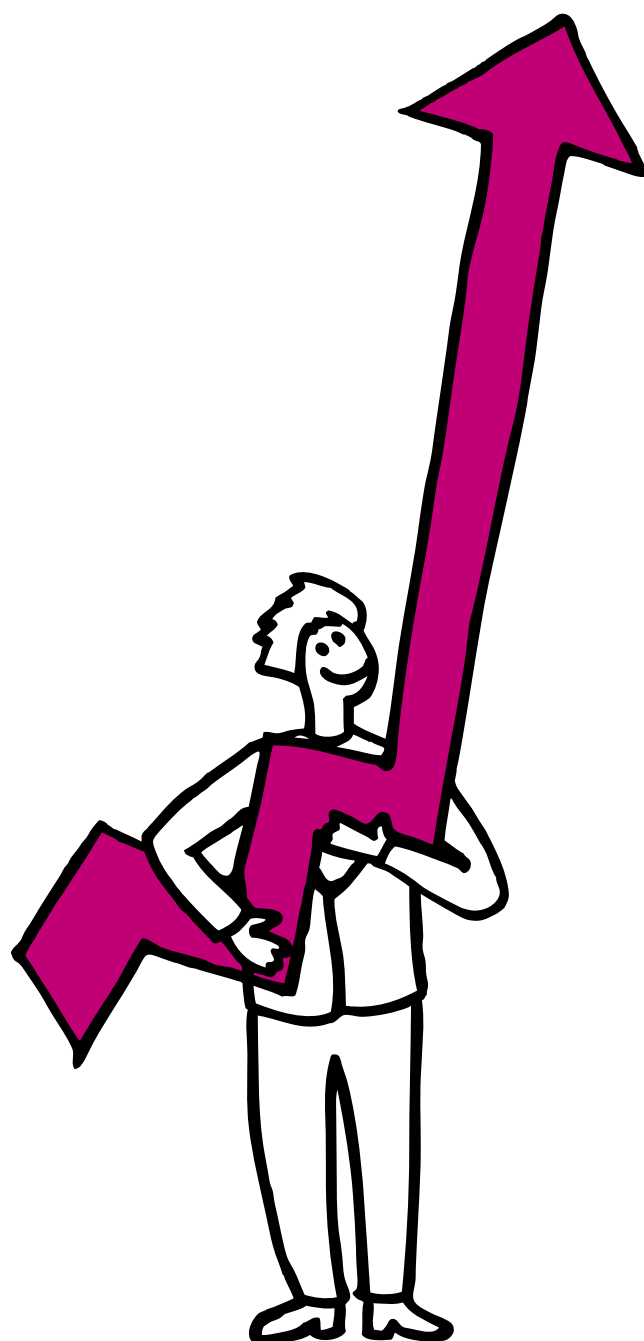# Our approach to performance

"Performance management is intended to support people to develop and contribute to the best of their ability. By raising the performance of everyone in BT, we'll make our company a better business with a better future."

_____

This booklet contains information and guidance about our approach to performance management in BT. The policies and principles apply to all parts of BT.

More information is available on the <u>performance management</u> website.

Dear colleague,

We listened to feedback from our people and we're seeking to improve our approach to performance management in BT.

We need to recognise great performance, help those who could do better and seek to improve all the time. That way, we will all be part of a winning team.

We've introduced some new tools. A two-way employee deal clarifies responsibilities. New performance ratings, with better descriptions, will help us to make the right decisions.

But, words in a book or on a website won't change anything. It is only by practising the new approach that we'll bring it alive.

And that's where you come in. If you manage others, you have an important role to support and develop your people. All of us need to understand our personal responsibilities in the improved approach. Whether you are a people manager or not, the guidance in this book will help you to do that well.

We want BT to be a winning team. By practising the new approach, learning as we go and helping to reinforce the true purpose of performance management, we can all help to make BT a winning team now and in the future.
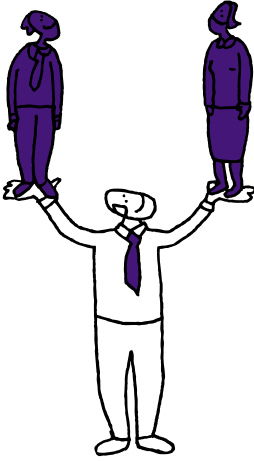
**Ian Livingston
CEO, BT**

Contents

Our philosophy

Our philosophy guides what we aspire to in performance management.

- Raising the performance of everyone in BT will make our company a better business with a better future

- We'll support everyone to develop and be the best they can be

- We'll ensure there is consistency and fairness in how people are assessed against clear standards. An objective comparison of contribution against business, team and peer performance will be part of the assessment

- We'll challenge any management behaviour which undermines the supportive performance environment we need to create.

The principles of our policy

There are some important principles to our policy.

- **Everyone will know what's expected of them.** All BT people should be clear about what 'expected performance' looks like for their job and should be supported to meet those expectations

- **Personal objectives will be agreed.** They'll be stretching but achievable and reviewed at least quarterly to check they remain relevant

- **We value what people achieve** (what gets done) and how they do it (the values and capabilities they show) and will measure performance equally on both

- **Everyone will know how they are doing.** People will be given clear and regular feedback on their performance against expected standards. Everyone should get informal regular feedback to help them develop and improve

- **Performance reviews should be fair,** consistent, timely and in line with our values and equal opportunities policy

- **Performance will be formally reviewed against peer group and team performance** (we call this 'levelling') to ensure standards are applied consistently and fairly and align with team and business performance

- **People managers will be given tools, support and training** to carry out their performance management responsibilities well.

