

research results

Performance Management

Industry

Telecommunications

Organization

Orange

United Kingdom

DDI Products Used

Maximizing Performance®

Business Need

Orange is the UK's largest and fastest-growing digital mobile phone network, with more than 10,000 base station sites targeted by 2001. It reaches 99 percent of the UK population and has more than 5 million customers.

Three years ago Orange, with the help of DDI, conducted a Performance Management Environment Survey. The purpose of the survey was to determine the satisfaction level with the performance management system in place at the time. The results indicated that the performance management system was not meeting the needs of the organization and could be improved substantially. In particular, the survey identified a need for improvement in the following performance management areas:

- Giving and receiving timely and accurate feedback.
- Creating a developmental focus.

- Providing more comprehensive coverage of behaviors important for job performance.
- Participatory goal setting.
- Coaching on the job.
- Providing individuals with data and information they can use to improve their performance.
- Increasing the value of the review process.

Associates did not see the value in the old system and did not believe it was useful in managing their performance. Considering these results, Orange decided to implement a new performance management system that was consistent throughout the organization.

DDI Solution

Maximizing Performance (Max), DDI's performance management system, was chosen to address the needs established by the survey. To ensure that Orange's culture was reflected in the performance management system, DDI and Orange created a customized version of Max. The customization included reprinting the performance management materials to reflect Orange's standards and brand, using performance examples that were specific to Orange in training, and using Orange's competency/behavior model to provide guidelines for establishing and meeting performance objectives.

The performance management process focused on three phases: planning, tracking, and reviewing. By focusing on these phases, Orange successfully addressed each of the problem areas identified in the

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Toll-free U.S.800.933.4463	Greater China..... 852.2526.1188	Mexico52.8.152.3200	Web..... www.ddiworld.com

survey and laid the foundation to build a performance management system that was consistent with the organization’s high-performance culture.

Research Design

The purpose of the research study was to help Orange determine how Max was working and to identify areas in the organization that needed additional support and coaching in the use of Max. However, the Max implementation was still in the early stages. Only a small number of associates had completed a full one-year review cycle. Thus, Orange decided to gather information about only two phases of the performance management system: planning and tracking.

Participants

Orange distributed a Max questionnaire to all 4,800 associates. Responses were received from 1,634 associates, a 34 percent response rate. Twenty-nine percent of the respondents had participated in

manager training, 58 percent in associate training, and 6 percent in customer service training. Seven percent had yet to participate in Max training.

Results

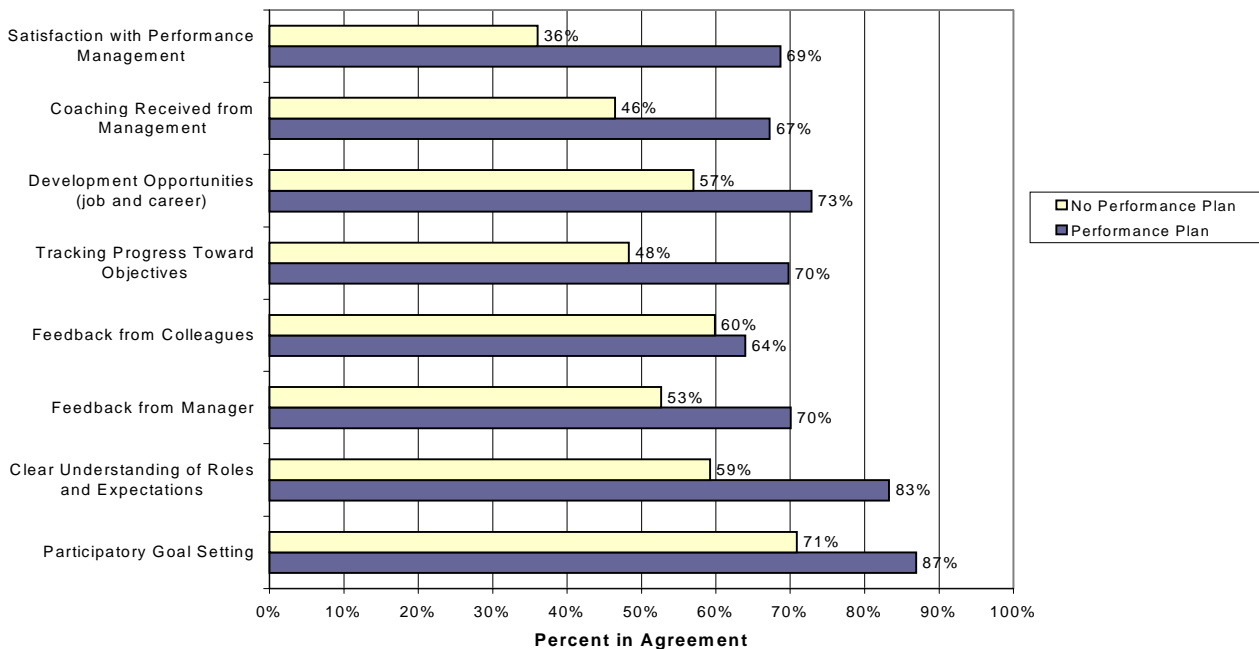
Although nearly all participants were trained in the Max system, not all were using the process. As a result, the differences between participants with performance plans in place (n=1,200) and those without performance plans in place (n=434) were analyzed.

