



# Changing work patterns at Lloyds TSB

## Introduction

Lloyds TSB Group is one of the UK's biggest organisations. It employs over 66,000 people in the UK and in 27 countries worldwide. The business serves around 16 million customers, operating in a range of financial markets. These include personal and private banking, **corporate banking**, insurance and mortgages.

Lloyds TSB operates on a global scale and competes within rapidly changing markets for the delivery of financial services to personal and business customers. These customers expect a wide range of services to be available 24 hours a day and delivered with first-class customer service. In order to remain ahead in this demanding market, Lloyds TSB has put in place a range of innovative **human resource management** policies to ensure Lloyds TSB is a great place to work and that its staff are happy, motivated and committed to giving the highest levels of performance to the organisation and its customers.

In 1998, the Group conducted research with employees, which showed that one of their main concerns was being able to balance a demanding job with outside commitments, such as family life, hobbies and leisure activities. This led to the Group designing and introducing a unique flexible working policy, called Work Options, a year later. This allows staff to structure their working arrangements in a way that helps them to achieve a better **work-life balance**. This policy gives all staff the right to request a different working pattern from the standard 9.00 a.m. to 5.00 p.m. working day.

Lloyds TSB is widely recognised as one of the best employers for providing flexibility for its staff. By following this flexible approach, Lloyds TSB is able to attract, appoint, motivate and retain the best staff available, which in turn keeps customers happy and keeps the organisation at the top of the financial services field.

## The changing work environment

A typical worker in early 20th Century industry would 'clock in' and 'clock out' of work. A mechanical device recorded the start and finish times for every individual worker. The traditional work pattern was based on a fixed 9.00 a.m. to 5.00 p.m. working day. Traditionally, workers were paid weekly wages based on an hourly rate given for the job. Management and professional roles tended to be paid monthly salaries. However, the common factor in everyone's working life in the past was an agreed, fixed start time and finish time.

More recently, there have been many social and economic changes which make such fixed work arrangements difficult or inappropriate. In the 21st Century, more and more women are working and people, in general, live longer. There is now a basic expectation that all employees are treated equally. These **demographic** and social trends place enormous pressure on those with family responsibilities, especially women, although recent research has shown that fathers also want to play a more active role in bringing up their children. In 2003, the Flexible Working Regulations came into force in the UK. These regulations give employees looking after young or disabled children the right to request flexible working arrangements from their employer.

### CURRICULUM TOPICS

- Human resource management
- The business case
- Changing working patterns
- Flexible workforce



### GLOSSARY

**Corporate banking:** banking services for businesses.

**Human Resource Management:** the development of an organisation and its people.

**Work-life balance:** creating conditions for staff that allow work and home commitments to be balanced.

**Demographic:** a characteristic such as age, gender, marital status, etc., which is used by marketers to segment the market as a whole.





**GLOSSARY**

**Labour market:** the available pool of workers within a country or region.

**Motivation:** attracting a person to do something because he or she wants to do it.

**Absenteeism:** people not being in the place they are expected to be, especially school or work.

In 2007, the government extended this right to request flexible working arrangements to carers of other dependents, such as spouses, partners, relatives, or someone living at the same address as the employee. But from the outset, Lloyds TSB has offered flexible 'work options' to all of its staff and put into place its own procedures to allow every member of staff, not just women with young children, the right to request to work flexibly. This makes Lloyds TSB stand out from other employers.

By 2010, it is estimated that 85% of the growth in the UK workforce will be women. Within Lloyds TSB, 62% of its workforce is female and around 2,000 staff take maternity leave each year. Of these, around 87% return to work for the company after their leave. This is an important statistic. In a tightening **labour market**, businesses must attract high calibre staff and then retain their services. Lloyds TSB's reputation on flexible working is a very important factor in achieving this.

## The business case for flexibility

Flexible working is not merely of benefit to staff; it makes excellent business sense too. Lloyds TSB believes its ability to deal effectively with the need for flexibility strengthens its position as an employer of choice and enables the Group to deliver levels of service that differentiate Lloyds TSB from its competitors. Customers benefit by getting to deal with a professional, friendly, well-informed and enthusiastic person. In an increasingly competitive market place, where retailers, supermarkets and other companies can also offer financial services, Lloyds TSB needs customer service excellence 'around the clock' to stay competitive.

