Performance Management Policy

Purpose
The purpose of this policy is to explain how the Performance Management process operates in EirGrid.

Eligibility
This policy applies to all EirGrid employees.

Introduction
The document outlines:

- the purpose and objectives of 'Managing Performance'
- the key characteristics
- the process

General Overview
Managers are responsible for:
- ensuring that strategic business objectives are met, and
- developing and maintaining a work environment in which individuals can openly discuss their performance and career objectives.

The Performance Management process aims to ensure that business and personal objectives are met in the most effective way. Each individual has the opportunity to share ideas and concerns and, with the guidance of the manager, to set realistic goals.

Purpose and Objectives of 'Managing Performance'

- Business needs are communicated and understood by all and linked to the individual's objectives
- Forum for regular communication with open and honest one-to-one discussion and feedback on performance
- Provide clarity in roles, responsibilities and accountabilities for both reviewer and reviewee
- Opportunity to input into and agree annual objectives/targets
- Personal development provided for, on a shared ownership basis
    - Individuals taking ownership of pursuance of their own development goals
    - Reviewers facilitating and supporting the pursuance of development goals by the individual in line with business goals

- Facilitate people to realise their full potential and the business to realise its goals by
    - Supporting personal development
    - Aligning individuals' contribution with the business needs
    - Providing one of a number of inputs to any selection/succession management process by providing an agreed record of the individual's performance and development
- To provide a basis for the differentiation of reward in relation to performance, where such a link has been agreed

Key Characteristics

Main Elements
The Performance Management process consists of four main elements

1. Performance Planning
Performance planning jointly identifies an individual's work targets and development objectives for the year ahead, which will form the main source of information used to assess his/her achievements during the review period.

2. Ongoing performance review
Throughout the year both parties should give feedback, both formal and informal, on progress against the agreed objectives.

3. Formal performance review.
A final performance review meeting(s) is carried out at the end of the review period. The purpose of the final review is to generate open discussion on performance. Using both the individual's self-assessment and the reviewer's assessment an agreed performance assessment for the year is completed.

4. Overall Description of Performance
A determination of the individuals' performance by the relevant management group, based on agreed assessments.
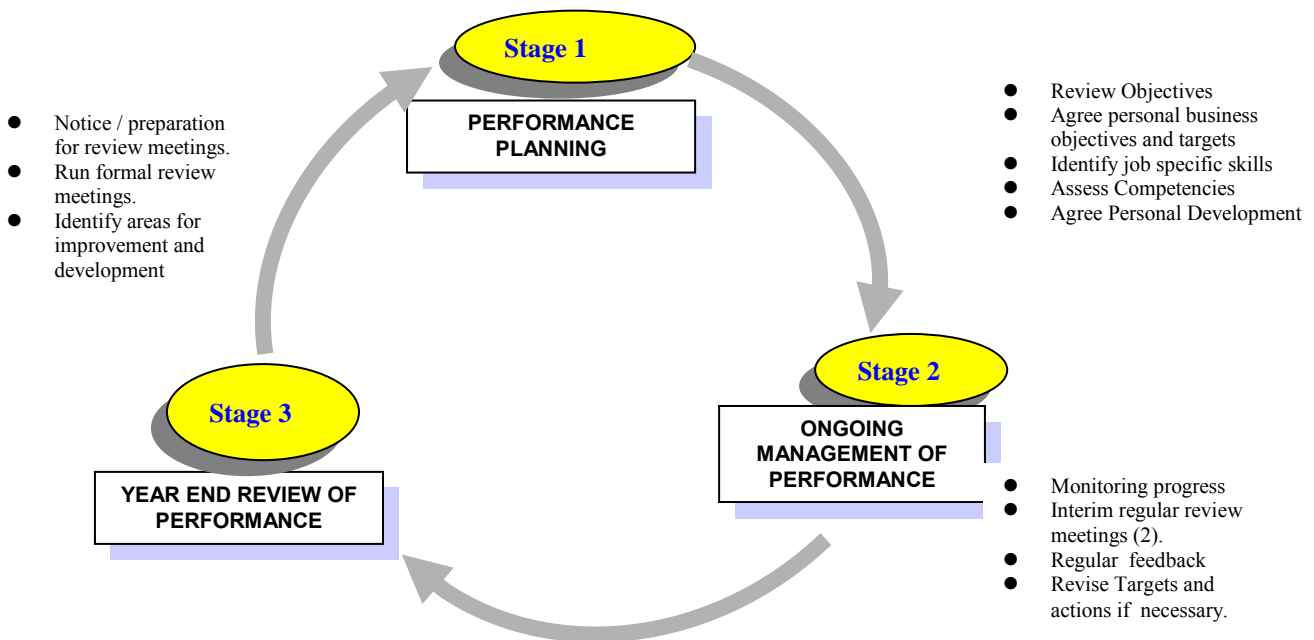
Characteristics
The following characteristics will be common to performance management across the company:

- The business goals and key performance indicators outlined in departmental business plans will align with the performance management objectives for each individual.

- The competency frameworks developed within each business area will align with the performance management objectives for each individual.

- The information recorded in relation to the performance reviews will be confidential and will only be used for identified and agreed legitimate purposes.

- Review meetings will address work objectives and competencies.

- The performance assessment will consist of a review outcome against work objectives and a review outcome against development objectives

- The individual to whom they immediately report will review the individual's performance. Reviewers will be sufficiently empowered to deliver on development commitments to individuals

- The performance management system will have the flexibility to accommodate changing circumstances that may affect agreed objectives and/or competencies during the review period.

- Responsibility for the operation of the process in terms of

    - arranging review meetings
    - doing the necessary preparation for such meetings
    - addressing identified development needs etc.

  will be shared between reviewer and reviewee

- Work objectives and developmental actions will be jointly assessed and agreed between reviewer and reviewee at the beginning of the review period.

- The reviewee will retain ownership of his/her development plan.

- The performance management process will incorporate a full development plan for the individual.

- The reviewer will actively support and facilitate the attainment of the agreed development objectives.

- The performance management process will provide for self assessment by the reviewee prior to review meetings.

- The system will provide for an appeal process to the next management level.

- Appropriate training on performance management will be provided to reviewers and reviewees.

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- The training will cover
  - The operation of the process and how to participate (reviewer/reviewee agreeing the plan for the coming year)
  - How to participate in the review process, e.g., conducting a self-assessment, holding the review meeting, agreeing the assessment, etc.

- The training for reviewers will cover coaching and providing constructive feedback.

- The performance management system will be applied in an objective and equitable manner.

- HR will support and facilitate the operation of the process as follows:

  - Maintain its operation
  - Assisting reviewers and reviewees in accessing appropriate training and development solutions
  - Providing guidance on how the process operates.

Process

Whereas the precise timing of the various steps in the process may vary, in general the stages will be as follows:

Stage 1: Target Setting, Action Plans, Competency review and Personal Development Plan

Following the annual strategic review of business objectives and other relevant plans, business measures and targets are set for each function within EirGrid. These objectives are then cascaded down to an individual or team level and the actions necessary to support these are agreed at the start of each year.   A review of the relevant set of competencies, and those job specific skills specific to the role, is also carried out at this time.

Following on from this review, key development areas and actions are identified and a focused personal development plan (PDP) is drawn up.

At the beginning of each cycle i.e. in October/November, managers should agree dates for at least two formal interim review meeting with their reports, excluding the final performance review meeting. These dates should be circulated to their reports as soon as possible after the target and action-setting meeting.

Stage 2: Ongoing interim performance feedback and coaching

Formal performance reviews will take place twice a year, two interim reviews in February/March and June/July and the end of year review in October/November. Individuals review their performance against agreed targets and actions for the year to date; they then meet their immediate manager and discuss progress. The meeting is also an opportunity to discuss progress against the self-development actions agreed in the PDP. These formal reviews are in addition to any informal feedback/ coaching discussions that may take place between employees and their manager during the year.

