



**Annex 1 – Driving the HSE Business Strategy through HR Enablers**

## **HSE LEARNING AND DEVELOPMENT STRATEGY**

Progress Update - 28 November 2005

### **1. PURPOSE**

This note provides a progress report on the development of the L & D Strategy. It is a short summary of the background to the project, methodology used, and the emerging themes.

### **2. BACKGROUND**

2.1 HSE's approach to learning and development has been adhoc, reactive and unplanned. It has been tactical rather than strategic.

2.2 Business requirements are now changing and this needs new skills. The shift from safety to health, different ways of working in partnership and new interventions will impact on the learning and development needed.

### **3. SCOPE**

3.1 The task is to develop a Learning and Development Strategy for the HSE to address current and future business needs, which will form part of the overall HR Strategy and be driven by the HSE business plan.

3.2 The L & D Strategy will cover all HSE employees and incorporate the PSG Framework.

3.3 Senior Civil Servants are a wider government resource. However, specific HSE skill framework requirements must also embrace HSE's SCS population. This is being tackled in liaison with Cabinet Office.

### **4. METHODOLOGY**

4.1 The methodology combines qualitative and quantitative research, primarily within the business. The research is now 95% complete, and Analysis work has begun.

4.2 Data was sought from a number of sources including:

- Structured Interviews with all Directors and some stakeholders from COSAS, FOD, HID, NSD, RPD and OPSU
- 2004/05 Learning and Development Activity and Costs by Directorate including COIN training costs
- Staff Survey 2005
- Professional Skills for Government – Cabinet Office
- Management Capability Project
- Development Arrangements Project
- Hays Work September 2005
- Demographic, diversity and internal promotion trend

## 5. EMERGING THEMES

5.1 The following themes are emerging:

### 5.1.2 Building Capability Areas

**Management Skills & Confidence** – This is the priority if HSE is to deliver the PSA targets and maintain its reputation. Particular areas to be address are:

- Managing Performance – setting and agreeing objectives, giving constructive feedback on performance (effective and poor), assessing performance, monitoring performance and improving performance
- Managing Resources – financial awareness, prioritising work, identifying skill requirements for projects/tasks, allocating resources (including delegating)
- Basic Business Planning
- Programme Working and Project Management
- Team Building

**Leadership Skills** - HSE has said that it needs and wants to change its way of working to one of disciplined delivery, building connections and shifting to health. This is a culture change programme and will require HSE Leaders to:

- Communicate a vision of the future HSE that is embraced and understood by all people
- Deliver HSE values and vision into operational strategy and objectives
- Ensure that the new way of working is rewarded and recognised and actively discourage those that risk HSE's ability to succeed.
- Business Planning and Communicating Plan

**Core Skills Framework** – There is an urgent need for an explicit skills framework across all of HSE operations (that is regulation, inspection and enforcement). This should be aligned to either a professional body or qualification framework. This will allow HSE to effectively identify the skills and competencies to deliver its programmes, manage talent and succession and also enable individuals to see what 'the deal' is in terms of their career.

A working group, led by Gary Lang, is being established to co-ordinate the work that has been taking place across Directorates. This will be extended across HSE and aligned with PSG.

**Behavioural Skills** - HSE now needs to develop new behaviours. The priority areas appear to be:

- Influencing – securing the commitment of people without using one's position

- Networking - learning to work with people effectively through time and distance
- Organisation awareness - taking into account where one fits within HSE and to behave in a corporate manner. It's about looking at what is best for HSE as a whole.
- Disciplined Delivery – taking responsibility and accountability for achieving specific, challenging objectives within an agreed timescale and budget.
- Adaptability and Flexibility - able to adapt quickly to varying environments and different tasks, responsibility and people in order to respond to changing situations.
- Team working – actively participating in and supporting team effectiveness by working towards a common goal or task that must be delivered.
- Resilience -

#### **Technical Skills/Knowledge**

- Project Management – is required at various competence levels to ensure that all staff are able to contribute towards Programme Delivery.
- Financial Awareness – all individuals should have an understanding of value for money and how to use resources effectively.
- Communication Skills – are increasingly important. Staff must be able to communicate orally and in writing for a wide range of audiences.

#### **5.1.2 APPROACH**

Early findings suggest a real need to look at the overall delivery and approach to learning. Currently the majority of events are courses or workshops which are: a) expensive in taking people out of the workplace, b) may not transfer the learning into the actual workplace and c) have people feeling that they are 'coursed' out.

