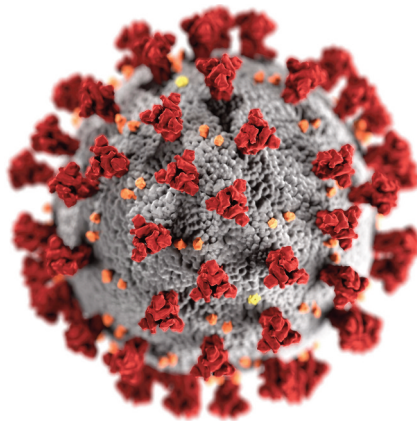


Lloyds Banking Group: Partnership during COVID19





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Through our research and practice we develop new ways of working, based on trust and collaboration that deliver better workplaces and better outcomes – employee wellbeing, increased productivity and improved services.

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Introduction

Lloyds Banking Group (LBG) and its two recognised trade unions Accord and UNITE have enjoyed strong and effective working relations since Lloyds TSB took over HBOS plc in 2009, which have helped the bank and its employees navigate through the challenges of the financial crisis, the subsequent demerger of TSB, and the ongoing changes in the retail banking sector. For both parties, the development of an appropriate architecture and of personal relationships to enable close and effective working at every level of the bank have been a priority, to ensure that the views and interests and employees are a key consideration in strategic decision making.

As this case study demonstrates, faced with the huge challenges of dealing with COVID19 throughout 2020, this architecture and these strong relationships have been key in enabling the bank and its employees to engage effectively in meeting the ongoing and immediate challenges presented by COVID19, with regular contacts ensuring employee safety, while maintaining levels of customer service.

Substantial changes in working practices, including enabling many colleagues to work from home, and stagger working hours, have been agreed and implemented in an extremely short space of time, including joint communications on major changes, and joint working groups on specific issues, and helping ensure that interests, safety and wellbeing of all staff remain of paramount concern.

This coming together as a consequence of the pandemic to protect the interests of employees and customers alike, through changes in working locations and patterns, the diversion of significant resources to ensuring site safety, and the reliance on the agility of local managers and staff to deliver these new ways of working and responding to customer demand, has demonstrated beyond doubt the central importance of this partnership. It also demonstrates how the desire to move at pace in dealing with change and the unions' determination to secure the interests of employees, far from being mutually exclusive, can both be met jointly and satisfactorily.

Both parties are committed to continuing to work jointly in partnership to meet these challenges together, and both wish to ensure that the relationship is strengthened, ensuring that the unions are enabled to operate effectively, that relationships with bank management at every level are strong, and that the mechanisms for partnership are fit for purpose.

Partnership and COVID19

The rapid escalation of the nationwide COVID19 crisis in March 2020 with the huge implications of the lockdown announced by the government on 23 March posed multiple challenges particularly to customer facing organisations. Inevitably companies had different initial interpretations as to which employees would constitute key workers. However, rapid engagement between the Bank's leadership and the unions resulted in a ground-breaking joint statement from the Group Chief Executive, Ged Nichols, General Secretary of Accord and Scott Doyle, UNITE NCC chair.

It is worth reproducing in full, since it established the tone of engagement throughout the pandemic.

Working together for you, customers and communities

In these extraordinary and worrying times we know you will be thinking about your families and friends and missing being close to them. We're sure you will feel anxious about how much longer this will last and worried about the impact it's having on your loved ones.

You may be finding it hard to split your time between looking after your wellbeing, your family, staying connected with your parents or friends while also juggling working and keeping your home in order.

Things we all took for granted, like simply going to the shops to buy groceries, have now become an important part of all our weeks. The future and the longer term impact of this crisis is unclear, yet despite all of this adversity you have stayed focused for your colleagues, teams, customers and communities.

We want you to know that we are working together to do all we can to help protect your jobs, livelihoods and wellbeing as well as continuing to provide an essential public service for the Group's customers.

Our relationship – business and unions - has been forged through past challenges, the financial crisis and continuing changes as the business has responded to economic and technological challenges and changing customer needs. We've worked closely to navigate these together and tried to manage changes in the best way.

