Staff Attrition and its effect – are current measures by Ulster Bank Retail Limited sufficient in addressing the problem?

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A dissertation submitted in partial fulfilment for
BA in Human Resource Management

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July 2004

Declaration

I hereby certify that this material, which I now submit for assessment as a continuous assessment project for the B.A Human Resource Management is entirely my own work and has not been submitted in whole or in part for assessment for any academic purpose other than in fulfilment for that above stated.

Signed: Deardric Gaughan   *Date:* 28.7.2004

Acknowledgements:

I wish to express my thanks to my family and friends and a special word of thanks to my colleagues Ann, Angela and Michelle who have been particularly supportive to me over the last academic year.

Thanks especially to Conal, who is my constant source of encouragement and motivation.

This dedicated to my friend Garrett, a "pragmatic" guy, whose memory will always inspire me and something that I will always cherish.

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Chapter One - Introduction

Chapter 1 – Introduction:

1.1 Background to Research problem:

The primary concern of this paper is to address the issue of Attrition in the Ulster Bank Retail. Attrition (or Short Term Tenure as it sometimes referred to) is the percentage of staff who join Ulster Bank Group and then leave after completing less than 1 years service. Attrition for Ulster Bank Group stood at an annualised figure of 38.6% against set target of 20%. While the cost of attrition based on average staff salary costs is very high, we can surmise that staff Attrition needs to become a key focus, not only of Ulster Bank Group, but across the wider Royal Bank of Scotland Group where the annualised figure for 2003 was 33.95%.

1.2 Objectives:

The aim of the research was firstly to identify the key drivers of staff attrition or short term tenure and where possible identify potential solutions and recommend the implementation of these where appropriate. As a result of this it was appropriate to then provide a framework from which to establish the key initiatives which would have an impact on Attrition.

1.3 Outline of dissertation:

The aim of Chapter 2 – Literature Review was to examine contemporary literature and research carried out on the subject of staff Attrition and more broadly on the issue of Staff Turnover. This incorporated an overview of the sector being analysed for the purpose of this report namely Ulster Bank Retail and a reflection of where it currently sits within the context of its parent company Royal Bank of Scotland and also the Financial Services sector in Ireland. The chapter further analyses the issue of Attrition and its impact on Ulster Bank Retail in 2003. An overview of the role of Customer Services Officer is also provided in this chapter.

The aim of Chapter 3 – Methodology was to offer an outline of the research carried out and the steps taken to derive the prominent patterns from the data. The research included carrying out and analysing Focus groups; Exit Interviews and Joiner surveys and also includes the analysis of data elicited from the Employee Opinion Survey

carried out in November 2003. The data is presented as a representation of the perceptions of staff, current and past, relative to this research.

The objective of Chapter 4 – Analysis of the data, permitted an exploration of the themes and patterns which emerged from the research methods. The scope of this chapter was to provide the outputs of the methodology.

Chapter 5 – Conclusions and Recommendations elicits the links between the findings of Chapter 4 and the literary review, which was carried out in Chapter 2.
It also provides solutions or recommendations that were dependent on the analysis and the types of interventions which could be considered by the company are also cited here.

Chapter Two - Literary Review

Chapter 2 – Literary Review

2.1 Company background:

Parent company - RBS:

Royal Bank of Scotland (RBS) was founded in Edinburgh in 1727 and is one of the oldest Banks in the UK. Today it is one of the worlds leading Financial Services providers. During the 1980's, RBS Group diversified by setting up an innovative car insurance company called Direct Line in 1985 and by acquiring Citizens Financial Group in 1988. In 2000 the Royal Bank acquired the National Westminster Bank plc in the biggest take-over in the history of British Banking to create a huge Banking Group. Following this the group has seen continued growth in business around the globe. Through a series of other successful acquisitions i.e. Coutts & Co and Tesco Personal Finance to name but a few, it has progressed to the end of 2002 to become the second largest Bank in Europe and the fifth largest Bank in the world by market capitalisation. The portfolio of the Group is now highly diversified with services for personal, business and corporate customers.

Ulster Bank Group:

Following the take-over of Natwest by RBS in 2000 Ulster Bank Limited became a wholly owned subsidiary of RBS and operates independently within the group. Ulster Bank Limited was founded in 1836, and originally it operated as a Retail Financial services provider. It was later to develop its Corporate Banking, Financial Markets and Manufacturing divisions. Today Ulster Bank Group operates with a total staffing of 4545 employees broken down into its Retail, Corporate and support functions. In January 2004, RBS acquired First Active plc, which now trades under the umbrella of Ulster Bank Group. The Group enjoyed profits of 273 million in 2003.

Ulster Bank Retail:

In this case, the Retail arm consists of many distinct divisions namely:

- **Branch Banking**: the branch network consists of 113 branches in Republic of Ireland and 87 branches in Northern Ireland, providing personal banking services to its customers. Redevelopment within the group in recent years has brought about a stronger focus on product sales and improvements in customer services, aligned with operational redesign programmes.

- **Network Support**: This function supports the customer facing units in Retail to help deliver the Customer Value Programme i.e. increasing capacity, improving and building capability.

- **Cards**: This function issues a range of credit and debit cards to personal and business customers and provides facilities which enables retail businesses to accept card transactions as a means of payment. Additionally, it enables Retail to offer competitive products to personal and business customers.

- **Wealth Management**: This function provides high net worth clients with financial and investment advice. The focus of this unit is to maximise the return generated to the Bank through the identification of sales opportunities for the Wealth Management division and cross sales for Retail and Business services.

- **Marketing**: is the public relations, advertising and communications function with responsibility for advertising initiatives and sponsorship.

- **eBanking Personal**: This function provides a service to customers who wish to conduct their business through direct channels under its "Anytime" Internet and Telephone banking facilities.

The creation of the sales focus environment and improvements in its operational and technological resources has produced a stronger platform from which to grow a leading Retail financial services business.

Market Background:

Ulster Bank Retail operates in the personal finance sector. This sector has seen significant growth in the last 10 years for a number of reasons including:

a) Greater awareness by the consumer with regard to their personal finances.

b) Less inertia by the consumer and a greater tendency to shop around.

c) Greater access to financial services products through the telephone and internet and acceptance of these mediums by the consumer.

Pressures on the market include:

a) Squeezing of margins due to the increased competitive environment.

b) Changes in customer behaviour with shopping around and less loyalty to one provider.

Key Competitors:

Key competitors that Ulster Bank Retail face include:

a) Traditional banks and building societies - A.I.B; Bank of Ireland; N.I.B, Abbey National; First Trust – these have the greater market share of the products and the mutual building societies have been able to operate very competitively in the past.

b) Other direct providers – there are lots of subsidiary companies of the existing banks and building societies offering direct channels.

c) New entrants – other sectors are cashing in on the personal finance market e.g. supermarkets, car manufacturers are teaming up with financial institutions and selling financial products branded with their own brand to their own customers.

Strategic positioning:

The competitive advantage for the Retail division comes from having long experience of operating in the market and a strong historical customer base and brand name. Increasing the quality of customer service and the effective use of customer data facilitates the customer relationship. The support of RBS is also a great benefit.

Resource Strengths:

Ulster Bank Retail boasts a number of strengths in terms of resources. This is largely due to experience within the market; the continuing emphasis on meeting customer needs and reviewing the sale of products best suited to each customer's financial circumstances. The strength of front line staff is a resource paramount to continued success. Technology has been invested in and improved to advance efficiency in operations and to improve the use of data in managing the customer relationship. Ulster Bank Retail asserts the strength of its resources by having the biggest restructure of Retail banking on the Island of Ireland.

Key Business Objectives for Ulster Bank Retail:

A key goal for Ulster Bank Retail would be to increase market share through more effective customer acquisition and retention and to become the most admired Retail Bank on the Island of Ireland

Direction:

Short Term:

The short-term direction of the Retail division is to create capability around white-labelled loans and car packages. It strives to maintain growth in its products for the personal customer and the directional focus for the short term is to create efficient, scaleable mortgage capability and to increase operating efficiency through generic loans processing.

Medium Term:

To identify financial service opportunities and exploit them.

Long Term:

To create capability around white labelled financial service customer propositions and to create a financial services solutions provider.

2.2 Research Problem:

Attrition:

The definition of attrition for the purposes of this research and in the case of Ulster Bank Retail is: Staff leaving employment who have been employed for less than 12 months.

From the Attrition Management Information available in Ulster Bank Group, the key role where this impacted within Retail is the Customer Service Officer (CSO). In December 2003, 80% of the Attrition rate was Customer Service Officers.

Ulster Bank Group ended 2003 with an overall attrition level of 38.6% at a cost of STG£3.4million (£16k per person). The staggering affect of this is that the generation of equivalent profit would require income origination of £8.4million, which in turn would require sales of 21,000 mortgages, 120,000 credit cards, 46,500 personal loans or 81,000 Current Accounts.

Impact of Attrition on Ulster Bank Retail:

Profit and loss:

Each time a new recruit leaves in their first year of employment, it costs circa 12 months salary according to the New Entrant Retention Guide, RBS, 2003. This figure incorporates:

a) Cost of lost training,

b) Cost of replacement (temporary and permanent staff)

c) Overtime by other branch staff

d) Management time

e) Recruitment and Selection Costs (including advertising costs)

The average Customer Services Officer salary based on September 2003 figures is £10,500 in Northern Ireland and €20,000 in the Republic of Ireland respectively. By this rationale, the CSO attrition has a cost of £619,500 in Northern Ireland and €620,000 in Republic of Ireland based on 59 and 31 leavers in NI and RI respectively for the year. The Profit and Loss impact is approximately £785k. For every 1-% reduction in attrition the savings is approximately £22k.

