Zentraler Personalausschuss
Central Staff Committee
Le Comité Central du Personnel

Munich, 10-02-2025
sc25012cp

Report on the GCC meeting of 30 January 2025

Despite the efforts of staff, Mr Campinos does not exhaust the AC budget for step(s) and promotions

Dear Colleagues,

The General Consultative Committee (GCC) met by videoconference on 30 January 2025. The following items were on the agenda:

- Guidelines on Rewards 2025 – for consultation GCC/DOC 01/2025
- Office wide organisational adjustments 2025 – Stream 2 – for information GCC/DOC 02/2025

Mr Campinos reduces the budget envelope approved by the AC for step(s) and promotions by -2.600 Mil. EUR.

From GCC/DOC 01/2025 it is apparent, that also this year, Mr Campinos does not exhaust the budget approved in the Administration Council for rewards and decreases purposefully the envelope for step(s) and promotions by **-2.600 mil EUR**. Only **60% of eligible staff** can be rewarded with step(s) or promotion. The unused budget corresponds to around 700 additional steps which should have been awarded to staff.

In the GCC meeting, we pointed out that there is no financial justification for keeping such a low ceiling. Management answered: *"We had this ceiling last year. There is no reason to change. We cannot reward everyone."* (sic!)

GCC/DOC 02/2025 refers to the reorganisation of the Principal Directorate "People" with three directorates named "People something":

- "People" Planning and Talent Management,
- "People" Engagement and Development,
- "People" Services and Well-being.

If "People" and "Engagement" were really Drivers of the SP2028, Mr Campinos would care about rewarding the high efforts of staff.

The more an organisation speaks about something, the less it actually cares about it.

Read more in our detailed and reasoned opinion and comments in annex.

The Central Staff Committee

Opinion of the CSC members of the GCC on GCC/DOC 1/2025: President's Instructions on Rewards for 2025

The CSC members of the GCC give the following opinion on the President's Instructions on Rewards proposed in GCC/DOC 1/2025.

The document defines the annual budget envelope and reward types, the eligibility and criteria for rewards and the process and timeline.

On the consultation

1. For the first 6 reward exercises following the implementation of the New Career System in 2014, the President's Instructions on Rewards were submitted each year **for information** only to the General Consultative Committee (GCC). In essence, the document could not be subject to a vote. The CSC members of the GCC argued each year that such instructions on rewards should be submitted **for consultation** in compliance with Article 38(2) ServRegs stating that the GCC shall be consulted on *"any proposal which concerns the conditions of employment of the whole or part of the staff to whom these regulations apply"*.

2. In 2021, the President's Instructions on Rewards were submitted for the first time **for consultation** and Mr Campinos invited the GCC members to send their opinion in writing. This change of practice followed an opinion of the Appeals Committee (ApC) recommending that such a document should be submitted for consultation from now on. It is regrettable that only legal action convinced Mr Campinos to make the Office comply with its own Service Regulations and acknowledge that rewards concern conditions of employment.

3. This year, the instructions are again submitted for consultation.

4. On 15 January 2025, Mr Campinos tabled the present document in the GCC for the meeting of 30 January 2024.

5. Compared to the President's Instructions on Reward Exercise for 2024 (GCC/DOC 1/2024), the amendments consist in adaptations in line with the last-minute amendments proposed in December 2024 (GCC/DOC 29/2024) to

   - **postpone the payout of the second round of bonus** from December of the performance year to January of the next year,

   Further amendments include:

   - the **abolition of strategic bonuses**, a **decrease of the minimum (individual) bonus** from EUR 3.000 back to the previous value of 2.000 EUR,

- the instruction that **any remaining budget not distributed within the July bonus round will be included at the PD level in the January bonus envelope for calibration purposes**

6. The administration did not invite the staff representation to any technical meeting to discuss the amendments.

7. On 30 January 2025, the GCC meeting took place from 10.00h to 11.30h.

On the merits

On step(s) and promotions

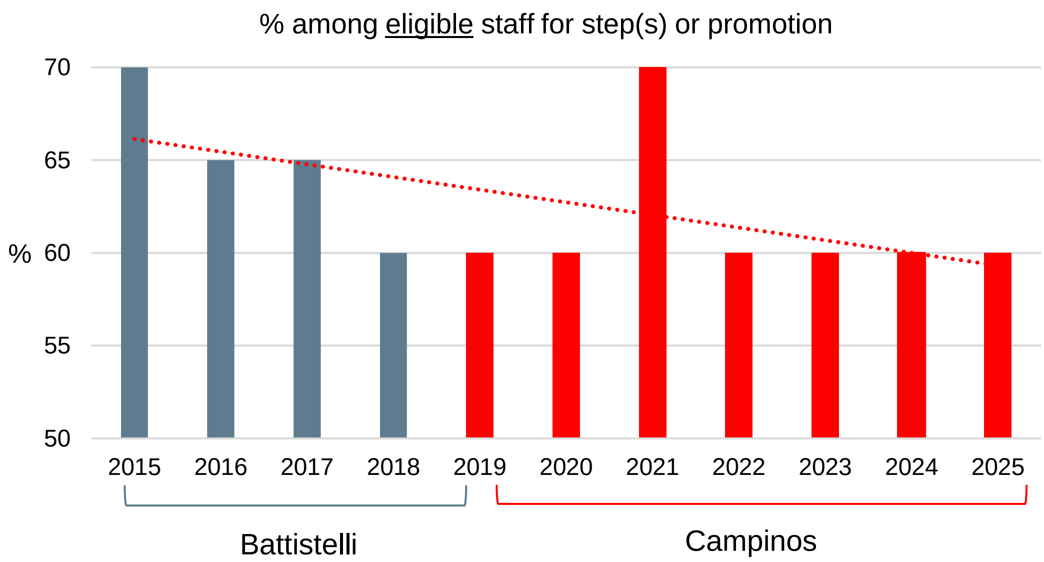
On the 60% ceiling

8. The steps and promotions shall be allocated as follows (section II. 1):

"Up to 60% of staff under II 1. 2) may receive one or two steps or a promotion"

A careful look at the past, shows that Mr Battistelli's reward exercise in 2015 defined that up to 70% of staff may receive step(s) or a promotion (GCC/DOC 12/2015). The subsequent exercises in 2016 (GCC/DOC 11/2016) and 2017 (GCC/DOC 16/2017) were slightly below at 65%.

