

4th January 2006

All Members

Balanced Scorecard Reviews - LTU Advice

Annual reviews under the Bank's Balanced Scorecard system should largely have been completed by the end of 2005. All members should receive full written appraisals of their Balanced Scorecard objectives for the year and should receive ratings of their overall achievement against those objectives. Those ratings should be one of either:

- **Exceeded Expectations or**
- **Met Expectations or**
- **Partially Met Expectations.**

Although there will always be cases where a higher rating was hoped for, if the Scorecard system is followed correctly no one should receive an end of year rating which surprises them. Staff who were rated as 'Exceeded Expectations' or 'Met Expectations' at the interim review should have been made aware what was required of them to at least maintain that standard.

They should not suddenly be told that their performance had deteriorated to a lower rating.

More importantly, staff who were rated as 'Partially Met Expectations' should have been made aware of what was required to bring their performance up to the required standard in order to get a higher rating at the year end.

Unfortunately, LTU's Advice Team has already received a large number of calls from staff who were told at the end of June or September that they were on track to receive a rating of at least "Met Expectations", only to find themselves rated "Partially Met" at the year end.

With the likely impact on pay awards to come in 2006, any members who received a lower rating than they expected should contact LTU's 24 Hour Advice Line for independent, professional help and guidance.

Forced Distribution?

There have been suggestions that at least some parts of the Bank are adopting a forced distribution of appraisal ratings whereby managers are required to rate predetermined proportions of their staff as falling into the individual performance categories irrespective of their actual performance.

While the Bank has denied that there is any policy to force ratings to fit a particular model, that message does not seem to have got through further down the line. This should come as no surprise since the Bank has said that it expects to see a 'normal' distribution of ratings under the system, where at least 5% of staff would be rated as 'Partially met'. This sort of statement is an obvious lead and has been widely interpreted as being the outcome that managers must achieve at a local level.

All members are entitled to have their year's contributions assessed individually against the objectives set out in their individual Balanced Scorecards. This should look at whole job performance and not just Sales results or other

outputs. Ratings should then be applied in relation to that assessment and not against any predetermined distribution.

Any members who feel that they have been rated unfairly should first ask their managers for a full explanation of the reasoning behind their ratings and question any reductions in ratings that were not discussed fully in the period between the interim review and the final appraisal.

Members should contact LTU if they believe that the appraisal process has not been followed correctly and especially if:

- **their ratings are lower than they expected as a result of their interim reviews or if insufficient or incorrect justification for a rating has been provided**
- **they are being marked down due to just one aspect of their Scorecards – especially if they have exceeded expectations in other areas**
- **they feel that their ratings have been reduced to enable their managers to meet any suggested ratings distribution.**

Members can contact one of LTU's independent professional full time officials either by calling our 24 Hour Advice Line on 01234 262868 or by email at 24hours@ltu.co.uk

Newsletters by Email

LTU is offering members the opportunity to receive newsletters by Email.

We will send all newsletters for your area direct to you on the day they are sent to members by post giving you authoritative, immediate information on the issues that matter.

To subscribe to the service all you need do is email us at 24hours@ltu.co.uk with the subject line "Newsletters and your membership number (your file or payroll number)" or phone on 01234 262868. We'll do the rest.

PETER O'GRADY
Assistant General Secretary