Equality Impact Assessment - Employee performance appraisal and development (EPAD)

Date of the assessment

May 2024 – August 2024

Name of policy or procedure

Employee performance appraisal and development (EPAD) – Revised approach and process

What does this policy or procedure aim to achieve?

The EPAD project initiation document sets out the goals and objectives for the project.

Goals

To develop and implement a modern and effective employee performance appraisal and development (EPAD) process that is aligned to our strategic objectives and outcomes and is applied consistently across Audit Scotland.

To ensure colleagues are clear on their roles and responsibilities, and we have regular conversations about performance and development, based on good quality feedback.

Objectives

- Refresh our existing EPAD process (3D) to align with strategic and operational priorities, values and behaviours, support colleague growth, development and wellbeing, and apply consistently across Audit Scotland.

- Enhance our approach to objective setting, feedback and self-reflection, considering aspects like SMART, mandatory and grade-specific objectives and 360-degree feedback approaches.

- Enhance our approach to colleague development by implementing personal development plans. This should include learning objectives associated with skills mapping, succession planning, career progression and learning identified as either mandatory or personal development.

- Agree a consistent time period for the EPAD process, recognising the importance of continuous performance conversations and consistency alongside achieving the right balance between effectiveness and the investment of colleague time.

- Implement a user-friendly, cost-effective technology solution that supports continuous information capture and reporting to support the new EPAD process.

- Design and implement learning and development opportunities that support all colleagues to feel confident to participate in the new EPAD process.

- Develop a recognition approach to celebrate good performance and share innovation and good practice.

Consider the potential to eliminate discrimination, advance equality of opportunity and foster good relations. Use the table below to capture the evidence you've considered and the potential impacts you've identified. See EQIA guidance here.

Summary of overall findings

Any management process which relies on individual relationships and engagement can be subjective and may risk some individuals experiencing vulnerability to being treated differently, including due to a protected characteristic. The new EPAD approach and process has the potential to negatively affect some groups of staff, including leading to risks of discrimination and equality of opportunity if:

- individual needs are not appropriately understood and reflected in the design and guidance.

- colleagues are treated unfairly within our performance appraisal and development approach due to individual circumstances and needs, including protected characteristics.

- some individuals or groups are not able to access or participate in aspects of the process as easily as others.

- the approach does not adequately control for the potential subjective treatment of colleagues.

A well designed EPAD approach, which is supported by good quality guidance and training, has the potential to help to eliminate discrimination and advance equality of opportunity by ensuring a robust and consistent approach to appraising performance and supporting staff development. This also has the potential to help foster good relations between groups of staff through a sense of fairness and consistency, and through building understanding and awareness of the needs of diverse groups of staff.

Potential negative impacts can be mitigated by:

- Provision of good quality training and guidance to ensure that individual needs are understood and addressed within the EPAD approach and process and more widely.

- Monitoring implementation of the new approach and process to understand the effectiveness of mitigating actions and identify any further action required.

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
Age	N/A	We do not expect the new EPAD approach to have a specific impact on people due to age, beyond the inherent risk of management processes being affected by individual biases.

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
Disability	• In 2023 6.2 per cent of staff considered themselves to have a disability[1] • The 2024 Disability Confident Survey, run by the Audit Scotland Disability Confident Working Group, found that while most respondents had found Audit Scotland's recruitment (external and internal) to have been accessible, almost half of the respondents felt that there were barriers to promotion with Audit Scotland due to their disability. These barriers included the anticipated impact on work-life balance, with perception that some senior roles are not compatible with the flexibility needed to manage the impact of an individual's disability, the impact of an individual's disability can make it difficult to maintain performance meaning that promotion is not realistic, and a lack of senior level role models. • The Disability Confident Working Group also highlight that some colleagues with a disability have raised concerns about the challenges they face in maintaining performance within current roles, due to their disability, and how this will be considered within the employee performance appraisal and development approach. There are concerns about whether objective setting will be framed in a way that implies a requirement for progression or development, where for some this may be unreasonable while managing the fluid impact of their disability. • Data for 2023 indicates that part-time working rates are higher for people with a disability than for other colleagues - with 32.4% of disabled workers and 21.8% of non-	Potential negative impact if the development and assessment of objectives does not consider the potential for changes in people's performance/capabilities over time due to their disability. Potential negative impact if the implementation planning and L&D support (guidance and online materials) does not consider specific accessibility requirements. Mitigation to include: • Draw on established understanding of accessibility requirements (e.g. for external publications) and ensure these are built into the design process. • Continue providing training courses across a range of dates and timings, with a mix of in-person and online options and recording live sessions for colleagues who were unable to attend. • Develop additional good quality guidance and training to support the EPAD approach. As part of this, ensure that there is good quality guidance and training specific to setting and monitoring objectives, which helps managers build their awareness and understanding of how to support staff who have a disability. • Review current provision of mandatory line manager training to ensure it adequately equips managers to be aware and supportive of colleagues' individual needs, for example in relation to giving and receiving feedback and in supporting wellbeing in the workplace. • As part of our equalities monitoring arrangements, continue to gather data on employee development, (CDG transitions, promotions, acting up / additional responsibility allowances / access to L&D), broken down by protected characteristic where