9. Mr Campinos maintains the threshold at the minimum level of 60% applied in 2018 (GCC/DOC 5/2018), 2019 (GCC/DOC 4/2019), 2020 (GCC/DOC 11/2020), 2022 (GCC/DOC 4/2022), 2023 (GCC/DOC 3/2023) and 2024 (GCC/DOC 1/2024). The only exception remains the year 2021 (GCC/DOC 1/2021) for which the ceiling was set at 70%.



10. Back in 2014, in the Working Group on the New Career System, the Chair was Ms Bergot put in charge of the reform by Mr Battistelli. She had explained that those who do not produce (and are hence far below or incompetent) would not have a career. She had even suggested that to this end, the ceiling would be 80%. It was a misrepresentation of the

facts. In his first Guidelines on Rewards, Mr Battistelli set the ceiling at 70% and decreased it down to 60% as a punishment of staff.

On the catch-up mechanism

11. The low ceiling should be furthermore put in perspective with the fact that (section II. 1)

> *Staff falling in the category of the catch-up mechanism 2023 as described in Annex II* <u>*are included in the 60%*</u> (emphasis added)

whereas the catch-up mechanism 2020 was under a separate budget[1] and amounted to an additional EUR 861.000.

12. Furthermore, an additional separate budget is still available, as the President's budget for step(s) and promotion does not exhaust the budget voted in the Council (see section "On the budget" below).

13. The document in ANNEX II mentions that

> *Eligible staff, who did not receive a step advancement or promotion during the last four consecutive years (2020-2023), will advance one step in grade. Such advancement is possible until the last step of the grade. Promotions to a next grade are excluded from the catch-up mechanism.*

14. We do not understand why this specification is only part of an annex and not mentioned directly higher in section II. 1) together with the mention that it is on a separate budget envelope.

15. We consider that 1 step every 5 years (promotions excluded) is clearly insufficient to solve the unfairness of the career system[2]. For instance, the EU staff regulations consider that 1 step every 3 years is the minimum[3].

On the financial justification

16. From 2021 until 2023, the Guidelines justified the 60% ceiling in ANNEX I as follows:

> *With regards to career progression,* ***the baseline scenario of the Financial Study 2019 corresponds to granting a step to 60% of eligible staff****. Every 5% increase in quota increases the coverage gap with around EUR 160 million.* (emphasis added)

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[1] "One-off measure", President Communiqué of 13-01-2020, *"this one-off measure has been decoupled from the next reward envelope. The sum will be taken out of the 2019 budget and will not come from, or affect, the funds available for the next rewards exercise." "This one-off measure will take effect as of January 2020 and represents a total investment of around EUR 861 000."*

[2] "Nobody should be left behind: An imperative to fix the current rewarding system", CSC paper of 01-07-2024 (sc24038cp)

[3] EU staff regulations, Article 87, "*A member of the contract staff referred to in Article 3a who has been at one step in his grade for two years shall automatically advance to the next step in that grade.*"

17. This statement has been deleted in the present version.

18. In 2024, the administration explained the removal of the reference to the Financial Study 2019 by the 2023 update (CA/68/23). At the time, the CSC representatives asked why the administration did not increase the ceiling to above 60% as there is no justification anymore to keep it. The administration was not in the position to answer.

19. The Financial Study 2019 has confirmed to be undeniably and fundamentally wrong as it predicted deflation (see CA/83/19 page 20) instead of inflation. It was not tenable anymore for the administration to justify career policies on the basis of this document.

20. The Financial Study update 2023 (CA/68/23, p. 133/145) depicts the actual EPO situation and uses as a basis (Source PD Finance 26 July 2023):

    WS11 *Career progression*

    Structure of yearly career progression:

    – 40% of employees do not progress
    – 40% of employees progress by one step
    – 20% of employees progress by two steps

    Progression levels assumed constant across all grades, steps, functions and pension schemes

    Employees assumed not to be able to switch job groups, thus reaching promotion ceilings

21. Such a low standard of career policies is nothing to be proud of and cannot foster engagement. As the Financial Study update 2023 does not identify a financial gap, it is high time for the EPO to change track.

22. In the GCC meeting, the administration explained it cannot give a reason as to why the ceiling is kept at 60% of eligible staff (sic!).

