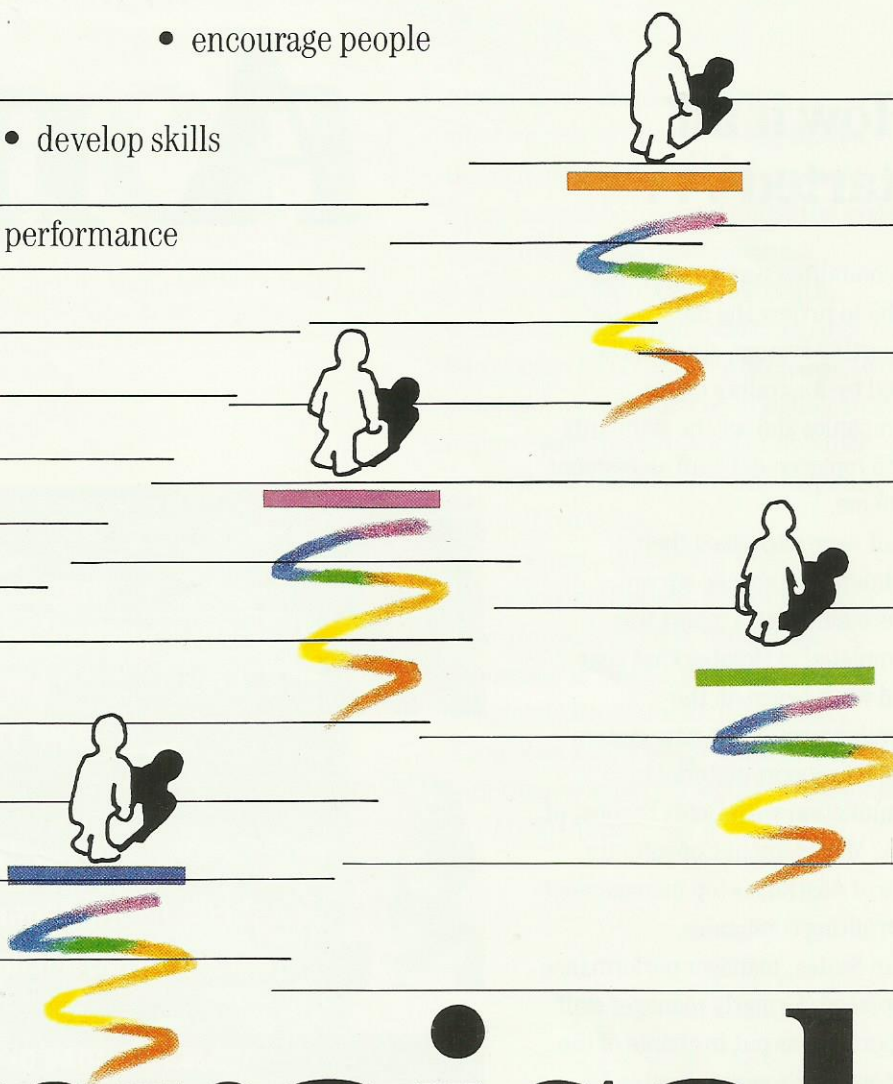


Our Bank

LOOKING AT PEOPLE AND EVENTS IN THE STATE BANK OF VICTORIA

- plan careers
- encourage people
- develop skills
- improve performance
- plan promotions



Appraisals

State Bank Victoria



system
style of people
the State Bank

2

How it all started . . .

A committee was set up in May 1985 to review the Bank's staff reporting system, study those used by Australia's major companies and set the standards for a replacement staff assessment scheme.

Staff were also asked their opinions in a special survey. The committee's report was completed in October that year and work began on the development of the new system and its support material in conjunction with Denis Feeney, of P.A. Management Consultants, one of Australia's top management consulting companies.

Stan Scates, manager performance appraisal (formerly manager staff reports), was put in charge of the project and was responsible for introducing the appraisal system and its training programme.

Graham Casson, formerly recruiting manager, was co-ordinator of training.

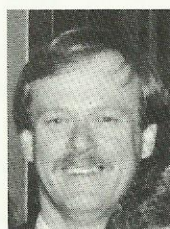
They were backed by a team of 12 trainers.