[1] Annual diversity report 2022/23 (audit.scot)

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
	disabled workers working part-time[2]. This may affect the real or perceived ability of colleagues with a disability to engage in the same range of opportunities to support their performance and development (e.g. accessing training or corporate development opportunities). • We do not currently have promotions/CDG data broken down by disability due to low numbers.	possible, to monitor and interrogate trends
Gender reassignment	N/A	We do not expect the new EPAD approach to have a specific impact on people due to gender reassignment, beyond the inherent risk of management processes being affected by individual biases.
Marriage and civil partnership	N/A	We do not expect the new EPAD approach to have a specific impact on people due to marriage and civil partnership, beyond the inherent risk of management processes being affected by individual biases.
Neurodiversity	Audit Scotland's neurodiversity staff group highlight that: • a more formal and structured approach to feedback could be beneficial, where there is more of a balance of responsibility for providing and seeking feedback between managers and staff, where there is recognition of different styles and needs in the presentation of feedback, and where space is given for people to comment on feedback including if you do not agree with it. • there are potential issues with the framing of corporately set objectives and risk of these having unintended expectations which do not consider the needs and experiences of staff with neurodivergences. For example, an implied focus on	Potential positive impact if refreshed approach to feedback improves the way neurodiverse colleagues experience giving and receiving feedback. Potential negative impact and risk of indirect discrimination if revised approach creates unintended expectations around progression or development of relationships. Mitigation to include: • Consideration to be given to the experience and needs of neurodiverse colleagues when designing aspects of the new process, to ensure there is an understanding of colleagues' different ways of engaging with others and processing information. This includes how to provide effective and

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[2] Employment of disabled people 2023 - GOV.UK (www.gov.uk)

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
	progression over maintenance of performance, or expectation around the development of relationships which do not adequately understand colleagues' different ways of engaging with others and abilities to develop or maintain relationships.	supportive feedback for those with a neurodiverse condition[3]. • Review current provision of mandatory line manager training to ensure it adequately equips managers to be aware and supportive of colleagues' individual needs, for example in relation to giving and receiving feedback and in supporting wellbeing in the workplace. • Develop additional good quality guidance and training to support the EPAD approach. As part of this, ensure that there is good quality guidance and training specific to setting and monitoring objectives, which supports managers to adapt approaches where relevant in response to individuals' needs and abilities.
Pregnancy and maternity	N/A	We do not expect the new EPAD approach to have a specific impact on people due to pregnancy and maternity, beyond the inherent risk of management processes being affected by individual biases.
Race	• In 2023 6.8 per cent of staff identified as BAME[4] • Although not specific to Audit Scotland, external evidence suggests that in the UK BAME colleagues are in general less likely to receive top performance markings when compared to white peers, less likely to be identified as high potential, or put forward for management training opportunities.[5] • Internal data shows that in 2022/23, 10.42 per cent of all promoted staff were BAME which is	Potential negative impact due to risk of unconscious bias informing performance appraisal and development conversations for BAME colleagues. Mitigation to include: • Clear role expectations (being taken forward through role profiles review – separate project). • Clear guidance about objective setting (e.g. consistency and SMART) (in place). • Line manager training and development to support fairness and equality in how management processes operate.