Targets for 2004:

This table illustrates the target for turnover and attrition for 2004 and levels of both for 2003.

UBG Division	Turnover			Attrition		
	2004 Target	2003 Level	Movement From 2003	2004 Target	2003 Level	Movement From 2003
CBFM	4.00%	9.30%	-5.30%	20.00%	20.80%	-0.80%
Change Management	4.00%	0.00%	4.00%	20.00%	0.00%	20.00%
Group Audit	4.00%	0.00%	4.00%	20.00%	0.00%	20.00%
Group CE	4.00%	0.00%	4.00%	20.00%	0.00%	20.00%
Group Finance	4.00%	14.60%	-10.60%	20.00%	42.10%	-22.10%
Group Risk	4.00%	3.60%	0.40%	20.00%	13.10%	6.90%
Human Resources	4.00%	10.40%	-6.40%	20.00%	24.50%	-4.50%
Manufacturing	10.00%	17.90%	-7.90%	20.00%	58.20%	-38.20%
Retail	9.20%	9.00%	0.20%	20.00%	32.70%	-12.70%
Total UBG	**8.00%**	10.40%	**-2.40%**	**20.00%**	38.60%	**-18.60%**

(Table 1)

Other notable impacts of Attrition on UBG Retail:

- The permanent gap not filled by new member of staff is estimated to be up to 70 days (Notice periods from previous employer and new induction process are two of the main reasons).
- Impact on absence and performance.
- Additional work for Line Management (e.g. time invested in recruitment, training and support).
- A possible decrease in level of competence / customer service.
- Negative impact on internal staff morale.
- Potentially helping competition depending on where leaver goes.

An Organisations most powerful asset is its Human Capital input, without which it cannot attempt to gain or sustain competitive advantage. Therefore the direction and key objectives as aforementioned cannot be achieved when these levels of attrition are occurring. In this connection, it is important to this research to understand the role of the CSO who the most susceptible candidate for Attrition.

2.3 Customer Services Officer (CSO) – Role Profile:

Purpose:

The purpose of this job is to be the first point of contact when a customer visits a Branch.

Accountabilities:

Accountabilities for a CSO vary and depend on the size of the branch. In small Branches, several or all roles will be covered, in a large Branches, CSOs can be asked to specialise in one of the following roles: Accounts – opening and closing; Foreign exchange; Cashier; Vault Cashier; Receptionist duties/enquiries; Phone answering/back office duties.

Decision making:

There are detailed procedures and process steps to follow which means for a CSO there is no real decision-making. If something does not conform to the procedure then this is referred to the Team leader who makes the decision.

Relationships:

The majority of the working day is spent interacting with customers within the Branch. There is day to day contact with other CSOs within the branch and CSOs also liase with colleagues based in the customer service centre, to whom they pass on queries or requests which can't be dealt with at Branch level. CSOs have daily contact with their Team leader if they are unsure of how they should respond to an issue or need advice dealing with a customer. If a customer is particularly angry or unhappy the Team leader can be called upon to deal with the issue. There is occasional contact with Branch manager.

Perceived upsides of the CSO role:

The main satisfaction comes from the team environment. It is very friendly and enables close working relationships to be established with colleagues. Daily interaction with customers is another source of satisfaction. Identifying the customers needs and requirements and being able to resolve their problems is fulfilling. Getting to know regular customers and receiving positive feedback from customers and colleagues enhances the work experience.

Potential downsides of the CSO role

Dealing with angry or unhappy customers can be daunting. The Branches can be busy environments; stress is generated when customer queues build up. It is frustrating when customers do not understand that they have to be asked for identification for compliance and regulatory reasons. The role can be routine and repetitive, especially in larger Branches where roles are specialised to one area. For some, sales targets can be quite challenging and difficult to achieve. A CSO must be confident enough to interact with and deal with customers as soon as they start their job. They are urged not be anxious about asking for help or advice from colleagues if they are unsure.

Culture:

The sales targets set for each branch encourages teamwork. If the branch achieves over 100% of their target the CSO receives a bonus each quarter. CSOs enjoy the supportive team in which they work – i.e. strong relationships with peers.

Career Opportunities:

As with most roles, as a CSO becomes more experienced they are able to specialise in more areas. The role opportunities for promotion include Team leader, Customer Adviser to Branch Manager.

Skills, Experience and Qualifications:

No specific previous experience is essential. The only criteria to apply for this role are a minimum of five passed subjects in the Leaving Certificate.

The Core Competencies of the Customer Services Officer:

Achieving excellence:

A CSO must give priority to customer service. They take personal responsibility for their own objectives in that they sets their personal priorities, schedule work, monitor personal progress and reschedule as necessary. In addition to this they check the quality and accuracy of own work. It is imperative for them to adhere to guidelines and procedures. They are encouraged to uses their own initiative to act on opportunities

Communication:

CSOs communicate clearly and concisely. They use standard formats to present information and ideas and employ logical order and structure.

Collaborating for success:

CSOs work collaboratively; they carry out their work sensitively with others; co-operates with others to achieve business success; responds positively to requests for help and support and works collaboratively with people from other teams and units across the Group to ensure comprehensive fit-for-purpose solutions

Gathering information:

CSO engages with customers to administer required service. They collect relevant and readily available information in order to resolve issues or carry out their tasks

Understanding issues:

The CSO analyses problems into component parts / symptoms and links the information to make sense of a problem, issue or situation.

Finding solutions:

The CSO proposes timely solutions to issues, problems and situations and evaluates the proposed solution to sure fit-for-purpose results.

The Employee Lifecycle of a Customer Services Officer from pre-employment to 12 months is as follows:

Recruitment & Selection: sourcing, selection and offer of employment

Induction: training received

Probation: three month and six month review

Permanency: Personal development Plan and ongoing development

Or

Leaver: not successful at completing probationary period

2.4 Review of contemporary literature:

"Probably the most significant component turnover costs, are the costs connected with the various phases of HR programs designed to recruit and train replacement employees."

(Phillips 1996)

According to the CIPD survey report in June 2004 – 'Recruitment, retention and turnover, a survey for the UK and Ireland' shows that turnover rose by 5 percentage points to 15.7% in Ireland in 2003. It revealed that promotion outside the organisation is the main reason for turnover. Additionally, a change of career, pay and lack of development or career opportunities are cited as main influence by over a third of the organisations surveyed.

The CIPD recognises that Organisations should be aware of turnover rates and use tolls to build their understanding of why people leave i.e. exit surveys and staff attitude surveys. In order to build effective recruitment strategies and retention initiatives, the measurement of the cost of turnover is vital. The survey professed that the vast majority of turnover is based on voluntary decisions by employees to leave the organisation, rather than involuntary reasons due to organisational change or contract clauses.

So why do people leave?

According to the survey the top three reasons why people leave is for promotion outside the organisation, change of career or level of pay. The survey also highlighted the staggering proportion of early departures among new staff, which is notable to this research. According to the analysis, one in five employees leave after less than 6 months and half of the leaving population have only less than two years service. Evidently, this reinforces that the costs of recruitment and turnover per individual become much more harmful to the organisation when new staff leave after only a short period of time.

The survey also suggests that spending money on Training Managers to make more considered and less hasty recruitment decisions, is likely to prove a good investment, leading to substantial long-term savings.

Alternative research carried out by the Manpower Group regarding Attrition and Retention in the workplace yielded the following results. Of the companies surveyed the largest proportion (32%) said that the main reason for employees leaving is again voluntary departure and of this 'no career progression' was the influence as cited by 8%.

A paper produced by Business link on controlling staff turnover proposes that unwanted staff turnover can have a negative impact on any company. Equally, Retention benefits the organisation because continuity and stability become part of the business culture. The significance is that staff feel that they belong and take pride in their organisation and consequently productivity is increased.

According to this paper we again see some of the key factors are supposed as affecting staff turnover in general terms namely:
1. Motivation
2. Organisational Culture
3. Induction
4. Contracts
5. Competitive pay rates and fair transparent pay system
6. Incentives
7. Matching jobs to people
8. Training and development
9. Formal appraisals

Efforts to redress the apparent problems according to this research advocate that improvements in the management of staff turnover are produced by regular monitoring and examination of the problem. Thus the issue can be controlled and forecast.

The research also suggests that an organisation can be proactive about some things and prepared for others. This will happen by considering the morale of employees and making contingency plans to replace leavers (succession planning). It will also occur by making plans to induct and train new staff and regularly evaluate these initiatives.

Business Health carried out an audit on staff in the UK insurance company Direct line in an effort to counter absenteeism and turnover. Problems stemming from the effects of these issues were increasing payroll costs and costs relating to training, waning customer service and low staff morale.

The analysis reliably linked organisational sources of pressure to turnover and absenteeism and confirmed that the majority of underlying causes were not health related but instead were caused by:

1. Lack of Recognition
2. Recruitment – who was being recruited and how
3. Absenteeism.

In this regard Direct Line took immediate action and developed measurements and programmes that resulted in an almost immediate drop in turnover by 5%. This represented a saving of £150,000 in payroll costs alone.