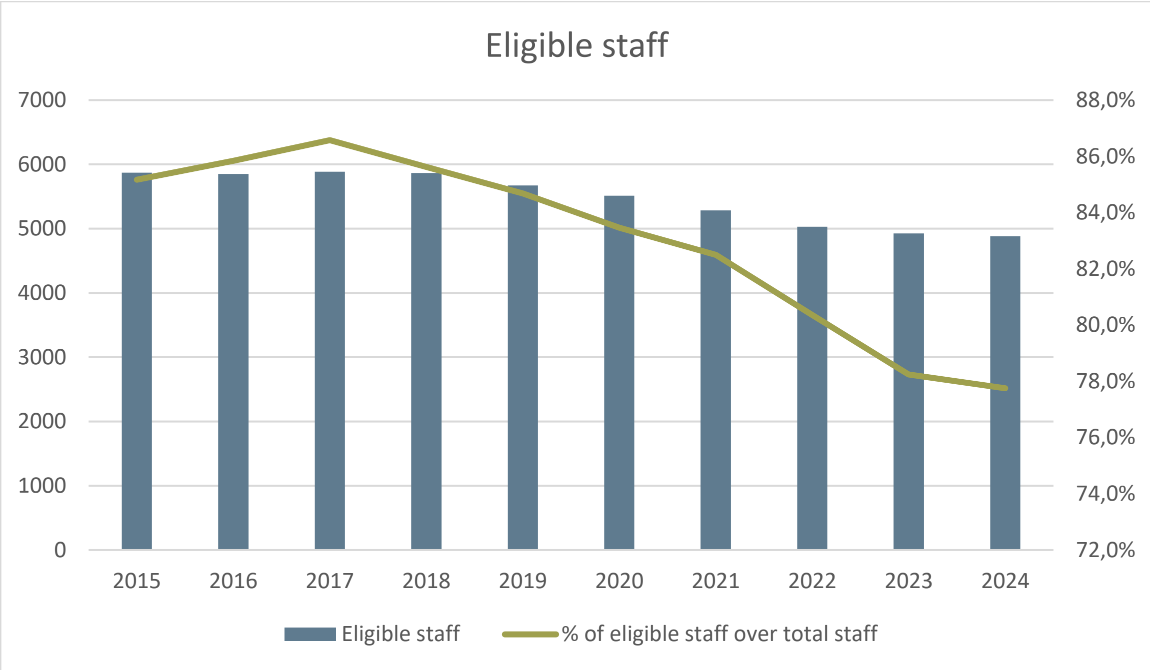
23. Later, Ms Gema Requena Sempre (PD People) stated “We cannot reward everybody”, “We do not find a reasonable justification to change it”.

On the demotivation aspects

24. After 10 reward exercises, the demotivating aspects of the New Career System have also become obvious.

25. The number of staff members who have reached the last step (G9(5) for JG6, G10(5) for JG5 and G13(5) for JG4) has increased and they are now deprived of step(s) and promotion. This could create some possibility of granting more step(s) and promotion to younger colleagues if the envelope as approved by the Council were used (see section “On the budget” below). However, the rigid 60% quota combined with the arbitrary "real” (net of inflation) decrease of the envelope prevents this. The effect is that, in absolute

numbers, fewer and fewer colleagues are receiving step(s) or promotion, and thus fewer and fewer colleagues are progressing in their career. The reward exercise is more of a budget-based and quota-based exercise than a merit-based one.



26. We consider that a purely competition-based career system excluding 40% of eligible staff is not fit for purpose. It is dogmatic to consider that 40% of eligible staff, regardless of their performance, should be excluded from any career progression. If the negative effects cannot be seen on production, they take place on decreasing substantial quality.

27. We would be ready to discuss within a Working Group a performance-based system defining a minimum career, an average career and a fast career.

28. The CSC repeatedly asked Mr Campinos to put a Review of the New Career System on the Social Agenda (e.g. for 2020, 2022, 2024, 2025) but Mr Campinos systematically refused.

29. When the reward statistics[4] actually show that 40% of eligible staff got less than 5 steps in 10 reward exercises 2015-2024, it is high time for a pragmatic revision of the New Career System.

On the budget

For step(s) and promotions

Since 1 January 2024 onwards, step advancements and promotions take effect on 1 April (instead of 1 July previously). The period of payment increased from 6 to 9 months. This derives from Circular 364 (see GCC/DOC 35/2023, section E. (6)). The subsequent

[4] "Pensionable rewards distribution 2015 to 2024", Compensation and Benefits, 10-06-2024 [**ANNEX A**]

changes to the presentation of the budget of the Administrative Council and the evolution of the budget envelope in the Guidelines on Rewards were analysed in the CSC publication[5] of 18 December 2023 and the CSC open letter[6] of 18 January 2024.

30. Until 2024 budget documents CA/50/xx and CA/D 1/xx, as well as the Guidelines on Rewards GCC/DOC x/xx, mentioned the envelope in terms of 12 months equivalent while payments for the budget year were made only over the 6 months period of July to December.

31. Since 2024, these documents mention the envelope in terms of pro-rata with different basis and shall be considered in 12 months equivalents:

Approved by the Council	**Proposed in the Guidelines**
2023	
CA/D 1/22 (p. 166/187)	**GCC/DOC 3/2023** (p. 20/22)
€ 14,380 mil (12 months equivalent)	**€ 11,700 mil** (12 months equivalent)

2024	
CA/D 1/23 (p. 81/111)	**GCC/DOC 1/2024** (p. 7/25)
€ 11,250 mil pro-rata temporis (9 months)	€ 14,900 mil pro-rata temporis* (15 months)
	- € 3,200 mil (one-off impact for advancing by 3 months) =
€ 15,200 mil[7] (12 months equivalent)	**€ 11,700 mil** (12 months equivalent)

2025	
CA/D 1/24 (p. 78/106)	**GCC/DOC 1/2025** (p. 6/19)
€ 11,325 mil pro-rata temporis (9 months)	
€ 15,100 mil[8] (12 months equivalent)	**€ 12,500 mil** (12 months equivalent)

* The administration had explained in the Technical Exchanges of January 2024 that the relevant time period does not correspond to a calendar year.

32. Compared to the 2024 budget, the Council has approved an increase of the salary mass from 869.925 € to 882.331 € (excl. internal tax). This corresponds to an increase of **+1,4%**.

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[5] "Reward Exercise 2024 – The addendum", CSC paper (sc23144cp), 18-12-2023
[6] "Reward Exercise 2024 – Budget Envelope in the Guidelines", CSC letter (sc24002cl), 18-01-2024
[7] Corresponds to 1,74% x Basic salaries (Item 3.000 p. 32/111) = 1,74% x 869.925 = 15,136 rounded at € 15,2 mil
Basic salaries can also be calculated (Annex p. 81/111) as = Total Budget 2024 – Internal tax = 1.113.175 – 250.250 = 862.925 (+ some additions for e.g. Young Professionals)
[8] Corresponds to 1,74% x Basic salaries (Item 3.000 p. 30/106) = 1,74% x 882.331 = 15,352 rounded at € 15,1 mil (!)
Basic salaries can also be calculated (Annex p. 78/106) as = Total Budget 2025 = 872.334 (+ some additions for e.g. Young Professionals)

This increase is lower than the growth in salary mass due to the salary adjustment of **+2,7%**. The budget envelope is therefore reduced in real terms.

