



SECRETARIAT

UNIDO/AI/2012/01
9 March 2012

Distribution: All staff members at Headquarters
and established offices

Staff Regulation 4.5
Staff Rules 100 Series 103.10, 103.11, 104.08, 106.02
Staff Rules 200 Series 203.02, 204.03, 206.02, 210.02

ADMINISTRATIVE INSTRUCTION

Framework for Staff Performance Management

Introduction

1. A new Staff Performance Management System (SPM) is introduced in UNIDO as an integral part of the programme for Change and Organizational Renewal (PCOR). As such it supports and reinforces results-based performance management with meaningful and relevant consequences.

2. It is beneficial to the Organization as it:

- √ establishes the framework, from the point of view of staff performance, for managing for results and demonstration of the core values and key behaviors in order to achieve the Organization's core business;
- √ introduces a holistic approach to engaging staff in a continuous improvement of individual and team performance, resulting in the fulfillment of the organization's management priorities and ultimately, high levels of organizational performance;
- √ places performance management as the foundation on which the organization can recognize contributions to results and demonstration of core values and desired competencies.

3. It is beneficial to the staff as it:

- √ introduces the perspective that the process shall be about people; not about systems, or rules – it is about staff's meaningful contribution to the achievement of the organization's mission;
- √ is a tool to help staff at various levels to do their jobs well, through greater clarity on goals, dialogue and better planning, to achieve individual results and to contribute collectively to the targeted results of the organization;
- √ promotes a culture of appreciation and empowers managers to utilize mechanisms to reward achievement of results and demonstration of desired behaviors;
- √ provides managers with a transparent mechanism to address partial or non-achievement of results and sub-optimal proficiency in the core values and competencies desired.

Purpose

4. The SPM shall achieve the following, if the system is used for the purpose for which it is intended:

- a) ***Align individual and corporate goals:*** The SPM establishes as a critical management responsibility, the translation and cascading of high-level corporate goals, through different levels of the Organization, to individual goals. Supervisors at all levels are responsible for aligning individual goals with corporate goals and setting specific goals for units and results for individuals with key performance indicators. Such goals should be clearly linked to the organization's purpose and performance. **Annex 1** demonstrates an example of the alignment through cascading of goals along the lines of the balanced scorecard approach.
- b) ***Provide clear indicators of results:*** The SPM provides a shift in focus from assessing tasks to assessing results as well as guidance on behaviors critical to achievement of the results. Supervisors and their supervisees shall establish a compact with clear results and key performance indicators, which is evidence-based to the maximum extent possible.
- c) ***Provide clear indicators of desired behaviors:*** The UNIDO competency framework¹ promotes a common understanding of desired behaviours as defined in the core values as well as core and managerial competencies; these are to be used for the multi-rater feedback².
- d) ***Underscore management accountability:*** The SPM establishes performance management and supervisory responsibilities, as critical parts of UNIDO management and supervisory roles. They shall ensure completion of the performance appraisals under their remit within the timelines, promote learning and knowledge sharing, coaching or mentoring³ staff or having development discussions.
- e) ***Underscore individual responsibility:*** The achievement of results is not an exclusive management responsibility. It is a shared responsibility and duty of each individual member of the staff to the extent that such responsibility is attributable to him/her by virtue of their function. The SPM increases staff participation to deliver better results. It encourages a shared understanding between a supervisor and supervisee about what is to be achieved and the desired competencies ("the what" and "the 'how'"). Each staff member is also responsible for following up on the results of his/her performance feedback and is responsible for updating or upgrading his/her expertise and strengthening the necessary competencies required to deliver his/her results. In this context, reference is made to the provisions of the organization's policy on learning (UNIDO/DGB/(M).117, dated 12 April 2010).
- f) ***Promote continuous dialogue and feedback:*** Through the SPM, performance expectations can be established, upfront, through mutual understanding between supervisor and supervisee on what is to be accomplished. Significant deviation from these expectations shall be discussed by the supervisor and supervisee and taken into consideration during the mid-term review. An important requirement is that all staff receives from their supervisors, a clear understanding of what is expected of them and provide them with the tools and guidance to meet such

¹ Ref Information Circular UNIDO/IC/2011/14 dated 14 December 2011.

² The following will be applied in UNIDO: (a) 360 degrees where feedback is received from 4 sources (self, supervisor, peers and subordinates); (b) 270 degrees where feedback is received from 3 sources (self, supervisor and peers); (c) 180 degrees where feedback is received from 2 sources (self and supervisor).

³ A mentoring programme is under preparation, for implementation as soon as it is approved by the Organization.

expectations. The SPM promotes ongoing feedback between supervisors and supervisees, in order to review and evaluate performance and take remedial action if required.

- g) **Promote proactive staff development:** The SPM promotes continuous development of individuals and teams, in-order to improve their performance. Development is encouraged through development discussions and the establishment of development plans or performance improvement plans, as well as opportunities to discuss career aspirations.
- h) **Apply the outcome of the SPM to the implementation of HR initiatives:** The SPM provides a link between performance management and relevant human resource policies. It is a driver for organizational excellence and for promoting a culture of appreciation through linkages to learning and development, career management and merit award, merit promotion and the Director- General's award for exemplary excellence and promotion in the job series. It shall also address underperformance in a timely manner.

Collaboration and Roles

5. The SPM reinforces the collaboration within formal units as well as among cross-functional teams. In this context, a staff member collaborates with his/her supervisor and colleagues, within as well as outside the unit. A Manager, Supervisor and Supervisee within an organizational unit, team or group has the following specific definitions in the context of UNIDO's organizational structure:

a) **Manager** refers to UNIDO staff responsible and accountable for managing the overall performance of a programme within an organizational unit⁴ such as a Division, Office, Branch, Bureau and Regional or Country Office. These include the Managing Directors, Directors, UNIDO Representatives and Chiefs of Services. They are responsible for aligning the goals of their organizational unit with corporate goals and setting specific goals and results for their organizational unit. The managerial competencies included in the competency framework, shall be applicable to UNIDO managers.

b) **Supervisor**⁵ refers to UNIDO staff with direct supervisory responsibility for one or more staff members. A supervisor is an individual to whom a manager of a programme has delegated such supervisory authority. The designation of supervisor shall be awarded to a staff member in the professional category who supervises a staff member directly, such as a Unit Chief supervises one or more Industrial Development Officer(s) in his/her Unit; an Industrial Development Officer supervises a Project Assistant in his/her team. In circumstances where formal groups or teams have been established in the organization structure and headed by a Group or Team Leader at the general service category, the decision to delegate supervisory responsibility lies with the manager of the organizational unit. Supervisors are responsible for aligning the goals of their supervisees with the goals of their organizational unit and setting specific results for the individuals. The core competencies included in the competency framework with particular emphasis on the additional behavioral indicators defined for staff with supervisory responsibilities shall be applicable.

c) **Supervisee** refers to an individual staff member responsible for achieving the specific results established in consultation with the supervisor.

