

Direct Contact Centre: The Bank's Proposed New Bonus Arrangements

The Bank has announced plans for a new Bonus Scheme for Retention Staff at Insurance's Bournemouth Contact Centre.

The key features of the Bank's plans - which it has discussed in detail with LTU - would be:

- **The eventual transition from four to just one Bonus Scheme for the whole of Sales and Retention in Bournemouth and Leeds**
- **The introduction of Dynamic Targeting. This would involve Retention Staff not being rated and paid bonuses based on their own performance alone, but instead having their performance ranked directly against that of other staff.**

Under this arrangement, 5% of staff would be rated as 'Outstanding', 15% as 'Exceeded', 40% as 'Met' and the remaining 40% as 'Not Met'.

- **There would be a change to Performance Measures, with these in future based on *Margin per Call* and *Handoff per Opportunity*.**
- **Staff would be ranked twice over against both their *Margin per Call* and their *Handoff per Opportunity*. The lower of the two performance rankings would determine their overall rating.**

Since different staff may be in the lowest 40% for either *Margin per Call* or *Handoff per Opportunity*, it is likely that **around half of all staff would be rated 'Not Met'**.

- **Only those staff achieving an overall rating of 'Met' or better would receive a Bonus Payment. For these staff, bonuses would be paid as a percentage of Total GWP (Income),**

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with the amount of bonus staff would receive based upon their rating as follows:

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|---------------------|-------------|
| ● 0.8% of Total GWP | Outstanding |
| ● 0.6% of Total GWP | Exceeded |
| ● 0.8% of Total GWP | Met |

- **This would mean that some of the best performers - in respect of both *Margin per Call* AND *Handoff per Opportunity* would receive higher bonuses than now.**
- **However, because of the very high number of staff who would be rated 'Not Met', around half of all Retention Staff would be likely to receive no Bonus Payment at all, compared to 98% who currently receive bonuses.**
- **Even the half of staff who succeeded in getting a 'Met' or better performance rating could still lose their bonuses if they fail to achieve their Service and Risk measures.**

The Bank has also said that it intends to abandon its Promotions and Demotions System for Frontline Sales Consultants before the end of the year, with staff moving on to the Bank-wide Pay Structure. It will be discussing its plans with LTU.

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Feedback On Bank Proposals

Frontline Retention Staff naturally need to form an opinion on whether the Bank's Bonus Scheme proposals are fair and justified and a judgement on how the proposals will affect them personally.

To give itself and staff the opportunity to consider the impact of the Bank's proposals, the current and proposed Bonus Scheme will run alongside each other for Frontline Staff and Team Managers, with the Bank intending to phase in targets over a three month period from 21st July up until late October.

An analysis produced by the Bank for LTU has indicated that:

- **For those staff receiving a Bonus, the *minimum* payment staff could expect to receive would more than double.**
- **The *average* bonus that staff would receive could be between 10-20% higher than it is now.**
- ***Maximum* Bonus Payments under the new scheme vary considerably compared to the existing arrangements.** Looking at three previous months, in November the maximum payment under the new scheme would be over double what it is now; 90% more in February; and almost 10% more in March.

Of course these higher Bonus Payments need to be considered against the fact that the number of staff receiving any Bonus at all

Staff Working Hours Rights: New Working Patterns & Extra Saturdays

Members should by now have had the opportunity to consider the Bank's proposals to introduce changes to the working patterns of Sales Staff, which would result in many being expected to work significantly more Saturdays.

would fall from 98% now to just 50% under the proposed new arrangements.

What Do You Think?

Obviously there will be a number of considerations for Retention Staff, in particular:

- **How do staff feel about the fact that the numbers receiving a Bonus Payment would fall from around 98% to 50% in future, with approximately half of all staff having their performance rated as 'Not Met'?**
- **Do the potential increased Bonus Payments that would be received by some staff who are better performers compensate for the fact that so many staff would receive no bonus at all?**

LTU is meeting with Senior Management again shortly, when we will be discussing these proposals further. Before this meeting, LTU is seeking members' views on these proposed changes.

Members Feedback

Members can provide feedback by either visiting Mike De Vorchik, LTU's Regional Officer for Insurance during his Surgeries at Holdenhurst Road this Tuesday and Wednesday; by speaking to LTU's Senior representatives Vanessa Sanders, Susana De Castro or Mustafa Parandeh-Kany; or by sending an email to Steve.Tatlow@ltu.co.uk.

As LTU explained in our Newsletter last week, in which we provided members with detailed guidance on their Working Hours Rights, LTU is encouraging any staff who have no objection to working more Saturdays to consider agreeing to do so.

But as LTU stressed in the Newsletter, many staff will have a legal right to refuse to change their working patterns.

LTU is particularly disappointed that - despite discussing at length its proposals to change working patterns - the Bank neglected to mention to the Union that it was balloting staff on which of the three working patterns they would prefer: presumably in the hope that some staff will be resigned to the fact that they have no option but to change their working patterns, irrespective of their legal and contractual rights.

Why did the Bank not also give staff the option to vote to remain on their current working patterns, given that they have a right to do so?

LTU will not permit the Bank to ride roughshod over the legal and contractual rights of those staff who are not in favour of working additional Saturdays, remaining on their existing contractual hours instead.

Who Can Refuse To Change Their Working Patterns?

As LTU explained in our Newsletter last week, whilst some staff may not have any choice but to change their working patterns in accordance with the Bank's wishes, many others will have a legal or contractual right to refuse to do so.

These categories of staff who can insist upon remaining on their existing working patterns are:

- **Full-Time Staff who were originally employed on Fixed Hours Contracts, which set out the specific times that they are required to work.**
- **Reduced Hours and Key Time Staff who almost certainly will also have contracts that set out the specific times and/or days that they are required to work.**
- **Staff who have varied their working patterns through Work Options, which invariably set out in writing the days and/or hours they are required to work.**
- **Staff who, despite having originally been employed on Variable Hours Contracts, through a legal process known as 'affirmation' have now accrued fixed working hours rights (see last Newsletter). This will apply where staff have not changed their working hours or working pattern for more than six months and have not received a 'Flex letter' from the Bank.**

Even those staff who do not fall into one of the four categories above may still be able to refuse to change their working patterns for personal or domestic reasons. This would apply if - for reasons such as childcare or caring for an elderly or dependent relative - they would have serious difficulties continuing to work for the Bank on the alternative working patterns that the Bank is asking them to consider.

LTU is holding Surgeries to provide members with the opportunity to discuss their rights.

Professional Support From LTU

LTU provides the highest quality, most professional service of any UK trade union.

In addition to meeting with Senior Management regularly to represent the needs and concerns of Direct Insurance Staff, LTU also produces regular Newsletters explaining to members their rights and entitlements, together with high quality individual representation.

LTU's Regional Officer for Insurance, Mike

De Vorchik, is also holding three Surgeries at Holdenhurst House - on Tuesday 22nd, Wednesday 23rd and Monday 28th June - to provide members with detailed advice and guidance on their working hours rights and entitlements.

Mike would also welcome feedback from members on the Bank's proposed new Bonus Scheme arrangements.

**STEVE TATLOW
Assistant General Secretary**

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