Consulting Report:
Review of the Performance Management and Staff Development System

Internal Oversight Division

Reference: IA 2021-03

November 15, 2021

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List of Acronyms

AIMS	Administration Information Management System
D&P	Diversity and Inclusion
IOD	Internal Oversight Division
IT	Information Technology
KPI	Key Performance Indicator
L&D	Learning and Development
PIP	Performance Improvement Plan
PMSDS	Performance Management and Staff Development System
RRP	Rewards and Recognition Program
UN	United Nations
WIPO	World Intellectual Property Organization

Objectives, Scope and Methodology

Context

The World Intellectual Property Organization (WIPO) has recently embarked on a review of the current Performance Management model. In that regard, the Internal Oversight Division (IOD) together with PwC, conducted a consultancy review and evaluation of the WIPO Performance Management approach and made recommendations to support the change process.

Objectives

The objectives of this review is to assess whether the Performance Management and Staff Development (PMSDS) Framework at WIPO is fit for purpose, aligned with the Organization's new Medium Term Strategic Plan to achieve better business results, and empowers WIPO's staff to perform at the highest level. The review focuses on verifying if the current approach and framework:

1. Aligns teams and individual goals to the Organization's top priorities; empowers teams to set aspirational goals and transparently track progress;
2. Promotes the development of a highly engaged, capable workforce that proactively espouses innovation and change agility, and provides real time insights into employee performance;
3. Reflects WIPO's mission and values, promotes a culture of diversity and inclusiveness and differentiates the Organization from others; and
4. Functions as a key driver of engagement and contributes to a positive meaningful work environment characterized by trust and inclusivity.

The review also assessed whether WIPO's organizational culture promotes and rewards performance. It also assessed the maturity of performance management at WIPO. As a result of this exercise, it would be possible to:

- Develop a baseline assessment on the state of Performance Management at WIPO;
- Generate data and insights to help make informed decisions about quick wins and longer-term strategic developments; and
- Understand the predominant traits in the WIPO's culture, including the strengths that can relied upon, and challenges to mitigate.

Scope and Methodology

The scope covered 2019 and 2020, and the methodology included: interviews with key stakeholders, interviews with representative groups/individual, document reviews, case studies, benchmarking with best practices, and a culture thumbprint survey.

Outputs

- Each organizational process is evaluated to define its average maturity level;
- Outline of key strengths and possible areas for growth to inform further developments;
- Extracts of observations;
- Considerations on priority areas for change.
- Analysis of WIPO's Performance Management maturity across seven pillars and 30+ design elements;

How to read the Maturity Assessment report

- The report is based on data that was made available by WIPO and publicly available information;
- The outcomes of the Performance Management Maturity Assessment should be viewed as a high-level Maturity Assessment, as opposed to a detailed and thorough evaluation of all Performance Management related activities, programmes and initiatives;
- The assessment provides an average picture of the maturity of the Performance Management process across WIPO; any further detailed analysis in this respect was carved out from the scope of this mandate;
- The "average suggested priority for change" outlines the level of priority WIPO could apply to each pillar, either to reinforce strengths areas (quick wins) or address areas where there is an observed lack of maturity;
- As a next step and in conjunction with the effort to reshape the Human Resources (HR) strategy, WIPO should define its desired maturity for the different dimensions of the Performance Management Maturity Model and build a detailed plan of action to tackle the selected focus areas.

Section 1
Executive Summary and high level recommendations

- Key findings from the current state
- Key findings for the future state
- What we mean by "Maturity" in Performance Management
- WIPO's current Performance Management Maturity
- Maturity Assessment – key findings on a page
- Prioritised recommendations
- Alignment of WIPO's culture with WIPO's strategic aspirations
- Recommendations on leading the required cultural change

Key findings from the current state

A traditional Performance model

- The underline current process at WIPO is based on traditional Performance Management principles and aligned to the wider United Nations (UN) staff regulation;
- The current process includes an annual evaluation of performance based on yearly objectives, a mid-year review and a final evaluation conducted by the manager;
- Employees can rebut evaluations stating an underperformance if they do not agree with this assessment or the comments made by the manager.

Key observations from the current model*

- Lack of trust in the performance process;
- Absence of a continuous feedback culture and fear of having difficult conversations;
- Heavy burden to manage administrative workload for managers, as the system is complex and not user friendly;
- Perception of a "tick-box" exercise with little added value for people;
- From an organizational standpoint, while PMSDS is effective in ensuring alignment with task-related objectives, it is not yet functioning as an integrated tool that encourages development and the growth mindset necessary for WIPO's strategic ambitions;
- Lack of mobility means that certain staff may be "stuck" in a position where they cannot flourish;
- Managers lack the skills to effectively manage performance; they are reluctant to tackle underperformance and to sufficiently differentiate when assessing their team, which leads to a performance rating inflation.

*collected feedback from employees with different grades, genders, locations and functions across WIPO with the Cultural Thumbprint survey, stakeholder interviews and focus groups.

Need for change*

Employees have outlined their growing expectations for change:
- They expect to see more objectivity, recognition and development in the new model supported by a more user-centric and simple process;
- Managers expect more support from the Organization to efficiently address their challenges in tackling underperformance;
- Employees have also raised the need for a deep cultural evolution of mindsets and behaviors around performance.

Key findings for the future state

What we see (and hear) in the market*

There is a lot of noise around what other organizations are doing regarding Performance Management, which is one of the most widely *despised* business processes by people in organizations across all industries:

- Some are getting rid of the formal process. As experience shows, if the annual appraisal is removed, it must be replaced by another mechanism as it is still necessary to appraise employees and to reward them appropriately;
- Others embed a 360° review with stop/start/continue model that is more frequent (quarterly) with more real time "snapshot" assessments;
- Other organizations made changes to the annual appraisal process and revised the rating process to make them more fair, transparent and forward looking.

Learning from those cases is a great opportunity for WIPO to make sense from this "noise" and make decisions on a future model that is aligned **both with its strategic ambitions and cultural traits** (see here for more details on the misalignment of WIPO's current culture with strategic aspirations).

*See here for selected case studies relevant to WIPO.

What does this mean for WIPO

As there is no one-size-fit-all, there were specific **challenges** identified that a refreshed Performance Management system would seek to address:

- A strategic shift towards more customer-centricity (see case study #1);
- A drive towards what neuroscience calls a "growth mindset", fueled by a culture of performance and feedback (see case studies #2 and #3);
- The need for more agility and innovation, hindered by a lack of flexibility in the Performance Management process (case study #3);
- A highly technically skilled workforce that generally lacks managerial skills and resistance to move away from traditional professional behaviors (case study #4).

As WIPO is in the process of renewing its HR strategy as aligned to the most recent Medium-Term Strategic Plan, the working areas and areas for further improvement of the current model were identified, prioritized between quick wins and longer-term initiatives here.

In a nutshell, to make this change a success, it is crucial for the new model to be simple, more flexible to adapt to different realities and support communication and sharing of feedback. Middle management will be a key enabler to bring the new model to their teams and day-to-day work. Enabling managers to do it right will be vital.

Finally, engaging in a Cultural Change will require to focus on the Critical Few behaviors that can be leverage, to make changes to WIPO's new Performance Model "stick".

What does Maturity in Performance Management mean?

Initiating → **Performance Management Maturity Levels** → **Leading**

WIPO is moving towards 2.0

Initiating (maturity score : 1.0 - 2.9)

- **Purpose**: hold people accountable and provide documentation to defend against legal challenges upon contract termination
- **Goal setting**: once a year only
- **Evaluation**: top-down, happens 2x a year
- **Rating**: rating-based system, forced distribution
- **Process**: heavy administrative burden
- **Recognition**: no or limited reward and recognition for high performance
- **Integrated approach**: Performance Management is not integrated with other people development functions (i.e. career progression, assignment or succession planning)

Emerging (maturity score : 3.0 - 4.9)

- **Purpose:** foster performance, good relationships, development, engagement and communication
- **Goal setting**: flexible and dynamic goals and priorities
- **Evaluation**: feedback is multidimensional, continuous and honest; performance discussions based on open feedback culture and focused on evaluating impact and development
- **Rating**: potentially no formal rating or forced distribution
- **Process**: simple, streamlined with little administrative burden
- **Recognition**: formal and informal
- **Integrated approach**: performance is part of an integrated approach incl. Learning and Development (L&D), Talent Management and Career Development and overall business strategy

Leading (maturity score : 5.0 and above)

The highest maturity stage includes all the elements from the "emerging" stage and adds further value with additional differentiating factors:

- **Strategy**: strategically develop skills and talents that drive overperforming business and organizational results vs. peers in the industry
- **Technology**: leverage cutting-edge technologies (i.e. Virtual Reality, Artificial Intelligence, Big data)
- **Growing Talents**: performance is an essential part of talent development strategy to grow and develop a long term and sustainable internal talent and succession pipeline
- **Employee Value Proposition**: performance is integrated into the employee value proposition where future employees expect to be high performing in exchange for fast individual development, career progression and high employability.

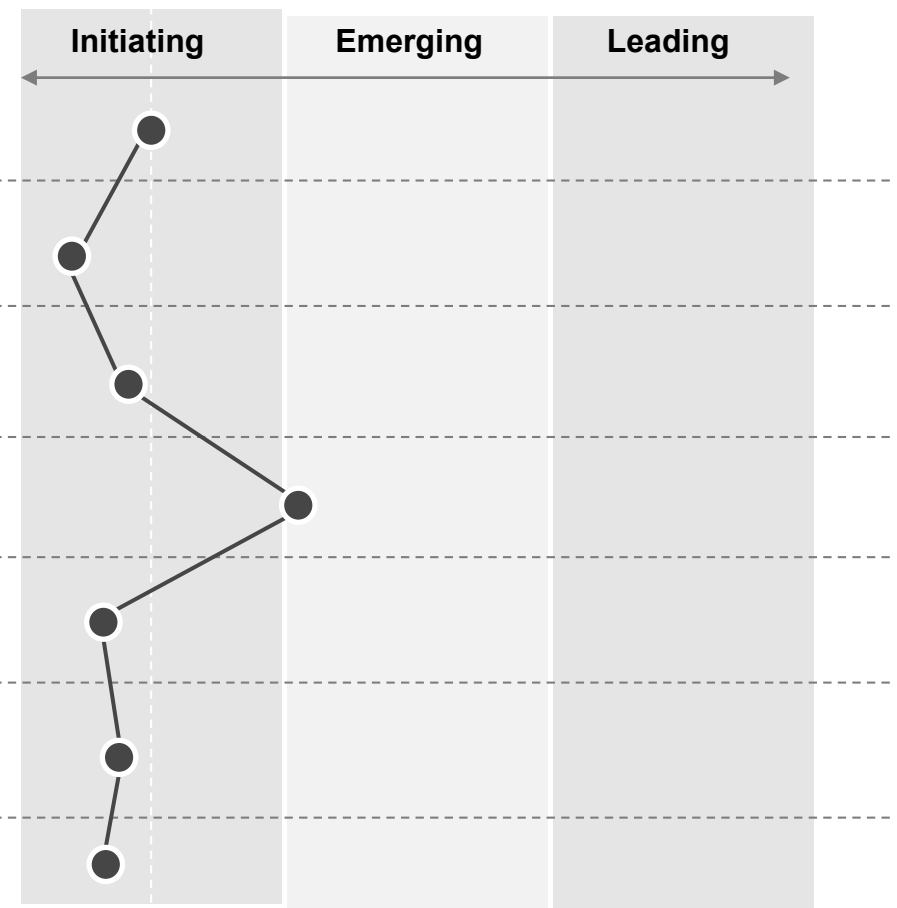# WIPO's current Performance Management Maturity

Performance Management pillars...

- Purpose and Strategy
- Culture and Communication
- People Management
- Performance Process
- IT System
- Reward and Recognition
- Career and Development

..diverse sources used for maturity analysis...

Documentation review

60 documents reviewed

Data gathered across **30+** design elements

Interviews & Working Sessions

10 1-2-1 stakeholder interviews

3 working sessions with IOD and HRMD

Focus Groups

2 focus groups across multiple departments

25 participants across WIPO

Cultural Thumbprint survey results

From **500+** people across WIPO

... to derive WIPO's current Performance Management Maturity

Initiating	Emerging	Leading

Average Performance Management Maturity
1.8 – Initiating

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Source: PwC analysis

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Maturity Assessment – key findings on a page

☐ : "Bold moves"

Maturity score scale | Initiating : 1.0 - 2.9 | Emerging : 3.0 - 4.9 | Leading : 5.0 - above

| Maturity pillars	Purpose and Strategy	Culture and Communication	People Management	Performance Process	IT System	Reward and Recognition	Career and Development
Estimated Maturity level	2.0 Initiating	1.3 Initiating	1.8 Initiating	3.0 Emerging	1.5 Initiating	1.7 Initiating	1.6 Initiating
What's working	• Performance Management objectives can be aligned with Program Activities (optional)	• Current feedback is transparent in the Information Technologies (IT) system (i.e. no anonymous feedback) • Training material exist on effective communication	• Managers have specific managerial capabilities that are evaluated • Possibility to update performance objective at mid-year review • Mentoring program pilot	• Clear and detailed process with sufficient supporting documents • Homogeneous performance process • Process can be completed quickly	• Current Performance Management is based on the PeopleSoft HCM, Oracle technology • Current IT system is a SaaS model	• Existing Reward and Recognition Program with four types of awards	• Low staff turnover • High-level of loyalty towards senior management
Areas for further improvement	• Improve consequence management for both high/under performers • Define clear purpose of performance model (i.e. developmental vs. compliance) • Rebrand PMSDS with revised purpose • Communicate messaging that "everyone has to improve" • Enable HRMD to play a more strategic role • Work with business sponsor to redesign performance model and drive business ownership • Consistently align individual objectives with Program Activities (top-down)	• Actively engage a cultural transformation to foster more honest communication • Consistently train communication skills (i.e. using regular nudging) • Introduce 360° feedback incl. *anonymous* upwards feedback to grasp full picture from multiple sources • Separate feedback from performance rating • Explore mechanisms for more informal and frequent feedback to be built into WIPO people's routine • Include Diversity, Equity and Inclusion perspectives in performance policies • Introduce an informal recognition platform	• Flexible goal setting based on shorter-term priorities • Invest on upskilling managers on: feedback, coaching, inclusive leadership, goals and expectations setting with their teams (both key performance indicators (KPIs) and behaviors) • Formalize the roles of career coach and mentor • Make managers accountable for staff engagement survey results • Create and communicate expectations for managers with best practice guidelines (e.g. on regular check-ins, proactively managing performance)	• Introduce calibration in moderation meetings to ensure fair distribution of performance rating across divisions • Determine PMSDS purpose accountability/development • Simplify and de-formalise the process for more conversation and less documentation • Improve the triage of appeal cases by building clear criteria for accessing the process • Introduce a differentiated rating scale allowing more nuanced evaluation • Explore informal feedback mechanisms • Set collective goals to encourage collaboration	• Replace existing IT system with a more modern, user-friendly, mobile and cloud-based solution with regular updates • Generate consistent, accurate & actionable data • Analyze performance data to identify indicators that require HR interventions to sustain performance • Identify relevant technologies to automate repetitive and admin tasks such as Nudging or Natural Language Processing	• Consider rewarding staff in other ways: informal, autonomy, purpose, new relationships • Involve managers in nominating and presenting awards to their teams • Increase volume of collective and cross-divisional rewards to foster collaboration and emphasize team performance • Develop a business case for Member States to approve higher impact Reward and Recognition Program	• Use performance output to inform succession planning and career development • Reframe mobility opportunities as reward and encourage performance and development • Integrate performance with other key people processes incl. L&D, Talent Management and Career Development • Revisit the performance improvement plan (PIP) process to include development element • Revaluate career progression and promotion criteria

