

PERFORMANCE MANAGEMENT - OBJECTIVE SETTING

LOCAL STAFF COMMITTEE THE HAGUE | FEBRUARY 2024



Isabelle

Lutz

Alexandre

Alexandra

Cláudia

Dirk

Fausto

Florence

Iñaki

Joël

Jorge

Philippe

Rhiannon

Teresa

Tiago

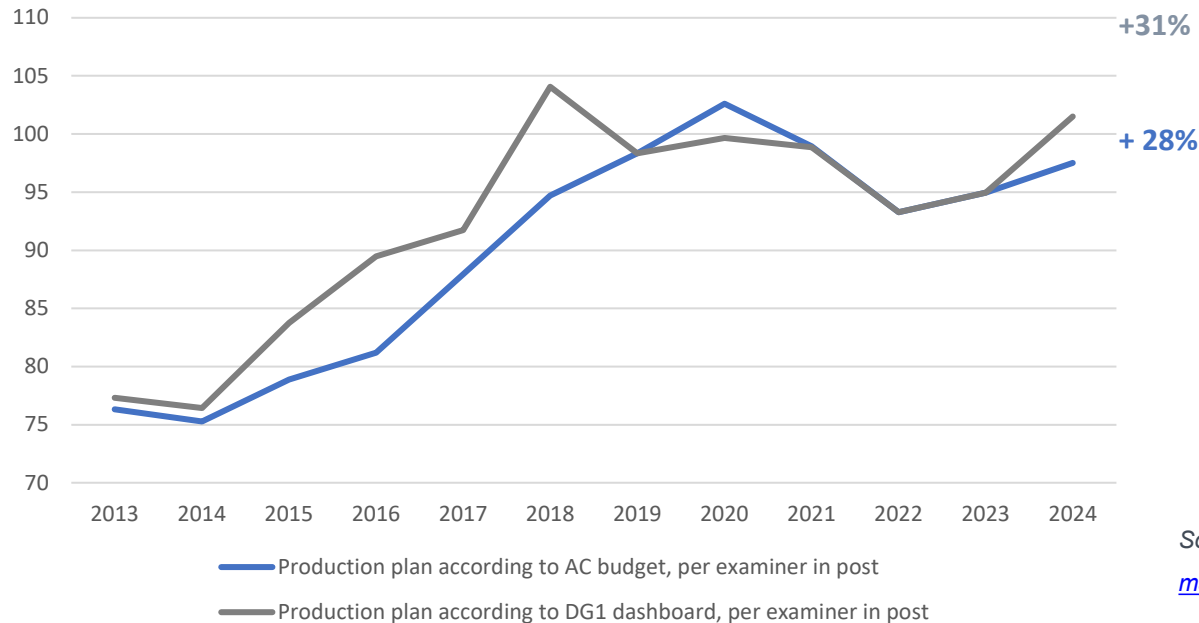
Yoann

PERFORMANCE MANAGEMENT - OBJECTIVE SETTING

- How objective setting is used to put pressure on staff
- What are the consequences?
- What to do about it?

Even though some information focusses on examiners, the presentation is applicable to all staff as it is quite symptomatic of EPO management culture.

Search Examination & Opposition (SEO) products / examiner / year: plan according to the budget approved by the Administrative Council (AC) and plan according to DG1 management



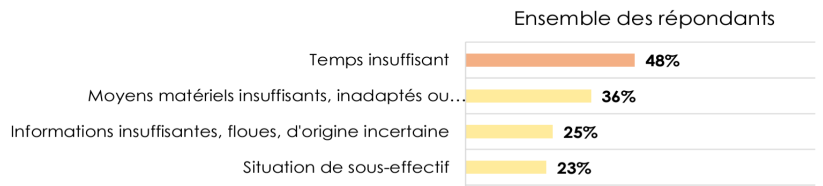
How objective setting is used to put pressure on staff

- Increase demands on production
- Demand more than budgeted – 4% difference in 2024

Sources: [MICADO](#): CA/D1/13 to CA/D1/23, [DG1 management dashboards](#)

How objective setting is used to put pressure on staff: insufficient time

Les éléments empêchant d'effectuer correctement son travail (Q. 130)