What we expect in practice
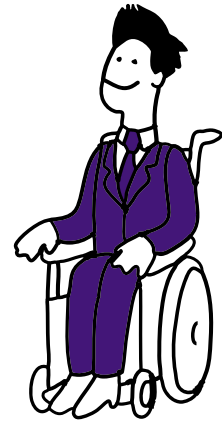
We all need to be clear on what expected practice is and what it is not.

We'll

- Use the full range of performance ratings, so the different levels of contribution that people make are recognised and recorded accurately and fairly

- Expect people managers to recognise high performance as well as quickly tackling instances where people fall short of what's expected of them

- Understand, and take account of, any underlying personal circumstances that could be causing someone not to be giving their best and support them appropriately

- Ensure there's consistency and fairness in how ratings are applied across BT by comparing the performance of individuals, teams and business units whilst maintaining confidentiality.

We won't

- Force a predetermined distribution of performance ratings (sometimes called 'forced distribution')

- Set targets for the number of people who will leave BT on performance grounds (sometimes known as 'managed exits')

- Spring performance ratings as a surprise on people

- Equate 'Development Needed' with an automatic formal performance improvement plan (PIP).

The two-way performance deal

Being clear on what we're responsible for in the performance management process is really important. The two-way deal sets out clearly the responsibilities of both people managers and those they manage. To make sure the deal is properly understood, it's important that people managers discuss it with members of their team.

For everyone	For people managers
Put simply: I find out exactly what's expected of me and I ask for regular feedback on how I'm doing.	**Put simply:** I talk to my people about their performance, give them regular feedback and recognise good work.
This means: • I will perform to the best of my ability • I take responsibility for my own performance in carrying out my job • I know, and comply with, the BT conduct standards and job standards for my role • I seek regular feedback on my performance • I know my role in achieving the team objectives • I prepare for, and positively participate in, regular reviews of my performance development • I take an active interest in my personal development and ensure my skills are current • I will seek continuous improvement in the standard of my performance • I understand how the performance management process works and where I can go for information about it • (For bonus eligible employees) – I will discuss and agree SMART personal objectives with my manager.	**This means:** • I recognise good work and give positive feedback • I help and motivate my people to deliver their best • I make sure everyone in my team is clear about their role and expected standards of performance • There will be no surprises – I will review performance with my team at least monthly or more frequently on an informal basis to give feedback and coaching • I will ensure formal performance reviews are carried out no less than quarterly, e.g. at one-to-ones • I differentiate performance of the individuals in my team against the standards set • I use the supporting tools and processes to complete all performance actions to the required deadlines • I ensure clear objectives are set for the people in my team and that these are reviewed regularly throughout the year and are aligned and drive team and business performance • I support the individuals in my team and manage their personal development giving access to skills training where appropriate • I act quickly to address performance gaps and provide coaching for improvement • I take appropriate action to meet the needs of exceptional performers with high potential using the leadership talent process.

The new performance descriptors

Part of the approach to performance management is a new set of descriptors to be used to evaluate and record the contributions that people are making.

Rating	Headline summary	Description
Excellent	Exceeds all requirements and delivers significant additional tasks – role model for behaviours.	Demonstrates excellent performance against work standards/objectives and is exceptional within their peer group. The individual delivers consistently outstanding results by demonstrating exceptional capability and collaborative behaviours as required for the role. Regarded as a role model by their peers.
Very good	Exceeds requirements and displays strong behavioural characteristics.	Demonstrates strong performance that clearly exceeds work standards/objectives and is demonstrably better than their peer group. Delivers results consistently in excess of requirements by demonstrating strong capability and collaborative behaviours as required for the role.
Achieves standards	Meets most requirements – demonstrates appropriate behaviours.	Demonstrates performance that meets work standards/objectives and is consistent with their peers. The individual achieves results by demonstrating appropriate capability and collaborative behaviours.
Development needed	Meets some requirements but requires improvement.	Demonstrates performance that partially meets work standards/objectives and is at times below that of their peer group. Specific development is needed to strengthen performance. The individual seeks to achieve results by demonstrating appropriate capability and collaborative behaviours, but may be inconsistent and/or demonstrate development needs in some of these areas. Individuals in this category would be expected to have a specific coaching and development plan with identified coaching and reviews in place to support improvement in performance to the 'Achieves standards' level.
Unsatisfactory	Does not meet requirements in some or all key areas and requires significant and urgent improvement.	Demonstrates performance that is significantly below expected work standards/objectives and is significantly below that of their peer group. The individual will typically be managed under a formal performance improvement plan. They should be advised that their employment is at risk unless there's clear evidence of a marked and subsequently sustained improvement in performance.

Why the improvements?

We needed to improve how the rating process works and make it simpler and more straightforward. Here are the main changes.

Everyone in BT is now aligned to the same rating scale. This means we've a standard five category rating scale for both team members and managers and professionals.

We recognise the need to distinguish clearly between developing and declining performance and give better clarity between coaching and development and formal performance improvement plans (PiPs). The new ratings definitions aim to do this using 'Development Needed' and 'Unsatisfactory'. We also reviewed the impact of certain ratings on policy areas like entry into the BT Transition Centre and our pay review process (see FAQs on page 25).

We want to make sure there is effective differentiation of performance across BT using the full range of ratings. We want to recognise exceptional performance using the 'Excellent' rating rather than limiting ourselves to 'Very Good' which has so often been the case in the past. We also want to be very clear with people when performance is not up to standard by using the 'Unsatisfactory' rating.

