



Westpac Branch Operating Model Proposal, September 2009: Finsec Submission

Introduction

Westpac's proposal to make significant changes to the structure of roles in the branch network is extremely significant. Major re-organisations of this kind only occur once every 10-15 years, and in this case virtually all staff in the branch network will be affected.

For these reasons Finsec believes that it is essential that Westpac consults carefully about its proposed changes. While the business decision to proceed or not with the proposed change rests with Westpac, successful implementation will only happen if staff are listened to. This is important for two reasons. Firstly, staff as the people who deliver Westpac's services to customers have a good understanding of all of the practical issues that need to be taken into account. Secondly, staff who feel ignored or poorly treated during a change process are unlikely to "buy in" to the banks plan.

With these factors in mind we believe that it is in Westpac's own interests, as well as being a legal requirement, for proper consultation to occur. Proper consultation occurs when the feedback of staff is genuinely considered, and that feedback has a real ability to influence the final outcome.

In the limited time that has been made available, Finsec has consulted extensively with our members on this issue. We have undertaken face to face meetings and teleconferences with delegates from over 160 branches, received written comments from over 120 branches, and had verbal interactions with many individual members and non-members.

The feedback we provide in this submission is based upon the feedback received through these channels, and is mostly grouped into four areas that delegates have endorsed as "key principles" during the change process. These areas are: proper consultation, adequate support and training, fair management of change, and not reducing staffing.

A fifth key principle is inherent throughout this submission, and that is the principle of realism. Finsec members accept that change is a part of working life, and understand that Westpac does intend to make major changes through this proposal. While many of our members believe that there are significant problems with the proposal, our approach will be to behave as constructively as possible, accepting that change will occur, but arguing for staff to be listened to and treated fairly.

Key feedback on behalf of Finsec members follows, with specific recommendations at the end of each section, and grouped together at the end.

Feedback and Recommendations:

Adequate Consultation

Finsec members have expressed real concern about the speed with which Westpac is undertaking this change process, and the poor consultation that has occurred to date. Members have been given just over one week to digest this significant change proposal, and had little forewarning that it was coming. Whatsmore, a majority of members report

that they do not feel that they have been presented with adequate information to be able to understand the proposal properly. Managers have often given out different information to staff, and are very often unable to answer questions. A lot of important information is also missing from the proposal.

These concerns are reflected by the Finsec Union Council. We have a realistic approach and accept that organizational change will happen from time to time. We even accept that change will sometimes not be to our liking. However, we do expect a basic level of openness and honesty about Westpac's plans. During Collective Bargaining this year, the Finsec bargaining team repeatedly asked Westpac whether it was likely that there would be significant organizational change occurring in the short-term. Repeatedly, Westpac gave vague answers or denied that there was any such intention. Therefore we are extremely concerned that six weeks into the term of the new CEA, this proposal has been put forward. Further, Westpac's lack of openness has been multiplied by its unwillingness to give staff a proper period of consultation that allows all of the issues to be worked through.

Staff feedback suggests that there are still a myriad of issues that are unanswered and require further dialogue. These are not just branch implementation issues that can be dealt with at the time that change is rolled out, but fundamental questions about how the model will work, including the way in which the CBC/LC role will work across branches of different sizes, how targets will be structured under the new model, and how training and up-skilling will be implemented.

Overall, the view of our members is that adequate consultation has been sacrificed in order to proceed with the proposed change quickly. We are of the view that if Westpac continues to proceed on this basis, that change is likely to be implemented poorly, and that the goodwill of staff will be lost.

Recommendations:

- 1) *That the timeframe for moving to implementation be slowed down on the following basis:*
 - *Westpac to confirm its overall intentions as per the existing timeline.*
 - *The month of October to be used for further dialogue with staff and Finsec to work through outstanding issues and questions.*
 - *Training to commence on the initial roll-out sites from November, with full implementation on these sites to be delayed until an appropriate time in the early New Year.*

Support and Training

Staff have overwhelmingly identified adequate training and support as being necessary for any change of this magnitude to be successful.

At the service end in particular there is real anxiety that a failure to invest in proper training for CSR's could have disastrous consequences in terms of customer service. Both the Teller and Support roles have evolved to be quite specialized over the years, and the amount of up-skilling for an employee in either one of these roles to learn the other, is significant. If this is not done adequately, the results at branch level could very well be poorer, not better customer service.