Evaluation must be built into every learning activity/event to ensure that they meet the business requirement.

#### **5.1.3 PROGRAMME MANAGEMENT OF HSE L & D STRATEGY**

There is a great deal of activity taking place within HSE which includes implementation of FIT 3 and Major Hazards, COIN, EDRMS and HRST plus the day to day activities that are expected of HSE. It is the very people that are participating in these programmes that will also be impacted in a major way by the implementation of the L & D Strategy.

L & D will need to be phased and be effectively programme managed to use the available resource effectively and also maximise the opportunities to instil the new way of working e.g. using COIN and EDRMS training.

**6. COMPLETION DATE**

The HSE L&D Strategy will be submitted to the Board HR Sub-Group by 21 December 2005 and is being managed through the attached project plan.

	Activity	Who is Responsible	Start Date	Finish Date	Risk	Contingency	Comments
1.	Scope L & D Strategy Project	RB	10/10/05	10/10/05	Scope too wide/narrow	Sense check scope with key stakeholders and Board Champion	Scope to include all of the HSE including Board and ensure fit with PSG and Cabinet Office work where appropriate Need to check if HSL in scope via Vivien Dews
2.	Identify key stakeholders for L & D strategy for consultation/communication and make initial contact	GL	10/10/05	15/10/05	Full breadth of stakeholder population not considered	Alternative to those BP areas that not in place	Key Stakeholders to incl.- Sandra Ashcroft Brian Fulham Sc/Tech Mike Cross – OPS Heather Bolton – OPS Andy Gay –OPS Business Partners in place Directors I McConaghy, Susan Mackenzie, Evan Bale Marian Evans –PG, Linda Buxton, Dave Hockey – Recruitment, Jon Rowson, Julie McDougall, Alison McKenzie Nigel Atkinson, ( <i>Patrica Mercer, Natasha Jones – still to be seen</i> )
3.	Sense check business priorities with selected Directors re: L & D strategy priorities.	GL/RB	13/10/05	15/11/05	Not available within timescales	Use e-mail with follow-up calls. Contingency plan Jan 06 Board	90% complete. 24 <sup>th</sup> Nov Sandra Caldwell last interview

	<b>Activity</b>	<b>Who is Responsible</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>Risk</b>	<b>Contingency</b>	<b>Comments</b>
4.	Talent Management and Career Management Early Review	RB	14/10/05	14/10/05	All viewpoints not fully incorporated	Review literature and activity	Complete. Need to look closer at PSG link
5.	Identify split of £20 million training spend	GL/A Gay	14/10/05	20/10/05	No real audit trail	Accept individual feedback from 2 sources	95% complete review meeting 24 <sup>th</sup> November 2005 – KM/GL
6.	Identify and access statistics to provide evidence for L & D Strategy direction	GL	14/10/05	09/11/05	Data overwhelming or missing key component in data gathering	Project Plan sign off to double check and Key Named Stakeholder to review	Data submission 90% complete. NSD data to be submitted by 25 <sup>th</sup> Nov 05. Issue around collating activity in Inspector and Specialist Development Work e.g. Skills Framework
7.	Issue Project Plan for consultation	RB	15/10/05	25/10/05	Not all stakeholders available	Liaise with PA's	Complete
8.	Establish how HR work streams impact development and delivery of L & D Strategy	GL/RB	15/10/05	26/10/05	All work stream not included	Use written feedback against each work stream	Complete. High Risk still regarding Programme Management of entire HR Strategy
9.	Summarise current provision of NVQ delivery including 'evaluation'	Andy Gay	18/10/05	09/11/05	No real evaluation mechanism	Accept individual feedback from two different sources	Incl. Within statistics

