

Moving from Ad Hoc to Streamlined Efficiency: The Lloyds Banking Group Case study

**Business Disability Forum Case Study:
Emerging best practice in the provision of
workplace adjustments**

**Delivering business improvement by
managing workplace adjustments
as a core business process**

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Executive Summary

Since 2009 Lloyds Banking Group (LBG) has undergone a fundamental transformation to ensure their working environment best meets the needs of all their employees and, in doing so, have demonstrated that being 'disability smart' also means being 'business smart'.

Their pioneering work has created a transferrable model of best practice worthy of serious consideration by BDF Partners and indeed by any large employer. Through a re-engineering of workplace adjustment processes, LBG have delivered financial savings, productivity benefits, cut administration and assessment costs and improved manager and employee satisfaction.

By reviewing LBG's approach to providing workplace adjustments, BDF aims to highlight the critical success factors which need to be replicated if this best practice and similar business benefits are to be successfully replicated. Our intention is to highlight some of the basic 'truths' about systems design, and about human beings, which have enabled LBG to design a process which delivers for the business and the employee.

It should be noted that this is very much a BDF review, and represents our viewpoint (as endorsed by LBG and Microlink).

a. **What did Lloyds Banking Group do?**

LBG reengineered their ad hoc 'reasonable adjustment process' to create a carefully designed 'workplace adjustment service', emphasising a change of ethos to supporting employees to meet their needs and to optimise their contribution at work, rather than compliance with legislation. This substantively different approach included:

- Appointing a business manager as process owner (not HR or Occupational Health) to be responsible for the speed, efficiency and continual improvement of the end to end process.
- Centralising funding rather than using line managers' local budgets to pay for adjustments and making costs anonymous so they cannot be traced back to the individual colleague, thus removing any localised financial disincentives to pay for adjustments.
- Empowering colleagues to self-refer into a centralised process, thus removing the reliance on their line manager to initiate the adjustment process.

- Establishing a single, well publicised point of entry staffed by experienced people and geared to provide adjustments as 'straight through orders' when possible, thus eliminating unnecessary assessments.
- Creating a catalogue of pre-approved IT and other physical adjustments.
- Creating a policy on non-physical adjustments to improve colleague, manager and assessor understanding of what is possible and 'reasonable', thus increase consistency in non-physical adjustments and to speed up decision making.
- Ensuring effective management accountability for the speed and effectiveness of the entire end to end process.

The reengineering took place in three phases: an initial launch of the new process in March 2010 (which put in place the majority of the fundamental principles) followed by two further iterations that implemented significant efficiency, cost and service improvements in 2012 and 2013.

b. Key benefits and impact /learning

Over the years 2012 to 2014 approximately 18,893 colleagues used the service from a total population of just under 100,000 (approximately 19% of the workforce). Key benefits resulting from the investment since implementing the new service include:

- Average assessment and service cost per case decreased from £750 in 2010 to £500 in March 2014, a decrease of 34% (in nominal prices).
- The average case cost dropped from £1,500 per case in 2010 to £700 in 2014, a decrease of 53%.
- The numbers needing formal assessments after triage (now known as initial consultation or 1st Contact) dropped from 80% to 43% in the first 3 months following the last process improvement change in Dec 2013, generating cost savings of more than £125K for LBG¹.
- 62% of colleagues (and 63% of their managers) using the service reported a reduction in absence levels. For every one day where sickness absence is

¹ The 125K savings with in a three month period is to illustrate the scale of the savings associated with reducing formal assessments in the third stage of the process.

reduced amongst the cohort that benefited from the workplace adjustment service this equates to a productivity gain of £1.193 million.²

- 85% of line managers using the service reported a significant improvement in performance, while 77% of line managers using the service reported a dramatic improvement in performance.
- 100% of line managers and colleagues using the service would tell any company to do the same.
- Average case duration is down from 3-6 months in 2009 to 14 days currently (as of Sept 2014).

c. Critical success factors: How to replicate success

We have identified a number of critical success factors. Any organisation seeking to learn from the LBG's experience will:

- Start by getting the facts – what happens now when a colleague asks for an adjustment, who does what, how long does it take?
- Purchase adjustments through central funding – do not require managers to pay for adjustments through their own cost centre.

LBG emphasises that centralised funding was one of the biggest critical success factors as it removes disincentives on the person's line manager and their department budget to approve or decline the request. The costs are allocated back to the business at divisional level and do not directly impact the line manager's cost centre.

- Enable self-referral to a help-desk of expert case advisers (in LBG this was Microlink) with line manager 'copied in' and included in initial consultation.
- Trust their people and do not require colleagues to somehow 'prove' they have a disability to qualify for a service which makes it easier to do their job.
- Provide a well-publicised single point of entry (expert help desk) which drives a straightforward, simple process for managers and people requiring adjustments (a "one stop shop"). Provide a service which does not require managers to diagnose what is needed nor to order the adjustments or drive the process.

² This is modelled on the basis of 62% of the 18,893 people that engaged with the service reducing absence by just one day each and where each staff member earned average weekly earnings is £26,500 (2013/14 ONS figure).

- Minimise unnecessary assessments.
 - Minimise referrals to Occupational Health thus minimising the delays and additional costs triggered by unnecessary referrals.
 - First point of contact (help-desk) provides triage³ using experienced WPA case handlers, removing the need for standardised front-end computer assessments, and the subsequent, almost inevitable, referrals to formal and costly assessments.
 - 'Fast Track' adjustments for colleagues who either know what their needs are or whose needs can be determined by the expert case handler at triage, thus avoiding unnecessary assessments.
- Simplify provision of adjustments:
 - Compile a catalogue of physical adjustments (e.g. furniture, IT equipment) that enables expert case handlers and assessors to recommend items that have already been pre-approved by LBG.
 - This removes the need for time consuming approval processes, improves consistency of adjustments and enables Microlink to negotiate economies of scale with suppliers on LBG's behalf.
- Provide managers with clear advice to help them achieve best practice in supporting colleagues who require adjustments:
 - Provides easy to understand information for managers to promote their disability awareness.
 - Provide a pre-approved list of non-physical adjustments for managers specifying what the company regards as reasonable when employees ask for things to be done differently (e.g. modified or flexible working hours, lower targets, flexibility of sickness absence policies, parking).
- Provide comprehensive, detailed and relevant management information (MI). This is essential for monitoring costs, value for money and process benefits.
- Make someone accountable
 - A named business manager must be responsible for the end to end quality of the service and for delivering continuous improvement to clearly articulated standards.
 - The business manager should have the authority to require everyone at every step to improve their performance as needed and work to agreed service level agreements (SLAs), e.g. Facilities, IT, Procurement, etc. LBG for example set this manager or 'process

³ The process of prioritising people for assessment/interventions based on the seriousness of their condition or impairment.

owner' a target that required the provision of adjustments to last no longer than 20 working days. In this way, the service is embedded within the business so will not be owned by Occupational Health.

- Evaluate and Monitor – An effective case management system is required if you are to track cases and collate relevant data.