Alignment of WIPO's culture with its strategic aspirations

Strategy House from Medium-term strategic plan 2022-2026
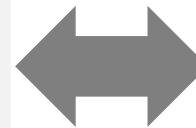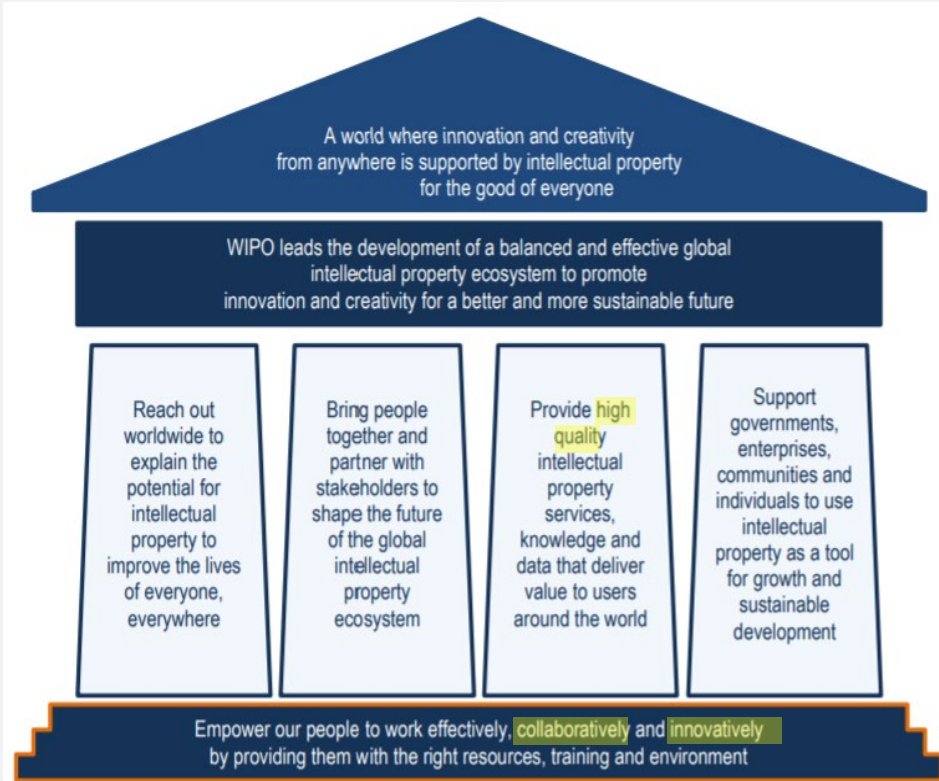
Results from Culture Thumbprint

Innovation

Enabling culture traits results — Low / Medium / High

Self reported results — Low / Medium / High
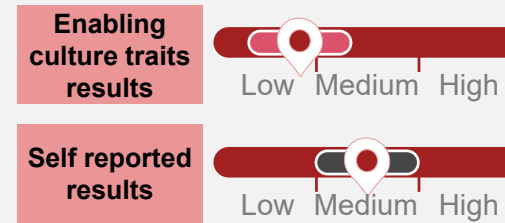
You can find the detailed results on culture traits enabling innovation in the WIPO Culture Thumbprint Report .

Customer/Client -Centricity

Enabling culture traits results — Low / Medium / High

Self reported results — Low / Medium / High
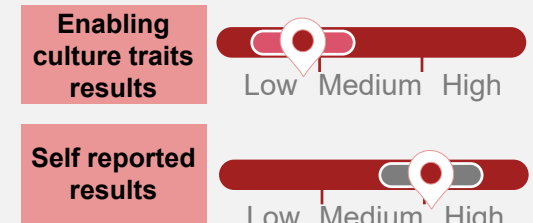
You can find the detailed results on culture traits enabling agility (anticipating and responding to disruption), high quality (quality), and customer centricity in the WIPO Culture Thumbprint Report.

Digitalization

Enabling culture traits results — Low / Medium / High

Self reported results — Low / Medium / High

You can find the detailed results on culture traits enabling digitalization in the WIPO Culture Thumbprint Report.

Collaboration

Enabling culture traits results — Low / Medium / High

Self reported results — Low / Medium / High
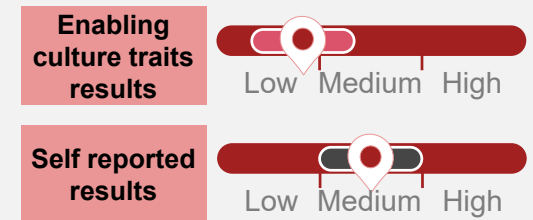
You can find the detailed results on culture traits enabling collaboration in the WIPO Culture Thumbprint Report.

Recommendations on leading the required cultural change

Implementing the revised Performance Management model will require WIPO to go through a cultural transformation to overcome the barriers to change

Focus on the 'critical few'

Focus on the 'critical few' behaviours that if addressed, would fundamentally realign how WIPO's workforce act towards each other every day. (e.g. innovation, quality, collaboration)

Start at the top

WIPO's workforce looks at how you are at work everyday. So instead of talking about the change, taking action will be critical, especially in WIPO's leadership.

Identify and empower informal leaders

Getting WIPO's workforce involved in designing and driving the change will garner support across all levels of the Organisation from Day 1 – WIPO should identify its informal leaders and mobilize them to build support from within.

Empower & encourage innovation at the grassroots

Workforce behavior change is a true sign that a cultural evolution is taking hold. In parallel to management taking the lead, it is also the WIPO staff that need to make change stick.

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Prioritised recommendations

Below are some considerations for further strategic development and actions

Short term quick wins   *Strategic long-term actions*

Purpose and Strategy

- Define clear purpose of performance model (i.e. developmental vs. compliance)
- Work with business sponsor to redesign performance model and drive business ownership
- Improve consequence management for both high/under performers

Performance Process

- Introduce moderation meetings to ensure fair distribution of performance rating across divisions to improve staff's trust in the process
- Simplify and deformalize the process for more conversation and less documentation
- Introduce a differentiated rating scale allowing more nuanced evaluation
- Set collective goals (i.e. at team or across team levels) to positively influence collaboration culture

Reward and Recognition

- Consider rewarding staff in other ways: informal, autonomy, purpose, new relationships
- Increase volume of collective and cross-divisional rewards to foster collaboration

Career and Development

- Revisit the PIP process to include development element

Culture and Communication

- Introduce 360° feedback incl. anonymous upwards feedback to grasp full picture from multiple sources
- Explore mechanisms for more informal and frequent feedback to be built into people's routine

Culture and Communication

- Actively engage a cultural transformation aligned with WIPO's strategic ambitions (collaboration and innovation), by leveraging the Critical Few behaviours.

People Management

- Invest on upskilling managers on: feedback, coaching, inclusive leadership, goals and expectations setting with their teams (both KPIs and behaviors)

IT System

- Replace existing IT system with a more modern, user-friendly, mobile and cloud-based solution with regular updates

Reward and Recognition

- Develop a business case for Member States to approve higher impact Reward and Recognition Program

Career and Development

- Reframe mobility opportunities as reward and encourage performance and development

Rebrand PMSDS with revised purpose & mobilise a change management workstream

Section 2
Maturity Assessment Detailed Results

- The seven pillars of Performance Management in scope for this review
- The detailed framework
- Detailed results per Performance Management maturity pillar

The 7 pillars of Performance Management in scope for this review
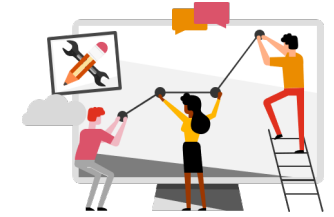
Description

Purpose and Strategy
- Role of Performance Management in WIPO's strategic agenda
- Indications of how organizational mandate is translated into individual or collective objectives
- Role played by HR in the development and application of performance appraisal

Culture and Communication
- Cultural landscape surrounding the performance appraisal with influence over its role and perception
- Extent to which cultural norms, behaviors and values influence how appraisal processes are conducted
- Language and terminology used in processes and policies to refer to performance appraisal

People Management
- Maturity of people management practices in the organization, in particular at mid-management levels
- Frequency of performance discussion between staff and their manager(s)

Performance Process
- Structure of performance appraisal processes, roles and responsibilities
- Design of performance appraisal tools and systems and administrative recording
- Level of homogeneity in the evaluation across different staff groups

IT System
- Accuracy, reliability and availability of performance data to drive HR strategic decision making
- Accessibility and simplicity of technology supporting performance appraisal
- End-user experience of performance appraisal processes, tools and systems

Reward and Recognition
- Policies regulating the application of performance appraisal
- Policies regulating the reward and recognition of performance appraisal
- Level of impact of performance appraisal over fixed and variable compensation

Career and Development
- Degree of integration of performance appraisal with other people and career development processes
- Elements of performance appraisal used to inform career progression, internal roles mobility and succession planning

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The detailed framework

Purpose and Strategy	Culture and Communication	People Management	Performance Process	IT System	Reward and Recognition	Career and Development
Purpose	Culture	Evaluation cycle	Performance distribution	Data-driven	Reward	Career progression
Role of HR	Transparency	Measurement	Process complexity	Mobile-enabled	Recognition	Integrated approach
Strategic alignment	Multidimensional feedback	Goal setting	Performance rating	Process automation	Compensation	Rotation and Assignment
Role of Manager	Feedback frequency	Management skills	Administrative recording	Technology-enabled		Performance Improvement
	Communication narrative		Process differentiation			Learning & Development
	Diversity & Inclusion		Grade differentiation			

Purpose & Strategy

| Average maturity score | 2.0 Initiating | | Average suggested priority for change* | Medium |

🔍 Some observations

Purpose of Performance Management	• Current PMSDS is pursuing multiple objectives at the same time (evaluating performance, identifying training needs, addressing behaviours and disciplinary actions). • There is a general perception that PMSDS is used to document issues for punitive purposes. • PMSDS guidelines and policies are substantially process driven. • Not clear in policies where is the limit between Performance Management consequences (i.e. tackling underperformance) and disciplinary actions consequences.
Role of HR	• HR role is mainly administrative to coordinate process, resolve issues and disagreements. • Current performance model does not enable HR to play a strategic role due to the lack of strategic focus of this process, makes it difficult to drive value for the organization. • Managers are encouraged by the organization to address underperformance but do not feel backed up when they have to deal with the aftermath (i.e. conflicts, fear of appeal).
Strategic alignment	• Performance objectives can be linked to Program Activities however this is not consistently observed across the Organization. • The level of performance in the Organization is not consistent, some staff members are highly performing, compensating for others which are not addressed through PMSDS.
Role of Supervisor	• There is a people management capability framework which outlines expected people management skills and behaviors. • Technical skills are more important than managing skills to appoint new managers. • Some managers have very large people management span, with sometimes more than 10 direct reports, which doesn't enable good management practices.

Purpose and Strategy - Maturity Analysis

— Current maturity
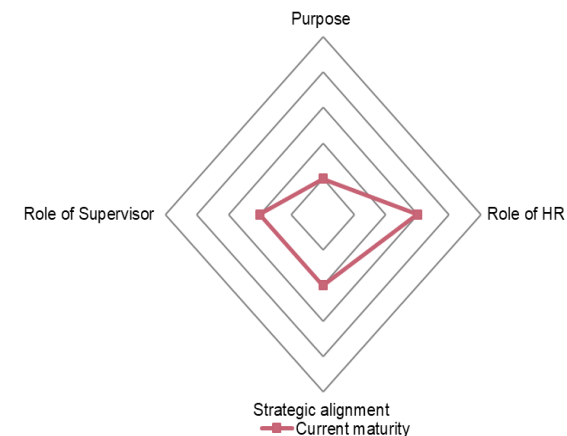
Suggested Priority for Change
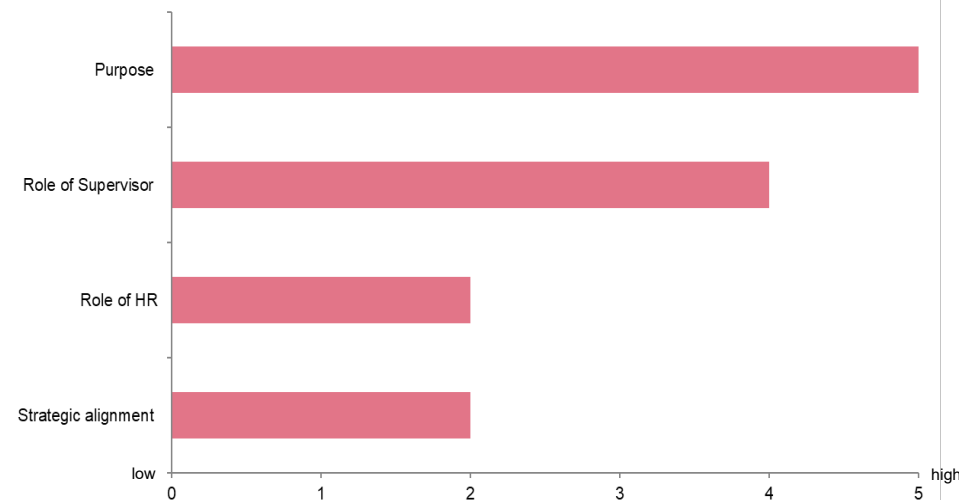
*here you see the average of the priority ratings for the individual elements of this dimension (diagram on the right)

Culture & Communication

| Average maturity score | 1.3 Initiating | Average suggested priority for change* | High |

🔍 Some observations

Culture	• Perception that relationships with leaders matter more than performance for career advancement (i.e. not meritocratic). • While there is strong appreciation for multiculturalism and diversity in WIPO's harmonious workplace, there is also avoidance of difficult conversations. • No room to experiment and "learn from failure." • Tendency towards bureaucracy and "red tape." • Emphasis on expertise, productivity and results; perception of unfairness/unevenness in resourcing, compensation, progression.
Transparency	• Feedback is not anonymous but visible only to a number of people. • Managers avoid giving honest feedback to avoid conflicts and complex process.
Multidimensional feedback	• Evaluation and feedback are top-down; it is not possible to give feedback to manager(s), colleagues and external parties. • Managers are not evaluated by their direct reports on their management skills.
Feedback frequency	• Informal feedback is encouraged; there are handbooks on how to give feedback. • Current process does not make continuous feedback mandatory but optional. • Feedback generally happens only at year-end to comply with formal process. • Cultural landscape at WIPO does not foster addressing issues or conflicts through informal communication.
Communication narrative	• Focus of the process is on accountability and evaluation of past performance. • Staff and Managers refer to the PMSDS as, irrelevant, tick-the box and ineffective. • No consistent focus on staff development or address underperformance issues.
Diversity and inclusion (D&I)	• D&I not considered as part of the Performance Management process and policies (i.e. use of inclusive leadership, unconscious bias, gender rating distribution analysis).

