HR Public Meeting

19th January 2015
Anne-Sylvie Catherin

• Launch of the 2015 Five-Yearly Review (5YR)
• Contract Policy Review
Launch of the
2015 Five-Yearly Review
(5YR)

HR Public Meeting
19th January 2015
Anne-Sylvie Catherin
Agenda

Purpose
Process
Scope
Data Collection
Timeline
Conclusion
Five-Yearly Review

Purpose
Background information

- All organisations need to periodically assess whether the conditions they provide correspond to their needs.

- The framework applicable to IGO’s is based on general principles of law and the case law of international administrative tribunals.

- At CERN, this framework is described in Annex A1 of the Staff Rules and Regulations.
Objectives

Staff members
Attract, recruit and retain highest level of competence and integrity required for the execution of CERN mission from all Member States.

Fellows
attractive conditions (vs comparable institutions)

MPAs (students, associates…)
Sufficient subsistence for cost-of-living in local region

• Diverse population
• Open to interpretation
Process Overview

Prepare
- Provide data on recruitment and retention
- Identify CERN’s main recruitment markets
- Identify relevant comparator institutions
- Agree on scope

Carry Out
- Collect data
- Analyse data
- Discuss with internal stakeholders (Departments, Staff Association)
- Draw up Management’s proposals

Complete
- Discuss Management’s proposals at TREF
- Submit proposals to FC & Council for decision

Implementation…
Reports on Recruitment and Retention of Staff Members & Recruitment Markets (2010-2013)
Applicants Overview

<table>
<thead>
<tr>
<th></th>
<th>2005-2008</th>
<th>2010-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicants</td>
<td>11043</td>
<td>40275</td>
</tr>
<tr>
<td>Posts</td>
<td>553</td>
<td>704</td>
</tr>
</tbody>
</table>

Social Media Strategy

CERN in the media

Multiposting technology for job-boards
Which countries do we recruit from?

Career Paths (A-B)

Career Paths (C-G)
Which source do our recruits come from?

- **553 staff recruits over the reference period**

**Staff Recruits**

- **67% External**
  - **3% Beginning of Career**
  - **18% Public Sector**
  - **46% Private Sector**
- **33% Internal**
  - **18% Fellows**
  - **15% Users, Students, Associates**

**Public Sector**
- 33% of staff recruits are from the Public Sector.

**Private Sector**
- 38% of staff recruits are from the Private Sector.

**Beginning of Career**
- 10% of staff recruits started their career with us.

CERN/TREF/399 Tables 1 & 4
Public or Private Sector?

### Professional Category

<table>
<thead>
<tr>
<th>Career Path</th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Physicists</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scientific &amp; Engineering Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual Work, Crafts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Administrative Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office &amp; Administrative Work</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Career Path

- **AA-B**: 
  - Beginning of Career: 50
  - Public Sector: 100
  - Private Sector: 200

- **C-G**: 
  - Beginning of Career: 10
  - Public Sector: 200
  - Private Sector: 250
How experienced are our recruits?

Average age = 33.4

Distribution of Recruitment Age

Arrivals (head count) vs Age

- 5c
- 5b
- 5a
- 4
- 3
- 2
- 1

Average age = 33.4
How many offers are refused?

Total Refused Offers = 38 = ~ 5%

Which domains? Which nationalities?
Recruitment difficulties

Breaking the Myth: “CERN has loads of candidates, everybody wants to work for CERN, conditions are attractive so there must be no recruitment difficulties”

Despite extensive & dedicated sourcing campaigns:

- 1 in 20 offers are declined
- There were 87 republications during the reference period
- There were 11 dismissals after unsuccessful probation periods

Main Reasons for refusals/failsures are tracked and include:

- Spouse Partner/employment
- Family situation
- Long-term prospects

Additionally – Skills shortage for certain hi-tech domains

- Mechanics and electro-mechanical; Designer-Draughtsman
- Electrical distribution; Electronics
- Computer Aided Design; Cooling and ventilation technicians
- Sysadmin/data centre technicians
- Cryogenic process operators
- Accelerator controls and software engineering
- Superconducting magnets and RF cavities
- Radiation protection
- Information technology and specialized areas such as database administration and scientific information
- Some senior administration specialties (auditing and finance, human resources)
Retention difficulties

44 resignations over the reference period

Resignations by domain

Resignations by years of service
Key Messages

1. Increased efforts during the reference period in recruitment and sourcing have started to show positive results and improvements.

2. An increase in the number of candidates, wider diversity across the Member States and sourcing success for some professions has been achieved.

3. Nevertheless, as in previous five-yearly review periods, some challenges and problem areas remain in recruiting for certain key professions, as well as from several Member States.

Data for the reference period is consistent with that of the previous five-yearly review periods, which showed that two-thirds of CERN's external recruitment came from the private sector.

