

## ETWeb™ - A tool to support business strategy

### The Challenge

Formed in 2000, the Financial Ombudsman Service is a young organization which underwent a very rapid growth period between 2002 and 2006, expanding in size from 400 to 1000 full-time employees to deal with a burgeoning volume of work. Today, with the workload leveling off, the ombudsman service is maturing as an organization and is focusing on maximizing the potential of its people in meeting the organization's aims of resolving disputes between consumers and financial businesses as informally and quickly as possible.

Among its 1000 strong workforce, around 60% of employees have the same job role – adjudicating disputes – and they typically settle around 100,000 cases annually. As the regulatory and legal frameworks surrounding the financial services industry develop, so does the breadth of knowledge each complaint handler needs to have in order to make the finely balanced decisions that are needed to settle disputes. The Financial Ombudsman Service has a very enlightened approach to Talent Management, as Ian Wainwright, Training and Development Manager explains. “We regard all our employees as talent and need to maximize their potential by understanding individual aspirations, professional skills and career goals.”

The dispute-resolution services offered by the Financial Ombudsman Service are centered around different product streams covering technical areas such as pensions, mortgages or insurance. As the financial services industry becomes increasingly fragmented and regulated, a significant current challenge for the organization is to identify which employees have the skills to work across constantly developing product streams. With the ombudsman service required to react quickly to issues as they arise, having the information to redeploy staff quickly is vital. Additionally, the talent system will enable forward planning of resources to address impending legislative change. For instance in April 2007, the Financial Ombudsman Service takes on responsibility for dealing with complaints involving businesses with a consumer credit license – increasing the total number of firms covered by the ombudsman by an estimated further 70,000. Responding to the demands of this new type of work involves identifying how many staff already have the right experience to handle complaints relating – for example – to HP agreements, pawn broking and increasingly common “cash-till-payday” loans.

### Inclusive Talent Management at Financial Ombudsman

The Financial Ombudsman Service is the largest organisation of its kind in the world. “We want to be viewed as a centre of excellence in financial services dispute resolution and to achieve this need to be a centre of excellence in learning.

Before starting to work with StepStone Solutions, the Financial Ombudsman Service did not have formal processes for managing talent – the major focus was on recruitment and induction training. “We went through an almost non-stop recruitment phase for four and a half years,” said Ian. “Our approach to talent management is unusual in that we regard our entire workforce as our talent pool – it’s much more than the more typical succession plan for senior management positions. This reflects our rather unique, egalitarian organizational culture.” For the Financial Ombudsman Service it is important for all their staff to have an opportunity to express their individual career aspirations and feel empowered to take charge of the direction this takes.



### What Financial Ombudsman Needed from its Talent Management Solution

- Ease of use for employees managing their own talent profiles
- Greater operational efficiencies and faster responses to issues
- A “Light Touch” solution
- Resource planning to meet future industry needs
- Flexible reporting based on organizational standards
- Integration with existing HR, payroll, and benefits systems
- Improved retention and reduced recruitment costs

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*We are delighted with the way our relationship with StepStone has developed, they have added a lot of value to our organisation and we look forward to building on our relationship with them in the future.*

*Ian Wainwright, Training and Development Manager,  
Financial Ombudsman Service*

“There are so many employment opportunities now within the labour market that an inclusive approach to talent management will give us the edge in retaining the best people at all levels.” The organisation expects to have tangible evidence to support this view within the next 18 months.

### Choosing the right solution

In September 2005, the Financial Ombudsman Service began a review of its existing HR systems and as part of this process, made a decision to invest in Talent Management software. StepStone was identified as the preferred supplier due to its strong track record and its flexible, user-friendly technology. Three months after initial discussions, Financial Ombudsman was ready to go live with the pilot phase of the project.

### Implementation

At the start of the implementation process a project team was assembled comprising HR, IT and eight talent-system users representing all levels of the organization. In addition the team included an elected member of the staff consultation committee, who ensured developments were communicated to colleagues across the organisation.

During the initial phase, the project team agreed that the talent system might seem rather ‘big brother’ to more skeptical colleagues, concerned that managers would be storing sensitive qualitative information on staff. Therefore, reassuring employees of the project’s true goals and status was vital.

“One of the biggest factors we needed to overcome during implementation was any perception that once employees had informed us of their skills via the talent system, they would be “graded” and potentially targeted within our Performance Management process. Instead, we needed to get across the message that we intend to help all staff develop and prosper and in doing so, reinforce our open organizational culture,” said Ian Wainwright.

Key to effective communication of this strategy was the Chief Ombudsman, Walter Merricks, and regular open days were held to enable employees to find out more about how Talent Management would operate at the ombudsman service. Working closely with StepStone, the project team defined hardware and software requirements, and were able to implement without the need for additional resources.

The pilot project to 30 employees began just before Christmas 2006, with the official launch scheduled for the end of January 2007. “We initially planned to launch in phases to groups of employees, but the system is so easy to use and implementation has been so straightforward that we decided to go fully live in one go,” said Ian Wainwright. “This is definitely a very light touch solution and other than the purchase costs of the software; we have incurred no additional expenses.”

### Early Project Goals and Benefits

The Financial Ombudsman Service is currently in the first phase of implementing their Talent Management program. During this level one phase, they are using StepStone as a training and development tool to enable the HR department to understand the skill sets of their staff and future aspirations. Employees are responsible for inputting their own profiles and the organization has set a target of having 60% of workforce on the system by summer of 2007. Each employee self-selects to join the talent pool and grades his key skills as low, medium or high, giving clear guidance to Financial Ombudsman of future training requirements.

Longer term, the system will be expanded to include succession planning and leadership development and will be integrated to the payroll and HR systems managing resourcing, recruitment, and remuneration and benefits.

The Financial Ombudsman Service intends to use its Talent Management system to substantially reduce future recruitment costs. Currently, it is a four week process to advertise vacancies both internally and externally, collate applications, and draw up a shortlist of candidates. StepStone will cut this timeframe for internal applications and contribute to reduced costs by reducing the impact of staff changes on the organisation.

“We are delighted with the way our relationship with StepStone has developed, they have added a lot of value to our organisation and we look forward to building on our relationship with them in the future” said Ian Wainwright.

### Financial Ombudsman

The Financial Ombudsman Service was established by Parliament as the independent expert in settling disputes between businesses providing financial services and their customers.

### StepStone Solutions

As part of the publicly owned StepStone Group, StepStone Solutions is the leading European provider of software based solutions and innovative technologies for effective HR. Together with StepStone Online, one of the market leaders for online job boards, StepStone Solutions is the only global provider to offer Total Talent Management: From vacancy advertising to E-Recruiting, HR Management, Skills and Competency Management, Performance Management, 360 Degree Feedback, through to Compensation Management, Learning Management and Succession Planning.

Our clients, numbering more than 1,300, include Aral, Deloitte, The European Central Bank, Lufthansa, McDonald’s, Carlsberg, Dannemann and Recaro Aircraft Seatings. StepStone is the only European provider to be rated as ‘Leader’ in the Gartner “Magic Quadrant for E-Recruitment Software”.

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