[3] How To Provide Feedback to Neurodivergent Employees - Enna
[4] Annual diversity report 2022/23 (audit.scot)
[5] bitc-race-toolkit-diversityobjectivesperformanceappraisal-apr2019.pdf

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
	higher than the overall BAME staff composition[6].	• Ongoing monitoring of performance assessment data by demographic groups built into new EPAD approach and process, in conjunction with data gathering developments as part of our DEI strategy.
Religion or belief	N/A	We do not expect the new EPAD approach to have a specific impact on people due to religion or belief, beyond the inherent risk of management processes being affected by individual biases.
Sex	• In 2023, 56.5 per cent of Audit Scotland staff were female. Female representation at senior level (Board, Executive Team, and Leadership Group) had improved but was still noted as an area for improvement to achieve better gender balance[7]. • Female employees are more likely than male counterparts to be employed on a part-time basis (38.3 per cent for females compared to 13.4 per cent for males in Scotland in 2020/21[8]) and are more likely to have caring responsibilities (in Scotland in 2022-23, 80 per cent of working age carers were female[9]). This may affect their real or perceived ability to engage in the same range of opportunities to support their performance and development (e.g. accessing training or corporate development opportunities). • Internal data shows that in 2022/23 of the 48 permanent promotions made across Audit Scotland, 58.33 per cent were	Potential negative impact if the implementation planning and L&D support (guidance and online materials) does not consider specific accessibility requirements. Mitigation to include: • Continue providing training courses across a range of dates and timings, with a mix of in-person and online options and recording live sessions for colleagues who were unable to attend. • As part of our equalities monitoring arrangements, continue to gather data on employee development, (CDG transitions, promotions, acting up / additional responsibility allowances / access to L&D), broken down by protected characteristic where possible, to monitor and interrogate trends.

[6] Annual diversity report 2022/23 (audit.scot)
[7] Annual diversity report 2022/23 (audit.scot)
[8] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[9] Carers Census, Scotland, 2022-23 - gov.scot (www.gov.scot)

Protected characteristic	Please summarise the evidence you considered	What is the potential impact (positive, neutral and negative) on people who share the characteristic?
	women and 41.67 per cent were men[10].	
Sexual orientation	N/A	We do not expect the new EPAD approach to have a specific impact on people due to sexual orientation, beyond the inherent risk of management processes being affected by individual biases.
Socio-economic disadvantage	N/A	We do not expect the new EPAD approach to have a specific impact on people due to socio-economic status, beyond the inherent risk of management processes being affected by individual biases.

Did you need to obtain further information? If yes, how did you do that?

We shared the equality impact assessment template with lead representatives from Audit Scotland diversity network groups and with the branch representative of the PCS Union. We received responses from the Disability Confident Working Group and the Neurodiversity Group and the main issues highlighted are included in the above assessment table.

We also carried out desk-based research to address knowledge gaps, expand our understanding of issues identified through equality screening and those highlighted by engagement with staff groups, and support us to identify potential mitigating actions. This is summarised below.

Desk based research

The desk based researched involved reviewing open-source materials to address knowledge gaps, develop a better understanding of the issues we would need to consider from a neurodiversity perspective and what approaches have been used by others.

How Managers Can Use a Strengths Based Approach to Support Neurodivergent Employees - Enna

- Highlights the need to understand neurodiversity in the workplace and advocates the benefits of shifting from a focus on deficits to strengths.

Neurodiversity and Career Development: Strategies for Advancement - Enna

- Highlights challenges workplaces can present for neurodivergent people and the benefit of identifying and leveraging the strengths neurodivergent people have.

[10] Annual diversity report 2022/23 (audit.scot)

- Highlights the need for clear and effective communication and the role this plays in helping colleagues to understand expectations, deadlines, and feedback, and help them to you advocate for themselves and articulate their needs.

How to support employees with neurodiverse conditions - Employee Benefits

- Recognises the legal duty employers have to make reasonable adjustments to support colleagues with a neurodiversity where this is recognised as a disability.

- Highlights the importance of employers understanding the needs of staff with a neurodivergence and the specific impacts it may have for that member individual.

- Advocates that employers must ensure they eliminate biases in performance evaluations or promotion processes in order to foster a workplace that champions fairness for all employees.

- Suggest that employers consider how understanding of needs is passed over when line management arrangements change to avoid the need for repeat explanation/assessment.

- Suggest that employers consider how best to communicate personal or professional development opportunities, to ensure neurodivergent colleagues are not disadvantaged by such opportunities arising through networking or informal channels which may not accommodate their strengths.