Direct Line also adopted a more realistic approach to describing the company culture, job responsibilities and career development during the recruitment of potential employees. It also changed its recruitment profile to attract people interested in long term employment. From these efforts the company was rewarded by reducing its costs relating to turnover and attrition.

Orsoc, as a company explored further detrimental consequences attributed to turnover. In determining issues relevant to business as cited in www.orsoc.org, it was revealed that when an employee leaves an organisation it is not only their skills that are lost, but also the knowledge that includes factors such as intuition, wisdom, experience and informal networks. As aforementioned this is one of the many valuable commodities that any company cannot afford to shed lightly.

> *"Knowledge is an expensive commodity which, if managed properly*
>
> *is a major asset to the company".*   (www.orsoc.org)

This analysis recognised that many companies invest in their knowledge assets by recruiting knowledgeable people in the first instance and then further by training them.

Remarkably, another company in efforts to curb Attrition has gone as far as developing a rotation programme between its facility in the UK and its operations in India. As cited in the Financial Express website, Prudential plc has developed this measure in order to keep employees motivated and customers satisfied. The idea was to ensure a guarantee of customer satisfaction; to maintain employee's motivation levels and stabilise the turnover ratio. Accordingly, it also combines an understanding of cultural differences and confronting issues by bringing the two sites together.

Significantly, efforts by another retail company namely Virgin Our Price warrants inclusion for the purpose of this paper. Revamping the induction course proved to be a remarkable solution to the high levels of Attrition it was experiencing in the 1990's. Virgin merged with Our price in 1994 to become Virgin Our price. However, around one quarter of non-management employees were leaving within the first 6 months of employment. A revamped induction course of 3 months training and 2 years monitoring reduced the Attrition problem from 20% to 2.5%. (Ref. Sisson and Storey 2000)

In other attempts to understand why the issue of attrition/short term tenure is so consequential, it is also useful to examine contemporary views or the perceptions of other companies and how they assess the extent of the problem.

> *" An excessive turnover rate clearly has a tremendous negative impact*
>
> *on an organisations costs and HR programs designed to reduce turnover*
>
> *can result in a tremendous bottom line improvement"*
>
> (Phillips 1996)

The most notable impact of turnover or attrition of staff is the affect it has on a company's bottom line. While there are significant costs to be borne in the resignation of an employee who has more than 12 months service completed, there are notable other problems that arise when this tenure is of a short period. Phillips acknowledges this, stating that the timing of turnover has a remarkable affect on turnover costs. He notes that:

> *"For example, if a new employee leaves after only one week on the job, the total costs may not be excessive, depending on the costs involved in recruiting, orientation, and the initial week of training or education. On the other end of the spectrum, an employee who remains on the job for over five years has probably made a contribution that offsets the cost of recruiting, training, and other adjustment activities. The greatest turnover cost probably occurs when a new employee leaves the organisation soon after reaching full productivity. This time period varies considerably among organisations and may range from one week to two years, depending on the individual organisation, specific job, and initial training."*

<div align="right">(Phillips 1996)</div>

Phillips also maintains that the cost of turnover is made up of many components as similarly assessed by Ulster Bank Group. He proposes that the following elements are the crux of the expense of this problem:

1. Replacement costs (i.e. recruitment, selection, employment testing and orientation).
2. Training costs to bring new employees up to the contribution level of the employees who left the Organisation.
3. Lost production (because new employees are not at full contribution).
4. Lost time of individuals involved with the turnover problem (i.e. supervisors, managers and specialists involved in the issues of recruiting and training).
5. Administrative costs tied to all of these processes.

While the apparent costs are diverse, there will also be a critical impact on the resources of the Recruitment, Training and Development functions of any Organisation.

Phillips also observes that few variables linked with Human Resources measures are as important as turnover. He illustrates that several types of programs including training, recruiting, employee relation's, compensation and benefits are aimed at reducing turnover. The primary reason then for significant attention to be placed on this variable is the tremendous cost an excessive turnover rate can have as demonstrated.

Phillips states that:

> *"In some Organisations, turnover has been estimated to cost as much as three times the annual base salary of the employee. This figure becomes staggering when several hundred employees leave unexpectedly during the course of the year. In one financial services company, the cost of annual turnover for branch managers was estimated at $10 million."*
>
> (Phillips 1996).

Equally, Schuler and Jackson (in reference to CIPD analysis carried out in 1997) contend that the costs of turnover are also revealed in the following areas:

1. Leaving administration.
2. Replacement (recruitment, interviewing, placement fees).
3. Transition (training, unproductive learning time, induction and indirect (loss in customer services).

In reference to the aforementioned costs of Attrition and Turnover in Ulster Bank Retail, evidence professes that it is a problem that companies again cannot afford to take lightly.

> *"Recruitment and selection .... Certainly do not come cheap; the worse they are done, the more expensive they are."*
>
> (Sisson,Storey 2000)

Best practice in Organisations is key on examination of how detrimental the effects of not maintaining high standards can be. Sisson and Storey recognise that high turnover rates are a timely reminder of getting recruitment and selection right first time. While they do admit that managerial time and money are involved in the costs of turnover, they see that these are relatively small compared to the costs of getting things wrong.

Notably however Organisations can differ greatly in their practices for example Schuler and Jackson explain that Nordstrom, an American clothing retailer has low investment in employees and as a consequence turnover rates are high. Yet they are not that costly. In contrast, Sears takes training as an important factor, so as a result Turnover can be costly but in their case, they reinforce the emphasis of the importance of a valuable selection process.

Further findings by Dave Ulrich note an insight into the negative impact that turnover can have on a company. He recognises that behaviour is reflective of attitude and he states that turnover may be used to indicate employee commitment. He says that subtle understanding of turnover focuses on:
1. The retention of the right talent.
2. On managing the replacement process so that critical jobs are filled quickly.
3. Identifying the causes of turnover through exit interviews.
4. Tracking the impact of turnover on continuity of firm goals.

Ulrich reveals that research has shown that a high level of turnover of critical people is costly to the firm not only in terms of replacement but also in terms of shared values and continuity.
(Measuring HR an overview of practice and prescription for results – Dave Ulrich)
(Schuler, Jackson. 1999)

2.5 Conclusion:

> *"The raised level of unemployment had the effect of*
> *reducing staff turnover thus reducing the amount of activity*
> *in recruitment and selection."*
>
> (Schuler, Jackson. 1999)

In Ireland in recent times the labour market has been at stretching point, particularly in the late 1990's. This was due to high economic performance, which subsequently fostered a culture of the Employee rather than Employer market. While this has been less evident in more recent years through a reduction in growth in the economy, Ireland is still not at a stage where staff turnover would not warrant equal levels of radical research and action, as say would have at the levels experienced in the 1980's.

> *"Low staff turnover/wastage rates being more indicative of the*
> *difficulty in finding alternative employment than the desire to stay potentially*
> *obscures low morale rather than demonstrating high motivation and*
> *commitment."*
>
> (Sparrow,Marchington 1998)

In an Irish Organisational context and in Ulster Bank's case in particular, there still remains an undeniable requirement to achieve the levels of activity in researching and counteracting the effects of attrition and continually revising measures. Additionally, there cannot be any room for complacency with regard to the expensive results that can occur.

Chapter Three - Methodology

Chapter Three – Methodology:

3.1 Introduction to Methodology

In choosing a research approach and strategy for this dissertation, many factors had to be taken into consideration. Firstly, the need for a clear research strategy was imperative and secondly, the credibility of the findings and conclusions were paramount to creating the platform from which to attempt to suggest solutions the problem.

The purpose of the research was primarily to improve the understanding of the notable problem of Attrition and explain its impact on staff morale, performance and ultimately staff costs and company profit. The objective was then to attempt to define solutions to this problem and the findings would then be of practical relevance and value to the Organisation.

Attrition is defined as staff leaving employment who have been employed for less than 12 months. Therefore, in this case, the optimum sample groups to be analysed in order to assess reasons behind the question of Attrition in Ulster Bank Retail, were those currently employed with less than 12 months tenure and those who had left employment with less than 12 months tenure.

The decision had to be made whether to carry out quantitative or qualitative research in order to establish the underlying trends or themes that contribute to Attrition. Dey (1993) points out that 'the more ambiguous and elastic our concepts the less possible it is to quantify our data in a meaningful way'. Qualitative data is based on meanings expressed through words and the analysis is conducted through the use of conceptualisation. While quantitative research appears in many areas of this piece as a tool to statistically analyse established trends i.e. a common location of leavers and hotspot months of employment, for the main part the type of research used was qualitative. It lent the facility to gaining more meaningful and insightful results into the contributing factors.

Sanders, Lewis and Thornhill (2000) indicate that there are many approaches to qualitative research and that it allows the researcher to:

a) Comprehend and manage the data

b) Merge related data drawn from different sources

c) Identify key themes or patterns

d) Develop hypotheses based on the apparent patterns

e) Draw and verify conclusions

Quantitative data is used to quantify numerical data in order to answer a research question. In a section of the research carried out i.e. interviews and surveys the use of Likert scales were a valuable part of the quantitative data gleaned.

3.2 Focus Groups:

The first area of research conducted were Focus Groups, using members of staff with less than a year's service in order to verify or disprove any perceived drivers of attrition, understand the level of importance they attach to each and assert their recommendations for improvement.