6. The active collaboration of the following actors is reinforced during the SPM cycle:

⁴ The word "unit" is used here in a generic context and does not refer to a formal Unit established under a Branch and headed by a Unit Chief.

⁵ In the context of such definition, a manager can also be a supervisor, but a supervisor is not necessarily a manager.

- a) First Reporting Officer (FRO): Direct supervisor of the staff member.
- b) Second Reporting Officer (SRO): Direct supervisor of the staff member's FRO.
- c) Feedback source: Colleagues with whom the staff member cooperates closely, with whom they have significant interaction to achieve the results under their compact and who are entitled to provide a professional opinion on the compact and competencies, in the given performance cycle. They include
 - i. peers who are colleagues of the staff member in the same category but not necessarily in the same grade, e.g. for a UNIDO Representative a peer at headquarters can be Unit Chief or Branch Director provided they interact on the implementation of the compact;
 - ii. supervisees who are colleagues for whom the staff member is a FRO; and
 - iii. external counterparts who are colleagues of the UNIDO Representative (UR) and who are normally members of the United Nations Country Team.

7. A staff member should only have one FRO as established in the organization structure. In circumstances where a staff member may be designated to work with more than one supervisor, the designation of the FRO shall be made by the manager of the organizational unit on the basis of volume, frequency and importance of the substantive interaction. In such cases, the FRO shall consult with the other supervisor before establishing the final ratings. When the staff member works closely with another team, the colleagues who interact closely with the staff member during the performance cycle shall be considered as feedback sources.

8. When in doubt, the SRO shall be responsible for clarifying the reporting lines, in particular the FRO roles where necessary, in close coordination with the Human Resource Management Branch at the beginning of the performance cycle.

Cycle and Phases – Frequency of Monitoring and Dialogue

9. A performance cycle is the period of time during which a staff member performed his/her functions. Except as provided in paragraphs 38 to 44 of the present instruction, the performance cycle shall be 12 months, beginning on 1 January of each year and ending on 31 December of the same year. The formal review and assessment of the staff member's performance during a performance cycle, occurs in three phases within the specific timeframes shown below:

- (i) Start of cycle: 1 January to 31 March.
- (ii) Mid-term review: 1 July to 31 August.
- (iii) End of cycle: 1 December to 28 February.

10. Through these phases, the SPM establishes a mechanism for tracking and monitoring through the regularity of the performance cycle and the phases within the cycle. It encourages staff participation in the planning, delivery and evaluation of work and is designed to reinforce dialogue.

11. **Annex II(a)** provides a diagram of the workflow during the phases of the SPM. **Annex II(b)** provides an overview of the roles and main actions during the three phases.

Start-of-Cycle (SOC)

The SOC phase shall be completed between the beginning of January and the end of March.

12. The alignment of individual and corporate goals is a critical feature of the SPM. In order to trigger the process of aligning individual and corporate goals, the organizational management priorities for the next calendar year shall be announced by the Director-General during the last quarter of the year or until the end of January of the following year. If necessary, managers of organizational units may refer to the relevant Programmes and Budget document as a guide to cascade goals. The declared management priorities or programme and budget document shall form the basis for managers at various levels to cascade and finalise the results of their organizational units at the beginning of the performance cycle. FROs shall meet with their supervisees to ensure that the key results of the team or work unit are understood and individual compacts and performance documents are prepared accordingly.

13. Based on the above, the supervisee in consultation with the FRO carries out the following key actions during the start of the cycle:

- a) ***Approval of the compact***: Each staff member, based on the goals cascaded down, prepares a draft compact for discussion with his/her FRO. The staff member shall work with his/her FRO to select three to five critical expected results⁶. After discussion with the FRO, the staff member revises, if necessary, and submits the final compact to the FRO. The aim is to establish a results-oriented, measurable and realistic individual compact by defining individual results linked to the priorities of the organizational unit.
- b) ***Selection of the competencies***: UNIDO's competency framework contains the values, core and managerial competencies that are required by the Organization to achieve results. The three core values of integrity, professionalism and respect for diversity shall apply to all staff at all levels. For the managers defined in paragraph 5 (a), the staff member shall suggest and the FRO shall decide on three core competencies and three managerial competencies including the managerial competency of managing people and performance.⁷ For all other staff, the staff members shall suggest and the FRO shall decide on 3 core competencies which include additional behavioural indicators for staff members designated as supervisors as defined in paragraph 5(b). For Unit Chiefs and Chiefs of Regional Programmes, the managerial competency of managing people and performance, shall be included.
- c) ***Selection of the feedback sources***: The staff member shall suggest and the FRO shall decide on three to five peers, and, if applicable, three to five subordinates and two to four counterparts from the United Nations Country Team (applicable for URs), who serve as feedback sources and provide their input on the staff member's proficiency with regard to the values and competencies at the end-of-cycle stage. There shall be a minimum of five and a maximum of ten feedback sources. The criteria to be used by both the staff and the FRO for the feedback sources are strictly work-related, i.e. linked to the compact results as explained in paragraph 13(a) above.

⁶ The term "result" is used here in its generic form; i.e. each organizational unit will need to define the specific results applicable to their areas.

⁷ Managers shall have 3 core values, 3 core competencies and 3 managerial competencies, totaling 9 to be assessed. All other staff members shall have 3 core values and 3 core competencies, totaling 6; however for Unit Chiefs/Chiefs of Programmes, the managerial competency of managing people and performance shall be added, totaling 7 to be assessed.

d) **Identification of development goals:** As part of the culture of continuous improvement, each staff member and his/her FRO shall identify one or more development goal for the staff member which has a direct relevance to achieving the results of his/her compact or his/her career goals. In this context reference is made to the provisions of the organization's policy on learning (UNIDO/DGB(M).117, dated 12 April 2010.)

14. In case of disagreement between the staff member and the FRO about the definition of the compact and competencies, the development goals, and/or the feedback sources, efforts to resolve the disagreement shall be made by both parties, with the assistance of the SRO, if necessary. The final decision about the definition of the compact and competencies, the development goals, and the feedback sources rests, however, with the FRO. The same process applies in principle, to the core values. However, a less than proficiency level in a core value(s) must be addressed in a decisive manner as soon as it is observed even if it is outside the performance management cycle.

Mid-Term Review (MTR)

The MTR phase shall be completed between the beginning of July and the end of August.