At the sales end, the proposal sees some current Supports moving into the CBC role, a shift that requires the acquisition of a lot of complex knowledge. There will need to be significant resource put into up-skilling these people.

Staff report that their anxiety in this regard is caused by two factors. Firstly, they do not feel that adequate resourcing and time has been put into training and up-skilling at Westpac in the past. Secondly, the rushed implementation schedule and lack of detail

about this issue in the bank's proposal, suggests gives the appearance that it has not been carefully considered this time.

Many staff report that simply keeping on top of their own learning needs is extremely difficult, and that they simply do not see how adequate training can occur at the same time that they have to continue serving customers and meeting targets.

Finsec endorses these concerns and in addition is concerned about the implications of the proposal on the competency based pay model, which is based upon staff having access to adequate training. To date we have not seen any information from Westpac about this issue. This is a real concern given that Westpac's proposal sees some staff transitioning to the new roles in about three weeks time.

In addition to recommendation (1) above then, we propose the following:

Recommendations

- 2) *That the up-skilling and training of staff into new roles be made a priority and that the following measures be enacted to this effect:*
 - *That in consultation with staff and Finsec, Westpac develop an integrated training plan during the month of October that clearly sets out how Westpac will address the significant training needs created by the proposal.*
 - *That as a part of the implementation process, a minimum two week target-free training period be implemented during which staff are able to learn from one another on the job.*
- 3) *That the issue of how competency pay and the proposed new model intersect be worked through during the month of October, and that a meeting of the Westpac/Finsec Joint Review Committee be convened.*
- 4) *That until issues relating to Competency Based be are resolved, that staff working in roles under the new model be treated as "overall competent" for the purposes of pay progression.*

Fair management of change

At a time of change it is essential that staff be treated fairly. Fair treatment means going beyond the legal minimums required of an employer when consulting. It means establishing some high level principles and policies for dealing with the change management process, and also being respectful and responsive to individuals at the point of implementation.

Our members have given significant feedback in this area. The primary area of concern relates to how roles will be allocated at the time of transition. Members are extremely anxious that staff not be forced to move into roles that they are uncomfortable or unwilling to do.

While there are opportunities for changing roles or career advancement in the proposal that many staff will be keen to take up, there will also be a number of staff who for legitimate reasons are unwilling to change into one of the new roles. These reasons could include a lack of the requisite "skills and abilities" required for the role, an unwillingness to take on a more pressurized role, stage of career cycle, or past history.

We believe that forcing staff to change roles against their will is bad not only for the staff member concerned, but also for the bank, which will find itself with a dis-satisfied employee on the front-line. We are therefore encouraged by Westpac's indications that it will not attempt to force change where there is significant resistance. Finsec strongly believes that staff in this position should be treated with respect and not required, against

their wishes, to change into a quite different role from the one they are currently employed into.

In past re-structures it has been common for the above issue to be resolved by shifting staff around in order to “fit” staff into the right places. We believe that this would be a poor approach for Westpac to take to the current re-structure. Not only does it leave staff feeling like pieces on chess-board with little value as individuals, but it will not solve the problem of staff not wanting to change roles – it will only shift it somewhere else.

The two above issues are, in Finsec’s view, likely to be made worse by the implementation plan, which to the best of our knowledge, is focused on rolling out the model to individual branches when they are deemed ready. This implementation plan will mean that staff will be asked to consider their options based only on what is available at their own branch. This has the potential to limit people’s options, and create issues for the bank that could be avoided. For instance, a teller at a small suburban branch might be very unwilling to change to the CSR role, causing implementation problems in her branch. However at a larger branch the next suburb over, there may be a plan for a dedicated teller pool, which may have vacancies if the existing tellers all choose to move to the CSR role. The teller in question might be very happy to take a position in the larger branch. However if implementation is atomised on a branch by branch basis, it will not be possible to bring the supply and demand of roles such as this together in an organized way. So while Finsec supports Westpac’s intentions to steer away from a “big bang” implementation approach, we think that an atomised branch by branch approach also carries with it problems. We believe a better approach lies somewhere in-between.

Finally, many members are concerned about the process that will be used to migrate staff from existing roles to new roles. This concern has been inflamed by a lack of clear information, and the comments of some managers who have told staff things like “I’ve decided who will go where” and “you will all have to apply for your jobs and we will pick who we want”. Finsec believes that it is extremely important for a clear and consistent process to be agreed to so that all staff can have confidence that they will be treated fairly and equitably. Such a process is also likely to ensure that change occurs with as little disruption as possible, something that is extremely important to ensure that staff transition to the new model in a positive frame of mind. The agreed process should capture the points made above.