Fortunately, there are many distinct advantages to using the Focus Group as a method of research. They increase the likelihood of producing a wider range of information, insights and ideas. As pointed out by Sanders, Lewis and Thornhill (2000) because there are several participants, this type of situation allows a variety of points of view to emerge and for the group to respond to and to discuss these views. They also state that:

> *"A dynamic group can generate or respond to a number of ideas*
> *and evaluate them, thus helping you to explain or explore concepts.*
> *They can also generate numbers of key themes that become the subject of a*
> *survey".*

(Sanders, Lewis, Thornhill 2000)

As the focus groups were carried out, it was imperative to consider the following issues:

1. Assurances of confidentiality.

2. Understanding that the group dynamic is oftentimes inhibiting for participants.

3. One or more people can dominate discussions.

4. Contributions must be clear to each participant.

5. Location and setting must be neutral.

6. Managing the process while noting the outputs of the group is difficult.

As aforementioned and for the main part, the purpose of conducting such analysis was key to identifying the issues that contribute to making employees with less than a years service leave the Bank. Additionally, it permitted evaluation of the effectiveness of actions currently being taken in the Bank and by running separate focus groups for different functions, (not only Ulster Bank Retail) it allowed data to be collated that would apply to the company overall.

Altogether, four focus groups were carried out. This included 28 members of staff with less than one year's service from Ulster Bank Retail Branches and Departments, Manufacturing and Group Risk and each focus group was of 2 hours duration. In general terms, participants were asked to rate phases of their career 'journey' so far – recruitment, induction, etc. – and much anecdotal feedback was collated through the group discussions. They were also asked to agree/disagree with a number of statements related to working in the company and to list the best and worst things about working for Ulster Bank Group.

In a more detailed context, the steps followed in conducting the focus groups and justification of same were as follows:

Format: the discussions included 2 facilitators per group and one notetaker to collate the concepts. The group sizes ranged from 4,7 and two groups of 9 participants.

Location: was a neutral setting i.e. the Learning Resource Centre, which was also the building or place of work for many of the participants.

Introduction: Facilitators made introductions and explained the background to Attrition and the purpose of the focus group. The scene was set for informal and casual couple of hours. The participants were asked for honest opinions and were informed that notes would be taken on issues and suggestions made by participants, but that individuals would not be identified. In each group it was explained that the information would be collated along with other focus group outputs. Assurances of anonymity were also made and participants were told that no individual comments would be identified and reported back. The duration of the introduction took 5

minutes and the rationale was to reinforce and highlight the importance of focus group ideas and opinions.

Ice breakers: icebreakers were utilised in order to get participants comfortable with each other and the facilitators.

Journey: (see appendix) Journey tables were distributed to all participants. They were asked for emotional reactions at each stage of their journey of employment to date. They completed each section of table when facilitator provided prompts for each stage i.e. were you excited? Did you only apply because there was nothing else in paper? Participants plotted their emotional reactions for each stage and joined the journey up at the end. This section of the group discussion lasted for 15 minutes and the rationale behind it was to get participants thinking about their entire experiences to date and not just their most recent ones.

Small Group discussions: In groups of four, plus the facilitator, the tables (journeys) were discussed. The facilitator prompted discussion to find out what lay behind the common highs and lows. Facilitators asked what would have improved the experience at each stage. All of the issued were logged, as were the ideas for improvements. This part of the exercise lasted for 30 minutes and the rationale behind it was to elicit qualitative data on the highs and lows and collate suggestions for improvement.

Length of Service discussion: At this stage participants were reminded of anonymity aspect to their responses. Participants were asked to note their length of service and whether they had intentions of leaving the service of the Bank on the back of table. All tables were collected and placed in sealed envelopes. This portion of the exercise lasted five minutes and the rationale behind it was to allow the facilitators to relate the experiences of the participants to length of service and to identify 'hotspots'.

Voting exercise: Participants were given three cards – red, amber and green
One facilitator read from a list of questions to which the participants respond by holding up one of their cards. Red = disagree, amber = not sure and green = agree.
The numbers of red, amber, green responses to each question were and the second notes were taken from the discussions. The first questions are simplistic and

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humorous. Later questions were specific and focussed. The Facilitator asked questions about participant's responses, without targeting any individuals. This part of the process lasted for 40 minutes and the rationale in this case was to evaluate the effectiveness of current actions being taken in the division taking part and to assess participant's thoughts on proposed actions. It was also a means of eliciting both quantitative and qualitative data.

Post-its exercise: Post-its were distributed to the group and participants were asked to note the best three things about working in the Bank i.e. '5' being the thing that makes you want to stay. Participants logged the three worst elements about working in Bank and asked to note the 3 things that would make a real difference to them. Each person was asked to stick all their post-its on wall charts under the 1-5 ratings i.e. '5' being a factor that is of such detriment it might make an employee leave the Bank. This exercise was of five minutes duration and the rationale for this section was at this point as all participants had been considering their entire experiences they were asked to summarise. It also provided the researcher with a focus on what would yield the biggest returns.

Conclusion: all participants were thanked and the facilitators explained that the outputs of the focus group and their ideas would be used to address the issue of Attrition. They were assured that their contributions would be used to make a positive difference. Again all participants were reminded of anonymity. It was also suggested to them that the focus group could be logged as part of their personal development plan. This again lasted for five minutes and allowed the management of expectations of what participants would see regarding outputs, it also allowed the facilitator to impart that their time and honesty were helpful and appreciated.

3.3 Exit Interviews:

Allowing for access and time efficiency, phone based interviews were carried out on seven staff members who resigned from Ulster Bank who had less than one years service. The convenience of this approach allowed for efficient collection of data and also countered the hindrance of the company's far-reaching geographical dispersion. Some limitations were also perceived in that it was difficult to gain contact to the

participant after they had left the company. Interviewee's were also more reluctant to iterate in-depth feelings, given that the subject of the phone call related to their resignation from the company.

It was imperative that credibility was established from the offset on behalf of the interviewer and that the requirements of the interviewee were lucid and reasonable. In a detailed context the steps followed in conducting the interviews were as follows: (see Appendix)

Opening Dialogue:

The opening dialogue explained that the phone survey was being carried out so that we could more fully understand the reasons behind the interviewee's decision to resign. They were informed that their feedback would also be valuable to help the Employer improve the quality of working life for existing staff. The information the interviewee provided would be treated confidentially and would be used to identify trends and patterns amongst those who decided to leave Ulster Bank Group.

Questions:

Question 1: The participant was asked what the three most important factors were in influencing their decision to resign. The operator matched the response from a choice of categories and confirmed with the person being surveyed that they were comfortable with the category chosen.

Question 2: The person was asked if they were going to work for another Organisation and if it was not the case the operator matched their response to a list of options.

Question 3: The person was asked about their new employer in order to gain more of an understanding of the Organisation.

Question 4: This question was to glean the type of sector the person was leaving the Bank to join.

Question 5: Interviewees were asked for details of their position and salary details if they were comfortable imparting this.

Question 6: The purpose of this question was to obtain information on the person's new terms and conditions.

Question 7:   This question looked for information on how the person learnt of the vacancy they had attained.

Question 8:   The purpose of this question was to understand how the person felt about Ulster Bank Group as an employer. Six statements were read out and the person indicated whether they agreed, tended to agree, neither agreed nor disagreed, tended to disagree or disagreed.

Conclusion: The participant was thanked for their contribution and the operator expressed that their views were important to the Ulster Bank Group.

3.4 Employee Opinion Survey:

Fortunately, another tool of research that was at my disposal for the purpose of this dissertation was the annual Ulster Bank Employee Opinion survey. In order for us to gain an understanding of Employees satisfaction with their Employer an opinion survey is distributed annually. This elicits the levels of feeling and satisfaction on the part of the population as a whole, thus allowing the analysis of same to produce relevant required actions on the part of the Employer to counter any distinct areas of dissatisfaction.

The data source as aforementioned was the company survey that was carried out on 30 November 2004. The Data covers all employees with less than one year's service and takes a holistic organisational view as the data is not split by division and so reflects the views of this population as a whole. The Data also compares this population with an overall Ulster Bank Group average. The results relate to areas where this population is significantly more or less satisfied than UBG employees overall. The following are the key themes that were recognised:

1. General satisfaction with Ulster Bank Group
2. Training and Development
3. Reward
4. Work Itself
5. Other

3.5 Joiner Surveys:

Joiner Surveys were carried out on a total of seven new hires who had previously worked in the Financial Services sector. The purpose of this exercise was to evaluate new entrant's experiences of the Recruitment and Induction processes with Ulster Bank in comparison to the competitors they were previously employed by. This was completed in an effort to correlate any experiences that were not favourable in other companies, to any of the underlying themes or perceived contributors to the problem of attrition.

Section one dealt with the experiences of the new entrants of the recruitment process from learning of the vacancy to the length of time it took to receive their offer letter. Interviewees were asked what the influential factors were in deciding to accept a position at UBG. They were asked how the package with UBG compared to their previous employer and what influenced their decision to leave. Participants were asked to rate the value of Ulster Bank's Induction process compared to that of their previous employer and how valuable they felt the coaching/buddying system was as well as on the job training they received when they commenced their role in their new location.

3.6 Royal Bank of Scotland Group:

In an effort to understand how other companies within Financial services face the issue of Attrition, it was useful to contact other divisions which come under the umbrella of the RBS group. In this regard, projects currently being undertaken in other parts of the Group were investigated by contacting project managers in order to establish the degree of success to date of initiatives undertaken to reduce attrition and to establish whether any of them could be adapted for introduction in Ulster Bank. The following generic questions were asked:

- How did you analyse/identify the key drivers/issues of attrition?
- What were the distinct key drivers/issues identified?
- What interventions were developed / what are the current practices in relation to the key issues?