Stage 3: Reviewing and Assessing Performance

In October/November each year (at the same time as Stage 1) the individual and the manager review and assess performance against the agreed targets and actions for the past year. This will be the basis for determining an overall performance descriptor for the period under review. An example of how the year-end assessment operates is in the Appendix in this policy.

The Performance Management process will be subject to ongoing review to identify areas where improvements can be made. In addition, each department will be measured on successful completion of each stage i.e.

1. Objectives/targets and PDPs agreed and documented for each individual by end of November each year.

2. Interim Reviews completed by end of March and end July

3. Final year reviews completed by end of November

Managers will retain copies of review papers and will send the completed PDPs to HR in order that an overall training plan can be developed. Copies of final year reviews should be available to HR as necessary.

Performance Descriptors
The methodology for describing performance against business targets and competencies is contained in the Appendix to this document. The wording in the Appendix is not intended to be prescriptive. Rather, it is designed to assist reviewers and reviewees in agreeing overall performance descriptors.   In arriving at agreement on performance descriptors, reviewers and reviewees should take into account the relative importance of various business targets and competencies.

An individual's performance should be assessed on:

1. Achieving targets and
2. Achieving Competency, for each individual, performance is discussed and assessed (jointly by manager and reviewee)

Each target is assessed in terms of whether the individual:
- Fell Short
- Achieved
- Surpassed

An overall performance descriptor is then decided for the individual – see appendix.

Competencies are assessed as:
- Unacceptable
- Needs Improvement
- Good Competency
- Outstanding

Individual Targets	NR	F	A	S
	Not/No Longer Relevant *(Target does not apply or has changed substantially)*	Fell Short	Achieved	Surpassed

Targets

NR F A S

___ X

___ X

___ X

___ X

___ X

Overall Target Assessment
(U, NI, GP, SP, O)

⊠ below	Rating	Defined as:	Examples:
	U = Unacceptable	Failed to meet most agreed business objectives	- Missed deadlines without adequate explanation - Produced significantly below standard quality of results - Did not adhere to agreed policies/procedures
	NI = Needs Improvement	Met most but failed to meet some agreed primary objectives	- Completed some tasks on time and other primary ones late - Produced marginal or inconsistent quality of results
	GP = Good Performance	Met all agreed business objectives	- Completed tasks on schedule - Achieved expected results - Consistently met quality requirements
	SP = Superior Performance	Met all and exceeded some agreed business objectives	- Completed tasks on or ahead of schedule (despite changing priorities/resource constraints) - Achieved greater than expected results - Consistently demonstrated quality results
	O = Outstanding	Exceeded all agreed business objectives and/or made some outstanding contribution(s)	- Completed tasks on or ahead of schedule (despite changing priorities/resource constraints) - Achieved extraordinary results, far beyond stated expectation - Consistently demonstrated quality results - Made 'breakthrough' solutions that had a significant impact

Competencies

U NI G S O

___ X

___ X

___ X

___ X

___ X

Overall Competency Assessment
(U, NI, GC, SC, O)

⊠ below	Rating	Defined as:	Examples:
	U = Unacceptable	Failed to meet most competency requirements	- Required substantial management direction and follow-up - Major improvement in competency needed
	NI = Needs Improvement	Met most but failed to meet some competency requirements	- Required more than expected management direction and follow up - Some improvement in competency needed
	GC = Good Competency	Met all competency requirements	- Required expected level of management direction and follow up - Any required improvement in competency is minor - Used effective problem solving techniques
	SC = Superior Competency	Met all and exceeded some competency requirements	- Required less than expected management direction and follow up - Any required improvement in competency is minor - Anticipated problems and implemented contingency plans with great flexibility
	O = Outstanding	Exceeded all competency requirements	- Required minimal management direction - Has mastered competency - Anticipated problems and took preventive measures - Was viewed as a leader by reports/peers/management

	NR	No opportunity to observe	- Recent change of job - Move to new location

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