Recommendations:

- 5) *That Westpac make a commitment to not force staff to shift into roles against their wishes.*
- 6) *That Westpac make a commitment to not shift staff around branches against their wishes, solely for the purpose of implementing the new branch model.*
- 7) *That in the first instance, Westpac seek and accept volunteers to shift into new roles.*
- 8) *That Westpac consider rolling out the new model on an Area by Area basis in order to more realistically match staff preferences with bank needs.*
- 9) *That during October Finsec and Westpac meet to establish a fair and reasonable process for transitioning branch staff from the previous model to the new model.*

Staffing Levels Maintained

Finsec members are strongly of the view that implementation of the new branch model should not be used as a means of reducing overall staffing numbers across the branch network. Collective Agreement bargaining earlier this year led to a commitment from Westpac to “endeavour to maintain current staffing numbers” and it would be inconsistent for a major structural change such as this to result in a fewer staff across the branch network.

Many staff report that they can identify some of the efficiencies that the new model will bring with it, but that customer service would be seriously compromised should these

efficiencies be used to reduce headcount. Any efficiencies that are created should be utilised to deliver a better overall service to customers.

Within overall staffing numbers there is a balance in any given branch between staff working in primarily service roles, and those working in primarily sales roles. The information presented by Westpac so far suggests that there may be a slight shift in the balance towards an increased proportion working in sales roles. The reasons identified for this are that some functions currently completed by the CS role will transfer to the CBC role, and that the creation of the CSR role will create efficiencies on the service side. Finsec members cautiously acknowledge this point but would like further information about just how much Westpac envisages the balance may shift. Finsec believes that if it shifts too much, that the service side will come under extreme pressure, and that significant queue management issues may result.

Recommendations

- 10) *That Westpac confirms that it does not intend to reduce overall headcount in the branches through the course of this re-structure.*
- 11) *That Westpac provides further information on the extent to which it envisages the proportion of service staff to sales staff might change under the new model.*

Other Issues

Targets

Members report that the lack of any information about how targets will be applied to what are significantly re-formatted roles is a cause for concern. Many staff view this as one of the most critical pieces of information they need before they feel that they can fully understand how the role will work, let alone form a view as to whether they would like to transition into it. A number of staff have also been told by managers that the sales targets for the CSC role will be "double" those currently set for CC's.

Finsec believes that targets must be fair and reasonable, and that in line with the CEA terms of settlement, there should be consultation before they are set. In particular we believe that real care needs to be taken in the setting of initial targets for the new roles given that the only data collected about the new roles comes from 1-2 (depending on which aspect of the new model) pilot branches over a couple of months.

Recommendations

- 12) *That Westpac consult with Finsec about proposed targets for the new roles at the next Targets Forum on 2 October.*
- 13) *That Westpac adopt a cautious approach to the initial striking of targets, and reviews after one quarter of operation.*

Branch Layout

The physical layout of a branch has a real bearing on the flow of customers through a branch, so it is very important that this be considered as a part of the proposed new operating model. Members have identified the positioning of desks, clear signage, and sufficient accessible private office space as important factors to be looked at.

Recommendations

- 14) *That some broad principles as to best practice branch layout for the new model be developed, and that consideration of this be part of implementation plans at site level.*

Part-timers

Across a range of sites some part-timers are employed for very specific functions. In particular some part-time Tellers are employed solely to cover the Tellers desk during the lunch period, from approximately 11am – 2pm. Members working in this capacity have queried whether it makes any sense for this arrangement to be changed by shifting these members to the CSR role. We would be open to a dialogue with Westpac about the issues for and against this, but do believe that it is one of a number areas in which a degree of flexibility may be the best course of action.

Smaller Branches

A considerable number of smaller branches have queried whether the proposed new model is likely to work on their sites. Indeed, many are concerned that the CSR model is likely to create significant issues for them. Small branches in which there may only be one or two tellers at any one time rely on being able to move through their transactional work quickly in order to keep the queue down. Under the proposed model however, a customer in the CSR's queue may have a more complex enquiry that could take anywhere up to half an hour to complete. This could result in serious queuing problems. Again, Finsec believes that this is an issue that requires further dialogue and a flexible attitude, rather than a "one size fits all" approach.