	Activity	Who is Responsible	Start Date	Finish Date	Risk	Contingency	Comments
10.	Obtain and review data on Performance Management	RB	18/10/05	02/11/05	Little robust evidence or consistency across HSE to add value	Focus on NSG only	RB to connect with Mike Weightman NSG. To talk to Ian Britten re: Performance Docs
11.	Complete data gathering exercise for skills – inspection, regulation and sector – what is happening	GL	18/10/05	11/11/05	Evidence unyielding or not enough time	Agree standard proforma to gather evidence and e-mail to key people	Mike Cross and Brian Fulham to be contacted
12.	Undertake preliminary analysis/review of work to date	RB/GL	18/10/05	25/10/05	Not all data available	Plan additional day in 1 <sup>st</sup> week November	Initial review undertaken – key themes – core management skills incl perf mgt. influencing skills, project mgt etc
13.	Develop and agree communication strategy as part of the overall HR Strategy	RB	20/10/05	02/11/05	Does not reach all corners of HSE and adds to initiative fatigue	Involve all stakeholders (as appropriate) in implementation plan	Need to agree with as part of HR Strategy Paper to 7 <sup>th</sup> Dec Board
14.	Review E-Learning feasibility	GL	20/10/05	25/10/05	Short time frames do not allow full Study	Use Business Partners to assist	Additional meetings planned with NetG – 7 <sup>th</sup> Dec
15.	Working Day in L'Pool	GL/RB	26/10/05	26/10/05	Slippage in data collection	Plan alternative use for day	Include meetings with any London stakeholders
16.	Progress Review Meeting	JMcD/GL/RB	02/11/05	02/11/05			Review requirement of meeting
17.	Confirm key skills against business priorities of HSE workforce	RB	10/11/05	17/11/05	Categorisation varies in discussion	Agree standard categorisation	Sense check against key stakeholders. Plan meeting with Mike Cross and Les Boman for initial sense check.

	Activity	Who is Responsible	Start Date	Finish Date	Risk	Contingency	Comments
18.	Undertake Gap Analysis	RB/GL	011/11/05	25/11/05	Inadequate time to undertake full workforce analysis	Review current work in HR Modernisation Project to see what is available	
19.	Working Day in London	GL/RB	15/11/05	16/11/05	Not all data available	Short list min. data requirements to go forward	Re-schedule to 24 <sup>th</sup> Nov ; additional day required early Dec.
20.	Progress Review Meeting	JMcD/GL/RB	16/11/05	16/11/05			
21.	Define Overall Approach and L & D Strategy	GL/RB	24/11/05	25/11/05	Not consistent with stakeholder perception	Check point Meeting with Key Stakeholders Planned to manage expect.	To take place in Bootle – working half day
22.	Produce first draft L & D Strategy Document	RB	027/11/05	10/12/05	Not achievable/realistic Need to link to overall HRD strategy	Prioritize and develop implementation plan. Consult with Key stakeholders	
23.	Develop learning & development plan and implementation plan	GL/RB	30/11/05	11/12/05	Business demand to deliver all to unrealistic timescales	Develop 3-5 year plan with high impact; high importance guideline for early days	This will required input from workforce planning and some level of detail
24.	Progress Review Meeting	IMcC/GL/RB	30/11/05	30/11/05			These review meetings are subject to time constraints and need to report at each stage.

	Activity	Who is Responsible	Start Date	Finish Date	Risk	Contingency	Comments
25.	Issue Draft Document for Consultation to PD Stakeholders	GL	12/12/05	15/12/05	Time constraints	Diary working event with relevant PD stakeholders. Get agreement to issue early draft to all stakeholders	This will also include recommendations for further action
26.	Review 'Readiness' of L & D Strategy to be presented to Board	SM/IMcC	13/12/05	13/12/05	Key Stakeholders not alerted to potential action	Ensure documented	
27.	Progress Review Meeting	IMcC/GL/RB	14/12/05	14/12/05			These review meetings are subject to time constraints and need to report at each stage.
28.	Final L & D Strategy Document Produced and signed off	GL/RB	15/12/05	20/12/05	Time does not allow 10 day circulation with Board	Agree timescales with Board Secretary. Ensure Heather Bolton fully briefed and in agreement. Agree what further work needs to be pushed back to Jan 06 if appropriate	This may be an actual discussion agenda item for Board that will involve GL.  Need to ensure that key stakeholders at all levels have endorsed and approved prior to Board meeting.  Board Paper will need to be produced
29.	Progress Review Meeting	IMcC/GL/RB	21/12/05	21/12/05			

	Activity	Who is Responsible	Start Date	Finish Date	Risk	Contingency	Comments
30.	Board Meeting Takes Place	IMcC/SM	Early Jan 06	Early Jan 06	Board does not Approve Paper or Board wants ASAP implementation	Ensure Board Concerns reflected in draft paper. Implementation plan and arguments communicated succinctly	
31.	L & D Strategy Approved and Implementation Plan rolls out	IMcC/SM/HB	1 <sup>st</sup> QRT 06	1 <sup>st</sup> QRT 06	Unprepared for approval. Conflict with HR Modernisation or other organisation priorities	Ensure Implementation Plan has a no. of people responsible against key tasks. Ensure linkage with HR work streams. Ensure project plan looks at other interdependencies incl HR but other functions	

## HSE Foundation Scheme Progress Report

### **Introduction**

The aim of this paper is to provide an update on the development and piloting of the new Foundation Programme Scheme.