Despite that, the current crisis is unfolding before us as measures are updated day-by-day. We're responding together as quickly as we can and in the best way we can. We won't always get everything right, but we can promise to use the strength of our relationship to do all we can for you and your colleagues in these unprecedented times.

Together, in partnership, we will make sure we are looking out for you, our communities, and the business's customers. At this important time, we stand side-by-side in thanking you for everything you are doing and have done to support our country, business, and each other through this crisis.

Subsequently, a joint statement between Community Banking managing directors and Accord and Unite also acknowledged employees' vital role and set out joint working arrangement to ensure colleagues were able to work in a safe working environment, outlining health and safety measures, and with an assurance of continued joint working to ensure colleagues felt listened to and supported during the pandemic.

Other joint statements highlighted the importance of joint risk assessments, emphasising that colleagues' physical and mental wellbeing was the company's top priority, as leaders and unions committed to working together to provide an environment where colleagues felt confident to be in work and to continue to service customers and communities safely.

A joint architecture to enable engagement was quickly established. The company set up leadership calls, to deal with all aspects of the pandemic. In parallel a COVID19 information sharing forum was set up in early April 2020 with high level membership from the group colleague relations team and senior union officials from Accord and Unite, with guests invited from relevant business areas, people teams and specialist central teams.

The forum – which met initially (virtually) three times a week (later reduced to two) – was established ‘as a regular information sharing call to ensure Accord and Unite are kept up to date on emerging activity and are briefed on colleague communications in advance as well as enabling both unions to feedback membership queries or pressures so that Lloyds Banking Group can respond in a timely manner.’ Issues requiring consultation would be raised at the appropriate forums. Additionally, when timing pressures required additional sharing, calls were arranged outside the regular structure, e.g. briefing on retail essential workers developments, or PPE.

A group health and safety union engagement forum was also set up, meeting weekly, enabling regular information sharing on the ongoing efforts to ensure colleague health and safety, and providing ‘a co-ordinated weekly forum through which all Group wide health and safety updates, communications and feedback can be shared at a strategic level to promote joint working, consistency of messaging to colleagues which in turn will support local health and safety issue resolution.’ Issues such as the safe operation of bank cash machines, protective screens and safe customer accessibility were among the many issues of fine detail discussed. A meeting was also held with the bank’s chief medical officer to provide further insight into the science behind the guidance the bank adopted – for example on the wearing of masks.

Importantly, a daily meeting was held between the unions and the managing director for the community banks to explore ‘in the moment’ colleague concerns, customer behaviours and health and safety issues, providing the unions with a real opportunity to shape the bank’s ongoing response during the crisis.

This central architecture quickly demonstrated its effectiveness in providing two-way channels of communication and engagement, and became central to joint efforts in dealing with the impact of the pandemic. Over 200 joint meetings between the bank and the recognised unions have taken place since the beginning of the COVID19 outbreak.

Senior union officials and bank leaders engaged in the process recognise it bought an ‘unprecedented’ level of detailed as well as strategic engagement, enabling real collaboration and providing energy to work together to solve problems. As one interviewee put it ‘the unions are my eyes and ears on the ground’. At a meeting in June 2020 the CEO was explicit in recognising the importance of the relationship with the unions in enabling the bank to navigate the pandemic.

Among the important changes that were made by Lloyds Banking Group, in consultation with Accord and Unite were:

