

## Why Unite does not Agree with Peer Comparisons

Year end reviews are fast approaching with many balanced score cards having to be completed for calibration during November. Unite does not agree with the process adopted for Lloyds Banking Group colleagues as it is fundamentally flawed.

Unite continues to challenge the Company to operate a fair and transparent system – Unite knows that members and colleagues are unhappy with the current process and these will be escalated over the next few months.

### Fair or Flawed?

Lloyds Banking Group consistently support the peer comparison process – Unite is clearly opposed to this for obvious reasons but to make it crystal clear, we have produced this very straightforward newsletter.

Performance Ratings are never an exact science. But Unite's role is to work with the Company to make them as consistent and transparent as possible for the sake of the member being assessed. The reasons for this should be obvious.

For the LBG it means:

- Colleagues have clarity about what they need to do to help the organisation
- There is consistency in expectation across different roles
- It's easy to assess how well staff are doing

For Colleagues it means:

- You know what you have to do
- You can clearly track how you are doing, and there are no surprises
- Ultimately, you know it's as fair as it can be

Unite does agree with Lloyds Banking Group that Objectives should be agreed and SMART:

- S for Specific
- M for Measurable
- A for Attainable
- R for Realistic (or Relevant)
- T for Timebound

SMART objects are clear, and are either achieved or not achieved.

If your target is to produce 10 widgets a day for a working month, and you only produce on average nine, it can't come as a surprise if you're marked as "Partially Met". Unite is there to promote consistency and transparency, and in such a case, we'd have to tell the member that they did not have much of a chance to challenge – unless of course there has been mitigating circumstances.

However, peer comparison is not SMART and it's certainly not clever.

To spell it out, let's take an example:

- Janet and John work together in a Team of 10 making widgets. Everyone has a Target of making 10 widgets a day. This is stated in their Balanced Scorecard at the beginning of the year.
- Janet and John then happily work through the first half of the year. John produces his 10 widgets a day, whereas Janet has outperformed and has averaged 11 widgets a day.

## What Rating do you think they should get mid year????

- John gets a “Developing Performer” rating
- Janet gets Met

Hang on! That can't be right! But with peer comparison it's not about how Janet and John perform.....

The fact is that among the rest of the team:

- Seven have produced an average of 11 widgets (who get a “Met” rating)
- One has produced 12 (who gets “Exceeded”)

So John is at the bottom of the widget producers, and Janet is in with the majority of the rest.

So the indicative half year ratings come as a complete surprise to Janet and John. Worse, the only one who gets what they wanted is the person who produced 12 widgets. Everyone else is unhappy at the surprise rating they receive.

John is now very perplexed about his job as he did exactly what he was asked to do – **but** he did not take into account peer comparison!

Question – what could John do to get a ‘Met’ at end of year? Perhaps make more widgets, but no-one can tell him because no-one knows how his peers will perform in the second half of the year. In the meantime John will be on a coaching plan with the threat of moving to a formal process and ultimately being dismissed – **for hitting his targets.**

Where are these SMART objectives the Company Intranet Site talks about?”

Janet has a similarly surprising conversation. After having worked really hard, she is disappointed at her ‘Met’ rating. Indeed most of her colleagues have the same feeling. What was the point of making the extra efforts?

During the second half of the year John is fearful for his job. He does hours and hours of unpaid overtime to make sure he averages 12 widgets a day as well as completing his coaching plan. This adds unnecessary stress and anxiety.

Janet, has become demotivated, and averages her targeted 10 widgets a day for the second half.

Year End Appraisal arrives and John has averaged 11 for the whole year; Janet has averaged 10.5; seven other colleagues have continued as before and averaged 11 and one colleague has averaged 12.

John gets a “Met” rating for achieving 10 per cent above his target. He is relieved, but had no idea what the rating would be until he got into his appraisal meeting. He is has also made himself unwell with the overwork and stress. Janet is now surprised to get a “Developing Performer” rating even though she exceeded her targets for the year. Seven other colleagues get “Met”, and now wonder what is the point of busting a gut for the company. One colleague gets an “Exceeded”.

The real result is a complete lottery. Peer comparisons create surprises, anxiety, and a lack of SMART objectives. They lead to unfairness, ill-health and mistrust.

## What Do You Do

If you get an appraisal rating you don't expect, contact Unite immediately – Unite will support, advise and represent you. To contact Unite go to [www.unitetheunion.org/lloyds](http://www.unitetheunion.org/lloyds) or 0808 1449595.

Unite has over 170+ highly trained and experienced workplace reps – they are happy to support you when you need it.

**Do not accept an unfair rating as this could impact your:**

- salary increase
- bonus
- selection (or not) for new role
- job security

Unite – representing members across the whole of Lloyds Banking Group

**Wendy Dunsmore**  
National Secretary

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