

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

Internal Oversight Division

Reference: IA 2021-03

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List of Acronyms

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

Objectives, Scope and Methodology

Context

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

Objectives

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

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

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

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

Scope and Methodology

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

Outputs

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

How to read the Maturity Assessment report

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

Section 1

Executive Summary and high level recommendations

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



Key findings from the current state

A traditional Performance model

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

Key observations from the current model*

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

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

Need for change*

Employees have outlined their growing expectations for change:

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

Key findings for the future state

What we see (and hear) in the market*

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

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

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

*See [here](#) for selected case studies relevant to WIPO.

What does this mean for WIPO

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

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

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

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

Finally, engaging in a Cultural Change will require to focus on [the Critical Few behaviors](#) that can be leverage, to make changes to WIPO’s new Performance Model “stick”.

What does Maturity in Performance Management mean?

Initiating

Performance Management Maturity Levels

Leading

WIPO is moving towards 2.0

Initiating (maturity score : 1.0 - 2.9)

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

Emerging (maturity score : 3.0 - 4.9)

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

Leading (maturity score : 5.0 and above)

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

WIPO's current Performance Management Maturity

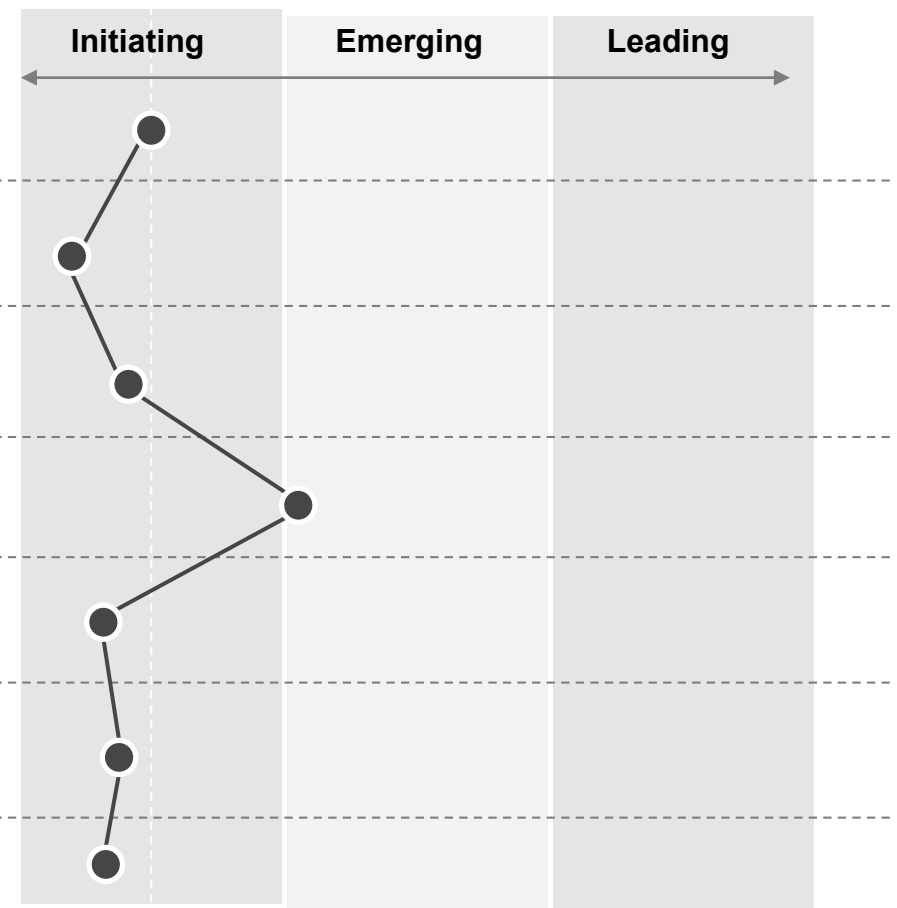
Performance Management pillars...



...diverse sources used for maturity analysis...

