See Appendix One.

d. What else do we learn?

- Any employer can expect 10% - 15% of its employees to come forward for a well-advertised workplace adjustment service, though this will vary according to the nature of the company, e.g. LBG's experience shows that more adjustments are requested in customer contact centres.
- Pain is the most frequently encountered 'impairment': three quarters of employees (74%) seeking an adjustment had a physical disability. By far the most common physical disability causing someone to ask for the service relate to pain, of which most are for a back condition (46% of total referrals), followed by shoulder and neck pain (9%) and arthritis (5%). Note that back conditions are responsible for the highest amount of employee absence.
- Just under half (46%) of all secondary conditions were either back, shoulder and/or neck problems.
- Only 1% approached the workplace adjustment service because of a hearing condition, while 16% of referrals relate to difficulties arising from a long term illness (e.g. stroke, cancer).
- Around half of employees (47%) requesting an adjustment had had their condition for over two years, with approximately one quarter (26%) having their condition for less than 6 months .
- The impact on employees' ability to work from their disability is significant. Just under one in four people (24%) had their mobility reduced, and one in five (21%) felt their concentration was adversely affected by their condition.
- 5% found their communication was impacted and 4% saw their ability to read and write affected.

However, the right support makes a substantial difference. 85% of those using the service reported a significant improvement in performance; and 77% of line managers reported a dramatic improvement in performance.

- While one in seven cases (15%) of employees only requires non-physical or policy related adjustments, the remaining 85% need physical adjustments such as technology or furniture.
- 44% of people required more than one adjustment in the first instance, the majority requiring between three and five. However, for the 85% of people who had requirements for physical adjustments, once these were in place, there was very little remaining requirement for non-physical adjustments.

e. Key conclusions

The primary learning is that delivering an effective workplace adjustments service must be positioned as a business priority rather than the sole province of HR, Diversity or Occupational Health.

Large corporations will need a 'process owner' to be responsible for managing the development and implementation of the system drawing in partners from ICT, Facilities, Learning and Development, Procurement etc.

LBG have also demonstrated it is counterproductive to behave as though the company is doing this primarily in order to meet its legal obligations. LBG does not require an employee to 'prove' they somehow qualify in law for the service.

As former LBG Director of Group Operations Mark Fisher said, "We trust our people. We are just making it easier for them to do their jobs".

The Lloyds Banking Group Case Study: Introduction

In December 2009 Lloyds Banking Group (LBG) surveyed their workforce asking “what happens when you need an adjustment?” The need to do better could not have been clearer. The evidence pointed to a process where getting timely adjustments was a problem for disabled employees, and for their managers and in some cases people had left the bank before the adjustments had been made⁴.

Significant time and energy was being spent by line managers on an inefficient and ineffective process. Furthermore, feedback from disabled colleagues showed that the ability to obtain adjustments was the main influence on their level of engagement along with the quality of the relationship they had with their line manager.

The need for change led to a renewed commitment by Lloyds to embed equality and diversity into the business, which resulted in the appointment of Mark Fisher, then LBG’s Director of Operations and Integration, as the executive sponsor for disability. A steering committee was established, and a decision was made to address the challenges faced by disabled colleagues as a priority.

This resulted in a new workplace adjustments process being designed from scratch and launched in March 2010, implementing many of the fundamental principles and benefits highlighted in this case study. This process then underwent two changes in 2011 and 2013 to make significant improvements in efficiency, cost savings and service quality.

Re-engineering the end to end process that enables any business to adapt for its employees: The LBG Case study

In partnership with Microlink and LBG, BDF have conducted a ‘deep dive’ case analysis of LBG’s innovative workplace adjustment service in order to help other companies to understand what LBG did over time and why; how they did it; what impact this innovation has had on the bank; and why other organisations should learn directly from – and apply – their experience .

Our overarching aim for this case study is to enable large corporations to make it easier for every employee, including disabled and potentially disabled employees, to contribute to business success.

⁴ Lloyds banking Group; making disability ‘business as usual’. Carol Foster, 25th October 2013. Michael Rubenstein Publishing <http://www.rubensteinpublishing.com/default.aspx?id=1190969>

Methodology

Two main data sources have been used to establish the impact of the new workplace adjustment service MiCase; (i) CRM database and (ii) Employee survey.

MiCase

Using Microlink's CRM system sample data has been extracted at two different stages: July- October 2013 and December 2013-March 2014.

Table 1: Sample profiles used for comparative analysis

| Sample Profile | Sample 1 | Sample 2 |
|---------------------------------|------------------------------------|---|
| Sample size | 2,000 | 2,115 |
| Date of sample | Jul 2013 – Oct 2013 | Dec 2013 – Mar 2014 |
| Point in implementation process | Last 6 months of process version 2 | First 4 months of current process (version 3) |

Sample 1: was taken to assess the process prior to changes made in December 2013... The majority of the fundamental elements of the current process were in place by this point, including a non-physical adjustments policy and referral to a third party provider for triage and assessment, who then referred on to Microlink to provide case management. Note that there is no useful MI relating to the performance of the system that prevailed before the decision to re-engineer in 2010 precisely because it was 'ad hoc,' and driven by individual managers.

Sample 2: was taken to assess the impact of the process change implemented in December 2013, the most significant of which was replacing triage with an in-depth initial consultation (First Contact) conducted over the phone by experienced case handlers. On-site workplace assessments, when needed, are arranged by Microlink using a range of service providers selected on the basis of expertise required.

Employee Survey

An employee survey of 4,000 people was conducted between October 2013 - March 2014 which captured the views and experiences of both colleagues who had used the workplace adjustment service and their line managers.

1. What did Lloyds do in 2009?

The 'ad hoc' system that existed in 2009 was complex and inefficient. It took far too long for employees to get adjustments, and in some cases people had already left the company before the adjustment was made available.

The 'system' created a particularly heavy burden of effort and cost on managers, who were not supported effectively. There were a number of reasons for this:

- There was no senior designated management accountability for the quality of what happened, at every stage, when a colleague needed an adjustment in order to be more effective at work.
- Budget responsibility for making adjustments resided within individual team budgets. This created a disincentive to act.
- There were no straightforward policies or guidelines which managers could use to guide and then justify decisions. In many cases, decisions were unnecessarily delayed or requests refused, because they didn't feel confident there was permission from senior management to provide the flexibility requested.

Line managers were particularly uncertain which non-physical adjustments such as flexible working would or would not be regarded as 'reasonable' by the bank.

Managers didn't know where to access appropriate advice and guidance for employees that requested an adjustment. Where the adjustment involved ICT or Facilities Management or a confusing supply chain of external providers that provide a range of disability related services (e.g. assessments and technical solutions) this became even harder. Moreover, managers felt that they lacked the authority to chase IT or Facilities or external suppliers to expedite delivery of whatever was needed.