We want the new 'Development Needed' rating to mean just that. We know that, in the past, there has been a stigma associated with this level of rating. We want to use the 'Development Needed' rating to acknowledge that, although some contribution has been made, there are areas for development and improvement needed to get to the right standard of performance. To help, we have given an example in the rating definition to illustrate this.

The 'Development Needed' definition also makes it clear that performance must not remain at this level. Through the development plan, we would expect to see evidence of improving performance. In some cases, if there is evidence of declining performance whilst at this level, a formal performance improvement plan may be appropriate.* Feedback given indicates that, whilst people wanted a more positive positioning of this rating, they also wanted clarity on what it meant and what was expected.

*If this is the case, there are certain steps that must have already taken place before following the formal process. These are:
- Performance has deteriorated and is unsatisfactory against the standards set at the beginning of the performance cycle
- The people manager has held a one-to-one with the individual to explain that performance is unsatisfactory; and
- An individual has been given reasonable time to improve.
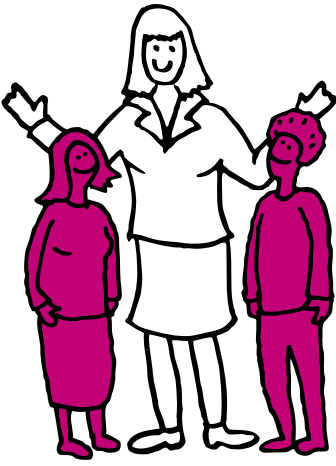
Guidance to our practice

Using the performance review process

There are three stages in the performance review process:

- Planning
- Performing
- Reviewing.

The following chart gives more information about each of these.

Standards Objectives Measures	Q1 performance review	Q2 performance review	Q3 performance review	Q4 / Year end performance review
Planning ⟶		**Performing** ⟶		**Reviewing**
Standards and objectives agreed. Job description reviewed and agreed. Expectations against the 'what' and the 'how' reset. Align standards and objectives across team and with business unit goals/ measures (team scorecards). Discuss the BT capabilities with the individual and how they relate to the role. Agree expected behaviours in line with the objectives set. Review personal development objectives. Evaluate and record Q1 rating on ePerformance – discuss performance to date with the individual. Check objectives and ensure alignment with standards and team performance.	Review half-year performance and record rating on ePerformance. Revisit standards, objectives for alignment with team and business performance. Update or change as necessary to meet required standard going forward. Prepare for and participate in levelling reviews to check for consistency in application of standards across the team and business unit. If necessary review and communicate revised standards. Be clear on your high, middle and low performers. Put appropriate action plans in place, e.g. development plans, talent management and managing underperformance process. Provide rating to the individual including feedback, coaching, support and recognition. Review personal development plan.		Q3 – discuss and review year to date performance with individual and capture rating. Revisit the standards and objectives – check alignment with team and business performance. Update or change as necessary to meet required standards going forward.	Evaluate achievements and delivery against objectives/ Key Performance Indicators (KPIs) for the year. Include 'how' this has been achieved (BT capabilities). Prepare for and participate in levelling reviews to check for consistency in application of standards across the team/ business unit. Be clear on your high, middle and low performers. Finalise end of year performance review. Provide rating to the individual including feedback, coaching support and recognition. Review Personal Development plan.
Informal feedback throughout the year ⟶				

Job standards – setting your team up for success

The following information is guidance for people managers. It's also useful for anyone who wants to understand job standards better.

Leading by example

As a people manager, and a leader, there are some things you can do to build a high performing team.

You set the standards for your people both officially, through setting job standards and objectives, and also by how you do what you do. It's important that you actively demonstrate the behaviours that you want to see. You can't expect your people to show these behaviours if you don't do them yourself.

Your people will use the way you act as a way of showing them whether a standard is important or not. Similarly, if your people hear you say one thing but see you do another, it sends out conflicting messages.

People learn a lot at work from observing how others act. When someone behaves in a positive way in the hope that others will start to behave in the same way, it's called 'modelling'.

How to lead by example

- Use the Leadership Capability toolkits to understand how to demonstrate the right behaviours and help you develop in the areas you need to work on

- Get familiar with the BT Values and try to live them consistently. Actively practise them and ask for feedback. Using the 'Stop, Start, Continue' technique can be useful.

- Read Becoming a better people manager standards.

What are job standards?

A job standard describes the basic requirements of a role:

- The core activities and outputs required

- The basic behaviours or capability requirements for the role

- Regulatory or legal requirements applicable to the role.

Why do we need them?

- Job standards ensure people understand the basic requirements and expectations of their role

- They give managers and individuals an objective structure to base their assessment on

- People need to understand how their role contributes to the overall strategy. This helps to deliver that strategy as everyone is aligned in their efforts.

How it all fits together

The following diagram shows how the different elements of standard setting fit together.