Denis Feeney



Stan Scates



Graham Casson



The new performance appraisal and development is the key to a changed management in approach

Aimed at increasing our Bank's effectiveness by raising job satisfaction through improved career development. Everyone will be assessed under the system which has replaced staff reports.

It is the most significant new step in personnel management practices since our Bank began its programme of change two years ago, and is expected to significantly improve work performance, individual career development, and career training within three years.

The brochure, *Where You're At And Where You're Heading*, sums up exactly what you need to know about the appraisals, so make sure you are completely familiar with its contents.

If you need a copy please contact performance appraisal section in personnel on (03) 604 7906.

The system has been introduced to:

- **improve monitoring of individual careers**
- **increase staff effectiveness and productivity**
- **aid promotions, succession planning**
- **staffing, training and setting salary levels.**

It aims to:

- **clarify job descriptions and objectives**
- **systematically assess job performance with individuals**
- **develop ways to improve individual job performance**
- **identify people for promotion**
- **provide individuals with a chance to express career aspirations**
- **identify training and development needs for individuals**
- **provide information for salary increases and performance rewards**



How Appraisals Work

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The success of appraisals will depend on:

- accurate and constructive feedback on a person's performance
- a constructive relationship between appraiser and person being appraised
- clearly identifying a person's skills and the way they can be developed
- achieving more productive performance and greater job satisfaction

Performance appraisal is based on a flexible system of assessing people on work skill factors, actual performance measured against objectives or duties set for individual jobs, career discussions and training needs.

Each person is appraised once a year in an interview lasting between 45 minutes and one hour, and there is a review every six months.

General classification officers are assessed by accountants, accountants by managers and so on.

While the Bank has the right to request an appraisal at any time, a person is generally appraised after at least six months in a job.

The system is designed to cover people who are transferred between branches or departments and the information from

individual appraisals is fed into a computer data base in personnel.

This information is stored for up to five years and promotions and other career decisions will be based on three years of information.

Objectives are set for managers and accountants after the first appraisal.

Naturally, the first appraisal for managers and accountants will only measure actual achievements in the previous year.

You will be given up to three week's notice to prepare for your appraisal interview – this is an important aspect of the appraisal system because the interview should not be seen as an "interrogation" and you should be ready to give your point of view about your job performance in the previous 12 months, your career and your career expectations. The success of the interview hinges on a relaxed but constructive discussion between you and your appraiser.



Everyone has different Needs

Employees

- Need for feedback
- Need to 'have my say'
- Development plans
- Career planning

Line Managers

- Employees working towards goals
- Increase effectiveness
- Meet budgeted and other targets
- Develop staff skills/abilities
- Communication

Senior Management

- Workforce planning
- Succession planning (Promotions)
- Training needs
- Skills gaps
- Remuneration

Appraisal Timetable

Appraisals will be carried out at different times for the following three groups. The times have been split because of the numbers of people involved and the processing which follows:

		Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
GCO	Appraisal				●	●	●				●	●	●
	Review				●	●	●				●	●	●
Accountants	Appraisal	●	●	●									
	Review							●	●	●	●		
Managers	Appraisal							●	●	●	●		
	Review	●	●	●									

