



Performance Management Policy

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1. INTRODUCTION

Post Office is committed to creating a culture of continuous improve, and development, driving individual success as well as sustained business success. We communicate a clear company Vision, supported by a statement of Intent and Strategic Priorities to which all teams and colleagues contribute towards delivery. We link bonus to the achievement of company targets and individual performance to drive success in the business.

We have a transparent and fair approach to performance that supports our employees in understanding contribution towards the business direction. Employees progress, development, and achievement against their personal objectives.

Our employees are entitled to ongoing feedback and assistance with development so

that they can continually improve performance. We encourage continuous conversations and recommend a minimum of a monthly check-In (frequently determined by the line manager, shorter more frequent conversations are encouraged). The purpose of regular Check-In conversations is to discuss performance against Objectives and Key Results, demonstration of Ways of Working and career and personal development.

Everybody's Conversations launched in April 2022 and is Post Offices performance process to support an agile, responsive, high performing and sustainable organisation.

This policy does not form part of contracts of employment. We reserve the right to amend this policy from time to time.

2. SCOPE

This policy applies to all employees within a management grade (2b, 2a, 3b, 3a, B4 and SLP) within Post Office Limited.

3. KEY PRINCIPLES

Post Office is committed to:

- Clearly defining performance expectations for our employees.
- Linking personal objective setting to business objectives.
- Promoting a balance of behaviours that will drive our business success.
- Encouraging regular and continuous open discussions between employees and managers about the performance required and how performance is measured and linked to reward.
- Providing frequent and specific feedback on employee performance.
- Supporting employees with career and personal development aspirations.

- Promoting equality of opportunity in all aspects of performance management.

4. EXPECTATIONS

Our expectations of employees:

Employees should take responsibility for their own performance and have regular performance discussions with their line manager.

This will include setting objectives and key results, using the ways of working (which will help deliver objectives and key results), attending regular 1:1 check-in meetings with their line manager, and completing half year and full year reviews.

Our expectations of line managers:

Line managers must take the initiative to understand and monitor the performance of their direct reports through regular discussions (minimum of a monthly discussion).

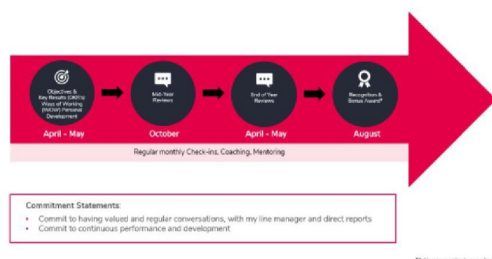
This will include providing direct reports with a clear understanding of what is expected of them when setting objectives and key results, discussing how the ways of working can support delivery of objectives and key results and completing reviews.

5. OUR APPROACH TO PERFORMANCE MANAGEMENT

The performance management cycle

The performance management cycle provides a timetable and framework for consistently reviewing individual performance across the business.

The aim is to ensure everyone is contributing to the overall success of the organisation over a specified period. Employees and the line manager have a shared responsibility for making it work.



Everybody's Conversations | Approach

- Vision**
- Alignment to Intent & Strategic Priorities
 - Objectives & Key Results (WHAT)
 - Organised by teams
 - Tangible measures to drive outcomes
- Voice**
- Regular (monthly), two-way conversations
 - Guiding individual performance that drives priorities and embeds ways of working (HOW)
- Value**
- Feeling & being valued by the organisation
 - Supporting personal & career development – identifying areas and actions to take
 - Performance standard measuring What against OKRs and How against WoW's



The performance year incorporates the following steps:

1. **Business objectives:** Overall business objectives are set. Functional objectives should be cascaded by the General Executives to their direct reports. The link should be made between business

strategy and what should be achieved by every role in the business.

2. **Objective setting:** Function strategy and objectives are cascaded to all teams. Agreed individual performance objectives and key results should be defined and reviewed regularly with a clear line of sight into Functional objectives and a link to the corporate strategy.
3. **Personal Development Objectives**
All employees are encouraged to discuss and set personal development objectives which aligns to their personal development, learning and career aspirations.
4. **Regular 1-2-1s/Check-Ins:** Employees should receive ongoing feedback from their line manager on performance against their objectives and key results, and demonstration of Post Office Ways of Working, Personal Development Objectives through regular formal 1-2-1s and informal discussions. Employees should have a minimum of a monthly 1-2-1 check-in conversation with their line manager, in addition to the half and full year reviews.
5. **Reviews:** Employees must complete a half year and full year review which will measure progression and provide feedback towards achieving full year objectives and key results. The review outcome is an **Individual Performance Rating**. The performance rating is an assessment considering achievement against objectives and key results and demonstration of the ways of working. To ensure consistency across functions ratings application may be assessed.