Concerns about queuing

In line with the comments above, many sites have identified that the proposed model may create significant queuing issues on their sites. This would impact negatively on customer service, and be stressful for staff. Additionally, staff have identified that increased queuing pressure makes it less likely that staff can engage in CNA's and other discussions that may lead to referrals. If a significant queue has built up due to a customer's complex enquiry, the onus will be on moving through the queue quickly, which precludes these important business generating activities.

Finsec believes that this is an issue that needs to be looked at very closely. We note that Westpac has left open the option of some sites having a small pool of dedicated Tellers, and we believe that some greater flexibility with the provision of Tellers may be the best approach to work through the issue. Some sites have suggested that a dedicated "fast lane" which is staffed by a Teller may be useful in resolving this issue.

Recommendations

15) That Westpac further considers the queuing issues that may be created by the new branch model, and considers options for resolving this issue, including a greater provision of dedicated Tellers.

Operation of the Lending Consultant Role

Finsec believes that there is value in the creation of the new Lending Consultant role, but that there are also many unanswered questions about its operation. Specifically:

- Members want a clearer understanding of the ratio of CBC's to LC's that Westpac envisages.
- Because many branches have less than the 4-5 Consultants that it has been suggested is roughly the number of CBC's to LC's, it is likely that many branches will not have a LC. We believe that it needs to be much clearer how lending will operate on sites without an LC. Finsec sees there being significant practical difficulties in CBC's having to liaise with LC's in a different branch.
- If the result of this is that CBC's in smaller branches do more of the processing work themselves, what does this mean in terms of targets and grading?

Consultants are also keen to see that a fair process is used to determine which staff move into the LC role. In particular Finsec believes that the role should be genuinely open to those with the skills and abilities and not restricted solely to those who currently have the requisite CAL.

Recommendations

16) *That during October there is further dialogue about the operation of the LC role, focusing on how it will operate across the whole range of branch situations.*

Other Roles

There is a lack of clarity about how other branch based roles will be affected by the proposal. In particular we have identified the PM and Migrant roles, the positions of which in the new model require clarification.

Bulk Teller

Branches, particularly those not in the DPS system, have queried how the bulk teller role will operate within the new structure. This is not mentioned in the information that has been presented to staff. These sites, usually smaller branches, have queried whether this would mean that all CSR's would need to be trained up in the Bulk role. Further discussion and clarification is required.

CSR's and Confidential Customer Discussions

Many Supports have identified that customers often want a private space to discuss their affairs and banking needs. There is a lack of clarity in the proposal as to whether or not CSR's who are servicing a customer on the front desk will have the ability to take that customer to a more private area for a discussion, or whether the expectation that business is completed at the desk. We strongly advocate for the former option and seek clarification on this.

Appointments for New Accounts

The shift of new account opening from the CS to CBC role will mean that, on the whole, customers wanting to open a new account will need to make an appointment. Branches report that this can take up to a week. Members are concerned about the problems this may create in terms of earning new business, and we welcome further discussion about how Westpac envisages this issue being dealt with.

Involvement of Casuals and Parental Leave staff

Casuals are an essential part of the staffing mix across many branches, and they need to be able to fit into the structure of a branch when called. Casuals are often former staff with particular expertise in one area. They are also generally not in a position to learn new tasks on the job over a period of several weeks or months as permanent staff will. We believe that as a part of the integrated training plan referred to in (2), this issue needs to be dealt with.

Staff who are away on parental leave or other types of long-term leave also need to be factored in. Staff on parental leave have a range of legal rights in relation to returning to work, and the implementation of Westpac's proposal will complicate this in many cases. Finsec believes that Westpac should take steps to ensure that Parental Leave staff are included as fully as they wish to be in the consultation process so that their needs are taken account of as decisions are made.

Summary of Recommendations

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- 14) *That some broad principles as to best practice branch layout for the new model be developed, and that consideration of this be part of implementation plans at site level.*

15) That Westpac further considers the queuing issues that may be created by the new branch model, and considers options for resolving this issue, including a greater provision of dedicated Tellers.

16) That during October there is further dialogue about the operation of the LC role, focusing on how it will operate across the whole range of branch situations.

Further Engagement

Finsec looks forward to meeting with Westpac this Wednesday 23 September to further discuss the proposed model. As stated in this submission, we believe that significant further consultation is required beyond that date, and hope to engage in this with you.

To discuss this submission further please contact Finsec National Organiser Michael Wood.