

# HERE TO HELP YOU

## NEW PERFORMANCE & DEVELOPMENT AND INCENTIVE FRAMEWORKS

**RBS Retail have announced new Performance & Development (P&D) and Incentives Frameworks with the former being implemented across the whole of Retail and circa 27,500 roles and the latter being implemented across Retail Branch Banking, Private Banking (Q1) and TBIS (Q2) at all levels and across circa 18,000fte roles. The main headlines of the announcement are:-**

- **A simplified and streamlined Performance & Development (P&D) framework, which includes the concept of Helpful Banking Behaviours**
- **A new Incentives framework that promotes team objectives and is fully aligned from Regional Director/Centre Manager level through to CSO/PBO/CSA level**
- **The abolition of CVP and no individual product targets, with the introduction of key team strategic indicators, such as retention, main bank growth etc and a stronger focus on Service/CSI**
- **The continuation of Kept Appointments as a Key Performance Indicator (KPI) across a number of Retail Branch Network (RBN) roles, with these National Standards remaining unchanged from 2011**

### Background to Announcement

The feedback that the bank have received from staff within Retail is that both the P&D and Incentive Frameworks are overly complicated and not fully understood, feedback that is consistent with that received by UNITE from it's members. RBS also conceded that the current frameworks were "not setting people up for success", that in some roles there were too many objectives and that there has been too much focus on numbers, products sold and which types of product, again all themes that have been consistent with UNITE's feedback to Retail. The new P&D and Incentive Frameworks have been designed to be clearer, to promote development and Helpful Banking behaviours, as well as to develop a cultural shift across the division, one that is away from numbers of products and CVP to Helpful Banking, strengthening and deepening customer relationships.

## STOP PRESS

Early in the consultation process, Retail advised UNITE that due to the changes being implemented and the fact that the changes would facilitate a major cultural shift within the Division, they wished to undertake 90 minute sessions with staff out of branch opening hours. The bank confirmed that the sessions were wholly voluntary, food would be provided and agreed that overtime would be paid. UNITE are aware that messages have been sent out within the Retail Branch Network that overtime or TOIL is not available and will not be paid, which contradicts UNITE's agreement with RBS. UNITE believe that the bank have completely misled the union and have reneged upon an agreement. The bank do not deny that such an agreement was given, but now claim that sign off for such an agreement was not in place at the time and that overtime would not be paid.

UNITE not only questions the seriousness with which RBS approach negotiation and consultation with UNITE to simply renege on such an agreement, but also if the bank place so much importance on the introduction of these new frameworks, why should members who already contribute greatly to the organisation have to volunteer to attend sessions in their own time? The bank have confirmed that those members unable or quite rightly unwilling to attend the sessions will have the appropriate cascades in working hours, therefore the union's advice in light of RBS' retreat from a previous agreement to pay overtime, is that members should not attend these voluntary sessions out of hours.

This whole episode is sadly indicative of the challenges and issues that UNITE and it's members face in Retail. If any members come under any pressure to attend these sessions, this should be escalated to the union via your local WR or the helpline without delay.

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## Performance & Development Framework

The new P&D Framework has been designed to be less cumbersome than the current process; however it will still require the usual December/January objective setting process, then half year and full year reviews. Whilst there will continue to be performance dialogue throughout the year, RBS is reviewing the weekly 1-2-1 tool with a view to making it less cumbersome and time-consuming. The framework is also intended to streamline the number of objectives and to concentrate on what is important, there should be a maximum of six objectives and no more than 2 development priorities. It should be remembered that objectives and development priorities should be mutually agreed each year. Each objective will have Key Performance Indicators (KPIs) aligned to them and objectives will have weightings; however these are a simple reflection of their importance to the overall job role and RBS have confirmed that these weightings would not be used to justify underperformance.

