

A high performance culture

We take our responsibilities to our people extremely seriously. Retaining, motivating and rewarding them for high performance is a priority. Operating under the terms of a seven-year licence makes this particularly challenging.

- Performance and reward
- 100 best companies

Our goal is to create a high-performance culture at Camelot; a culture in which employees feel valued by the company, are passionate about what they do, are creative and highly motivated. We want our employees to feel empowered and supported by the company's managers and leaders, to respect their colleagues and to work successfully in teams.

We are committed to providing a working environment that promotes the health and well-being of all employees. We encourage diversity in our workforce, and want all employees to feel confident that they have equal opportunities for progression and development.

In line with a previous commitment, we aim to attract and retain our people by offering a competitive total reward package.

Performance and reward

A staff survey in 2003 indicated that people felt exceptional performance was not always recognised and rewarded. So two of our commitments for 2004/05 were **to embed an effective performance management process** (see [case study](#)) and **to implement a mechanism for rewarding outstanding individual contributions**.

Employees have now received training on performance management and goal-setting processes. All managers are required to hold quarterly, one-to-one performance review meetings with their team members.

Although there is still some way to go, our staff survey results suggest that we are on the right road. Agreement with the statement: "We distinguish between good, average and poor performance" was 36%, up from 27% in the previous survey.

We have built effective goal-setting into our management processes to help manage people more effectively. This is one element of our strategy **to develop Camelot's leadership team, which was one of our commitments in 2004/05 that we are continuing to work on.**

Employees are also clearer about their own goals and how they link to the corporate goal. Agreement with the statement "I can relate my department's objectives to the overall vision" rose from 58% to 63% from 2003 to 2004.

In future we aim to give managers further opportunities to differentiate between performance levels and to use individual reward to encourage outstanding performance. This new scheme for rewarding exceptional contributions comes into effect in September 2005. See [Next steps](#)



100 best companies

We were delighted that in March 2005, Camelot was included for the first time in the *Sunday Times* list of the *100 Best Companies to Work For*, with a ranking of 76th.

The *Sunday Times* poll found that 86% of the people who work for Camelot say that the company makes a positive difference in the world, putting us fifth among all 100 best companies on this measure, while 71% agree that we put something back into the community - a top 10 ranking.

Three quarters of our employees say that the people in their team care for each other, and that their manager trusts their judgement. 70% are inspired by the person leading the organisation.

Among the positive factors identified by the *Sunday Times* are benefits such as generous maternity leave, subsidised canteens, private health care, pension schemes and career breaks. A friendly environment and good management are also singled out.

Employee engagement

- **Managing people across the business**
- **Engaging and consulting**
- **Staff Consultative Forum**

Managing people across the business

We strengthened our management of human resource policy and practice in 2004/05 and restructured the HR department as the People Function. There are several elements to this, aimed at helping managers to take more responsibility in their own areas so they can act more quickly and support their people better:

- We clearly set out the accountabilities for implementing staff policies between managers and the People Function
- We provided simpler and clearer guidance for managers to help them do their part of the job
- We strengthened managers' support structures by appointing business partners and introducing PeopleZone on the intranet.

By restructuring the HR department, we are now able to provide better support for managers in managing their teams:

- We created business partners who work closely with the management teams of Camelot's various departments
- The People Function now provides better specialist support in key areas such as performance management, reward, training and development.

Three work streams - performance management, cross-functional working and leadership development - were established in response to the 2003 staff survey (see [last years report](#)). The performance management working group is led by our Commercial and Operations Director, cross-functional working by our Finance Director and leadership development by our Chief Executive. In 2004/05, in line with the commitment made in the previous year, **cross-functional working showed an improvement as measured by the staff survey**. More remains to be done and we will continue to prioritise this issue.

Engaging and consulting

We are committed to engaging and consulting with our people. But there's no point in doing that unless we are prepared to act on their feedback. Consultation does contribute to strategic decisions and influences the development of work programmes. Almost three quarters of employees said they believe that feedback from the previous year's staff survey had resulted in changes.

Engagement mechanisms include:

- A weekly cascade of business information
- Our intranet (i.com) and company-wide email
- A confidential annual staff survey
- Our Staff Consultative Forum (see below).

The confidential staff survey ran in December 2004, with a response rate of 86% demonstrating a high level of engagement among staff at all levels. This was significantly up on the previous year's 70%.

The results showed a positive change in staff attitudes (see indicators). Morale is up from the previous staff survey by four percentage points, and 78% agreed with the statement "I'm proud to be working for Camelot", which means that we met our commitment from 2003/04 **to improve staff satisfaction as measured by the survey.**



We recognise that we can still improve upward communication. For 2005/06 we are planning senior manager road shows to improve contact with employees around the UK. We will also be organising regular 'speakeasies' where staff can raise issues confidentially with directors. A regular news update and magazine are also planned.

