



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

## **CENTRAL BANK OF IRELAND**

# **Retention of Target Employees - Interim Policy Re: Critical Roles in Critical Projects**

**Human Resources Directorate  
July 2014**

## **Executive Summary**

Whilst the overall average rate of Central Bank staff turnover is low, the Central Bank is vulnerable to loss of key employees on strategically vital matters to the Central Bank. The Central Bank has reviewed this issue and considers that there may be certain strategic roles, “**Critical Roles**”, critical to the strategically significant projects with regard to the functions of the Central Bank as may be identified from time to time (a “**Critical Project**”). In these instances, the Budget and Remuneration Committee has considered the implications of making retention payments to staff in Critical Roles in Critical Projects.

Arising from the review the Central Bank proposes to issue new contracts of employment to employees in Critical Roles, Target Employees (defined below), to facilitate their retention as employees throughout forthcoming critical periods in which projects, each having been approved by GovCo as a Critical Project, are completed. A proposed new contract, if accepted by a Target Employee, will require that a Target Employee agree a six-month notice period, (to substitute the standard three month notice period), in consideration for payments to be made as set out at (i) to (iii) below in addition to payment of the Target Employee’s usual salary.

## **Background**

The level of turnover in key areas of the Central Bank has been a cause for concern for some time. The attraction and retention of talent by the Central Bank has been identified as one of the reasons for commissioning the current external organisational review. As the organisational review is likely to take some time to complete, including the implementation of recommendations, both senior management and the Central Bank Commission have agreed that consideration be given to options available in the short to medium term to retain individuals in Critical Roles with regard to Critical Projects (“**Target Employees**”).

Target Employees are employees as may be identified by GovCo from time to time, who are at the time of their identification as Target Employees engaged in work in Critical Roles on strategically critical Central Bank projects of significance having regard to the functions of the Central Bank as identified from time to time, namely Critical Projects. The decision to seek to agree new contract terms involving the making of payments to Target Employees is in recognition of the fact that such Target Employees are required by the Central Bank in order to ensure continuity of expertise and experience to enable it to efficiently and effectively implement the Critical Projects. Payments shall be structured so as to seek to ensure that the Central Bank secures the retention of the key skills, knowledge and experience possessed by the Target Employees until the Critical Projects come to an end.

## **Objective of this Policy**

The purpose of this Policy is to establish an objective basis upon which the Central Bank may lawfully make retention payments to Target Employees in order to ensure that they are retained in employment by the Central Bank over identified strategically-critical periods.

## **General Principles of this Policy**

The Central Bank has determined a non-exhaustive list of criteria to be considered in identifying Target Employees.

GovCo, in its absolute discretion, will decide whether or not to designate an employee as a Target Employee by reference to some or all of the criteria set out below and/or by reference to such other criteria as it may deem to be appropriate in the particular circumstances that prevail at the relevant time.

- the position being performed by the Target Employee is related to a core activity of the Central Bank;
- the project upon which the Target Employee is currently engaged is a Critical Project identified by the Central Bank from time to time, having regard to its functions;
- the Target Employee acts in a position which requires professional expertise and extensive knowledge of the organisation of the Central Bank and of what is required to successfully implement the Critical Project;
- the Target Employee has a current satisfactory performance rating;
- the Target Employee possesses the potential to have a significant impact on the ability of the Central Bank to deliver on its' mandate in an effective and efficient manner with regard to the Critical Project; and
- the Target Employee acts in a position that has a short supply in the external labour market and which would be difficult to fill in a timely manner so as not to have a detrimental effect on the completion of the Critical Project.

A potential Target Employee may be employed at any grade within the Central Bank.

#### **Application of the policy**

A payment made to the Target Employees upon:

- (a) the signing of the new contracts; and
- (b) a second payment on the earlier of either: (i) the Target Employee no longer being considered by the Central Bank to be a Target Employee (i.e. upon completion of the Critical Project); and (ii) twelve (12) months from the date of signing of the new contract of employment; and
- (c) a third payment on the earlier of either (i) the Target Employee no longer being considered by the Central Bank to be a Target Employee (i.e. upon completion of the Critical Project, and in twenty four (24) months from the date of signing of the new contract of employment.

Each payment at (a), (b) and (c) above will be made only where the following conditions are met at the time the payment falls due:

- (i) the Target Employee remains in the employ of the Central Bank;
- (ii) the Target Employee has not given or received notice of termination of employment with the Central Bank, whether in writing or otherwise;
- (ii) the Target Employee has a current satisfactory performance rating;
- (iv) the Target Employee is not the subject of any investigation into his/her conduct whether under the disciplinary procedure or otherwise. Any payment to the Target Employee may be paid after the completion of all relevant investigation, hearing and appeals if GovCo considers it appropriate to make such payment having considered the outcome of the investigation, hearing and appeals.

The amount of each payment will be determined by GovCo in its sole discretion in respect of each Target Employee and will be specified in the new contract offered to the Target Employee.

**Responsibility for the implementation of this Policy**

HRD is responsible for the implementation and day-to-day management of this Policy. HRD shall take steps to ensure that the Target Employees are issued with new contracts of employment in the immediate future.