article 1 ServRegs, with the exception of those under its paragraphs 4 and 5.</p>	<p>Guidelines on performance development</p> <p>Guidelines for applying Article 47a of the Service Regulations for permanent and other employees of the European Patent Office (ServRegs)</p> <p>I. SCOPE</p> <p>Within the framework of Article 47a of the Service Regulations for permanent and other employees of the EPO (ServRegs), these guidelines set out further conditions with regard to performance development.</p> <p>These guidelines apply to all employees under Article 1 ServRegs, with the exception of those under its paragraphs 4 and 5.</p>
II. AIM	<i>Unchanged</i>
<p>III. PROCESS</p> <p>Performance development is a continuous cycle built on collaborative discussions between employee and manager. Each step of the performance development cycle (for details see point VII, "Overview of performance development cycle") should be completed within the timeframe indicated.</p>	<p>III. PROCESS</p> <p>Performance development is a continuous cycle built on collaborative discussions between employee and manager and managed in a holistic approach reflected in the EPO's goal framework. Each step of the performance development cycle (for details see point VII, "Overview of performance development cycle") should be completed within the timeframe indicated.</p>

An appraisal report is generally drawn up for the period from 1 January until 31 December of a given year. Each employee will have one report per year that will cover their performance over the whole year, even in the event of a change of tasks or a change of manager in the course of the year.

The report will contain comments relating to the employee's ability, contribution and effectiveness, as well as their attitude to work and dealings with others. These aspects are looked at in relation to the level expected in view of the employee's job profile, grade and seniority.

Periods of less than four months (e.g. phases between a probation report and the preceding or following normal report) do not need to be covered in a separate report.

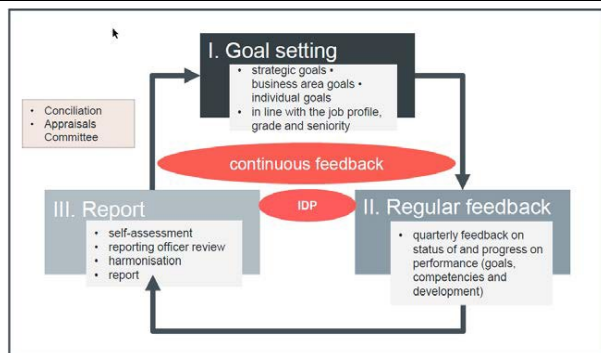
The performance development process is supported by an online tool which covers all the steps in the cycle.

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Periods of less than four months (e.g. phases between a probation report and the preceding or following normal report) do not need to be covered in a separate report.

The performance development process is supported by an online tool which covers all the steps in the cycle.



