



CSAIO/CAPOI 9

EUROPEAN MOLECULAR BIOLOGY LABORATORY

Heidelberg, Germany

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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**

Staff Committee
Personalausschuss
Comité du personnel

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

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	
	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
C5	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			
	average		rapid		average		rapid	
	total	in grade	total	in grade	total	in grade	total	in grade
B1		0		0				
B2	4 - 6	4 - 6	2 - 3	2 - 3				
B3	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.				
<p>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.</p>				

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
●	U6 EPO's share of first filings and ISA
●	U7 Patent information

Staff / Potential	
●	S1 Implementation Joint Agendas
●	S2 Staff satisfaction
●	S3 Sickness days
●	S4 Social indicator
●	S5 Examiners time dedicated to core activities

Process	
●	P1 Production of core products
●	P2 Applications published with search reports
●	P3 Stock & Backlog of core products
●	P4 Productivity
●	P5 Unit costs
●	P6 Achievement of key-projects objectives

Finance	
●	F1 Operating results
●	F2 Reserves of the EPO

[EPO Strategy Map](#)

[Introduction BSC](#)

[Recently updated](#)

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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.**

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Resolution to the Council of the European Union

"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:

1. Most European governments and industry have, and want to keep, a centralized patent-granting 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)".
2. 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.
3. 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**.

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SAVE THE EPO!

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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!