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



Average Performance Management Maturity
1.8 – Initiating

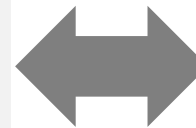
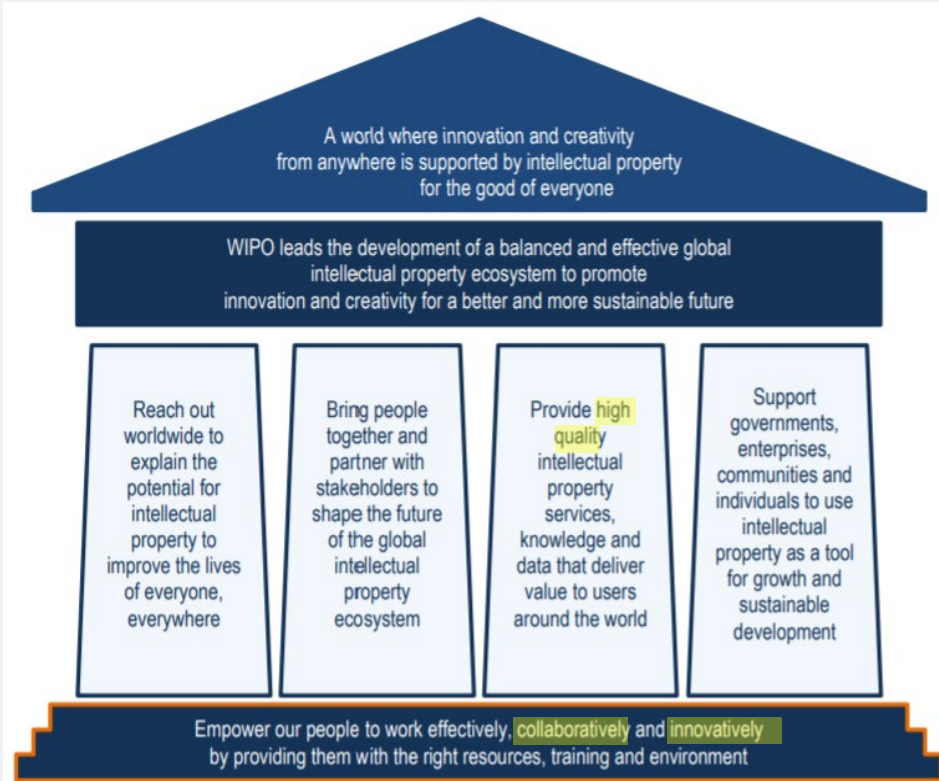
Maturity Assessment – key findings on a page

 : “Bold moves”

		Maturity score scale						
		Initiating : 1.0 - 2.9		Emerging : 3.0 - 4.9		Leading : 5.0 - above		
Maturity pillars								
	Purpose and Strategy	Culture and Communication	People Management	Performance Process	IT System	Reward and Recognition	Career and Development	
Estimated Maturity level	2.0 Initiating 	1.3 Initiating 	1.8 Initiating 	3.0 Emerging 	1.5 Initiating 	1.7 Initiating 	1.6 Initiating 	
What's working	<ul style="list-style-type: none"> Performance Management objectives can be aligned with Program Activities (optional) 	<ul style="list-style-type: none"> Current feedback is transparent in the Information Technologies (IT) system (i.e. no anonymous feedback) Training material exist on effective communication 	<ul style="list-style-type: none"> Managers have specific managerial capabilities that are evaluated Possibility to update performance objective at mid-year review Mentoring program pilot 	<ul style="list-style-type: none"> Clear and detailed process with sufficient supporting documents Homogeneous performance process Process can be completed quickly 	<ul style="list-style-type: none"> Current Performance Management is based on the PeopleSoft HCM, Oracle technology Current IT system is a SaaS model 	<ul style="list-style-type: none"> Existing Reward and Recognition Program with four types of awards 	<ul style="list-style-type: none"> Low staff turnover High-level of loyalty towards senior management 	
Areas for further improvement	<ul style="list-style-type: none"> Improve consequence management for both high/under performers Define clear purpose of performance model (i.e. developmental vs. compliance) Rebrand PMSDS with revised purpose Communicate messaging that “everyone has to improve” Enable HRMD to play a more strategic role Work with business sponsor to redesign performance model and drive business ownership Consistently align individual objectives with Program Activities (top-down) 	<ul style="list-style-type: none"> Actively engage a cultural transformation to foster more honest communication Consistently train communication skills (i.e. using regular nudging) Introduce 360° feedback incl. <i>anonymous</i> upwards feedback to grasp full picture from multiple sources Separate feedback from performance rating Explore mechanisms for more informal and frequent feedback to be built into WIPO people’s routine Include Diversity, Equity and Inclusion perspectives in performance policies Introduce an informal recognition platform 	<ul style="list-style-type: none"> Flexible goal setting based on shorter-term priorities Invest on upskilling managers on: feedback, coaching, inclusive leadership, goals and expectations setting with their teams (both key performance indicators (KPIs) and behaviors) Formalize the roles of career coach and mentor Make managers accountable for staff engagement survey results Create and communicate expectations for managers with best practice guidelines (e.g. on regular check-ins, proactively managing performance) 	<ul style="list-style-type: none"> Introduce calibration in moderation meetings to ensure fair distribution of performance rating across divisions Determine PMSDS purpose accountability/development Simplify and de-formalise the process for more conversation and less documentation Improve the triage of appeal cases by building clear criteria for accessing the process Introduce a differentiated rating scale allowing more nuanced evaluation Explore informal feedback mechanisms Set collective goals to encourage collaboration 	<ul style="list-style-type: none"> Replace existing IT system with a more modern, user-friendly, mobile and cloud-based solution with regular updates Generate consistent, accurate & actionable data Analyze performance data to identify indicators that require HR interventions to sustain performance Identify relevant technologies to automate repetitive and admin tasks such as Nudging or Natural Language Processing 	<ul style="list-style-type: none"> Consider rewarding staff in other ways: informal, autonomy, purpose, new relationships Involve managers in nominating and presenting awards to their teams Increase volume of collective and cross-divisional rewards to foster collaboration and emphasize team performance Develop a business case for Member States to approve higher impact Reward and Recognition Program 	<ul style="list-style-type: none"> Use performance output to inform succession planning and career development Reframe mobility opportunities as reward and encourage performance and development Integrate performance with other key people processes incl. L&D, Talent Management and Career Development Revisit the performance improvement plan (PIP) process to include development element Reevaluate career progression and promotion criteria 	