15. The mid-term review phase serves as the formal step to take stock of the progress of performance and the chance to provide remedial measures to keep performance on track. Significant changes to the expected results established during the start of the cycle, such as additional results (for example which shall take up over 20% of the staff member's time), shall be discussed by the supervisor and supervisee and recorded at this time. This review shall take place in form of a personal meeting and shall address recognition for good performance and any shortcomings that may have become apparent so far. During this phase, both supervisor and supervisee shall record their views of the progress made and justify any updates, changes or amendments to the compact and competencies or development goals.

16. In case of disagreement between the staff member and the FRO regarding the progress of the compact to date, efforts to resolve the dispute shall be made by both parties, with the assistance of the SRO, if necessary. The final decision on the amendments made to the compact and competencies, development goals and feedback sources rests with the FRO.

17. In case of unsatisfactory performance or shortcomings, it is the FRO's responsibility to initiate a discussion with the staff member and prepare a performance improvement plan for the purpose of providing the staff member with the opportunity to remedy the unsatisfactory performance or shortcomings and in order to monitor progress. In turn, it is expected that the staff member concerned will respond actively and follow the performance improvement plan. It is not in the interest of any party to use the performance improvement plan for endless meetings and negotiations. It is in the interest of all parties to utilise it in good faith for performance improvement. If necessary, the performance improvement plan can be done earlier.

18. **Annex III** provides the sample for the performance improvement plan. Additional remedial measures may include training and/or work-related coaching and mentoring, and should be reflected in the development goals.

End-of-Cycle (EOC)

The EOC phase shall be completed between the beginning of December and the end of February.

19. The FRO and the staff member shall meet during the end-of-cycle phase to discuss the overall performance during the cycle.

20. Prior to the end-of-cycle discussion between the FRO and the staff member, and by 1 November, the designated feedback sources shall receive an email⁸ informing them to participate in the multi-rater feedback, which is mandatory. They are required to provide the online feedback by the end of November. The staff member is responsible for following up with the feedback sources to ensure the completion of the multi-rater feedback. If this is not a successful outcome, the staff member may seek the assistance of the FRO or HRM to follow up. The individual ratings provided by the feedback sources on the values and competencies are strictly confidential and not subject to rebuttal.

21. During the month of December, following a review of the aggregate results of the feedback sources, the staff member shall conduct a self-appraisal of the manner in which he or she has carried out and achieved the results under the compact and performance improvement plan (where applicable), and the values and competencies, as defined at the start-of-cycle phase. A self-appraisal in form of a comment may also be made on the achievement of the development goals.

22. After the designated feedback sources have provided their assessments and the staff member has completed his/her self assessment, the FRO shall review the staff member's performance and meet with him/her to discuss the results achieved during the cycle, including the development goals agreed with the FRO. FROs are also encouraged to discuss the career aspirations of staff during the end-of-the cycle discussion.

23. Following the discussion with the staff member, the FRO shall establish two final ratings, one for the compact and one for the values and competencies. In doing so, the FRO shall exercise his/her judgement and take account of the staff member's self evaluation, feedback received as well as his/her own knowledge of the staff member's performance and achievements. These two ratings constitute the final performance ratings for the staff member for the given performance period. The FRO shall also comment on the achievement of the staff member's development goals.

24. Staff members who are not in agreement with the one or both of the final performance ratings should record their disagreement in the document as soon as the ratings are granted by the FRO, and may refer the issue to the SRO.

25. Subsequently, the SRO reviews the performance document, and is expected to make comments on the final performance ratings given by the FRO to the staff member. In the event of a disagreement between the staff member and his/her FRO, the SRO shall review the matter and where possible seek a resolution before recording final comments. The SRO shall be responsible for concluding the performance cycle in the online system, triggering a notification transmittal date. The transmittal date by the SRO constitutes the official and final notification of the completion of the performance document and signals that the final phase of the SPM system has been concluded for the given performance cycle. The final ratings cannot be changed after this transmittal date.

⁸ Staff in BMS referred to in paragraph 47 shall not receive such email notification.

26. Within a 30 calendar days deadline from the date on which the SRO has completed his/her review and forwarded the document to the staff member (i.e. notification transmittal date), the staff member may record his or her agreement or disagreement, in form of a comment on the final overall performance ratings and comments given by the FRO and SRO or submit a rebuttal. In this context, staff members shall take note of the provisions of Annex IV on the rebuttal of overall ratings.

Rating system – Differentiation in Levels of Performance

27. The SPM establishes a rating system with definitions, which differentiate among different levels of performance.

28. Performance in the compact shall be assessed through one of the following ratings:

- Extraordinary achievement of results (5)
Definition: Results achieved under the compact are considered extra-ordinary in terms of consistently surpassing all expectations or in terms of impact on organizational performance;
- Exceptional achievement of results (4)
Definition: Results achieved under the compact are considered exceptional in terms of surpassing targets in quality or quantity;
- Full achievement of results (3)
Definition: Results achieved under the compact are fully achieved in terms of quality or quantity;
- Partial achievement of results (2)
Definition: Results achieved under the compact are meeting over half of the requirements but not all;
- Non-achievement of results (1)
Definition: Results achieved under the compact are not meeting at least half of the requirements.

29. Performance in the core values and competencies shall be assessed through one of the following ratings:

- Exceptional proficiency (5)
Definition: Consistently demonstrates all behavioural indicators, impacting own results as well as the performance of others;
- Full proficiency (4)
Definition: Consistently demonstrates all behavioural indicators;
- Proficient (3)
Definition: Consistently demonstrates more than half, but not all of the behavioural indicators;
- Developing proficiency (2)
Definition: Demonstrates half of the behavioural indicators;
- Not proficient (1)
Definition: Demonstrates less than half of the behavioural indicators.

30. While striving for excellence, as reflected in extraordinary or exceptional ratings (5 or 4), the middle rating (3) is a positive one as it should imply that the results have been fully achieved as planned in the compact, and more than half of the behavioural indicators for the core values and selected competencies have been demonstrated.

Overall ratings and outcome

31. The overall performance ratings given by the FRO on the compact, core values and competencies, constitute the final overall performance ratings for the staff member for the given performance period. Both the overall final ratings, i.e. the one on the compact and the one on the values and competencies, shall have an equal weight of 50%.

32. The SPM system establishes a meaningful link between such overall ratings with relevant human resource policies and practices. The achievement of overall ratings of 3 and above shall be recognized and where eligible, the following may apply:

- continuation of fixed term contract following successful completion of probationary period
- award of annual step increment
- award of contract extension
- award schemes under the Human Resource Management Framework
- promotion in job series, where applicable

33. The SPM shall provide a process for those who receive overall ratings of 2 or 1 to improve ongoing performance, through:

- performance improvement plan
- extension of contract to cover the performance improvement plan

34. The SPM shall also provide a transparent means of sanctions when the improvement opportunities fail, including:

- with-holding annual increment
- non-extension of contract
- contract termination

35. The SPM shall provide a means to record development goals for the purpose of achieving a compact result or career aspiration, through:

- Identification of organizational learning and training needs

36. The specific outcomes of a staff member's overall performance as reflected in the two final overall performance ratings are shown in **Annex V**, on outcome of SPM.