*here you see the priority (in total) of a necessary change

Culture & Communication - Maturity Analysis

—■— Current maturity
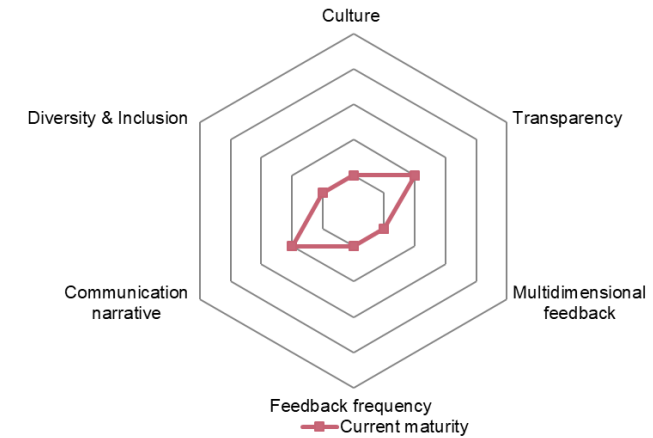
Suggested Priority for Change
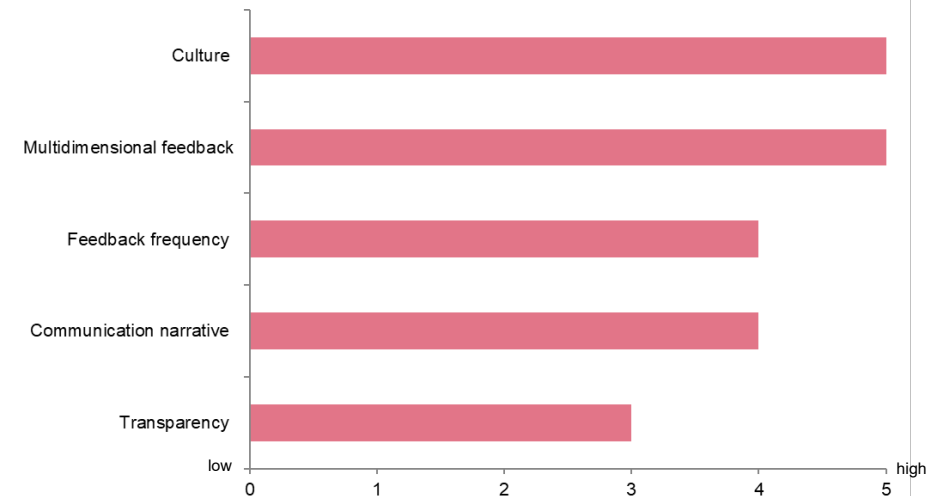
People Management

| Average maturity score | 1.8 Initiating | | Average suggested priority for change* | High |

Some observations

Evaluation cycle	• Traditional yearly performance cycle based on yearly objective setting, mid-year review and final evaluation leading to a performance rating. The fact that feedback tends to happen once a year creates anxiety and leads to anxiety among staff. • Mid year review not mandatory but optional and mainly positioned to highlight performance concerns and not necessarily for ongoing coaching and development. Going forward, periodic check-ins should be implemented to help close performance gaps and identify possible causes of poor performance (also consider whether the manager is part of the issue). • Appraisal and feedback happen once at end of year to comply with formal process. • The current tool supporting PMSDS does not enable ongoing feedback sharing.
Measurement	• Focus is on evaluating achievement of objectives set at the beginning of the year. • Little to no consideration of long-term development. • Feedback form managers outlined that it is difficult to have an accurate performance evaluation when managing big groups, "too time consuming for little actual impact".
Goal setting	• Goal setting happens once a year; it is recommended to conduct an interim review if there are changes to objectives set at the beginning of the year but this is optional. • Objectives can become irrelevant by the time of the final evaluation. • Goals are mostly task-related and defined based on the SMART framework (Specific, Measurable, Achievable, Realistic, and Timely).
Management skills	• There are basic training materials for managers on how to conduct performance evaluation with PMDS and on how to effectively give and receive feedback. • A training program specific to managers was developed and deployed at the moment of the implementation of the PMSDS process in 2009, supported by a business sponsor. • Management skills cannot be evaluated by direct reports. Staff members cannot contribute to the PMSDS of their manager. This makes it difficult to have an accurate view of management skills. • The cultural landscape of the organization does not necessarily foster honest feedback, especially upward feedback (i.e. sharing feedback outside of PMSDS).

People Management - Maturity Analysis

— Current maturity

Suggested Priority for Change
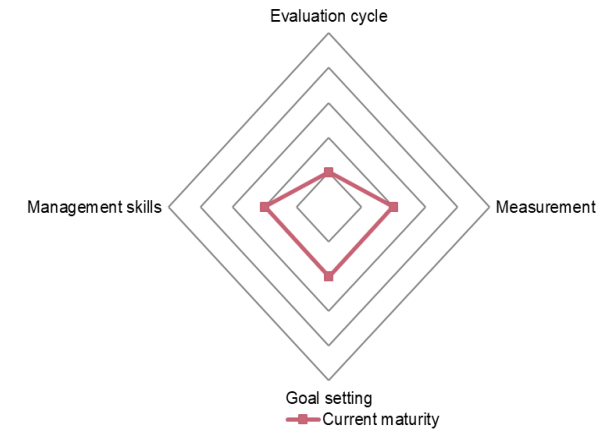
*here you see the priority (in total) of a necessary change
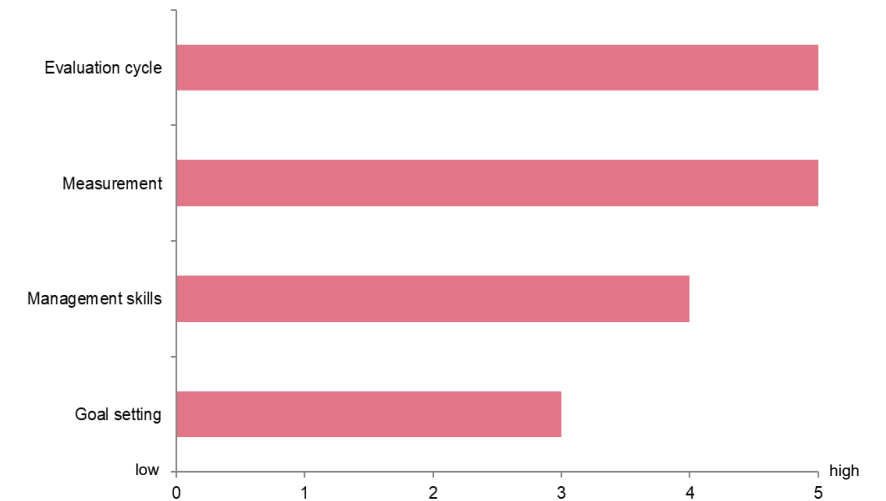
Performance Process

Average maturity score	3.0 Emerging		Average suggested priority for change*	Medium

🔍 Some observations

Performance distribution	• Little to no usage of underperformance rating. • There is no moderation meeting at the end of the performance cycle. Since the rating is given only by the supervisor, there is room for subjectivity. • Forced quota for outstanding performance removed from PMSDS a few years ago. • Positive rating is often given to low performers, which can lead to frustration within performing population.
Process complexity	• Straightforward, standard evaluation process. • Complex process to manage staff appeals on decisions, leading to managers not providing honest performance evaluation to avoid the complexity and litigation risks.
Performance rating	• WIPO is experiencing a performance rating "inflation" • Performance evaluation is past-oriented, focused on accountability vs. development. It is currently more of a "stick" than a "carrot," which is inconsistent with the ambitions of WIPO to be innovative. • Large rating scales do not always allow managers to accurately differentiate performance. • Rating is often the focus of the performance discussion over coaching and development. • Ratings typically foster frustration over satisfaction since people have expectations to have a performing or high performing rating every year with little change in performance.
Administrative recording	• Recording is streamlined and can be easy when there are no performance issues. • Process is often seen as a "ticking the box exercise" by managers and staff. • Process can be heavy, in particular for managers with a large number of direct reports.
Process differentiation	• PMSDS is applicable to staff members on fix-term, continuing and permanent appointments; process is relatively homogeneous. • People managers have additional capabilities that can be evaluated through PMSDS. • All staff members are evaluated similarly through a very homogeneous process.

Performance process - Maturity Analysis

Suggested Priority for Change

*here you see the priority (in total) of a necessary change

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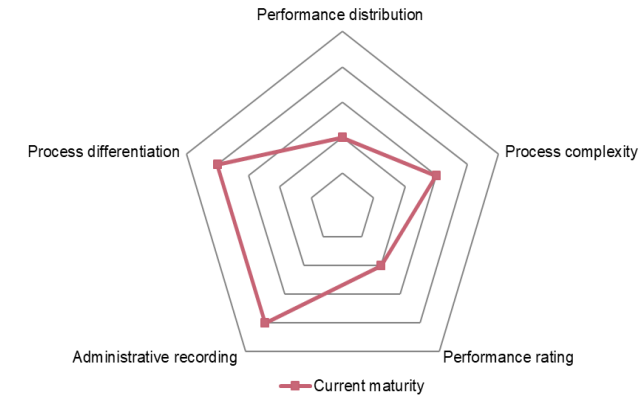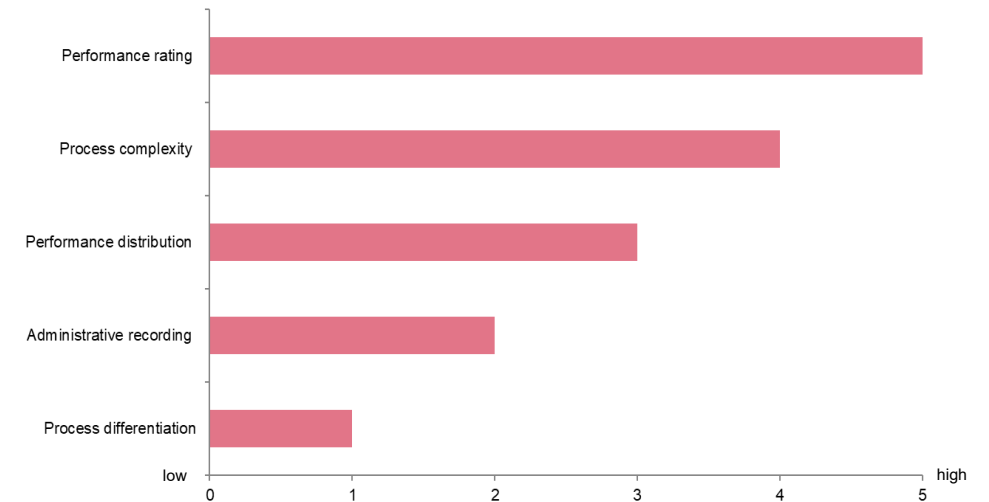
IT System

| Average maturity score | 1.5 Initiating | | Average suggested priority for change* | Low |

Some observations

Data-driven	• Analysis on completion and distribution rate is conducted after each evaluation cycle. • Data may be consistent but not necessarily accurate nor actionable given that managers do not share honest feedback with the system due to the fear of the process backfiring on them. • Levels of reported underperformance (less than 1%) is too low to be the reflection of the reality observed across the Organization.
Mobile-enabled	• The current process works as a SaaS (Software as a Service) model which does not require onsite server installation. • The current process is not mobile-enabled. • The PMSDS online interface is not user friendly, old fashioned and difficult to navigate. • Staff members have generally mentioned that they do not have a pleasant user experience when navigating the tool.
Process automation	• IT system does not provide functionalities to automate repetitive and admin tasks. • Process includes heavy administrative and manual tasks.
Technology-enabled	• The online tool 'AIMS HR / ePerformance' is technology-enabled with standard functions and interface. • The system has not been updated for a few years, not in line with the best practices and available technology when it comes to user experience, simplicity of use and reporting capabilities.

*here you see the priority (in total) of a necessary change

IT system - Maturity Analysis

Data-driven / Mobile-enabled / Process automation / Technology-enabled

— Current maturity

Suggested Priority for Change

Category	Value
Data-driven	2
Mobile-enabled	2
Process automation	2
Technology-enabled	2

low — high (0 to 5)
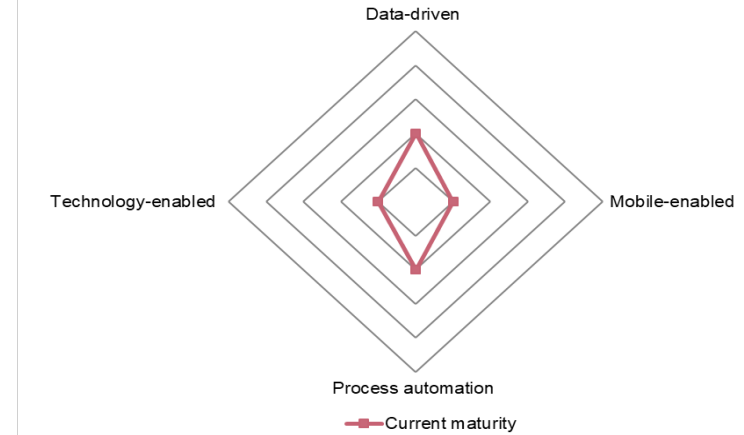
Reward and Recognition

| Average maturity score | 1.7 Initiating | | Average suggested priority for change* | Low |

🔍 Some observations

Reward	• Rewards and Recognition Program (RRP) applies to all staff on fixed-term, continuing and permanent appointments and combines monetary and non-monetary rewards. • This program is closely aligned with International Civil Service Commission principles. • Four individual and collective monetary awards are distributed every year (overall cost of the 2020 RRP represented 0.2% of WIPO total remuneration costs).
Recognition	• Every staff member who achieves an overall rating of "outstanding performance" will receive a certificate of appreciation from the Director General which will be placed in the staff members' official status file. A sector event can also be organized. Participating in internal projects can also lead to recognition, including certificate from the Director General and additional two days of leave after serving two years. • Staff members have raised that there is not sufficient recognition for high performance. • Guidance on how managers can show informal recognition on a day-to-day basis is provided in the PMSDS Handbook "Showing recognition," which is not widely applied.
Compensation	• Rank-in-post makes it more difficult to establish a pay-for-performance approach. • Any change in salary compensation will require an unlikely approval from Member States. • Conditions for salary increments are relatively generous (i.e. possible to have a salary increment with the past PMSDS cycle rating of "Improvement in Performance Required" as long as the previous PMSDS cycle rating was "effective performance" at least). • Policies (i.e. Long-Service Step) have too complex conditions to effectively incentivize performance (i.e. General Service staff only, with >20 years of service with International Bureau, no more than two PMSDS cycles with a rating below satisfaction in 20 years, top step of grade for >5 years, past two consecutive PMSDS rated as effective performance).

*here you see the priority (in total) of a necessary change

Reward and Recognition - Maturity Analysis

■— Current maturity
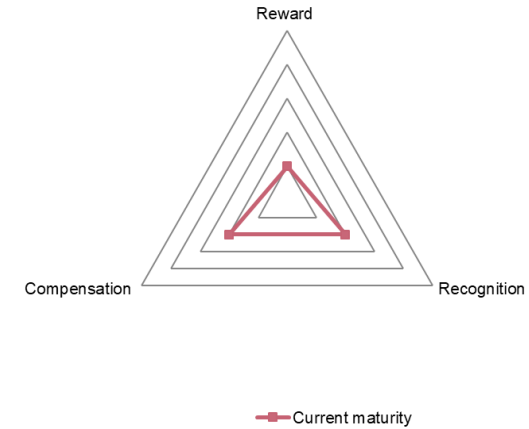
Suggested Priority for Change
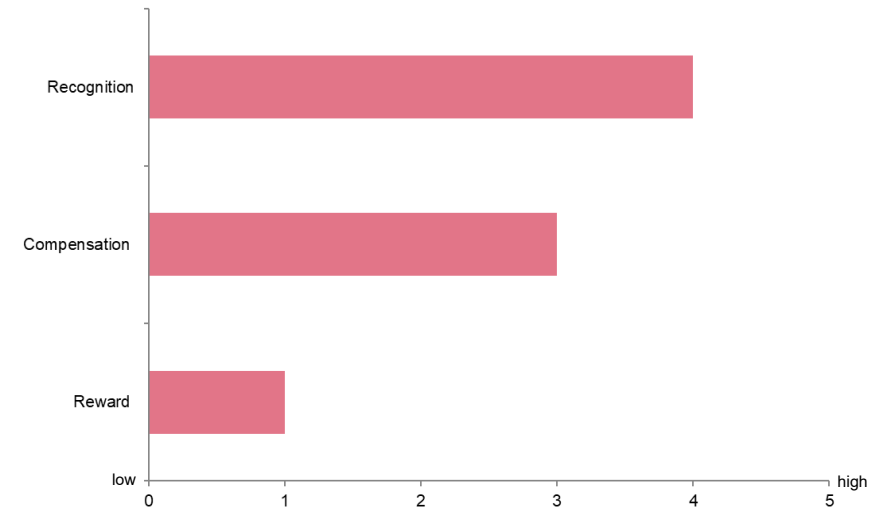
Career and Development

| Average maturity score | 1.6 Initiating | | Average suggested priority for change* | High |

🔍 Some observations

Career progression	• No link reported between performance evaluation and career progression. • Very limited internal mobility hinders career progression and development opportunities within WIPO, leading to staff staying on the same role for a long time. • Promotion following reclassification puts an emphasis on past vs. potential and development (i.e. promotions may only be granted if the two PMSDS cycles preceding promotion have been rated at least as an effective performance).
Integrated talent approach	• No talent calibration and no strategic succession planning, limited talent management. • Leaders and staff do not see link between performance and career progression.
Mobility	• There is no clear link between performance output and internal mobility opportunities. • Lack of mobility is a key pain point in the Organisation and one of the deep underlying issues creating other symptoms when it comes to people development. • Mobility is not perceived as an opportunity by staff; they are not eager to work across sectors as they struggle to see the value in gaining experiences in other fields of expertise.
Performance improvement	• PIP exists and can lead to termination of contract. • PIP not used for development in practice but rather to document dismissal decisions. • Contract termination as a result of PIP can be very difficult in case of staff appeal. • Decisions on contract terminations are made by the Director General directly.
L&D	• Staff are invited to set objectives related to learning as part of the PMSDS process. • Non-technical learning is seen as a luxury or a waste of time. • Outcomes of performance cycle not used to inform L&D plan focused on development. • Besides training programs, different ways to develop staff are not consistently created e.g. "stretch" opportunities, giving more responsibilities, leading new initiatives/projects, opportunities to fix a business issue, mobility, secondment, etc.