- How have these been implemented?
- How do you measure their success?
- What were the risks experienced?
- What best practices were developed?

Chapter Four - Analysis of Data

Chapter Four - Analysis of Data.

4.1 Analysis of Focus Groups:

Journey:

The focus group outputs were numerous and many key themes became apparent when all four focus group outputs were combined. The journey section (see appendix) elicited much negativity, rated at various stages of the participant's journey through career to date. The average score for the groups combined are as follows (+ 5 to – 5).

Average Score of Focus Groups

Time (y-axis, scale 0 to 3.5)

x-axis categories: Advert / Agency, Interview, Start Week, Month 1, Month 3, End of Probation, Current

Average Scor for Group
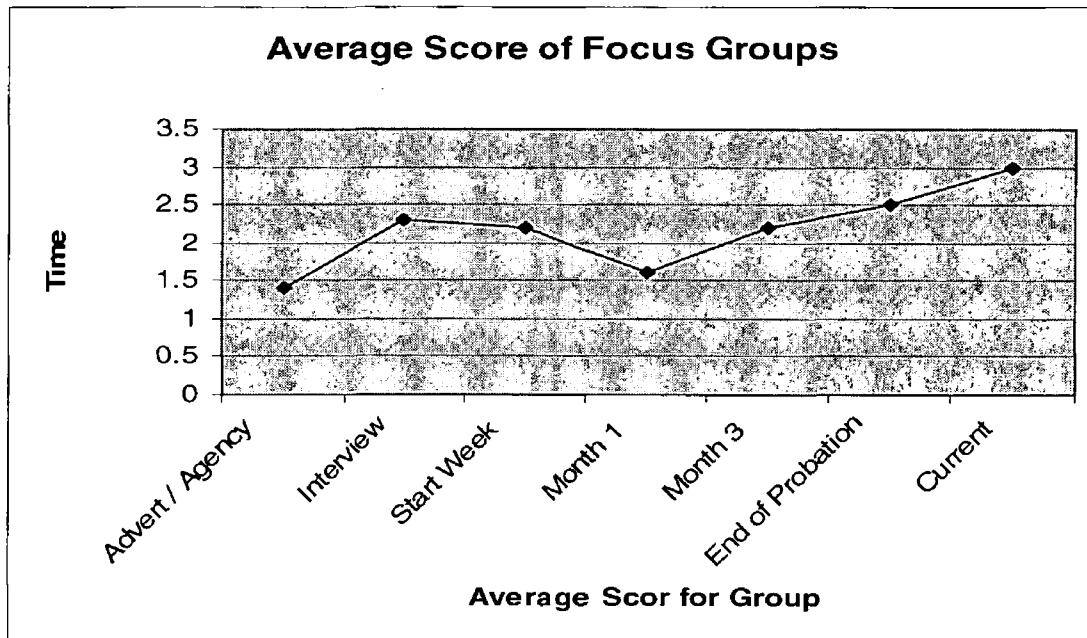
(Table 2)

Of the 28 participants, the amount of service they had completed was mostly 3,5,and 11 months combined. Equally of the 28 participants asked, 10 said they were seriously thinking of leaving the Bank.

Small Group Discussion:

The small group discussions recorded the particular highs and lows that people have experienced through their journey to date, as well as the reasons for them. The outputs were as follows:

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Positive experiences:

Comments noted:

- Finding out that there were career opportunities.
- The atmosphere is relaxed.
- It's a good place to work; there's a good team spirit.

Stages:

1. Selection stage: The Interview was comfortable and felt like a formality. The Interviewer was very good. I got a very good picture of the role at interview stage.

2. Day One: This was a positive experience; staff were friendly and trainers were very welcoming.

3. Month One: The training was intermittent training. Things much improved after 8 weeks

4. Month Three: All participants had interim reviews and they found feedback was very positive.

5. Month Six: All participants had positive probationary reviews completed and discussed opportunities for development with their line manager.

6. Final Review: All participants had completed their final six-month review and each had received positive feedback.

Negative Experiences:

Comments noted:

- After Induction, starting the role of cashier in a very busy branch was very daunting, they felt thrown in at deep end.
- There is no consistent policy on overtime.
- There is a long hours culture – you feel guilty if you leave at 5 p.m.
- Communication is poor, more timely communication is needed.
- Parts of the training course information were out of date.
- The information given to staff regarding recent changes was at the last moment and the bank must have known about it long before employees did.

Stages:

1. Attraction: Advertisements were unclear – there was a lack of information and no details regarding salary. The job title doesn't indicate content of the role of Customer Services Officer. There was nothing exciting

2. Selection: Participants incorrectly thought that the choice of location for interview meant the location of the role. The interview took place a long time after aptitude test and no contact was made in the interim two months. The timeframe from initial contact to receiving an offer letter took seven weeks.

3. Day 1:   The Branch was busy and short-staffed. Participants felt thrown in at the deep end and felt in the way of other colleagues.

4. Month 1:   Felt left to own devices and worked alone. Participants seriously considered leaving at this stage. Two weeks induction was not enough. Felt pressure to get everything right and mistakes poorly viewed. Felt like people were being pestered by constantly asking questions.

5. Induction   No-one met one participant on first day.

6. No formal induction - no who's who, group structure, etc.

7. Company Intranet UB Click is relied upon as a sole 'induction' tool.

8. 2 weeks training in branch – felt in the way & unrelated to my job so of some use but too long

9. Communication - Too much reliance on UB Click – difficult to navigate and things can be missed if you don't log in every.

Voting Exercise:

The voting exercise showed an aggregate distribution of the voting as follows:

(Table 3)

Voting Exercise

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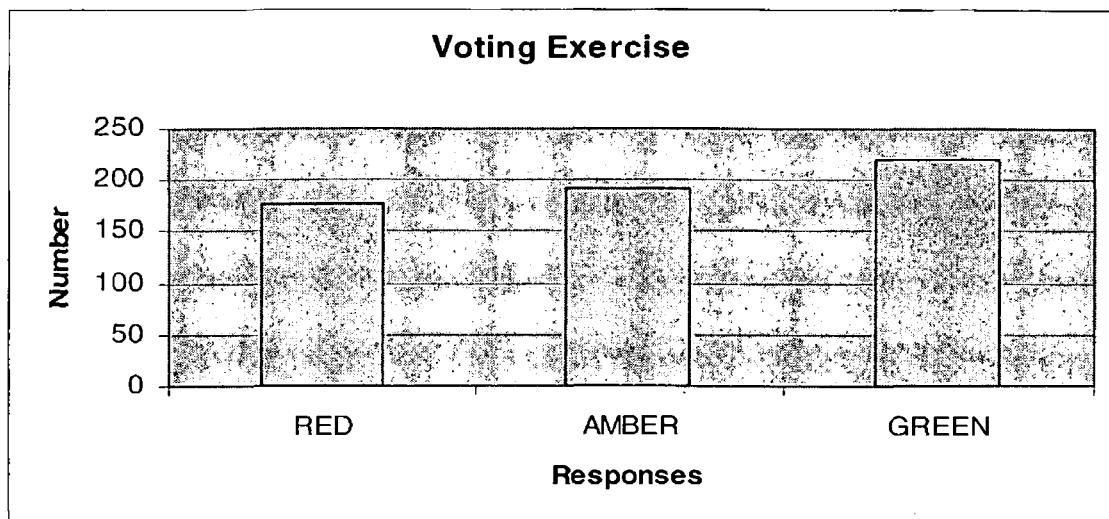
The outputs of the voting exercise were as follows:

QUESTION	RED	AMBER	GREEN
Ulster Bank is such a great place to work, you'd do it for free!	28	0	0
Ulster Bank is a respected brand in Ireland.	1	7	20
The work here is rewarding and varied	6	13	9
Ulster Bank has a performance culture that recognises and rewards achievers.	6	14	8
Ulster Bank provides excellent opportunities for career development.	7	18	2
The advert I saw / the agency I talked to, gave me a good understanding of the work that I'm doing	13	6	9
I get enough training to help me do my job well	10	10	8
I have a development plan which I have discussed with my manager	12	4	12
I enjoy working with customers	1	6	21
I really feel part of the team now	2	5	21
When I came to interview, I got a good understanding of what it would be like to work here	9	12	7
Even when I was new and inexperienced, my team still made me feel like I had a part to play	1	7	20
I get lots of feedback on how I'm doing	8	1	20
I think Ulster Bank can offer its customers a really good service	2	12	5
The salary and benefits here are equal to or better than that offered by other companies for similar jobs.	16	1	12
If you wanted, you could stay with Ulster Bank for years and do lots of different jobs	7	12	0
When I joined the Bank, I thought I'd give it a go for a while, until something better came up	5	6	8
I really like working here	3	14	2
All through my probation period, I had regular chats and updates with my manager	9	3	7
Before I started, I knew exactly what my salary would be	6	1	12
Compared to other people in UBG I think I'm paid fairly	10	6	3
Only where applicable:			
Having a buddy helped me settle in	0	8	10
I enjoy the selling part of the job	2	12	3
My induction really helped me get ready to do the job	13	5	1

(Table 4)

Notably some participants refrained from voting for some of the questions posed. This was a result of the question not being applicable or the respondent was unsure.