IV. ROLES AND RESPONSIBILITIES

1. Employees

Unchanged

<p>2. Reporting officers</p> <p>Unless otherwise indicated, the reporting officer is the direct line manager of the employee.</p> <p>Reporting officers are responsible for developing and motivating their reportees to achieve their operational and developmental goals. They are the owners of the performance development process and are responsible for the timely completion of the cycle for each of their reportees.</p> <p>This includes setting goals as well as maintaining a continuous dialogue with their reportees. Reporting officers are invited to have quarterly exchanges with their reportees for feedback on the status of and progress on performance. They also draft the appraisal reports.</p> <p>In general, the reporting officer in place at the time when the report is due is in charge of drafting the appraisal report. This applies too in cases where the reporting officer has changed in the course of the appraisal period.</p> <p>If the employee's reporting officer changes during the appraisal period (e.g. due to a job change or reorganisation), the new reporting officer must seek input from the former reporting officer and make sure that it is reflected in the report. The reporting officer may also consult any other person (e.g. project manager) under whose supervision the employee has worked for at least part of the reporting period and who is therefore able to provide a relevant contribution relating to the performance of the employee during the performance development cycle.</p>	<p>2. Reporting officers</p> <p>Unless otherwise indicated, the reporting officer is the direct line manager of the employee.</p> <p>Reporting officers are responsible for developing and motivating their reportees to achieve their operational and developmental goals. They are the owners of the performance development process and are responsible for the timely completion of the cycle for each of their reportees.</p> <p>This includes setting goals as well as maintaining a continuous dialogue with their reportees. Reporting officers are invited to have quarterly exchanges with their reportees for feedback on the status of and progress on performance, including at least 3 mandatory recorded reviews per year, including the final review. They also draft the appraisal reports.</p> <p>In general, the reporting officer in place at the time when the report is due is in charge of drafting the appraisal report. This applies too in cases where the reporting officer has changed in the course of the appraisal period.</p> <p>If the employee's reporting officer changes during the appraisal period (e.g. due to a job change or reorganisation), the new reporting officer must seek input from the former reporting officer and make sure that it is reflected in the report. The reporting officer may also consult any other person (e.g. project manager) under whose supervision the employee has worked for at least part of the reporting period and who is therefore able to provide a relevant contribution relating to the performance of the employee during the performance development cycle.</p>
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<p>Reporting officers are, together with the employees, also responsible for establishing development plans with their reportees.</p> <p>The reporting function is a core managerial responsibility and may not therefore be delegated on the manager's own initiative.</p>	<p>Reporting officers are, together with the employees, also responsible for establishing development plans with their reportees.</p> <p>The reporting function is a core managerial responsibility and may not therefore be delegated on the manager's own initiative.</p>
<p>3. Countersigning officers</p>	<p><i>Unchanged</i></p>
<p>V. INDIVIDUAL DEVELOPMENT PLAN (IDP)</p> <p>Individual development is an integral part of the EPO performance development system.</p> <p>The individual development plan (IDP) is a systematic process that supports the personal and professional growth of employees as well as the general development of the organisation at all levels. It also serves to ensure the implementation and follow-up of related activities in line with individual and business needs and career aspirations.</p> <p>In particular, the IDP helps employees close possible gaps between expected and demonstrated competencies, build on and further develop existing strengths and/or develop new competencies.</p> <p>Each employee should have an IDP and progress should be reviewed at regular intervals. It is drawn up jointly by the line manager and the employee in a dedicated template.</p>	<p>VI. INDIVIDUAL DEVELOPMENT PLAN (IDP)</p> <p>Individual development is an integral part of the EPO performance development system.</p> <p>The individual development plan (IDP) is a systematic process that supports the personal and professional growth of employees as well as the general development of the organisation at all levels. It also serves to ensure the implementation and follow-up of related activities in line with individual and business needs and career aspirations.</p> <p>In particular, the IDP helps employees close possible gaps between expected and demonstrated competencies, build on and further develop existing strengths and/or develop new competencies.</p> <p>Each employee should have an IDP and progress should be reviewed at regular intervals. It is drawn up jointly by the line manager and the employee in a dedicated template.</p>
<p>VI. ENTRY INTO FORCE</p> <p>This circular will enter into force on 1 January 2020. It will supersede any earlier circulars, instructions or guidelines relating to performance management.</p>	<p>VII. ENTRY INTO FORCE</p> <p>This circular will enter into force on 1 January 2020⁴. It will supersede any earlier circulars, instructions or guidelines relating to performance management.</p>

<p>The 2020 performance development cycle will be a transition phase where all the deadlines below apply, with the exception of the deadline for the goal setting, which should be completed as early as possible, but at the latest by 31 March 2020.</p> <p>As a further transitional measure, all pending steps related to the 2019 performance development cycle will be completed in accordance with the guidelines on performance development in their version of 1 January 2018.</p>	<p>The 2020 performance development cycle will be a transition phase where all the deadlines below apply, with the exception of the deadline for the goal setting, which should be completed as early as possible, but at the latest by 31 March 2020.</p> <p>As a further transitional measure, all pending steps related to the 2019 performance development cycle will be completed in accordance with the guidelines on performance development in their version of 1 January 2018.</p>
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<u>Existing text</u>			<u>Proposed new text</u>		
VII. OVERVIEW OF PERFORMANCE DEVELOPMENT CYCLE			<i>Unchanged</i>		
Step	Description	Timeline	Step	Description	Timeline
Goal setting	<ul style="list-style-type: none"> - The EPO's strategic goals are cascaded down through the different hierarchical levels of the Office to individual employee level. - The translation of business area goals into individual goals is discussed by the reporting officer and the employee. - Goals are defined in line with the job profile, grade and seniority of the employee and on the basis of the statutory working hours. Deviations from the statutory working hours such as due to part-time work, maternity or adoption leave or working hours spent in other statutory functions (e.g. as a confidential counsellor or in staff representation activities) will be taken into account for the goal setting. - Such goals should also include 	By 31 December (year N-1)	<i>Unchanged</i>	<i>Unchanged</i>	<i>Unchanged</i>