33. The present Guidelines on Rewards set a lower budget than the one approved by the Council, namely **€ -2,600 mil**. Mr Campinos has decided again to reward less staff than possible.

For bonuses

34. In February 2023, the administration proposed for the Rewards Exercise 2023 (for 2022 performance) in GCC/DOC 3/2023 a budget envelope for individual/collaborative bonuses of € 11,300 mil.

35. In the course of the Rewards Exercise 2023 in May 2023, the administration replaced the collaborative bonus by the strategic bonus(es) in GCC/DOC 13/2023 and stated (p. 1, last paragraph) no impact on the rewards proposals already made for the individual rewards exercise or the ceiling for the exercise 2023 and that payment would come from remaining funds of the exercise.

36. Therefore, the budget envelope in the Guidelines on Rewards 2023 can be considered as referring to the individual bonus for 2022 performance and the strategic bonus(es) for 2023 performance.

37. The administration intends to pay the individual and strategic bonus(es) for 2024 performance during the course of the year 2024. The individual bonus for 2023 performance is still outstanding and shall be paid at the beginning of the year 2024 (one-off effect).

38. The comparison shall be made by comparing only the individual and strategic bonus(es) for the 2024 performance with the previous budget envelope:

Approved by the Council	**Proposed in the Guidelines**
2023	
CA/D 1/22 (p. 167/187)	**GCC/DOC 3/2023** & **GCC/DOC 13/2023** (p. 20/22)
€ 10,500 mil[9]	**€ 11,300 mil** (Individual for 2022 performance + strategic for 2023 performance)

2024	
CA/D 1/23 (p. 82/111)	**GCC/DOC 1/2024** (p. 7/25)
	€ 9,300 mil (individual for 2023 performance)
	€ 9,300 mil (individual for 2024 performance)
	+ € 2,300 mil (strategic for 2024 performance) =
€ 11,000 mil[10]	**€ 11,600 mil** (for 2024 performance)

2025	
CA/D 1/24 (p. 79/106)	**GCC/DOC 1/2025** (p. 7/25)
€ 11,200 mil[11]	**€ 11,900 mil** (for 2024 performance, only individual)

39. The Council has approved an increase of the budget envelope from **€ 11,000 mil for 2023** to **€ 11,200 mil** for 2025 amounting to **+1.8%**.

40. The budget envelope in the Guidelines on Rewards for (individual) bonuses for 2024 performance only increased by **+2.58%** compared to the previous year. It remains higher than the one approved by the Council, but the excess remains far below the underspent on the step(s) and promotion and is of course of a very different nature i.e. not a career progression. The increase is lower than the growth in salary mass due to the salary adjustment of **+2,7%**. The budget envelope is hence reduced in "real" terms (net of inflation).

[9] 1,26% x Basic salaries = 1,26% x 826.500 = 10,413 rounded at € 10,500 mil
The figure of 826.500 was provided orally by the Finance Department.
[10] 1,26% x Basic salaries (Item 3.000 p. 32/111) = 1,26% x 869.925 = 10,961 rounded at € 11,000 mil
Basic salaries can also be calculated (Annex p. 81/111) as = Total Budget 2024 – Internal tax = 1.113.175 – 250.250 = 862.925 (+ some additions for e.g. Young Professionals)
[11] 1,26% x Basic salaries (Item 3.000 p. 30/106) = 1,26% x 882.331 = 11,117 rounded at € 11,200 mil
Basic salaries can also be calculated (Annex p. 78/106) as = Total Budget 2025 = 872.334 (+ some additions were made for e.g. Young Professionals)

On the bonuses

Abolition of strategic bonuses

41. In 2015, on top of the individual bonus, the Office put in place the collective bonus later replaced by collaborative bonuses and then replaced by the strategic bonuses.

42. **Strategic bonuses are now abolished** and the administration switches to individual bonuses only. Consequently, the whole ANNEX III (GCC/DOC 1/2024) providing a (non-exhaustive) list of projects and initiatives considered for the strategic bonus is deleted.

43. Back in 2023, the administration had amended the criteria for the allocation of step(s) and promotions, and individual bonuses and moved them to new Circular 364 (GCC/DOC 35/2023). We commented on these in our opinions[12]. At the same time, the administration had deleted the following criteria for the allocation of the strategic bonus:

    1. *Collaborative achievement of particularly successful unit results*
    2. *Collaborative initiatives aiming to increase and advance key objectives of the Office*
    3. *Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans*

44. The deletion of these criteria gave management full manoeuvre to decide in advance what is a strategic project and what are the collaborative initiatives worth being rewarded.

45. An explicit list was mentioned but it was non-exhaustive and lacked transparency. There was no transparency as to the role the staff member should hold in the initiative in order to be eligible for a strategic bonus (see our opinion on GCC/DOC 1/2024).

46. Obviously, the drafting of the list of initiatives lacks objectivity. Strategic bonuses were a means for Mr Campinos to reward what he had unilaterally declared as being successful.

47. For 2025, the administration has not brought in the document any explanation on the abolition of strategic bonuses. We are not aware of any evaluation which took place nor of any results. Until now, strategic bonuses were presented as an essential piece of the Office narrative on “collaboration and sense of belonging”.

48. In the GCC meeting, the administration explained that “collaborative initiatives” will remain rewarded via the hierarchical with individual bonuses.

49. We therefore note that there is even less transparency as to how “collaborative initiatives” are rewarded via bonuses.

Two rounds of bonuses

50. Two individual bonuses (first round in July 2025 and second round in January 2026) are possible for eligible employees. These bonuses relate to the 2025 performance.

[12] "Report on the GCC meeting of 5 December 2023", CSC paper (sc23148cp), 21-12-2023

51. There is no indication in the document as to which months of performance each round applies. Does the second round also cover the period of the first round?

