



Take  
Another  
Look

CT Performance Incentive Plan



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Another  
Look

CT Flexible Incentive Plan

# Team Manager Training Session

## New AWA offers

### Take Another Look

*Draft – Telstra in Confidence*

- Background
- Benefits of having AWAs
- Campaign outline
- Role of the Team Manager
- How to encourage sign-up
- Deployment program
- Understanding the offer



## You should be rewarded for your effort

The best way to do this is performance-based pay

*"People across the company should be **rewarded for results** that strengthen Telstra...  
...and the way we do that - whatever job you might be in - is to **align compensation and performance.**"*



Sol Trujillo, Talking Point,  
March 2007



**This is a 'win-win' for you and Telstra**



# ✓ We've listened: We are back with something different



**Since last roll-out, management proactively sought feedback**

- About your on-the-job concerns in general:
  - Management ride-ons to see what is top-of-mind for CTs on the job
  - EES and verbatim
- About the AWA specifically:
  - ~200 CT surveys about how the AWAs could be improved

**This new campaign addresses common themes that were identified**

- A lot of people not opposed to the AWA but there were specifics about it that wasn't suitable to them:
  - Loss of RDO
  - Uncertainty about redundancy entitlements
  - Uncertainty about treatment of sick leave

} These are addressed in the new offers
- It wasn't very well explained in many instances and people didn't really understand
  - We're trying a more tailored approach to make the info relevant to your CTs



# We've listened: We are back with something different



**There are  
also other  
issues**

- Getting enough work due to poor planning and dispatch
  - We're doing something about this by:
    - Linking and bundling
    - Turbo BGO
    - Backyard Blitz
    - Jeopardy Specialists and EOD ToW completions
    - 85% of Return to Me ToW go back to the same CT
    - Reduction of on-the-day jumper drop ins
    - Alignment of key performance objectives in Telstra Services
- "CTs don't trust the change in the job points, Telstra will rip us off"
  - AWA has had four year track record of delivering both productivity improvements and huge income upside for the CTs
  - Job points have changed but CTs on AWA continue to be successful
  - We have invested a lot of effort in getting the incentives right in order to motivate the workforce, we would not want to turn around and 'turn it off' and see productivity drop
  - Rationale for recalibration is time based, reduced cycle time due to Telstra's investment
  - We have established the Productivity Centre of Excellence to manage and assist the regions with CC point allocation issues.

# Time for another look: We are investing in our people



## Investing in our people

- Telstra is making investments in many places in order to help CTs deliver these results
  - Better test equipment
  - CT of the Future program
  - Telstra Learning Academy
  - Telstra 158 Next G™ handsets
  - Field Essentials Portal
- Telstra wants to share the rewards with the CT via an incentive plan
- We want to invest in our people



## You can choose your AWA depending on your individual preferences



CT Performance Incentive Plan\*



CT Flexible Incentive Plan

An incentive structure that maximises your earnings over a 10 day fortnight

An incentive structure that allows the flexibility of a 9 day fortnight

Added protection of 10 days *plus* additional reasonable **personal sick/carer's leave**

Added protection for **redundancy payments**

Your choice of **3 or 5 year contract\*\***

Additional financial benefit through salary sacrificing

\* CT Performance Incentive Plan only available to CFW 4 due to fairness test legislation

\*\*If at any time you wish to terminate your AWA, Telstra will do so after discussions with you. But, the terms and conditions that you will revert to and whether you can subsequently return to another AWA will be dependant upon the workplace laws in force at that time. These laws are determined by the government of the day.