- Not all managers had disability specific expertise or knowledge about what was required to support colleagues with particular disabilities and/or health conditions.
- Neither colleagues nor their managers could predict how the system would work – the costs of assessments varied greatly, as did the nature of recommended adjustments – and there was no assurance that the most effective adjustment would be implemented.
- The failure of the 'system' to deliver adjustments in a timely fashion could result in the colleague's perception that their line manager was failing to support them, thus creating an unnecessary tension in the relationship.

Anyone requesting an adjustment was referred to HR and often Occupational Health. This was obligatory even for those disabled people who knew what they needed and who did not require HR or Occupational Health expertise. The work culture assumed that adjustments were made on the basis of legal compliance rather than business need. It was also assumed that even if the person required only IT or only Facilities to respond – it was naturally an HR or Occupational Health responsibility to first intervene, even though this only created more delay.

There were large gaps in management information. Everyone knew it took ‘too long’ to make adjustments but no one knew how long it was actually taking – nor how long it should or could take. No one knew how many chairs or any other types of equipment were being ordered across the business. In fact, no one knew how many people were requesting adjustments in order to overcome which obstacles, and what happened when they did.

2. The rationale for reengineering the process: 2010

The consistently negative anecdotal feedback from colleagues and line managers about the workplace adjustment process over several years led the Disability Steering Group to recommend process reengineering as a priority in 2010. This was also seen as an opportunity to demonstrate a “quick win” early in Mark Fisher’s tenure as executive sponsor.

Mark commissioned a survey to gain a better understanding of colleagues’ experience of the current process; the survey was targeted at disabled colleagues although it was open to all colleagues in LBG. Approximately 1,800 responses were received.

The focus of the survey was to understand the range of conditions and adjustments in the colleague population, the time taken for adjustments to be put in place of various types (IT, FM, HR/non-physical, etc.) and perception of quality of service.

The results supported the anecdotal feedback, showing that it was taking far too long to get adjustments (average of 90 days, but could take up to 6 months) and that the process felt very complex and almost ‘designed to fail’.

The case for creating a more efficient, responsive and cost effective workplace adjustment service was obvious.

What did Lloyds do?

LBG decided to reengineer the whole system, with the intention of moving towards a 'business as usual' model which would ensure all colleagues in need of an adjustment were effectively supported to reach their full potential.

Work started on designing a new process in January 2010. A new process was launched three months later on 23 March 2010. LBG recognised that the process wouldn't be perfect on day one, so it was agreed to "fix in flight" with significant revisions taking place in 2011 and 2013 to improve efficiency, cost savings and service quality.

The highlights of the new process are as follows:

'Workplace Adjustment' not 'Reasonable Adjustment'

LBG wanted to ensure that the underlying ethos of the company was one that trusted its people to ask for adjustments which they needed. This would enhance productivity and encourage a more partnership based approach to colleague engagement.

With this new approach, LBG rebranded the process as 'workplace adjustments', rather than 'reasonable adjustments', to reinforce the message that they were working towards the mutual benefit of individuals and the bank, and not grounding the process in legal compliance.

New management and accountability structures

The bank also created a new role: a manager who was responsible for managing the end-to-end process and who was tasked with ensuring it was as efficient and effective as possible. This process owner/ manager reported directly to the Director of Operations, who was the senior sponsor responsible for the quality of the re-engineered process and the ongoing improvements to the workplace adjustment service.

Payment from a Central Fund: Individual managers do not pay

The new system meant all adjustments and associated services were purchased through a central fund, positioned simply as a normal part of the cost of running a business alongside buildings, desks, computers etc. Crucially, individual line managers were no longer accountable in budget terms for any of the items.

By moving to a centralised funding model it was possible for the first time to gain a holistic view of the costs of making adjustments across the entire organisation.

It also offered opportunities to use purchasing power to standardise the catalogue of available adjustments and other equipment and reduce costs for any physical adjustments.

We trust our workforce and eliminate the process for ‘proving you have a disability’

LBG employees were no longer referred to HR or Occupational Health routinely for adjustments and were no longer expected to somehow ‘prove’ they had a disability in order to ‘qualify’ for the adjustment. The message is “We trust our people and make adjustments that make it easier for them to contribute”.

This enabled employees to self-refer and access workplace adjustments directly, which had the additional benefits of significantly reducing costs and speeding up the process of ensuring appropriate equipment or other adjustments.

However, controls were in place to ensure that referrals are genuine (to prevent instances of so-called “chair envy” where colleagues seek an adjustment because fellow colleagues have one or to address other forms of discontent) and colleagues were signposted to alternative forms of support if appropriate, e.g. Health & Safety.

Controls such as this are impossible with a fragmented process; as Phil Friend OBE says, “If colleagues are able to abuse a workplace adjustments process then the process is at fault”⁵

Single point of entry managed by appropriately qualified experts who ensure that assessments are only for those who need them

The new system has a single point of entry for all adjustments. This is a well-publicised helpdesk that manages the end to end process for the colleague and their line manager. This service is provided by Microlink, who are third party experts in the field of workplace adjustments.

Microlink manages the initial consultation with the colleague (known as First Contact) which determines if a person requires a more in-depth assessment.

⁵ Secrets and Big News, Kate Nash Associates, 2014

This expertise at the initial point of contact removes the requirement for formal and costly assessments at a second stage, again reducing cost and speeding up implementation.

Colleagues who do not require a further in-depth assessment can be “Fast Tracked” through the process (see below).

End-to-End Case Management

Microlink assigns a case manager who acts as single trusted adviser to the colleague through the whole process, helping to meet the particular and sometimes complex needs of the individual and their manager rather than having to apply a one size fits all approach.

Microlink is also responsible for managing MiCase, a sophisticated case management system, which provides LBG with detailed management information about what their people need in order to be more effective and which supports ongoing improvement to the workplace adjustment service. See Appendix One for details.

Purpose of assessments: moving from the medical to the business model

The purpose of conducting assessments was re-framed away from ‘diagnosis’ to ‘impact’. LBG now conduct assessments to ascertain what the impact of the condition is on the person’s ability to do their job. These do not focus on the person’s medical diagnosis but the impact of their health condition or disability in the workplace.

For example, the person’s ability to concentrate may be affected by a number of different impairments – the question for the employer is how to best enable better ‘concentration’. The software a dyslexic colleague needs in order to be more productive requires disability adjustment expertise, not medical expertise.

Ensure managers and employees know what to do

A key feature of the reengineered system was ensuring managers knew exactly what they were expected to do when employee asked for adjustments and to help ensure that the manager was engaged and supportive during and after the process. This was achieved in two ways:

First, line managers are contacted by Microlink as part of First Contact to ensure that the case handler at Microlink understands the colleague’s role and broader working environment from their manager’s perspective. This also ensures the manager is engaged and “buys in” to the adjustments process.

Second, LBG provides colleagues, managers and workplace assessors with a pre-approved 'catalogue' of non-physical adjustments. This has also proved crucial in securing manager support as it spells out what LBG regards as reasonable when colleagues ask for – or are recommended by an assessor – adjustments such as modified or flexible working hours, lower targets, parking etc. Managers now have permission to quickly agree changes to how things are done in line with this catalogue.