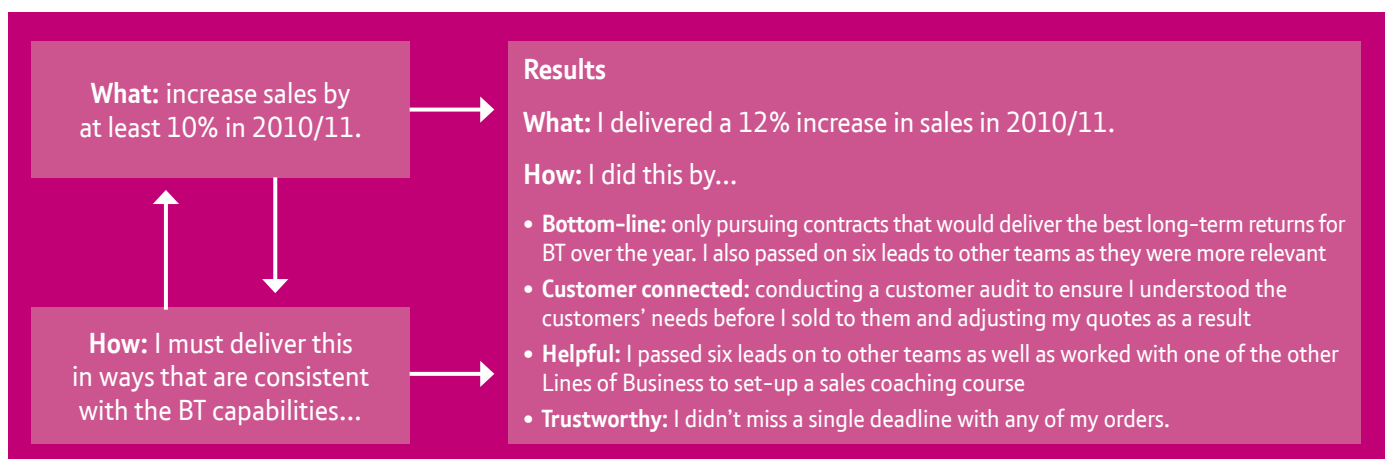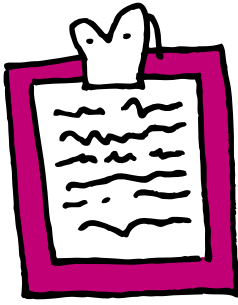| What's expected	Getting the work done	Reviewing and assessing progress
My job description.* Job standards (role specific and mandatory).	**What** I'm supposed to deliver at work.	**Results** **What** you delivered against the target. **How** you went about delivering it in terms of the BT capabilities: • Bottom-line • Coaching for performance • Customer connected • Drive for results • Heart • Helpful • Inspiring • Trustworthy • Straightforward.
Key Performance Indicators.		
Personal objectives or sales pay plan.**	**How** I'm supposed to deliver it.	**Levelling performance rating.**
BT capabilities.		

* In some Professional Communities, job descriptions may be referred to as 'role profile'.
** Where applicable to the Reward Framework.

How it all fits it together – example

|	**Results**
What: increase sales by at least 10% in 2010/11.	**What:** I delivered a 12% increase in sales in 2010/11. **How:** I did this by… • **Bottom-line:** only pursuing contracts that would deliver the best long-term returns for BT over the year. I also passed on six leads to other teams as they were more relevant • **Customer connected:** conducting a customer audit to ensure I understood the customers' needs before I sold to them and adjusting my quotes as a result • **Helpful:** I passed six leads on to other teams as well as worked with one of the other Lines of Business to set-up a sales coaching course • **Trustworthy:** I didn't miss a single deadline with any of my orders.
How: I must deliver this in ways that are consistent with the BT capabilities…	

Setting effective job standards

Job standards should be:

- Recorded within the job description template.

- Reviewed at least annually or when there is a change of accountabilities or business objectives

- Linked to the required business outcomes for the financial year

- For Reward Framework members, job standards can relate to the target measures of annual objectives. For example, if an objective was to run a 100m race, the threshold measure might be 7 seconds, target 6.6 seconds and stretch 5.8 seconds. The target measure would become the job standard for this particular role as it represents the minimum requirement to be achieved. It may also represent the benchmark performance for this particular objective

- Often job standards can describe the behavioural requirements of the role or the need to stick to basic requirements such as health and safety. There may be specific capabilities that are an essential part of the role and these should be included within job standards

- When discussing job standards with your team, you can refer to the following (as appropriate):
  - Team member grade descriptors
  - Reward Framework job descriptions
  - Professional community skill levels
  - Employee and people manager generic job standards
  - Business unit scorecard and/or objectives
  - BT's values and leadership capabilities
  - The two-way performance deal (see page 8).
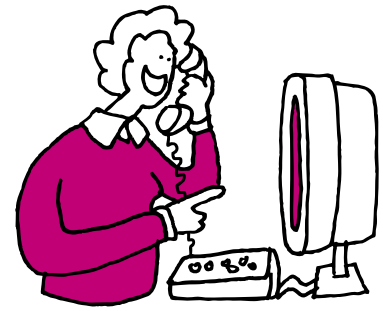
Setting job standards – example methodology for people managers

Below are some examples of other things to consider when setting effective job standards:

- Understand the business unit strategy and annual objectives for your area. These should include customer requirements, annual business objectives and any input from your leadership team

- With your management team, discuss and agree the basic requirements which will deliver business objectives. This will give a consistent and common view across the team. You should also include regulatory, legal and people management requirements

- Identify generic or similar roles within the team and discuss and record the basic requirements for each of them

- Discuss and agree the job standards with each member of your team and make sure these are recorded on ePerformance. Normally, this would take place during a one-to-one or at the annual objective-setting meeting (for reward framework members).

Practical guidance on how to build and define standards is available as part of the Practical Leadership Essentials training.

Our approach to levelling

Why do levelling?

Performance levelling is a key part of the performance management process. It's an important step to ensure consistency and fairness and to check that the full range of ratings has been used and that these reflect team and business performance. It can only work effectively if the standard setting has been done correctly first.