- The securing of full pay for all permanent full or part-time colleagues regardless of role, or individual circumstance.
- To ensure stability for colleagues, all organisational changes were put on hold for over 6 months and already scheduled change programme exit dates extended until later in 2020.
- Robust operational plans that were safe, reasonable and achievable.
- A well-established process for joint incident management work in response to site closures.
- Reduced branch opening hours with no mandatory change to working patterns/hours or reduction in pay.
- Closure of branches where there were insufficient staff to support safe operation with no loss of pay.
- Large scale reassignment of staff to ensure customer needs continued to be met, for example demand for government backed business loan schemes.
- Agreement on home working.
- Provision of equipment at pace to allow as many as possible to work from home.
- Increased flexibility for homeworkers managing child and other caring responsibilities.
- Consistent attestation process for homeworkers.
- Following joint discussions Accord and Unite welcomed the rollout of Wellbeing desks for homeworkers whose personal circumstances were better suited to a return to an office. Both unions agreed to support by directing members to the initiative where necessary.
- Protective equipment/products provided and installed in workplaces.
- Protection beyond government guidelines for vulnerable employees.
- More rigorous estate-wide cleaning regime implemented and discussed in detail with unions during the health and safety meetings.
- Stringent risk assessments of all workplaces and associated roll out plans were developed. Both Accord and Unite worked with their H&S representatives to enable them to undertake joint assessments where possible and gave their feedback and reflections on the assessments during the regular H&S meetings. Local managers and union reps visibly 'walking the floor' gave confidence to staff that their concerns were being heard.
- Following feedback from the unions, Retail worked with Accord and Unite to agree revised guidance for branch colleagues on use of the Test & Trace app in branches and a simplified approach for colleague isolation following confirmed cases in branches.
- Lloyds Banking Group provided all employees free access to an Employee Assistance Programme for information and counselling services. Extra support was provided through this service during the crisis.
- Launch of leading mindfulness and meditation app, Headspace, free to all UK-based permanent colleagues.
- Increased overtime rates for staff helping to clear urgent backlogs of essential work.
- Agreement to reimburse travel costs to avoid the use of public transport and get colleagues to work safely, including car parking, petrol and taxi charges.
- Opportunities for individuals to review their benefit choices to ensure they reflected any revised needs as a result of the pandemic.
- Assurance to colleagues that no Coronavirus related absences to be used in any attendance procedures.
- Following significant discussions with both unions a £10m Recognition Award was shared with 40,000 colleagues.

Case Study – Dunfermline Contact Centre

Joint problem solving during the pandemic would not have been possible without pre-existing strong relationship of confidence and trust between union representatives and LBG managers not just at senior levels, but reflected in many locations across the business particularly in retail and telephony.

For example, Accord rep Sarah Cockburn and head of customer contact Nicola Muir worked together in the Dunfermline centre on a daily basis to solve the daily issues in a centre with over 1,000 staff.

The ability of management and union colleagues at the Dunfermline site to respond quickly and effectively to the challenges of COVID19 had its foundation in the existing strong working relationships on the site. Both were both proud of the partnership between them which enabled them to move at pace when COVID19 first hit. 20 colleagues were working from home as a pilot project at the time of first lockdown, which supported a prompt roll out of home working.

A Business Incident Coordination Team was established and included union representatives from Accord and Unite in the meetings so that all parties were aware of the challenges being faced, such as the scale of absences and the need for deep cleaning. These regular virtual meetings and phone calls – daily initially, reducing to every other day then twice a week and then weekly - were also an opportunity to consider how colleagues were feeling, and what interventions were or were not working. The meetings were described as open and honest and evidenced the feeling that ‘we are all in this together’. On-site risk assessments were undertaken jointly with the H&S Team and union representatives. The union representative we spoke to noted that when working on site it was important for representatives to be seen to be modelling safe working behaviours and reassure staff on site.

This joint working was further exemplified early on in the pandemic when a COVID19 case was confirmed on site at 3pm one afternoon. At that time a joint decision was taken with the unions to close the site, and all 1,000 staff working on site were evacuated. Following deep cleaning, it was agreed to re-open the site, and team leaders, managers and union representatives walked the site together to speak to returning colleagues.

At the time of the review, 40 per cent of staff were working on site and 60 per cent from home. It was important to keep the site open and safe for staff who were unable to work from home, for whatever reason, and to ensure colleagues felt able to make informed choices about what was best for them. Thus, timing and content of joint communications were crucial.

Overall, the two interviewees reported a *‘sense of care and pride in a very challenging time’*, based on *‘a real team effort’*. They both identified a number of potentially beneficial learnings from their experience.

