

Newcastle Contact Centre: Pay Update

The Facts Fair Pay Now LTU's Pay Proposals For Newcastle Contact Centre

LTU has insisted during negotiations with Senior Management that the Bank's proposed Pay Arrangements for Newcastle Contact Centre are not good enough.

Despite offering increases in Pay Rates of £450 for Agents at Entry Level and Effective Level 1, Lloyds TSB Staff would still be left underpaid compared with equivalent jobs at other companies' call centres.

This is shown in the table below which shows how Newcastle's Pay Rates compare with the UK Call Centre Industry Averages according to research by the leading salary research organisation, Industrial Relations Services.

	<u>UK Average</u>	<u>Newcastle Contact Centre</u>
Trainee/Entry Salary	£11,400	£11,200
Effective Level 1	£13,000	£11,700
Effective Level 2	£14,802	£13,000
Team Leaders (EL1)	£17,750	£16,700

This is wholly unacceptable, given that the Bank's own Pay Policy is to pay staff at the Median (midpoint) of the market for Call Centre Staff.

LTU is also concerned by a number of other important matters affecting the management of pay within the Bank's Contact Centres. These include:

- **Refusal by the Bank to guarantee that all staff will be paid the appropriate Pay Rate for their Effective Level.**

Instead, the Bank has said that Pay Rises will also be conditional on Performance, Attendance and Conduct Issues.

This is completely unacceptable to LTU. If staff meet the Performance Criteria for their Effective Level then they should automatically be paid the appropriate Pay Rate. After all, the Effective Levels process measures performance in considerable detail on an ongoing basis.

Meanwhile, if the Bank has concerns over Attendance or Conduct then it should address these concerns through the correct mechanism; through use of the Disciplinary Procedures, where the Bank is obliged to substantiate its concerns and staff have a right to Union representation.

- **Shortcomings in the operation of Effective Levels, whereby only a small number of Agents across all Contact Centres have so far reached Effective Level 2.**

This is despite the fact that, according to Bank Policy, this is attracts the Pay Rate that 'fully satisfactory performers' should expect to receive.

LTU's Proposals For Newcastle

LTU is campaigning for **'Fair Pay Now'** for staff working at Newcastle Contact Centre.

The Union is insisting that Pay Levels and the operation of Effective Levels at Newcastle Contact Centre need to be substantially improved to ensure that staff are paid fairly for the work they do.

The key areas of concern that LTU has focused upon are detailed below:

Newcastle Pay Rates

LTU's research has found that Pay Rates at Newcastle Contact Centre are significantly below those of similar staff working for other companies.

Furthermore, the Union has found that when setting salaries, the Bank has been comparing pay in its own Contact Centres with the pay of lower size jobs in other companies. The Bank's proposed Pay Rate for a **higher grade** Agent at Effective Level 2 at Newcastle (£13,000) is the same as that of the UK average for a **'Customer Service Representative - Lower Grade'** (also £13,000) according to a major study by Industrial Relations Services.

LTU's proposals for 2003 for Newcastle Contact Centre are based on Industrial Relations Services' (IRS) findings for Median Agents salaries in the North East. The proposed Pay Rates are based around the **'Customer Service Representative - Lower Grade'** / Effective Level 1, since this is the level that most Newcastle staff are on. Existing differentials are then maintained for Entry Level and Effective Level 2.

It cannot be in the Bank's interest to refuse to introduce significant increases in pay for staff at Newcastle Contact Centre, in order to move Agents' salaries to the Median (average) pay of other companies.

Levels of pay undoubtedly have a substantial impact upon the effective running of the Newcastle Contact Centre. The efficiency, effectiveness and standard of customer service provided by Contact Centres is undermined by high levels of staff turnover and attrition. No-one can realistically deny the fact that low pay and recognition are key contributors to these exceptionally high levels of staff turnover and absenteeism.