Implemented in Record time

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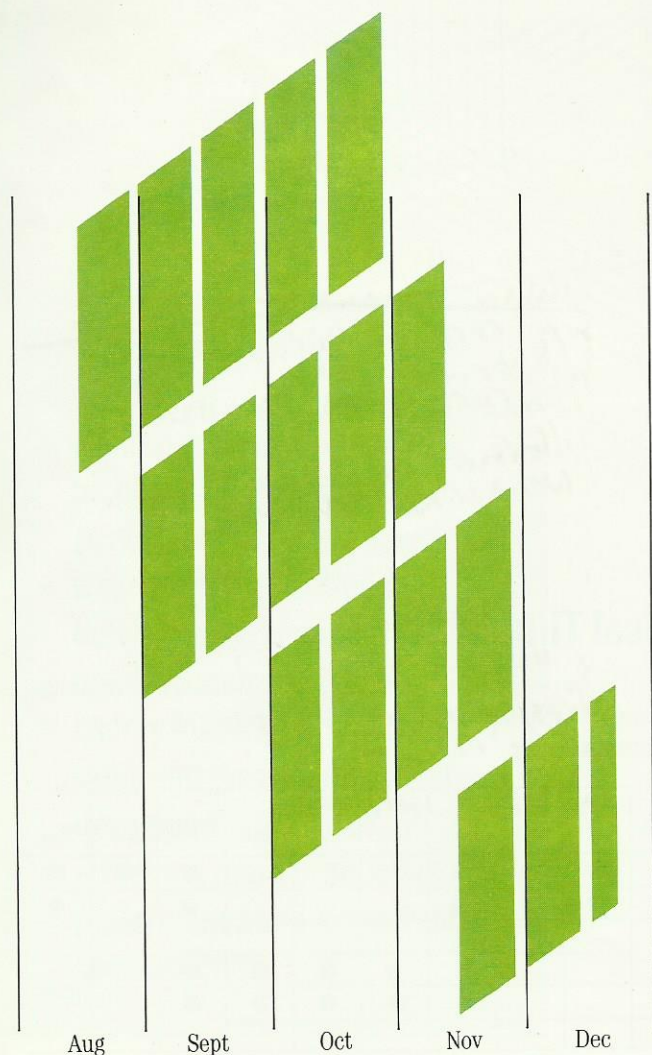
In less than five months, nearly 2500 managers and accountants have been prepared for their role as appraisers in 131 one-day workshops covering all branches and head office departments.

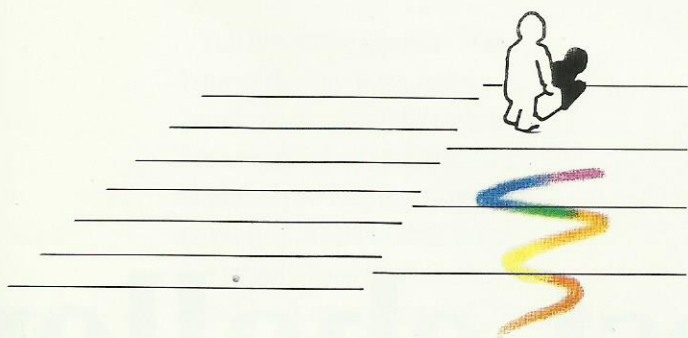
The training programme began in mid-August and wound up, on schedule, in early December. The regional training programme started in Traralgon with Gippsland region and ended with north central at Bendigo.

Organising lectures for more than 2000 people spread around a state the size of Victoria is a major exercise in planning.

Throw in variables such as finding suitable venues in country centres and arranging relief for busy managers and accountants and the job becomes even harder.

The trainers attended a two-day intensive course run by Denis Feeney at our staff college before the training programme got underway. This was followed by further training and discussion sessions at Head Office.





Each country training session was attended by about 12 managers and accountants and sessions were held over five days in each region; metropolitan and head office attendance was about 18.

The trainers worked in pairs at the workshops which started with a video message by chief executive Bill Moyle on the importance of the new system.

Discussion of the brochure, *Where You're At and Where You're Heading*, and the reasons for the new appraisals followed.

'My major task was to book venues and arrange for all managers and accountants to attend courses on the selected day!' says Graham, who not only co-ordinated the training programme but also lectured at 18 sessions.

'This was a big task, particularly in country regions where there are no established regional offices and, of course, no staff to help coordinate venues and attendances.

'However, we had magnificent support from branch managers. 'Country managers, without exception, willingly arranged for accountants to relieve at various branches to let other managers attend.

'Without this support the programme would have been impossible to organise,' says Graham.

It's One of the Best

'We looked at appraisal systems in every other bank in Australia, as well as other major organisations, and we designed it from scratch specifically for State Bank,' says Denis Feeney, principal consultant at PA Management.

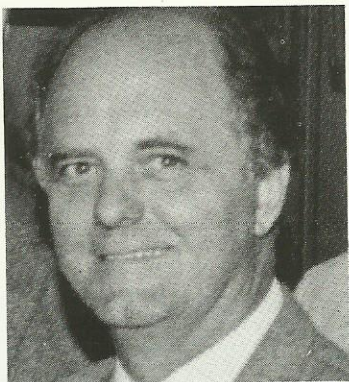
'I think the system is comparable to the best in Australia.

'What's more, it is being implemented with a thoroughness that has no rival in Australia.