52. In the GCC meeting, the administration explained that the first round in July 2025 is meant to reward the "first months". After we insisted, the administration clarified by mentioning the months of January to May. Later, Ms Gema Requena Sempre (PD People) said January to June.

53. For the second round in January 2026, the administration explained that the whole performance year 2025 is taken into account and later corrected that the performance period is from January to November. However, we are also aware that the second round was used by some Team Managers to reward purely the June to November performance rather than the whole year.

54. The hesitation and contradictory statements suggest that management is more focused on who gets individual bonuses rather than on how the performance for these is assessed.

55. The current policy is therefore to perform these two rounds of bonuses for the performance year in addition to a round of step(s) and promotions for the same performance in April next year.

56. Therefore, the same performance can be rewarded three times. This is wrong in terms of performance management policy.

Ceilings and amount

57. A combination of two individual bonuses (first round in July 2025 and second round in January 2026) is possible for eligible employees and their relate to the 2025 performance.

58. However, the combination of bonuses shall not exceed the annual ceiling of EUR 9.000 per employee. This overall ceiling remains unchanged. However, the basic amounts and ceilings have been amended as follows:

59. Since 2024 (GCC/DOC 1/2024), there is no **ceiling on the number of eligible staff** (formerly up to 30%) who may receive individual bonuses. At the same time in 2024, the minimum individual bonus amount was increased from EUR 2.000 to EUR 3.000.

60. This year, the minimum individual bonus amount is decreased back from EUR 3.000 to EUR 2.000.

61. The exact lump sums are now:

    - EUR 3.000
    - EUR 4.000
    - EUR 5.000
    - EUR 6.000
    - EUR 7.000
    - EUR 8.000
    - EUR 9.000

62. These changes confirm the establishment of a bonus culture at the EPO which has no place in a public service organization.

63. The administration considers that an explicit list of exact lump-sums increases transparency. A mere list of lump-sums still does not reveal what goes to whom and with which criteria.

64. In the GCC meeting, the administration explained that switching back the minimum individual bonus amount to its former lower value is a mean to reward more staff with bonuses.

Young professionals

65. Young Professionals are among the categories of staff who may be considered for the allocation of bonuses (see section I) and for which specific attention is to be paid (see section III. 1. 3)). The administration considers that this change gives more opportunities to Young Professionals. There is however nothing binding ensuring that this will actually be the case.

66. In our view, Young Professionals should be provided with a decent work package.

On functional allowances

67. For the first 6 reward exercises following the implementation of the New Career System in 2014, the budget for **functional allowances** was mentioned in the President's Instructions on rewards.

68. In 2021, the budget for functional allowances was not even submitted to the General Consultative Committee (GCC) and the budget envelope was simply disclosed in an announcement published on the Intranet on 15 October 2021. The details concerning the distribution and entitlement remain undisclosed. The Office also carried out a harmonisation reform without discussing it with the staff representation and without providing any details or basis for it.

69. The CSC addressed this lack of transparency and consultation in a letter[13] to the Administrative Council on 26 November 2021. To this day, the letter remains unanswered. In 2022, 2023 and 2024 no consultation took place and no figure was communicated. We fear the same will happen in 2025.

70. Initially, functional allowances were meant to compensate employees in Job Groups 4-6 when temporarily taking on tasks above and beyond what is in their job description. This is for instance the case for Team Managers. Obviously, this did not apply in the beginning to managers in Job Groups 1-3, since the New Career System awarded them an increase in salary for higher responsibilities.

[13] "Functional allowances at the EPO", CSC letter (sc21140cl), 26-11-2021

71. With GCC/DOC 7/2017, management amended Article 12(2) ServRegs to open up the possibility of getting a functional allowance also to… Management. Concomitantly, the functional allowance was increased from a maximum of *“an amount equivalent to two steps in the current grade”* to *“two monthly basic salaries per year”*.

72. The Office stated that this was justified for “*the sake of efficiency and flexibility”*. Annex I to Circular 364 indicates that duties and constraints deserving a functional allowance are for *“functions of high responsibility (…) organizational and technical change management etc.”* One can easily assess the degree of self-service and how the trend will continue if the budget for functional allowances remains undisclosed and not submitted to consultation. After having opened the cookie jar to help themselves, management is now hiding the cookie jar.

73. The budget document CA/D 1/24 (p. 79/106) mentions the percentages of the basic salaries allocated per site for functional allowance. No information is given as to whom and for which tasks the envelope is spent.

On performance criteria

For steps and promotion

74. Since 2024, the criteria for granting a reward are to be found in the new Circular 364 (GCC/DOC 35/2023) which merely contains a broad non-exhaustive list interpreted differently among directorates and teams.

75. It is worth mentioning again that for steps, one of the criteria is the

> *“achievement of the expected objectives and competencies corresponding to grade, seniority and job profile”* (C364, section B. 1) a))

76. and for promotions, the criteria have become stricter (amendments in bold)

> *“proven performance and expected objectives corresponding to the grade continuously achieved* ***over several years****”* (C364, section D. b. 1) b))
>
> ***demonstrated competencies and abilities to perform at a higher grade*** (C364, section D. b. 1) c))*;*

77. Such levels of expectations are not defined and the so-called corridors of “production/productivity” or “grade expectations” applied (e.g. in DG1) continue to be purposefully hidden from staff. And staff is essentially asked to perform already like in the higher grade to get promoted. The rat race competition is pushed even further.
“Specific attention”: Parental leave? Sickness?

78. Allegedly to *“ensure a fair distribution of rewards to all categories of staff”* (section III. 1.), the Guidelines on Rewards state that *“it is wished that specific attention is paid in the reward exercise” for:*

- *Staff on maternity and adoption leave (periods of maternity and adoption leave are to be neutralised by considering continuity between performance prior to and after the leave)*
- *Newcomers (performance with demonstrated learning curve may be rewarded, including during probationary period)*
- *Part-timers*
- *Staff who changed jobs or were on partial mobility during the relevant period (in such cases it is important that managers in charge liaise to discuss potential rewards proposals)*
- *Staff who did not benefit from pensionable rewards <u>over several years</u>*
- *Staff in statutory functions (e.g. Staff Representatives, Confidential Counsellors)*
- *Young professionals*

79. If the Office were serious about fairness, it would not define it as a "wish", but as a requirement and the "specific attention" would be defined as a positive attention.

