

Lloyds TSB

The company

Lloyds TSB is among the 13 largest organisations in the UK and ranks as the fifth biggest bank in Europe based on market capitalisation.

Total income	£9,434m
Customers	16 million

The workforce

More than fifty per cent of employees are in direct service roles, offering a range of financial products that are available to customers 24/7. The company has offices throughout the UK and overseas.

Number of employees	75,856
Percentage women	63%
Percentage of women returning to work after maternity leave	87%

* All workforce figures are based on the year ending 31 December 2004.

The challenge

In the face of increasing competition, a tightening labour market and the rise of a 24-hour banking culture, Lloyds TSB needs to offer employment policies that will attract and retain the best people from the widest pool of applicants.

The response

Lloyds TSB aimed to develop an employment package that would appeal to all employees, regardless of race, disability or gender with the aim of making the Group an employer of choice. Features include:

- Some provisions focus on men and women with caring responsibilities but key policies are available for all employees.
- It goes beyond current legislation where possible.
- Requests for a different work patterns or number of hours ('Work Options') are based on business impact not on individual personal circumstances.

The work-life policies

For new parents and carers:	
Compassionate and emergency leave	Paid or unpaid leave when urgent or unplanned family situations arise.
Parental leave (legislation refers to as 'maternity leave')	Generous leave provisions for mothers, adopting parents and partners with primary responsibility for early care.
Additional parental leave (legislation refers to as 'Parental leave')	Employees with children under 5 (or disabled children under 18) can take up to 4 weeks unpaid leave a year from an entitlement of 13 weeks.
Career break	Staff can take an employment break of up to 5 years to care for dependants; there is no guaranteed right of return but every effort is made to re-employ

For all employees:	
Work Options – flexible working scheme	All employees can apply for a change of work pattern or hours, choosing from reduced hours, job

	sharing, compressed hours, term-time working, variable hours and working from home. Management must be able to demonstrate a business detriment to decline.
Healthcare Direct	Employees can obtain professional counselling, emotional support and healthcare advice
Flavours – flexible benefit scheme	Staff can buy many additional benefits on a flexible basis, e.g. childcare vouchers, dental care, private medical insurance
Sabbatical leave	Not yet available: career break policy to be reviewed in 2005 with a view to opening it up to all employees

Take-up and outcomes

Take up:

- During its first year (1999) the number of flexible workers rose by 15% (against a target of 3%)
- 86% of Work Options' requests are approved
- 22% applications from managers

Outcomes:

- Work Options has helped erode the bank's traditional long hours culture, enabling managers to focus on individual productivity not hours worked
- Seniority is no longer seen as a barrier to flexible working
- Flexible working is no longer seen as being just for mothers with traditional childcare responsibilities

Business benefits

- Tangible business savings:
 - Staff cover can be extended at zero cost
 - Resources can be matched to peak demand
 - Staff overtime is minimised
- More motivated workforce:
 - 80% of Work Options users believed their flexible working arrangements
 - improved their performance
 - meant they were more likely to stay at Lloyds TSB
 - meant they would recommend Lloyds TSB as a good organisation to work for

The challenges

A review of Work Options identified areas for improvement:

1. Communication of the policy relied on management cascade. Variable middle management support led to take-up that varied according to departments.
Solution: a dedicated flexible working website was created giving all staff immediate access to information about Work Options.
2. Job share take-up was negligible because there was no mechanism for employees to find job sharing partners.
Solution: an online Job Share Register was launched which includes job share guidelines.
3. An enduring long-hours culture made some employees feel they would be seen as less committed if they applied for flexible work.
Solutions:

- a) all internal vacancies clearly state they are open to employees who want to work flexibly.
- b) the 2003 Flexible Working Regulations gave Work Options a new legal status and also created an opportunity for a further major communication programme to raise awareness about all the options available.

In practice

This manager has eleven staff between Bristol and London. His department experiences heavy and often unpredictable demands. His staff first approached him about flexible working arrangements after Work Options was introduced in 1999. Initially unsure how it could work, he piloted a 'compressed fortnight', with each members of the team taking 1 day in 10 off. Everyone agreed they would retain flexibility in case of unexpected major work demands. After a successful pilot, the arrangement was made permanent.

He says: "Flexible working has brought the team closer together. Everyone realises it's in their interest to make sure Work Options works and places more reliance on the 'collegiate' team approach."

His team has proved that it can still deliver the results the bank demands, whilst increasing work-life balance: everyone wins.

The future

The Group's Equality & Diversity Department plans to carry out further research in 2005 into employees' views on its work-life balance offering.