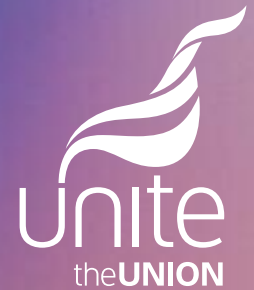


# Unite in HSBC



## HSBC CLERICAL PAY 2012

This is the union's summary of the outcome of pay negotiations for clerical (GCB 7 and 8) staff for March 2012. Our claim was based on the results of the survey you completed in late September. Thanks to all of you who did so. We haven't been able to achieve what you and your union wanted in the negotiations but we have made real progress in some critical areas.

- 2.5% pot, 2.3% matrix
- Abolition of Band A
- Bell-curve – towards transparency?
- 4 Rating – ray of hope
- Unpaid Overtime – working to end it.

### 1. Cost of living rise

You told us you wanted an inflation beating pay rise of 5.2% to 5.4% and this is what we claimed.

The bank were only prepared to offer a pot of 2.5% with a matrix with the total value of 2.3% as follows:

Performance ratings	<85%	85%-90%	90%-94.9%	95%-99.9%	100%-104.9%	105%-109.9%	110%-max	Max+ cash
1	8.0	6.0	4.0	3.0	2.25	2.0	1.5	£100
2	6.0	4.0	3.0	2.5	2.0	1.25	1.0	£75
3	4.0	3.0	2.5	2.25	1.5	1.0	0.75	£50

Our members are feeling the pinch from inflation in the cost of their most basic needs. Against this the bank argued that inflation is due to fall early next year because the increase in VAT last January will come out of the inflation measure. Ultimately, HSBC weren't prepared to award rises based around inflation. The general increase in earnings currently stands at 2.5%.

The bank have agreed – for this year only – to move away from discretionary ranges in each of the boxes of the matrix. We have always argued that discretion in the matrix makes it less transparent and is not necessary since there is so much discretion in the performance pay system anyway.

### Direct gains

We stated that members at SL4 and 5 in Direct had missed out on increases to service levels last year and that the rises provided by step progression needed to increase. The bank agreed to increase the 100% salaries these SLs receive by 2% and the step progression increase from £500 to £600. This is welcome and will go some way to correcting perceived pay inequities in Direct.

## 2. The 'bell-curve' or 'calibration'

**In our survey members said they thought this system was unfair by more than 9 to 1 but HSBC is wedded to 'calibration'.**

HSBC believe that any flaws in the bell-curve are about the application of the system in the bank, not the system itself. They invited Unite to take part in the design, implementation and study of the outcomes of an audit of performance management they intend to carry out next spring and suggested we attend a sample of calibration meetings. They also agreed to our request to provide us with data on pre and post-calibration ratings.

We do not accept that it is fair to compare a peer group where individuals do not have the same targets or that the theoretical minimum size of peer group of 100 can ever truly be implemented. We also doubt calibration meetings can ever yield fair outcomes.

In the meantime, Unite's opposition to calibration is growing across the finance sector and the campaign to eradicate it will build until we achieve success.

## 4. Unpaid overtime

**Our survey said you work on average 5 hours unpaid overtime a week. This means the bank owes clerical staff £39 million for unpaid overtime in the last year.**

From your feedback, we know that unpaid overtime working by staff and managers is part of the way branches operate.

Whether it's the morning or evening meeting or the need to gear up and down at the beginning and end of the day, there is an assumption that extra hours will be worked without pay. Add to this pressure to show-willing for performance appraisal purposes and it's very hard to insist you will only work the hours for which you are paid.

The contractual position for clerical staff on this is, however, clear. Overtime should be paid for any additional work required over the 15 minute threshold. There is no specific provision for time off in lieu (TOIL) so no one should be forced to either work for nothing or TOIL.

For any representative of the bank to insist that a staff member work unpaid overtime is to breach their contract.

## 3. 4 Ratings – ray of hope for the future

**In the survey you said 'no' to no pay rise for 4 ratings by 4 to 1.**

We stated our long-held objection to those rated 4 receiving no pay rise, especially in a system that uses calibration. We questioned why 4 rated staff were more likely to be male and of ethnic origin and the bank responded that this did not indicate discrimination.

The bank are still far from accepting our view and would not move on this.