### **Background**

The HSE Board decided to introduce a Foundation Scheme to attract talent into HSE. This was also in response to recruitment shortfalls in the Policy Group in London. The backdrop of the introduction of Professional Skills for Government (PSG) also further raised the value of developing well-rounded individuals with knowledge and experience across corporate, policy and operational delivery areas.

It is likely that the overall purpose of the Foundation Scheme may gain a different focus as HSE business priorities are reviewed and the resulting workforce plan developed.

The cohort of candidates for the pilot will work out of London and will undertake 8 -month secondment rotations in each of the three delivery areas. This is a unique selling feature for the programme both for candidates and potential employing Directorates. The current recommendation is that the management of the scheme will be the responsibility of a Cohort Manager. Reporting arrangements are under consideration.

### **Progress to Date**

#### **Recruitment**

A very successful recruitment campaign has resulted in: -

- 18 candidates have been offered places on the scheme and will start 16<sup>th</sup> January 2006;
- 9 additional candidates are being held in reserve

#### **The Programme**

The following components have been agreed and developed:

- Allocated to initial posts and arrangements for rotating to the other two legs of the programme;
- Adapted YPM process involving a log book which will capture cumulatively the developments of the skills and behavioural competencies of the recruits over the period of the programme and will allow management of development as job rotations take place;
- A job description for the Cohort Manager who will manage of the programme ensuring objective-led placement rotation takes place as

planned and with particular emphasis on candidates benefit from of progressive development;

- Initial Corporate Induction Programme
- A manager briefing workshop

The over all programme is still under development but is likely to encapsulate the following areas:

- Local Induction
- Directorate Induction
- Corporate Induction
- Planned Work Experiences in Corporate, Policy and Operation
- Legislation and Regulations
- Government – The Context
- Introduction to Operation Group
- Project Management – the Basics
- Team Building Events
- Financial Awareness
- Managing Your Performance and Your Career
- Intermediate Project Management Skills
- Presentation and Report Writing Skills
- NEBOSH
- The work of HSL Laboratories

## **ACTION TO BE TAKEN**

The overall Foundation Scheme Programme is expected to be agreed at the 20<sup>th</sup> December 2005 Foundation Scheme Working Party Meeting. All development work will be in line with the HSE L & D Strategy which will be delivered to the HR Sub Committee 21<sup>st</sup> December 2005.

## **LOCAL CAREER REVIEW GROUPS (LCRG)**

Progress Update - 28 November 2005

### **1.0 PURPOSE**

- 1.1 The aim of this paper is to provide a brief progress report on LCRGs.**

### **2.0 CURRENT POSITION**

- 2.1 LCRG process is currently successfully operating between FOD/CI in the Midlands, London and the South East and also NSD. There is a strong desire to build on this success and extend this across the all of HSE.
- 2.2 Directorates, working with their Business Partners, will be asked to prepare baseline personnel data and indicate key development posts within their Directorates. The emphasis will be skill development needs and making these both specific and explicit.
- 2.3 A pilot programme will be implemented to re-start the LCRG process within the North West, including Bootle, Manchester and Preston and will consider career moves for all NW based Band 2 staff. This will initially eliminate the issues around location and allow concentration on the process itself in the first instance.
- 2.4 The pilot will trial Business Partners liasing with their Directorates and being responsible for facilitating the planned moves. This will also allow them to be instrumental in evaluating the effectiveness of the process.

### **3.0 ACTION TO BE TAKE**

- 3.1 PD is currently working with OSU to produce a timetable for kick-starting the LCRG process across HSE. This will be available in December and will include specific actions that Directorates will be asked to undertake.