For levelling to be effective there are some things that need to be done:

- Ensure there's consistency and fairness in the assessment of performance against job standards, job and team objectives and skills and capabilities

- Ensure performance ratings are supported by evidence

- Review an individual's performance against their peers (see page 19 for definition)

- Review the profile of performance ratings of employees within a business unit and/or geography to ensure it reflects business performance.

Performance ratings are collected quarterly on ePerformance in all Lines of Business. Levelling is mandatory at the mid-year and end of year performance reviews. Some units may do this quarterly.

Levelling – what it is and what it isn't

It's important to be clear on what levelling is and what it isn't.

What it is	What it isn't

• Ensures that standards and objectives are aligned and consistent at the start of, and throughout, the performance year.
• An opportunity to check that performance ratings have been applied fairly and consistently across teams and units.
• Provides managers with an opportunity to understand how individuals have performed against their peers.
• An opportunity to ensure that high performance and development needs are identified.
• Enables us to review the profile of performance ratings of employees within a business unit and/or geography.
	• Designed to achieve a forced distribution, i.e. a predetermined outcome:
	  – there are no quotas. However, levelling should reflect the overall team and/or unit business performance.
	• About lowering ratings:
	  – Ratings can be moved up as well as down. This will be looked at during the levelling process and must be against evidence from the performance review process.

Inputs to the levelling meeting

There are a number of inputs to be used for the levelling process.

People manager	Employee
The following actions must be completed prior to levelling: • Review performance against objectives/KPIs/standards • Review how this has been achieved against the BT capabilities • Ensure that individual ratings align with team performance at the point of performance review • Consider previous performance (in the performance year) in the overall review when assigning rating as well as any mitigating circumstances that may impact on performance – Disability Discrimination Act (DDA) or Managing Changing Capabilities (MCC), etc • Consider self-review provided by employee and any other feedback provided • Have regular, quality one-to-ones with the individual to discuss performance and achievement • Assign an indicative rating for performance (that aligns with the rating definition) based on the review of performance. This should not be shared with the individual.	**The following actions can help to make sure individuals contribute to the assessment of their performance:** • Provide honest feedback on performance at the point of review (this can be references to bouquets, feedback received from customers, peers, colleagues and review of personal development plan) • Provide employee self-review on ePerformance (where appropriate) in advance of performance review. This can be a bullet-point summary and shouldn't need to go into extensive detail • Regularly discuss performance and achievement at one-to-one meetings.

For more information refer to the overview of performance review process on page 11.

Relative performance

One of the things to do during levelling, is to compare contributions at a team and individual level with 'peers'. When doing this, it's important that comparisons are made where teams and individuals are working on similar roles and objectives.

This needs to be done fairly and consistently, so we've set a number of principles:

- As part of the levelling process, an individual's performance will be compared with the peer group

- The peer group will be individuals in the same team in the same job family role or team member grade or manager band level, or equivalent if it's a cross-functional team

- The levelling process is intended to ensure fairness and consistency in how standards are applied across a team or business unit, as well as to evaluate individual performance on a relative basis when compared with the peer group

- Individual ratings within a peer group will be reviewed to ensure there's consistency with team and business performance and how managers have applied the ratings. Inconsistencies should be discussed and causes identified

- A rating can be reviewed during levelling (up or down) and isn't a finalised rating until levelling has been signed off

- If a rating needs to be changed/reviewed (up or down) this should be justified by reference to clear, objective evidence supported by the relevant rating definition and not because standards need to be reset

- Ratings must not be moved up or down to force a predetermined distribution profile – any changes must be supported by objective evidence and be able to meet any compliance and audit checks

- It's wrong to move collective ratings up or down without the necessary evidence to support this. Where an individual or team has met the standards as set by their manager, the rating will not be changed but if the standards were too low these will be revised for the period going forward and communicated to them individually.