80. The period of "over several years" before making an employee benefit from step(s) or a promotion is undefined and open to managerial arbitrariness.

81. **Sick staff and staff on parental leave are not mentioned in the list**.

82. In the last Technical Meetings of 2024, the staff representation requested that these shall be included in the list, but the administration pretended they *"did not want to overburden the text and keep it concise"*. Representatives from the Employment Law Department stated that the EPO is able to prove in litigation that these have been taken into account.

83. We are not convinced by the argument. We hear of several cases of Directors explaining to staff on parental leave that they have *"made a choice of family life incompatible with a career"*. We also remember that management explained in the GCC meetings shortly after the entry of the (New) Career System that *"the Office shall support sick staff but not promote them"*.

84. The age pyramid of EPO staff shows a clearly ageing population and hence more prone to sickness. It is high time the EPO to revise its policies.

85. Overall, the Reward Exercise sends the signal of how much the Office values its employees and pays attention to them. For this reason, rewards, performance management and skills management need to be in the hands of the best managers ready to treat staff with the utmost care.

(Lack of) justification

86. Colleagues are hardly ever given reasons as to why they got or did not get a reward, and how they should perform to get one in the future. Only those who file a management review start to have the beginning of answer which raises even further questions on the arbitrariness of the exercise.

87. We hear that colleagues were successful in their appeals against a lack of reward. Their case was then submitted to a Reassessment Panel. However, this panel remains defined nowhere, its creation was never submitted to GCC consultation and the staff representation obviously never involved in its composition.

<u>On the communication of rewards allocation</u>

88. Line managers remain forbidden to transparently share the information whether they had proposed a staff member for a reward or not. They are only allowed to announce the President's decision after the completion of the rewards process. This goes against the alleged principle of "empowering managers" which was put forward by the management when disbanding the promotion board in 2014.

89. 40% of staff will be excluded from a pensionable reward. We are concerned that the text allows line managers to communicate the outcome of the reward exercise <u>collectively</u>. If a lack of individual reward is announced in front of the other team members, this could be experienced as humiliating for the employee concerned.

<u>On the calibration by PDs, VPs and the President</u>

90. Staff engagement can only be fostered by performing an **<u>objective</u>** appraisal exercise and linking it to the reward exercise. At the EPO, the appraisal exercise is not objective, and the reward exercise remains arbitrary. The administration is wrong in continuing along this path which has not been followed by another International Organization.

91. We observe an increasing number of colleagues in DG1 who produced at least 81% of their challenging target and are considered to be "far below" and their requests for being considered "partially not met" are summarily dismissed. We even see Team Managers ranking their Team Members along the criterion of "usefulness" for deciding whether or not to grant a reward. Such a policy can only trigger frustration, demotivation and lack of engagement. If the negative effects cannot be seen on production, they take place on decreasing substantivel quality.

92. The document mentions (section IV),

> *There is **no automatic link between appraisal reports and the reward exercise**. While performance is a pre-condition, it may not be sufficient to warrant a reward in view of other elements taken into account for its attribution such a **comparison with peers**, collaborative behaviour, development, priority of the Office and contribution to the Office's achievement.* (emphasis added)

93. The broad statement allows management to exclude anyone at PD or VP level from the reward exercise during the so-called calibration process in an arbitrary manner.

94. 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? Over the years, we have asked the administration for clarification and a clear definition. None was provided.

95. The year 2024 showed that production is paramount for management (see [DG1 Beats of January 2025][14]):

> *The pensionable and non-pensionable envelopes are initially distributed to the DGs on the basis of the demographic structure (number and grading of staff).* ***Each VP may then calibrate them within the DG considering unit performance and collaborative achievements.*** *However, no transfer of the different amounts between the different envelopes is allowed."* (section I, par. 3)

96. This statement formalises the practice of arbitrarily reducing the percentage for the teams considered less productive (50% for some, 70% for others) without duly considering the specificities of their work.

97. A COO, a PD or a VP may further reduce the percentage to show that he or she is acting more "sustainably" than other managers.

On collaboration

98. The document mentions several times the word collaborative and collaboration. However, it remains solely in the context of allocating bonuses.

99. The word "collaboration" appears to be a communication exercise designed to hide the fact that the administration maintains a competition-based system that goes actually against the values of cooperation.

100. It is a fig leaf on the actual exclusion of 40% of eligible staff from career progression.

[14] "Production, publications and productivity: Our goal for 2025 is in that region at 107.1k. Examiner productivity is also improving, from 106.6 products per full time equivalent in 2023 to 111.5 at the end of 2024, and the days per product achievement was almost in line with the budget. Our target for 2025, at 116.4 products per FTE is challenging, and according to our plans, within reach."

On transparency and the Harmonisation Committee

101. On 26 July 2024, the CSC addressed[15] Mr Campinos on the lack of transparency in the reward exercise with three requests:

1. That the detailed statistics continue to be published on the intranet, including for the new bonus reward rounds, past and future
2. That the average value of the bonus is included for the disaggregated data
3. That more granularity at Directorate and Team level is provided

102. An "answer" came on 2 October 2024 from Ms Gema Requena Sempre (PD People) in her letter "packing" replies on two other letters as well on different topics. Previously, management used to reply to our letters one by one. This form of respect has now disappeared, and the priority seems to get rid of the backlog of CSC letters with a batch of minimal answers.