6. OBJECTIVE SETTING

Setting objectives and key results

Employees must have agreed individual performance objectives and key results in place by the end of May recording them within [SuccessFactors](#).

There are two things that employees must do when setting individual performance objectives and key results:

1. Link personal objectives to business objectives

Objectives and key results describe **what** an employee will focus on delivering. Employees should be aware of the business priorities for the year from the corporate strategy and use this to base their individual objectives and key results on. Employees should discuss this with their line manager if they need to find out more information about the business/function or team objectives or priorities.

It is recommended that each employee should have a minimum of three objectives.

2. Ways of Working

The individual objectives and key results look at **what** an employee has achieved. Equally important is **how** we achieve it, the ways of working we demonstrate in our everyday working life. Employees should discuss in their regular 1-2-1 check-in conversations and they will be reviewed against how they demonstrate the ways of working alongside objectives and key results. For all of us at Post Office, **what** we deliver is as important as **how** we deliver it.

7. MEASURING PERFORMANCE

How we discuss performance and provide feedback

Ongoing feedback and development support through the year is carried out:

1. Vision – Objectives & Key Results

The business sets the Intent and Priorities to which all colleagues can be aligned and contribute. This way everyone will be working towards the same Vision and understand how their work is contributing to the bigger picture.

Setting personal, specific and challenging Objectives and Key Results supports our culture of continuous and high performance.

SLG members are required to set ED&I objectives as per the communicated guidance. All other employees are welcome to set any relevant ED&I objectives although it is not mandatory.

2. Voice – Regular Check-in 1-2-1's

Continuous development and achievement is supported by monthly Check-ins and coaching conversations. This is the opportunity to capture what has been achieved to date and reset for the coming month.

This informal 1 to 1 conversation is important for personal growth, discussing progress, identifying new skills or learning opportunities and offering support.

3. Value – Mid-Year & End of Year Reviews

Formal review points are at Mid-Year and End of Year. This is the chance to review progress against Objectives and Key Results and discuss how the Ways of Working have been demonstrated along with development.

These discussions include reflecting on continued alignment to 2025 Intent, Priorities, achievements and successes along with development opportunities and how we are living the Ways of Working.

A performance rating is applied at the review point, the outcome of which can inform decisions around bonus, development, progression or deployment.

Each employee should be having regular monthly continuous check-in conversations with their line manager throughout the year. The Mid-year and End of year Reviews represent a roll up of all the regular continuous conversations, there should be a good

understanding about progress and personal performance when the review take place.

Reviews

Mid-year and end of year reviews are the point at which we formally capture and assess employee performance through the financial year.

Before the review meeting employees should submit evidence of their performance against objectives and key results and of ways of working to their line manager by updating the relevant review form in [SuccessFactors](#).

During reviews the employee, together with their line manager, will review achievements, personal development objectives, progress against agreed objectives and key results, how they have demonstrated Ways of Working.

All employees with less than 3 months service will be excluded from mid-year and end of year reviews.

The following will apply for employees classed as long term absence (over three weeks or more e.g maternity, paternity leave, sickness over 3 weeks) during mid-year or end of year review:

- When performance ratings are issued if you didn't have a performance discussion beforehand, the performance rating that was last issued will apply (subject to GE discretion and if that was in the last six months), otherwise you will be issued with a rating 3. You've had a great year.

All managers and PSS employees should use the Performance Module on [SuccessFactors](#) to set their objectives and key results and complete the mid-year / end of year reviews.

Performance rating

Employee performance against agreed objectives and key results and Ways of Working are combined in a rating matrix to

create an **overall performance rating** determined by the line manager. Performance will be assessed against both performance and behaviour – “the what and the how”. The behaviour rating focuses on how you have demonstrated our Ways of Working and performance rating assesses what you have delivered. The performance and behaviour rating is combined to give an overall rating using a five-point scale. (details of our review rating framework are available on [PeopleHub](#).)

This rating then feeds into the **business review** which occurs at year end. The business review provides the business with a snapshot of the overall performance for the year. Functional reviews might take place, which involves facilitated discussions to understand and compare team ratings to ensure consistency and fairness in ratings application.

This business review is needed because:

- It allows the business to understand the nature of the overall performance for the year .
- It enables the business to check whether consistent performance standards are being applied across teams/Function/business.
- It improves consistency and fairness, so performance is not measured in isolation.