The policy also specifies what LBG expects from both manager and the colleague when these non-physical adjustments are implemented.

See Appendix Two for details of what is covered in the non-physical adjustments guidance that LBG made available to their line managers.

'Fast Track' adjustments

If at First Contact, the case manager provides advice about solutions, products or services that meet the colleague's needs without the need for a further assessment then these can be provided as "Fast Track" adjustments i.e. the orders placed on the spot and delivered directly to the colleague. This is possible as LBG and Microlink have agreed a catalogue of pre-approved items that can be provided without an assessment or any internal approval, e.g. IT software.

The catalogue also helps ensure consistency of items provided (preventing, for example, a proliferation of, different chairs or mice) and enables Microlink to negotiate economies of scale with suppliers on LBG's behalf.

More appropriate involvement of HR and Occupational Health

The fundamental and essential business transformation has been for LBG to manage the workplace adjustment service as it does other parts of its business support function – buildings and elevators and technology – and as a 'business as usual' process.

One aspect of this is that HR and Occupational Health are only engaged in workplace adjustments on an exception basis rather than by default. This relieves them from the 'noise' of general workplace adjustments and enables them to focus on cases that need their specific and specialised input.

Only if the adjustments relate specifically to issues such as sickness management and/or return to work after an extended health related absence are individuals referred to Occupational Health.

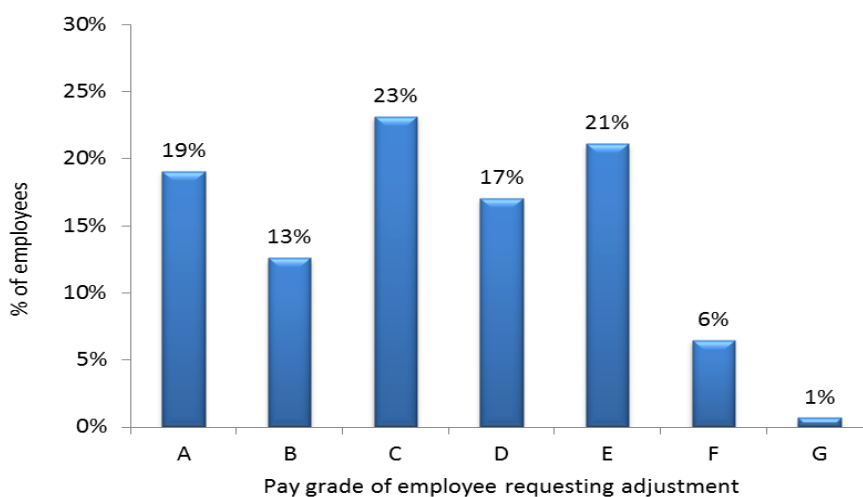
HR is only required to assist in the rare situations where there are challenges in agreeing recommended adjustments or there is a breakdown in the colleague / manager relationship, e.g. assistance by providing a mediation service.

What did Lloyds learn about its workforce?

Profile of Employees accessing service

The distribution of employee requests by role seniority indicates that over half (58%) of requests come from those in adviser, administrative and officer roles. Pay grades F and G (higher paid staff) make significantly fewer requests for adjustments than other grades (but there are fewer people at these grades). Moreover, as senior individuals they may well have already negotiated adjustments and have more flexibility in how they manage their time and workload.

Figure 1: Pay grade of employee requesting workplace adjustments (n=294)



Source: LBG Workforce Survey: 4,000 people (Jul 2014 and Feb 2014) during second year of final process

Figure 2: Role seniority of employee requesting workplace adjustments (n=2,084)

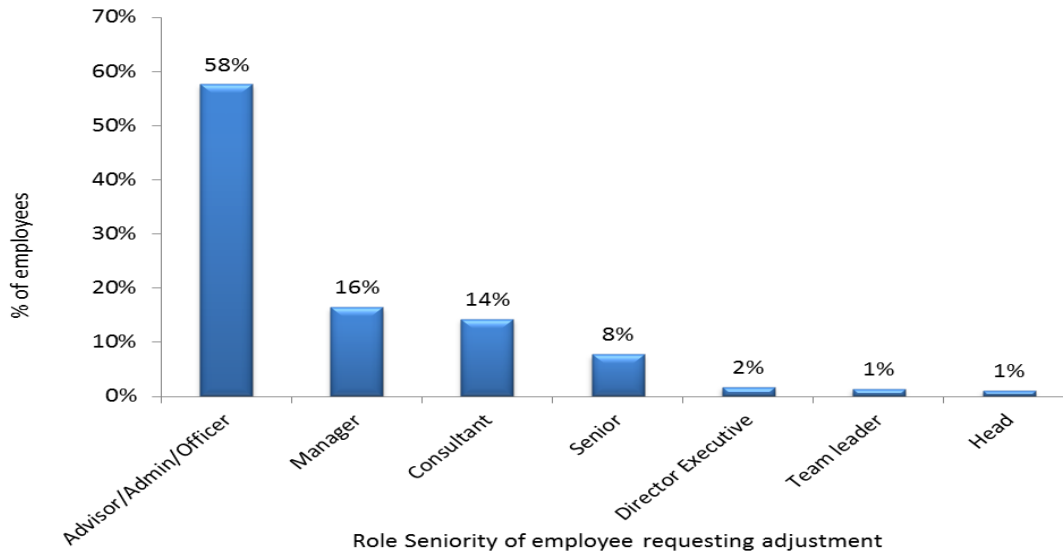
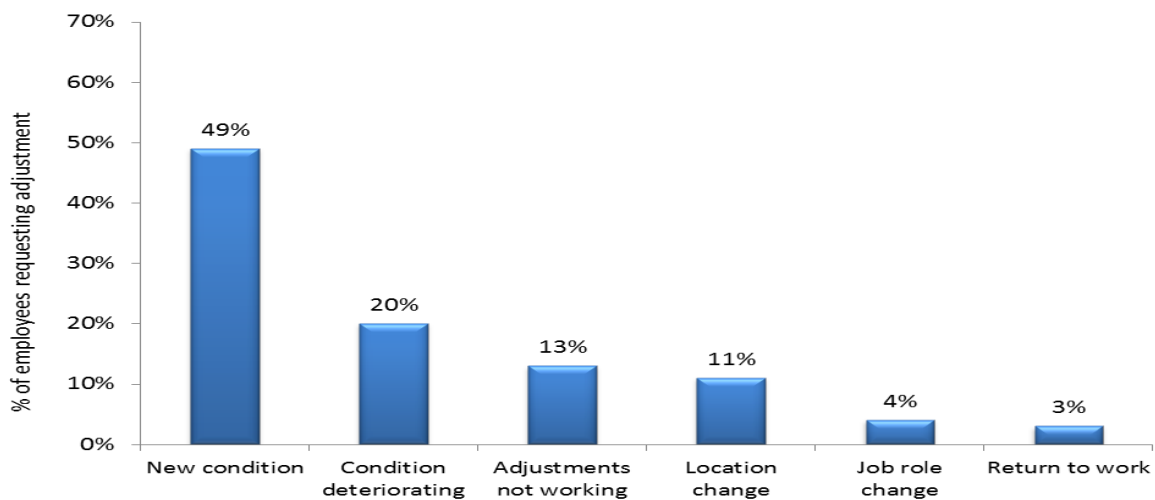


Figure 3: Reason for requesting workplace adjustments (n=2,116)

Approximately half of workplace adjustments are requested because of a 'new' condition. One third of requests require changes to existing adjustments; 20% as a result of an employee's condition deteriorating and 13% because existing adjustments are no longer effective due to changes in the colleague's role or working environment.