'As far as I know, no other organisation has had a video presentation to staff by the chief executive, had presentations by the consultant to the top 70 managers in the organisation and trained people so they, in turn, could train 2500 people.

'The commitment of the Bank's senior management is unprecedented in Australia.

'The key to the new system is: people will no longer be judged but appraised on their performance against a set of objectives or job duties and given the opportunity to identify their training needs and discuss their future career streaming.'



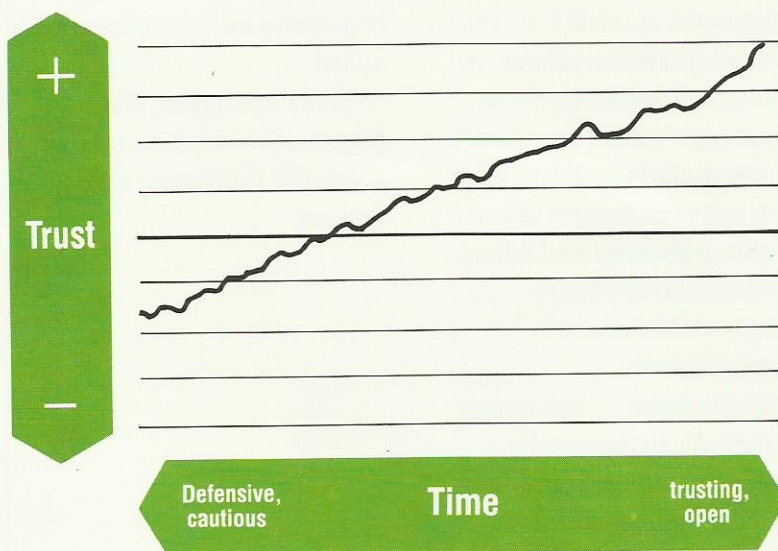
Alan Clark

The biggest challenge is talking to people

Alan Clark has played a key role in the performance appraisal training programme and believes 'it is one of the biggest changes the Bank has ever gone through in the personnel assessment area'.

Alan's State Bank career spans 30 years, which includes a year at the staff college, opening a number of branches, and the last five years as manager Black Rock.

Like many State Bankers with similar experience, Alan is able to compare the new performance appraisal system with two previous types of staff reports. He believes the change was necessary because 'under the old system of reports people were compared with others and this



approach does not really hold up under the new banking industry changes'.

When he was seconded to the job of training people for performance appraisals he found it 'such a radical change it took me a little while to assimilate' but then quickly appreciated the strengths of the new approach.

"During every session, in the

early part of the day, people were initially resistant to change.

"Most people I spoke to in the sessions had difficulty in coming to grips with the concept of not comparing individuals with others but just assessing the job being done," says Alan.

"Once they had gone through the forms, the format became much clearer and much more accepted.

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"The first three quarters of an hour of the day was spent by people challenging the time they have to spend on preparation for appraisals and saying, 'Look I've never had to talk to staff before, it's usually been a fait accompli, here's your report sign that, see how you feel about it, I haven't got time to talk to you about it.'

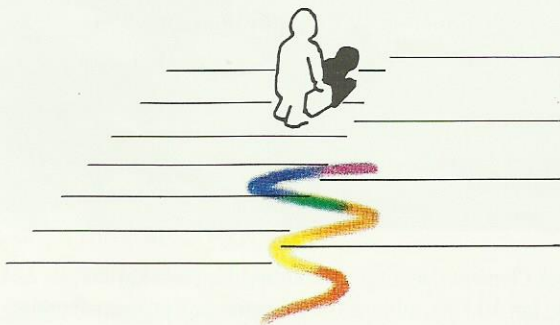
"So the biggest challenge to everybody is allocating more time to talking to people.

"By the end of the session, that resistance had been overcome.

"People are finding it a tremendous management tool.

"In the interview they are gaining so much more information from people because they have to sit down and talk about the person's job performance and career expectations – this was never the case.

"The feedback we are getting on the appraisals which have been completed so far, is that it is a much, much better system than the one we had."



Features of The System

The strength of the new performance appraisal system is that it began and continues with your opinions.

We asked what you wanted and we listened to your answers.