## HSE WORKFORCE PLAN

Progress Update - 28 November 2005

### Purpose

1. The aim of this paper is to provide a progress report on the development of the Workforce Plan. This is covered in a summary of the background of the project, the methodology used, preliminary findings and also presents some emerging themes

### Background

2. The Health and Safety Executive as a whole is facing change over the next few years to reflect a change of emphasis in what and how it delivers. The HSE wants to create a more open and diverse workforce which is less hierarchical, more flexible and focused on priorities and which encourages sharing knowledge and expertise.
3. The national demographic is likely to be challenging for all employers over the next few years. The economically active group is to grow by 820,000 between 2003 and 2010 with graduates forming around 25% of this group. Women are likely to make up an increasing proportion of graduates compared to the past. Minority ethnic groups make up around 8.7% of the population and have a younger age profile than the white population.
4. Within this context the HSE recognises the need to develop workforce planning methodology as part of its over all HR Strategy to meet its staffing needs now and in the future.

### Scope

5. Currently the Policy Group is facing some immediate pressures due to the rapid expansion of the group to meet demands of strategic programme work. The usual source of recruits to the Group is now limited, leading to the need to consider staff deployment in different and more flexible ways to meet current identified needs without putting other programmes and priorities at risk.
6. Developing a workforce plan will help manage current pressures in the Policy Group and to develop methods of forecasting skills that will be needed in the future. By using the Policy Group as a pilot it will be possible to apply workforce-planning methodology across the whole of the HSE to predict, deploy and manage staffing levels both cost effectively and efficiently.

### Methodology

7. The methodology adopted is a combination of qualitative and quantitative research.
  - Data gathered by HR on the composition of the workforce was analysed to determine the future pressure points.

- Business and programme plans were analysed to determine the sophistication of the methods used to forecast and deploy people to deliver the objectives in the business plans.
- Structured interviews with senior staff (SCS and B0 and B1) were undertaken with outcomes recorded.
- Focus group with B3 has been held, and focus groups are planned with B2 and B4 people to help form a 'reality check' on the current perception of HSE.
- The results of the 2005 staff survey have also been examined.

### **Emerging themes**

8. There is a growing understanding of the need to create a more flexible workforce with, in some cases a different skill set than those which exist.
9. There is recognition of the need to refocus on priorities across Policy Group and across HSE, to develop ways of identifying and deploying scarce resources.
10. Business and programme planning are in place, but the areas of dedicated workforce planning to deliver the programmes need some development.

### **Actions and outcomes**

11. The outcome from the workforce planning project will be two fold: -
  - Workforce planning methodology for Policy Group will be piloted as part of the business planning process
  - A Workforce Planning template will be produced to extend the methodology across the HSE, delivered by the HR Business Partners.
12. The completion of the methodology and template will be 21 December 2005, to allow the pilot to take place early enough in 2006 to influence the business planning process for 2006/07.

## Post Filling

### **Purpose**

To review the existing post filling arrangements and make recommendations for improvement.

### **Background**

The current principles governing HSE Post filling were initially introduced under the Long Term Pay Agreement in April 1996 and applied to all jobs in Bands 1- 6. HSE Main Board have asked HR to review these arrangements and develop recommendations for improvement.

### **Issues**

- The process is time consuming for applicants who sometimes take a long time to complete the forms.
- The existing two-staged approach to Post Filling limits both the candidate pool and bench marking opportunities for the assessing line manager. It does not necessarily identify the **best** candidate for the job.
- It is unnecessarily rule bound, inflexible and requires significant cumbersome paperwork.
- It does not maximise the use of existing track records of individuals, nor make best use of the line manager's knowledge of the individual.
- Vacancy creation tends to be ad hoc as we do not have effective workforce planning in place. Therefore post filling is resource heavy, time consuming and costly for HR and managers.

### **Recommendations**

1. Consider options to post filling other than through Vacancy Matters, for example Managed Moves, Succession Planning, Career Review Planning and Talent Pools. These options will also support the identification of key skill gaps early and enable HSE to identify potential successors for key roles so that we develop / grow individuals who are ready to fill these roles without having to go through the post filling process. To use these options effectively, it would be critical for decisions to be based on a well-founded workforce plan for each Directorate.
2. Explore widening the applicant pool, for internal advertised vacancies, by opening up vacancies (for example up to two bands below the advertised vacancy) to applicants who can demonstrate that they have the suitable skills and experience for the job. By broadening the applicant pool, managers will be able to assess the **best** candidate for the job with less regard for current band.
3. Eliminate the existing cumbersome application form and introduce a smarter way of applying for jobs. For example, introduce a streamline template CV/Career Record which can be re-used for other applications.