Personal relationships and architecture

Working collaboratively through the challenges of COVID19 was made easier because of the consistency in approach developed over the previous six months - the same people and same rules of engagement. Along with these personal relationships, equally important was the architecture of regular meetings making sure issues are logged and followed up and nothing is missed.

Communications

It was recognised that moving at pace could sometimes mean that communications got out of sequence and that the timing of communications was very important as a result. Nevertheless, prompt joint communications which acknowledge the input of the trade unions in problem-solving were felt to be vital in reassuring staff, addressing their concerns, and ensuring the visibility of the unions' role.

Union representatives who are visible and providing feedback to colleagues about their concerns – making the relevance of the unions visible – have an important role in future recruitment strategies. Being an effective representative is about being pro-active – bringing concerns early and solving problems jointly with managers before they become an issue.

Wellbeing

A policy change on wellness and accountability for wellness was introduced during COVID19. Additional local Support was put in place locally with the Senior Team Managers and Team Managers, in partnership with the union representative, to supplement this change and embed it locally, through specific masterclass sessions and case clinics. This was felt to be a strong example of collaboration which could be replicated.

At the same time, the demands placed on the workplace reps were acknowledged with the recognition that it could be a balancing act for reps to be mindful of their own mental health and wellbeing.

Joint Training

To meet future challenges, both managers and trade union representatives will need emotional intelligence and be able to work pro-actively. The objective now is to move away from the purely transactional in future interactions.

Overall COVID conclusions

There can be no doubting the potentially existential challenges facing LBG – along with many other UK companies and organisations as a consequence of the pandemic. Both bank and union leaders are explicit that the relationships of trust and confidence built up over the preceding years were pivotal in the organisation's success in meeting these unprecedented challenges, and pay tribute to the ongoing efforts of all involved.

Overall, the experience of the COVID19 partnership suggests the importance of:

- Timely adaption of engagement architecture to meet exigencies.
- Strong support for partnership across senior leaders across the business.
- Union engagement on both strategic challenges and detailed colleague concerns.
- Ongoing accessibility and joint engagement of key personnel from management and unions.
- Clarity on joint agreements on policy detail and on subsequent roll-out mechanisms.
- Ongoing regular monitoring of jointly agreed initiatives.
- Cascading of communications around decisions taken in working groups e.g. health and safety.
- Early engagement and opportunities to review decisions to identify possible pitfalls, and how they are communicated – e.g. the award of a COVID19 payment to staff.

In the IPA's judgment the strong and enduring relationship between LBG and the recognised trade unions is an outstanding exemplary of a deep and effective partnership approach which has proved its value to employees and organisation, enabling LBG to place the interests of its employees front and centre as it navigated its way through the various and unprecedented impacts of the pandemic.

In the context of our work over many years supporting the development of partnership arrangements we believe there are many lessons in this case study which would be of benefit to the wider business community and trade union movement alike.

Considerations for the future

As with all partnerships, continual review is key to ensure ongoing effectiveness.

All parties are committed to continuing to work jointly to ensure that the partnership is further strengthened and is able to evolve to ensure that the mechanisms for partnership are fit for purpose.

As part of this study the IPA have made a series of recommendations to support LBG leaders and the recognised trade unions in understanding and building on the lessons of working effectively together through the pandemic, and of other recent interactions, as the 'new normal' emerges.

Summary of considerations for the Bank, Accord and Unite:

- Continue to identify opportunities for engagement on strategic issues and encourage joint dialogue.
- Continue to build on opportunities for mutual understanding, relationship building and joint working within each business division.
- Explore ways to improve the advocacy and awareness of unions as a positive force across different divisions, supporting the unions to extend influence and membership across divisions and areas.
- Support union moves to develop capacity and capability among representatives.
- Ensure the employee relations environment continues to be underpinned by an effective framework that promotes joint problem solving through addressing conflicts and local issues at pace when they arise.
- Maintaining trust-based relationships and dialogue should be a priority for both parties going forward.
- Support the unions in further understanding the aims and aspirations of the workforce, particularly in divisions where union penetration is traditionally less strong.



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