Inter-Divisional Review Group

37. An Inter-Divisional Review Group (IDRG) shall be established on a trial basis for the first two years of implementation of the system, to perform an advisory role to the Director-General. It shall monitor and review the implementation of the SPM system with respect to the alignment of cascading goals based on the organizational management priorities or programme and budget, consistency and compliance with the purpose of the system. In this context, staff members, FROs and SROs shall take note of the terms of reference of the Inter-Divisional Review Group provided in **Annex VI**.

Off-cycle

38. This section describes instances when the SPM is required where the normal performance cycle may not be possible such as the entry of new staff or reassignment of a serving staff. As a basic principle, the performance period covered by a performance document may normally, not be shorter than six months and not longer than 17 months. Therefore, if at least six months are left within the given year, then the performance document should cover such a period. If there are less than six months left during the given year, then this should be added to the next year. **Annex VII** provides a schedule to demonstrate this principle.

39. ***Probationary period of new staff:*** The performance cycle for staff members who have newly joined the organization shall coincide with the duration of the probationary period.

40. ***Reassignment, Transfer or Separation:*** The performance process and document shall be completed by the staff member and his/her managers (i.e. FRO and SRO) for the period between the beginning of the performance cycle and the date of (re-) assignment, transfer or separation, provided such period is six months or longer. Separation procedures and processing of final entitlements of staff members acting as FRO or SRO may be delayed until the duties for which they are responsible under the SPM system are completed.

41. When a staff member takes up new duties upon appointment⁹, transfer or (re-) assignment, a performance document shall be established within the first three months of commencing the new function.

42. ***Change in FROs:*** The outgoing FRO shall complete the performance management process and the performance document in case the staff member has served under his or her supervision for six months or longer. If the staff member has served under the FRO's supervision for less than six months then the new FRO shall make use of the mid-term review phase to adjust the performance documents of the staff member to the new situation and carry the process forward as usual. He or she shall also consult the previous FRO for his or her assessment of performance thus far for the relevant compact results, values and competencies and shall take this into account when completing the mid-point review phase.

43. ***Planned Absences:*** When a staff member proceeds on foreseen, planned absences of six months or more, such as Special Leave Without Pay, where the return date has been approved prior to departure, a performance document shall be completed for him/her prior to his/her departure, if the duration of service is six months or more from the date of the last report.

44. ***Unplanned Absences:*** When a staff member proceeds on unforeseen and unplanned absence where the return date is not within the control of the Organization, such as long extended

⁹ There is normally no probationary period for staff members recruited under the 200 series of the staff rule.

sick leave, a provisional report shall be prepared by the FRO, if the staff member has been on duty for 6 months or more during the performance cycle. On return of the staff member to the Office, he/she shall react within thirty working days of his/her return and the process shall end, and the report considered final. In the absence of the final report, if it falls due during the period of absence, the organization will not make a final decision on the contract extension of the staff member. In such instances, the contract shall be extended for up to 3 months at a time.

Access to SPM Data

45. The SPM system is supported by an online system in SAP. The roles and responsible staff members shall be established with the following authorizations, which are to be monitored by HRM and subject to updating as appropriate.

Role	Responsible	Authorisations
Central Administrator: subject to signing confidentiality agreement	Unit Chief or HR Specialist in HRM and 2 HR Assistants	Administer data from back-end of HCM module in order to create, change and view aggregate data for all staff. View final summary reports of staff members. No ready access to raw individual data of feedback sources.
Delegated Administrator: subject to signing confidentiality agreement	Administrative Assistants in the Divisions and BMS	View aggregate data for individual staff in their Divisions in order to track and follow-up on compliance. View final summary report for their Divisions. No access to raw individual data of feedback sources.
Implement administrative actions (persons in HRM) subject to signing confidentiality agreement	Unit Chief in HRM HR Officers approving entitlements, HR Assistants administering entitlements	View final summary report for all staff. No access to raw individual data of feedback sources.
Supervisors	All supervisors	View the performance documents of staff under their direct supervision – document cannot be changed after the completion of EOC phase. No access to raw individual data of feedback sources.
Staff member	Individual staff	View their own performance documents – which cannot be changed after the completion of the EOC phase. No access to raw individual data of feedback sources.

Transitional Measures

46. During the first year of implementation, allowance shall be made to show some flexibility in the timeframe established for the phases. Therefore, during the 2012 performance cycle, the Start of the Cycle shall be extended to the end of April 2012 and shall include the provisional goals and compact results which had been envisioned from 1 January 2012. The Mid-Term

Review shall be from 1 August to 31 September 2012. The End of Cycle shall remain from 1 December 2012 to 28 February 2013.

47. All staff members under the 100 and 200 series of the staff rules are subject to this policy unless specifically indicated in this policy. In principle, all staff should participate in the multi-rater feedback. For junior staff in BMS, a system based on the 180 degrees feedback shall be applicable, initially through an offline system. **Annex VIII** shows the offline form to be used during the interim period and shall be recorded in the SPM system by the responsible Administrative Assistants. A further review will take place on the matter in the course of the first year of implementation.

48. During the first year of implementation, extensive training shall be carried out to familiarise staff with the new policy, the new online system as well as the new competency framework including the behavioural indicators therein. Staff's attention shall be drawn to the administrative consequences of failing to achieve an overall rating of 3 or above in either the compact results or the values and competencies.

Supporting Guidelines

49. Additional guidelines are available on the intranet. Staff members may also consult their respective Administrative Assistants and Human Resources Officers and Assistants for further guidance.

50. The SPM system guidelines are intended solely for general guidance and information. Should there be any perceived conflict between the guidelines and the text of the present instruction, the provisions of the instruction shall prevail.

