

17th January 2005

Lloyds TSB - Group IT

Now You See Them, Now You Don't LTU's Pursuit of the Holy Grail

Well, they are not quite the Holy Grail but when it comes to determining the IT pay pot and pay zones the use of salary surveys are the single most important pieces of information we use in our negotiations with Group IT. In a dynamic market such as IT, salary surveys provide us with direct comparisons between salaries in Group IT and those for equivalent sized jobs in other organisations. They are far from perfect, but are nonetheless still an important source of valuable information.

The data from the salary surveys determines the pay zones and market movements for Group IT staff. The surveys used by Group IT are the CEL Computer Staff Survey and HR4IT, produced by Hay Management Consultants. Group IT understand the importance of the salary surveys and have always disclosed the information to LTU at the start of our negotiations.

When our discussions for IT Pay 2005 started we expected Group IT's open and honest approach to the pay setting process to continue. What we

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hadn't expected was that the Bank's Compensation and Benefits Department would decide unilaterally that the IT survey data was suddenly confidential and could not be disclosed to LTU.

The Bank said that they had been told by the survey companies that the information was confidential to participants of the survey and they were not allowed to divulge survey information to third parties.

Darwinian Progression to Market Rate

Despite staff consistently saying that they should be told how long it should take them to be paid the market rate for the job, IT has always refused to do so. The reason why it has refused to do that is not because it can't, but because once it's done so pay pots will need to be significantly higher than they have been in recent years to enable staff to achieve their 'market' rate.

Last year there were 1,650 staff in the 'primary' and 'market' zones; this year there will be 1,534 staff in those zones. This year's pay pot is just 1% higher than last year's, and one of the consequences of that will be that salary progression in zones, and between zones, will slow down to a snail's pace.

Market Movement = 2.28%

Of IT's 3.5% pay pot, up to 2.28% will actually be used to just keep staff in the same position they are now relative to the market. So if you are a Grade E on a salary of £26,000 you will need a salary increase of 2.42% just to tread water. Anything less than that and you will be moving backwards.

Market Indicators Are What You're Worth

Again this year Group IT will talk about the whole of the 'market' zone reflecting what other employers pay for fully effective, competent employees. Don't be hoodwinked by this sleight of hand. Members should never forget, despite what Group IT says, that the market indicator still exists and is now equivalent to the middle of the 'market' zone. It is that figure which other employers will pay for a fully effective and competent member of staff, and that is what you are worth in the job market. Simply falling into the 'market' zone is not enough. You need to progress to at least the middle of the 'market' zone in order to be getting paid the rate for the job.

The IT pay zones for Grades G - B and market indicators for Pay 2005 are set out in the tables on page 3 of this Newsletter.

LTU Rejects The Pay Pot

In recent years Group IT has said that its policy on pay has always been driven by the market and the 'rate for the job'.

What we want Group IT to do is deliver on its own policy and pay fully experienced and competent staff their 'market rates'. Yet again this offer fails to meet that policy. There are no proper guarantees that staff who should be paid the rate for the job will be

and Group IT has even started to renege on the commitments it gave to staff last year about their salary progression. Moreover, experienced staff already paid above the market rate will see their pay relative to the market rate deteriorate yet again.

Our negotiations continue and I will keep members informed of developments.

Mark V Brown
Assistant General Secretary