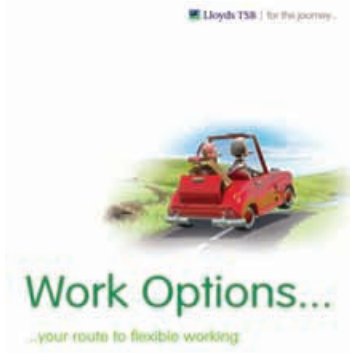
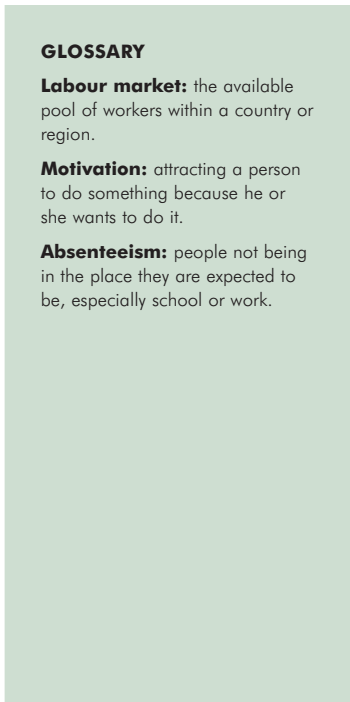
Lloyds TSB developed its own flexible working approach in 1999 to help attract and retain the best staff. The Group's own 'leaver surveys' (questionnaires completed by people leaving the business) showed that flexibility was a prime reason for them joining initially. This is supported by a national survey which showed that flexible working was a more important factor than pay for graduates in choosing an employer.

Employees need **motivation** and commitment. Research shows that people are more productive and experience less stress when they have control over the hours they work. Therefore, flexible working helps Lloyds TSB to gain the long term commitment and motivation of well qualified and experienced staff. It is far more expensive to recruit and train new staff than to retain existing ones.

Jo is an Assistant Manager, Process Design in Group Operations.  
*'I have two children and my husband is self employed. I work from home five days a week. I have been able to continue my career with the bank and deliver 100% commitment.'*

Flexible working generates cost savings too. Traditional work patterns usually involved fixed hours between 9.00 a.m. and 5.00 p.m. Work beyond these hours was paid by employers at overtime rates, e.g. 'time and a half' or more, driving up staff costs. By introducing flexibility, Lloyds TSB has been able to extend staff cover at no added cost. In today's world, people with busy lifestyles require financial services at any time. Peak customer demand does not follow a traditional 9.00 a.m. to 5.00 a.m. working day either. For Lloyds TSB, flexible arrangements permit it to offer its employees personal benefits to suit their own lives and deliver a more complete service to customers. Both parties win.

Achieving a healthy work-life balance is important to the Group as well as to its staff. For staff, the pressure of a career set against a background of family responsibilities can be difficult to manage. Sickness and **absenteeism** often increase when these pressures become too much. Research shows that people who are free to concentrate on their job without conflict with other commitments are much more efficient workers.





Assistant Manager Mark has been able to work flexibly for five years.

*'I have joint custody of my daughter. Thanks to flexible working I can play an active part in her upbringing. For me, this is one of the key benefits of working for Lloyds TSB. I work a variable fortnight, starting at 9.30 a.m. some days and finishing at 4.30 p.m. others.'*

Managers at Lloyds TSB are encouraged to measure every staff request for a flexible work pattern against this 'sound business' background.

## Flexible working patterns – reduced hours

There are various patterns of flexible working available. These can be selected by individuals to suit their own personal lifestyle and outside responsibilities.

Some patterns affect the number of hours worked within the standard working week of 35 hours. Reduced hours is a simple model, otherwise known as working 'part-time'. Two other flexible patterns, **Job Sharing** and **Term Time Working** are particular types of reduced hours.

Term time working is where an employee with school age children identifies how many weeks of the year they wish to work. This varies according to local school term dates, usually amounting to 38 or 39 weeks per year. In some areas the staff recruitment market is very competitive. Some branches have attracted new recruits by offering term time employment, together with seasonal cover over school holidays.

Job sharing is where two members of staff share one job role. The business gains because they have two people combining their experience, skills and creativity into one role. Recent research showed that 70% of managerial job-share teams were 30% more productive than full time colleagues.