4. Use the electronic tools available in the new HR system to speed up and make the internal recruitment process more effective. For example, CVs once submitted could be updated on line and retained as a record of career history. This would be an effective tool to support future resource planning.
5. Consider alternative selection tools, (for example telephone interview) for situations where we have multiple applicants to ensure that we can identify the best candidates to take forward to formal assessment.
6. Consider broadening the assessment centre approach to identify potential rather than track record, and to create pools of candidates ready for promotion to a range of posts.
7. Explore the option of how, and if, we might utilise existing information / track record as part of the assessment process. Make line managers more accountable for providing a true assessment of an individual's performance to date, and his/ her ability to fulfil the role.
8. Reduce boards to two trained board members. PD would provide a "quality assurance " check by observing a sample of interviews and providing immediate feedback to the individual assessor.
9. Review all the internal recruitment paper work (for example the Guidance Pack for Assessors and the interview packs) to ensure that they are fit for purpose and reflect the competencies required to meet the future business needs of HSE.
10. Implement local and corporate resource planning so that most post filling can be managed throughout the year with planned assessment centres.

### **Implementation**

Consultation with Union representatives	Q1 2006
Workforce Planning implemented	Q1 2006
Changes to the existing post filling instructions on Vacancy Matters	Q2 2006
Changes to Your Performance Matters to reflect the new procedures	Q2 2006
Changes to the Staff handbook	Q2 2006
Changes to all PD recruitment documentation	Q2 2006
Communication to all staff and managers	Q2 2006

### **Risks**

1. Post Filling arrangements were agreed under the terms of a collective agreement and therefore the Union will expect to negotiate any change. Given that this is a long-standing agreement, they may resist the proposed changes.
2. Pay negotiations are currently the priority for the Unions, it is therefore unlikely that any formal discussions will take place until the New Year; which would delay implementation.
3. Opening up vacancies to more candidates may result in fewer level moves. Staff might resent having to compete against a more junior colleague for a position or simply not want to take the time to submit a CV.

4. Line managers must be able to exercise appropriate judgement for vacancies that are filled by methods other than through Vacancy Matters.

### **Costs**

There would be some initial upfront cost to cover resource for consultation and dedicated PD resource to review and update the recruitment paperwork of circa £17k. (4/5 months dedicated PD resource)

Additional workshops to update assessors on the new procedures - circa £17.5k (based on half a day training session for circa 80 assessors)

**Performance Management Work Stream**  
**Improving Management Capability**

**Issue**

1. Developing a high performance culture in HSE.

**Timing**

2. Urgent. We need to take steps to 'up our game' on performance appraisal in time for the moderation of the 0506 High Performance Awards. Acting swiftly on other aspects of performance management will also inspire confidence in leadership following the outcome of the Staff Attitude Survey and the SCS Leadership event.

**Background**

4. In recent years HSE has invested hugely in training and development in an effort to build management capabilities, leadership and improve organisational performance. We have also changed our performance management processes: introducing a greater sense of organisational values by placing more emphasis on **how** we operate as well as **what** we achieve.
5. This investment has been well received and reflects well on our commitment to individual development and organisational growth, but it has not produced the step changes that we were seeking. Important management responsibilities continue to be squeezed out by other, more urgent matters.
6. Overall, the feedback from staff and managers suggests our systems are fairly sound and should not be the main focus just now. Instead, they agree we need to: continue to focus our efforts on building leadership and management capabilities; and improve the quality of the relationships and conversations that are taking place throughout the organisation at every level.

**Areas for Improvement**

7. Objective setting – we want to embrace not just task but the necessary behaviours to achieve those tasks. For managers, that would include the way in which they select, motivate and develop their staff. This is about exploring performance against the core competence framework.
8. Review – Continuous during a business cycle, with periodic summary reviews.

9. Recognising Performance – encouraging managers to recognise effective and superior performance, and deal in a timely way with poor performance.

