



... campaign for "fair pay" in 2004

25TH AUGUST 2004

ALL MEMBERS NEWSLETTER

Pay 2004 Survey Results

Earlier this year LTU issued a survey to all members asking them for their views on the new reward package and pay offer for 2004. The full results of our survey are set out overleaf.

Some of the key results are as follows:

- **69.19% of staff said that their pay increase was either 'poor' or 'very poor'.**
- **As part of our claim LTU has said that staff should be told how long it will take to get to the middle of the 'market' zone, which is the rate for the job. Despite the fact that 88.22% of staff agree with our claim, the Bank have so far refused to answer that simple question.**
- **The new Chief Executive has made much of the fact that he wants to create a high performance organisation. However, what that means in practice, and how staff will know when it has been achieved, is not clear at all. Notwithstanding that, 89.48% of staff have said that in a high performance organisation their pay should be the best in the financial services industry.**
- **The Balanced Scorecard has been introduced across the Group. 30.56% of staff said that they didn't have a clear understanding of their Performance/Balanced Scorecard objectives for 2004. Whilst we accept that the Balanced Scorecard is new, only 20.30% of staff said that it had changed the way in which they worked. Equally, if the Balanced Scorecard is to be effective then staff will need to have regular reviews of their performance. But that is not happening. 57.72% of staff said that over the last 12 months they have had regular reviews of their performance. That is unacceptable in a high performance organisation.**

Members with any questions or comments on the survey should contact the Union's Advice Team in Bedford on 01234 262868, or they can e-mail LTU at 24hours@ltu.co.uk.

Survey Results

To what extent do you agree or disagree with the following statements:

	Strongly Agree	Tend To Agree	No Opinion/ Don't Know	Tend To Disagree	Strongly Disagree
	%	%	%	%	%
The Bank's new pay system will give me the pay rise I deserve.	2.43	14.66	6.58	35.86	38.86
My standard of living is rising.	29.07	16.59	3.67	19.98	29.41
Basic pensionable pay should be the focus of the Union's pay negotiations.	37.87	35.48	19.10	3.75	1.34
Good performers will get fair rewards with this pay system.	4.32	22.33	12.06	36.68	23.29
The Union was right to reject the Bank's pay offer and reward system.	41.24	34.00	18.14	3.83	1.11
I believe that in a high performance organisation my pay should be about the best in the finance sector.	51.61	37.87	6.30	2.30	0.84
The Bank should tell staff how long it will take for them to be paid the rate for the job.	47.84	40.38	8.23	1.74	0.50
There should be a direct link between pay and performance.	35.86	47.95	5.45	7.98	1.55
I have a clear understanding of my Performance / Balanced Scorecard objectives for 2004.	14.43	45.18	8.55	21.57	8.99
Over the last 12 months I have had regular reviews of my performance.	17.15	40.57	3.14	22.31	15.69
The Balanced Scorecard has changed the way in which I work for the better.	3.48	16.82	22.58	34.86	20.93

LTU's Campaign For Fair Pay System

Our ongoing pay claim is simplicity itself.

In a high performance organisation staff have a right to expect real and lasting improvements in their pay through a mechanism of defined salary progression. Anything less is unacceptable.

In order to achieve that simple objective the Bank should guarantee:

- **The movement from the 'primary' zone to the 'market' zone in 1 year for Bands 8 and 7 and 2 years for Bands 6 to 2.**
- **Staff in Bands 8 and 7 should move to the market indicator, or rate for the job, in no more than 2 years.**
- **Staff in Bands 6 to 2 should move to the market indicator, or rate for the job, in no more than 5 years.**
- **All staff regardless of their zonal position should get automatically the increase in the market movement for their Band. This does not breach any equal value legislation, which is why the Bank said they couldn't do it.**
- **If the new reward package and balanced scorecard approach to performance management are to work then there must be a direct link between the new performance management ratings and pay. We were prepared to accept such a link might not be possible for this year but it must be in place for Pay 2005.**

First Among Equals

Members will recall that under the new reward system staff would be moved to the minimum of the 'primary' zone in two stages, with an interim adjustment in April and a final adjustment in October 2004.

At the time of our discussions, the Bank said that this policy would apply throughout the Group. One business unit, Corporate Banking, disowned this 'penny pinching' policy immediately and told its staff who were below the minimum of the pay range for their jobs that they would be moved to the minimum in April. Group IT, a little belatedly it must be said, have now agreed that as part of the new pay and grading structure those staff who are currently at 83% of the 'Primary' zone and who would have expected to be moved to 85% of the zone in October, will get the 2% uplift from 1st July. That change of policy will benefit some 200 IT members of staff who will also get the benefit of higher 2005 Flavours calculations.

Ian Partridge
General Secretary