

Improving staff morale, lowering staff turnover and reducing costs at Lloyds Banking Group (HBOS)



Introduction

Following an internal review of their induction programme for 'new to role' Personal Financial Advisors (PFAs) Lloyds Banking Group (HBOS) knew that something needed to change.

New PFAS come from a variety of backgrounds, from experienced Financial and Banking Advisors to Milkmen and Personal Assistants, and it was important to start catering for all of their different learning needs. In order to gain qualified and competent PFAs at the end of the induction they began the '**Destination PFA**' initiative where the key to success would be training knowledge and skills as separate entities.

From the shortlisted e-learning awards submission in the category of '*Best online or distance learning programme 2009*', this complimentary case study provides further insight on the Podcast recently recorded with Mark Shelmerdine at Lloyds Banking Group in December 2009 and published on the Towards Maturity website. In that [Podcast](#) Mark describes how they identified the need, how they established the key criteria for developing the programme, the 6 topic areas that comprise their blended learning solution and finally the benefits that have resulted.

In less than a year Destination PFA has **saved direct costs** in the region of **£500,000**, and that doesn't include the benefits of increased staff morale, lower staff turnover and higher productivity.

Background

“Your PFA Induction Programme falls between two stools; Brand new recruits swamped with masses of information, delivered in a ‘one size fits all’ experience. It is not learner centred or brain compatible. Experienced recruits on the same programme are bored and become de-motivated. The focus is too concerned on the end of programme validation meaning the attendees arrive in their new workplace lacking a clear understanding of what skill level they have achieved and confidence in their own true ability, this has led to low sales volumes and low retention rates in the early months and the need for further refresher training.”

Quote from an external review

This was not feedback of the century nor that unusual in many organisations, but coupled with their own internal review of the induction programme for ‘new to role’ Personal Financial Advisors (PFAs), which averages 350 a year, it made HBOS sit up and pay attention to what needed to change.

As a consequence they identified 5 key objectives for their new Destination PFA programme:

- Provide a programme that could be **tailored to an individual’s needs**, allowing delegates to learn at their own pace.
- Allow delegates to **learn wherever and whenever** was best for them.
- Provide **skills and knowledge** that could be easily **applied** in the real world.
- **Design** the entire programme **in-house** to allow for quick and easy updates.
- Provide **cost savings**.

Having decided upon the split of **Knowledge and Skills** it became clear that with the knowledge side of the training, wherever possible, delegates should be able to opt in at a time that suited them dependent on their personal progress through the programme. For skills based training however compulsory face to face sessions would be required to enable delegates to recognise their customers’ needs and to embed and validate what they have learnt. These would be known as **‘Skills Events’**. Both elements of the programme would be opened for each phase of delegates by an **Orientation event**, designed to introduce delegates and trainers, introduce the learning methods and hand over the materials required.

The project team looked carefully at the topics that would need to be covered on the Knowledge side of the programme and elected to split them into six areas:



It became apparent very early on that technology could play a major part in achieving the aims. A key consideration in the design of the programme was that the user could access their learning materials at a time and in a place that was suitable to them. This would mean that relying on their internal network or the internet was not a given solution.

They decided to look at what tools were available within the company to provide the best blend of learning for each of the topics. A collection of tools was drawn up and consisted of:

- Localised Study Groups
- Virtual Classrooms
- Conference Calls
- E-learning
- Workbook /activities
- Audio and Video Examples

It was also decided that investing in a pool of laptops would be an ideal solution as these could be loaned out to the delegates for the duration of their induction training

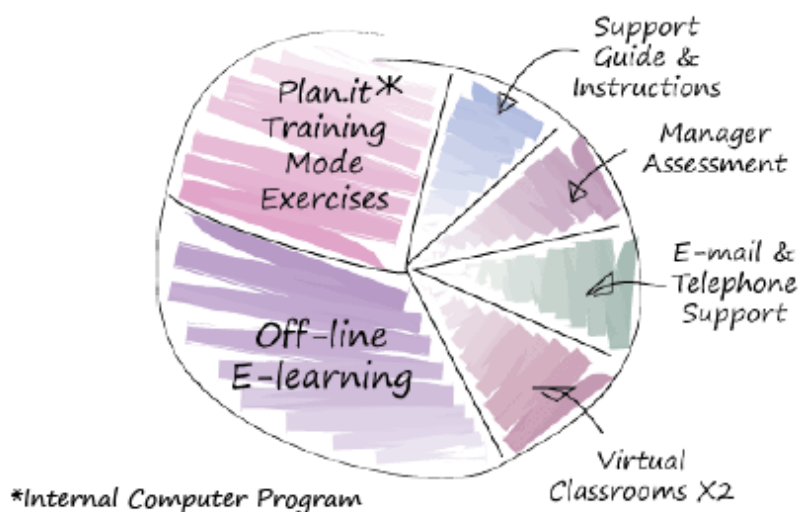
and the returned. Each laptop would be loaded with all the tools, technology and (technology based) learning material required. The only disadvantage of this was the lack of ability to track colleague's progress through the e-learning material, but this was heavily outweighed by the advantages as the laptops imposed the ethos of **'anytime, anyplace'** into the training, and using stand alone laptops **removed limitations** around delegates needing an internet connection. Additional solutions to address the issue of no immediate validation included:

- Virtual Classroom sessions which would **consolidate** delegates' learning and **validate** their understanding by involving them in live demonstrations.
- Validations would be organised with their **locally based line manager**.
- A 'buddy' system would be in place to **help guide** the learners where they needed it and to **keep track** of their development.

"The Buddy system with the personal trainer is a great support to the new starter and the Area Manager, keeps us on track and flags up any issues and concerns for all parties involved – keep it going" Area Manager

How did they combine the knowledge and the tools?

When starting to design each module, the topic would be looked at by the Subject Matter Experts (SMEs) and the e-learning team and a split would be decided in the following way:



The overall blend for all six modules looks like this:

Module build No. & Name	Components					
	Study Group	Virtual Classroom	Conference Call	E-learning	Workbook / Research Activities	Audio and/or visual
1 Plan.it Familiarisation	✗	✓	✗	✓	✓	✗
2 Customer Needs & Product Solutions	✓	✓	✗	✓	✓	✓
3 Applied Plan.it & Products	✗	✓	✗	✓	✓	✓
4 Customer Exp. – what, why & how	✓	✓	✓	✓	✓	✓
5 Sales Admin. – what, why & who	✗	✓	✗	✓	✓	✗
6 HBOS & You	✗	✓	✓	✓	✓	✓

The overall Destination PFA programme is structured as follows:



Securing Adoption

It was decided early on that the programme would not launch with a 'Big Bang' approach. To ensure that each topic was working the way it was planned, they would be launched individually over a 8 month period with the first full Destination PFA programme running at the beginning of 2009. Each topic and tool would be developed and tested on an individual basis and then piloted with an appropriate live group of delegates. This way HBOS could manage the risk elements of such a large programme change and reassure the business that the changes were working on a step-by-step basis.

Evidence for Change – Impact & Benefits

In the first 4 months from launch, 102 new entrants have completed the programme, and the average number of days for a delegate to complete the Destination PFA programme has been 40 compared to 80 days under the old programme, a time saving of 50% but it's also proven to be much more effective.

When comparing what would have been spent on this number of delegates for just overnight accommodation on the old programme against Destination PFA in those first 4 months, the figures make interesting reading:

- Old Programme 102 delegates X 22 overnight stays @ £160pn = £359,040
- Destination PFA 102 delegates X 7 overnight stays @ £160pn = £114,240

Saving £244,000 in 4 months!

Since then HBOS have gone on to achieve savings of approximately £500,000 while at the same time seeing significant improvements in staff morale and motivation which subsequently reduces staff turnover and saves costs.

To back up their success here are some of comments received from delegates about their Destination PFA course:

“The support I have been given during my study has been fantastic, both from training and my Area Manager, the LiveMeeting sessions were great and are a brilliant way of sharing learning experiences and checking understanding and progress through the material. I feel as if I really know my stuff and can’t wait to start interviewing customers so that I can put all of this into practice.”

(New PFA)

“This programme gives the PFA much more time in branch mixing with the team prior to the training course. The distance learning appears to be very comprehensive and gives the new PFA a much broader range of knowledge rather than just being able to pass a test”.

(Account Manager South East)

“I have been very impressed with the new Destination PFA programme, the support from the Personal trainer has been brilliant, with the introduction of the „POD” learning my new PFAs have all left the induction programme more competent in the role and my Senior PFA has been very impressed with the immediate ability of the new starters.”

(Area Manager Regulated Sales)

Destination PFA set out to achieve a number of key goals which have all have been met, laying the foundations for expanding the concept of this blended learning programme into other areas. In fact HBOS have now developed a comparable programme for Mortgage Advisors in half the time based on their experience as Mark reveals in the Podcast.

Hints and tips for those facing similar challenges:

- Speak to past users to understand their experiences
- Spend time on understanding the skills and knowledge that's required to do the job and what's needed
- Explore what's available in terms of technology and tools and consider what could be used
- Don't be restricted in your thinking or approach