Post its:

Post-its were distributed to the group and Participants were asked to note the best 3 things about working in the Bank i.e. 5 being the thing that makes you want to stay. The post its analysis yielded the following results:

BEST THINGS ABOUT WORKING IN ULSTER BANK (1= lowest 5 =highest)	Totals
Good work Colleagues and Teamwork	5
Good opportunities for career progression	5
Enjoyable atmosphere/ good teamwork	4
Good 1:1's with line managers	4
Working hours	4
1:1's with line manager	3
Career Opportunities	3
Like dealing with the public	3
Social activities	3
Good opportunities to progress	2
Knowing stuff about people	2
Working with the public	2
Variety of work	2
WORST THINGS ABOUT WORKING IN ULSTER BANK 5 worst	
Culture of Long Hours	5
Sales Targets	5
No Graduate scheme / qualification acknowledgement	5
Salary	5
Excessive workload	5
Too much focus on sales	4
Salary and slow progression	4
Long Hours	3
Buddy for only a short period of time	3
Pressure to meet targets	3
Understaffed	3
Ambiguity of role and prospects	3
Glass ceiling for women and promotion	3
Too much departmental change	2
Pay structure and rewards for success	2
Not enough training	2

(Table 5)

4.2. Exit Interview Analysis:

The respondents rated the most important factors in influencing their decision to leave the Ulster Bank Group as follows:

Reasons	A First	B Second	C Third
• Career progression opportunities at UBG	1	0	0
• Training and development opportunities at UBG	0	1	1
• Salary and benefits at UBG	4	1	0
• Relationships with colleagues at UBG	0	0	0
• The nature of your work (e.g. what you have to do from day to day) at UBG	1	1	0
• Relationship with your manager at UBG	0	1	0
• Senior management and leadership of UBG	0	0	0
• Balance between work and personal commitments at UBG	0	0	0
• Recognition you receive for your contribution at UBG	0	0	1
• Image and reputation of UBG brands.	0	0	0
• Physical environment working at UBG	0	0	0
• Workplace location	1	2	0
• Change in personal circumstances	0	0	0
• Other	0	1	0
• No other factors	0	0	0

(Table 6)

Only 4 respondents rated a third influential factor in their decision to leave. One person rated second influential factor in their decision as 'other' which she stated was for travel.

Further analysis:

- Of the people surveyed four out of seven were resigning to go to another employer.

- Of this group were two were leaving to join a competitor.

- Of those joining other institutions, all four would receive higher salaries.

When asked about their new positions, those joining other institutions answered as follows:

Question	Totals	Totals
● Have a better salary?	4 – yes	
● Have a better overall Reward package?	3 – yes	1- unsure
● Offer a better career?	3 – yes	1- unsure
● Have a better working environment?	2 – yes	2- unsure
● Be easier to travel to?	3 – yes	1- same

(Table 7)

When asked to express their feelings in relation to Ulster Bank Group as an employer and company, the results were distributed as follows:

	Agree	Tend to Agree	Neutral	Tend to Disagree	Disagree
● I would recommend UBG as a good place to work	2	3	2	0	0
● Given the opportunity, I would continue to tell others great things about working here	1	3	1	2	0
● Deciding to leave UBG was a difficult decision for me	1	2	2	1	1
● Given the right opportunity, I would return to UBG	2	3	0	1	1
● My business really inspired me to do my best work every day	0	2	0	2	3
● My business motivated me to contribute more than was normally required to complete my work	0	1	1	4	1

(Table 8)

4.3. Joiners Surveys:

Of the 7 new entrants surveyed the following results were revealed:

Recruitment: One applied speculatively and another heard of the position through a friend - the remainder learned of the position through advertisements. It was less than a week when one person heard they were successful after interview, it was over a week for two candidates and for the remainder it was more than one month. Most felt that the recruitment process was 'good' but one person felt that it was average because of delay in receiving offer and contract documentation from Recruitment.

Training: Of the 7 new entrants surveyed at this time, two people were yet to attend training and remainder felt the training they received on the Induction was 'very relevant'. Two participants commented that they felt it could have been more practical with less theory. They felt that the buddy system was very effective and all met their Branch Manager or Team Leader on their first day and claimed to understand their role at this stage

Development: While all have had a formal meeting or met with their line Managers on a one to one basis - all candidates were on probation at the time of this survey and have not set specific objectives or drafted personal development plans. The understanding was that this would take place when probation has been completed.

Environment: Two candidates feel the working environment in Ulster Bank is excellent while the remainder feels it is 'good' or 'very good'.

4.4 Emergent Patterns and themes in the data:

1. Focus Groups

From each exercise of the Focus Groups carried out we can deduce that the following factors are primary causes for concern in the context of a persons decision to leave employment.

Journey:

1.   This section shows that between month one and three is an unfavourable period for staff and certainly a low point in their career experience to date. After two months service was completed things had improved.

2.   The recruitment and selection process revealed further negative elements in so far as there was a distinct lack of information and clarity around the role being applied for and also regarding the related conditions such as salary and benefits.

3.   The first day was a negative experience and the course of the first month for some showed a distinct a lack of communication and insufficient training.

Voting:

1.   Opportunities internally within the institution were unclear and the initial advertisement for the role secured did not give a elicit a good understanding.

2.   Many thought that the training provided was not adequate enough for the role and the majority were had no clear understanding of the personal development plan. Salary and Benefits were also a mitigating factor and many participants felt they were not paid fairly. The majority felt that the Induction training did not help them prepare for the position.

Posts its: this part of the focus group session revealed that the favourable aspects of employment with the company were team work, the availability of good opportunities and the atmosphere in the workplace. However, the negative elements derived from this section were:

1.   There was not enough training provided.

2.   Structure and reward were unfavourable.

3.   There was a high level of change.

2. Exit Interviews:

Of the 15 factors cited as influential to leavers in their decision to resign the most dominant revealed were:

1. Salary and Benefits
2. Career Opportunities at Ulster Bank Group
3. Workplace Location
4. The work itself

In most cases (as shown above) those leaving to go to other employment revealed that they would have better employment packages i.e. salary, reward, opportunities and work environment.

The feelings expressed by those interviewed in relation to UBG as an employer were generally positive, however there was a distinct lack of inspiration and motivation for the individual to carry out their duties.

3. Joiner Surveys:

The following issues were dominant for the group of New Entrants surveyed:

Recruitment: Timeframes for correspondence was warranted adverse feelings of respondents.

Training: Some felt the training course provided could have been more practical with less theory.

Development: Specific objectives had not been set for those with less than six months service i.e. Probationers.

4. Royal Bank of Scotland Group:

As referred to in Chapter 3 Methodology, in order to develop a further understanding of the problem of Attrition it was appropriate to contact the following companies within RBS Group in order to ascertain a further understanding of the issue in a Global context:

- RBS CBFM
- Citizens
- RBS Manufacturing
- RBS Insurance
- Retail Direct
- RBS Retail

After analysis was completed in each area the following key drivers of attrition were exposed:

- **RBS CBFM:** Recruitment, Induction and Recognition.
- **Citizens:** Recruitment, Engagement, Recognition and Progression.
- **RBS Manufacturing:** Recruitment, Recognition, Progression and Reward
- **RBS Insurance:** Development and Progression were the main causes.
- **Retail Direct:** Induction and Training and development.
- **RBS Retail:** Recruitment, Salary and Benefits.

5. Employee Opinion Survey:

Data gleaned from the Group's employee opinion survey carried out in November 2003 was provided by the Organisational Development department in Ulster Bank hence did not require the author's analysis. It revealed that people with less than one year's service felt the following:

General Satisfaction with UBG

- 71% would recommend UBG as good place to work
- 51% tell others good things about working here
- 71% are certain they'll be with UBG for another 6 months, but only 35% think they'll stay for 2 years
- 51% are satisfied with UBG as a whole. 23% are totally dissatisfied

Training & Development

- Don't feel like they've been prepared for job through training
- Feel that inadequate training means they can't improve business performance
- Feel they don't have enough IT training to do job well
- Don't feel they've been trained well enough to deal with customers (-19%)
- Relationships with customers are therefore not rewarding (-16%)
- Don't feel they have sufficient knowledge of UBG products and services (-24%)
- Don't feel that they have Personal Development Plans (-25%)
- Believe that performance is not clearly tracked and measured

Reward

- Negative about total reward
- Don't think pay is as good as other organisations
- Don't understand how pay is determined
- Don't feel they are paid fairly compared to others
- Happy with informal recognition
- Don't believe that they participate in UBG's financial success

Work Itself

- Don't find work interesting
- Work doesn't provide a sense of accomplishment

Other

- Seem to like / trust / respect their line manager
- Don't find the hours stressful, or suggest that work interferes with home life
- Positive about UBG image and competitive position
- Comfortable with sales targets (don't have Retail only figures)
- May be influenced by more senior people – those with 1-3 years service are not generally positive
- Positive about co-operation and working relationships
- Don't know goals of business
- Don't feel they can make suggestions to improve efficiency (-6%)
- Feel it is safe to speak up in UBG

4.5 Amalgamation of key themes from all research elements:

By examining these research results of this chapter it is safe to say that the following key patterns are contributors to the issue of Attrition in Ulster Bank Retail. They are far reaching and warrant a justification of current practices.

