

**its introduction large numbers of staff are still only at Level 1.**

LTU has also been critical of Telephony's decision when introducing Effective Levels to scrap the Band 7 Agent Role, since as a consequence many staff are starved of career development, promotion and formal recognition.

**However, the experience so far of the limited number of staff in Group Operations on Effective Levels, those in Personal Lending Decisions, has been very different with over 95% of staff moving to Competent and Expert Levels.**

Group Operations has also retained the Band 7 role that was scrapped in Telephony and we are sure this has contributed to the success of the scheme.

## LTU Advice & Support

For further advice or assistance on this, or any matter, members should phone the Union's 24 Hour Advice Line on 01234 262868 to speak to a full time official for independent, professional advice and assistance.

In addition LTU Regional Officer Stuart Rankin and LTU representatives are available on a regular basis to all staff in Brighton and Southend to help members with any questions they may have and to get your feedback.

I would welcome members views and experiences of Effective Levels as it develops and any issues we should be addressing with the Bank. Members can contact me either by email at Nick.Holt@ltu.co.uk or on 01234 262868.

**NICK HOLT**  
Assistant General Secretary

27 JUNE 2005

Credit Operations

# Effective Levels Ready To Be Introduced In Credit Operations

Last year I reported to members that a new performance and reward structure, known as Effective Levels, was to form an integral part of the business transformation programme taking place within Credit Operations. According to the Bank the development and reward capabilities that Effective Levels offered could help to address its long standing recruitment and retention difficulties.

However, as members will be aware the planned introduction of Effective Levels in January never took place. This was because with the move to organise work into Low/Medium and High Risk, the original performance measures were no longer appropriate. It has taken until now to get consistent, robust data to work from in order to develop a simple set of measures that were clear, achievable and importantly could be adjusted to reflect economic conditions i.e. how easy/difficult it was to collect debt.

As a result staff in Brighton who work on Low/Medium and High Risk collections will this week be briefed on the introduction from next month of a new system of Effective Levels. Staff will be assessed against these measures over the next three months with new Levels and any salary increases applying from November.

To reiterate, the Effective Levels system involves staff being measured on a regular basis against a number of performance targets and behaviours

---

## INSIDE

### Effective Levels Explained

### Background

### LTU Advice & Support

---

and depending on their performance, being paid at one of three levels which attract specific rates of pay i.e. 90%, 100% or 112.5% of the Market Indicator.

Effective Levels have been in operation in a number of parts of the Bank, most notably Telephony, for several years and whilst LTU has been broadly supportive of its introduction it is no panacea and has not, certainly within the Telephony area, produced the level of pay progression expected. **However, we have worked closely with Credit Operation for the best part of a year on its system and are confident that in its current form it will produce real improvements in development and importantly pay.** The scheme will also be the subject of ongoing review and negotiation to ensure the measurements are appropriate, realistic, fair and achievable.

Further details are provided inside this Newsletter.

## Newsletters by Email

LTU is offering members the opportunity to receive newsletters by Email.

We will send all newsletters for your area direct to you on the day they are sent to members by post giving you authoritative, immediate information on the issues that matter.

To subscribe to the service all you need do is email us at 24hours@ltu.co.uk with the subject line "Newsletters and your membership number (your file or payroll number)" or phone on 01234 262868. We'll do the rest.

# Effective levels Explained

The main features of the Effective Levels performance and reward system are that:

- **Staff will have a set of performance measures and behaviours for their role against which their individual competency or effectiveness will be assessed - both monthly and quarterly.**
- **Depending on their level of competence, staff will be paid at one of three Effective Levels.**
- **When individuals decide - in agreement with their Line Managers - that they wish to work towards the next Level, their performance will be assessed against the performance standards for that Level. If the standards are met, in most cases for two consecutive quarters, then they will be promoted to the higher Level with an automatic salary increase.**
- **Conversely, if as part of the monthly assessments performance falls below the standard for their Level for two consecutive quarters then staff drop back down to the next Level. However, existing basic salary is to be permanently protected irrespective of movement between levels.**

- **The Pay Rates for Effective Level 1 (Foundation) is equivalent to 90% of the Market Indicator, for Level 2 (Competent) 100%, and for Level 3 (Expert) 112.5%.**

The Credit Operations version of Effective Levels will define and measure:

- **Knowledge & Skills** i.e. product and systems knowledge
- **Values** i.e. behaviours, call quality and compliance
- **Performance** i.e. £s collected per connect or Right Party Contract.

These measures will be weighted in line with the existing Balanced Scorecard objectives in that 80% will reflect objectives measures of performance, adherence to rules and compliance and 20% on development and behaviours.

Approximately 400 staff will move to the new system from July with any salary increase being effective from November. The intention is that the remaining 400 or so Collections staff based at Southend and Brighton will move onto a similar system before the end of the year.

**One advantage of Effective Levels, particularly the Credit Operations scheme, is**

**that the expectation for staff development and pay increases are clear and provide comparatively speedy and guaranteed pay progression. Staff will be expected to be Competent within 9 months of entry to the Bank and therefore paid the rate for the job - 100% of MI.** Importantly remaining at Foundation Level will not be an option as the Foundation Level is essentially a training and development level. After three months initial training therefore and a further six months in Foundation staff should be rated Competent.

The new entrant salary will be 90% of Market Indicator.

The Bank has told LTU that based on the last 3 months performance data it would expect the following distribution of staff in the new Levels:

	<b>Low/ Medium</b>	<b>High</b>
<b>Expert</b>	<b>15%</b>	<b>16%</b>
<b>Competent</b>	<b>56%</b>	<b>69%</b>
<b>Foundation</b>	<b>29%</b>	<b>15%</b>

**This would result in 58% of staff receiving a salary increase.**

The Effective Level salary points will be as follows:

	<b>Low/ Medium</b>	<b>High</b>
<b>Expert</b>	<b>£17,029</b>	<b>£19,279</b>
<b>Competent</b>	<b>£15,137</b>	<b>£17,137</b>
<b>Foundation</b>	<b>£13,623</b>	<b>£15,423</b>
<b>Trainees WSG</b>	<b>£13,623</b>	

Low/Medium is equivalent to Band 8 and High Band 7. A Super High level will be introduced later in the year which will be equivalent to Band 6.

## Effective levels -The Background

When the Effective Levels system was introduced in Contact Centres, LTU said that there was a great deal of merit in adopting the then new approach to recognition and career development. However, we made the point then that the success of any new system would be judged on the progression of staff through the Levels.

**On the basis of the lack of progression so far seen within Contact Centres, the Effective Levels system must be deemed to have failed to deliver. As even now several years after**