Staff Consultative Forum

The Staff Consultative Forum (SCF) was set up to promote dialogue between the senior executive team and employees at all levels. Our Chief Executive, Dianne Thompson, now attends its meetings quarterly, reflecting her view that the Forum's effectiveness is essential for Camelot's future engagement with staff. See last year's report for more information.

In the recent staff survey, 53% of employees agreed with the statement "I believe that the SCF is an effective way of ensuring that employees' views are considered." This is a new question not strictly comparable to the relevant statement in the previous survey, which achieved around 58% agreement. Nevertheless, it is clear that we need to raise the profile, credibility and effectiveness of the SCF.

We revised the constitution of the SCF in line with our commitment **to modify the Staff Consultative Forum in the light of the European Union Directive on Information and Consultation with Employees.**

"As part of Camelot's commitment to consult with all stakeholders, the Staff Consultative Forum was established to provide a channel of communication and consultation on matters within the company in which employees may have an interest. Since the inception of the SCF in 1999, the Forum has been instrumental in advising the executive team on a wide range of issues where the views of staff were required

Following the annual staff satisfaction survey in October 2003, the Forum reviewed its objectives and structure, and recently revised its Constitution in line with the Information and Consultation Directive which came into force in April 2005. The Forum is seeking to improve its image and effectiveness company-wide, and will conduct a re-launch to coincide with an election campaign later this year."

Bill Barton - Chair of the Staff Consultative Forum

Furthering well-being

- Health, safety and well-being
- Diversity and inclusiveness
- Going green and volunteering

Health, safety and well-being

Different employees face different health and safety challenges. Our sales teams who spend a lot of time on the road face risks related to driving; warehouse staff face lifting and handling challenges, and office-based staff encounter risks related to posture and computer screens. All our people may also feel pressure at work.

Our Health and Safety Policy covers the range of possible dangers staff may face. We believe that work-related muscular-skeletal problems, stress-related absence and the number of accidents at work have been reduced by the increased identification of underlying accident causes, by greater awareness raised at induction level, and the higher profile of health and safety in general across the business.

During 2004/05 we also introduced more rigorous measures to monitor employee absence resulting from stress or sickness, and we introduced a [stress policy](#).

Average % of working days lost per year due to sickness	
Benchmark	 3.8
2004/05	 4.8
2003/04	 4.0
2002/03	 4.7
* During this year we have improved our data collection processes which led to an increase in reported sickness days	

All staff have free membership of a private medical scheme which includes cover for medical and alternative therapies and subsidised gym membership. We also support an employee assistance programme, Lifeworks, which provides confidential information and support on a range of issues such as childcare, elderly care, stress and debt management.

We made a commitment for 2004/05 that **we would explore the business case for work-life balance policies and issue guidelines for managers if appropriate**. We have developed guidelines on work-life balance and will consider how best to implement them in 2005/06.

Diversity and inclusiveness

In 2004/05 we met our commitment **to establish a Diversity Forum** (See [Our CSR management structure](#)), whose members are senior managers from all parts of the business. The forum has looked at our current practices and potential areas for improvement, specifically on issues of race, gender and disability. However, we still feel that the forum needs further revitalisation and we therefore **commit to review the structure of Forum, develop action plans and meet at least quarterly in 2005/06** .

We updated our [policy on disability](#) and are working on a Camelot-specific business case.

The staff survey found that 74% of our people agree with the statement "Camelot treats employees equally and inclusively with respect to gender, age, disability, and ethnicity".

Although there has been an upward trend in recent years in the number of women in senior management positions at Camelot, there is a slight decline in this year's data. With 5% of senior managers from ethnic minorities, we recognise that we have more to do on this front. We will continue to monitor these developments and will report back next year.

Demographic breakdown by gender and level held in company				
	Female	Male	Female	Male
	Junior Grades	Junior Grades	Senior Grades	Senior Grades
2004/05	51.1%	48.9%	38.4%	61.6%
2003/04	51.3%	48.5%	38.9%	61.1%
2002/03	53.6%	46.4%	34.3%	65.7%
2001/02	55.9%	44.1%	31.1%	68.9%
			-0.5%	

Demographic breakdown by ethnic origin and level held in company (%)

	Non White	White	Non White	White	Increase in Junior Grades	Increase Senior Grades
	Junior Grades	Junior Grades	Senior Grades	Senior Grades		
2004/05	12	87.2	4.8	95.2		
2003/04	10.9	89.1	3.2	96.83	1.1	1.6
2002/03	10.7	89.3	2.9	97.14	0.2	0.3
2001/02	9.2	90.8	2.8	97.17	1.5	0

% of staff recorded with disabilities:

2004/05	0.7
2003/04	0.2
2002/03	0.2

Going green and volunteering

We encourage employees to engage in community activities and every employee is entitled to four hours volunteering time a month. We also match money raised by employees for their chosen charity. See Investing in communities.