Adhering to Business Standards and Consequence for Non-Completion of Reviews

Your performance review will take into account timely completion of mandatory compliance training and adherence to business standards. If you fall short of our business code, this could impact your performance rating.

To support timely business reviews and our ability to process bonuses, we need to ensure the timelines are adhered to. For this reason, ratings not recorded in the system by the review period deadline (timelines are communicated in advance of a review period

opening), bonuses will be withheld for the line manager and/or individual.

We will apply the below criteria:

- Line Manager bonus withheld (unless the manager/colleague is on long term absence or there is good reason).

In addition:

- If the employee followed the process and the delay is a line manager issue, the rating will default to the last recorded rating.
- If the employee hasn't completed their self-assessment or failed to organise a review meeting then a rating of 1 will be applied.

Review outcomes

Review outcomes will be communicated to employees via the line manager. The final review rating is an important output of the performance management process as it is critically linked to other Post Office areas including:

- **Learning and development** to ensure that the appropriate support and development is accessed.
- **Talent management** which links performance data in with the identification of potential/talent development and succession planning.
- **Recruitment** to ensure performance management data is integrated into recruitment decisions, employees rated as 3. You've had a great year, 4. You've had an excellent year or 5. You've had an exceptional year may apply for internal vacancies that would be a promotion Employees rated as, 2. You've had an inconsistent year, 1. You've missed delivery this year may only apply for an equivalent grade internal vacancy.
- **Managing unsatisfactory performance** to ensure there is a way of identifying and managing poor performers.

- **Reward** in some business areas, an employee's overall performance data is directly linked to bonus. This only occurs where specific performance linked reward frameworks have been agreed.

Once the review outcome is received, if there is concern or employee disagrees with the feedback and/or rating, the employee should raise this with their line manager to discuss. If the employee and line manager are unable to resolve informally the employee is entitled to raise a formal grievance against the feedback and/or rating that has been applied. Typically, the timelines to raise a grievance are 6 weeks following the release on ratings from business review stage.

8. THOSE NEW TO ROLE

Responsibility for reviews

Where people move to a new role their digital form (on [SuccessFactors](#)) will move with them. If the move happens within less than three months before the review year end, then the previous line manager should conduct the review as they will have a greater knowledge of the employee's performance during the performance year. They should take feedback from the current line manager on performance for the short period spent in the new role.

The performance rating should also be agreed between the new and the old line manager prior to submission. Feedback on the first few weeks of the new role should also be included. In all other instances of employees changing roles within the review year, it is the responsibility of the previous line manager to input into the review, which the current line manager completes.

If an employee's line manager has left the business before the full year review is submitted, the half year review should be used if available. The new line manager should work with employee to collate information to form a review rating. If there is no information to base the review on then

please consult with your People Business Partner for guidance.

Learning curve for those new to the role

We acknowledge that very often early performance in a new role will be lower as the new requirements of the role are learnt. This should not be penalised through performance ratings. We expect that performance should then improve over time to a level that would be ordinarily expected of the role.

This learning process will be taken into account during performance ratings for the following types of employees:

- New starters during the first six months of the role (anyone with less than 3 months service is excluded from mid-year and end of year review)
- Newly promoted employees during the first six months of the role.
- Employees returning from a period of long-term absence or leave (absence longer than 12 weeks e.g. maternity, sickness) or a career break during the first three months of their return (if they have not been rated when they are away).

For the Mid-year review stage, the Performance rating applied will be a reflection of the current role at the time of the review, recognising there is a further 6 months of the year to deliver against Objectives and Key results and to demonstrate behaviours.

Approach for New Starters

Employees eligible for a bonus joined the business on or before 31st December.

If there is a review period whilst in the probation period the following principles will be apply:

Only new colleagues with 3 months service or more will be included in a Mid-Year or End of Year Review.

A 6 month time period is in place during probation to allow for settling into role and

understanding the business, it is recognised that performance may vary during this period. The rating applied should be reflective of performance and recognition of newest to role. Any underperformance should already be addressed as part of ongoing conversations during the probation period and then document alongside the formal review, with an appropriate rating applied that's reflective of the underperformance.

Any performance rating of 4: Excellent or above will be at GE/SLP discretion and agreed in discussion with the People Partner and Talent Manager.