- Poor Attraction/Recruitment practices.
- Induction.
- Follow up 'after sales service':
- Perception of lack of career Development/Training/Succession:
- Reward.

Chapter Five - Conclusions and Recommendations

Chapter 5 – Conclusions and Recommendations.

5.1   Conclusions of Research

As deduced from the literature review and the analysis of the data resulting from the research carried out, a number of links and conclusions can be proffered.

As referred to in Chapter 2, the CIPD, Manpower and Business link studies have offered numerous insights into the causes and effects of Staff Attrition and Turnover. A change of career, pay and lack of development/career progression were key themes gleaned from the findings of these studies. In addition, the understanding of the importance of effective Training and Retention initiatives illustrates related solutions to Staff Turnover in Organisations.

The business of Direct Line was greatly improved by the reduction in staff Attrition which resulted from modes and revised practices in career development and the revitalisation of the company's recruitment process.

As an organisation, Orsoc stressed the importance of recruiting the right person for the role, while Virgin Our Price found that by revamping the Organisation's Induction course, they were staving off high levels of Attrition.

Prudential plc made in roads into increased morale and motivation and in course offset high levels of turnover by rotating staff between its work sites.

From other sources examined in this paper, many themes are visibly important. Philips in his analysis reinforces the necessity for careful, prudent and forward thinking Recruitment, Training and Educational practices for employees.
He illustrates the severe consequences of Attrition to a company, which are primarily related to costs. He finds that again Training, Recruitment, Employee Relations and Compensations and Benefits are the areas which must be improved on in order to have any effect on the problem of turnover.

Schuler and Jackon have similar findings again reiterating that losses suffered in administration replacement and transition of employees occur when Attrition is prevalent.

The importance of getting Recruitment and Selection right is reinforced through the findings of Sisson and Storey. Ulrich also contends that retention of the right people is essential and practices in managing replacements must be smart and effective. He also suggests that revisiting the identification of turnover trends and monitoring its impact fundamental to addressing the issue.

An overview of current thinking on the subject can be linked to the findings in Chapter 4. As stated in this chapter a deduction that the following themes protrude through the analysis of the data.

The notable patterns are as follows:

- Poor Attraction/Recruitment practices
- Induction.
- Follow up 'after sales service':
- Perception of lack of career Development/Training/Succession:
- Reward.

In this regard and in the case of Ulster Bank Retail the following recommendations can be offered as possible wins to the problem of attrition:

5.2 Recommendations:

1. Attraction/ Recruitment

- Ensure that agencies are carefully briefed on how to sell Ulster Bank as an employer, inform of role, highlight sales element, pay.
- Include role play as part of the interview stage e.g. sales and customer service.
- Include a site visit at interview stage or encourage the candidate to spend time in branch after the interview to get an understanding of the position. This will determine whether or not the environment appeals to the candidate before they commit to joining the group.

- Promote the team atmosphere.
- Ensure there is clarity and assurances on where the eventual working location for the candidate will be.
- Ensure "holding" communication is clear and maintain contact with the candidate at each stage in the process.
- Sell the organisation as having lots of opportunity, and being respected in the market.
- Preferably the actual line manager can conduct the interview.
- Introduce accredited interview training for all recruiting managers.
- Provide full details of the total reward package at the pre-employment stage the benefits of working for UBG. Explain clearly the pay progression system.

2. Induction and training:

- Structure the Induction training over a longer time period, as opposed to 2 weeks.
- Review the Induction content to cover non-job related information.
- Ensure Induction information is continuously updated.
- Ensure that product knowledge is adequate enough before asking the new entrant to sell.
- Ensure that all new entrants have some form of Induction into UBG covering the structure, who's who, the mission and vision and values of the company.
- Induction groups should be reunited for one day meetings at 6-month and 12-month stage in order to consolidate learning and support, and also for the feeling of belonging.

3. Line Manager

- Improve the structure of the 'Buddy' system to provide enhanced support post-induction and provide guidelines for the coach or buddy and Line Manager.
- Introduce job/project rotation options to increase the variety in the role and improve engagement within first year of employment.
- Ensure the trainer is providing on-the-job support.
- Line Manager to hold regular 1:1s with all new employees during first year.
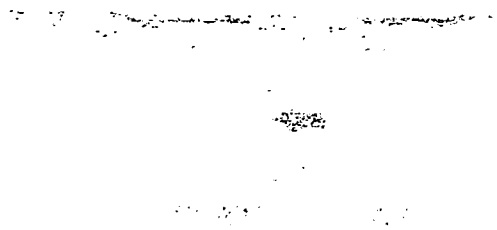
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RATING

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 5 |
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TIME ─────┬──────────────┬──────────┼──────────┬──────────┬──────

  Advert / Agency   **Interview**   **Month 1**   **Month 3**

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-1 |
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-2 |
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-3 |
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-5 |
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Appendix one

Month 6   **1 Year**
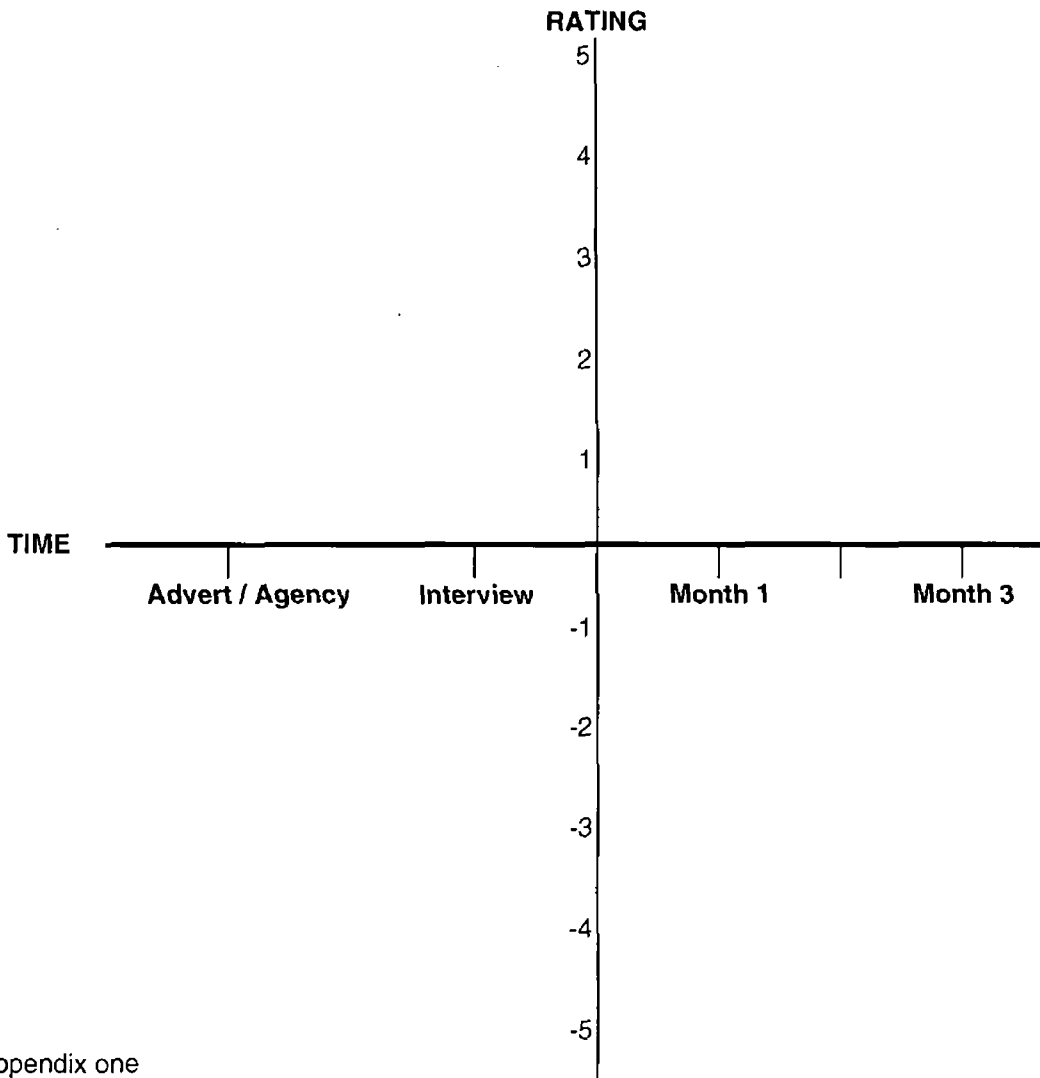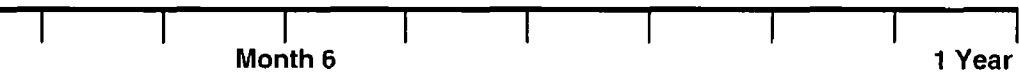
New entrants - Induction/Recruitment Questionnaire
Ulster Bank vs. Competitors

ULSTER BANK GROUP

Phone Based Survey

Employee Name: _____

Employee ID Number _____ (To be completed prior to call)

Start Date _____ Date of Interview_____

Opening Dialogue

Hello, can I speak with *(full name)* please? → Hello, is that *(full name)* speaking?

My name is xxxxxxxxx. I am the HR Associate for your area. I am calling to carry out a phone survey so that we can more fully understand your experiences when joining Ulster Bank and how they compare to your experiences when working for xxxxxxxxx. Your feedback will also be valuable to help us improve the quality of our Induction and Recruitment processes.