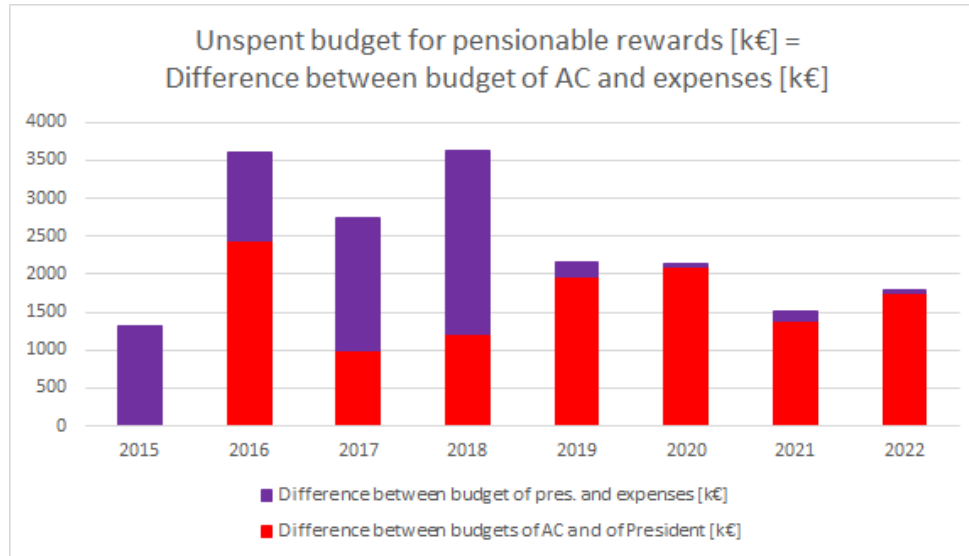
- Statistics from [Technologia survey 2022](#): run by SUEPO, 1800 respondents, statistically significant.
- Discrepancy between the time needed vs time budget given for doing a complete search, chairing, opposition, training, testing the IT tools which are delivered as Minimum Viable Products (MVP), etc.

How performance management is used to put pressure on staff: appraisal report

- Threat of a negative report
- Moving goal posts:
 - New tasks added during the year
 - Changing priorities
- Colleagues under pressure:
 - More vulnerable colleagues: fixed term contracts, colleagues in delicate personal situations,...
 - Colleagues in higher grades - because they are “expensive”? Without consideration for the experience and knowledge that these colleagues bring to the organisation.



How performance management is used to put pressure on staff: reward less than budgeted



- Every year the Administrative Council (AC) approves a budget (AC budget) which includes an envelope for distribution of steps & promotions.
- After that the President sets another, lower, budget (budget of the President) in the guidelines for rewards.
- And finally there is the amount actually spent for rewards (expenses).
- The rewards envelope has been consistently underspent since beginning of New Career System (NCS). In 2023 it was roughly € 3m.
- The pool of steps & promotions is reduced so the competition to get rewarded for good work is harder.

A note on financial sustainability

- Argument commonly used by management, it gives an implication that there's a concern on that front. This is another way of exerting pressure - as if the sole responsibility of staff is to produce more without regards for other aspects of our work.

- What do the numbers say?
 - Surpluses of +/- €300m
 - A substantial part of the reserves go into the Reserve Fund for Pensions and Social Security (RFPSS)
 - RFPSS, EPOTIFF & cash assets = €13.9bn (Dec 2022)

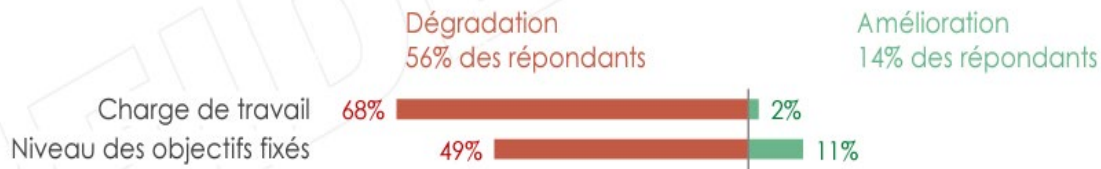
- What do the experts say about the “liabilities”?
 - -> [Actuarial study 06.10.2023](#) (CA/52/23) concerning the RFPSS, § 133 – 136: “The current funding level of 96.5% indicates that, from a funding perspective, the Office's existing pension liabilities, [...] are in effect mostly covered by the assets of the RFPSS.”



