

Clive Gunby
Employee Relations

21st November 2011

Via Email

Dear Clive

Performance Management in Openreach

It was good to meet with you and Carol Waldron (Openreach Performance Management Lead) earlier this month to discuss performance management within Openreach.

We were reassured at the meeting to hear that Openreach is joining with the rest of the BT Group in re-launching information around the national agreement and the Two Way Deal and were very supportive of your detailed programme.

I agreed at the meeting that I would set out the 5 key areas of concern that Prospect has regarding the current application of the performance management agreement in Openreach. These are the 5 key areas that most of the cases flagged to the union fall into. We believe, if you're able to address these issues on your various knowledge calls and training sessions then this will make a real difference, and assist in achieving your aim in having a good performance management system, which is honest, helps individuals improve and develop their careers and helps the business be as efficient and successful as possible, while allowing individuals to have confidence in the feedback they're receiving.

1) Forced Distribution of DPR marks

We have flagged to you many examples where individuals are told they have too many of one mark, and not enough of another, or that they need a specific number of "DN" marks. We must get away from this numerical management of performance management. We know that BT is focussed on achieving a spread of marks that reflect the differentiation within a team, but it must be acknowledged that this is only particularly necessary in larger teams, and not always going to be a factor in smaller teams. In addition, we believe Openreach must be clear that differentiation does not mean meeting a set distribution. DPR marks must be an honest, evidenced reflection of an individual's performance against job standards and the BT capabilities. We believe clarity on this issue is essential within Openreach.

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2) **Local practices**

We have flagged a number of spread sheets, levelling tools, forms etc that our members have been asked to fill in and complete, in order to help with performance management over the last year. Often they set particular rules or benchmarks that are in breach of the national agreement. In which case, it would be helpful if Openreach were able to be explicit that local business units should not invent their own performance management tools, but that they work with HR to make use of the guides and supportive documents that form part of the national agreement, only.

3) **Instructions to mark others in a particular way**

We have been contacted by many members who have been instructed to mark Team Members or colleagues in a particular way, with the implicit threat being that they either find further "DN" marks or they themselves will be faced with some formal performance management process. We would ask the business to take this opportunity to state that bullying of this kind is unacceptable. Our members must be able to use their own judgement, evidence and skill set to mark their colleagues appropriately and in line with the agreement, without fear for their own consequence.

4) **Sticky Floor – new rule?**

We accept it is hard to rule out every rumour that takes hold in this policy area, but we have recently had a number of members contact us regarding a new rule that states a DN in one quarter, means you can't be anything but DN the next. We agreed at our meeting that performance marks are 1) Year to date achievements and 2) reflective of the work done. It is therefore perfectly possible (albeit rare) for someone to jump from DN to VG from one quarter to the next, should the individuals performance genuinely warrant it. The point being, marks should not be being suppressed by rules such as these, they should be an honest and accurate reflection of achievements within each quarter.

5) **Knowledge of the agreement**

We are keen to ensure that everyone across Openreach is aware of the performance management agreement and process, and signs up to it. We've had too many examples of individuals allowing breaches of the agreement to pass by, be it senior managers or on occasion members of the HR community. To this end, we very much welcome your re-engagement programme and would encourage sponsorship at the highest levels, so that there can be no dubiety about what good performance management means, what it looks like, and what is and isn't acceptable.

In conclusion can I confirm that Prospect provides this feedback in an attempt to be helpful, to clarify publically with you the appropriate application of this policy. We take the new engagement on performance management within Openreach to be a really positive sign and we really want it to work, this is why we flag these issues as we know our members will need reassurance on these points. However, we also know that getting a performance management process that has the buy-in and commitment of all, that

genuinely supports people and provides clarity and direction for future career development and a successful future – that is an agenda worth signing up to.

I would welcome your thoughts on these points.

Yours sincerely,

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National Officer

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Employee Relations Director

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Mrs S Ward
National Officer
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28 November 2011

Dear Mrs Ward

Improving Performance Management

Thank you for your letter of 21 November.

In responding to the issues within your letter and discussed at length at our meeting on 8 November 2011, I acknowledge Prospect's concerns and can assure you of Openreach's intention to work with you to address the issues raised and improve the way in which our performance policies are managed.

The purpose of this letter is to respond to five key areas of concern and provide you with the reassurance you are seeking and agree a framework that will ensure that the national agreement is implemented in the spirit and manner in which it was originally agreed.

Forced Distribution

We acknowledge that in some areas from our own feedback through Care Agile data that some managers do not believe their performance is being managed consistently. The focus of any manager in assessing the contribution of individuals within his / her team must be at the outset to have an agreed set of outcomes and targets that align with the teams and business priorities. To address this issue we will through further communication and engagement emphasise that for levelling to be effective, consistent and fair the full spectrum of performance across a unit should be reviewed in equal measure. We agree there should be no pre-determined outcome, nor any fixed quotas. Levelling should reflect the overall team's performance and / or unit/business performance and individual performance against standards and peer to peer relativity.

Local Practices

The need for a consistent and fair approach is integral to application of the 'Our Approach to Performance Agreement'. Through our communication and engagement plan I can confirm that HR managers will be reminding local business units not to invent their own performance tools or matrices and reiterate that only used agreed guidance material which is freely available via the BT intranet should be used.

Instructions to Mark Others in a Particular Way

Any performance rating must be evidenced based and no manager should feel threatened or bullied to mark an individual in a certain way where there is no supporting evidence or material to support a rating move either downwards or upwards. Any threat is contrary to BT values and if Prospect have examples of this type of behaviour happening we would urge you to share it with us..

Sticky Floor

I can reassure you that no new rule or policy has been introduced that states a DN in one quarter means you can't be anything other than a DN in the next. Ratings will be continued to gathered quarterly and levelled twice yearly. Ratings are cumulative and there should be no suppression. An individual's quarterly rating should be assessed by their performance in that period and by year end an overall view will be taken based on the previous nine months performance to provide their year-end rating.

Knowledge of the Agreement

We have shared with you a copy of our planned communications and engagement plan that we are using to support our approach to improving the understanding of our performance at all levels across Openreach. The key thrust of our approach is to ensure all stages of our processes are managed in accordance with our values with people being treated with dignity and respect. Our communication and engagement plan has been branded 'Improving Performance', to reflect that the practice we want to create is about coaching and supporting our people to improve their performance.

Another important part of this plan will be to work closely with Prospect to ensure that our joint objective of improving performance in Openreach is achieved. Any support or further ideas in which we can jointly work with Prospect in this regard will be most welcomed.

Finally, I am pleased that Prospect continue to indicate their support and we remain committed to working with you on this important matter I do believe that we have achieved good progress in our discussion to-date and we look forward to continue to an on-going dialogue monthly where it is our intention at these meeting to review progress against the actions we have discussed.

Yours sincerely

Clive Gunby

Employee Relations Director