Annette and Angie are Customer Service Managers at Lloyds TSB's Wisbech branch. As Annette says, *'We have job shared for nine years now. We cover a full working week between us with handover meetings every Tuesday morning. We talk about any issues that have arisen. We are very different characters and react in completely different ways to problems. However we find our skills complement each other well. The bank benefits because it wouldn't get this from just one person.'*

## Flexible working – alternative patterns

Other, more creative, working patterns enable employees to continue to work full-time but in patterns that suit the business needs as well as theirs.

**Compressed working** allows staff to work a standard week or fortnight within a shorter time scale. One way of doing this is to work a couple of longer days a week, then take time off to match personal needs.

Debbie works in IT Service Delivery in Cheltenham & Gloucester.

*'I have worked a compressed week for five years. This means I can pursue the two hobbies I love, scuba diving and genealogy. I feel motivated, enthused and energised about my role in Lloyds TSB. I take my non-working day when it suits both me and the branch. My manager knows I will get the job done. It has transformed my work and my non-work life!'*

Using compressed working allows Debbie to enjoy her leisure time and at the same time Lloyds TSB gains a motivated and loyal staff member.

**Variable hours** allows management and staff to arrange working hours that serve both the needs of the business and the personal needs of staff. Management gains the capacity to organise cover that can match customer demand. A full 35 hour week is done but instead of fixed 9.00 a.m. to 5.00 p.m., staff can agree to start and finish at other times.

### GLOSSARY

**Job sharing:** one job role done by two members of staff.

**Term time working:** working hours arranged to suit school terms.

**Compressed working:** working more hours per day to reduce the days worked.

**Variable hours:** arranging different start and finish times to suit individual needs.



**GLOSSARY**

**Homeworking:** carrying out a professional role from home.

**Tele-working:** working remotely from the office, anywhere, using electronic means of communication.

**Competitive advantage:** a strategic element that enables an organisation to compete more effectively than its rivals.

For example, married couples working for Lloyds TSB can set up work patterns to meet their family needs. Mike and Jane work for Commercial Banking Finance and UK Retail Banking Finance. They work alternative shifts, 8.00 a.m. to 4.00 p.m. and 10.00 a.m. to 6.00 p.m. (variable).

*'We have two children aged nine and twelve', explains Mike. 'Jane works from home on Mondays and from Tuesday to Friday we arrange between us to work either early or late. This way, one of us is always around to take the children to school or be here when they come home.'*

Lloyds TSB still has the expertise and the skills of both Mike and Jane, spread over longer hours. They have their careers and know that their children are safe and well.

Many Lloyds TSB staff are now allowed to do **homeworking**, a work pattern that would have been unthinkable a few years ago. Today, thanks to the availability of **tele-working** technology, such as mobile phones, email, and video conferencing, staff can carry out their duties away from the office, often at home.

Jo manages her Process Design management role very effectively.

*'Communication is the key and I never miss an opportunity to let my customers know my hours of work by publishing them on my email signature and voicemail. I regularly deal with mobile messages and e-mails.'*

Jo is able to repay Lloyds TSB with continued commitment and loyalty.

**Conclusion**

Lloyds TSB was ahead of the game when it came to introducing flexible working patterns. The Group was aware that economic and social changes meant that people often live complex lives in and outside of work. Far-sighted management at Lloyds TSB saw the benefits to the business of recruiting and keeping excellent people, who would be willing to build a career in the Group. It also understood that it needed to strike the right balance between individual needs, professional requirements and working patterns to achieve **competitive advantage**.

Good human resource management is about nurturing and developing people. In a service industry like banking and finance, great customer service is the cornerstone to achieving high levels of customer satisfaction. Great customer service depends on having staff that are motivated and committed to the organisation. Work Options has helped to build an effective, happy and motivated workforce. Only by doing this can Lloyds TSB continue to attract and retain the best talent and maintain a world class financial business.

**Questions**

1. What social and economic changes have led to an increased need for flexible working?
2. Why would an organisation like Lloyds TSB wish to adopt flexible work patterns?
3. Select two kinds of flexible working arrangements and explain how both an employee and a business may gain from them.
4. Using a medium sized business you know of, assess the value or otherwise of allowing flexible working.



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