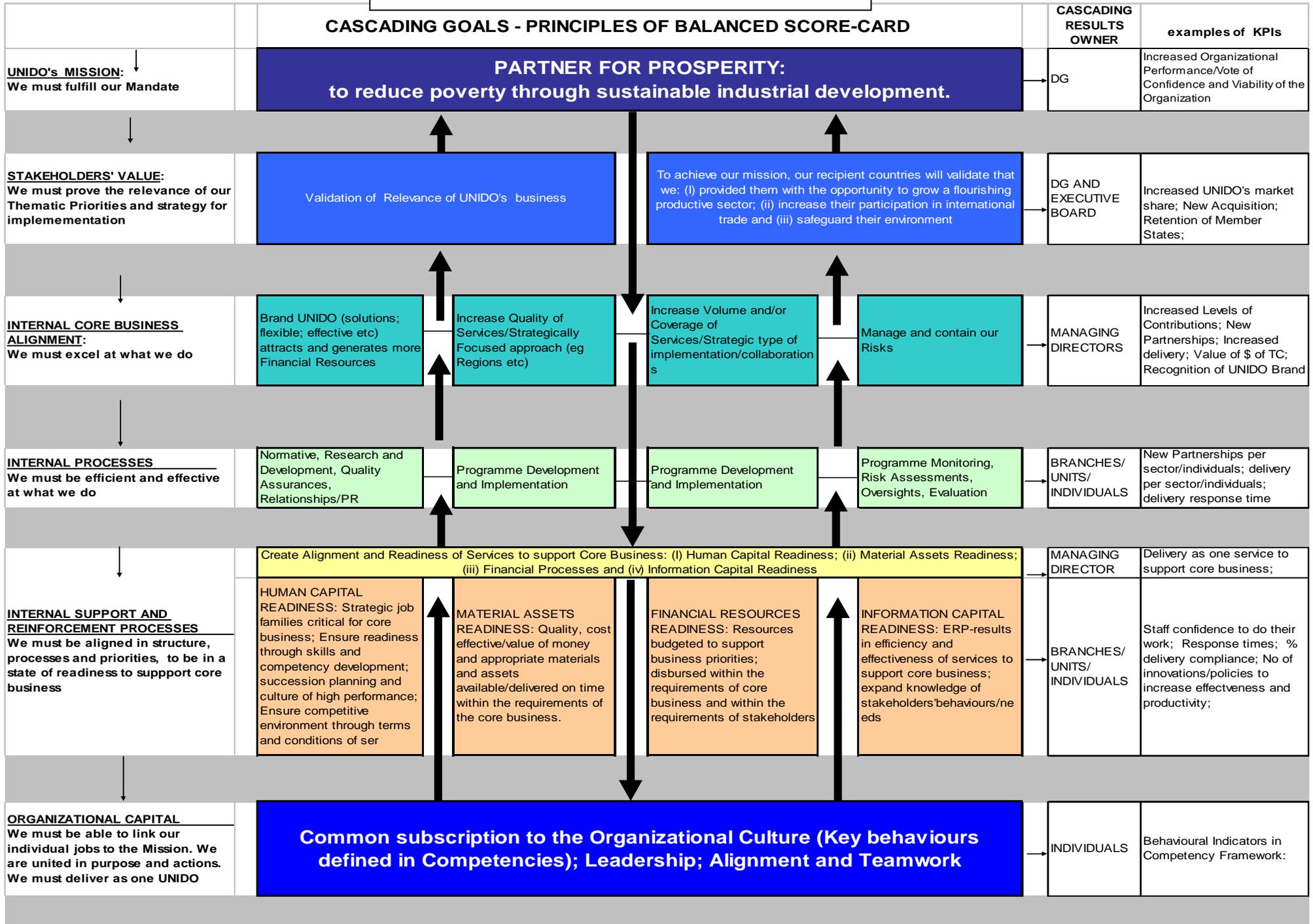
Applicability

51. The present instruction shall apply to all staff members who hold appointments of at least six months under the 100 and 200 series of staff rules. It does not apply to staff holding temporary appointments under the 300 series of staff rules.

52. It shall enter into force with immediate effect and it supersedes:

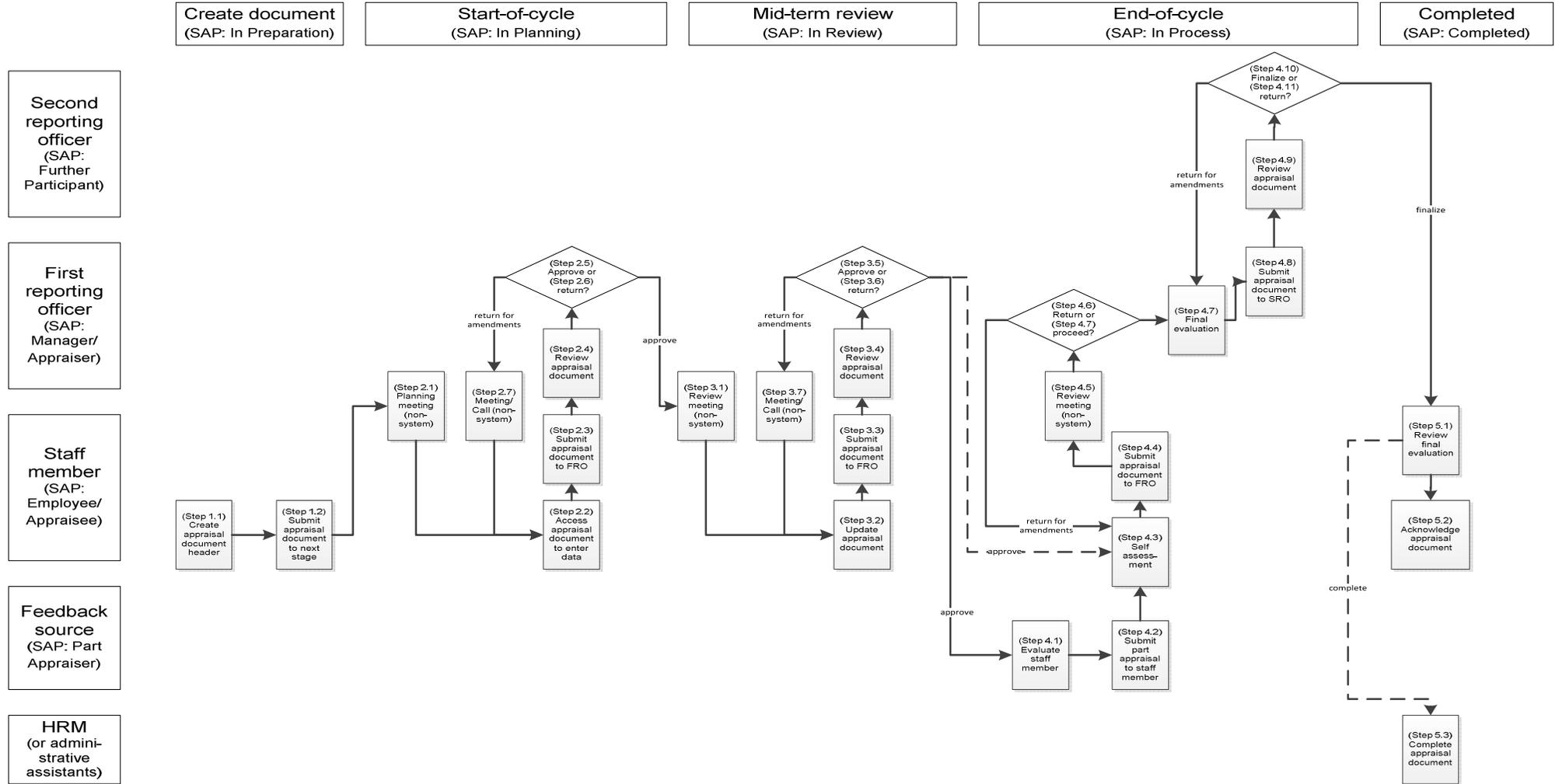
- Director-General Administrative Instruction No. 10, Annex IV, Addendum 1 on Staff Performance Appraisal System dated 29 January 2001;
- Director-General Administrative Instruction No. 15 on Performance Management, dated 26 July 2002;
- Information Circular PSM/HRM/INF. 66 on Change of Performance Appraisal Cycle dated 21 July 2006.