This is what you wanted:

- **your own written comments**
- **a single overall performance rating and gradings on individual factors**
- **no comparison with other people**
- **discussion of careers, studies and training**
- **copy of completed appraisal for personal records**
- **discussion on successes and shortcomings**

Opinions from appraisers included:

- **objectives could be drawn from business targets**
- **objective setting with staff input if possible**
- **listing of work skills should be included**

All these points have been included in performance appraisals.

The Trainers



Front: David Abella, A3 Personnel; Robert Lowe, manager North Fitzroy; Dick Clements, manager Marketing Support; Kay Judge, A2 Legal; Jim Redfearn, manager Electronic Banking; Alan Clark, manager Black Rock; Ian Jenkins, administration manager Corporate Banking.
Back: Jim Baird, A1 Electronic Banking; Geoff Bennie, manager Kaniva; Pat Ellerton, manager Murrumbidgee; Stan Scates, manager performance appraisal; Graham Casson, assistant manager Western; Graeme Jones, lecturer, Staff College; John Redenbach, A1 Highpoint.



Stan Scates

Profile

Coordinating the introduction and implementation of the appraisal system has been a year of challenges and hard work for Stan Scates, manager performance appraisal.

Stan, who had been manager staff reports since 1982, was aware of the drawbacks of the old staff reports and welcomed the opportunity to work on a replacement system.

He is quietly confident the new system will have a major impact on our Bank's 'corporate culture' and people's career paths within five years, possibly sooner.

Stan believes the high standard of the initial appraisals coming in are justification for the new system and a testament to the strength of its design and philosophy.

The project's deadline of December 1986 was successfully met and in his report to the Committee of Review and DGM Personnel and Administration, Stan states: "If the criteria for success was the completion of the initial targets set, then the project was certainly successful."

"However, the real measure of success may not be seen for several years until the system has been completely accepted as part of the State Bank's 'culture'.

"Mr Feeney intends to publish in a number of Australian business publications the manner in which this project was carried through by the Bank and this must speak volumes for the commitment by management."

Of course, the project's success depended on the input, talents and dedication of many people within the Bank as well as outside resources.

Stan's report has a two-page list of acknowledgements to individuals and groups involved.

Limitation of space prevents us from listing all these people but we can pass on Stan's praise "... the Bank can be justly proud of the performance of its people".

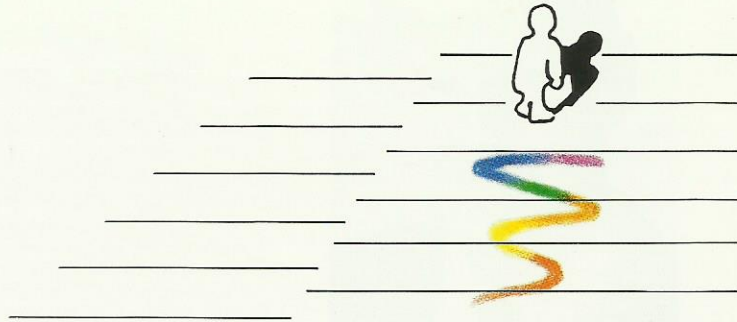
Appraisal Team

Stan Scates now has a team of four helping him with the administration of performance appraisals.

Kay Judge has been seconded from Legal to Personnel to assist Stan with reviews and appeals.

Ross Wright, Karen Macchetta and Mark Higgins work on the many clerical duties needed to keep the system running.





Why Have an Appraisal System?

Performance appraisals are used by organisations to meet the needs of three groups of people – general employees, line managers and senior management.

Most of us fall into the first category and we all want to know how we are shaping up in the job we're doing.

It is human nature to want to know "how we're going" through regular, planned feedback from supervisors or managers on work performance.

At the same time, we want to know how we can improve our job performance, further our skills, have a say in where we're heading and know what is planned for our future.

In turn, supervisors and managers need to increase staff effectiveness and productivity to meet business targets, help people plan their careers and develop skills, encourage people and overcome poor performances.

They also need to be assessed and helped in their careers.

By systematically gathering necessary information on people and their careers through a comprehensive appraisal system, senior management can plan promotions, identify people for key executive positions, train people, set salary levels and adjust staffing levels to fit the organisation's overall strategies.

Produced by Corporate Communications in conjunction with Stan Scates, Manager Performance Appraisal.