

---

## **Performance/Needs Assessment: Oxford Bank EazyGo loan programs**

Submitted by Laura Landy to Rande Neukam

25 October 1999

---

### **What is the performance problem? What are possible causes?**

#### ***Background:***

- Business problem is that new loan program is not yielding expected revenue.
- Customer assumes there is a performance problem related to inability of Loan Officers to sell new loan product. Believes that a conventional classroom course for Loan Officers will solve problem

Review of materials (business plan section, memo, job postings) indicates a human performance factor is at least partly responsible for lack of sales. The following appear to be possible causes of the problem”

#### ***Issues:***

The organization is following a retrenchment strategy to cut costs which may be adversely affecting several significant areas.

Preliminary findings suggest that:

- There is a human performance problem and
- There are a number of probable causes.

Possible causes include:

- poor incentives
- lack of motivation
- role and task definition changes and new business process instituted with no supporting training initiatives leading to job incompetence.

Business policies and tactics (from strategy implementation)

- Raises are being held to 2%, with 18 month evaluations, and “excellent” ratings only earning that amount.
- Work processes are changing, with a move toward cross-functional teams. New responsibilities are being added to roles. However, no formal training is in place to support this. Assumption is that staff will learn new skills from informal mentoring and on-the-job training.

- Loan department vacancies are being filled by internal transfers from Delinquent Accounts Collections (DAC). This is of particular significance, since skills and competencies required for DAC Officers are very different than those required for Loan officers. (See table.)
- The official perspective is that the effect of these tactics will be minimal, not adversely impacting new product initiatives such as the EazyGo program.

### ***Skill and competency comparison for DAC and Loan Officers***

The table summarizes differences in skills required for DAC and Loan Officers.

This comparison of job characteristics, skills and competencies is based on data from an internal memo and job postings for entry level DAC and Loan Officers.

<b>Loan Officers</b>	<b>DAC Officers</b>
At front end of loan cycle. Customer-service oriented. "The customer comes first."	At back end of loan cycle. Collects outstanding debts. "The customer is "a liability".
Empathetic, proactively helpful, positive attitude. Ensures customer comfort.	"Persuasive" phone skills, able to handle objections; represent bank's interests "over personal or empathetic concerns." "Listening skills not a plus."
HS degree; advanced preferred	7 <sup>th</sup> grade max
Good office skills (typing, paperwork, protocols, reviews, etc.)	Work irregular hours. Strong physical presence.
Understands Oxford products and services	Not required

### **Is further assessment necessary? If yes, for what purpose? Justification?**

Further assessment is necessary to confirm preliminary findings that there is a relevant skills and task gap that could be closed with a training intervention, and to specify the particulars of the gap.

### **Who should be interviewed? Why?**

Recommend the following experts for interviews, with suggestions for focus for each:

- I.A. Pruv. Is an expert Loan Officer who has shown innovation in his internal and external achievements.

What is the criteria for a successful loan officer? What are the major competencies of loan officers?

- 
- Reedy S Ever. Is an experienced Loan officer and line manager who has 15 years experience in Loans.

What are the major competencies of loan officers? How do you normally train entry-level staff? Why do you think the EazyGo program is not succeeding? Are there issues of morale, changes in business process and people's roles? Have you seen similar events in the past? What were the outcomes? Do you think a training program is necessary? Sufficient? What would be the impact of a training program?

- Dr. Tom Morrow. Is an expert and futurist who has written about the future of banking.

What will be the core competencies of the loan officer of the new millenium? How will the job characteristics change?

- VP Rich II Rich. Is high level executive who can provide high level perspective on relative failure of program based on knowledge of larger contexts, such as business direction and competitors.

Why do you think the new initiative is failing? How are equivalent programs of competitors doing?

### **What other data collection techniques should be used?**

Other sources of data to be collected include:

- General observation of loan officers at work. (Suggest 2-3 hours)
- Partnering with an experienced and then with an inexperience loan officer as they move through their day. (Suggest 2 hours each.)
- Any current documentation (orientation materials, guidelines)
- Informal documentation (employee constructed job aids, memos, "To Do" lists.)