Alignment of WIPO’s culture with its strategic aspirations

Strategy House from Medium-term strategic plan 2022-2026



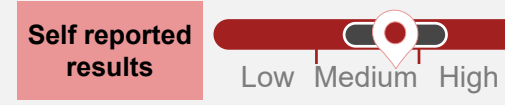
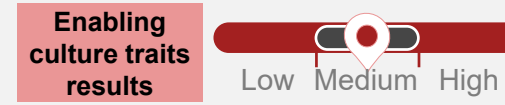
Results from Culture Thumbprint

Innovation



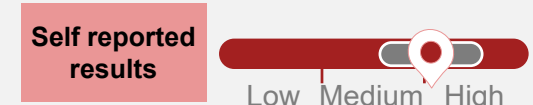
You can find the detailed results on culture traits enabling innovation in the WIPO Culture Thumbprint Report .

Digitalization



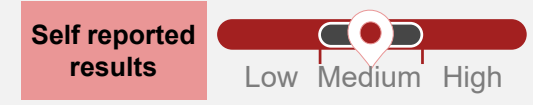
You can find the detailed results on culture traits enabling digitalization in the WIPO Culture Thumbprint Report.

Customer/Client -Centricity



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

Collaboration



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

Recommendations on leading the required cultural change

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

Focus on the 'critical few'



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

Start at the top

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



Identify and empower informal leaders

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



Empower & encourage innovation at the grassroots

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



Prioritised recommendations

Below are some considerations for further strategic development and actions

Short term quick wins

<p>Purpose and Strategy</p> <ul style="list-style-type: none"> Define clear purpose of performance model (i.e. developmental vs. compliance) Work with business sponsor to redesign performance model and drive business ownership Improve consequence management for both high/under performers 	<p>Performance Process</p> <ul style="list-style-type: none"> Introduce moderation meetings to ensure fair distribution of performance rating across divisions to improve staff's trust in the process Simplify and deformatize the process for more conversation and less documentation Introduce a differentiated rating scale allowing more nuanced evaluation Set collective goals (i.e. at team or across team levels) to positively influence collaboration culture 	<p>Reward and Recognition</p> <ul style="list-style-type: none"> Consider rewarding staff in other ways: informal, autonomy, purpose, new relationships Increase volume of collective and cross-divisional rewards to foster collaboration
<p>Culture and Communication</p> <ul style="list-style-type: none"> Introduce 360° feedback incl. anonymous upwards feedback to grasp full picture from multiple sources Explore mechanisms for more informal and frequent feedback to be built into people's routine 		<p>Career and Development</p> <ul style="list-style-type: none"> Revisit the PIP process to include development element

Strategic long-term actions

<p>Culture and Communication</p> <ul style="list-style-type: none"> Actively engage a cultural transformation aligned with WIPO's strategic ambitions (collaboration and innovation), by leveraging the Critical Few behaviours. 	<p>IT System</p> <ul style="list-style-type: none"> Replace existing IT system with a more modern, user-friendly, mobile and cloud-based solution with regular updates
<p>People Management</p> <ul style="list-style-type: none"> Invest on upskilling managers on: feedback, coaching, inclusive leadership, goals and expectations setting with their teams (both KPIs and behaviors) 	<p>Reward and Recognition</p> <ul style="list-style-type: none"> Develop a business case for Member States to approve higher impact Reward and Recognition Program
	<p>Career and Development</p> <ul style="list-style-type: none"> Reframe mobility opportunities as reward and encourage performance and development

Rebrand PMSDS with revised purpose & mobilise a change management workstream