

Quarterly Review Process For IT

Members will be aware that in Group IT, unlike in any other business unit, consideration is given to awarding pay increases and promotions to staff on a quarterly basis. These quarterly reviews typically take place in February, May, August and November.

Where a pay increase or promotion is recommended then this is made by the individual's line manager and Senior Manager or Head of Function, and subject to authorisation by a Review Panel.

Despite a good start, the IT quarterly pay and performance review process is now a mess. One of the consequences of that is that staff are being held back in lower Bands for the level of their responsibilities.

A recent study carried out by Group IT looking at Career and Performance Management showed **"that the promotions process lacks consistency and transparency across the Group and that the requirements for promotion are unclear."**

Part of creating a "high performance culture" will be the need to introduce a new promotions process that sits comfortably alongside a new banding and reward structure. The new promotion process, which is still the subject of discussions with LTU, will not be in place until later this year. In the meantime, we need to fix

INSIDE

LTU Rejects New Reward System

Weaknesses Exposed

Penny Pinching

the current system now. LTU and Group IT have agreed that:

- **Staff will be told beforehand that their name is being put forward for a promotion/salary increase.**
- **Staff who are unsuccessful in getting a promotion/salary increase will be told why by their line manager.**
- **The results of the quarterly pay and performance review process will be published by each directorate on the Intranet so that staff can see that the system is working.**
- **The guidelines used by line management will be consistent and make it clear when promotions/salary increases should apply.**

Senior Management in Group IT have taken a pragmatic view on the need to revise the current process to gain staff buy in and we welcome that approach. In respect of the new process we will keep members informed of developments.

LTU Rejects New Reward System

Last year we were successful in persuading the Bank to review its pay structure. The Bank said it acknowledged LTU's repeated criticism of its pay policy and said it accepted the need for a clearly defined mechanism for salary progression.

But a lot of what the Bank centrally is now asking LTU to accept, like for example the scope for movement from pay zone to pay zone, comes without any guarantees on timescales. The Bank is asking staff to take too much on trust when its

track record doesn't support that trust. **Previous reward systems, changed repeatedly, have been so flawed as to make it essential to get everything down in writing before any new structure is put in place.**

No self-respecting trade union could accept a system with so many in-built weaknesses and uncertainties and the Union's Executive Committee have therefore rejected the new reward package.

Weaknesses Exposed

There are four specific problems with the Bank's new reward system:

- The Bank has said that IT staff should get from the 'primary' zone to the 'market' zone in either 2 or 3 years depending on Band. What that means is that you should get from 90%, the entry point of the 'primary' zone, to 95%, the entry point of the 'market' zone, in either 2 or 3 years. But, what the Bank cannot say is how long it will take to get to 100%, which is the rate for the job. If it is not able to answer that simple question, how can we trust any of the new reward package?

Equally, what IT staff need to understand is that the Bank's 'commitment' to get staff to the 'market' zone in 3 years does not relate to their previous service. That's forgotten. So if you are in the TC Band and your salary puts you in the 'primary' zone the fact that you have been doing that job for 5 years means that it could take you a further 3 years, if it happens at all, to get you to the 'market' zone. So 8 years in total, and you will still not be paid the rate for the job.

- Staff in the 'primary' and 'market' zones will not automatically get the market movements for their Bands. We believe that such increases should be centrally determined and applied and a properly defined salary progression will only be achieved if market movements are automatic.

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- Staff in the 'high-performance' zone will only get basic salary increases if they produce superior performance. Those staff whose current salaries put them above the 'high-performance' zone will get no increase in basic salary regardless of their performance.

These two groups of staff, which account for 24% (595 members of staff) of IT staff, are the backbone of Group IT and it is unacceptable that their basic salaries should be left to wither on the vine.

- The link between reward and performance management systems is critical. How the new

performance ratings will work and how they will be linked to individual pay awards is something that requires further discussion. Until we have a transparent, objectively justifiable appraisal system that is linked to pay then it is impossible to say whether the new system will deliver the results we need.

Penny Pinching

If your current salary is below the 'primary' zone, the Bank said it will move you to the minimum of that zone in two stages, with interim adjustment in April 2004 and a final adjustment in October 2004.

To make the pay adjustments in two stages when it can be done in one step, in April, smacks of penny pinching. If the Bank has accepted that IT staff should be moved to the minimum of the 'primary' zone and therefore have been underpaid in the past, why should they have to wait until October to get what they deserve? If IT staff have to wait until October to get their final adjustment they will also lose out under the Flavours scheme.

We told the Bank that it should resist the temptation to be tightfisted and should move IT staff whose salaries are below the 'primary' zone to the minimum of the 'primary' zone in April. To do otherwise is demonstrably unfair. The new Chief Executive has made much of the fact that he wants to make Lloyds TSB the best company in the financial services industry and in a recent

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Eric Daniels
Chief Executive, Lloyds TSB

interview said: "Our people are the key to our success, so it's vital that we provide the right environment to attract, retain and motivate the best people ..".

If he really believes that statement, and it's not just spin, how can he justify making IT staff wait an extra 6 months to get the new minimum salary level? They deserve it in April.

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