ANNEX I - EXAMPLE



ANNEX II(a)

Phases of the staff performance management process



ANNEX II (b)
Roles and Main Actions during the performance management process

	Staff Member	First Reporting Officer	Second Reporting Officer	Feedback sources
START OF CYCLE	JANUARY TO MARCH	JANUARY TO MARCH	JANUARY TO MARCH	
1			Cascades Goal to FRO	
2		Cascades Goal to staff member – Discuss results, competencies and peers with staff member		
3	Create performance document, inputs compact results from cascaded goals, select the competencies and peers			
4		Approve the Performance Plan		
MID TERM REVIEW	JULY-AUGUST	JULY-AUGUST		
5		Conducts Review Meeting and feedback		
6	Updates performance document based on meeting			
7		Evaluates and Approves the document.		
END OF CYCLE	DECEMBER - FEBRUARY	DECEMBER – FEBRUARY	DECEMBER – FEBRUARY	NOVEMBER
8				Receives email to provide feedback. Complete feedback
9	Review feedback and conducts a self assessment of compact, values and competencies			
10		Reviews performance document, hold discussions – can send back for amendment or agrees and establishes final ratings and submits to SRO		
11			Receives completed report. Can send back or endorses and submits for Completion	
12	Receives email notification that SRO has completed the document. Can record comments or rebut within 30 days			

Rebuttal of overall ratings

1. Purpose:

- 1.1 At the end of the reporting period, two overall ratings are established in the SPM of a staff member, one for the achievement of results under the compact and the other, for the behaviors defined in the competency framework.
- 1.2 This guideline establishes the procedure of the rebuttal against one or both of the overall final ratings. The purpose of the rebuttal is to deliberate on documentary evidence. Such documentary evidence shall result in ascertaining (i) that the process outlined in the policy has been followed; (ii) that essential facts were taken into consideration in the performance assessment; and (iii) that appropriate authority was exercised in the interest of the Organization.

2. Staff member’s comments on the performance management document:

- 2.1 The SPM permits staff members to make a final comment by including in the comments section points of disagreement with regard to any final rating within 30 calendar days of the final notification. Such comments remain “on record” and, therefore, document that the staff member was in disagreement with the overall ratings. The formulation and entry in the form of appropriate dissenting comments may be sufficient to address the existing disagreement and, therefore, may make a formal rebuttal unnecessary.

3. Submission of a rebuttal:

- 3.1 A rebuttal by a staff member, of an overall rating described in 3.2 below is receivable within 30 calendar days of the final notification by the SRO.
- 3.2 An overall rating of “1” or “2” for either the compact or the competencies as defined in the table below are rebuttable.

	Compact			Competencies	
2	Partial Achievement of Results	Results achieved under the compact are meeting over half of the requirements but not all	2	Developing Proficiency	Demonstrates half of the behavioral indicators.
1	Non-Achievement of Results	Results achieved under the compact are not meeting at least half of the requirements.	1	Not Proficient	Demonstrates less than half of the behavioral indicators.

- 3.3 The act of filing of the rebuttal shall not have an effect on the implementation of administrative decisions.
- 3.4 When submitting a rebuttal statement, the following requirements apply:
 - (i) The rebuttal statement shall be addressed to the Director, HRM.

- (ii) The rebuttal statement shall be brief, in writing¹¹ and shall be submitted by the staff member concerned. The submission of rebuttal statements on behalf of other staff members is not permissible;
- (iii) The rebuttal statement should include:
 - the names of two rebuttal panel members nominated by him/her, from the panel described in paragraph 4 below, to review the submission;
 - the specific reasons why the staff member should have received a higher rating(s). The explanation must be accompanied by relevant documentary evidence.

4. Rebuttal panel and sub-panel:

- 4.1 There is one rebuttal panel established at Headquarters and includes a total of ten members, who shall be serving staff members of UNIDO. They shall sign a confidentiality agreement.
- 4.2 Panel members shall be jointly nominated by the Director, HRM, and the President of the Staff Council. If the Director, HRM and the President of the Staff Council fail to come to an agreement, each shall nominate five members. They shall endeavor to nominate members representing a cross-section of the staff in terms of grade, gender and substantive assignment, and who have demonstrated fairness, impartiality and integrity in the past. The Director-General shall approve the nominations. Nominees should have completed successfully the period of their probationary service with UNIDO.
- 4.3 The Panel shall have a term of two years. Thereafter, it shall remain in office until a new panel has been constituted. The Director-General may add a new member to the panel, in the event of retirement or reassignment to the field of a serving panelist. The nomination of the new member will follow the procedure described in paragraph 4.2 above. A sub-panel of three members, two selected by the staff member and one selected by HRM will be selected from the pool to review a given rebuttal case. The selected sub-panel members must be at the same grade or higher than the grade of the staff member who submitted the rebuttal. It is possible to make appropriate ad-hoc arrangements if required. HRM shall ensure that the sub-panel members are not the FRO or SRO of the rebutting staff member in question.
- 4.4 The sub-panel shall decide on its own procedures and shall conduct the review of the rebuttal case and make its recommendations within two months after referral to the Rebuttal Panel. Decisions are to be taken by simple majority.
- 4.5 The Director, HRM shall designate a Unit in HRM to serve as the Secretariat for the rebuttal process and staff of this Unit shall coordinate the work of the rebuttal panel. Prior to the sitting of a sub-panel, such Secretariat shall designate a Secretary to the sub-panel who shall be drawn from the pool of staff members from HRM or from the Office of the Managing Directors of the Divisions.

¹¹ For the purpose of this policy, only, this includes a paper document, email or any other electronic/digital document revealing the author's identity.

- 4.6 The Secretariat for the Rebuttal Panel shall review the rebuttal request and ascertain its receivability. It will also review the rebuttal statement to ascertain that the requirements described in section 3 above and related paragraphs have been met.
- 4.7. Should it be determined that a rebuttal fails to meet the requirements, the Secretariat shall respond directly to the staff member, providing the reasons and the case shall not be reviewed further.
- 4.8 When constituted, the sub-panel members shall review the case. They should hear from the staff member, the FRO and SRO. They may also interview other sources if required. They may review all records if deemed necessary other than medical or IOS records.
- 4.9 Should the sub-panel members deem it necessary to review any other supporting data contained in the staff member's official status file, they shall request the data from the Secretariat for the rebuttal process. The staff member will be informed that such data has been requested and whether it has been provided.