**Draft – Telstra in Confidence**



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# Benefits of having AWA in your team



## Team Manager

- Increase your earning capacity
- Makes your stretch targets more achievable
- Employees on AWAs are self managed – more engaged with their work
- Employees on AWAs are more flexible in their approach to how and when they work

## Telstra

- ~50% of Telstra employees are on AWAs
- ~20% higher engagement for those employees on individual contracts vs. EA



**Your CTs productivity directly impact your earning capacity**

# CTs on AWA help you to achieve your own incentive plan



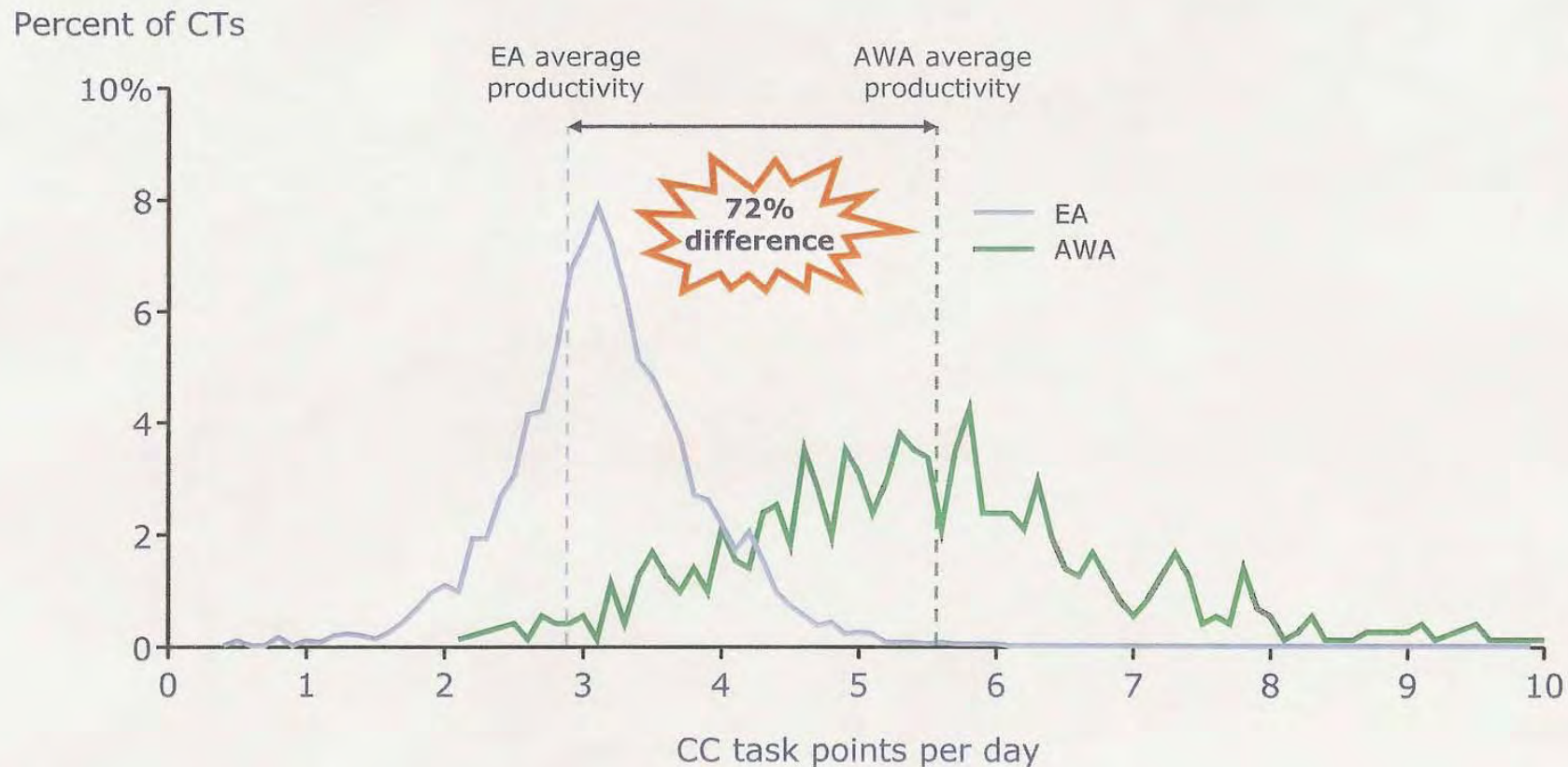
Level	% of CT's favourable to individual targets	Metric-based incentive* (per year)
Level 0	Up to 40%	\$0
Level 1	40-50%	\$2,800
Level 2	50-60%	\$5,160
Level 3	60-70%	\$7,220
Level 4	70-100%	\$9,800