In addition all staff working within Retail will be measured against Helpful Banking Behaviours, which are i) I am proactive ii) I am professional iii) I simplify iv) I care. The bank have confirmed that "I simplify" is not merely a measure of staff adopting or promoting Lean, but for example could include where a member of staff has a dialogue with a customer regarding a product and explained the benefits without using jargon etc. Retail have re-launched their people proposition as "Here to Help You" and is expected to have a more positive focus on performance and development; however Reaching Performance Procedures will still be utilised in cases of underperformance. There is also no change in respect of the performance ratings definitions and the advice provided by UNITE in the recent newsletter sent to all members at home addresses regarding Performance Management still applies, i.e. you cannot be classed as underperforming due to the Peer Group Relativity and where you have achieved your objectives and behaviours.

## Incentives Framework

UNITE have long criticised the RBS Retail Incentive Plan as driving sales first, service second, whilst encouraging a numbers game of the number of products sold and which products, which simply promotes product based selling and not needs based selling. The bank appear to have acknowledged a number of these criticisms with the new Incentives Framework and indeed the bank confirm that 34% of all products sold between 2010-11 were empty i.e. savings accounts or unused i.e. credit cards with no activity, indicating that customers may not have needed these products. RBS have also identified that their current operating model overly focuses on new customers to RBS, when in fact 96% of Consumer Distribution's income comes from the "Back Book" i.e. existing customers. Whilst RBS will continue to seek to attract new customers to the Group, there will be a renewed focus on service to the existing customer base, growing and improving these relationships, driving up their banking activity with the Group, whilst also seeking to attract RBS account holders who undertake the majority of their banking at a competitor to switch this activity to the Group.

The Incentive Framework which is aligned across all in-scope roles across Retail has 3 factors i) Minimum Standards, which have to be achieved for entry into the incentive scheme ii) Variable Pay Measures, which will account for 80% of the incentive and iii) Strategic Indicators/Additional Opportunity, which will account for a further 20% of incentive. The measures under each factor will differ from role to role, however a number of these are team objectives such as CSI, ACET, Contribution, Retention and Main Bank Growth, which do not have product targets attributed to them. In theory if staff across a branch, department or centre deliver on CSI, ACET, Kept Appointments and Products Sold, improving service and activity, then measures such as Contribution, Retention and Main Bank Growth will be met, i.e. good customer service from a CSO will aid Retention, products sold by a CA/CSA/PBM will aid Contribution and possibly Main Bank Growth. There are also a number of non-incentivised "Leading Indicators" however it is currently unclear how these will impact, if at all, performance and performance levels. UNITE has sought additional clarity from RBS; however UNITE's view is clear, if these are not included within your agreed objectives and/or behaviours, then you cannot be performance managed against them.

It will be impossible to go into the details of the 3 factors for each role in-scope of the new Incentives Framework in this newsletter and these will be shared with you by your line manager; however UNITE do retain concerns regarding the Minimum Standards or "knock out" factors. If any of the Minimum Standards are not achieved, this will preclude participation within the incentive scheme for the quarter or half year dependent on how often the incentive is paid. This means that if the branch, department or centre fails on CSI or ACET, then all staff would be precluded from the incentive plan, even those individuals that had no control over the CSI or ACET fail. UNITE believe that this approach is unnecessarily punitive and divisive. The additional concern is that this approach is not consistent i.e. a LCEO could have one or two branches fail on ACET or CSI, but still achieve the minimum standards and will therefore participate in the incentive scheme, this latitude should be extended to branch or centre level. There are also concerns regarding one of the Minimum Standards which is "Helpful Leaders Index" which is a quarterly pulse check of the immediate line reports of people leaders. The initial baseline for each business area has been set taking into account the responses from 2011 annual staff opinion survey (which contains the same questions as the quarterly pulse check). Performance in relation to this Minimum Standard will initially be against that baseline, using the responses from the quarterly pulse checks. Going forwards through 2012, the a baseline will be recalculated each quarter based upon the overall pulse responses and if your index sits below the baseline, this will act as a "knock out" factor. Given that the baseline will be calculated by comparing the indexes of the managerial peer group, the incentive plan adopts a Peer Group Relativity element.