10. Management Capabilities – HSE has commissioned work to improve management capabilities focusing on three key areas. Those areas are:

- Fewer managers – this appears to be a combination of HSE’s definition of a manager and organisational design issues. There has been progress in parts of organisation in reducing the number of management levels but progress has been uneven. The HR Business Partners will work within each Directorate to review structures against business requirements and produce an action plan by March 2006. Feedback from some Operational Directorates suggest there are gains to be had. Fewer managers will mean we can select managers from those who have the aptitude for the role. We need to work through opening up progression opportunities for non managers.
- HSE’s expectations of managers - a draft statement is being developed following recent discussions with senior managers. This needs further work.
- Learning and Development – this embraced by the current work on the L&D strategy (Annex 4 of the main paper). The emerging themes are around management skills and confidence, leadership skills, behavioural skills and technical skills/knowledge.

### The Way Forward

11. Broadly stated, HSE’s objective should be to move from an appraisal environment to a performance management culture. The differences are best summarised in the table below:

Component	Performance Appraisal	Performance Management
Purpose	To evaluate colleagues performance	Multifaceted: <ul style="list-style-type: none"> <li>✓ To drive performance;</li> <li>✓ To develop talent;</li> <li>✓ To set up people for success;</li> <li>✓ To drive retention;</li> <li>✓ To drive the culture.</li> </ul>
Process	Once a year	Continuous during a business cycle, with periodic summary reviews.
Colleague Involvement	Little, if any	High levels of involvement, including: <ul style="list-style-type: none"> <li>✓ Input into goals &amp; objectives;</li> <li>✓ Tracking of own performance;</li> <li>✓ Frequent check-ins and coaching opportunities;</li> <li>✓ Input into performance reviews and evaluation;</li> <li>✓ Developmental planning.</li> </ul>

<b>Component</b>	<b>Performance Appraisal</b>	<b>Performance Management</b>
Link to organisational strategies, both business and cultural	Little if any. On the results side only	Clear line of sight to strategic priorities and organisational values and culture
Link to Reward	Mixed – sometimes direct, sometimes not apparent at all.	Linked as one component of an effective reward system
Career and/or developmental planning	Little, if any connection.	A major component – developmental objectives and planning are major parts of the system in all cases
Communications	Typically top-down, on goals	Goes both ways, with major inputs from colleagues, higher levels of trust and better identification of process/systems issues
Impact on job satisfaction	Low. Colleagues generally hate the process.	High. If done correctly, colleagues feel engaged with a sense of ownership of specific performance plan and developmental opportunities
Correlation with organisational results	None	Likely to be a very positive correlation

12. We are currently drafting a project plan to improve personal performance management within HSE. It will also clearly identify how the project sits within in the wider context of a number of other corporate programmes. This will be available for the proposed HR Sub-group of the Board to consider in January. In addition, we have appointed a dedicated Project Manager for the performance management

13. But there is also action we either must, or can, take now:

- Performance Appraisal - As part of our commitment to the TUs, we have prepared a package on performance appraisal that includes a message to all staff and revised guidance to managers on performance appraisal and moderation panels. We plan to launch this in early December. The TUs must be convinced that HSE will deliver sustained improvement on the implementation of our performance management arrangements.
- We have engaged a firm of organisational psychologists (Pearn Kandola) to help us determine whether the current HPA distribution is inequitable and, if it is, to make recommendations on how we can best address the underlying causes.

## **Proposed HR Board Sub Group**

### **Background**

At its meeting on 2 November the Board expressed interest in establishing a HR Sub-Group, but agreed that this should be considered further at the meeting on 7 December which would be considering a range of HR issues.

### **Objectives**

A sub-group would enable the main Board to delegate some of its discussions on HR issues. It would provide extra capacity at the top of the organisation for addressing those issues which were of greatest concern to staff. It would be better able than the main Board to steer HR change. It would also provide a Board level forum for taking some of the decisions which currently default to the HRST programme Board.

### **Scope**

Terms of reference would need to be agreed. But the remit might cover:

- Steering implementation of the HR strategy and considering how this should be co-ordinated with other change activities
- Deciding HR policy and process issues which need Board level approval
- Ensuring there is a coherent set of HR projects and programmes matched to our business need and capacity to deliver
- Ensuring good communications with staff on HR issues.

Such a Board sub-group would probably not be a suitable forum for overseeing the pay negotiations.

### **Membership**

To be decided. But in line with other sub-groups it might be helpful to include some senior staff who are not main Board members, particularly from HR.

### **HRST Programme Board**

The creation of a Board sub-group would mean the HRST Programme Board could revert to steering HRST implementation and might be able to meet less often, delegating day to day responsibility to the SRO.