



CSAIO/CAPOI9

EUROPEAN MOLECULAR BIOLOGY LABORATORY

Heidelberg, Germany

Thursday 18 September 2008

François Basty



Performance management at the EPO



- Present the type of performance management implemented in your organisation.
- Does it result from a consultation with your association?
- Does it have an effect on remuneration and/or on career prospects?
- Outline the negative side effects.



Our organisation



- Mission of the EPO
- Governance of the EPO
- Staff of the EPO



Incentives at the EPO¹.



Staff report and promotion

Careers at the EPO



Staff report



- Quality
- Productivity
- Aptitude
- Attitude
- Management ability
- Overall rating



Promotion is based on



S&M





Promotion is based on



- Seniority (total years or years in-grade)
- Merit
 (as indicated in the staff report)



C careers



Number of years' required	Grade group C5/C1			Grade group C6/C4				
	average rapid		average		rapid			
promotion to	total	in grade	total	in grade	total	in grade	total	in grade
C1		0		0				
C2	4 - 6	4 - 6	2 - 3	2 - 3				
C3	14 - 19	10 - 13	5 - 10	3 - 7				
C4	20 - 28	6 - 9	8 - 15	3 - 5	8	8	8	8
C 5	31 - 43	11 - 15	13 - 25	5 - 10	18 - 22	10 - 14	13 - 17	5 - 9
C6					29 - 37	11 - 15	18 - 27	5 - 10



B careers



Number of years' required	Grade group B5/B1			Grade group B6/B4				
	ave	average rapid		average		rapid		
promotion to	total	in grade	total	in grade	total	in grade	total	in grade
B1		0		0				
B2	4 - 6	4 - 6	2 - 3	2 - 3				
В3	12 - 17	8 - 11	5 - 10	3 - 7				
B4	22 - 31	10 - 14	10 - 19	5 - 9	8	8	8	8
B5	33 - 46	11 - 15	15 - 29	5 - 10	18 - 22	10 - 14	13 - 17	5 - 9
B6					29 - 37	11 - 15	18 - 27	5 - 10



A careers



Number of years' required	Category A						
	average		rapid				
promotion to	total	in grade	total	in grade			
Access to A2	2	2	2	2			
Access to A3	8 - 10	6 - 8	5 - 7	3 - 5			
Access to A4*	19 - 25	11 - 15	9 - 18	4 - 11			

^{*} For promotion to A4, no account is taken of experience acquired before the age of 25.

Promotion to A4(2) may occur at the earliest after 5 years in grade A4. It is reserved for staff who have demonstrated particular merit, either in their main duties or for example by taking on special duties such as training, tutoring, deputising for the director, project management, etc.



Incentives at the EPO²



- Outsourcing
- Balanced score card



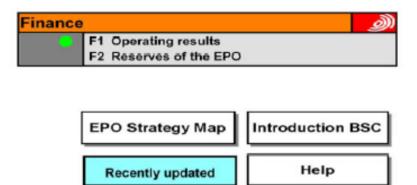
BSC in the EPO



User /	Economics
	U1 User Satisfaction
	U2 Quality of products
	U3 Cost of products
	U4 Duration / Timeliness of Procedures
	U5 Applications received
100 M	U6 EPO's share of first filings and ISA
	U7 Patent information

Proces	ss <u>J</u>
:	P1 Production of core products P2 Applications published with search reports P3 Stock & Backlog of core products P4 Productivity P5 Unit costs
	P5 Unit costs P6 Achievement of key-projects objectives







Recent milestones in relation with performance management¹



- June 2005: Deloitte & Touche study (commissioned by the EPO).
- January 2006: EPO adopts IFRS.
- December 2006: IDEI Report on objectives and incentives at the EPO (commissioned by staff representation of EPO).



From IDEI Report¹

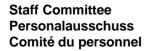


The trade-off between quality and quantity

Does the existing reporting and promotion system help find the right balance between different work objectives?