5 Report of the rebuttal panel:

- 5.1 The final report of the sub-panel will be signed by the sub-panel members and the report shall be submitted to the Director, HRM, through the Secretariat for the rebuttal panel, for decision.
- 5.2 The Secretariat of the rebuttal panel shall inform the staff member of the decision of the Director, HRM and ensure that the decision is also communicated to the FRO and SRO. The report of the sub-panel shall be placed in the staff member's Official Status file.
- 5.3 Should the decision lead to a change or changes to the final rating(s), the Human Resource Management Branch shall implement such changes.

6 Appellate process:

- 6.1 The final rating(s) or comments resulting from an appraisal that has not been rebutted, or from the rebuttal process are not subject to internal appeal. Administrative decisions that stem from any final performance appraisal may be appealed, beginning with a request for review of an administrative decision in line with the relevant provisions of the Staff Rule 112.02

7 Final provisions:

- 7.1 Paragraphs (e) and (f) of the Appendix M and related references in the Staff Rules and Director-General's Administrative Instruction No. 10, Annex IV, Addendum 1, Staff Performance Appraisal System, dated 29 January 2001, are superseded.

ANNEX V**Outcome of Staff Performance Management System¹²**

Final rating on compact / final rating on competencies	Staff completing probationary service	Staff on confirmed fixed-term appointments
Two Fives: 5/5	<ul style="list-style-type: none"> ○ Confirmation of appointment ○ Consideration by Inter-Divisional Review Group (IDRG) for merit award 	<p>Consideration by DG for his Award for Exemplary Excellence</p> <p>Consideration by IDRG</p> <ul style="list-style-type: none"> ○ for merit promotion ○ for merit award <p>Consideration by AGR¹³</p> <ul style="list-style-type: none"> ○ for promotion in the job series
One Five and One Four 5/4 or 4/5	<ul style="list-style-type: none"> ○ Confirmation of appointment ○ Consideration by IDRG for merit award 	<p>Consideration by IDRG</p> <ul style="list-style-type: none"> ○ for merit promotion ○ for merit award <p>Consideration by AGR</p> <ul style="list-style-type: none"> ○ for promotion in the job series
Two Fours 4/4	<ul style="list-style-type: none"> ○ Confirmation of appointment ○ Consideration by IDRG for merit award 	<p>Consideration by IDRG</p> <ul style="list-style-type: none"> ○ for merit promotion ○ for merit award <p>Consideration by AGR</p> <ul style="list-style-type: none"> ○ for promotion in the job series
One Three and One Four 4/3 or 3/4	<ul style="list-style-type: none"> ○ Confirmation of appointment ○ Consideration by IDRG for merit award <p>The same applies to staff who are completing probationary service and achieve a final rating combination of 5/3 or 3/5.</p>	<p>Consideration by IDRG</p> <ul style="list-style-type: none"> ○ for merit promotion ○ for merit award <p>Consideration by AGR</p> <ul style="list-style-type: none"> ○ for promotion in the job series <p>The same applies to staff who are on confirmed fixed-term appointments and achieve a final rating combination of 5/3 or 3/5.</p>

¹² Please refer to paragraphs 31 to 36 of the policy.

¹³ Advisory Group on Classification: Ref UNIDO/PSM/HRM/AI/1 dated 20 March 2009

<p>Two Threes 3/3</p>	<ul style="list-style-type: none"> ○ Confirmation of appointment 	<p>Consideration by AGR</p> <ul style="list-style-type: none"> ○ for promotion in the job series
<p>One Three and One Two 3/2 or 2/3</p>	<ul style="list-style-type: none"> ○ Withholding of salary increment ○ Extension of probationary period to cover a performance improvement period of six months ○ Confirmation of appointment if the requirement to reach a final rating combination of 3/3 or higher at the end of the performance improvement period is met ○ Non-confirmation of appointment if the requirement to reach a final rating combination of 3/3 or higher at the end of the performance improvement period is not met <p>The same applies to staff who are completing probationary service and achieve a final rating combination of 5/2 or 2/5 and 4/2 or 2/4.</p>	<ul style="list-style-type: none"> ○ Withholding of salary increment ○ Performance improvement period of minimum six and maximum 12 months ○ In cases where the fixed term appointment is due to expire within the performance improvement period the appointment is extended to cover the performance improvement period plus one month ○ Non-extension or termination of appointment if the requirement to reach a final rating combination of 3/3 at the end of the performance period is not met <p>The same applies to staff who are on confirmed fixed-term appointments and achieve a final rating combination of 5/1 or 1/5, 4/1 or 1/4, 3/1 or 1/3, 5/2 or 2/5, 4/2 or 2/4.</p>
<p>Two Twos 2/2</p>	<ul style="list-style-type: none"> ○ Withholding of salary increment ○ Non-confirmation of appointment 	
<p>One Two and One One 2/1 or 1/2</p>		<ul style="list-style-type: none"> ○ Withholding of salary increment ○ Non-extension of contract, termination of appointment or performance improvement period of maximum six months
<p>Two Ones 1/1</p>	<ul style="list-style-type: none"> ○ Withholding of salary increment ○ Non-confirmation of appointment <p>The same applies to staff who are completing probationary service and achieve a final rating combination of 5/1 or 1/5, 4/1 or 1/4, and 3/1 or 1/3.</p>	<ul style="list-style-type: none"> ○ In cases where the fixed term appointment is due to expire within the performance improvement period the appointment is extended to cover the performance improvement period plus one month ○ Non-extension or termination of appointment if the requirement to reach a final rating combination of 3/3 at the end of the performance period is not met <p>The same applies to staff who are on confirmed fixed-term appointments and who receive an unsatisfactory final rating on the competencies part (i.e. 1 or 2) resulting from performance issue/s in the core values. The above guideline does not prevent administrative action on the part of the Organization and its rules on cases of non-adherence to the core values thus requiring disciplinary measures.</p>

ANNEX VI

Terms of Reference of the Inter-divisional Review Group (IDRG)

Applies to performance cycles of 2012 and 2013

Mandate

1. The IDRG shall perform an advisory role to the Director-General. It shall monitor and review the implementation of the SPM with respect to consistency and compliance with the principles and purpose of the SPM.
2. The IDRG shall perform the following functions:
 - (a) Review the cascading of compacts and the quality of compact agreements for the purpose of strengthening alignment of organizational and corporate priorities;
 - (b) Review compliance with and implementation of the SPM in each Division/Office to ensure organization-wide consistency in the application of the SPM;
 - (c) Analyze overall trends in the SPM results with regard to compact and competencies per Division/Office;
 - (d) Review and decide on recommendations for merit promotions and merit awards following the relevant provisions of the Human Resource Management Framework as contained in UNIDO/AI/2010/01;
 - (e) As a result of its review as per (a), (b) and (c) above, identify cross-cutting organizational issues and related cross-divisional solutions to address them. As a result of the review, and if capacity constraints emerge, the IDRG shall report their findings to the appropriate decision making bodies.