Excluding FM discretionary portion up to \$4,200

\*Assuming quality metric criteria are met  
Source: 2007 Team manager incentive plan



# On average CTs on AWAs are more productive than those on EAs



Source: CBI Productivity Data (October 2006); HR Pay Database

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SYD

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# AWA campaign will be staged in two waves



## WAVE 1

### 3 weeks intensive campaign

- Teams are grouped into 4 clusters by geography
  - Two each in SDE and SDSW
- Trial of two different communications approaches
  - Team-based
  - Segmentation-based
- Intensive monitoring by project team and adjust approaches as necessary
  - Campaign managers to attend all CT presentations
  - Weekly activity report by TM and at least one feedback session with campaign manager included in program of work

## WAVE 2

### National roll-out

- Refined communications approach with learnings from Wave 1
- Segmentation approach can only be implemented in metro areas
- All TMs trained by campaign managers
  - Group sessions in capital cities
- Concurrent CT presentation sessions nationally
  - Campaign managers will only attend selected presentations to provide additional support where necessary
  - Approach for remote locations TBD
- On-going tracking of campaign progress and success



# Wave 1 and 2 timelines: Wave 1 runs from mid September for three weeks



**PRELIMINARY**

September				October					November				December			
3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24



- 3 weeks intensive program
  - 6-7 sessions per week
  - ~60 CTs per week
- 2 clusters for each SDE/SDSW
- TM group training
- Intensive monitoring
- Adjust approach in-flight as necessary

- National roll-out
  - Continue cluster approach (incorporate learnings from Wave 1)
  - Approx 10 – 12 sessions per week
  - Approx 150 CTs per week
- TM group training



## AWA performing for you as an individual

**“Does this sound like you?”** → **“Then this is likely to appeal to you”**

“I like the idea of reward for performance but don’t believe I can get the job points”

### **CT Performance Incentive Plan**

- ‘More money on the AWA’
- ‘Low base steeper incentives’ allow you to push yourself and be rewarded for it
- The work planning issues are improving

“I’d like the opportunity to earn more but I don’t want to give up my RDO”

### **CT Flexible Incentive Plan**

- The No Work Day is guaranteed in one of the offers
- No Work Days are scheduled to business need but you can choose to still work if you want

“It’s safer to stay on the EA, aren’t I better off?”

### **CT Flexible Incentive Plan**

- The AWA and EA have exactly the same level of redundancy payment
- Reasonable additional paid sick leave generally gives you more paid sick leave than the EA if you genuinely need it

“I’m preparing for retirement, I’m worried about the impact on my super”

### **CT Flexible Incentive Plan**

- Others have successfully optimised their super on the AWA
- Let’s get you speaking to Telstra Super for proper financial advice



# Who are the four segments?



## Safety-net



- Mid-career
- Family-man/woman
- Primary income earner or single income household
- Significant financial commitments
  - E.g. home-owner
- Trusts the union more than Telstra management – 'management will change things and I will be worse-off'

## Lifestyler



- Mid-career
- May be dual income household
- Used to having a 9 day fortnight and do not want significant impact on lifestyle
- 'If I am going to be more productive on an AWA (more hours), why can't we negotiate an RDO'

## Short-term maximiser



- Young guns
- Single/ no kids/ have little carer responsibilities
- Will go where the money is
- Not yet AWA because not convinced that they will be successful
- 'If you can't supply us enough work on an EA what hope have we got on an AWA to earn enough money'

## Retirement-focused



- 50+, near retirement
- Empty nesters, very little financial commitments
- Income in retirement front of mind
- Not likely to buy any management messages about performance-culture

Note: Segment estimated by age and PIR survey results  
Source: HR pay database Dec 2006; PIR survey results Aug 2006 (n=102)



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- You have a responsibility to help increase productivity and therefore help our business improve its performance
  - By improving your CTs' productivity you will help the business to meet its performance goals and you are more likely to be rewarded for it
- What is expected of you:
  - Understand your people and the offer they may be interested in
  - Know the detail of ALL incentive plans
  - Lead the CTs through the process
  - Be the first point of contact for your CTs
  - Know who to go for more information