The Bank also needs to decide upon the qualities of staff it requires at Newcastle Contact Centre. Though it might be able to recruit at current low pay levels, it is certainly failing to retain staff and will undoubtedly suffer if it continues to refuse to offer the salaries required to recruit and retain the right type of staff.

Effective Levels

LTU has real concerns over the operation of Effective Levels within Newcastle Contact Centre, particularly since:

- Almost a third of staff have been stuck on the Entry Level for more than 8 months. LTU would expect staff to typically reach Entry Level 1 within six months of joining the Bank.
- Insufficient numbers of Agents across all Contact Centres are reaching Effective Level 2, despite the

fact that, according to the Bank's own Pay Policy, this is the 'rate for the job' for a fully satisfactory performer.

The Union and Bank are committed to working closely to develop and deliver substantial improvements in the operation of Effective Levels across all Contact Centres.

Newcastle Contact Centre - LTU Proposals For 2003			
	<u>Bank's 2003 Pay Offer</u>	<u>IRS North East Median</u>	<u>LTU's Proposed Pay Rates</u>
Trainee/Entry Salary	£11,200	£12,419	£12,500
Effective Level 1	£11,700	£13,000	£13,000
Effective Level 2	£13,000	£14,442	£15,000

Restrictions on Pay Increases

The Bank has said that not all staff will be moved to the appropriate Pay Rate for their Effective Level.

It is insisting that each Pay Increase should be decided on an individual basis having taken into account "documented under-performance, attendance or conduct issues".

This is a wholly unacceptable manipulation of the Pay System operating within the Contact Centres.

LTU's objections to this development are:

1. **Agents already have their performance monitored in considerable detail on a monthly basis.** Few other staff across the whole of Lloyds TSB have their performance measured so closely.

Since under-performance at an Effective Level would result in the individual concerned being 'demoted' to a lower Effective Level, then what possible reason can the Bank have for 'a second shot' at limiting an individuals' pay?

2. **If the Bank has genuine concerns over an individual's Attendance or Conduct, then the correct route for addressing these concerns is by use of the Bank's Disciplinary Procedures.** This is what happens in all other parts of the Bank.

To financially penalise staff in the way Management proposes - through withholding Pay Increases - is completely unacceptable since there would no longer be an obligation on the Bank to substantiate its case nor a right for the individual to put across their own case with LTU's support through the formal Disciplinary Process.

Campaign For Fair Pay Now

LTU believes that Newcastle Contact Centre Staff should no longer be expected to tolerate a situation where their pay is managed too low and they are faced with few opportunities to achieve meaningful career development, promotion or recognition.

It cannot be in the Bank's interest either to maintain the status quo, where the efficiency, effectiveness and standard of customer service provided by its Contact Centres is undermined by high levels of staff turnover and attrition. No-one can realistically deny the fact that low pay and recognition are key contributors to these very high levels of staff turnover and absenteeism.

LTU is therefore insisting that the Bank should:

1. **Introduce significant increases in its Pay Rates for Newcastle Contact Centre to ensure that staff are genuinely paid the 'rate for the job'. This should be funded by a substantial investment of additional funds over and above the 3% Pay Pot for salary increases across the rest of the Bank. LTU's proposed rates for each Effective Level are detailed on page 2.**
2. **Reintroduce a Band 7 Agent Role to which all**

staff meeting the criteria for Effective Level 2 should be automatically moved. The Bank should also overhaul the Effective Levels arrangements to ensure that at least a third of all Agents can expect to be at this Effective Level at any one time.

3. **Not only significantly increase Pay Rates, but also set the pay for Effective Level 1 at 100% of the rate elsewhere for 'Customer Service Representative - Lower Grade' rather than continuing the practice of automatically paying staff at this level just 90% of what they should be entitled to.**
4. **Drop plans to restrict automatic increases to the appropriate Pay Rates for each Effective Level, other than where staff have been penalised following Disciplinary Action successfully taken by the Bank.**

LTU believes that only by adopting all these measures can staff be assured of not only being paid fairly but also in accordance with the provisions of the Bank's own Pay and Human Resources Policies.

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