QB Can I just check that you did previously work for another FS institution?

- Yes – which one?

- No – Thank and close

The survey will take a maximum of 10 minutes to complete – is it convenient to carry out the survey now?

(YES – Continue)

(NO – Reason for call-back)

The information you provide will be treated confidentially.

Is that okay?

(Yes – *Go to question 1)*

(No – *Unfortunately we can not continue, without your permission, to use the information you provide. Thank you for your time.)*

Part One – Recruitment Process:

1. How did you learn about the vacancy with Ulster Bank?

Recruitment Agency	Internet	Newspaper

2. How long did you wait for a response once you applied for the position?

Less than a week	1 week	2 weeks	1 month	Over a month

3. How long did it take before you heard you were successful?

Less than a week	1 week	2 weeks	1 month	Over a month

4. What made you decide to accept the role at Ulster Bank?

Role	
Reward package	
Career opportunities	
Good Co. reputation	
Other	

5. What was your understanding of Ulster Bank's reward package prior to joining us? How does this compare to your previous package?

	Ulster Bank	Previous Employer
Salary:		
Profit Sharing:		
Club Subs:		
Pension:		
SAYE Options:		
Uniform:		

6. What influenced your decision to leave your previous FS employer?

Role	
Reward package	
Career Oportunities	
Other	

7. On a scale of 1-6, how did Ulster Bank's recruitment process rate in relation to your previous FS experience?

1 – Very Poor	2 – Poor	3 – Average	4 - Good	5 – Very Good	6 - Excellent

Induction Process:

1. How long did your Induction last?

1 week	2 weeks	1 month	2 months	Over 2 months

2. On a scale of 0 – 4, how relevant did you feel the training was?

1 - Not at all relevant	2 - Partially relevant	3 - Mostly relevant	4 - Very relevant

3. Did you feel it was all relevant? YES / NO. What did you feel was the best/worst part of the Induction?

    Best ....

    Worst ....

4. What do you think we could do in order to improve the Induction process?

Longer	Shorter	More theory	Less theory	More practical	Less practical	Other

5. How would you rate Ulster Bank's Induction process in relation to your previous FS experience?

1 – Very Poor	2 – Poor	3 – Average	4 - Good	5 – Very Good	6 - Excellent

6. Was there anything about your previous FS employer's Induction which you found particularly beneficial? ....

    ....

7. How long did it take for you to receive your uniform?

Less than a week	1 week	2 weeks	1 month	Over a month

On-the-job Training:

1. On your first day at the Branch did you discuss the role with your Branch Manager? YES / NO. What was the outcome of this discussion? Did you understand the role? YES / NO.
    ....

    ....

2. Was there a 'buddy' system in place at the Branch? YES / NO. How effective was this?

1 - Not effective	2 – Partially effective	3 – Mostly effective	4 - Very effective

3. What format did your 'on-the-job' training take?

Being Observed	Observing Others	Supervision	Reading Notes	Other

4. Was time made available for you to read UB Click and relevant information? YES / NO. How much time?

No time	1 hr per day	1 hr per week	1 hr per month	Other

5. Did you meet with your Manager in order to set your performance objectives? At what stage did this happen after your probation was completed?

First day	First week	First month	Not yet set	Other

6. Have you had regular meetings with your Manager to review your performance and progress? YES / NO. How regular?

Once a week	Once a month	Once a quarter	Other

7. Have you met with your Manager in order to set your Personal Development Plan? YES / NO. At what stage did this happen after your probation was completed?

First day	First week	First month	Not yet set	Other

8. How did your training with Ulster Bank rate in comparison with your previous employer(s) training?

1 – Very Poor	2 – Poor	3 – Average	4 - Good	5 – Very Good	6 - Excellent

9. Does your job match the role for which you were interviewed? YES /NO.

....

10. How do you feel that the working environment at UB compares with your previous employer's?

1 – Very Poor	2 – Poor	3 – Average	4 - Good	5 – Very Good	6 - Excellent

11. Are there any outstanding issues for you or comments which you wish to make to help us improve the whole process?

....

Thank you, your views are important to us and we thank you for taking the time to complete this survey.

EXIT INTERVIEW

ULSTER BANK GROUP

Phone Based Leaver Interview

Employee Name:

Employee ID Number: (To be completed prior to call)

Date of Resignation
Date of Interview

Opening Dialogue

Hello, can I speak with *(full name)* please?   → Hello, is that *(full name)* speaking?

My name is _____I am the HR Consultant for your area. I have been advised that unfortunately you have decided to leave Ulster Bank Group. We are calling to carry out a phone survey so that we can more fully understand the reasons behind your decision. Your feedback will also be valuable to help us improve the quality of working life for existing staff.

The survey will take a maximum of 10 minutes to complete – is it convenient to carry out the survey now?

(YES – Continue)

(NO – Agree convenient time to call back)

The information you provide will be treated confidentially and will be used to identify trends and patterns amongst those who decide to leave Ulster Bank Group.

Is that okay?

(Yes – *Go to question 1)*

(No – *Unfortunately we can not continue, without your permission, to use the information you provide. Thank you for your time.)*

QB Can I just check that you recently handed in your notice to the Group?

- Yes have resigned – continue

- No have not resigned – Thank and close

- Had resigned but have withdrawn notice – Thank and close.

Q1. A Please could you tell me what was the most important factor in influencing your decision to leave the Ulster Bank Group?

Q1. B. And what was the second most important factor?

Q1. C. And what was the third most important factor?

(Person being surveyed gives answer. Operator matches response to one of categories below and confirms with person being surveyed that they are comfortable with the category chosen)

If 'No Others' coded at B go to Q2.

(Interviewer to record a maximum of 3 answers)

	A First	B Second	C Third
• Career progression opportunities at UBG	——	——	——
• Training and development opportunities at UBG	——	——	——
• Salary and benefits at UBG	——	——	——
• Relationships with colleagues at UBG	——	——	——
• The nature of your work (e.g. what you have to do from day to day) at UBG	——	——	——
• Relationship with your manager at UBG	——	——	——
• Senior management and leadership of UBG	——	——	——
• Balance between work and personal commitments at UBG	——	——	——
• Recognition you receive for your contribution at UBG	——	——	——
• Image and reputation of UBG brands.	——	——	——
• Workplace location	——	——	——
• Physical working environment at UBG	——	——	——
• Change in personal circumstances Other (please describe)	——	——	——
• No other factors	——	——	——

2.   Did you decide to leave UBG to work for another organisation? NO

If YES – Go to Question 3

If NO – Then ask.....

Q2a In that case, could you tell me what you are planning to do after leaving UBG?

(Person being surveyed gives answer. Operator matches response to one of categories below and confirms with person being surveyed that they are comfortable with the category chosen)

a. Become self employed / start own business — ———

b. Attend further education ———

c. Travel ———

d. Address a change in personal circumstances (e.g. ill ———
health; pregnancy; caring responsibilities; etc)

e. Take a break from paid employment ———

f. Other ———

(Please describe _____)

We are interested in understanding more about your new employer and would appreciate you answering the following questions if you feel able to do so.

3.   What is the name of your new employer? ......will be self employed........................

    If this question is answered, please continue to Q5.

    If the individual will not disclose this information, please continue with Q4:

4.   **Are you going to.....**

• Work for another **financial** institution?	Yes/No	If Yes – go to Q5. If No continue.
• Work for another commercial organisation outside the financial services sector?	Yes/No	If Yes – go to Q5. If No continue.
• Work in the voluntary or charitable sector?	Yes/No	Go to Q5.

We are interested in understanding more about your terms and conditions and would appreciate you answering the following questions if you feel able to do so.

5.   **A) What will your new job title be?** ....

    B) Can you tell me what your new Salary is? If Yes, please complete...............................

6.   **Do you believe that your new job will.....**

• *(Only ask if Salary details not given)* Have a higher salary?	Yes/No
• Have a better overall Reward package?	Yes/No
• Offer a better career?	Yes/No
• Have a better working environment?	Yes/No
• Be easier to travel to?	Yes/No

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7. Please tell me how you learnt of the vacancy at your new employer?

(Operator matches response to one of categories below and confirms with person being surveyed that they are comfortable with the category chosen)

a) Employment agency/ recruitment consultancy   ———

b) Approach by headhunter   ———

c) Press Advertisement (including specialist press)   ———

d) Radio/TV   ———

e) Your new employer's website   ———

f) Other website   ———

g) From someone already working for your new employer   ———

h) From someone at UBG   ———

i) From family/friends   ———

j) Other *(please describe)*   ———

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8. We are keen to understand your feelings in relation to UBG as a company and an employer. For each of the six statements I am about to read out, please tell me whether you Agree, Tend to Agree, Neither Agree nor Disagree, Tend to Disagree or Disagree.

	Agree	Tend to Agree	Neutral	Tend to Disagree	Disagree
• I would recommend UBG as a good place to work	1	2	3	4	5
• Given the opportunity, I would continue to tell others great things about working here.	1	2	3	4	5
• Deciding to leave UBG was a difficult decision for me yes becaou	1	2	3	4	5
• Given the right opportunity, I would return to UBG	1	2	3	4	5
• My business really inspired me to do my best work every day	1	2	3	4	5
• My business motivated me to contribute more than was normally required to complete my work	1	2	3	4	5

Thank you, your views are important to The Ulster Bank Group and we thank you for taking the time to complete this survey.