PERFORMANCE MANAGEMENT: WHAT ARE THE CONSEQUENCES?

- Health – Engagement?
- Quality?
- Concerns from industry

Performance management: what consequences? Health & engagement ?



Au cours des 12 derniers mois je me suis senti(e) très stressé(e) par mon travail



	Total Favorable	EPO Overall 2022 (5,043)
Sustainable Engagement	48	-11

- Working conditions perceived as worsening.
- Health ? We cannot prove that there is direct causality between performance management and stress-related complaints. But it would be a good idea for EPO management to look into the effects of performance management on the health of staff.
- Low engagement ? As above, we don't have data to prove that performance management is the main culprit in degraded engagement. Maybe management should have a look at what constant high pressure does to the attachment of staff to the mission of the office.

Sources: [Technologia survey](#), 2022, p.60 & 28 ; [Staff engagement survey](#), Willis Tower Watson – EPO, 2022.

Performance management: what consequences? Quality

Q. 39 Depuis les trois dernières années, la place de la qualité au regard des objectifs quantitatifs :



■ A nettement diminué ■ A légèrement diminué ■ S'est maintenue ■ A légèrement augmenté ■ A nettement augmenté

■ Department Quality Audit (DQA):

- KPI Grant: 77%, with 14% not novel, inventive or have added subject matter

- Concerns from industry – Industry Patent Quality Charter (IPQC) - more details [here](#)

- Staff is not given the means to consistently produce quality work

PERFORMANCE MANAGEMENT: WHAT TO DO ABOUT IT?

- Individual

- Collective

Performance management: what to do about it? Individual

- **Speak with your colleagues** about objectives! Transparency and solidarity are good defences against being put under pressure
- Raise any difficulty to work towards your objectives with your line manager,
 - **Early**
 - Orally and **in writing**
 - if necessary: **repeatedly**
- Seek **help early**: from a trusted colleague, staff representation, SUEPO or confidential counsellors
- If health problems, contact OHS, health practitioner and consider taking sick leave

Performance management: what to do about it? Collective

As a collective action, the staff committees have drafted a [resolution](#) published before the General Assembly.

This resolution aims to show that if there is a decline in quality, the staff is not responsible: this is in the hands of management. It is our way to show we are fighting the production pressure and the ever-reducing time available to examine files.

Because we want to have the resources to produce quality work that gives us pride in our jobs.

DRAFT RESOLUTION on objective setting

Staff of the EPO in Den Haag (Rijswijk), gathered in a General Assembly,

Noting:

- That production targets¹ and work pressure have increased relentlessly in the last decade,
- The low level of staff engagement and high incidence of psychosocial risks,
- The mounting criticism from industry on patent quality²,

Fears the effects of the above on:

- the health of EPO staff and their commitment to the task of the Organisation;
- the capacity of the organisation to deliver on its mission of granting legally sound patents, and
- European industry;

Further **noting** that:

- EPO management culture instrumentalizes the employment framework (5-year contracts, Young Professionals), the career and performance management systems to put pressure on staff to produce quantity at the expense of quality of the final products (Search, Examination, Opposition);
- the policy of reducing the workforce is at odds with the trend of increasing workload;

Urges EPO top management to:

- Implement genuine bottom-up planning which takes into account the input of staff, the true available work capacity and the time needed for peripheral but essential tasks (training, chairing, classification, etc...);
- increase recruitment of staff, especially performing core tasks (examiners and formalities officers);
- reinstate a robust and genuine quality management (DQA);
- revise the career and performance management systems to transparently recognize, incentivise and reward delivering EPC compliant, legally sound patents; and
- prioritize the task of the organisation to grant legally sound patents meeting the requirements of the EPC.

Rijswijk, 6 February 2024