Holding effective levelling meetings

The following should be considered and discussed at a levelling meeting:
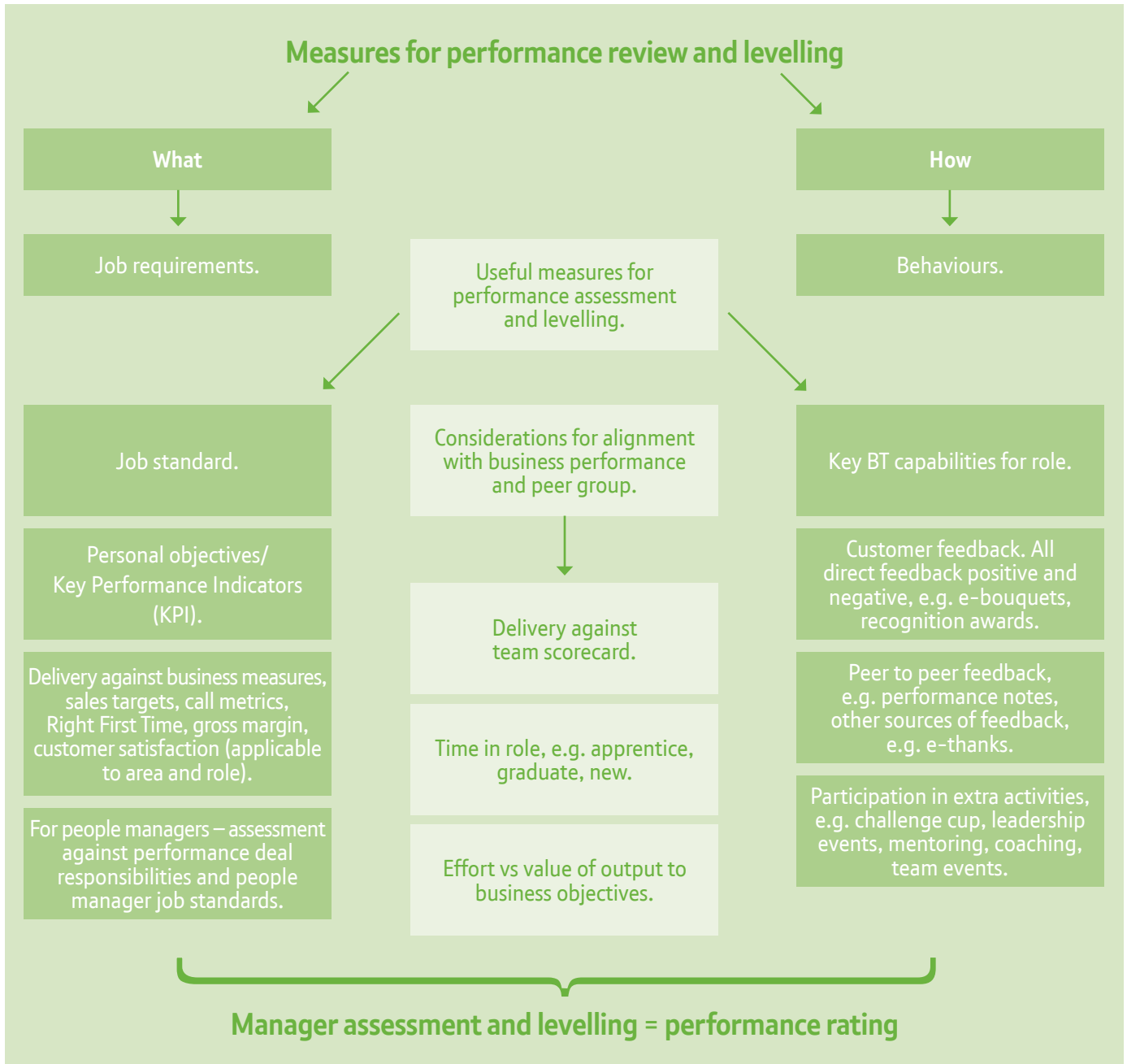
- Business performance year to date

- Review the standards set and ensure a clear understanding of what 'achieves standards' looks like

- The overall performance distribution (where this is relevant for larger size teams, typically of 100 people or more)

- Ensure you've the appropriate level of management and the right people at the levelling meeting. By doing so, you'll be able to have a quality discussion with people who have a knowledge of the individuals and their performance.

Then do the following:

- Group individuals to be levelled within their peer groups and ratings

- Discuss, using the evidence provided, with the individuals in each group

- Challenge and debate any ratings considering the individual's objectives, performance standards, behaviours, evidence provided and ensure consistency and fairness in the rating

- Changes to performance ratings along with the supporting evidence and feedback for the individual must be recorded by the owning line manager of the levelling review. It's the line manager's responsibility to provide feedback on finalised rating to the person concerned.

Measures for performance review and levelling

The following diagram brings together some of the different inputs and measures for effective levelling and covers both what people have achieved and how they did it.

Measures for performance review and levelling

What

Job requirements.

Job standard.

Personal objectives/
Key Performance Indicators
(KPI).

Delivery against business measures, sales targets, call metrics, Right First Time, gross margin, customer satisfaction (applicable to area and role).

For people managers – assessment against performance deal responsibilities and people manager job standards.

Useful measures for performance assessment and levelling.

Considerations for alignment with business performance and peer group.

Delivery against team scorecard.

Time in role, e.g. apprentice, graduate, new.

Effort vs value of output to business objectives.

How

Behaviours.

Key BT capabilities for role.

Customer feedback. All direct feedback positive and negative, e.g. e-bouquets, recognition awards.

Peer to peer feedback, e.g. performance notes, other sources of feedback, e.g. e-thanks.

Participation in extra activities, e.g. challenge cup, leadership events, mentoring, coaching, team events.

Manager assessment and levelling = performance rating

This is illustrative and not an exhaustive list of considerations.

Levelling outputs and what to do next

The outcomes of levelling will identify:

- Potential candidates for input to talent process
- Potential successors for key roles
- Opportunities to give recognition for great performance
- Development needs across the team
- Any underperformance issues
- Standards that may need to be revisited.

After levelling has been completed, there are some things that need to be done:

- Inform people of their ratings. Explain it's based on achievements against objectives, standards and behaviours and that they've been reviewed for consistency against peer and team performance

- Review team or business unit results to identify any actions needed to address any issues that have been identified, e.g. development priorities, resetting of team objectives or standards, etc.

Specific actions to take forward following levelling

This diagram gives guidance on what actions to take depending on the agreed ratings.

Performance level	People manager	HR Business Partner
Excellent/ Very good	• Assess and identify exceptional performers for inclusion in the talent review process (using performance vs potential matrix) • Review development opportunities and agree ongoing development plan • Make best use of strong performers and continue to stretch them by matching them to key roles • Use individuals as role models to demonstrate behaviours of top performers across the team, e.g. buddies, mentors, talks.	• Support people managers in reviewing excellent performers • Feed talent nominations into the talent review process.
Achieves standards	• Support development plans to stretch performance level • Provide on-going coaching and feedback to continuously improve.	• Provide support and guidance on development planning.
Development needed	• Give specific feedback against the 'what' and the 'how' • Agree a plan with identified coaching and reviews to support performance improvement • Provide on-going coaching and feedback to help raise contribution.	• Provide support and guidance on development planning • Coach managers in setting expectations and giving feedback.
Unsatisfactory	• Provide timely one-to-one feedback to individuals on their performance giving evidence of where performance is falling below the required standard ('what' and 'how') • Engage with HR to agree a formal performance improvement plan • Advise the individual that their employment is at risk unless there's clear evidence of a marked and subsequently sustained improvement in performance.	• Coach managers in setting expectations, giving feedback and PIP completion • Coach and advise the individual as appropriate.