*here you see the priority (in total) of a necessary change

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Career & Development - Maturity Analysis

Current maturity

Suggested Priority for Change

23
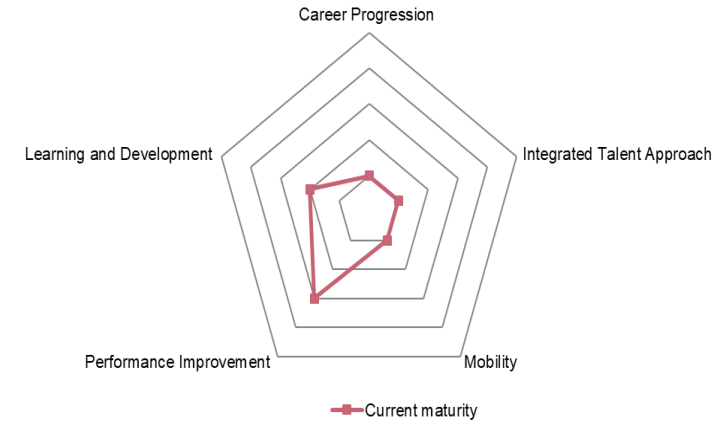
Section 3
The Voice of WIPO Employees

- Overview of survey responses
- A recap of the survey
- Overall WIPO Culture Thumbprint
- Insights from stakeholders interviews
- Insights from focus groups
- Insights from documentation review

Overview of Survey Responses

Distribution of Survey Responses by Sector

Sector	
Administration, Finance and Management Sector	106
Patents and Technology Sector	96
Brands and Designs Sector	51
Regional and National Development Sector	38
Director General	37
IP and Innovation Ecosystems Sector	33
Infrastructure and Platforms Sector	24
Not sure	18
Copyright and Creative Industries Sector	13
Global Challenges and Partnerships Sector	12

Distribution of Survey Responses by People Management Responsibilities

No direct supervisees	252
1 to 4 direct supervisees	99
5 to 10 direct supervisees	47
More than 10 direct supervisees	30
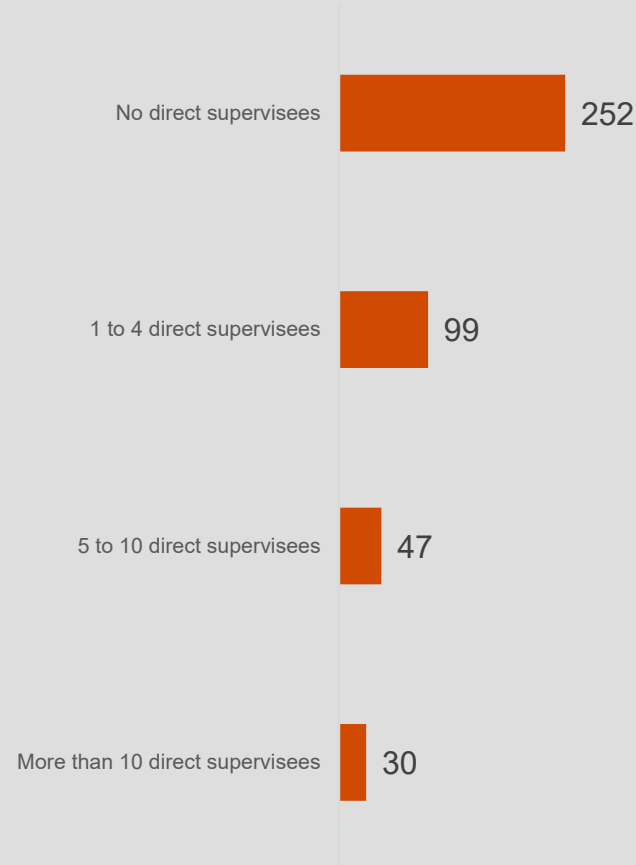
Distribution of Survey Responses by Employment Details

Staff member holding a fixed-term, continuing or permanent appointment – Professional Staff up to P4 /NOD grade	165
Staff member holding a fixed-term, continuing or permanent appointment – General Service Staff	121
Staff member holding a fixed-term, continuing or permanent appointment – Professional Staff at grade P5 /NOE and above	83
External Provider, Agency Worker or Individual Contractor (ICS)	28
Temporary Staff Member – Professional Staff	12
Fellow or Intern	10

* Excluding segments with <10 responses each

A recap of the survey

PWC Proprietary Diagnostic

- The survey consisted of 30 questions, aiming to surface WIPO's most salient behavioral patterns related to current state ways of working;
- The survey was open two weeks, from June 28 to July 9, 2021;
- The survey had 430 complete responses and 71 incomplete responses.

Business Strategy
How do we Create value?

Operating Model
How will we run the business?

Culture
How will we harness the power of our people

All three in sync to be coherent and effective
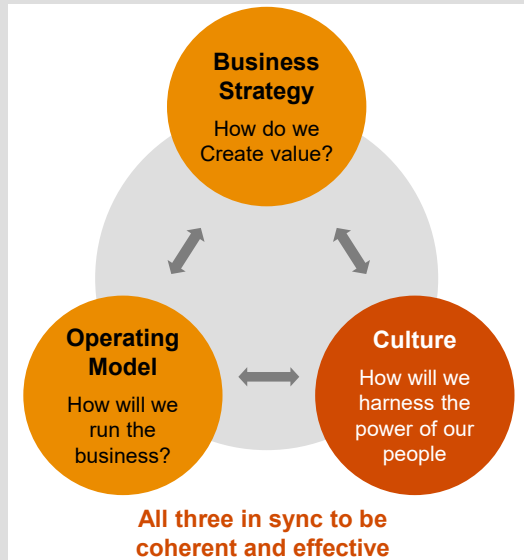
Results Dashboard

(also accessible in Tableau format)
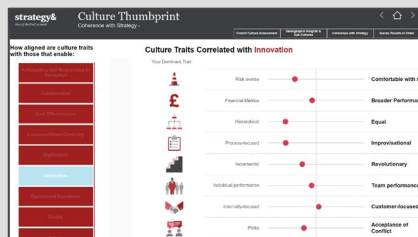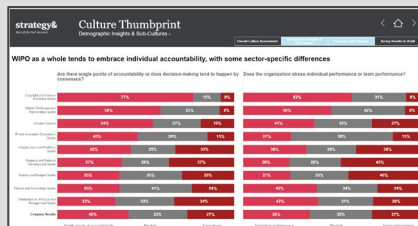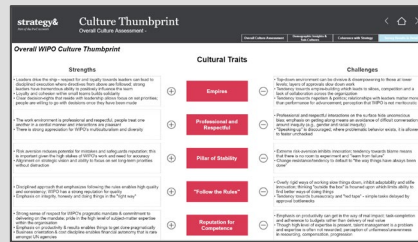
Culture Thumbprint – Core Traits & Drilldowns

What cultural traits are predominant in the WIPO's culture? What are the strengths WIPO can use and challenges to mitigate?

Comparison across demographics

Which ways of working are common across groups, and which are unique?

Note: Gender was not included as this does not form a sub-culture

Strategic Coherence

How does WIPO's culture enable/hinder its strategic objectives?

Overall WIPO Culture Thumbprint

Strengths	Cultural traits	Challenges

Strengths

Cultural traits

Challenges

Empires (+ / −)

Strengths:
- Leaders drive the ship - respect for and loyalty towards leaders can lead to disciplined execution where directives from above are followed; **strong leaders have tremendous ability to positively influence the team**
- Loyalty and cohesion within small teams build solidarity
- Clear decision-rights that reside with leadership allow focus on set priorities; **people are willing to go with decisions once they have been made**

Challenges:
- Top-down environment can be divisive and disempowering to those at lower levels; **layers of approvals slow down work**
- Tendency towards empire-building which leads to **siloes, competition and a lack of collaboration across the organization**
- Tendency towards nepotism and politics, where **relationships with leaders matter more than performance for career advancement**; perception that WIPO is not meritocratic

Professional and respectful (+ / −)

Strengths:
- The work environment is professional and respectful, people treat one another in a cordial manner, and interactions are pleasant
- **There is strong appreciation for WIPO's multiculturalism and diversity**

Challenges:
- Professional and respectful interactions on the surface hide unconscious bias; emphasis on getting along means an **avoidance of difficult conversations**
- **"Speaking up" is discouraged**; where problematic behavior exists, it is allowed to fester unchecked

Pillar of stability (+ / −)

Strengths:
- **Risk aversion reduces potential for mistakes and safeguards reputation**; this is important given the high stakes of WIPO's work and need for accuracy
- **Alignment on strategic vision** and ability to focus on set long-term priorities without distraction

Challenges:
- Extreme risk-aversion inhibits innovation; **tendency towards blame means that there is no room to experiment and "learn from failure"**
- Change resistance/tendency to default to **"the way things have always been done"**

"Follow the rules" (+ / −)

Strengths:
- Disciplined approach that emphasizes **following the rules enables high quality and consistency**; WIPO has a strong reputation for quality
- Emphasis on **integrity, honesty and doing things in the "right way"**

Challenges:
- Overly rigid ways of working slow things down, inhibit adaptability and stifle innovation; **thinking "outside the box" is frowned upon which limits ability to find better ways of doing things**
- **Tendency towards bureaucracy and "red tape"** - simple tasks delayed by approval bottlenecks

Reputation for competence (+ / −)

Strengths:
- Strong sense of respect for WIPO's pragmatic mandate and commitment to delivering on the mandate; **pride in the high level of subject-matter expertise present within the organization**
- Emphasis on productivity and results enables things to get done in a pragmatic manner
- **Business orientation and cost discipline enables financial autonomy that is rare amongst UN agencies**

Challenges:
- Emphasis on productivity can get in the way of real impact; **task-completion and adherence to budgets rather than delivery of real value**
- Though high level of expertise is present, **talent management is a problem and expertise is often not rewarded**; perception of unfairness/unevenness in resourcing, compensation, progression

Voices of WIPO employees - Our approach built on existing knowledge and experiences from your people

Documentation Review

60+
documents reviewed

Data gathered across **30+** design elements

Interviews & Focus Groups

10+
1-2-1 interviews with internal stakeholders

2
focus groups with Employees and Managers

Staff Survey

25%
Participation rate in culture survey

150+
Individual responses analysed

- Interviews, focus groups and a survey were conducted to understand:
  - What is working and improvement areas of current PMSDS
  - Perception of performance at WIPO from various staff groups
  - Organizational culture of work in relation to performance
- These "listening" activities helped to identify relevant inputs from staff across seven maturity pillars:
  1. Purpose and Strategy
  2. Culture and Communication
  3. People Management
  4. Performance Process
  5. IT System
  6. Reward & Recognition
  7. Career & Development

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Stakeholder interviews approach

- **Twenty two stakeholders** interviewed
- These stakeholders were selected by IOD based on **position, role, and tenure**
- The interviews were guided through a **series of prepared questions**
- To encourage candid and honest responses, the responses will remain **anonymous**
- The following pages contain **the synthesized challenges and suggestions** raised in the interviews

Insights from stakeholder interviews

Current Challenges (1/3)

Purpose and Strategy

- Certain interviewees had the impression that the current Performance Management was used to 'get rid' of people as opposed to having the purpose to develop staff.
- Senior stakeholders expressed the need to redefine the purpose of Performance Management, as this is crucial in changing the culture and perception.
- The current PMSDS process pursues too many objectives at the same time; it is not clear what the ultimate goal of Performance Management at WIPO is (i.e. process includes performance evaluation, some elements of development and it is also used to address misbehaviours and disciplinary measures).
- Fundamentally, this process is very traditional and based on an outdated definition of performance evaluation that did not evolve for the last 20 years.
- Performance Management is relatively new at WIPO and the organization is gradually building its maturity and experience on this process.
- When the latest PMSDS was rolled out, it was sponsored by a business leader which helped greatly to mobilize the organization and get this new approach implemented. But after the implementation, the leader left and was not replaced. Since then, this process has been driven by HRMD.
- There is a consistent perception that PMSDS is not fit-for-purpose, not enabling the organization to meet its business objectives.

Culture and Communication

- There seems to be a shared understanding that trust is an issue in the Organization; in addition to there being fear around the consequences of underperforming, several internal conflicts in the past resulted in lost trust towards the justice system and managers.
- Similarly, many interviewees described that there is a culture to avoid speaking up and disturbing the status quo.
- There is a general fear that Performance Management is used for retaliation and punishment.
- In many cases, little feedback is shared between the manager and supervisee on a day-to-day basis, resulting in few regular conversations on performance.
- Many staff felt that there is limited opportunity for multidimensional feedback in the current performance model.
- Due to the highly technical nature of the Organization, expertise tends to take precedent over people management skills when promoting employees; this may put mid-level managers in a difficult position, as they are not fully supported by leaders who role model people-management-related behaviors.
- Managers felt that giving someone an 'improvement required' rating often backfires; as supervisees often choose to appeal the decision, managers must spend an extensive amount of time and energy defending and justifying the rating.

Insights from stakeholder interviews

Current Challenges (2/3)

People Management

- The majority of interviewees mentioned that Performance Management was considered as a tick-in-the-box exercise happening once a year to comply with the Organization's rules.

- Both managers and staff raised the concern that objectives set at the beginning of the year often become irrelevant by the time of evaluation; in addition to this lack of flexibility, several staff emphasized that the current Performance Management model lacks versatility as it does not cover contributions made outside the team or outside the scope of one's job description.

- Many interviewees were of the opinion that the experience with PMSDS depends heavily on the manager's management skills; in other words, the organization currently does not offer a consistent employee experience with respect to people management.

- Interviewees perceived that career opportunities are often given to those who have extensive technical expertise, which does not incentivize staff and managers to acquire soft skills.

- Managers have reported that they would prefer to avoid giving an underperforming rating if they believe that this decision might be appealed by their staff member.

- It is extremely difficult to terminate a contract for lack of performance and managers often do not want to face conflicts or difficult situations in cases of appeal.

- There is an uneven distribution of performing staff members in the organization. In some teams, underperforming staff members are left alone whilst high performers have to compensate for the lack of work from their colleagues or supervisors.

Performance process

- The process is seen as being formal (i.e. requires heavy documentation) and legalistic by many.

- Some interviewees believe that the current process is only carried out for accountability purposes instead of being a tool for development, career progression and success planning.

- At the same time, there was a general consensus that it is difficult to effectively address underperformance with the current model; most managers choose not to tackle underperformance since it implies complexity and heavy burden on managers.

- Many interviewees emphasized the defensive attitude of supervisees around underperformance; for example, as soon as a manager initiates a PIP, there is an immediate reaction by the staff member to challenge that decision.

- In almost every interview, the lack of granularity and nuance in the current evaluation rating criteria was raised as a challenge.

- The current performance process is seen as very traditional and homogenous, rendering it difficult to reflect the diverse jobs and backgrounds.

- Interviewees felt that the current process focuses solely on individual performance and that it lacks incentive for collective performance.

- Some managers have mentioned that the performance process is too long, especially for the performing majority (takes as much time to evaluate a performing staff member as someone who is not performing).

Insights from stakeholder interviews

Current Challenges (3/3)

Reward and Recognition

- Many stakeholders raised the concern that there was currently no link between Performance Management and reward or recognition.

- Certain interviewees acknowledged the difficulty of tying performance and variable pay (bonus) when taking into considerations wider UN limitations (bonuses are not common, not necessarily supported by Member States, would increase operating budget of Secretariat).