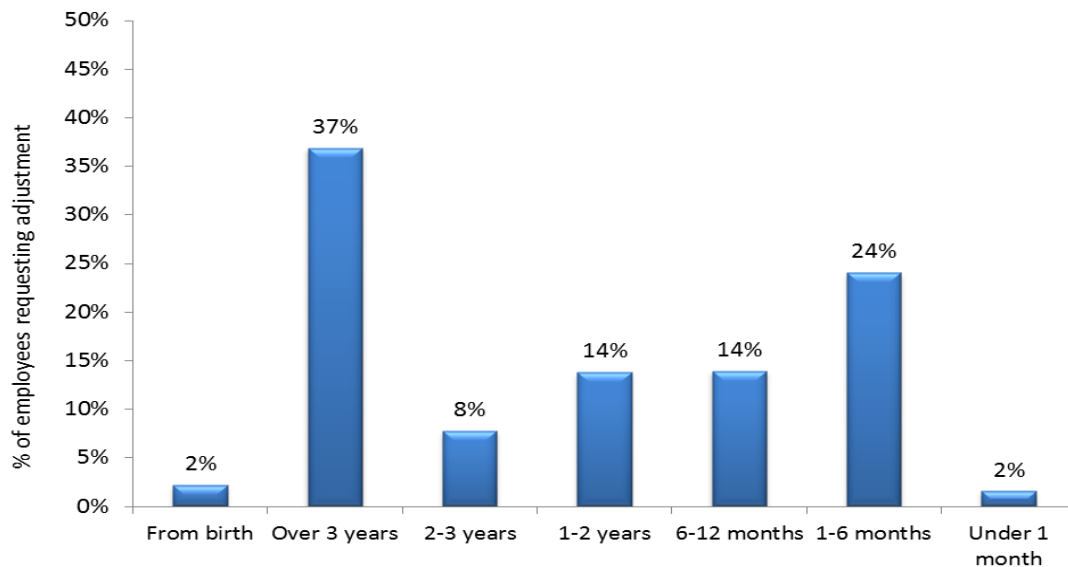


Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

Length of conditions

More than half of employees (61%) requesting an adjustment were affected by their condition for over one year (with nearly half having had their condition for more than two years), while one quarter (26%) had had their condition for less than 6 months

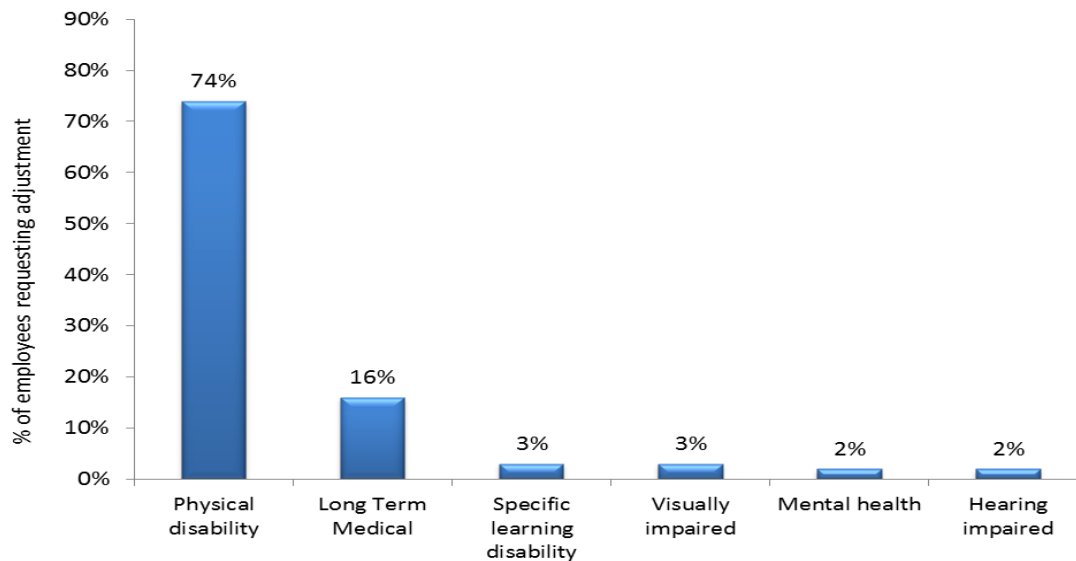
Figure 4: Length of Condition affecting the employee (n=2,115)



Nature of conditions

Three quarters (74%) of those requiring an adjustment are trying to address the impacts associated with a physical disability or condition (e.g. back problem, wrist problem and arthritis). 16% are seeking adjustments as a result of a long term health condition (e.g. stroke, cancer).

Figure 5: Category of Primary Condition reported for assessment (n=2,115)

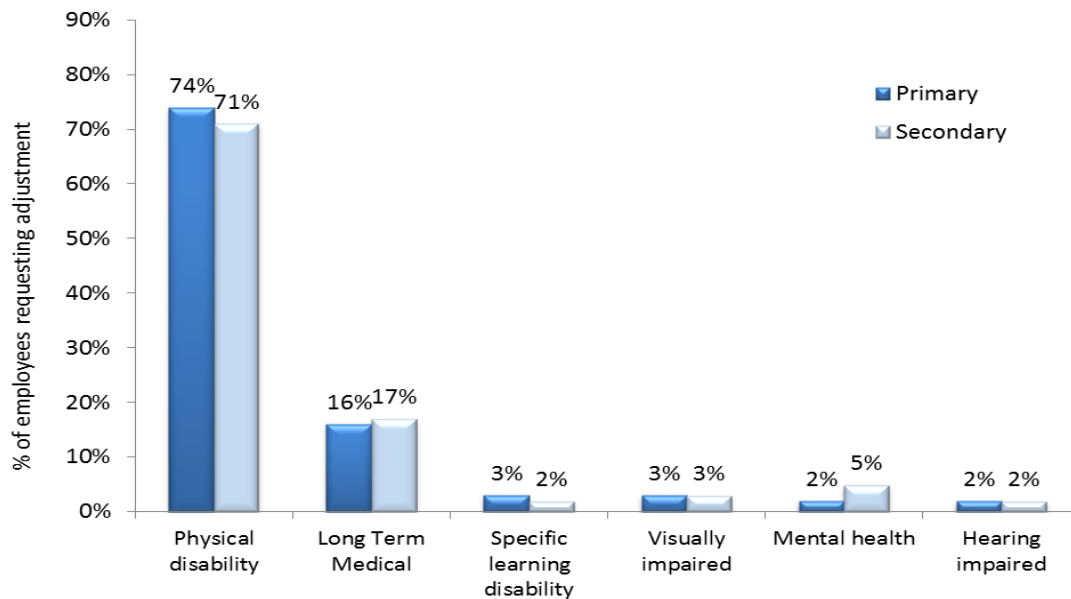


Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

Secondary conditions⁶ reported by those requesting an adjustment follow a similar pattern to primary conditions. 71% report physical disabilities. There is a slightly higher percentage of secondary conditions that relate to mental ill health (5%) compared to those reporting mental health as a primary condition (2%).