HR Magazine - Neurodiversity and PIPs: Dropping the mask

- Focusses particularly on ADHD and the use of performance improvement plans - but has wider relevance for understanding the needs or neurodivergent people and possible mitigating actions

- Highlights that employers often have expectations of certain social interaction and communication styles, disregarding the different ways neurodivergent individuals may process social cues and express themselves.

- Suggests that that managers should evaluate if their concerns about a members of staff's performance or behaviours are unintentionally biased or can be accommodated for.

- On feedback, the articles suggests that it should be given in a neutral and non-judgemental way, time should be given for staff to process the information and their response, and it encourages taking breaks and pacing conversations appropriately so that the individual does not become overwhelmed.

ACAS – Religion or belief discrimination: key points for the workplace

- Provides guidance for employers and staff on how discrimination on the basis religion or belief may occur in the workplace and how the risk of this can be reduced.

- Key areas highlighted include recruitment, taking leave, breaks and time away from work for religion reasons, and dress codes. Some other more general considerations are also raised but no direct reference is made to performance appraisal or development approaches or systems.

CIPD – Religion and belief: CIPD viewpoint

- Outlines key issues in relation to employees' religious and philosophical beliefs or non-beliefs which employers should understand and be sensitive to.

- Highlights employers' overall equality diversity and inclusion policy landscape, sensitivity to needs around uniforms or dress codes, dietary requirements, observance of religious holidays and practices, and inclusivity of work-based events.
- Does not make any reference to considerations in relation to performance appraisal or development approaches or systems.

Action plan

What recommended steps should we take to improve the policy or procedure and monitor its equality impact?

Capture any action we plan to take to reduce negative impacts and maximise positive impacts. The policy owner should prioritise actions based on their expected impact on helping us deliver the general equality duty and their contribution to our equality outcomes. The EHRSG and People Focus Group can advise on this.

When developing the action plan, policy owners should consider how to maximise the positive impact of the policy or procedure on all people who share the protected characteristics, with the requirement to maximise the core outcomes of the policy or procedure. Actions should be strategic and proportionate.

The action plan should also include ways of monitoring the ongoing impact of the policy or procedure.

Action	Responsibility	Timeline
Draw on established understanding of accessibility requirements (e.g. for external publications) for guidance documents and ensure these are built into the design process.	EPAD project team with support from communication team	Nov 2024 - Jan 2025 – Following approval of overall approach and process and in time for full implementation.
Ensure there is good quality guidance and training to support the introduction and longer-term operation of the new approach. This should include: • guidance to support managers to be clear on our obligations and rights under equality legislation and to signpost the existing range of guidance and training materials provided to support them to be aware of the potential for staff to have specific needs due to a protected characteristic. • Review of draft guidance on setting and monitoring objectives, to reflect feedback about the needs of disabled and neurodiverse colleagues.	EPAD project team	Nov 2024 - Jan 2025 – Following approval of overall approach and process and in time for full implementation.

- Review of draft guidance on feedback to include information and support on how to provide effective and supportive feedback for those with a neurodiverse condition.

Review current provision of mandatory line manager training to ensure it adequately equips managers to be aware and supportive of colleagues' individual needs and supports fairness and equality in how management processes operate. For example, in relation to giving and receiving feedback and in supporting wellbeing in the workplace.	I&Q – Gordon Robertson / Michelle Borland	Sept 24 - Oct 24 – As part of designing L&D support for new EPAD approach and process.
Develop arrangement to monitor the effective implementation and longer-term operation of the EPAD process. This should include the post-implementation survey activity set out in the EPAD project performance monitoring arrangements. The surveys should be used to gather staff feedback on experiences of the revised processes, for example on whether staff feel it is meeting their needs, they feel the approach is fair and whether the feel it lead to improved performance and development conversations.	I&Q	Initial post implementation survey panned for September 2025
Establish arrangements to gather and monitor performance assessment data from the new approach, with appropriate breakdowns at demographic and characteristic levels. This should be progressed in conjunction with data gathering developments as part of our DEI strategy, e.g. internal promotions, uptake of training and development.	I&Q and HR	October 2024 - Performance monitoring for new EPAD approach and process to be agreed as part of implementation plan. Colleague development measures will continue to be monitored annually by HR team and reported in annual diversity reports.

Approval/ Publication/ Review

Date of approval by EHRSG	**2 September 2024**
Date of approval by Executive Team	**29 October 2024**
Date published on Audit Scotland website	**November 2024**
Action plan review date (annually or as agreed with EHRSG)	**February 2025 (as part of post-implementation review)**