## Team manager support toolkit

### Attend TM full day training session

- What are the key themes and messages
- Understanding the nuts of bolts and the offers
- Preparation/ coaching

Today

### Present at CT information session

- 1.5 hr sessions
- Team manager is the lead presenter
- Supported by HR rep, Telstra Super and peer champions

Next week

### Help your CTs to make an informed decision

- 3 week program of work with minimum 3 one-on-one's with each **your** CTs
- Reporting progress and results to FM weekly

Within three weeks

Get CT to reach an informed decision

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## Your role

- We already expect that you know your CTs' individual likes and dislikes
- You work with these CTs everyday and you will know their personal circumstances
- You are obliged to recklessly not make any false or misleading statements (if unsure contact HR representative or Campaign Manager)
- Recognize people have genuine choice - if someone says they are definitively not interested or are agitated, then let it go
- We want you to encourage your CTs to consider this opportunity

# What is acceptable conduct?



## Examples of proper engagement

- Explaining the benefits of AWAs and express your personal opinion about the benefits of AWAs
- Asking CTs to meet to discuss an AWA offer
- Asking CTs to decide if they will sign is NOT in itself coercion or duress

## Examples that may be coercion

- Definition of Coercion or Duress: *The conduct must have the effect of overbearing the will of the employee such that their choice was no choice at all*
- Threatening to sack a CT if they don't sign
- Declaring a CT's position redundant if they don't sign
- Withdrawing access to overtime or other benefits or entitlements
- Telling people they have no choice but to sign or repeated pestering



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# Launch schedule for Wave 1 teams



▲ CT presentation session

▬ TM follow-up program



Team/session	17/9	24/9	1/10	8/10	15/10
<b>Sydney south</b>					
• Botany	▲				
• City	▲				
• East	▲				
• Balmain/Newtown	▲				
• Sylvania	▲				
<b>Sydney North</b>					
• Short-term maximiser		▲			
• Safety-net		▲			
• Lifestyles		▲			
• Retirement focused		▲			
<b>Adelaide</b>					
• Adelaide North Coast	▲				
• Adelaide North and Hills	▲				
• Adelaide East and Hills	▲				
• Adelaide South	▲				
• Adelaide City West	▲				
<b>Perth</b>					
• Short-term maximiser		▲			
• Safety-net		▲			
• Lifestyles		▲			
• Retirement focused		▲			



# TM program of work during the campaign



## Prep

- Attend TM briefing session
- Speak to CT and allocate segment/session (for both approaches)
  - Option of partners-invited sessions in Week 2
- Pre-schedule **three** one-on-ones
  - 1<sup>st</sup>, 2<sup>nd</sup> and final
  - FM to schedule sit-ins/ ride-ons if appropriate
  - Adjust one-on-ones for **existing AWAs** as necessary

## Week 1

- CT presentation
- First one-on-one follow up with CT within 24 – 48 hrs
  - Approach CT based on their segment
- Submit which AWA needs to be generated for the CT
  - CT's selection or best guess
- Second one-on-one with CT to present actual AWA contract
  - Reinforce segment message
  - Go through 'what happens next'

## Week 2

- Third one-on-one within the next 48 hrs (unscheduled)
  - Did we give you the right AWA?
  - Decision checkpoint
  - What further information can I provide?
- Run through earnings calculator with CT
- After hours partners Q&A session
- Further follow-up with CTs as necessary
- Arrange FM to speak to CT if necessary

## Week 3

- Final one-on-one seven days after AWA document formally presented
  - Must accept or reject?
  - If reject, why?
  - Try to be on Fridays if possible

- 
- Submit CT segment allocation/session
  - Submit activity report/checklist

- Submit AWA choice
- Submit activity report/checklist

- Resubmit AWA choice if necessary
- Meeting with camp mngr before partners Q&A
- Submit activity report/checklist and expected close rate