- According to certain senior stakeholders, managers feel that there is no other way to truly show recognition than to give an 'outstanding performance' rating to supervisees.

- The current model is seen as unfair by some as it does not encourage or motivate high performance; certain senior stakeholders stated that they were worried this has the possibility of leading to retention issues of junior and talented staff.

- The rank-in-post system limits salary increases based on performance or progression; the only way to increase fixed remuneration being a post reclassification (which is not based on performance but rather on post scope and responsibilities).

- This situation has led multiple staff members to apply for a post reclassification, which creates administrative burden and is not aligned with the original intent of this process.

- The Reward and Recognition Program is interesting but is very limited and not necessarily incentivizing performance across the Organization, due to the limited proportion of the total workforce being rewarded every year.

Career and Development

- In almost every interview, lack of career progression was raised as an issue; the fact that whenever a new position opens, employees have to compete with hundreds of external candidates is a significant demotivating factor, as they feel that high performance will not be rewarded.

- There is a perception that external candidates may be more qualified than internal WIPO staff; given the low turnover rate, some managers would rather recruit externally as opposed to internally.

- Both managers and staff mentioned that hiring and promotion occurs on the basis of technical capabilities since jobs are heavily specialized; there is a general consensus that soft skills and leadership are not as valued as technical skills in WIPO.

- Given the fact that WIPO is part of the UN system, some were of the opinion that employees are 'comfortable' with their job security and stability in Geneva; this could partially explain the reason for avoiding potential conflicts related to performance.

- Lack of internal mobility and succession planning was mentioned as recurring issues with the current PMSDS. Without clear career outcomes, the performance process is perceived to be ineffective and useless.

- New managers who try to tackle underperformance within the team often experience resistance because supervisees who have been in the same position for a long period of time struggle to understand how and why they should suddenly be considered an underperformer.

Insights from stakeholder interviews

Suggestions from interview participants

Purpose and Strategy
- A senior stakeholder emphasized that the new model should support WIPO's new strategic direction, which is to move away from being a technical, professional agency into a more risk-taking, dynamic, and proactive Organization driving creativity and innovation.
- According to several interviewees, ensuring that the business have ownership of the new model is key in adopting a Performance Management system that is beneficial to the employees.

Culture and Communication
- Many identified mindset and culture as key areas in tackling performance issues; a shift to be open to continuous development is needed.
- Several senior stakeholders pointed out the importance of promoting role models: managers who shape and grow the next generation of leaders need to be rewarded and recognized to foster a culture that prioritizes staff development.

People Management
- In addition to a culture shift, interviewees were of the opinion that managers should be further trained and supported in dealing with underperformance.

Performance process
- Many interviewees stated that there should be a stronger emphasis on collective performance; not only will it encourage more collaboration, but it will also minimize situations where employees feel individually targeted by their manager.
- Given the fact that the current model only allows top-down feedback from a manager to a supervisee, many staff suggested implementing multidimensional or 360-degrees feedback (from team members, members from other departments with whom they have worked with).
- A recurring suggestion was to simplify the process and policy with respect to underperformance.
- Certain interviewees mentioned that too much effort goes into regular evaluations of people who have been performing consistently; more focus should be placed on those underperforming and overperforming
- Many expressed the need for there to be more granularity and nuance in the evaluation ratings.

Reward and Recognition
- The majority of interviewees were of the opinion that Performance Management needs to have a stronger link with reward and recognition as well as other people processes such as training, career progression and mobility.

Career and Development
- An interviewee suggested that technical experts should be able to be promoted without having to manage people in the future model.

Focus group approach

- Two focus group discussions - one with **11 managers** and one with **14 staff members**

- The members were selected by IOD based on **position, sector, and tenure**

- The focus groups were structured around two sections:

  ➢ Assessment of the current model

  - o Use of an interactive presentation software 'Mentimeter' to collect quantitative and qualitative data;

  - o For the former, participants were asked to rate to which extent they agree (1 = totally disagree; 5 = totally agree) with a set of statements;

  - o For the latter, participants were asked to respond with keywords to two open-ended questions.

  ➢ Feedback for future model

  - o Participants were asked to discuss a prompt about the future model in breakout sessions

- To encourage candid and honest responses, the responses will remain **anonymous**

- The following pages contain **the synthesized results** as well as **key themes** raised in the focus groups

Quantitative assessment on current model

Purpose and Strategy

1. The current model enables me to understand how my performance contributes to WIPO's strategic objectives — 3.4

2. The current model enables me to feel accountable for my performance — 3.5

Culture and Communication

3. The current model enables me to have a positive relationship with my manager or my supervisee(s) — 3.4

The current model enables me to share honest and constructive feedback with my manager or supervisee(s) — 3.5

People Management

4. I feel I ('managers' for staff) have the soft skills and leadership to effectively manage a team — 3.6

5. Whenever I need to improve my management ('leadership' for staff') skills, I know what to do — 3.1

Performance process

6. The current process for evaluating performance is simple and easy to understand — 3.0

7. The current Performance Management process helps me in my development — 2.1

IT system

8. The performance online tool enables me to complete PMSDS tasks in an efficient manner — 2.7

9. Completing the required tasks in the current performance online tool is a pleasant experience — 2.5

Reward and Recognition

10. The Organization incentivizes high performance — 2.5

11. If I perform well, I am recognized accordingly — 2.3

Career and Development

12. I understand how my performance relates to career development at WIPO — 2.5

13. Managers provide me with timely feedback about my work — 3.1

14. The Organization encourages and provides ample opportunity for self-development — 2.6

15. I have an effective network of mentors and coaches who support my development — 1.9

Legend

◇ Average score (shown on right side of scale)

◯ Managers

◯ Staff

Scale: 1 – 5 (totally disagree – totally agree)

Findings:
- In general, the results tend to show consensus across the framework pillars.
- For both managers and staff, Rewards and Recognition was scored relatively low compared to the other pillars.
- The largest gaps between the perception of managers and staff were observed in People Management, Performance Process, and Career and Development. It appears that managers in particular do not feel that they are receiving sufficient support from the Organization to develop (questions 7 and 15). It is also interesting to note that when asked about managers' soft skills and leadership, staff tended to be more conservative in their ratings.

Qualitative assessment on current model

Q. What is working well in the current model?

Q. What are the biggest pain points in the current model?
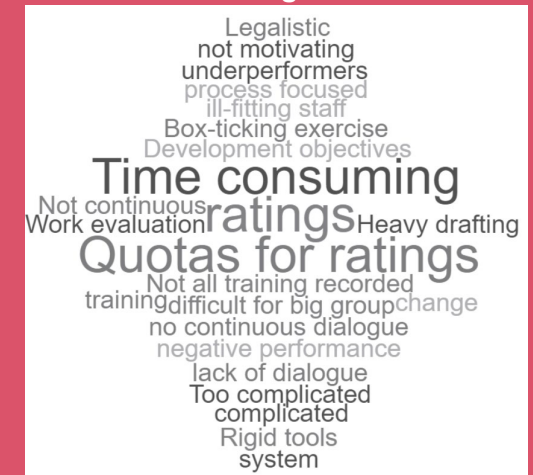
Findings:

● Managers expressed that the current process enables conversations around work-related objectives and tasks, as well as deliverables. At the same time, both managers and staff were of the opinion that PMSDS was perceived as a recurring formality, and that continuous dialogue and the development aspect was lacking.

● While staff find that the current model is short, quick, and intuitive, it is worth noting that managers have addressed the exact opposite as pain points ('time consuming,' 'complicated' and 'heavy drafting'). This illustrates that the current model puts excessive burden on managers, especially in the context of addressing underperformance.

● Staff mentioned that the fact that the current model has a standard and structured process for everyone is an existing good practice.

● Ratings were raised as the biggest pain point by managers. Many felt that they were not intrinsically helpful in the process of developing their staff.

Insights from focus groups

Key themes

Performance ratings

- Many were of the opinion that the current performance ratings do not adequately reflect the nuances of reality.

- Managers reflected that there is clearly inconsistency among themselves in how they rate supervisees.

- Managers raised the concern that performance ratings take the attention away from dialogue.

- Since too much emphasis is placed on ratings, not receiving an 'Outstanding performance' can lead to demotivation.

- Staff pointed out that people fear the consequences of receiving a bad rating.

> " *Ratings are polarizing.*

Link to other processes

- A recurring concern was that, in most cases, the result of PMSDS has no tangible effect; no action items or next steps come out as a result of the performance review.

- Both managers and staff voiced the opinion that the link between Performance Management and career development was the most important part of this effort.

- Certain managers revealed that the difficulty of reallocating ill-fitting staff is frequently the root cause of underperformance.

> " *Nothing happens after the feedback.*

> " *The gap, for me, is managing these ill-fitted people.*

Goal setting

- Certain staff perceived the goal setting process in a positive light, as it allows goals beyond work.

- Both managers and staff feel that there needs to be more flexibility and continuity in goal setting; goals tend to become irrelevant by the end of the year.

- Both groups expressed the need to better capture contributions made beyond task-oriented objectives.

- There were staff who highlighted that goals and feedback should focus on how to enhance the supervisee's skills from a long-term perspective (i.e. not only for his/her current position).

> " *We should be able to track development as the year goes on. Goals change.*

Mindset and culture

- Many staff mentioned that the Performance Management process was carried out once a year as a formality and that it was not taken seriously.

- Both managers and staff are of the opinion that the whole process needs to focus more on staff development.

- Staff raised the concern that there was currently no room to give upward feedback.

- Certain staff doubted the authenticity of their managers' feedback as they tend to be overly risk averse

> " *The feedback you receive is fake, I know I need to improve on certain areas!*

> " *Technically, I could copy-and-paste my objectives from last year.*

Feedback for future model from WIPO staff

The second half of the session explored what WIPO's performance model could look like in in the future through two prompts

What Performance Management and staff development looks like in 2025

"WIPO gives equal opportunities for all employees to be responsible for their own development and career progression."

"Managers are sharing feedback frequently and feedback is not only shared top-down."

"PMSDS as a way to capture performance and lets us know about talents that are around the house. Space to share and showcase talents (knowledge) on particular projects."

"We have a better way of capturing contributions beyond task-oriented objectives."

"We can see what is going on in the organization in terms of goals, new projects and successes."

"We incorporate good practices observed in the private sector, especially in multinational companies, while tailoring it to WIPO."

What actions did WIPO take to make this change possible?

- WIPO's leadership demonstrating full commitment to the link of Business Goals, Performance and Development in their behaviour and policies.

- Redefining the purpose of the Performance Management.

- Putting a strong focus on having the right people in the right places in the Organization.

- Creating a culture where it is allowed to fail and to talk about it.

- Developing new ways of work and collaboration.

- Managers are developing more soft skills to address performance issues and help staff grow.

Current Performance Management documentation review

Documents used to complete the documentation review and Maturity Assessment

Purpose and Strategy

- 2020 HR Annual Report
- Classification and Reclassification
- Fellowship Program
- HR Strategy
- Staff Regulations and Rules
- WIPO Internship Program
- WIPO Policy on Mobility to External Offices
- WIPO workforce report 2020
- Annex III - Updating PMSDS
- Annex IV - Reimagining Performance Management
- Modernizing Performance Management
- Probationary period policies

IT System

- User guide eperformance staff
- Performance Management learning

Performance process

- Briefing 2021 PMSDS and ELM Manager
- Briefing 2021 PMSDS and ELM Staff
- Completion Evaluation 2019 and 2020
- PMSDS analysis
- Quick guide aims Performance Management overview
- Performance Appraisal of Temporary Staff
- PMSDS Handbook documents
- PMSDS office instructions
- PMSDS rating scale definitions and examples
- Anonymised PMSDS Sample Evaluations

Reward and Recognition

- Rewards and Recognition Program
- Rewards and Recognition Program annex 1 and 2

Culture and Communication

- PMSDS Standard Responses
- 2021 PMSDS Planning Planification PMSDS pour 2021
- PMSDS 2021 Planning Planification pour 2021
- PMSDS 2020 Evaluation and 2021 Planning

Career and Development

- Managers Workshop on Planning and Managing Performance and Communicating Effectively
- Learning and Development Policy and annex 1
- Anonymised PMSDS Sample Evaluations

People Management

- Effective Performance Conversations
- PMSDS Managerial Competencies
- Quick guide aims Performance Management overview
- Organizational competencies
- Anonymised PMSDS Sample Evaluations

Insights from documentation review

Highlights from documentation review

Purpose and Strategy

- As a strategic partner of the business, HRMD will focus on the following priorities: aligning staff skills and competencies to anticipated business needs pursuing equitable geographical representation, and attaining gender equality and enriched diversity among WIPO staff.
- When individual work-related objectives are created in Administration Information Management System (AIMS)/HR Performance Management, they can be linked with or cascaded from the corresponding Program/workplan activities.
- The current HR Strategy is critical to help ensure that WIPO is future-ready. It provides a comprehensive plan of action based around the following inter-related principal objectives:
  - Support a sustainable future for WIPO as a self-funding specialized agency of the UN in a fast-changing environment;
  - Establish a diverse and inclusive workforce to create an innovative workplace;
  - Promote WIPO as an employer of choice through best talent management practices;
  - Provide efficient customer service-oriented processes, client-responsive communication and data-driven decision-making.

Culture and Communication

- Communication on Performance Management is mainly process driven.
- The communication narrative of PMSD outlines "compliance" and "past performance" over "development" and "potential".
- Process instructions are provided in both French and English; written feedback in the performance application can be submitted either in French or in English.
- Regular email communication about performance cycle is sent by Performance and Development Section to all staff and managers.
- Communications from Performance and Development Unit are focused on process steps, instructions and required actions.
- A series of customizable communication templates have been developed to respond to staff inquiries.
- Evaluation and feedback are only top-down and provided by managers; feedback from managers is transparently shared with staff members.
- No specific mention of the role of D&I in Performance Management in existing documents and instructions.
- The current process includes two main discussions per year (objective setting and final feedback) and an optional mid-year discussion.
- Ongoing communication is encouraged but not enforced by the process.
- Culture does not actively foster open feedback and continuous discussions.

Insights from documentation review

Highlights from documentation review

People Management

On paper:

- Managers familiarize their direct supervisees with the list of Program activities (and associated unit workplan activities) allocated to their position to ensure there is a good understanding of the activities of the organizational unit overall and the staff member's individual role and expected contribution in the successful implementation of the unit workplan.

- The direct manager can update the objectives/competencies defined in the planning stage and reflect the changes in AIMS/HR Performance Management.

- When there are concerns regarding the staff member's performance, the direct manager must make the staff member aware of these as part of the continuous feedback and make specific suggestions for improvement.

- WIPO encourages direct managers to identify the cause of underperformance and provides ways on how to resolve these situations.

- Recommendations are provided to managers to proactively address performance shortcomings during year and not wait end of period evaluation.

- In general, it is the current manager of the staff member who is in charge of the correct and consistent application of the PMSDS.

- Managers with people responsibilities are supported by a set of managerial competencies they must demonstrate and on which they are evaluated.

In practice

- Managers tend to give 1 and 2 ratings with unimpressive comments that are inconsistent with the high performing ratings (e.g. purely descriptive of their tasks as per requested by supervisor).

- PMSDS samples have highlighted the general inability of managers to provide constructive feedback (to high and low performers).

- In the presence of performance issues, managers often suggest a change of Unit/Sector within WIPO as an easy fix.

Reward and Recognition

- WIPO's Rewards and Recognition Program rewards outstanding performance and recognizes staff performance. WIPO Staff Regulations and Rules and Office Instructions establish administrative consequences linked to the performance of staff.

- There are mainly three types of formal recognition:

  1. "Outstanding Performance" rating with certificate of appreciation from the Director General placed in staff member official status file.

  2. Special contribution to the Internal Functioning at WIPO: certificate of appreciation from the Director General or special leave with full pay.

  3. Performance rewards with a monetary value

     a) "Delivering Excellence": CHF 2,000 individual cash reward, available for one out of every 15 staff members in a specific Sector;

     b) "Acting Responsibly": CHF 2,000 individual cash reward, available for three staff members across all WIPO;

     c) "Working as One": CHF 10,000 collective cash reward, available for 10 teams across all WIPO;

     d) "Shaping the Future": four weeks of professional training program, available for one staff member across each grade category (senior, mid-level, support staff).