⁶ Conditions are categorised as primary, secondary etc. by the case manager at First Contact by the level of impact they have on the colleague. The rationale is that many colleagues have multiple conditions and it is not always obvious which conditions most impact on the colleague at work and therefore need adjustments.

Figure 6: Category of Primary and Secondary Condition reported at point of initial assessment



Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

The most commonly reported primary condition was a back condition which accounted for close to half of all initial assessments (46%) and was the highest single cause of sickness absence. The second most common condition was shoulder and neck pain, for one in ten of all initial assessments (9%).

Table 2: Primary Condition reported for assessment (n=1,335)

| Primary Condition | % employees |
|--|-------------|
| Back condition (diagnosed/undiagnosed) | 46% |
| Shoulder and Neck Pain | 9% |
| Arthritis | 5% |
| Repetitive Strain Injury, Migraine, Dyslexia | 4% |
| Sciatica, Wrist and Hand Problems, Other conditions, Shoulder and Arm Pain | 3% |
| Other musculo-skeletal condition, neck pain, headaches, knee complaint, carpal tunnel syndrome | 2% |
| Scoliosis, Tendonitis, tennis elbow, fibromyalgia, osteoarthritis, hearing condition | 1% |

Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

Secondary condition mirrors primary conditions, with a back condition being most commonly reported (20%), followed by shoulder and neck pain (19%).

Table 3: Secondary Condition reported for assessment (n=361)

| Secondary Condition | % employees |
|---|-------------|
| Back condition (diagnosed/undiagnosed) | 20% |
| Shoulder and Neck Pain | 19% |
| Neck Pain | 7% |
| Migraine | 6% |
| Repetitive Strain Injury, wrist and hand problems | 5% |
| Arthritis, headaches, knee complaint, shoulder and arm pain, other conditions, sciatica | 4% |
| Depression | 3% |
| Carpal Tunnel Syndrome, hearing condition, stress, tennis elbow, anxiety | 2% |

Impact of conditions

The degree of impact on employees' ability to do their job was considered high by the majority of employees (80%) and line managers (70%).

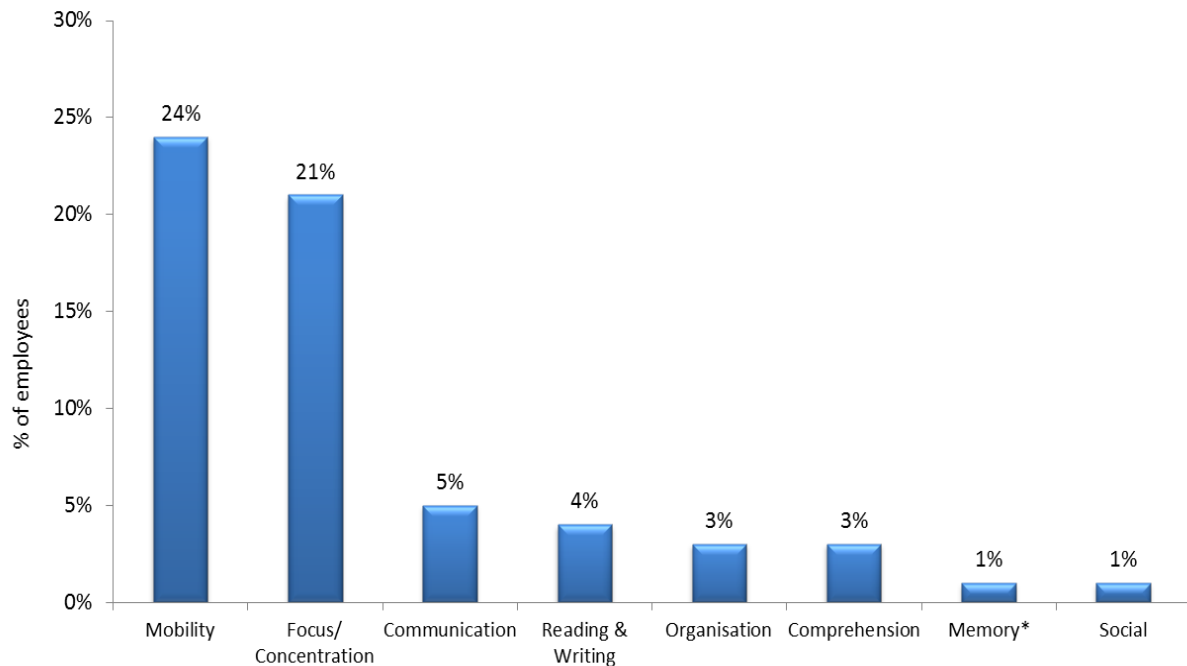
Table 4: Percentage of respondents who felt that there was a high degree of impact on ability to do job (impact measured as a score of greater than 3 on a scale of 1: very low impact to 5: very high impact)

| Respondent | % of employees (n=4,000) |
|--------------------------|--------------------------|
| Employees with condition | 80% |
| Line managers | 70% |

Source: Workforce Survey: 4,000 people (Jul 2014 and Feb 2014) during second year of final process

The impacts on employee performance associated with conditions were largely related to mobility (24%) where the impact was to sit for long periods, having difficulty walking and being able to travel to work. This was followed by focus/concentration (21%). For very few staff, impacts on employee performance related to memory, social, organisational skills and comprehension.

Figure 7: Impact caused by conditions (n=1,312)



Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

*Note: There is no breakdown of work related tasks affected by memory

Types of adjustment required

44% people require more than one adjustment.

The most frequently requested and required adjustment was an alternative chair which is consistent with back problems as the primary condition experienced by those asking for the service. On average 182 chairs are provided per month against an average of approximately 600 referrals per month.

15% of those using the service required non-physical adjustments, i.e. changes to the work environment such as designated breaks, modified or flexible working hours, lower targets or parking arrangements. For this cohort, a break of some description was what most commonly required (70% of total): rest breaks (35%), micro-breaks (28%) or posture breaks (7%). One in seven non-physical adjustments was having a designated workstation (15%)

Non-physical adjustments are usually only a temporary measure. For three quarters of those using the service (74%), once the physical adjustment was made (e.g. the appropriate chair or desk or software etc.), there was no longer any requirement for these non-physical adjustments.

