

National Grid: P4G Performance Management System

Overview

National Grid is an international organisation based in the UK with significant operations also in the US. It is dedicated to being the world's premier network utility, primarily focused on delivering energy safely, reliably and efficiently. They articulate their vision as "connecting you to your energy today, trusted to help you meet your energy tomorrow". National Grid employs over 26,000 people worldwide.

Their initiative they have submitted to "The Apollo Project" is their P4G (which is short for "performance for growth") performance management system, which places equal importance on what their people do and how their people do it. By adhering to a "50% what you do, 50% how you do it" framework, which applies to company's management population and nonoperational staff, they have effected widespread, positive cultural change in a very short time.

P4G is used globally. National Grid communicates the system to their people annually as part of their "Line of Sight" people framework.

Business case

The basis for National Grid's P4G system lies in their strategic objectives. Their objectives lay out what is important to them as an organisation, so that they can meet their commitments and deliver value. One of their six strategic objectives is as follows:

"Engage our people – create an inclusive, high performance culture by developing all our employees. It is through the hard work of our employees that we will achieve our vision, respond to the needs of our stakeholders and create a competitive advantage. Creating an engaged and talented team that is aligned with our strategic objectives is vital to our success. Our presence within the communities we serve, the people we work with and our opportunities to grow both

individually and as a business are all important to making National Grid a good place to work."

Every year, National Grid defines a series of annual priorities to help them achieve their vision. Together with their strategic objectives, the priorities provide direction and clarity on how they are going to achieve our vision. For their people, they present this with a Line of Sight framework so people can see how their personal objectives link back up to the vision.

National Grid's **Core Values** are:

- Respect others and value their diversity;
- Take ownership for driving performance;
- Demonstrate integrity and openness in all relationships; and
- Work as one team, as one National Grid.

This is all very admirable, but the success of the system lies in the international company's ability to breathe all of these words to life and ensure their culture truly reflects them. National Grid has done this— effectively and quickly - through their P4G system, which they developed in collaboration with Lane Four Management Consultancy.

Innovation

Many organisations have official strategies, diversity statements, appraisal systems, etc. that clearly state the importance of treating people well and the value placed on it. However, many struggle to translate those ideals to reality. Prior to implementing P4G, National Grid, like most large organisations faced the challenge of placing too much emphasis on targets and not enough on behaviours.

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National Grid’s system is innovative; the innovation in National Grid’s Performance Management system lies not only in its leadership’s bold 50/50 articulation, but also in the comprehensive and thorough explanations and examples that back it up. Since being implemented, the impact on National Grid’s culture has been dramatic.

National Grid have in place a comprehensive structure of Leadership Qualities to reinforce and provide flavour and detail to their core values . There are four overarching categories, each subdivided into three subdivided actions. The categories and themes are:

- **Creates the future**(Develops a wider internal and external perspective; Leads change: Thinks Ahead);
- **Consistently delivers great performance** (Drives for results; Influences strategically; Leads others);
- **Builds relationships** (Engages stakeholders; Collaborates; Understands others); and
- **Develops self and others** (Has Self Awareness; Develops others; Has Self Belief).

Each of these twelve is then further given colour with multiple, practical examples of positive and negative behaviour, divided into “what it is” and “what it isn’t” columns. There is little doubt about what is expected in the culture. In addition, they have articulated top “Inclusive Leadership” actions, behaviours and knowledge and skills.

The success of and impact the P4G performance management system has had on National Grid’s culture is something that organisations can look at to help make the case that a successful and sustainable people strategy requires both commitment and engagement of leadership.

Innovation

Research carried out in 2011 demonstrated that inclusive leaders have made a real difference in employee performance and engagement:

- 84% of respondents said that an inclusive leader made them feel more motivated;
- 83% of respondents reported that an inclusive leader increased their loyalty to their team, leader and organisation;
- 81% of respondents reported that an inclusive leader improved their performance and productivity; and
- 81% of respondents reported that an inclusive leader motivated them to go the extra mile above and beyond their day-to-day role.

The improvements delivered through inclusive leadership were achieved for both men and women and for employees from a range of different groups.