- The award of the periodically salary increment (step increase) is subject to satisfactory performance and conduct (i.e. fulfilled if prior year (N-1) PMSDS cycle rated at least as "effective performance" or if prior year (N-1) PMSDS cycle rated "improvement in performance required" and previous year (N-2) PMSDS cycle rated at least as "effective performance".

Insights from documentation review

Highlights from documentation review

Performance Process (1/2)

- The PMSDS is applicable to staff members on fixed-term, continuing and permanent appointments, with the exception of staff members on an initial fixed-term appointment of one year or more who are subject to a period of probation.
- PMSDS Objectives are based on the SMART methodology - Specific, Measurable, Achievable, Relevant, and Time-bound.
- The PMSDS cycle is an annual cycle aligned with the calendar year.
- The PMSDS cycle consists of an initial planning stage at the beginning of the year, continuous feedback (including interim reviews, as needed) during the year, and an evaluation of the full cycle at the beginning of the following year.
- All concerned parties need to sign the planning of the current year and the evaluation of the previous year at the latest by March 31 of the current year.
- The initial planning needs to be established and finalized by the direct manager after discussion with the staff member.
- Interim reviews should normally be conducted between the second and third quarter of the year but if required, could be carried out at any time of the year.
- During the year, interim reviews can be requested by the direct manager or the staff member, in which case the interim review must be conducted.
- For staff members leaving the Organization, the evaluation needs to be completed prior to departure.

Performance Process (2/2)

- Whilst most managers adhered to the requirements for work-related objectives, there is a clear gap with respect to the identification of other competencies and development-related objectives. For about **20% of staff, no skills beyond the organizational competencies were defined as important**, and no development needs were identified, and this as a time when continuous learning and upskilling are key to the success of the Organization.
- When PMSDS was launched, **there was an indicative limit of "Outstanding Performance" at 15%** for WIPO overall and within a Sector. About five years ago, it was removed from the PMSDS documentation based on a recommendation from the Office of the Legal Counsel.
- In recent years, while the overall number of "Outstanding Performance" ratings was always slightly above the indicative limit of 15%, the main concern was the wide range between the Sectors.
- In the past three years (2017-2020), **only two cases of underperformance** were identified each year, which is certainly not an accurate reflection of reality.
    - In 2013, it was decided to introduce administrative consequences that would apply already with the first "Improvement in performance required" rating;
    - The PIP was experienced as cumbersome and heavy by most managers (and probably staff members also).

PMSDS in practice:

- The 2019 PMSDS samples have shown that a lot of the pre-established goals set up a year before become irrelevant by the time of the year end evaluation.
- The goals against which managers need to evaluate their team members are too many and task focused. In practice this results in the manager not populating all of the relevant and useful sections.
- There is a "stretch objective" function, which is generally not used.
- Employees have an opportunity to officially respond to their managers in the "employee section". The formality of this process and underlying issues between results in the manager's comments being incriminating and the staff response being defensive.

Distribution of performance evaluation in 2019

	Total	Outstanding Performance	Effective Performance	Improvement in Performance Required	Unsatisfactory Performance
All	1028	191	835	2	0
(%)	(100.0)	(18.6)	(81.2)	(0.2)	(0.0)
Director General	166	32	133	1	0
(%)	(100.0)	(19.3)	(80.1)	(0.6)	(0.0)
Copyright and Creative Industries Sector	24	4	20	0	0
(%)	(100.0)	(16.7)	(83.3)	(0.0)	(0.0)
Patents and Technology Sector	361	62	299	0	0
(%)	(100.0)	(17.2)	(82.8)	(0.0)	(0.0)
Development Sector	57	12	45	0	0
(%)	(100.0)	(21.1)	(78.9)	(0.0)	(0.0)
Brands and Designs Sector	137	26	111	0	0
(%)	(100.0)	(19.0)	(81.0)	(0.0)	(0.0)
Global Issues Sector	32	7	25	0	0
(%)	(100.0)	(21.9)	(78.1)	(0.0)	(0.0)
Global Infrastructure Sector	57	14	43	0	0
(%)	(100.0)	(24.6)	(75.4)	(0.0)	(0.0)
Administration and Management Sector	194	34	159	1	0
(%)	(100.0)	(17.5)	(82.0)	(0.5)	(0.0)

Source: "Completion Evaluation 2019-v1-80663289-98"- HRMD

In red: Figures where adjustment was needed due to error in original document

Distribution of performance evaluation in 2020

	Total	Outstanding Performance	Effective Performance	Improvement in Performance Required	Unsatisfactory Performance
All	1021	263	754	4	0
(%)	(100.0)	(25.8)	(73.8)	(0.4)	(0.0)
Director General	150	43	107	0	0
(%)	(100.0)	(28.7)	(71.3)	(0.0)	(0.0)
Copyright and Creative Industries Sector	21	5	16	0	0
(%)	(100.0)	(23.8)	(76.2)	(0.0)	(0.0)
Patents and Technology Sector	356	69	287	0	0
(%)	(100.0)	(19.4)	(80.6)	(0.0)	(0.0)
Development Sector	63	22	40	1	0
(%)	(100.0)	(34.9)	(63.5)	(1.6)	(0.0)
Brands and Designs Sector	142	56	85	1	0
(%)	(100.0)	(39.4)	(59.9)	(0.7)	(0.0)
Global Issues Sector	33	6	27	0	0
(%)	(100.0)	(18.2)	(81.8)	(0.0)	(0.0)
Global Infrastructure Sector	61	15	45	1	0
(%)	(100.0)	(24.6)	(73.8)	(1.6)	(0.0)
Administration and Management Sector	195	47	147	1	0
(%)	(100.0)	(24.1)	(75.4)	(0.5)	(0.0)

Source: "Completion Evaluation 2020-v1-85947658-94" - HRMD

Insights from documentation review

Highlights from documentation review

IT System

- WIPO's current Enterprise Resource Planning for Performance Management is based on the PeopleSoft HCM, Oracle technology.
- The IT tool is named "AIMS/HR Performance Management" and captures the main steps of the of the PMSDS process.
- "AIMS/HR Performance Management" is a fully electronic system, which includes electronic signatures.
- The information recorded in "AIMS/HR Performance Management" by the direct supervisor and/or staff member must be provided either in English or in French, whichever is the usual language of communication between the direct supervisor and staff member.
- Link to the Performance Management application is available on the WIPO intranet, on the Employee Self Service and Manager Self Service pages.

Career and Development

- When setting up development-related objectives for their direct reports, managers are encouraged to consider staff member's work-related objectives, current competencies (e.g. skills, knowledge), the future needs of the Organization, and career progression as well as their personal interests.
- Manager can help identify formal learning activities for their direct reports with the following objectives:
  - Outstanding performers: to stay at the peak of expertise and/or in preparation for future career prospects in line with talent management and succession planning in WIPO;
  - Effective performers: to keep competencies in line with the evolving needs of the Organization and to ensure that the staff member remains attractive in the labour market; activities aim to close any identified gaps (if any).
  - Underperformers: to bring up performance to the organizational needs or at least to the minimum performance standard for the functional role.
- Contract extensions are subject to staff member performance. Appointments are not to be extended for more than one year if one or both of the past two consecutive PMSDS cycles have been rated below an effective performance. An appointment may not be extended if the past PMSDS cycle has been rated as "Unsatisfactory Performance".
- According to Staff Regulation and Staff Rules, the DG may terminate appointment of a staff member if the staff member's performance proves unsatisfactory. This condition is considered as met if the past PMSDS cycle has been rated as "Unsatisfactory Performance".

Section 4
Leading Performance Management research and practice

- Case Study #1 – Performance Development at GE
- Case Study #2 – Grow, Perform and Succeed at GAP
- Case Study #3 – Reinventing Performance at Adobe
- Case Study #4 – Performance Management in a US law firm
- Considerations for managing underperformance
- The ratings debate

Case Study #1 – Performance Development at GE

Relevance of this case : customer-centricity as a strategic focus

General Electric Case Study Summary

WHY

Why did GE have to change its approach to performance ?
- GE introduced "FastWorks", an initiative to create a more customer centric, agile and lean working environment.
- The existing approach to performance needed to evolve to better align with FastWorks benefits.
- This change required a fundamental vision shift: from process oriented approach to a focus on rewards, innovation and creating outcomes for customers.

HOW

How did GE approach change?
- Shifting the focus from management of employees to employee development.
- The development of the new approach to performance was built on agile principles, starting from a clear problem statement to jointly design a new model based on feedback from end-users, employees and managers.

WHAT

What was the new approach to performance at GE ?

Rebranding the Performance Management process
- Renaming the Performance Management process from Employee Management System to "Performance Development at GE" (PD@GE).
- Updating the language, from «feedback and goals» to «insights and priorities».
- Introducing «touchpoints», monthly discussions between workers and their managers to share light-touch, informal and continuous feedback and coaching.
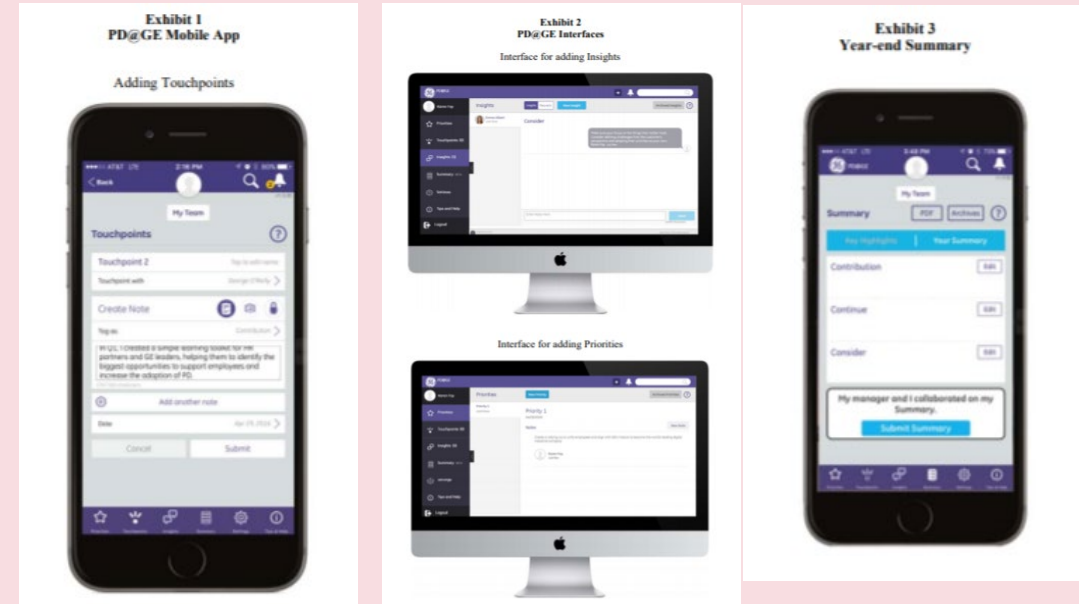
Simplifying and refocusing the process
- Performance priorities are dynamic and can be adjusted during the year based on business needs and priorities.
- Ongoing and multidimensional feedback from manager, peers and supervisees.
- Focus year-end discussions on employee impact and development.

PD@GE A New Mobile App
- Simple and user-centric tool (e.g. mobile-enable feedback, easy to capture touch points, summary of performance priorities and feedback for year end discussion)

General Electric's approach to Performance Management

Exhibit 1
PD@GE Mobile App
Adding Touchpoints

Exhibit 2
PD@GE Interfaces
Interface for adding Insights

Exhibit 3
Year-end Summary

Interface for adding Priorities

Key learning from transformation

Continuous feedback	• Instant feedback allowed priorities to be constantly re-adjusted • Trainings for managers on how to provide feedback and make reward decisions
Cultural change	• Employees had to learn to be comfortable giving feedback • Adoption rate of the new PD approach was different across countries and cultures but also by personality (introvert vs. extrovert)
Roll out	• Development and testing of new approach using user pilot groups • Agile approach allowed for continuously feedback and iteration to develop, adjust and finalize the revised approach

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Case Study #2 – Grow, Perform and Succeed at GAP

Relevance of this case: shift towards a growth mindset and a culture of feedback

GAP Case Study Summary

WHY

Why did GAP have to change its approach to performance ?
GAP introduced a new approach to performance with the objective to :
- Raise the bar on performance and shift culture from nice to nice *and* honest
- Make managers accountable for assessing, developing and rewarding performance
- Build a stretch component into an outcome-driven goal-setting process
- Focus more attention on success of the brand and less on individual performance

HOW

How did GAP approach change?
- Developing a communication plan, a website and a learning program to train and equip managers and leaders to effectively use the new approach to performance.
- Conducting staff surveys to measure adoption and identify improvement areas.
- Implementing a new bonus policy to align with the new approach to performance.

WHAT

What was the new approach to performance at GAP ?

Performance Standard
- Eliminated rating and replaced it with company-wide performance standard
- Performance standard sets out expected behaviors for all GAP Inc.'s employees
- Performance standard is used as basis to set up ambitious goals

Goals
- Modified goal-setting to ensure employees set fewer goals (max 8), more outcome oriented with stretch component, focused on key priorities for growth.

Touch bases
- Managers and employees hold 12 informal and undocumented touch base performance conversations, that drive results and motivate and engage employees.

Rewards
- Stronger link between performance outcomes and bonus distribution with higher incentives for employees who display top performance.

GAP`s approach to Performance Management

- We set tough objectives and work had to exceed our goals.
- We do what it takes to win in the marketplace with integrity.
- We live the values of our company.
- If we fall short of hitting our goals, we quickly learn from our experience and strive to win.
- Managers inspire and drive performance of their teams through regular coaching and feedback.

Performance standard | Goals
Rewards | Touch bases

Key learning from transformation

Continuous feedback	• Invest early in building feedback skills to support an honest feedback culture. • Managers and employees assume joint accountability for making sure monthly conversations occur.
Goal setting	• Important to allow multiple time frames for goals to be relevant. • Mix of short term (quarterly) and longer term (annual, multiyear) goals.
Managing change	• Avoid changing performance and compensation policies at the same time. • Changing the rules of Performance Management requires significant engagement to manage change and cultural shift.

Case Study #3 – Reinventing Performance at Adobe

Relevance of this case: shift towards a culture of feedback and more flexible process

Adobe Case Study Summary

WHY

Why did Adobe have to change its approach to performance ?
- Adobe moved from a structured way of working in two-year cycles into a fast-moving product development culture.
- Performance Management seen as time consuming and ineffective.
- Required a change in culture and people management to adapt to a new agile way of working and foster innovation and performance.

HOW

How did Adobe approach change?
- Introduced two-way dialogue between manager and employee.
- Focused on cultural and behavioural change and trained Adobe's managers and employees on goal setting and constructive feedback.
- Individual needs matter so there is now flexibility on process and timing, and on providing individual support in case of conflict.

WHAT

What was the new approach to performance at Adobe ?
Expectation setting
- Setting written expectations at the beginning of the year.
- Regular revisiting of these expectations, minimum four times per year.
Continuous Feedback
- Managers provide feedback in real time to reinforce right behaviour.
- Extensive training offer for goalsetting and feedback conversations.
Reward high performance
- No rating or ranking system.
- Managers decide on pay increase as reward for performance / potential, decisions are then reviewed by Adobe's Senior Leadership.
- Promotions conducted throughout the year based on merit.
- Performance Management plan in place to tackle individual performance issues.

Adobe's approach to Performance Management

Expectations
Managers set clear expectations around deliverables, contributions, and behavior to help employees achieve their business and personal goals.
- Expectations discussion guide for employees
- Expectations discussion guide for managers
- Expectations worksheet

Feedback
Managers and employees give each other ongoing, constructive feedback. Employees see how they're progressing against the expectations, and managers find out if they should be doing anything differently to better support their employees.
- Feedback discussion guide for employees
- Feedback discussion guide for managers

Development
Employees drive their own growth by creating actionable career development goals around learning and experience.
- Development discussion guide for employees
- Development discussion guide for managers
- Individual development plan

Key learning from transformation

Behaviour change	• **Focus on behavioural change,** rather than rethinking process and tools - build managers capability to hold performance discussions.
Make it personal	• **Emphasize personal responsibility** and accountability to own the process and to make best use of it for personal development. • Focus on development, progress and long-term goals.
Flexibility	• **Maximize agility through a flexible approach** that can be tailored to individual needs, while providing support and counselling if required. • Suggestions around process (timing, methods, etc.) but no rules.

