

26th May 2004

Lloyds TSB - Isle of Man

Pay 2004 Survey Results

Earlier this year LTU issued a survey to all staff in the Isle of Man asking them for their views on the new reward package and pay offer for 2004. Over 300 staff returned the survey forms which was a good response rate given the pressures on their time. The full results of our survey are set out in the pages overleaf.

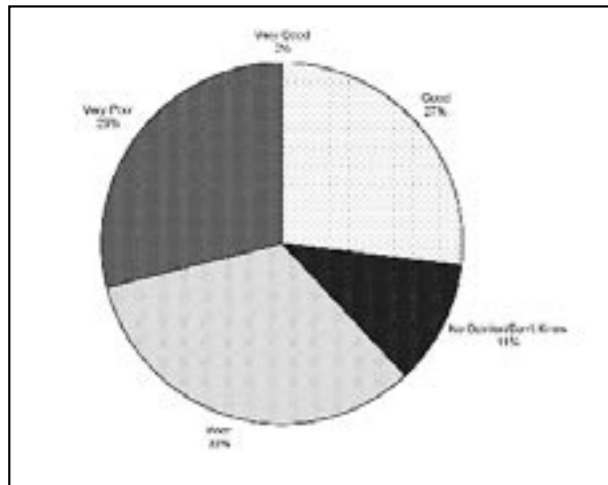
Some of the key results are as follows:

- **62% of staff in the Isle of Man said that Offshore Banking's pay offer was either 'poor' or 'very poor'. The combined figures for all three islands was 76%.**
- **As part of our claim LTU has said that staff should be told how long it will take to get to the middle of the 'market' zone, which is the rate for the job. Despite the fact that 92% of staff on the Isle of Man agree with our claim, Offshore Banking have not yet answered that simple question.**
- **The new Chief Executive has made much of the fact that he wants to create a high performance organisation. However, what that means in practice, and how staff will know when it has been achieved, is not clear at all. Notwithstanding that, 88% of staff have said that in a high performance organisation their pay should be the best in the financial services industry.**
- **The Balanced Scorecard has been introduced across the Group. 31% of staff in the Isle of Man said that they didn't have a clear understanding of their Performance/Balanced Scorecard objectives for 2004. Whilst we accept that the Balanced Scorecard is new, only 20% of staff in the Isle of Man said that it had changed the way in which they worked. Equally, if the Balanced Scorecard is to be effective then staff will need to have regular reviews of their performance. But that is not happening. Only 55% of staff on the Isle of Man said that over the last 12 months they have had regular reviews of their performance. That is unacceptable in a high performance organisation.**

We have shared these results with the Bank and have been assured that steps will be taken to ensure the Balanced Scorecard objectives are fully understood by everyone.

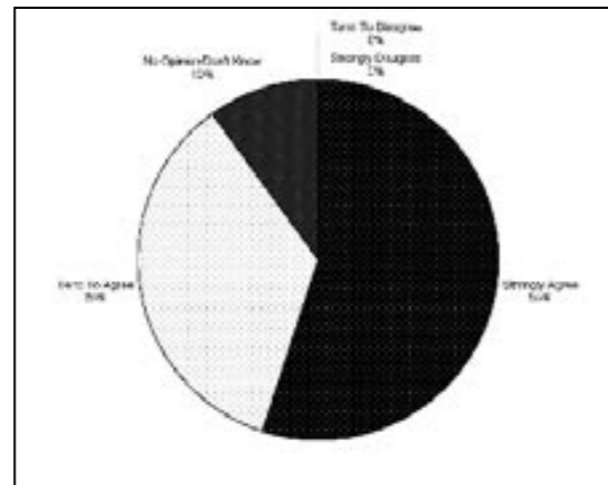
Members with any questions or comments on the survey should contact the Union's Advice Team in Bedford on 01234 262868, or they can e-mail me at Mark.Brown@ltu.co.uk.

