

Item Worksheet - Item 7.3

Workforce-Focused Outcomes

Relevant Key Factors

1. Gender: 68% Female, 32% Male; Ethnicity: Caucasian 40%, African American 24%, Hispanic 26%, Native American 3%, Asian American 7%.
2. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
3. Workforce satisfaction factors: job security, resources and skills to succeed, Competitive compensation and benefits, Ability to work on teams (CSRs, Admin); Physical safety and security (CSRs); Schedule flexibility (CSRs, Admin, Professional); Ability to invest in career, Challenging and rewarding work (Professional, Management).
4. Workforce increased by 18% with acquisition of Widmark Mortgage.
5. Integrating the operations and workforce of Widmark into the applicant's mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. Loyal and stable workforce with low turnover despite difficult customers and cost reductions

Strengths

++	Strength	Rationale	Item Ref.
	<p>Results for workforce climate and workforce satisfaction demonstrate favorable comparisons. For the periods shown, the OSHA Total Recordable Rate (TRR; Figure 7.3-8), the number of workers' compensation claims (Figure 7.3-9), and associates' satisfaction with workplace security (Figure 7.3-10) outperform the comparison or benchmark given. Absenteeism (Figure 7.3-7) is consistently less than half the industry average.</p>	<p>Workforce-focused outcomes: positive levels & trends in relation to competitor performance.</p> <p>Good levels & trends for: Workforce Absenteeism (Fig. 7.3-7) (MA, MR, TZ, NS, JG); 5–7 days (2006-2010) >1/2 the industry avg. of 15–17 days (MA, MR, NS, JG)</p> <p>OSHA TRR (Fig. 7.3-8) over 4 yrs from 2006– 2010 (JG, MA, NS); at or near the 80th percentile (JG, MA, MR, NS)</p> <p>Number of workers' compensation claims (Fig. 7.3-9) surpasses the benchmark avg. from 2006 to 2008, by an avg. of 1.6 days. (JG, MA, MR, NS)</p> <p>Workplace Security:</p>	<p>Note that the rationale column is used to indicate which examiners cited a specific strength or OFI. Include pertinent data and evidence from the IR Worksheets in the rationale column.</p> <p>a(2,3)</p>

++	Strength	Rationale	Item Ref.
		<p>7.3-10, Assoc Sat w/Security, since 2008, associates agree 95% or higher: fully satisfied w/ workplace security; outperforms the DemoGraph 90th percentile results consistently in all regions (2007–2010), by 10% compared w/ some regions. (JG, MA, MR, NS)</p> <p>7.3-12 Security Guard to Associate Ratio, improving trends & consistently better than the benchmark, reducing from >1:20 in 2006 to <1:20 in 2010</p> <p>7.3-13 Security Camera Coverage improved from just over 3 per branch in 2007 to just over 5 in 2010, ensuring camera coverage at 90% of the branches at any time.</p> <p>Based on R1 feedback, I have focused this strength solely on comparisons and benchmarks & removed the references to levels & trends.</p>	
	<p>Several workforce engagement and satisfaction survey results show sustained overall improvement for the past four years. The percentage of associates assigning a 4 or 5 rating (out of 5) for overall workforce satisfaction (Figure 7.3-1) steadily increased, surpassing the 75th percentile benchmark each year, with similar increases for associate engagement levels and willingness to refer a friend (Figure 7.3-2). Also, <i>Financial Pulse Magazine</i> rates the applicant 23rd among best banking-sector places to work.</p>	<p>Mentioned by CH, CM, JG, MA, NS, MR</p> <p>Fig. 7.3-1 Associate Satisfaction (% top-box ratings on 5-pt scale)</p> <ul style="list-style-type: none"> - 88% professional staff, 90% CSRs, 91% managers, & 94% administrators are satisfied w/ bank - improved overall from approximately 85% in 2007 to 91% in 2010, exceeding the DemoGraph 75th percentile comparison of 87% in 2010; consistently better performance than the Demograph 75th percentile since 2007 <p>Fig. 7.3-2 Associate Engagement (willingness to refer a friend) improved from 70% top-box responses (2007) to 79% (2010)</p> <p>Ranks 23rd of the top 100 organizations in the banking sector as one of the Best Places to Work (<i>Financial Pulse Magazine</i>)</p> <p>Based on R1 feedback, I removed the</p>	<p>a(3)</p>

Note that the rationale column can be used to reflect changes made to comments based on the feedback received.

++	Strength	Rationale	Item Ref.
		"so what" reference from CM and added figure numbers.	

Notes

Opportunities for Improvement

--	Opportunity for Improvement	Rationale	Item Ref.
X	<p>The applicant provides limited results for workforce capability, capacity, or development—areas that may impact its emerging core competency of mergers and acquisitions. For example, reported results do not indicate the effectiveness of workforce development approaches in addressing identified learning/development needs, such as technical knowledge to satisfy increasingly demanding customers. Workforce capacity results are limited to the vacancy rate, which may have limited significance during a hiring freeze.</p>	<p>Mentioned by CH, JG, MR, NS.</p> <p>Adequacy of workforce capacity is encapsulated in the Vacancy Rate, yet low (0%) vacancy rate does not demonstrate workforce capacity success during a hiring freeze.</p> <p>There are no indicators of workforce capability.</p> <p>Amount Spent on Training (Fig. 7.3-4) Beneficial trends for costs for assoc and leader training</p> <p>Training Hours per Associate (Fig. 7.3-5) No discernable trend over 3-yr period from 2007 to 2010</p> <p>Satisfaction with Training (Fig. 7.3-3) Ex-Widmark employees responded with satisfaction > two percentage points below the TNB level (MR)</p> <p>Percentage of workforce who felt they received the necessary training to do their job dropped from nearly 90% to about 86% in 2010</p> <p>Missing results for Legendary Service, customer relationship skills, and technical skills training effectiveness as part of workforce development.</p> <p>Not clear how workforce results presented will impact emerging core competency of mergers and acquisitions (CH).</p> <p>Based on R2 feedback from several team members, this is now a double</p>	a(1,4)

Note that the comments are prioritized in order of importance to the applicant.