Case Study #4: Performance Management in a US law firm

Relevance of this case: highly specialised technical skillset with resistance to change affecting the traditional professional behaviors

About the firm…

The international American law firm has multiple offices across the United States and the Middle East.

Starting in the early 1960s the firm has had more than 350 lawyers by 2014 and has been recognized as one of the best law firms to work for in the US according to Vault Rankings1 2013 and 2014.

Performance Management has been a main driver to high level of engagement amongst the firm's lawyers. It contributed to recognizing the individual work, identifying training needs and awarding achievements.

*2014, Effectiveness of Performance Management System - A case study in law firm

The Challenge

- A stronger focus required on management and collaboration skills as opposed to purely technical.
- Some resistance against change affecting the traditional professional behaviors is expected.

Lack of reliability of Partners to evaluate Associates
Despite understanding the need to evaluate the performance of Associates and Senior Associates, Partners often missed deadlines for a Performance Appraisal. As Partners were excluded from PMS their own career progression did not depend on evaluating others and could result in deprioritizing the evaluation of juniors.

Rating errors limit accuracy of evaluation
Overall performance was rated on the basis of just one attribute or solely the appraisee's recent performance rather than the performance over the year.

Evaluation depends on committee meeting
An annual committee meeting of partners was held to evaluate associate performance. It was a challenge to ensure that every member is present, that all information was available, and one-on-one meetings between associate and supervisor had been scheduled. This would prolong the evaluation cycle.

The Solution

Introduce multi-source feedback
The appraisee plays an active role in the appraisal process. Feedback can be given to and received through self-appraisal, subordinate appraisal, peer appraisal in addition to the supervisor appraisal.

Eliminate errors through trainings
Rating errors can be minimized through training managers on how to successfully evaluate appraisees. These trainings can enhance the managerial and consequently enable a more effective Performance Management process.

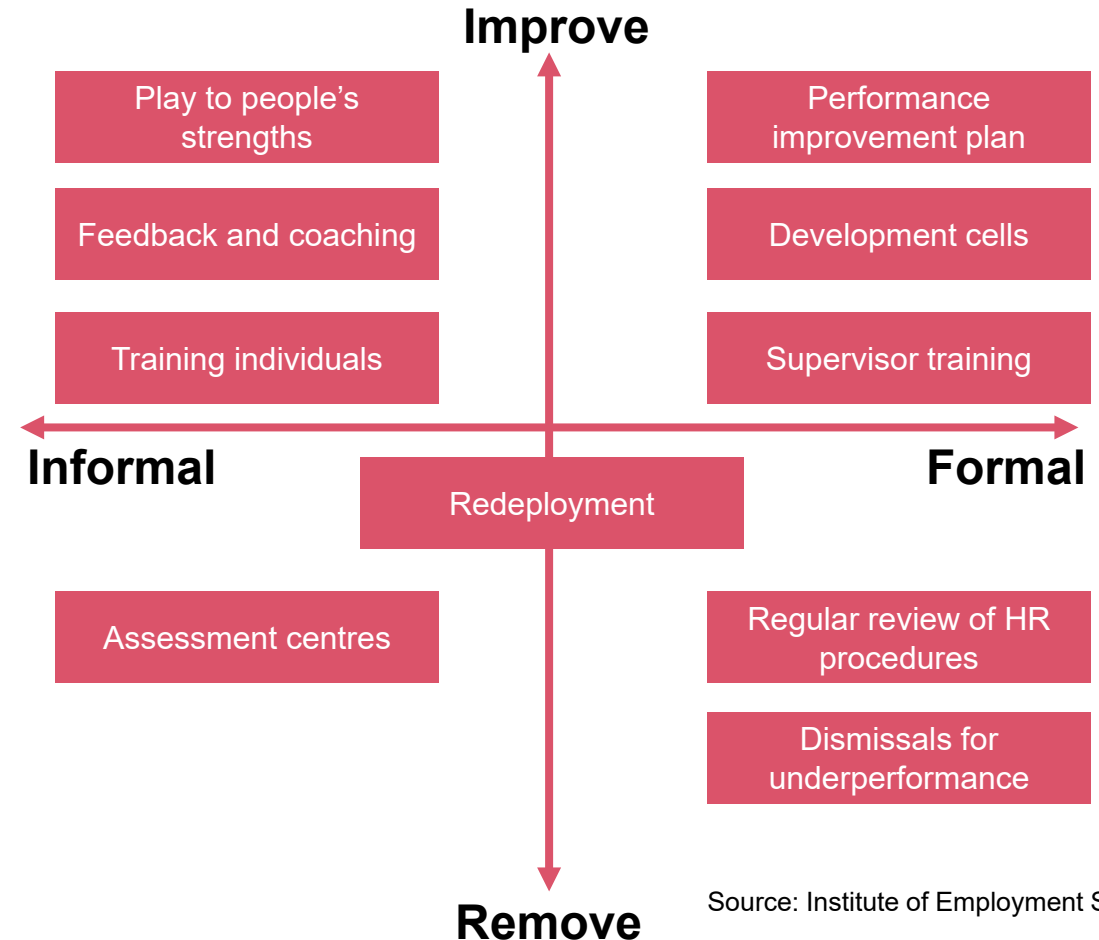### Responsible planning and increased feedback frequency
To ensure availability of all committee members the meeting is scheduled one year in advance. Frequent and on the go feedback from supervisors foster the overall annual appraisal.

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Considerations for managing underperformance

Possible approaches to deal with underperformance

- The possible approaches to deal with underperformance can be clustered into two main dimensions:
    - The ultimate aim, whether to improve performance or to remove staff from existing position;
    - The degree of formality of procedures used to achieve the selected aim.
- Not all types of underperformance are the same and different scenarios will require differentiated responses to be effective.
- Identifying the relevant approach enables the appropriate solution to address performance issues effectively.
- Effectively addressing performance starts by identifying informal (and sometimes preventive) measures.
- If performance does not improve, formal measures shall be considered.
- "Development cells" are regular meetings (i.e. quarterly) where a group of supervisors come together to discuss performance issues across teams to identify measures they can collectively take to address them.

Improve

Play to people's strengths	Performance improvement plan
Feedback and coaching	Development cells
Training individuals	Supervisor training

Informal — **Formal**

Redeployment

Assessment centres	Regular review of HR procedures
	Dismissals for underperformance

Remove

Source: Institute of Employment Studies, 2004

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The ratings debate

Performance ratings continue to be a topic of discussion among HR professionals in industry, though recent research indicates that the case for eliminating ratings does not generally hold.

Industry findings...

Across industries, HR leaders continue to express interest in changing the design of their performance ratings, including eliminating ratings altogether.

Over the last decade, a series of high profile organisations removed their ratings with the hope of increasing employee performance and reducing time spent on Performance Management processes.

However, new research shows that changes to ratings have not realised as much positive impact as expected over the mid or long term.

In fact, eliminating ratings shows a **negative impact** on key talent and organisational outcomes.

*2020 Gartner pulse on performance ratings

What effect does removing ratings have?*

Negative view of Performance Management process
Despite an initial positive reaction to ratings removal, a sustained negative perception follows. Perception that Performance Management is fair and accurate decreases by 19% and that Performance Management is worth the time and effort decreases by 22%.

Managers give lower quality feedback
Quality of performance feedback decreases by 16% as managers fail to provide candid feedback when not required to explain a rating. Employees may not receive the clear development direction they require.

High performers perceive a greater negative impact
High performers feel the quality of performance conversations they have with managers decreases by 21%, whereas low performers view this as a 6% decrease.

Performance process is less transparent
Without a link to ratings, employees struggle to understand how or why compensation is differentiated among their peers when rating influences variable pay.

Employee performance decreases
Organisations that do not use ratings experience 4% lower employee performance than those that do.

Employee engagement decreases
Overall employee engagement decreases by 9%, likely because employees feel their managers care less about their performance and spend less time discussing their development.

Note: % change is assuming removal of ratings is the only change, with all else held equal

Recommendations and Action Plans

Table of recommendations

Recommendation	Priority	Owner(s)/ Contributors	Management Response	Implement-ation Timeline
1. Define and communicate a clear narrative and purpose for PMSDS (development of people vs. compliance).	High	Director HRMD	Define & communicate a clear narrative & purpose for PMSDS - This will be done as part of consultations to take place in 2022 in order to design a new PMSDS system.	December 2022
2. Engage in a Cultural Transformation programme to identify and: a. leverage informal leaders; and b. build on critical few behaviours (*e.g.* informal recognition into every-day routines).	High	Director HRMD	Cultural Transformation program - HRMD to capture in its work plan for 2022 the hiring of a consultancy firm to define an Action Plan.	July 2022
3. Invest on upskilling Managers on leadership and managerial skills: communication, informal frequent feedback, coaching, inclusive leadership, goals and expectations setting with teams.	Medium	Director HRMD	Leadership and Management - HRMD to reflect in the 2022 work plan key priority for leadership and management training. A pilot has already started with PTS, which will provide valuable data and insights.	December 2021
4. Introduce 360° feedback including anonymous upwards feedback questionnaires.	High	Director HRMD	HRMD to reflect in its 2022 workplan the piloting of 360° feedback as a development tool (in line with HR Strategy recommendation) for selected managers. A pilot has already started with PTS, which will provide valuable data and insights.	December 2022
5. Introduce moderation meetings to ensure fair distribution of performance ratings across divisions to improve staff's trust in the process, and publish the aggregated ratings distributions.	Medium	Director HRMD	Calibration meetings to be piloted in 2022 (prior to 2021 evaluation).	January 2022

Table of recommendations

Recommendation	Priority	Owner(s)/ Contributors	Management Response	Implement-ation Timeline
6. Consult on the design of a new PMSDS system that is more modern, user-friendly, mobile and cloud-based with regular updates. The system and process should be simplified and less formal to encourage conversation as opposed to documentation. Further, the system should provide for the following: a. Facilitate identifying strategic learning needs; b. Enable collection and analyses of performance data to identify indicators that require HR interventions to sustain performance and to inform succession planning and career development; and c. Assist in setting collective goals and increase the volume of cross-divisional rewards to incentivise collaboration.	Medium	Director HRMD	Consultation on the future system will take place in 2022 and piloting in 2023 and consider: a. Include features to help identify strategic learning needs; b. Incorporate relevant indicators and reporting capability to extract data that can then be fed into other talent processes (like development/ succession plans) c. Test new features of the system (e.g. collective goals) in pilots for proof of concept Further, HRMD will define a transitional approach for the next two performance cycles, still using the 'old' PMSDS but with adjustments. During that transition, the Reward program could focus on rewarding good performance with mobility assignments for developmental purpose and rewarding cross-sectoral collaboration around key projects that make a difference (IP for all). The selection of a new IT system will be finalized in 2023	December 2023
7. Improve consequence management for both high/low performers (e.g. revisit the PIP), and develop a higher impact Reward and Recognition Program that is integrated with Performance Management	Medium	Director HRMD	Consequence management will be part of the consultations on the future system.	December 2023
8. Formally Integrate Performance Management outcomes to Career Paths at WIPO (as part of the shift from Position Management to Staffing budgets) and reframe internal mobility opportunities as a reward for good performance.	Medium	Director HRMD	Increase the use of performance management as a key contributor for mobility and career development (systematic use in recruitment and consider mobility assignments as a reward)	December 2023

Annex

Current PMSDS process at WIPO

- Overview of existing Performance Management and Staff Development System
- Overview of PMSDS cycle actors interacting
- PMSDS Phases details
- PMSDS Consequence Management
- PMSDS Disagreement and Rebuttal

Existing Performance Management and Staff Development System overview

PMSDS: Purpose and objectives

The PMSDS is a developmental system designed to facilitate:
- Alignment of individual objectives with expected results of the Organization;
- Systematic and proactive staff development; and
- Continuous dialog between managers and staff members to generate common understanding and engagement.

PMSDS: Perspective

The focus of the system is on the future, as the past cannot be changed. Nevertheless, it is important to discuss and evaluate the past to:
- Acknowledge good performance
- Identify areas for further development;
- Learn from experience for continuous; improvement; and
- Proactively address underperformance.

Planning phase **Interim Reviews**

Rebuttal **Final evaluation**
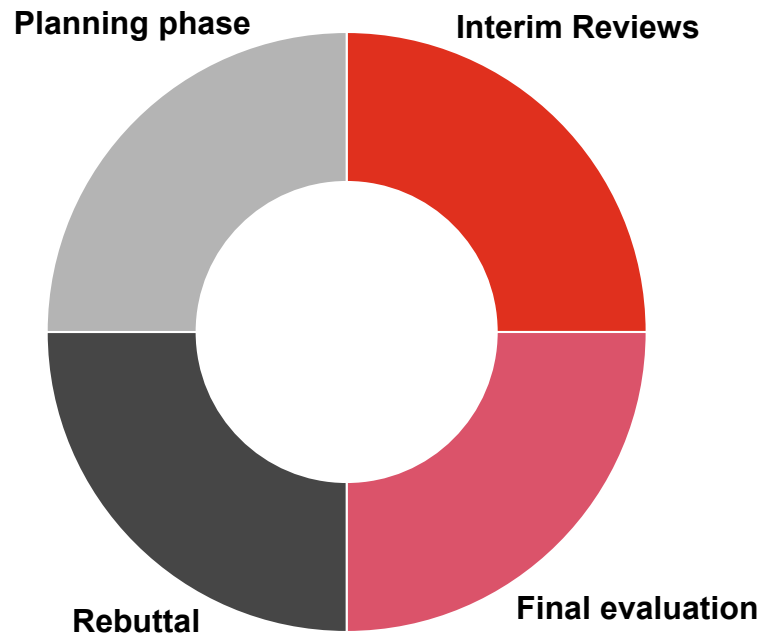
The WIPO Competency Framework

The Competency Framework provides the structure for the competencies in the appraisal process.

The PMSDS process is based on WIPO Core Values and Organizational Competencies (Shaping the Future, Working as One, Acting Responsibly, Delivering Excellence).

In addition, WIPO also includes a set of Managerial Competencies for staff with people management responsibilities.

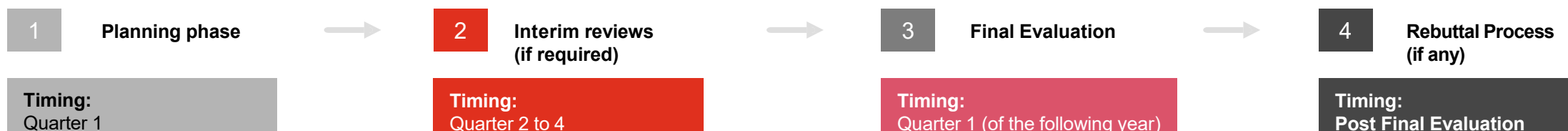The framework supports the assessment of staff and ensures consistent and transparent assessment across the Organization.
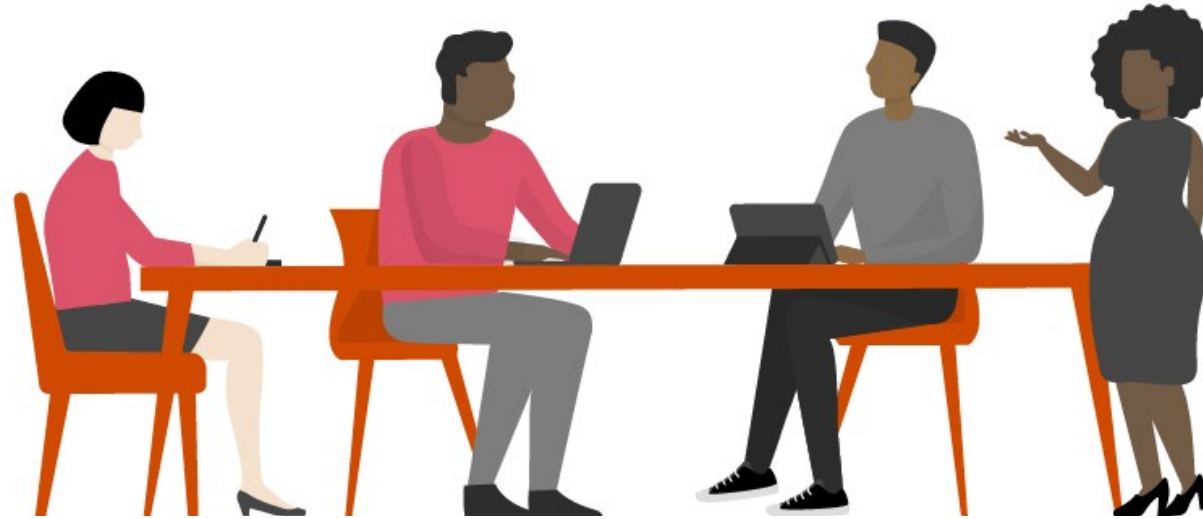
Tool

- PMSDS is supported by the IT tool "AIMS/HR Performance Management" that captures the main steps of the of the PMSDS process.
- The information recorded in AIMS/HR Performance Management by the direct manager and/or staff member must be provided in English or French.