Q. How would you rate Offshore Banking's pay offer?



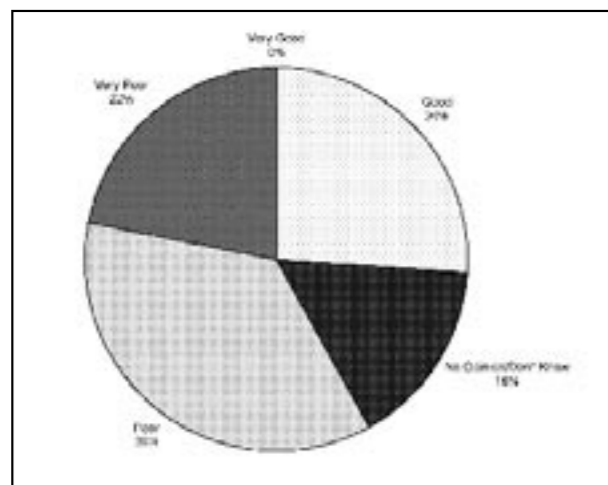
Only 27% of Isle of Man staff said Offshore Banking's pay offer was 'Good' or 'Very Good'.

Q. There should be a direct link between pay and performance.



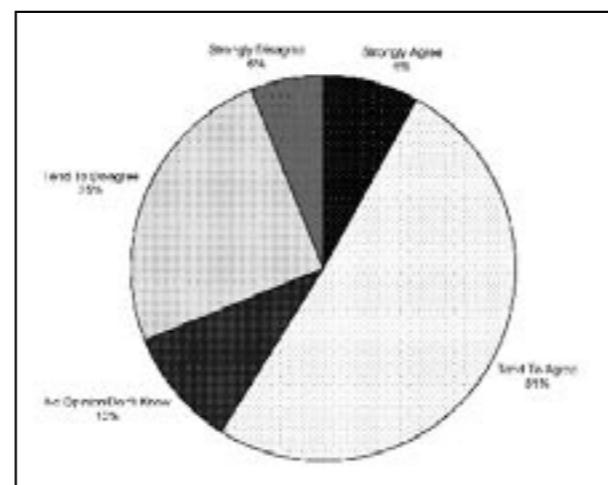
The link between pay and performance management is critical. How the new performance ratings will work and how exactly they will be linked to individual pay awards for 2005 onwards is still unknown. However, 90% of staff in the Isle of Man agree with LTU that there should be a direct link between pay and performance ratings.

Q. How would you rate Offshore Banking's new reward package?



58% of staff in the Isle of Man said the Group's new reward package was either 'Poor' or 'Very Poor'. Furthermore, only 26% said that the new system itself would provide them with the pay rise they deserve.

Q. I have a clear understanding of my Performance / Balanced Scorecard objectives for 2004.



Only 59% of those surveyed had a clear understanding of their performance objectives for 2004. However, what will be worrying for OB is that 31% of staff don't clearly understand their objectives and we are halfway through the year already.

Mark V Brown
Assistant General Secretary

To what extent do you agree or disagree with the following statements about Offshore Banking's 2004 pay offer:

	Strongly Agree		Tend To Agree		No Opinion/Don't Know		Tend To Disagree		Strongly Disagree	
	IoM %	3 Islands %	IoM %	3 Islands %	IoM %	3 Islands %	IoM %	3 Islands %	IoM %	3 Islands %
Offshore Banking's new pay system will provide me with the pay rise I deserve.	2	2	24	16	12	8	35	34	27	40
My standard of living is rising,	33	24	25	18	8	5	18	19	16	34
Basic pensionable pay should continue to be the focus of the Union's pay negotiations.	31	47	47	36	18	10	2	4	2	3
Good performers will get fair rewards with this pay system.	8	5	33	22	16	12	31	34	12	27
The Union was right to reject Offshore Banking's pay offer and reward system.	35	45	37	33	22	13	2	5	4	4
I believe that in a high performance organisation my pay should be the best in the financial service industry.	37	45	51	40	4	10	6	3.5	2	1.5
Offshore Banking should tell staff how long it will take them to be paid the rate for the job.	48	54	44	39	4	4	4	2	0	1
There should be a direct link between pay and performance.	55	48	35	43	10	5	0	3	0	1
I have a clear understanding of my Performance / Balanced Scorecard objectives for 2004.	8	9	51	48	10	10	25	20	6	13
Over the last 12 months I have had regular reviews of my performance.	14	13	41	31	8	5	17.5	25	19.5	26
The Balanced Scorecard has changed the way in which I work for the better.	2	1.5	18	16	31	27	29	30	20	25.5

The figures in the columns headed '3 Islands' are the percentages for the totals of Jersey, Guernsey and the Isle of Man.