For the future, CERN needs to continue to recruit staff with similar engineering, technical and administrative competencies. These competencies are primarily found in the private sector, especially in the high-technology area.
Five-Yearly Review

Scope
Financial and social conditions to review

Mandatory:

• Basic salaries for staff members
• Stipends for Fellows
• Subsistence indemnities for associated members of the personnel

Optional:

• All other financial and social conditions (Council decision on Management’s proposal)
Reminder: Optional conditions chosen for 2005 5YR

- Career structure
- CHIS
- Family policy
  - Family and Child Allowances
  - Crèche Facilities
  - Family-related Leave
  - Education Fees
- Societal evolution: recognition of partnerships
- Restructuring of support for integration and reintegration
  - Replacement of non-resident allowance by International Indemnity
  - Benefits on arrival and departure
- 5YR method
Reminder: Optional conditions chosen for 2010

- CHIS (Benefits & Contribution rates)
- 5YR method
Optional conditions chosen for 2015 5YR

- CERN career structure
- Diversity-related conditions
- 5YR method (if deemed necessary at the end of the review)
CERN career structure

- Performance evaluation Advancement
- Career Path Structure
- Promotions
- Salary grid
Rationale (1)

- Continuous improvement of a key HR process impacting all staff members
- Several weaknesses identified
- Supervisors find current process too resource intensive
- Majority opinion of staff members on current process is at best neutral
- Opportunity to change every 5 years only (as part of 5YR)
CERN career structure

Rationale (2)

- Current Career Path Structure / Salary Grid is the result of 25 years of evolution
  - High number of Career Paths (8 CP), Salary Bands (29 SB) & steps (599)
  - Midpoint progression between SBs/CPs is low, making promotions sometimes meaningless
  - Existence of ECE, but barely used
  - Very different levels of functions paid the same: Overlap between CPs is high, SB spread is diverse, with some SBs very long

<table>
<thead>
<tr>
<th>Career Path</th>
<th>Min</th>
<th>Max</th>
<th>Midpoint</th>
<th>Midpoint incr</th>
<th>Overlap</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>3750</td>
<td>5414</td>
<td>4582</td>
<td>0.99</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>5191</td>
<td>7204</td>
<td>6248</td>
<td>1.20</td>
<td>0.99</td>
</tr>
<tr>
<td>B</td>
<td>5296</td>
<td>8292</td>
<td>6844</td>
<td>1.10</td>
<td>0.74</td>
</tr>
<tr>
<td>C</td>
<td>5794</td>
<td>9655</td>
<td>7725</td>
<td>1.13</td>
<td>0.70</td>
</tr>
<tr>
<td>D</td>
<td>6732</td>
<td>11740</td>
<td>9236</td>
<td>1.20</td>
<td>0.70</td>
</tr>
<tr>
<td>E</td>
<td>7980</td>
<td>14249</td>
<td>11135</td>
<td>1.20</td>
<td>0.68</td>
</tr>
<tr>
<td>F</td>
<td>12312</td>
<td>17987</td>
<td>15100</td>
<td>1.36</td>
<td>0.86</td>
</tr>
<tr>
<td>G</td>
<td>16180</td>
<td>20424</td>
<td>18302</td>
<td>1.21</td>
<td>0.90</td>
</tr>
</tbody>
</table>
CERN career structure

Rationale (2)

- Recruitment market and education landscape is changing
  - Bologna aligned diploma levels throughout Europe
  - In a competitive job market “(war for talent”) the value of diplomas remains important, but more and more value is placed on experience and competencies
  - CERN’s CP structure and salary grid is mainly driven by diplomas and does not always allow us to be a savvy player on the job market

- Current Promotions Practice and Meaning not always clear
  - Guidelines not always clear
  - Promotions sometimes not meaningful
  - Promotions sometimes based on add-ons, rather than real change of job

Risk of CERN’s budget not being optimally used
Opportunity to simplify, rationalise and modernise
Diversity-related social and financial conditions

- **Registered partnerships:**
  - Opposite-sex and same-sex partnerships of staff members and fellows currently recognized by the Organization, but benefits limited to health insurance coverage.
  - Possible recognition by the Organization of further rights to partners: CERN should move with the times and examine the extent to which it should follow societal developments in the Member States.

- **Other areas related to diversity:**
  - Support structures for new parents and families
  - Family-friendly structures
  - Spouse/partner employment
  - Balance between professional and private life
Five-Yearly Review

Data collection
Basic salaries for staff members

• All career paths:
Based on the identification of CERN’s main recruitment market, data will be collected from the private sector and, more precisely from the high technology sector.

• CP AA to B (local survey): data will be collected from employers in the local region (Geneva, Vaud and neighbouring France) that offer salaries among the most competitive. The data collection will be entrusted to a local salary survey company.