Key milestones

1	Planning phase
Timing: Quarter 1	

2	Interim reviews (if required)
Timing: Quarter 2 to 4	

3	Final Evaluation
Timing: Quarter 1 (of the following year)	

4	Rebuttal Process (if any)
Timing: Post Final Evaluation	

Overview of actors interacting as part of the PMSDS cycle

Employee	**Direct Manager**	**Reviewing Officer or Approver**	**Higher Manager**	**Administrator**
• Person for whom the PMSDS cycle is established • Sometimes referred to as "Employee" or "Staff Member".	• Direct manager of the employee • Overall responsible for the timely processing of the PMSDS cycle. • Sometimes referred to as "Direct Manager" or "Manager".	• Usually the manager of the manager who will finally approve the evaluation. • Evaluations established by the Director General do not have a Reviewing Officer assigned. • Sometimes referred to as "Reviewing Officer" or "Approver".	• Any higher manager of the employee who has view-only access to the PMSDS cycle of employee working in their respective area.	• Person working in the Performance and Development Section of HRMD, supporting employees, managers and reviewing officers in the processing of PMSDS cycles.

PMSDS Planning Phase

How does the planning phase works ?

- The PMSDS cycle is an annual cycle aligned to the calendar year, starting in January until December. The performance evaluation period can be shorter when a staff member leaves the Organization during the year for example.

- The planning consists of identifying wok-related objectives, required competencies and development-related objectives.

- In addition, related learning activities should be identifies in WIPO's Enterprise Learning Management (ELM) system.

- The initial planning is established by the direct manager after discussion with the staff member. The data is entered by the manager and the staff member into AIMS/HR Performance Management. The manager finalizes the initial planning in AIMS/HR Performance Management.

- Through the annual workplan process, managers link the position of individual staff member to Program activities (and associated unit workplan activities) in WIPO's Enterprise Performance Management (EP) system.

- This information is made available in AIMS/HR Performance Management to facilitate the setting of work-related objectives.

- The setting of objectives, the specification of key competencies and the identification of training needs is interlinked.

- In addition to the organizational competencies, managers can identify up to six other competencies important for the staff member to achieve the work-related objectives. This notably include WIPO's Managerial Competencies.

PMSDS Interim Review Phase

How does the Interim Review phase works ?

- On an ongoing basis, the direct manager and the staff member should discuss and follow-up on the work-related objectives, competencies, development-related objectives, and related learning activities during the PMSDS cycle.

- Both the direct manager and the staff member can enter comments in AIMS/HR Performance Management once the initial planning has been finalized in the system, which they may opt to share with each other.

- Interim review must be conducted by the direct manager when:

  - There are concerns regarding the staff member's performance, which must be communicated to the staff member in writing to ensure that they are informed and have the opportunity to improve;

  - The last overall rating as "Improvement in Performance Required" or "Unsatisfactory Performance", to provide feedback on whether or not there has been improvement in performance;

  - There is a marked change in the objectives or competencies, for example when new responsibilities are assigned due to a transfer or a revised job description; and

  - The staff member has expressed concerns with the initial planning and a discussion may help to address the concerns.

- During the interim review, the direct manager does not provide a rating of the staff member's performance.

- However, where there are performance concerns, the direct manager must indicate that overtell rating the staff member would likely receive if performance remains unchanged until the end of the year and what the possible consequences of any such rating might be.

PMSDS Evaluation Phase

How does the performance evaluation phase works ?

- In PMSDS, the direct manager gives the ratings and makes related comments on the staff member's performance.

- At the very minimum, the direct manager and the staff member must meet at least once for a performance-related conversation before signing off the evaluation.

- The ratings for objectives are "Fully achieved", "Not fully achieved" and "Not applicable".

- If the objective has not been fully achieved, the direct manager must specify what was achieved and what was not achieved. They should identify lessons learned and use the findings for planning the next PMSDS cycle.

- If an objective is not applicable anymore, the direct manager should select the option "Not applicable" and provide reasons.

- In addition, the direct manager should list in the "Evaluation" section relevant achievements beyond the ones documented under the objectives and/or other important contributions of the staff member.

- The direct manager should discuss also how well the key competencies have been demonstrated at work.

- In case the organizational and managerial competencies are rated as "exceptionally", "partly" or "not demonstrated", further explanations must be provided.

Key process steps

- The performance evaluation process consists of four formal steps in AIMS/HR Performance Management including:
    1. Establishment of the performance evaluation by the direct manager
    2. Acknowledgement of the performance evaluation by the staff member (by the following 10 working days after receiving it)
    3. Submission of the performance evaluation to the reviewing officer by the direct manager; and
    4. Approval of the performance evaluation by the reviewing officer

- By sending the acknowledgement request to the staff member, the direct manager confirms that they have held a meeting with the staff member in which their performance during the cycle was discussed.

- If the staff member fails to acknowledge the performance evaluation within ten working days, the direct manager may override the acknowledgement and carry forward with the submission of the evaluation to the reviewing officer.

- If the reviewing officer agrees with the performance evaluation of the direct manager, they approve it in AIMS/HR Performance Management.

- Once approved by the reviewing officer, the performance evaluation is considered completed.

PMSDS Evaluation Phase - rating

- The overall rating and comments reflect the staff member's overall performance including work delivered, competencies demonstrated and development accomplished, in line with the other sections of the PMSDS evaluation.

- For all overall ratings, the direct manager must provide specific comments which support the rating given.

- WIPO Staff Regulations and Rules and Instructions establish administrative consequences linked to the performance of staff.

Performance rating scale

Unsatisfactory performance	**Improvement required**	**Effective performance**	**Outstanding performance**
• Used when severe shortcomings in performance exist or • Shortcomings in performance have already been identified in a previous PMSDS cycle and • The staff member does not demonstrate an ability and/or willingness to improve performance sufficiently. (Underperformance)	• Used when a staff member has shortcomings in performance but may improve performance to meet organizational needs. (Underperformance)	• Used for staff members whose performance is in line with the organizational needs.	• Used in exceptional cases where the performance of the staff member was clearly and significantly above expectations for the functional role.

PMSDS – Consequence Management for meeting performance

How does the performance evaluation lead to consequences?

Salary increment

- According to Staff Regulation 3.6 and Staff Rule 3.6.1 the award of periodical salary increment (step increase) is subject to satisfactory performance and conduct;
- The condition of satisfactory performance shall be considered as fulfilled if:
  - The past PMSDS cycle was rated at least as an effective performance
  - The past PMSDS cycle was rated "Improvement in Performance required" and the previous PMSDS cycle was rated at least as an effective performance;
  - However, if the rating "Improvement in Performance required" is given for two or more consecutive PMSDS cycles, no salary increment shall be granted.
  - In case the past PMSDS cycle has been rated as "Unsatisfactory Performance", no salary increment shall be granted.

Long-Service step

- According to Staff Regulation 3.7, a long-service step shall only be granted to staff members in the General Service category, who have completed at least 20 years of satisfactory service with the International Bureau and who have been at the top step of their grade for at least five years.
- In so far as performance is concerned, the condition of 20 years of satisfactory service shall be considered as fulfilled if in the past 20 years not more than two PMSDS cycles have been rated below an effective performance (or rated below "Satisfactory with Reservation" under previous appraisal mechanisms) and if the past two consecutive PMSDS cycles have been rated at least as an effective performance.

PMSDS – Consequence Management for meeting performance

How does the performance evaluation lead to consequences?

Continuing and Permanent Appointments

- According to Staff Regulation 4.18 and 4.19, continuing and permanent appointments will only be granted if a staff member has fully demonstrated their suitability as an international civil servant including in respect of performance;
- A separate Office Instruction defines the conditions, including regarding performance, under which such appointments may be granted.

Promotion following reclassification

- According to Staff Regulation 2.2.1(b)(3) and the relevant Office Instruction of this subject, a promotion following reclassification may only be grated if the two PMSDS cycles preceding promotion have been rated at least as an effective performance.

Contract extension

- Contract extension shall be subject to the staff member's performance. An appointment shall not be extended for more than one year if one or both of the past two consecutive PMSDS cycles have been rated below an effective performance.
- An appointment may not be extended if the past PMSDS cycle has been rated as "Unsatisfactory Performance"

PMSDS – Consequence Management for underperformance

WIPO instructions to managers to deal with performance shortcomings

- Clarify the cause of underperformance;

- Clarify if the matter is related to performance or misconduct to identify the relevant process to apply;

- Prepare for and conduct a performance improvement meeting to discuss performance issues and identify how to resolve it;

- If the shortcomings in performance are not resolved, managers are encouraged to :

  - Inform the Reviewing Officer, if not done already;

  - Conduct Interim Reviews to discuss performance concerns with staff and document discussion;

  - Document Internal Reviews into AIMS/HR Performance Management incl:

  - Continue to coach staff members.

  - Establish Performance Improvement Plan (PIP) and monitor progress towards expected performance level;

  - Potential performance rating for staff member if performance remains unchanged

  - If the PIP involves further training, involving the Reviewing Officer to submit request to HRMD;

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PMSDS – Consequence Management for underperformance

How does the performance evaluation lead to consequences?

"Improvement required" rating might result in the following:

- Withholding of promotion;
- Withholding of permanent or continuous appointment;
- Withholding of step increment if the rating "Improvement in performance required" persists for two or more consecutive cycles;
- Withholding of long-service step (General Service staff only).

"Unsatisfactory performance" rating might result in the following:

- Withholding of promotion;
- Withholding of permanent or continuous appointment;
- Withholding of step increment;
- No contract extension or reduced period of time for contract extension;
- Termination of contract.

Underperformance indicators
Underperformance is observed when a staff member:

Underperformance is observed when a staff member:

- Does not deliver work in the expected quality and/or quantity;
- Misses achievable deadlines;
- Cannot cope with the complexity of work;
- Is not service-oriented;
- Avoids allocated tasks;
- Needs constant supervision;
- Is not capable or not willing to acquire new skills;
- Does not show team spirit or is continuously resistant to change.

Performance Management milestones – Disagreement

How does disagreement get resolved in the process ?

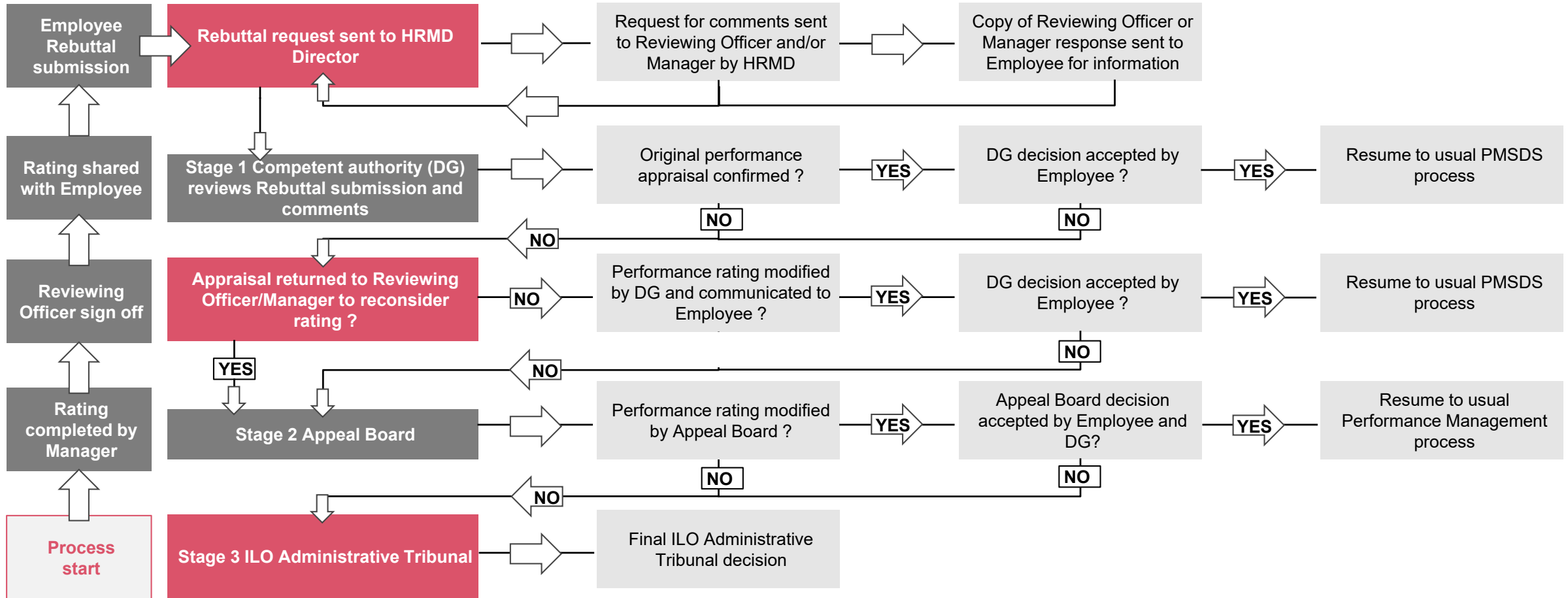| Disagreement between staff member and direct manager	Disagreement between direct manager and reviewing officer
• In the event of a disagreement concerning the evaluation (ratings and/or related comments), staff member and direct manager should make every reasonable effort to resolve the situation through dialog.	• If the reviewing officer does not agree with the performance evaluation given y the direct manager (irrespective of whether or not the staff member is in agreement with this evaluation) they can deny the approval, after having discussed the matter with the direct manager.
• In case of a persisting disagreement, if requested by either party, the reviewing officer shall be involved as a mediator who, together with the staff member and direct manager, will work towards a solution.	• In such a case, the system will reopen the performance evaluation, allowing the direct manager to introduce changes.
• It is recommended that the direct manager, the staff member and the reviewing officer complete the evaluation only once the PMSDS mediation process has been completed.	• Thereafter, the performance evaluation shall be reprocessed in accordance with the relevant procedure.
• However, if the direct manager has signed the evaluation, staff members must sign the evaluation within the given timeline.	• In the exceptional case where the manager and the reviewing officer cannot reach an agreement on the rating and/or comments, they may seek procedural advice from HRMD.
• Once the mediation process is concluded, the reviewing officer shall notify both parties in writing of the outcome.	• Responsibility for defining the final rating rests with the reviewing officer.
• If no agreement could be reached during the mediation, the manager enters their evaluation (rating and comments) and send evaluation to staff member.	• If different from the direct manager's rating, the reviewing officer's rating must be accompanied by supporting comments for insertion in AIMS/HR Performance Management. Thereafter, the performance evaluation shall be reprocessed in accordance with the relevant procedure.
• By acknowledging the evaluation, the staff member is not prevented from contesting the evaluation under the existing rebuttal procedures.	

Appeal process for performance evaluation disagreement

Escalation Process overview

IOD wishes to thank all relevant colleagues for their assistance, cooperation and interest during this assignment.

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End of Annex and of Document