Pay Grade / Role Change

When there is a pay grade or role change within the financial year, the following guidelines will be applied to the end of year review:

- 0-3 months- Ratings should be reflective of performance in the previous role/ grade.
- 4-6 months- Performance rating needs to be reflective of both previous role/ grade and current role/ grade within this period. A discussion must take place between existing and previous line manager of the employee to agree a collective performance rating for this period. Any performance rating above or below 3. You've had a great year, will be at GE discretion and agreed in discussion with the People Partner/ Talent Manager,

9. EQUALITY, DIVERSITY AND INCLUSION

At Post Office we are committed to the importance of promoting equal opportunities, valuing diversity and creating an inclusive working environment for all our employees. We are committed to an environment in which each employee is able to fulfil their potential and maximise their contribution.

Post Office aims to secure equality of opportunity in all its activities, and in this respect, the performance management

process must be objective, clear, transparent and free from discrimination. Post Office will ensure that the application of this policy does not discriminate employees on the basis of; age, disability, gender reassignment (including, gender identify, gender expression), marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

This policy will be applied and monitored in accordance with the Post Office [Equality Diversity and Inclusion Policy](#).

10. SUPPORTING DOCUMENTS

You may find it useful to read the following documents (available on [PeopleHub](#)) in conjunction with this policy:

- [Everybody's Conversations User Guide](#)
- [Everybody's Conversations Rating Guide](#)
- [Frequently Asked Questions](#)
- [Learning and Development Policy](#)

11. REVIEWS

The Talent team will monitor compliance of this policy.

The Talent, Diversity and Inclusion Director is responsible for the monitoring, revision and updating of this policy.

Formal reviews will take place 2 years to identify any trends and opportunities for improvement.

DOCUMENT CONTROL RECORD

SUMMARY			
GE Policy Sponsor	Policy Owner	Policy Implementer	Policy Approver
Group Chief People Officer Karen McEwan	Leadership and Culture Director Juliet Lang	Talent Development Manager Leaf Norwood	Policy Sponsor Policy Owner
Version	Document Review Period	Policy – effective date	Policy location
1	2 Years	30/04/2012	UK

REVISION HISTORY			
Version	Date	Changes	Approved by
2	30/07/19	- Removal of reference to a balanced scorecard which is no longer applicable. - Updated leadership behaviours in section 6. - Updates links to online performance review system in SuccessFactors. - Incorporation of equality, diversity and inclusion statement in section 9. - Incorporation of policy review details section 7. - Updated details on where to find further information on PeopleHub. - Changed name of rating indicators shown in Appendix 1.	Janene Mellor
3	07/01/20	Updated 'GE Policy Sponsor', 'Policy Owner' and 'Policy Approver' contact.	Janene Mellor
4	09/02/21	- Update 'Policy Owner' and policy Implementor. - Updated GE Sponsor and Policy Approver job title. - Updated HR references to People.	Janene Mellor
5	08/04/21	- Updated rating descriptors for 21/22.	Janene Mellor
6	10/11/22	- Updated introduction to align with launch of 'Everyone's Conversations (section 1, Pg3). - Added clarity the policy applies to Post Office Limited and included clarity of grades (section2, pg3). - Add in process diagrams (section5, pg4) - Ways of working have been updated (section 7, pg5).	Leaf Norwood

		- Updated section title 10 from 'Related Policies' to 'Supporting Documents' and added in new links (section 10, pg7.) - Removed section 12 'Where to go for further information'. - Removed rating descriptor appendix. - Changed language from 'Business Area' to 'Function' throughout. - Updated 'Appraisal' language to 'Review' throughout. - Removal of old company behaviours including the New POL Ways of Working. - Updated to new POL branding. - Updated Policy Sponsor, Approver & Implementor. - Updated review date.	
7	10/05/22	Added consequences of non-completion of reviews (S7)	Juliet Lang
8	05/10/23	Updated policy sponsor	Juliet Lang
9	15/11/23	- Added in Section to include SLP EDI Objectives being a requirement. - Updated Narrative on Performance ratings guidance on equal importance of achievement of objectives and demonstration of Ways of Working/ behaviours. - Updated long term absence policy to provide clearer guidance. - Included consequences for non-completion and adherence to business standards. - Included guidance on the formal grievance process for querying formal reviews/ratings Updated approach for new starters and internal role changes.	Juliet Lang

DOCUMENT DISTRIBUTION STATUS			
Distribution	Mark x as appropriate	Document Sensitivity	Mark x as appropriate
Internal	x	Non-sensitive	x
External		Sensitive	

QUALITY STATEMENT	
Quality Control	Next Review Date
This document is periodically reviewed, and at least on every 2 years starting from the last effective date.	April 2024