• CP C to G (international survey): data will be collected from employers in the Member States that offer the most competitive salaries. The data collection will be entrusted to the OECD.
Salary comparison – Apples to Apples

- **Salary components**
  - Total cash remuneration:
    - *Only*: base salary + actual variable cash pay (annual basis)
  - Company cars, stock options, long-term incentive plans…

- **Net income**
  - Taxation rules of the selected country(ies) are applied

- **Cost of living**
  - Purchasing Power Parities (PPP) are applied in order to identify equivalent purchasing power, irrespective of the place of employment.
Stipends for Fellows

In line with the two previous five-yearly reviews, data will be collected from the following research institutions:

By the nature of their fellowship programmes, and given that, like CERN, they also benefit from external financing mechanisms, these institutions indeed constitute appropriate comparator institutions in this context.
Subsistence Allowances for Associated Members of the Personnel (MPA)

- Data collection limited to an analysis by CERN of the evolution of the cost-of-living in the Geneva area.
Diversity-related Conditions

- Data will be collected by the OECD from the following IGO’s:

  EC, EMBL, ESA, ESO, EPO, ITER, UNOG
Five-Yearly Review

Timeline
March 2014: TREF
• Factual information & clarification:
  • Report on recruitment markets for staff members
  • Report on recruitment and retention of staff members
  • Data collection process for salary comparison and related mandates
  • Report on comparator research institutions for fellows
  • Management's proposal identifying the financial and social conditions to be reviewed

May 2014: TREF
• Discussion:
  • Report on recruitment markets for staff members
  • Report on recruitment and retention of staff members
  • Data collection process for salary comparison and related mandates
  • Report on comparator research institutions for fellows
  • Management's proposal identifying the financial and social conditions to be reviewed

June 2014: FC / Council
• Information & discussion:
  • Report on recruitment markets for staff members
  • Report on recruitment and retention of staff members
  • Data collection process for salary comparison and related mandates
  • Report on comparator research institutions for fellows
  • Management's proposal identifying the financial and social conditions to be reviewed

October 2014: TREF
• Factual information and clarification: oral report on data collection

Internal discussions & concertation

March 2015: TREF
• Written report on Diversity data collection

May 2015: TREF
• Written report on all other data collection

October 2015: TREF
• Information:
  • Management proposals

November 2015: TREF (1 or 2 meetings)
• Discussion:
  • Management proposals

December 2015: FC / Council
• Decision on final Management proposals
Five-Yearly Review

Conclusion
Conclusion

5YR:

• a major endeavor

• a “collision” of diverse ideas, expectations and interests

• an opportunity to take stock of where we are, exchange, discuss, modernise & prepare CERN for the future

• We will keep you regularly informed
Thank you for your attention

Questions & Answers
Contract Policy Review

HR Public Meeting
19th January 2015
Anne-Sylvie Catherin
Recall

HR Public Meeting 23rd September 2013
“LD2IC – past, present, future”

Slides available at: https://indico.cern.ch/event/270633/

To avoid mortgaging future opportunities, a 3-year IC forward planning approach was introduced CERN-wide.
### Recall - Historical Perspective

- **1996**: Council voted for LHC commissioning & operation to be at 2000 FTEs by 2005.
- **2002**: Plan allowed for FTE increase during LHC construction period with a further reduction until 2010.
- **2003**: Council approved insourcing (~300 FTEs) – “Local Staff” Programme, but target remained 2000 FTEs.
- **2006**: White paper foresaw 2250 FTEs in 2009. IC limit proposal of 1700.
- **2009**: Decision to stabilise CERN at 2250 Active FTEs (FTAs).
- **2011**: Flexibility posts (+5% in MTP 113 posts) - Commitment not increase number of ICs, i.e. maintain maximum of 1750 ICs.

**Today**
- 2524 staff
- 1761 ICs
- 763 LD
- ~150 recruits / year
- 30-50 IC departures / year
- ~150 LDs ending each year
- LD contract duration is 5 years
- 40% probability of IC → will diminish significantly if no action taken
Doing nothing is not an option

At best: forced to reduce capture rate to 25%
At worst: IC moratorium & withdrawal of flexibility posts
Why a new Policy?

Background
After reviewing several alternatives, 2014 Management Decision that current Contract Policy needs reviewing.

