

EPO **FLIER** No. 47

The EPO-FLIER wants to provide staff with uncensored, independent information at times of social conflict

# Reporting below the belt

The 2018 appraisal exercise was the most chaotic one in the history of the Office<sup>1</sup>. But it has also set new lows for fairness and respect for the staff. Its ruthless application has created “enormous anxiety, worry and demotivation”<sup>2</sup> and has negatively affected the health of many employees.

Under the new career system, production targets are cascaded down through the hierarchical levels and imposed on individual employees without considering their feedback<sup>3</sup>. The setting of individual production goals has therefore become arbitrary and decoupled from realistic numbers. The inflated goals cannot be achieved while respecting the quality requirements defined by the EPC<sup>4</sup>. In order to pressurise examiners to nevertheless deliver the expected number of products, threats of dismissal have become a normal ‘staff motivation’ tool at the EPO.

## From uncertain reward to underrating

The *Guidance to performance assessment 2018*<sup>5</sup> claimed that, in recent years, some managers had promised a reward “although they had no right to do so” – which had created undue expectations “sometimes leading to frustration”. But the 2018 reporting exercise has led to even more frustration. The *Guidance* is vague and has increased the uncertainty for the employees<sup>6</sup>.

While at least some directors and team managers tried to assess the 2018 performance fairly despite the conditions, there is a worrying new pattern. Many directors had set individual 2018 targets at unattainable levels and later rated the performance of those who did not reach them as (*far*) *below the expected level*. The president recently announced<sup>7</sup> that 6% of staff are deemed to be “below the level required for the seniority and function” and “a very small minority” of less than 2% are “far below the level required.” If these figures are correct, that means some 540 colleagues, mostly examiners, have received a *below* or *far below* rating. During the EPO’s successful past, the number of negative performance ratings had always been negligibly small<sup>2</sup>. The high share of staff being assessed as underperforming in 2018 is inconsistent with the record output the EPO reached in the same year. It is incompatible with the high level of qualification of the employees, also recognised by our top management. It is also striking that, for the first time in the history of the EPO, many staff were rated (*far*) *below expectations* for a performance that was equal to the previous year or even better. Who, confronted with such unfair underrating, would be not frustrated?

The “calibration” process introduced with the 2018 appraisal exercise played a key role. During the “calibration”, VPs, COOs and PDs harmonise the reporting standards before the reporting officers draft the year-end reports and assign final individual performance ratings<sup>8</sup>. The “calibration” is an opaque process without participation of any staff representatives but fully controlled by the top

1 “Rat race 3.0” Part I: Staff Reporting in the New Career System (NCS) – Total mayhem (su19006mp, 04.03.2019)

2 Performance Assessment 2018 (CSC letter to the president, 08.03.2019)

3 Although Circular 366 mentions “agreed goals” (see III.1.)

4 [Only 76.6% of the European patents granted in 2018 are compliant with the EPC](#) (down from 84.9% in 2016)

5 Signed by VP1 Stephen Rowan and published on 19.02.2019

6 *Mis-Guidance to performance assesement 2018* (LSC Munich, 13.03.2019)

7 Update from the president on performance management, financial study, social dialogue and more (20.05.2019)

management. It has removed the reporting officer's discretion in recognising performance fairly, and has led to arbitrary and unfair underrating.

By introducing the new career system, management has delinked reward from performance<sup>9</sup>. Through the "calibration"<sup>10</sup> it has now also delinked performance rating from performance.

## Impact on employees' health and their ability to fulfil their tasks

Colleagues rated "far below" expectations are threatened with dismissal for professional incompetence<sup>1,11,12</sup>. They were hired as permanent employees and have passed a one year probationary period. Many of them have worked for years for the Office, with their skills and performance being recognised. Now, after introducing a new fast-track dismissal procedure<sup>11,12,13</sup>, management has taken them hostage. This has affected their dignity. It has exposed them to extreme stress levels and affected their sleep. It will also affect their future performance since employees being tired or paralysed by fear cannot perform well. The mid-term and long-term consequences will be more burn-out cases and chronic diseases<sup>14</sup>.

Management by fear destroys staff health, trust in management and staff engagement. It is not in the interest of the EPO and the users of its services. Applying such particularly disruptive employment practices in a structured manner is illegal in some of the member states, e.g. in France, where the former CEO of France Télécom currently stands trial<sup>15</sup>. At the EPO, these practices *might* be the result of HR management incompetence. If not, they should qualify as *misconduct (institutional harassment and waste of office resources)* under the EPO's current Internal Justice System (CA/D 7/17).

## The way forward

Before the Office can serve the public again, it needs a new start in HR policies. But the currently responsible HR managers and COOs continue showing that they are either unwilling to be, or fundamentally incapable of being, part of that process<sup>16</sup>. It is time for President Campinos to finally allow for a genuine new start in HR policies to take place, so that he can start re-building the trust of EPO staff and the public. Considering the complete failure of HR management during the past years, this can only be achieved with new and qualified HR managers, preferably people not associated to PD HR's legacy.

8 Circular 366, II.1.1: "The PDs/VPs are responsible for the calibration process. Before the reporting officers start drafting the year-end reports, the PDs/VPs ensure that the performance review standards and methods used by the reporting and countersigning officers in their area are consistent and harmonised. They also hold calibration meetings at the end of the performance development cycle."

9 The president insists that this shall remain the case also in the future. See for example *Developments at the EPO - no real progress* (su19005mp, 07.02.2019).

10 [Exclusif. Soupçons de sous-notation forcée chez Sanofi. Des salariés seraient sous-évalués pour atteindre des quotas de mauvais collaborateurs fixés par la hiérarchie.](#) (France Inter, 20.06.2017)

11 Colleagues who fail to reach their target twice are at risk of being classified incompetent and dismissed. See the CSC paper "Article 52 Service Regulations - No news, bad news?" (sc19005cp, 18.01.2019).

12 [EPO staff should not be treated as 'second-class European civil servants', says CSC](#) (Barney Dixon, IPPro, 22.01.2019).

13 While neither the criteria nor the legal framework of that procedure are clear<sup>11</sup>.

14 [What ails us? - Or: what the Whitehall study tells us about the relationship between work and health](#) (CSC, 14.11.2005, password needed). The number of stress-related diseases and burn-out cases has increased by 25% between 2017 and 2018: see [Mr Campinos' Staff Survey "Your voice, our future"](#) (CSC, 08.05.2019).

15 [Procès des suicides à France Télécom: une direction sourde et sans remords](#) (Mediapart 11.05.2019), [France Télécom : dix ans après les suicides, un procès « hors normes »](#) (video)

16 See for example EPO FLIER No. 32 "[Lessons to be learned](#)" (10.12.2017)