	<p>development measures and take into account tasks outside the normal scope of the employee's duties (e.g. other activities in the interests of the Office, as agreed by management).</p> <ul style="list-style-type: none"> – The goals are set by the manager following a collaborative discussion with the employee and are recorded in the performance development tool. – As of 31 December, the goal-setting step is considered closed and the goals recorded in the tool are deemed final. They may, however, be amended in line with business needs in the course of the year and after informing the employee accordingly. Any updates will be recorded in the tool. 				
Regular feedback	<ul style="list-style-type: none"> – The employee and reporting officer are encouraged to meet at any time during the performance development cycle for feedback on the status of and progress on performance (goals, competencies and development). – Quarterly feedback is recommended but reporting officers are required to record at least one feedback meeting per reporting cycle in the tool. – The outcome of such feedback meetings may be recorded in the tool. 	By 15 November (year N)	<i>Unchanged</i>	<ul style="list-style-type: none"> – The employee and reporting officer are encouraged to meet at any time during the performance development cycle for feedback on the status of and progress on performance (goals, competencies and development). – Quarterly feedback is recommended but reporting officers are required to record at least one feedback meeting per reporting cycle in the tool. – The outcome of such feedback meetings may be recorded in the tool at any time but is mandatory for the two review meetings in May and October. 	Continuous review, incl. at least: 1st review: by 15 May 2nd Review by 15 October By 15 November (year N)
Self-assessment	<ul style="list-style-type: none"> – Employees prepare for their review meeting at the end of the appraisal period by carrying out a self-assessment of their performance (goals, competencies and 	By 30 November (year N)	<i>Unchanged</i>	<ul style="list-style-type: none"> – Employees prepare for their review meeting at the end of the appraisal period by carrying out a self-assessment of their performance (goals, competencies and 	<i>Unchanged</i>

<p>Annual review</p>	<p>development).</p> <ul style="list-style-type: none"> - The reporting officer holds a review meeting with the employee at the end of the year. The review focuses on: <ul style="list-style-type: none"> • feedback on goals – the "what" • feedback on competencies (core, functional and, where applicable, leadership) – the "how" • overall qualitative feedback • the individual development plan - In light of this discussion, the reporting officer drafts the report and shares it with the countersigning officer for harmonisation, possible comments and endorsement. 	<p>By 15 February (year N+1)</p>	<p><i>Unchanged</i></p>	<p>development).</p> <ul style="list-style-type: none"> - The reporting officer holds an annual review meeting with the employee at the end of the year. The review focuses on: <ul style="list-style-type: none"> • feedback on performance based on proven achievement of goals – the "what" • feedback on competencies (core, functional and, where applicable, leadership) – the "how" • overall qualitative feedback considering employee's conduct in service, broadening and deepening of the employee's tasks, experience, and responsibilities – the "how" • the individual development plan - In light of this discussion, the reporting officer drafts the report and shares it with the countersigning officer for harmonisation, possible comments and endorsement. 	<p>By 15 February 31 January (year N+1)</p>
<p>Calibration meeting</p>	<ul style="list-style-type: none"> - Reporting officers and countersigning officers hold a calibration meeting to ensure consistent reports throughout the business area. 	<p>By 15 February (year N+1)</p>	<p><i>Unchanged</i></p>	<p><i>Unchanged</i></p>	<p>By 15 February 31 January (year N+1)</p>
<p>Appraisal report</p>	<ul style="list-style-type: none"> - Following the calibration meeting, the reporting officer shares the report with the employee. - The employee may enter comments upon receipt of the report. Such comments will complete the reporting cycle. - The report is recorded in the tool and is deemed final. 	<p>By 15 February (year N+1)</p>	<p><i>Unchanged</i></p>	<p><i>Unchanged</i></p>	<p>By 15 February 31 January (year N+1)</p>