Goals
1. Offer more IC possibilities, i.e. increase retention - without over-running ceiling
2. Increase flexibility
3. Enable increased ROI on LD contracts where applicable (‘time to train’)
4. Maintain competitive process for IC
5. Avoid ‘early’ IC applications
6. Implement in 2015 *(doesn’t need to be part of 5-yearly – allows earlier implementation)*
7. Develop a policy based on solid foundations – after thorough requirements analysis – and not just provide ‘numbers fix’ for current situation

… whilst taking into account any impact on Pension Fund
Contract Policy Process

1. Needs Analysis
2. 1st Proposal
3. Refined Proposal
4. CCP subgroup
5. CCP
6. TREF
7. Council

Mar – May ‘14
Interviews & discussions with DHs, SA, PF, HRAs

Jun – Sep ‘14
Proposals discussed with ED, PF, SA

Oct – Nov ‘14
Finalised proposal (5,3) endorsed at ED & agreed with Staff Association
Implementation details with legal experts

Nov’14– Jan’15
Drafting of implementation measures (Admin Circular 2)

Separate process, i.e. not part of 5-yearly review

Close collaboration with all stakeholders, depts, PF & SA

Department Heads communicated within their Departments

Feb ‘15
Management representatives + SA to agree on AC

Mar ‘15
Changes discussed at TREF (Management + SA + Member States)

Mar ‘15
FC & Council Approval
Stakeholder Analysis

Management
- Retention of Excellence
- Workforce flexibility
- Time to train

Member States
- Limited IC commitment
- Opportunities (turnover)
- Knowledge transfer

LD Staff Members
- Transparency
- IC opportunities
- ‘Sellability’ of LD stay

Staff Association
- ↑% LD → IC
- Minimise precarity

Candidates
- Attractivity
- Relocation

Pension Fund
- Funding ratio
- Liabilities

Legal Advisors
- Risks
- ILOAT case law
Evolutionary or Revolutionary?

**Evolutionary**
- Build upon existing

**Challenges**
- Constrained by existing

**Revolutionary**
- Abolish LD/IC notion
- Open ended Contracts?
- Renewable “Fixed Terms”?

**Challenges**
- Couldn’t find another (international) organisation with satisfactory proven policy for inspiration
- Two systems (old & current)
- Much longer / larger to implement
- Risks…. (of revolution!)
Many simulations & scenarios analysed

Pension Considerations

Two key factors:
1. From 5-years – pension entitlement ("deferred pension"). Lower is better.
2. Staff turnover – important parameter for actuarial study influencing the funding ratio. Higher is better.
Planning indicates long term possibility or extension of funding, project etc.

Senior / Specialised Roles / Hard to Recruit

Maintain current practice
Essence of new policy proposal

**Current**
- LD: 1-5 years
- Up to 40%
- Retention <40%
- Turnover >5%

**Proposal**
- LD: 1-5 years
- Up to 80%
- Retention >50%
- Turnover >4%
- LD: 1-3 years
- Up to 66%
- Retention >50%
- Turnover >4%

Agreed to disagree with the SA on percentages
The extension process

LD  →  LD

Collegial Review
Department + HR
- On paper file
- No interviews

Reviews activities & LD holders
- decisions for extensions

Extension
End of Contract

Query?

Explanation provided on request

A. Extension of a limited-duration contract

AC2

Decisions documented internally
The CCRB/IC process

As per current process

- Vacancies published annually
- Competitive process
- Eligibility & competencies described in the VN
- Candidates assessed on:
  - suitability to carry out the functions described in the vacancy notice
  - ability to make a valid contribution to the Organization’s mission in the long-term

See admin e-guide:
https://admin-eguide.web.cern.ch/node/608
Transition

New Recruits

LD (1-5 y) → LD (1-3 y) → IC

Existing LDs

LD (1-5 y) → LD (1-3 y) → IC

Possibility to grant current LD holders additional 3 years (not systematic).

Eligibility for extension:
Must be holding LD contract on 31st March 2015.

Propose to use same criteria & process as LD extension review in steady state.
A word on the numbers

- All percentages for extensions & ICs shown are ‘upper limits’
  - They are *neither quotas nor guidelines*
  - Used in the simulations to forecast globally what would be the highest permissible ceilings
  - i.e. “maximum we can afford”
  - Neither necessary nor recommended to wait until very last year for opening IC
- Departments will be maintaining a rolling HR plan for the activities, IC slots and extensions.
- Planning tools will be updated
- During next few years IC slots will still be opened
  - i.e. just because we ‘can’ extend by 3 years doesn’t mean no ICs for 3 years.
Conclusion

The new policy is part of CERN’s overall strategy to:
• Attract and retain talent needed to achieve CERN’s mission
• Provide flexible approach taking into account specificities of the organisation
• Ensure return on investment of LD contracts
• Manage process for long-term investment (IC contracts)
• Allow for both knowledge transfer & retention
• Ensure both short term & long term opportunities are attractive
• Provide a framework in which all retention efforts and actions may be optimised

The policy will provide:
• A more flexible workforce for the Organisation.
• Increased opportunities for ICs
• Enhanced possibilities for Internal mobility
Thank you.
Questions?