--	Opportunity for Improvement	Rationale	Item Ref.
		(bolded) OFI. Now that the a(1,4) strength is removed, I have added a sentence regarding workforce capacity and the Vacancy Rate (CH,CM,JG).	
	<p>Comparative or competitive data are not provided for several key workforce-focused results. These include Training Hours per Associate per Year (Figure 7.3-5), Vacancy Rate (Figure 7.3-6), Amount Spent on Training (Figure 7.3-4), Recorded Security Incidents and Near Misses (Figure 7.3-11), and Security Camera Coverage (Figure 7.3-12). Relevant comparisons may allow the applicant to determine its progress in being recognized as the number-one community bank in Legendary Service.</p>	<p>An overall statement regarding lack of comparisons or benchmarks for several results areas. Mentioned by CM, JG, MA, TZ</p> <ul style="list-style-type: none"> Associate Engagement (Fig. 7.3-2) Training Hours per Associate per Year (Fig. 7.3-5) Vacancy Rate (Fig. 7.3-6) Amount Spent on Training (Fig. 7.3-4) Recorded Security Incidents and Near Misses (Fig. 7.3-11) Security Camera Coverage (Fig. 7.3-12) <p>Based on R2 feedback (CH, NS), I softened the opening sentence. 8 of 13 results have benchmarks or comparisons; removed 7.3-2 (does have a comparison on chart). TZ thinks it should better be stated "inconsistent use of comparisons"; I opted for the softer statement and changed the impact statement (Thanks, JG).</p>	a
	<p>Workforce-focused outcomes include no segmented data to address the diversity of the applicant's workforce (Figure P.1-2a) and limited data on its identified workforce groups (Figure P.1-2b). For example, no segmented data are presented for Associate Engagement (Figure 7.3-2), some results related to capacity and development (Figures 7.3-3, 7.3-5, and 7.3-6), and some workforce climate results (Figures 7.3-7 through 7.3-9). Relevant segmentation may help the applicant address specific workforce issues.</p>	<p>Lack of segmented results addressing workforce diversity (age, gender, ethnicity, education level) or other workforce groups mentioned by TZ, NS, CH, JG.</p> <p>Widmark employees—in EMC goals to identify 2 high-potential candidates for leadership development—are not segmented in workforce results (JG).</p> <p>No segmented data for:</p> <ul style="list-style-type: none"> Associate Engagement (Fig. 7.3-2) Satisfaction with Training (Fig. 7.3-3) Training Hours per Associate (Fig. 7.3-5) Vacancy Rate (Fig. 7.3-6) Absenteeism Rate (Fig. 7.3-7) OSHA TRR (Fig. 7.3-8) 	a

--	Opportunity for Improvement	Rationale	Item Ref.
		<p>Number of Workers Compensation Claims (Fig. 7.3-9)</p> <p>Recorded security incidents are not segmented by location, type of incident, or type of perpetrator (i.e., internal or external to org) (JG).</p> <p>Missing segmentation by employee site for measures of safety/security: Security-Guard-to Associate Ratio, 7.3-12, Security Camera Coverage, 7.3-13 (NS).</p> <p>Based on R1 feedback, I have tightened up this OFI, removing the EMC goal to identify high-potential candidates for leadership development; but kept the fact that segmented Widmark results are not reported (mentioned by CH, JG). Also, I deleted the sentence about recorded security incidents not being segmented.</p>	
	<p>Several workforce-focused results do not demonstrate sustained beneficial trends. Associate Engagement ratings (Figure 7.3-2) remained relatively flat from 2008 to 2010 and are lower than the benchmark, and the Absenteeism Rate (Figure 7.3-7) increased slightly in 2009 and 2010. Considering the strategic objective to be the financial services employer of choice, these results may highlight opportunities to strengthen workforce engagement as the competition for employees begins to increase.</p>	<p>Mentioned by CH, TZ.</p> <p>Associate Engagement (Fig. 7.3-2) relatively flat from 2008 to 2010 & lower than benchmark level.</p> <p>Absenteeism Rate (Fig. 7.3-7) increased slightly in 2009 and 2010; outperforming industry avg.</p> <p>Decided to include the example of absenteeism, although CH feels that this negates the corresponding a(2,3) strength.</p>	a(3)

Notes

The notes section can be used to indicate “below-the-line” strengths and OFIs—those not included in the “around 6” comments.

OFIs not used:

a(2) No results presented for workforce services and benefits. (CH)

Scoring

Score Range: **30-45%**

Score Value: **40**

Why shouldn't the score be in the range above or below the selected one? **Two strengths, four OFIs, one is a double (bolded). Most team members feel that 30-45 range is most appropriate, and I agree. Not in 10-25 range: the applicant addresses more than just the basic requirements of the item; many trends are beneficial; they are beyond early stages of obtaining comparative information; and organizational performance results are reported for many requirements. Not in 50-65 range: not fully responsive to the overall requirements of the item; trends are not uniformly beneficial (and there has been some backsliding since the Widmark acquisition); they are missing many benchmarks or comparisons, even though their performance against those that they do show are quite good.**