<p>Requests for conciliation/objection procedure before the Appraisals Committee</p>	<ul style="list-style-type: none"> - In cases of disagreement, in particular in cases of a significant divergence of views with the reporting officer, the employee may ask for conciliation by contacting the countersigning officer and reporting officer within two weeks of receipt of the report. - If the conciliation process leads to an amendment of the report, HR should be informed accordingly within two weeks of the conciliation meeting. - Any employee who is still dissatisfied with their report following conciliation may challenge it by raising an objection in accordance with Article 110a ServRegs within two weeks of receipt of the conciliation report. 	<p>By 15 March (year N+1)</p>	<p><i>Unchanged</i></p>	<p><i>Unchanged</i></p>	<p>By 15 End March February (year N+1)</p>
<p>Note: Year N is the relevant performance period that is being reported upon; year N-1 is the preceding year and year N+1 the subsequent year when the reporting is concluded.</p>			<p><i>Unchanged</i></p>		

Comments of the CSC members of the GCC on GCC/DOC 37 /2023

Adjustment of the structures of the Office

The CSC members of the GCC make the following comments on document GCC/DOC 37/2023:

Once again, the CSC members are being presented with a document for information only, that presents the reorganisation of one or more operational structures in the EPO.

The CSC has repeatedly asked for such documents to be presented for consultation instead of merely for information. Up to now this has been to no avail, as it appears that the higher management considers reorganisation matters to be a purely managerial task. It is however not the case that reorganisations are merely defining managerial relations without affecting staff. This document however stands out by the amplitude of the reorganisation it describes.

On the contrary, staff is directly affected by changes of structures. Working practice, performance in the framework of that practice and communication style must be modified by the staff member with each new reorganisation, because the manager personality and expectation are different. On page 18 of the document (point 3.1) it is said that minimisation of impact on staff has been a key consideration. Yet, this is typically where the involvement of the Staff Representation would have been necessary and advisable but did not take place.

Whilst the management views direct consultation with individuals as the most direct way of minimizing the impact of reorganizations on staff, the Staff Representation points out that many staff members do not express their concerns to their managers but to Staff Representation whose role it is to hear them and relate their voice to management. This is essential to have a realistic view of collective discontent and a transparent communication on the effect of reorganisations.

The financial cost in managerial time spent on reorganisations should be estimated but is absent from the document.

The number of consecutive reorganisations rather give the impression that there is no coherent drive of the structure needed to achieve well-defined

goals. From the onset of the document the purposes of the changes are difficult to reconcile with a coherent planning. This raises the following questions:

- How have the goals of the Office changed so much that reorganisations are needed throughout the Office?
- Every year the Office is reorganised on the ground of increasing clarity of roles and responsibilities. Have the previous reorganisations consecutively failed or have the roles never been clear up to now?
- Fostering collaboration is also regularly cited as a ground for reorganising, but there lacks an analysis or a measure of where the collaboration would have been lacking.

Management views the recurrent changes as a necessary adaptation to a constantly changing environment. The Staff Representation perceives the rate of reorganisations as more self-driven than a response to changes imposed by the environment outside of the EPO.

It is not apparent how the proposed reorganisations will enhance staff engagement through increased career opportunities. Neither is it visible how the reorganisations will increase the number of opportunities and how the sense of belonging will increase through mobility.

Management considers that career does not mean becoming a director, rather it can be about gaining new experiences, and plans to focus in the next years on the career roles. Staff Representation notes that such perspectives are very intangible compared to the very perceptible continuous increases in production objectives and workload.

Regarding the changes in DG1

In DG1 the number of managerial posts is being strongly reduced, this is clearly a reduction of opportunities. To increase opportunities, the technical path to senior experts should be reopened.

The Staff Representation appreciates the statement of management that although the number of Formality Officer teams will be reduced likewise to the reduction of operational directorates, this does not imply an overall reduction of the headcount of Formality Officers.

Regarding the changes in DG4

Beyond the proposed organisational changes, Staff Representation is concerned about the increased externalisation of jobs in DG4.

Also, it is not understood why the structure in DG1 is flattened by heavily reducing the number of directors under a single COO, whilst in DG4 the opposite trend is observed, with a split among several Principal Directorates being reinforced. The argument of management that in DG4 there is a higher diversity of tasks and meta-goals is not clear.

The CSC members of the GCC