Planning and Tracking

Individuals with a performance plan in place were more satisfied with the way their performance is managed than those without a plan.

Figure 1 compares the opinions of those individuals who have a performance plan with those who do not currently have a plan. The majority of individuals with a performance plan rated activities of the planning and tracking phases positively. Nearly

Figure 1. Individuals with and without a performance agreement in place.



90 percent of individuals with a performance plan agreed that they set the objectives for their roles jointly with their managers. Eighty-three percent of this group also agreed that they clearly understand the objectives for their roles, and 73 percent believe that they are given opportunities to develop the skills necessary for their jobs and to enhance their careers.

There were substantial differences (more than 15 percent) between the two groups for six of the seven performance management areas measured. The largest differences were seen for:

- Role clarity (24 percent)
- Tracking (22 percent)
- Coaching (21 percent)

Individuals with a performance plan believed that their roles were more clearly defined, that they were better able to track their performance, and that their managers provided them with more coaching than participants who did not have a performance plan.

Commitment and Motivation

Participants were also asked how motivated and committed they and their managers were to the Max process. Table 1 provides comparisons between participants with and without performance plans. As Table 1 illustrates, a much larger percentage of individuals with performance plans were committed to using the Max process than individuals without plans. This difference may stem from the commitment that participants’ managers exhibit toward Max.

Table 1. Motivation and commitment to Max of participants with and without a performance plan in place (numbers represent percent in agreement).

Statements about Max	Plan	No Plan
I am motivated to use the Max process.	66%	52%
I am committed to using the Max process.	74%	62%
My manager demonstrates commitment to the Max process.	71%	31%
I have been able to make time to make full use of the Max process.	55%	23%

Compared with nearly three-quarters of the managers of individuals with a plan, fewer than one third of the managers of participants without a plan were perceived to be committed to the process. In addition, it appears that a large percentage of both groups does not believe they have time to utilize the process fully. This belief may also affect participants’ motivation and commitment to the process.

Conclusion

Results from this preliminary study indicate that Max is having a positive impact on the way performance is managed at Orange. The majority of associates using the process are satisfied with the performance management system. Associates with a performance plan rated all components of Max’s planning and tracking phases more favorably than associates without a performance plan. Orange will be able to assess the full impact of Max after the system has been in use for a longer period of time and all users have been through a complete performance cycle. Until that time, it appears as if Max is successfully addressing some of the feedback, coaching, and development issues that were raised two years ago by the Performance Management Environment Survey.