We did get some movement on the 1172 (March 2011) who are rated 4 at the year end but have moved up to 3 or even 2 or 1 by the next half year. Unite argued that some payment should be made to them to acknowledge the upset and effort they will have gone through to improve their performance at the half year. The bank refused but did offer a payment to those in this group whose pay is below the minimum of their grade (roughly 20%).

Though small, this is a start in rebuilding pay rises for those rated 4 in HSBC.

### Comment

The union has a history of success in grievances our members take out against 4 ratings caused by calibration and the number of staff finally being awarded a 4 rating last year was 10% down on 2009. So don't just accept it if you're told your lower than expected rating is because of calibration, call our helpline on **0845 604 5527** to talk it through.



Your National Committee say what they think of unpaid overtime

### Advice

Our advice to clerical members is not to work unpaid overtime. The bank have agreed to make a clear statement on the intranet of their intention to eradicate unpaid overtime for GCB 8 and 7 staff and clarifying the contractual position.

## 5. High and low pay

**Our survey showed that most of you thought the highest paid director was paid more than 250x the lowest paid new starter and you were right.**

The HSBC Group CEO was paid £6.1m in 2010 (or £9.1m if you include some shares for 2007). This is about 418 (or 625) times the lowest paid employee.



### Presentation

We asked the bank to work with us to reduce the difference between the highest and lowest paid to a multiple of 10x. We also proposed that there should be a workers' representative on the bank's remuneration committee.

### Debate

The bank said it was not appropriate to compare the Group CEO, who operates at global level, with the lowest paid employee. Our response was that HSBC is a global bank and the pay of the highest paid UK employee was not made public. We were confident that the multiple would still be high and that our concern reflected a widely held view that the pay gap between highest and lowest paid was too wide.

Our reason for making this case was not jealousy of the highest paid but the unfairness of such a huge gap between two employees of the same company.

### Abolition of Band A

For years the union has been campaigning for the abolition of Band A (a lower rate of pay than Bands B and C paid only to clerical staff and justified on the grounds of regional earnings' differences).

Band A GCB7 and 8 staff number nearly 4.5 thousand or 21.5% of staff. Their pay minimum is £13,060 which is just less than the living wage outside London.

This band is associated with longer-serving, female, often key-time staff living in rural and poorer urban areas who have limited career prospects. It embodies the erosion of national pay rates which are enjoyed by all employees above GCB 7.

Many Band A members say they feel taken-for-granted and largely ignored by a distant head-office, yet they persistently maintain the image and good-name of HSBC across the UK by providing excellent service at the heart of their communities.

Last year Unite was able to persuade the bank to increase the minimum of Band A to the same level as that for Band B. This year we have taken things one step further with the complete abolition of Band A through an increase in 'notionals' (sometimes called the rate for the job or 100%) and maxima of 5.2%.

This move shows that persistence on the union's part and continuing pressure from our members can achieve change for the better. Members should bear this in mind when considering where we are now on pay for 4 rating staff and on calibration.

We really have got what we, and you, have been asking for on this one after a long and sustained campaign.

## CONCLUSION

The outcome of these pay negotiations is a story of disappointment and achievement: disappointment in that we weren't able to persuade the bank to pay an inflation proofing rise, abandon calibration or give some rise to 4 rated staff; achievement in the abolition of Band A and recognition of the need to clearly state that unpaid overtime should become a thing of the past. It is a lesson in the benefits of perseverance and clear feedback from members to the union.

# BALLOT

We are now asking members what they think. Just as the claim was built on your views, so will its outcomes.

Our negotiating team and National Committee are recommending the bank's final offer on pay as the best achievable through negotiation.

Ballot papers will be sent to members' home addresses with a copy of this newsletter. Only members can vote but we think non-members should know about their pay, particularly those in Band A.

Why not put this newsletter on the notice-board in your workplace?

Have you been promoted to GCB6 or above or has your address changed? Email us the details with your membership number to [hsbc@unitetheunion.org](mailto:hsbc@unitetheunion.org)



Your Band A champion

## Speaking out for you at work

If the concerns we are addressing are ones you share, pass on the message of the importance of joining the union.

Many of the issues we have raised will take a long time to resolve, but the stronger the union is and the more people we represent, the quicker and more effectively this will happen.



Recommending final offer



For a less condensed summary of pay 2012 and more info about our work in HSBC, go to our page on the Unite website or to [www.unite-hsbc.com](http://www.unite-hsbc.com)

**Bernadette Fisher, Unite National Secretary in HSBC**

**November 2011**

**Unite in HSBC members' helpline – 0845 6045527**