Operating principles

Schedule of meetings and reporting

3. The IDRG shall meet once a year at the end of the performance cycle. It shall report to the Director-General no later than 30 April of each year.
4. The IDRG reports shall include a compliance review and an overall summary of the SPM implementation process and its perceived effectiveness in each Division/Office for the given year. It shall report on the results of the IDRG's performance of its functions as described in paragraph 2 (a) to (e) above.

Composition

5. The IDRG shall comprise of the following members or their delegated representative:
 - Deputy to the Director-General;
 - Managing Directors of each Division;
 - Director for the Human Resource Management Branch and
 - President of the Staff Council.

6. If necessary, the Director or Heads of a Branch/Office will be invited to participate in the review meeting(s) in the event that specific questions related to their organizational unit(s), arise.

7. The Chair of the IDRГ shall be rotated between the members. At the first meeting of the IDRГ, the Chair shall be nominated and seconded by the members.

Resources at the disposal of the IDRГ

8. The IDRГ may request the head of Divisions/Offices for information necessary for the discharge of its functions. The Human Resource Management Branch may provide ex officio support for the preparation of consolidated reports.

Concluding remarks

9. The IDRГ shall be established for a period of two years, i.e. for the performance cycles 2012 and 2013, on a trial basis. The continuation of the IDRГ will be determined based on whether it has contributed to strengthening performance management in the organization, which is to be assessed by a self evaluation following UNIDO standards.

10. The terms of reference of the IDRГ supersede UNIDO AI/2010/01 Human Resource Management Framework, paragraphs 77, 89 (third sentence), and 90.

ANNEX VII

Off-Cycle:

Performance period should be 6 months or more and less than 17 months.

Start of Cycle (SOC)	MTR ¹⁴	End of Cycle (COC)	Start of Cycle (SOC)	MTR Eg	End of Cycle (COC)	Start of Cycle (SOC)	MTR ¹⁵ Eg	End of Cycle (COC)
Probationary Service		Probationary Service	Movements during the cycle		Movements during the cycle	Movements during the cycle		Movements during the cycle
January	July-Aug	December (12months)	January	July-Aug	December (12 months)	January	July-Aug	December (12 months)
February	Aug-Sep	January (12 months)	February	July-Aug	December (11 months)	January	July-Aug	December (12 months)
March	Sep-Oct	February (12 months)	March	July-Aug	December (10 months)	January	July-Aug	December (12 months)
April	Oct-Nov	March 12 Months	April	July-Aug	December (9 months)	January	July-Aug	December (12 months)
May	Nov-Dec	April (12 months)	May	July-Aug	December (8 months)	January	July-Aug	December (12 months)
June	Dec-Jan	May (12 months)	June		December (7 months)	January	July-Aug	December (12 months)
July	Jan-Feb	June (12 months)	July		December (6 months)	January	July-Aug	December (12 months)
August	Feb-Mar	July (12 months)	August				July-Aug	December (17 months)
September	Mar-Apr	August (12 months)	September				July-Aug	December (16 months)
October	Apr-May	September (12 months)	October				July-Aug	December (15 months)
November	May-June	October (12 months)	November				July-Aug	December (14 months)
December	June-July	November (12 months)	December				July-Aug	December (13 months)

¹⁴ During a probationary period, a Mid-Term Review can be held after 6 months

¹⁵ For all other off-cycle, the FRO may take the opportunity to review the status of performance during the normal period when MTR is scheduled for staff i.e. July and August each year. The principle is that the MTR should be held within 6 month before end of the cycle

Annex VIII



UNIDO Streamlined Staff Performance Management Form

Last name		First name	
Functional Title		Org Unit	
Reporting period		Category/Grade	
SOC¹⁶	MTR	EOC	Comments
Compact results List 3 to 5 with indicators (KPIs)			
1 KPIs:	<input type="checkbox"/> On track <input type="checkbox"/> Needs attention <input type="checkbox"/> Obsolete	Staff rating: _____ FRO rating:	Staff: FRO:
2 KPIs:	<input type="checkbox"/> On track <input type="checkbox"/> Needs attentions <input type="checkbox"/> Obsolete	Staff rating: _____ FRO rating:	Staff: FRO:
3 KPIs:	<input type="checkbox"/> On track <input type="checkbox"/> Needs attentions <input type="checkbox"/> Obsolete	Staff rating: _____ FRO rating:	Staff: FRO:
4 KPIs:	<input type="checkbox"/> On track <input type="checkbox"/> Needs attentions <input type="checkbox"/> Obsolete	Staff rating: _____ FRO rating:	Staff: FRO:
5 KPIs:	<input type="checkbox"/> On track <input type="checkbox"/> Needs attentions <input type="checkbox"/> Obsolete	Staff rating: _____ FRO rating:	Staff: FRO:
UNIDO core values	MTR comments if any	EOC rating	Comments
Integrity		Staff rating _____ FRO rating	Staff: FRO:

¹⁶ SOC means Start of Cycle. MTR means Mid Term Review. EOC means End of Cycle. FRO and SRO mean First and Second Reporting Officer. KPIs define when you meet the result or objective. You have to select 3 to 5 compact results, the 3 UNIDO core values, 3 UNIDO core competencies, and 1-2 development objectives. You will assess progress at MTR, which takes place in July-August, and achievements at EOC, in December-February. Additional sheets may be attached to this form if needed.

Professionalism		Staff rating _____ FRO rating	Staff: FRO:
Respect for diversity		Staff rating _____ FRO rating	Staff: FRO:
Core competencies Select 3 from the competency framework	MTR comments if any	EOC rating	Comments
1		Staff rating _____ FRO rating	Staff: FRO:
2		Staff rating _____ FRO rating	Staff: FRO:
3		Staff rating _____ FRO rating	Staff: FRO:

Developmental objective¹⁷ KPIs:	MTR comments if any	EOC Staff: FRO:
--	---------------------	---------------------------

Overall ratings	Staff	FRO	Comments
Compact results	_____	_____	Staff:
Values and competencies	_____	_____	FRO:
SRO comments:			

Staff member's name and signature: _____
Date:

First Reporting Officer's name and signature: _____
Date:

Second Reporting Officer's name and signature: _____
Date:

¹⁷ Please use separate sheets if required.