Further information

BT's performance management toolkit

- [Leadership development](#) in BT

- [Talent](#)

- [Avoiding bias in performance management](#)
  Online training package accessible via Route2Learn

- [Policy on managing underperformance](#)

- [Employee assistance management](#)

- [Employee assistance programme](#)

- [Openreach website](#)

Becoming a better people manager

Frequently asked questions

Why we're improving our approach

What drove the need to improve our approach to performance management?

In some parts of BT, we needed to improve the way we manage performance. We know this through feedback from CareAgile, our Unions and our Works Councils. The main areas we need to get better at are how we apply the process, getting the tone and conversations right and understanding what we're really trying to achieve to develop people and increase business performance. We also need to be clear on how performance management should be practiced so that everyone understands how their individual performance will be assessed and their responsibilities in the process.

When are the new performance descriptors going to be available and when can they be used?

The new descriptors apply from 1 April 2010. You will hear more through your

part of BT. You can read about the descriptors on page 9.

I've heard that there'll be a two-way performance deal launched as part of the improved approach to performance. What is this?

The two-way performance deal explains clearly everyone's responsibility for raising performance. It recognises that we all have a responsibility to ensure that performance management is done in the right way. You can read about it on page 8.

Where do I go for further information?

The performance management website contains the latest information as well as lots of guidance, tips and hints. Alternatively, you can contact your Line of Business Performance Lead whose details are on the website.

Effective standard setting

What are job standards?

A job standard describes the basic requirements for a role, e.g. the core activities and outputs required, the behaviours or capability needed and the regulatory or legal requirements that are applicable to the role. The job standards that apply to a role should be recorded in the job description template and held on ePerformance. In short, job standards ensure our people understand the basic requirements and expectations of their role.

What about objectives and/or Key Performance Indicators, are they part of the standards against which my performance is measured?

Yes they are. Job standards will also relate to the personal objectives or Key Performance Indicators that apply to your role. For example, if the expectation is that every 100m race is completed in 10 seconds this measure would become

one of the job standards for this particular role as it represents the minimum business requirement.

Why do our goal posts keep moving during the performance year? Standards are raised without telling people in advance – will this change?

The demands of the business and from our customers are constantly changing. We work in a business environment that demands us to be flexible and agile. This means that expectations and requirements discussed at one-to-ones, objectives and standards, etc may change and be revised throughout the year. These should be discussed with individuals regularly at one-to-ones to ensure that they are still fit for purpose. Revised standards should not be applied retrospectively (see page 19).

Levelling

What do we consider a large enough team to review a distribution curve?

A team of 100 people or more is where you would typically start to review distribution curves. A distribution curve provides an illustration of how ratings have been utilised across a large team or business unit. We typically review distribution curves to compare with business unit performance.

What's a cumulative rating?

A cumulative rating is an assessment of year to date performance based predominantly in the most recent quarter but reflecting performance during the overall period. At the end of year this also applies.

What rating do you start the new performance year at?

The expectation is that most people will start the year afresh with a new set of standards. However, if an individual is on a formal performance improvement plan or there's an identified performance gap, this will continue to be managed against the agreed improvement objectives and requirements for the new performance year.

Who will now be allowed into the BT Transition Centre (BTTC)?

People with a performance rating of 'Development Needed' will be eligible for a move into the BTTC unless there other factors prohibiting this. One of the considerations will be existence of a formal performance improvement plan (PIP). People with a performance rating of 'Unsatisfactory' will not move into the BTTC.

If somebody's performance is assessed as declining before the formal quarterly review period, can action be taken under the formal performance improvement plan?

Yes. The managing underperformance process should be followed (see last paragraph on page 10).

How do we ensure there are 'no surprises' in the relative performance / levelling environment?

The guidance is clear on what steps and actions a people manager should take to ensure that preparation for levelling is understood and what actions need to take place. It also provides information for an individual on how they can input to the assessment of their performance. More information is available on page 18.

Does this new approach mean I should stop managing my underperformance cases?

No. The managing underperformance process should continue as normal. If an individual or manager has any questions on a specific case they should contact their Accenture HR Services case handler or HR Business Partner.

Levelling (continued)

How do we rate somebody who is on maternity or sick leave?

For the Annual Performance Review (APR) if a person is on maternity or sick leave for the full review period, they will default to an 'Achieves Standard' level of performance (unless the person was subject to a formal performance warning prior to their absence). However, if they were present for some or all of the review period, they should be assessed based on the time they were at work. For pay review purposes where there's no rating on the system due to longer period of absences, an 'Achieves Standard' level of performance is assumed (unless the person was subject to a formal performance warning prior to their absence).

Will my manager be at the performance levelling meeting?

Ideally your manager should be at the meeting. If the people manager of the individual is not present at the levelling meeting, their input as part of the preparation should still be included and reviewed at the meeting. The manager has a responsibility to ensure that they get feedback from the levelling meeting and agree with any decisions taken.

What are the outputs or other information produced from levelling exercises?

Please see the information on pages 22 to 23.

What feedback counts as part of the performance review process?

Any feedback from colleagues, managers, customers, etc can be used to give an overview of performance. ePerformance allows you to record this through performance notes. Please note, the 360 feedback tool should be used for development purposes and not for performance assessment.