103. The reply referred to

> *detailed information, including on the distribution of rewards, such as strategic bonuses, across various staff categories, was provided to the Harmonisation Committee on 30 June, 5 December 2023, and 4 July 2024; it is noted that the CSC declined the Office's invitation to send an observer to these meetings.*

104. The flaws of the Harmonisation Committee are detailed in the opinion[16] on GCC/DOC 2/2023 and the opinion[17] on GCC/DOC 35/2023.

105. We maintain that the Harmonisation Committee remains a rubber-stamping exercise which lacks transparency. Staff representation is only offered to nominate a single observer with strict confidentiality requirements. Our nominee is not even allowed to comment thereafter on the events of the meeting in front of other staff representatives. The conditions are not met for the CSC to nominate an observer in the Harmonisation Committee.

106. In 2024, three rounds of reward exercise took place and for each the Harmonisation Committee met. Two rounds related to individual/strategic bonuses only. We wonder whether the Office is making best use of its resources by keeping busy managers and staff for the purpose of the distribution of bonuses which have very little impact on staff engagement.

[15] "No 'transparency' in the rewards exercise anymore", CSC letter to the President of 26-07-2024 (sc24049cl)
[16] "Report on the GCC meeting of 28 February 2023", CSC paper (sc23030cp), 09-03-2023
[17] "Report on the GCC meeting of 5 December 2023", CSC paper (sc23148cp), 21-12-2023

Conclusion

107. The many pitfalls identified by staff and their representation over the last 10 years of application of the (New) Career System still remain unsolved. The reward exercise is still a lottery which is unique among international organizations.

For the above reasons, the CSC members of the GCC are **negative** on the document.

The CSC members of the GCC

Annexes:

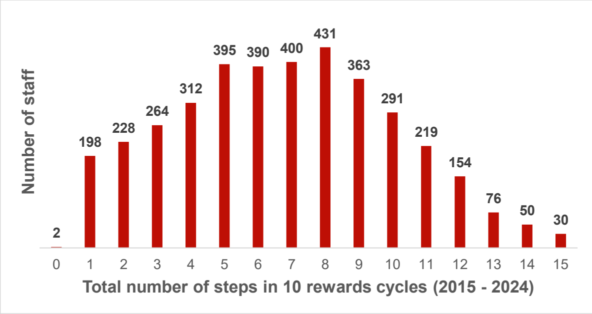
A:	“Pensionable rewards distribution 2015 to 2024”, 14-06-2024
B:	“Your letters dated 27 June, 19 July and 26 July 2024”, 02-10-2024

ANNEX A

Statistics Report on Reward Exercise 2024

Pensionable rewards distribution 2015 - 2024

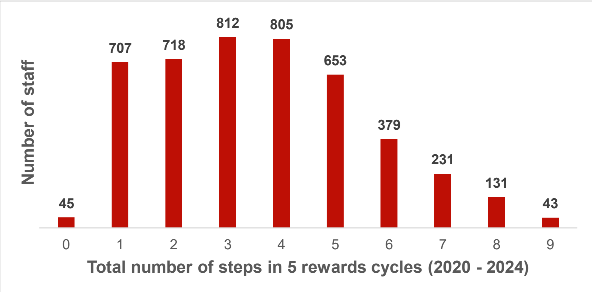
Number of steps	#staff
0	2
1	198
2	228
3	264
4	312
5	395
6	390
7	400
8	431
9	363
10	291
11	219
12	154
13	76
14	50
15	30
16	15
17	11
Average	**6.90**



Remarks: Only staff members who have been active and eligible for a pensionable reward in each year during the whole period 2015-2024 have been considered. i.e. in total 3829 employees. Newcomers, leavers and those having reached the last step of their career group have not been taken into account in the analysis, because doing so would distort the statistics. A double step has been counted as two steps, and "mini-steps" and promotions have been counted as 1 step. This analysis also includes all one off and catch-up mechanisms, when the President granted additional steps to a number of staff. Pensionable rewards granted to staff representatives in accordance with Circular 356 are not included in this analysis. The maximum amount of steps in the 10 reward cycles is limited by the fact that depending on the current position on the grade it is not always possible to receive a double step.

Pensionable rewards distribution 2020 - 2024

Number of steps	#staff
0	45
1	707
2	718
3	812
4	805
5	653
6	379
7	231
8	131
9	43
Average	**3.62**



Remarks: Only staff members who have been active and eligible for a pensionable reward in each year during the whole period 2020-2024 have been considered. i.e. in total 4524 employees. Newcomers, leavers and those having reached the last step of their career group have not been taken into account in the analysis, because doing so would distort the statistics. A double step has been counted as two steps, and "mini-steps" and promotions have been counted as 1 step. This analysis also includes all one off and catch-up mechanisms, when the President granted additional steps to a number of staff. Pensionable rewards granted to staff representatives in accordance with Circular 356 are not included in this analysis. The maximum amount of steps in the 5 reward cycles is limited by the fact that depending on the current position on the grade it is not always possible to receive a double step.

ANNEX B

European Patent Office | 80298 MUNICH | GERMANY

Mr Derek Kelly and Mr Michael Sampels
Chair and Deputy Chair of the Central Staff Committee

Via email only: centralstcom@epo.org

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Date: 02.10.2024

Your letters dated 27 June, 19 July and 26 July 2024

Dear Chair and Vice-Chair, dear Derek and Michael,

In response to your letters of 27 June, 19 July, and 26 July 2024, the Office would like to note the following:

Reference is firstly made to your questions on the application of Circular No. 422. With this Circular, which came into force in the context of the professional mobility programme within the SP2023, the Office clarified and improved the conditions for colleagues going on secondment and extended the maximum duration for unpaid leave on personal grounds up to ten years. The Office supports colleagues who wish to pursue activities outside the Office, recognising that these external experiences equip them with fresh perspectives.

On the topic of unpaid leave on personal grounds, a total of 29 requests for periods above six months have been granted since July 2022. This stands in comparison to an average of 5 requests per year for longer periods of unpaid leave before the implementation of the Circular. Of these 29 requests, 11 were motivated by the intention to perform professional activities in other organisations. As regards outbound secondments, it is to be noted that these should serve a specific business need, such as the Office's desire to exchange expertise with the Unified Patent Court, to which one employee has been seconded for 4 years. The Office has taken note of your request that these statistics are included within the Social Report.

