

- > reasons for and consequences of staff turnover
- > agreeing on a plan of action

2.6 Case study Meteor Bank

Discussion

1 When experienced staff leave a company, what are the consequences? Decide whether these results are *likely* or *unlikely*.

better morale better promotion prospects higher salary costs
 higher training costs improved customer service increased productivity
 more mistakes more overtime younger, more dynamic teams

Reading

2 Read the newspaper clipping. What reasons can you think of to explain why experienced staff have been leaving Meteor's IT department?



Rising Star promises to make sparks fly

YOUNG Londoner Saul Finlay has been appointed IT Manager at Meteor Bank. Thanks to an aggressive commercial policy, the Nigerian bank is growing rapidly all over West Africa, especially through its subsidiaries in Ivory Coast, Ghana and Cameroon. Together with the rising demand for electronic banking services, rapid growth is putting increasing pressure on the bank's IT department in Lagos. In an interview yesterday, Finlay promised to 'drag the IT department kicking and screaming into the twenty-first century'. When asked if ...

3 Read the memo and answer the questions.

Meteor Bank

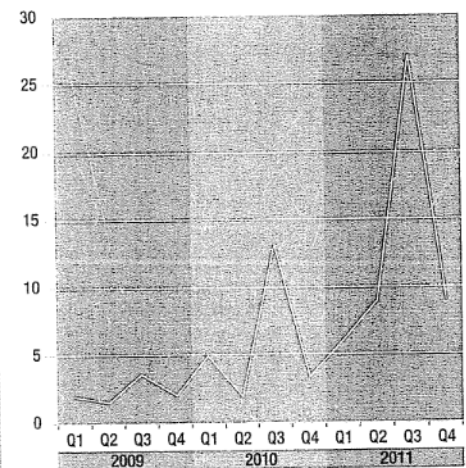
To: Astrid Kuhn, Managing Director
 From: Joseph Ikpeba, Operations Manager
 Subject: IT policy

Our system down time problems are going from bad to worse (see attached figures) and we are beginning to lose corporate clients. The problem appears to be the result of exceptionally high staff turnover in the IT department. Half of our systems administrators are new graduates with less than one year's experience, and Saul Finlay is recruiting again for the third time in six months.

I'm afraid I have to remind you that both down time and staff turnover were very minor problems before Saul arrived in 2010. Saul's answer is that he needs investment in even more new hardware. However, I am not sure that this is the solution; I feel strongly that we should investigate further, not least because some staff have implied that the system failures might be deliberate.

Could I possibly ask you to speak to some of the people involved and to hold an executive committee meeting as soon as possible to decide how to deal with these problems?

System down time (hours)



IT Turnover	2009	2010	2011
Total IT staff	64	68	78
New hires	7 (11%)	19 (28%)	31 (40%)
Retirements	4 (6.3%)	5 (7.3%)	6 (7.6%)
Departures	3 (4.7%)	10 (14.7%)	15 (19.2%)

- 1 Who wrote the memo and why?
- 2 What does he want?
- 3 What has changed at Meteor Bank since 2010?
- 4 What reasons can you suggest for the trends in the figures?