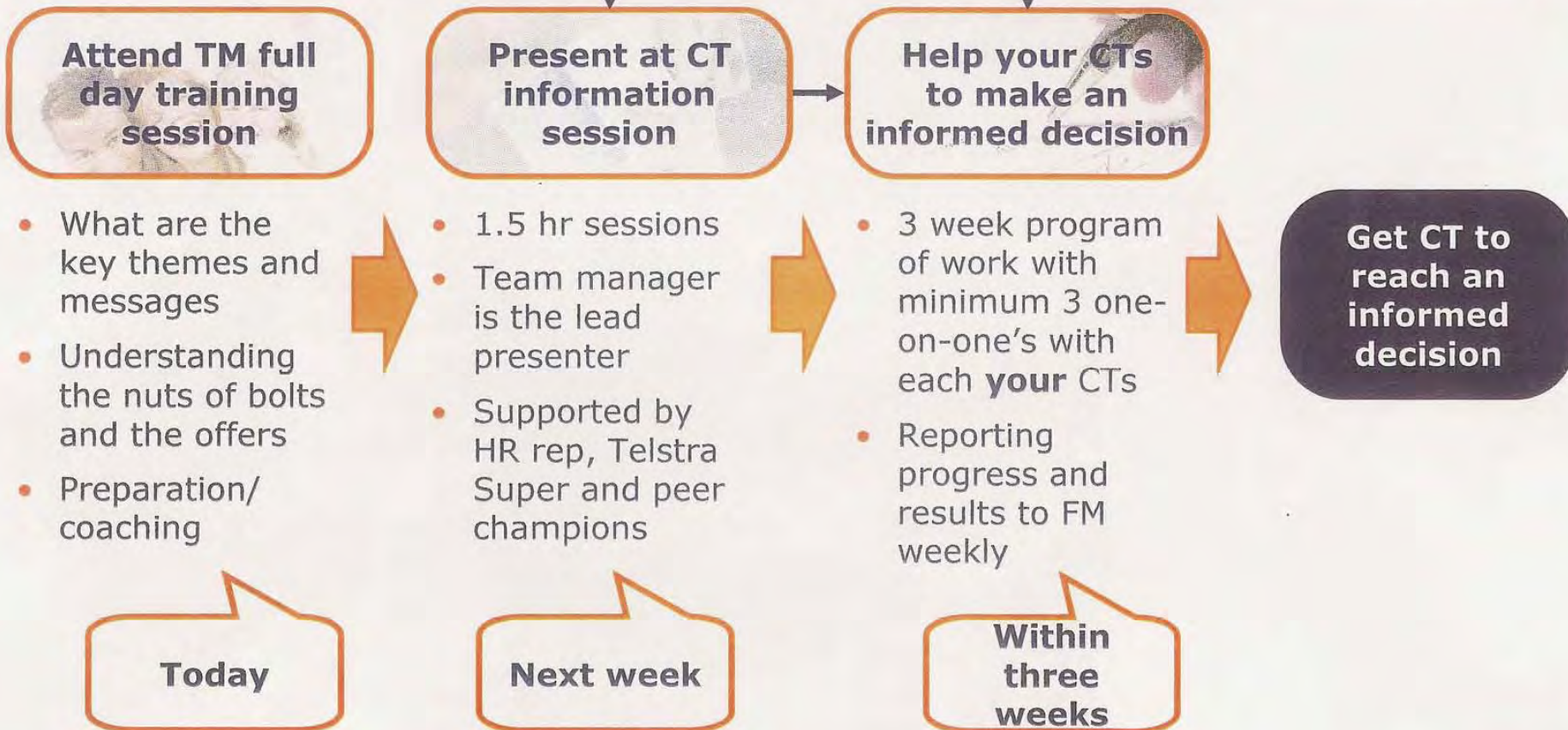
- Conf call with camp mngr
- Submit results

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- Make sure you understand the details of the two new offers
- Clarify logistics for your CT presentation with the Campaign manager
- Develop your schedule to meet with your CTs after the presentation
- Remember your presentation and conviction will make ALL the difference!

## Team manager support toolkit





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