Table 5: Nature of non-physical adjustments recommended (n=538)

| Non-physical adjustments | % employees (n=538) |
|--|------------------------|
| Rest breaks | 35% |
| Micro-breaks | 28% |
| Designated workstation/desk | 15% |
| Posture breaks | 7% |
| Adjustment to scorecard objectives | 4% |
| Time off for medical appointments | 2% |
| Duties reallocated to other staff, Designated car parking space, Personal Evacuation Plan, Phased Return to Work, Attendance and sickness absence, Fewer physical duties, Internal FM, Reduction in contractual hours, Adjustments to attendance targets and Working from home | 1% |

Source: MiCase Sample 2: 2,115 people (Dec 2013 and Mar 2014) during first six months of final process

Impacts of reengineering the entire workplace adjustment service

The complete re-engineering of the workplace adjustment service and launch in March 2010, and its continual improvement since, continues to deliver significant impact in terms of costs, productivity and staff satisfaction.

1. Financial costs and level of savings

- Whilst no MI exists for costs prior to March 2010, since then assessment and service cost per assessment case was cut from £750 to £500, a decrease of 34% in nominal terms.
- Average cost of IT related adjustments is £83, whereas when the new process was launched in 2010 the average cost of hardware adjustments was £113 and the average cost of software adjustments was £303.
- In 2010 the average case cost was £1,500, compared to current costs of £700 (in 2014), a saving of 53%.

- Since December 2013 when the last process improvement change was implemented the numbers needing formal assessments, to be paid for individually, reduced from 80% to 43% of all cases. In the first 3 months following this change this generated cost savings of more than £125K.

2. Productivity gains

- Average case duration is down from 90 days in 2009 (prior to the new process being implemented) to just 14 days first quarter 2014 by creating a one-stop shop and outsourcing for disability and adjustment related expertise which has reduced contact points and inefficiencies.
- Requiring case managers and assessors to work from a streamlined catalogue of physical adjustments led to economies of scale and reduced costs. For example, individual chair costs have reduced from c£750 to £451 (a 60% reduction).
- 85% of the employees using the service reported a significant improvement in their work performance with 77% reporting a dramatic improvement.
- 62% of employees and 63% of managers using the service reported a reduction in absence levels. This is highly significant as a sample of 315 staff identified that each averaged 34.5 days each of sickness absence prior to the adjustment being in place.⁷ For every one day where sickness absence is reduced this equates to a productivity gain of £1.193 million across all that benefited from the workplace adjustment service⁸.

3. Improved management and employee satisfaction

A workforce survey of 4,000 Lloyds Banking Group employees highlighted increased staff satisfaction as a result of the new workplace adjustment service.

- 100% of Line Managers and their colleagues consider that the workplace adjustment service should form part of every company's policy.
- 98% colleague satisfaction rate with the workplace adjustment service.
- 80% of Line Managers reported a significant increase in the overall performance of the individuals who have had the service.

⁷ A Workplace Adjustment Process Deep Dive Conducted by Lloyds 2014

⁸ On basis of 62% of the 18,893 people that engaged with the service reducing absence by just one day each and where average weekly earnings is £26,500 (2013/14 UK figure).

- 100% of Line Managers would recommend the use of such a workplace adjustment service or service for employees in any company
- 96% of Line Managers reported that their support as managers was important for success.

Key conclusions

LBG's successful re-engineering of its workplace adjustment service is based on the application of lean systems theory, as it moved from a fragmented and ad hoc system to a centralised, simplified, more efficient and logically structured system. LBG's advice to any company seeking to apply this learning as follows:

- Establish a good understanding of the existing process at the outset. The re-design needs to be grounded in the facts: Map the system as it works now, asking employees and managers: "What happens? When? Who does what? How long does it take?"
- Every step of the process that people travel should be clearly defined and tracked against agreed service level agreements (SLAs) so the time taken is understood and measured – from first contact to final implementation and on-going reviews to ensure the adjustments remain fit for purpose.
- Everyone who is responsible for moving the process forward at each stage should also be identified, be given formal accountability for their role in the process and work to agreed SLAs within the process. People working on the process cannot do so on a best endeavour basis or as a "side of desk" activity.
- It is critical to capture 'start-point' management information and monitor this throughout, if you are to understand return on investment and better understand your workforce.
- The system should be designed in partnership with everyone involved, including disabled colleagues and their managers, process experts and experts in workplace adjustments.
- It is essential to have a senior manager in the business accountable for the performance of the system, end to end. This manager must also be responsible for ensuring the progress is monitored and the quality of the service is continuously improved.
- Aim to enhance employee contribution and engagement as part of a 'trust your people' ethos. The goal is to adapt how things are done so that everyone finds it

easier to do their jobs. LBG changed the name of the service to 'Workplace' Adjustments from 'Reasonable' Adjustments to ensure everyone understood that their primary aim is to enhance employee contribution, not to comply with the law.

- Employees who know what they need (e.g. furniture, IT hardware/software, telephony equipment etc.) or have less complex needs should be able to obtain these as a "straight through order" without an assessment as it saves time and money and instils trust.
- Establish a catalogue of pre-approved adjustments which case managers and assessors can use to make recommendations. This speeds up provision of adjustments, reduces proliferation of items provided, improves consistency, reduces support/maintenance overhead and facilitates economies of scale.
- The line manager should not be required to drive the process – the demands are too great (e.g. deciding what is needed, finding and ordering and paying for it, chasing when it doesn't turn up, liaising with facilities and IT, organising the training, installation etc.) and in most cases the expertise cannot reasonably be expected to be there. This is reinforced through having central funds for the purchase of adjustments (which also drives greater savings through consolidated procurement).
- Nor should the process be 'owned' or driven by Occupational Health. The focus of Occupational Health in most organisations is on management of sickness absence, not disability or adjustment related matters.
- Use experts in workplace adjustments to provide the core services (i.e. triage, assessments, case management, brokering solutions, data capture and monitoring) and to allow for scalability. It will often be necessary to go to third party specialists such as Microlink as few employers would reasonably be expected to have the necessary level of disability / adjustment expertise in house.
- Using workplace adjustment specialists stops a "one size fits all" approach and ensures each individual colleague gets the support they need via the most appropriate route, for example signposting them to Health & Safety if they have basic ergonomic needs rather than undertaking a detailed workplace adjustment procedure.
- Placing expert humans who understand disability and adjustments at the front of the process (First Contact) is proven to reduce the number of assessments required and increase the number of adjustments provided as fast track items, saving time and money and increasing colleague satisfaction.

This contrasts with alternative processes which either use less experienced administration staff to perform triage or computerised assessments (completed by filling in a form) which by their very nature fail to adequately tailor the particular combination of adjustments to any particular individual and their workplace. A consequence of using a standardised application form is to drive nearly everyone to a second more in-depth assessment whether they need one or not; and every unnecessary assessment costs money and generates delay

LBG's experience shows that regardless of how comprehensive an initial assessment form is it will not be able to provide the detailed or nuanced information that is required to deliver the right outcome for the colleague and a conversation with expert human is required. .