UNITE have raised these and a number of other concerns and the bank have confirmed that there will be a review of the Incentive Framework to ascertain what is working well and what is not working so well at the end of Q1 2012. Members are encouraged to make their views known to both the bank and to the union, please contact your local Workplace Rep with positive and negative experiences, or contact the UNITE RBS helpline on 0870 241 4425 or e-mail [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org).

## Retail Accreditation and Removal of PEF

During the consultations on the P&D and Incentive Frameworks, RBS also confirmed that they are undertaking a pilot, initially with two CSO populations, one in the South West and one in Scotland. This pilot will explore the introduction of formal Helpful Banking Accreditation which will result in a recognised qualification from the Chartered Banking Institute. UNITE have been fully consulted in the pilot and RBS will consult further at the conclusion of the pilot, at which point UNITE will communicate further with members.

The introduction of Helpful Banking Behaviours will also replace the use of PEF within Retail and consultation is continuing with RBS in respect of the way in which this will impact redundancy selection processes and also job applications cross divisionally.

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## UNITE Comment

A number of the proposals from RBS under the new P&D and Incentive Frameworks are welcomed particularly a move towards more team objectives, the abolition of CVP, the reconfirmation that individual product targets or "Run Rates" should not be used and a greater service orientation. What is clear however is that RBS have to be explicit regarding the positive cultural changes they are looking to achieve and stamp out dysfunctional behaviour that deviates from the Helpful Banking principles. Despite positive developments in Retail in 2011, these messages and developments continue to be ignored in parts of the bank to the detriment of RBS staff and UNITE's members. If the new frameworks are to succeed, then these need to be adhered to completely and staff should not receive erroneous messages or be performance managed against fictitious targets.

UNITE do however harbour concerns that despite the incentive modelling indicating that incentive participation and pay outs will be broadly similar to the current scheme, that the "knock out" factors will prove a negative element of the framework. The bank also propose to introduce additional Strategic Indicators throughout the year and the concern remains that the bank reduce and simplify the number of objectives in the P&D Framework, but then build and develop an unwieldy number of factors through the incentive plan. As previously stated UNITE will be engaging with RBS at the end of Q1 2012 to discuss the new frameworks and it is important that members feed in any issues regarding incentive, performance management and anything that deviates from the established frameworks.

## UNITE Representatives

UNITE has also recently concluded negotiations with the bank on a new and improved UNITE Representatives Agreement. We are always seeking members to take on one of the four UNITE Representative roles, i.e. Workplace, Union Learning, Safety and Equality. Any UNITE members interested in finding out more about becoming a UNITE Representative please contact the UNITE RBS Helpline or e-mail [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org).

## UNITE RBS Updates & Update Your Details

If you would like to receive regular updates electronically from the union and have not already advised the union, please email from your preferred email address to [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org). It is also important that members ensure that their membership details are up to date and accurate, i.e. home address, workplace address, whether you are full time or part time etc. If you believe that your membership details are out of date, please also e-mail [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org) with your updated details, alternatively you can contact your local District Office by phoning 0845 850 4242 or logging onto 'My UNITE' at the website [www.unitetheunion.org](http://www.unitetheunion.org) where you can update your own details.

## Not a Member?

Join UNITE's one and a half million members and have a voice on this and other issues, as well as receiving support, advice and representation for £11.48 a month for full time staff and £5.72 per month for part time staff working less than 21 hours a week. Membership forms can be obtained by phoning 0845 850 4242 or emailing [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org) plus you can join on line at [www.unitetheunion.org](http://www.unitetheunion.org)

**Stuart Davies & Alison Maclean – Joint Lead Officers**  
**Unite RBS Helpline – 0870 241 4425**