To help minimise Camelot's environmental footprint, a number of employees have volunteered to be members of The Green Team to improve recycling and waste disposal in our offices. See Environmental impact.

Next steps

We have started to introduce a major new enterprise resource planning system. We therefore need to understand not only the consequences of this project on our organisational structure, but also its impact on our people.



We are working on this through communication and consultation with employees. Project management and change management skills will also be introduced throughout this process to ensure that these impacts are assessed and addressed in 2005/06.

In 2004/05, we committed **to preparing for Investors in People re-accreditation**. We achieved this and the next step is to apply for accreditation during 2005/06 and take forward recommendations which arise.

We delivered on many of the people commitments we made in the previous year. Cross-functional working, leadership capability and performance management remain critical priorities.

In 2005/06 we will:

- Renew Investors in People accreditation
- Raise the profile and improve the effectiveness of the Staff Consultative Forum
- Submit recommendations to the Executive team on work/life balance policies and practices
- Continue to embed performance management and monitor its impact aiming to maintain positive movement in the staff survey results
- Introduce a reward structure to recognise high performance and measure its impacts through the annual staff survey
- Continue to gain external recognition of Camelot as a first class employer in schemes such as the Sunday Times 100 Best Companies to Work For
- Review the structure of the Diversity Forum, develop action plans and meet at least quarterly in 2005/06
- Continue to improve cross-functional working and monitor improvements through the staff survey.

Aligning our people with Camelot's goals



A Dublin-based consultancy, Graphite HRM Ltd, has been working with Camelot for several years on a number of employee-focused, change management projects.

Its **Managing Director, Simon McRory**, explains how the relationship works: "Our job as consultants to Camelot is to help ensure that all employees understand and are aligned with the strategic aims of the business."

The relationship began in 2002, when Graphite was brought in to advise on the Camelot staff survey. Says Simon, "Employee surveys can be a key tool for stimulating organisational change. We recommend a survey methodology known as ODP (Organisational Diagnostic Profiler), which is about much more than collecting data. ODP is about understanding the reality of the current situation through the eyes of the employees and removing assumption from the organisation - establishing a benchmark based on objective data is the first step towards moving things forward."

"The emphasis is very much on the client organisation owning the survey. Although we provide the software, we also train a team of people in the host company in conducting the survey, analysing the data, and managing the feedback process. We provide support and an external view through out."

The first survey in 2003 highlighted concerns about performance management and cross-functional working, which, in **Simon's** view, is not surprising.

"Camelot is a unique company that lives in a seven-year cycle based on the operating licence period. In seven years the company goes through what most organisations go through in 20 or 30 years. And it's had to do this under constant scrutiny from the press, regulator and so on. It would be extraordinary if it didn't have issues."

Throughout 2003 and early 2004, Graphite worked with Camelot on what **Simon** describes as a "corporate reappraisal".

"Camelot's an amazing company. When they decide to do something they really go for it. We helped them take their entire performance management system to pieces to find out why it wasn't delivering what they needed. Among the issues we identified were shortcomings in people's job profiles, which made it very hard to set proper goals, and a lack of consistency throughout the company on the way the processes were put into action. With the HR Department we started to rebuild it, working through the design period with Camelot employees using their input, ideas and experiences - in particular asking and understanding their needs beyond the system and the ongoing support they wanted."

"At the same time, Camelot had been working on developing a robust reward management system and also tackled the enormous job of rewriting job descriptions for everyone in the company. All this was a huge challenge, particularly given the investment in training required and the amount of quality assurance that continues to happen."

"In 2004, all this work came together providing the company with a turning point."

"I believe that the results are there to see in Camelot's performance in the past couple of years. It's no coincidence that the company has returned to growth, produced excellent survey results and stormed The Sunday Times list of the 100 Best Companies To Work For. It shows what can happen when an organisation and its people are successfully aligned."

Simon believes that one of the next major challenges facing Camelot is building leadership capability, particularly among the middle tier of leaders. In his view, these are the people who could prove critical to the company's success in the future.

But he has no doubts about Camelot's ability to deliver.

"Graphite has worked with companies of all kinds in all parts of the world and, in my view, Camelot is up there with the best."