- The use of third party specialists can greatly assist in managing the supply chain: they can act as a proxy for the multitude of suppliers and service partners in the market and, in doing so, simplify contractual arrangements and supplier management. They are also better placed to leverage economies of scale and negotiate reduced prices for products and services
- In a similar way, using a third party specialist to manage the end-to-end process provides the employer with a single point of control which makes it far easier to adapt and evolve the process than if they had to deal with a number of separate suppliers. For example, it meant that LBG were able to implement Workplace Adjustment Agreement documents (that save the colleague having to re-establish adjustments when they move to a new role or manager) by asking Microlink to do so (who then took care of the details of implementation by liaising with assessors).

In conclusion, LBG have demonstrated the substantial financial, productivity and workplace culture/morale benefits from the reengineering of their workplace adjustment processes. While each company will have its own journey in making the investments that improve their business performance, LBG offers some especially useful insights for all organisations – large and small – about how to make it easier for disabled and potentially disabled employees to realise their potential, while driving business benefit.

No one wants to re-invent wheels: we have learned that a system which enables a business to adapt for its people needs to be grounded in basic truths about systems (such as: someone needs to 'own them', end to end, or they fall apart) and about human beings (such as: you will, always, cause unnecessary delays and tension if you require managers to pay for adjustments out of their local budgets).

We hope that by highlighting some of the basic truths that have shaped the LBG transformation we have made it easier for other large employers to design systems which efficiently and effectively enable people to do their best at work.

We are very grateful to LBG and Microlink for sharing their experience with other organisations. BDF will continue to do what we can to make it easier for our Members and other employers to adopt this best practice and welcome any queries about how this learning can inform improvements in your workplace adjustment processes.

Appendix One: MICASE Management Information and Reporting

The following management information is recorded and reported through the MiCase workplace adjustment case management system.

- Source of referral i.e. Occupational Health / Employee / Manager
- DSE confirmation and outcome
- Volume and spread of Primary / Secondary conditions
- Condition by group
- Mental Health / Physical / VI / HI / SPLD/Medical Condition
- Undiagnosed vs. Diagnosed conditions
- Condition by location / department / manager
- Condition duration (from birth / under 12 months / over 12 months)
- Condition hotspots or adjustment trend
- Previous adjustments or assessments
- Job role
- Employment contract type
- Task based difficulties encountered
- Communication / Social / Memory / Focus / Organisation / Mobility / Reading and Writing
- Reason for entering the process
- Repeat referrals
- Pre and Post Adjustment Performance Metrics
 - Absence
 - Performance
 - Satisfaction
- Volume of cases signposted or resolved at First Contact
- Volume of Fast Track cases
- Volume of Assessment cases
- Volume and type of products supplied
- Volume and type of products supplied by location / department
- Non-physical adjustments recommended
- Product and service spend
- Case delays by type (customer initiated)
- Average case costs
- Case duration
- Adjustments declined / queried / escalated

Appendix Two: The content of the LBG non-physical adjustments guidance

- Working Hours and Patterns
- Change to Work Pattern
- Reduction in Contractual Hours
- Rest Breaks
- Medical Appointments
- Phased Return to Work
- Attendance and Sickness Absence
- Workplace Adjustment Absence
- Work Location and Duties
- Fewer Physical Duties
- Duties Reallocated to Other Colleagues
- Change in Office Location
- Travel to Business Meetings
- Working From Home
- Personal Evacuation Plans
- Redeployment
- Training on the Use of Adjustments
- Awareness Training for Line Managers and Colleagues

BDF Partners

| | |
|----------------------------------|-----------------------------------|
| Accenture | HM Revenue and Customs |
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| BBC | Lorien Resourcing |
| BP plc | Microlink PC |
| BSkyB | Ministry of Defence |
| BT | Motability Operations |
| CGI | National Crime Agency |
| Cisco Systems | Nationwide Building Society |
| de Poel | NHS Scotland |
| Deloitte | Nuance |
| Department for Transport | Oracle Corporation UK Ltd |
| Department for Work and Pensions | PricewaterhouseCoopers |
| Enterprise Rent-A-Car | Royal Bank of Scotland Group |
| Environment Agency | Royal Mail Group |
| Equal Approach | Sainsbury's |
| EY | Santander |
| Fujitsu | Shell International Ltd |
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| GlaxoSmithKline | |

Accessibility Statement

Business Disability Forum is committed to ensuring that all its information, products and services are as accessible as possible to everyone, including disabled people. If you wish to discuss anything in regards to accessibility or if you require alternative formats please contact Brendan Roach:

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Business Disability Forum (BDF) is the world's leading business consortium working to the mutual benefit of business and disabled people. We enable the business to business collaboration, backed by our Disability Standard, practical toolkits, support services and definitive best practice guidance which make it easier to do business with, and to recruit, employ and develop, people with disabilities.

BDF has a membership of nearly 400 large corporate and public sector organisations that, together account for close to 20% of the UK workforce. This includes 140 multinationals including some of the UK and world's best known brands in energy, financial services, telecommunications, retail, transport, professional services, IT, outsourcing, retail, manufacturing and recruitment companies. We are a not for profit with charitable status, funded entirely by our Members.

Lloyds Banking Group is a leading UK based financial services group providing a wide range of services, mostly in the UK, to individual and business customers.

Our main business activities are retail and commercial banking, general insurance, and life, pensions and investments. We provide our services under a number of brands such as Lloyds Bank, Halifax, Bank of Scotland, and Scottish Widows and through a range of channels including the largest branch network in the UK.

In UK housing, the Group continues to be the largest lender to first-time buyers, providing 1 in 4 mortgages, and lending £8.8 billion to more than 67,000 first-time buyers in the first nine months of 2014. We have supported over 75,000 business start-ups and remain the largest participant in the Funding for Lending Scheme, committing more than £11.5 billion of gross funds to customers so far in 2014.

With a heritage of making a difference within its communities that spans decades, last year the Group invested £85m in UK Communities. Through its branches and businesses the Group has the potential to reach every family and community in the UK, and places immense value on its commitment to helping Britain prosper.

Microlink is UK's largest independent supplier of Assistive Technology and disability related management solutions. Established in 1992, its' pioneering services in education, public and private sectors have positioned the company as the most successful of its kind. Providing services and products including consultation, assistive technology, ergonomic solutions, support, coaching, training and case management, Microlink has provided solutions to over 250,000 people to date.

A co-founder of British Assistive Technology Association (BATA), a BDF Partner and member of the Business TaskForce on Accessible Technology (BTAT), Microlink has been instrumental in the development of assistive technology and services. Microlink's contributions to the Disability Industry and dedication of its two CEO's Dr Nasser Siabi and Vahid Ganjavian has led to numerous awards, with Dr Siabi receiving an OBE in 2010. Other prestigious awards include the Disability Matters Award in 2012, coming overall 1st on the Disability Standard of BDF and the highly commended Global Diversity award of ENEI Awards in 2014.