(Question 40)

	Frequency	Percentage	Cumulated
Much too much emphasis on quantity	1562	55.8	55.8
A bit too much emphasis on quantity	740	26.4	82.2
Strikes the right balance	457	16.3	98.6
A bit too much emphasis on quality	27	1	99.5
Much too much emphasis on quality	13	0.5	100





From IDEI Report²



More precisely...

- « Quantity » currently comes 1st in the perceived criteria for promotion decisions while « quality » ranks 3rd
- « Quantity » as well as « help provided to colleagues » should ideally come 2nd while « quality » 1st
- This suggests EPO staff are fully aware of the importance of productivity, but disagree about relative weights
- There's also concern about ability of management to understand work quality
- Obstacles to productivity may come as much from workplace interactions as from lack of « effort »



Recent milestones in relation with performance management²



- June 2008: Ernst & Young study (commissioned by the EPO).
- September 2008: Industrial actions and demonstration against the undermining of the European Patent Organisation by its governing body and management in Brussels.



UNION SYNDICALE FEDERALE

des Services publics européens et internationaux

avenue des Gaulois, 36 - B-1040 Bruxelles -

tel.32.2.733.98.00 - fax 32.2.733.05.33 - usf@unionsyndicale.eu



"UN MONUMENT EN PÉRIL"

Brussels, 18.09.2008

The European Patent Organisation (EPO) is a non-EU, intergovernmental organisation set up 30 years ago to stimulate European innovation and the economy, in the service of the European public. The Office, the executive body of the Organisation, is the central patent-granting authority for Europe, and its staff the recognised experts in matters of European intellectual property thanks to investment in quality, in highly-qualified, tri-lingual staff, and in transparent procedures. **The Staff Union of the European Patent Office (SUEPO / USOEB)**, which represents well over half of the 6600 staff, has frequently complained about the way in which the EPO is being governed by its supervisory body, the Administrative Council (AC). Strikes have been called at all EPO sites today and a delegation of staff are demonstrating in Brussels.

The AC is largely composed of the representatives of the National Patent Offices (NPO) in Europe. Many of these are not government agencies, but quasi-private institutes that carry out work on behalf of government. The AC has consistently interfered with the efficient, centralised European patent system:

- Most European governments and industry have, and want to keep, a centralized patentgranting authority: the EPO. Despite this, many AC delegations are pushing for decentralization of patenting work in favour of their own NPOs under the aegis of a planned "European Patent Network (EPN)".
- European industry is used to receiving high-quality services from the EPO and wants to keep
 it that way. Through the EPN many NPOs want a share of the work without making the
 necessary investments, and to market this work as approved and endorsed by the EPO.
- Because every granted patent yields a lucrative renewal fee, half of which is retained usually
 by the NPOs (for no work at all on their part), many AC delegations favour higher quantity
 of granted patents rather than higher quality.
- 4. The EPO is fully self-financing. However, Office management has recently been portraying the Office as being in financial difficulty, aided by the recent transfer of an additional liability of over 700 million EUR from the NPOs and/or Member States to the Office. In part to pay for this, Office management proposed changes to the fee system disadvantaging SMEs. This move endangers the Lisbon agenda and enhances the destructive effects of globalization.

THIS MUST STOP NOW!

We demand that the EU Council:

- commission a general study on patent quality, the governance and financing of industrial property in Europe, that synthesises the various preceding national studies, and make recommendations for the EU presidency;
- help stop the instrumentalisation of the EPO by NPOs and support the accession of the EU to the European Patent Convention in the framework of a Community Patent;
- declare this issue as of the highest urgency and highlight the importance of innovation as a generator of employment in Europe.

SAVE THE EPO!



Staff Committee
Personalausschuss
Comité du personnel

Staff union of the EPO Int. Gewerkschaft im EPA Union Syndicale de l'OEB



Last slide but not least



- Link to IDEI Report:
 - http://www.idei.fr/doc/by/seabright/report_epo.pdf
- Link to SUEPO website:
 - http://www.suepo.org

Thank you for your attention!