Similarly to secondments, the Office grants requests for unpaid leave on personal grounds only if these are compatible with business needs. It is to be noted that all new requests for unpaid leave which have reached HR have been granted, however, a number of requests for extension have been rejected for business reasons since July 2022. Staff are invited to contact their HR Business Partner in order to discuss their individual circumstances.

Regarding your request for the reinstatement of Staff Representation participation in Newcomer Meetings, the Office would like to highlight that the Orientation Days laid on for newcomers (see agenda) have a duration of 1,5 days and are designed to offer newcomers a smooth onboarding experience and help them navigate their first steps within the organisation. Their design has evolved over time, following the input received from newcomers, and one of the main adaptations has been to reduce their agenda, in order to avoid an overflow of information, prioritising the content that is essential in the first few days. This includes information related to the EPO's mission, HR matters, and Occupational Health & Safety; a sample agenda is attached for your perusal.

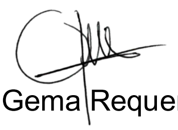
The Office shares your goal of fostering an inclusive and transparent workplace. To this end, it is suggested instead to include a reference to the role and functions of the Staff Representation in the 'Newcomer resources' pack provided to newcomers during the Orientation Days. This pack includes checklists and links to additional information that newcomers can access at their own pace during the onboarding phase. This would contribute to our shared goal of building a positive workplace culture and fostering trust and confidence in the Office.

Finally, as regards your letter of 26 July 2024, in which you raised concerns regarding transparency in the rewards process, the Office wishes to clarify the following points. The number of strategic bonus recipients and summaries of strategic initiative achievements were communicated to all staff following each round of bonuses. Relevant updates can be found in the news releases from July 2023, December 2023, and July 2024. Further detailed information, including on the distribution of rewards, such as strategic bonuses, across various staff categories, was provided to the Harmonisation Committee on 30 June, 5 December 2023, and 4 July 2024; it is noted that the CSC declined the Office's invitation to send an observer to these meetings.

Concerning your request for additional information on the July 2024 bonus round, as indicated in the news item of 12 July 2024, a comprehensive report – including trends and global statistics – will be published once the second bonus round in December is concluded. This ensures that the full observation period for the reward cycle is considered. In line with our established practices, the bonus statistics for 2024 will include data on average bonus values and their distribution across different staff categories. The information provided by the administration reflects organisation-wide trends, consistent with the Presidential guidelines.

I trust that this letter clarifies the above matters.

Yours sincerely,



Gema Requena Sempere

Comments regarding GCC/DOC 02/2025 “Office-wide organisational adjustments 2025 -stream 2”

We strongly deplore that no consultations or explanations took place, neither with the involved staff nor with the Staff Reps in view of the new reorganisation. We all are presented with the ‘fait accompli’ reorganisations only for information. Thus, staff don’t feel involved at all, what results in demotivation and in losing the sense of belonging.

HR is again, after a very short period, undergoing a new reorganisation including moving teams, changing again managers, renaming the teams, tearing teams apart, destroying any sense of continuity. The staff is very stressed, confused, not understanding why a new reorganisation should be necessary after such a short period of time after the last one. They continuously must adapt to new managers, to new work processes, to changing workflows. Additionally, the new tools also do not deliver as expected. In this way, especially ‘stability’ is not achieved.

The continuous stress due to change, the lack of clear communication from the higher management showing the purpose of this all, and the understaffing, has already resulted in the demotivation of even the most motivated persons. If the administration doesn’t seriously consider that staff is at the limit, it could be confronted with increase in sick leave, staff leaving in pension earlier than intended, and with an even bigger decrease in the sense of belonging. The result will be a huge deficiency in knowledge, competencies and a loss of efficiency, the exact opposite of the aimed result stated in the document. The document also states that the aim is to enhance staff connectivity, engagement and the sense of belonging. None of them is achieved at the moment, in fact the opposite is the reality.

The staff asks if this alleged necessity of a new reorganisation after such a short period of time is the result of a survey or a study, or if the reorganisation is merely aiming to change a couple of directors. The staff can really not relate to these continuous reorganisations.

The administration answered that intensive consultations took place and that the steps of reorganisations as well as renaming of directorates were suggested by staff. Yet, the HR staff involved in the reorganisations informed the Staff Reps about the points stated above, about their stress, about their demotivation and their tiredness of all these changes. Hence, it is not visible which staff was allegedly consulted. More transparency is needed.

The administration stated that it is obvious that changes bring along stress and uncertainty. This time teams were not teared apart. But what the administration fails to acknowledge, is that staff in the EPO, especially staff in HR have been undergoing continuous changes in short time periods since last years. Staff could cope with one reorganisation, but a series of reorganisations, a series of changing work processes, changing workflows and changing managers and all that within a short time period is too much. The reorganisation fatigue is at maximum. Especially HR managers should be aware of the consequences of continuous changes in teams. Efficiency and stability are for sure not the result.

Another point of worry is the future substantial decrease of interactions between the HR Interlocutors (People Services) and staff as result of the automation and the focus on self-service. The administration answered that HR Interlocutors will have more time for the important questions and problems of staff not being busy with very basic questions because the day-by-day work will be automated. The administration did not address the fact that HR staff which leaves is not replaced. Less HR Interlocutors will be there to interact with staff and dedicate time to support staff. Therefore, the risk of HR failing to deliver proper service to staff is high.

While the continuous changes that will take place seem to lack substantiation, there is one change that is absent and yet would be necessary. Namely, it is important to mention that what OHS really needs is independence and not proximity to other teams. OHS should be independent (like in other large organisations) and thus positioned directly under the president. If not, the next best place for the OHS would be directly under VP4 and instead of being hidden deep under 3 management hierarchy levels.

The CSC members of the GCC