We don't know our performance rating until it's levelled. Is this right?

As part of the formal performance review process, managers are asked to come to a levelling meeting with a view of an individual's performance. This will include an 'indicative' performance rating. This isn't a rating that's a finalised assessment of performance and shouldn't be communicated to individuals until it's been agreed – or changed – through the levelling process. This allows for consistency of application, peer-to-peer review, reflection of team and business performance, etc.

How do we make sure managers manage performance on a consistent basis across the business units?

The people manager job standard http://humanresources.intra.bt.com/index/becoming-a-better-people-manager/your_job_standards.htm provides a single approach that should be used for people management. Assessment against this will form part of a manager's own performance assessment.

What's the difference between a performance improvement plan (PIP) and a 'coaching plan'?

A coaching or development plan will be something that is agreed between an individual and line manager and managed through the one-to-one process. It aims to identify development required and the coaching and support needed. Progress against this would then be reviewed on a regular basis to ensure performance was improving against the development area. If following this there's no progress or performance is declining then a move to the formal performance process would be appropriate. At this point a performance improvement plan would be used to identify the performance gaps and actions to address them. Performance improvement plans are only used at the formal stages of the managing underperformance process.

How do we identify performance gaps positively as training and coaching opportunities rather than the current perception which is focused on declining performance?

The new performance descriptors will distinguish clearly between coaching and development and performance improvement plans. We'll make sure that these descriptors are applied consistently. We'll also be reviewing the associated policies that this may have an impact on.

Will people who are rated as 'Development Needed' be eligible for pay awards or bonus?

Eligibility to be included in the pay review process for all employees including those individuals on a current GS or the new 'Development Needed' rating, will be confirmed once the overall decision on the pay and bonus review for the company has been finalised and any subsequent union discussions completed.

What happens to somebody who outturns 09/10 as a GS /NI and is on a formal performance improvement plan?

The Line of Business Performance Lead will work with HR business partners to ensure managers are clear about what needs to happen.

What happens to somebody who outturns 09/10 as a GS and has a business as usual improvement plan in place?

The business as usual improvement plan should still continue to be managed. It should be reviewed as part of the end of year process and be clear about the objectives going forward in the new performance review year, against the required performance standards.

On promotion, or if an individual is new to a role, most people would admit that there will be development needs during their transition period. So, are these people to be marked 'Development Needed'?

It's important that managers still make expectations clear and rate individuals taking account of newness to the role and only use the 'Development Needed' rating where progress or learning has been slower than expected and they're not meeting the expectations of the learning curve that were discussed when they started the role. The overall performance rating of someone who's new to a role should take into account the length of time in the job and the expected time to reach the full performance expectations.

How should I manage the assessment of individuals who change roles during the performance cycle?

Where an individual has changed roles during the performance cycle, evidence of performance in both roles should be taken into account. (For the new role, see the question on individuals moving to a new role or promotion).

I have someone in my team who is temporarily covering higher level responsibilities – how should I rate them?

When someone temporarily covers a higher level role, it's important at the beginning of the assignment that the expected standard of performance is agreed. This should take into account that this is a developmental step and not their normal substantive role. At the performance review, assessment of performance should be made based on this context and noted for levelling so they're not disadvantaged in comparison to peers for pay or other purposes.

Who do we talk to if we don't believe performance management is being done to the new procedure and process?

You should talk to your manager in the first instance. After this, or if it's not appropriate to raise with your manager, you should contact your Line of Business Performance Lead or Employee Relations Lead. See the performance website for contact details.

Under 'Measures for performance review and levelling' it mentions participation in extra activities. Does this mean I need to take part in these activities outside of work to get a better performance rating?

Participation in these activities isn't something you need to do on top of your job. BT recognises that gaining wider experience through extra activities like this can give learning and development opportunities. Line managers should ensure people can take up these opportunities if they wish, whilst bearing in mind they need to accommodate individuals' contracted working hours and caring responsibilities. Managers must not give lower ratings to people on the basis that they've not participated in extra activities.

Something to reflect on

Changing the performance management conversation

Performance management isn't a process – it starts as a **conversation** between people.

It involves a manager and an employee; a coach and a performer. They agree objectives together, and then the manager does everything in his or her power to help the employee meet or exceed those goals.

That's the manager's primary role. Through discussion, coaching and development, the manager's job is **to help the employee succeed** and achieve the best result they can.

That's all performance management is.

Yes, we have a system. It gives us somewhere to log our objectives, record progress, share appraisals and so on. But the system is just a tool to support the conversation – it's not an end in itself.

So it's time to change our approach. The focus is on helping the overwhelming majority of BT people to be as good as they can be. **To make performance management the positive force it should be.** A way of working which helps BT people perform and succeed delivering improved business performance. Where performance conversations are constructive, continual coaching and development is the norm, and **achievement is always recognised and celebrated.**

And finally

To have a successful future, BT has to keep ahead of its competitors. This means all of us continually striving to be better at what we do. This is also why standards have to rise year-on-year. Sometimes the challenges seem daunting, but it's amazing what we can do with the right focus, belief and support. Before 1954, it was the established view that running a mile in under four minutes was an impossible task, physically beyond the limits of a human being. In 1954, Roger Bannister was the first man to beat the four minute mile. 46 days later John Landy ran a mile in under four minutes. By 1956, a further 16 athletes had done the same. Nothing had changed in terms of human evolution. All it took was the belief that it could be done which then set a standard and stretching goal for others to aspire to.