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#### **Notes for Contributors**

Authors should send papers for potential publication in the *Welsh Economic Review* to the Editor at the address given below, preferably via e-mail in a Word for Windows format. Papers are welcome on any topic that would be of general interest to the readership, and should be written in a style suitable for non-specialist readers. Papers should be approximately 3,000-4,000 words and any graphs or figures should be accompanied by the underlying data to allow reproduction.

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# Pay in Wales

## Cardiff Business School Pay Survey

Regular readers of the Welsh Economic Review will notice an immediate change in the nomenclature regarding the Annual Pay Survey conducted by Cardiff Business School, for first Welsh Water and then in the late 1990s, for Hyder. Hyder as a company ceased to exist in 2000, and was taken over by Western Power Distribution. This new company decided not to continue its sponsorship of the Annual Pay Survey. Accordingly, the Pay Survey for the year 2000 is published only under the imprint of the Cardiff Business School. Nevertheless, this 11<sup>th</sup> edition of the Annual Pay Survey covers the vast majority of firms which have participated in previous surveys and includes all of the associated pay data, on pay increases and pay levels for a variety of jobs, analysed by regions within Wales and by the original seven Travel To Work Areas (TTWAs).

### The Survey

The Pay Survey for the year 2000 is based upon the structure of previous pay surveys, and has concentrated on analysing pay data from companies within the seven TTWAs of Cardiff, Merthyr, Swansea, Haverfordwest, Brecon, Shotton and Bangor. When Hyder was formed, with in particular the inclusion of SWALEC in their operations, the survey widened to take in significant companies and organisations that were not specifically within these TTWAs, but were major players within the labour market. Thus, large companies based between Swansea and Cardiff were included, together with a number of companies in Newport and Barry. In addition, a number of other companies were included that were located between the two North Wales travel areas of Bangor and Shotton. These additions, however, did not affect greatly the continuity of the data from previous years, as TTWAs in both the south and north of Wales have become less distinct with increased mobility along the M4 corridor in South Wales and the A55 corridor in North Wales.

There is one major change to the 2000 Pay Survey in that due to reduced sponsorship of the survey, the number of firms participating was slightly reduced, particularly those based in some travel to work areas, such as Haverfordwest. Nevertheless, overall, four out of every five organisations that previously contributed to this survey are included in year 2000, and as such the

survey still covers around 60 major employing organisations in the Principality.

### Jobs Included

Whilst the Pay Survey had undergone a number of changes during the 1990s in terms of jobs covered, mainly because of changing job designations within Hyder, the 2000 Pay Survey maintains the format of the previous two years. The latest survey retains an important feature introduced in 1999, that of Hay points (based on a job evaluation scheme) attached to each of the jobs. This was a major advantage for those companies using job evaluation on the Hay system, as they could relate more specifically their jobs to those in Hyder. Further, as the Hay points system provides a specificity beyond broad job descriptions and job locations, companies were more precise about whether their job had more, the same or less responsibilities than that which existed in Hyder.

### The 2000 Analysis

For the 2000 Pay Survey the figures relate to average percentage total pay increases for the year ending 31 August, and therefore any comparisons made with previous years should use this total rather than the basic pay figures (see volume 12.2 of the *Welsh Economic Review*). Table 5 shows that for the year 2000, the average pay increase was slightly reduced from the previous year, at 3.06%. This suggests a degree of stability within pay increases in the

majority of the years of the mid to late 1990s. This is in sharp contrast to the earlier years, when, for example, pay in 1990 increased by 9.02%, and increased by 7.67% in 1991.

There are some differences, however, with regard to the pay increases for the various areas of Wales, and Table 6 shows minor differences with West Wales outscoring the other two areas in 2000, but by less than half of 1%. Indeed, in the years since the analysis was provided for the three areas of Wales, the variations have been fairly minor.

Table 7 provides a more detailed analysis based upon the original seven TTWAs. The table shows more variation between the TTWAs than the three areas of Wales, with in particular Bangor and Brecon topping the pay increases for the year 2000, with the Merthyr TTWA having the lowest pay increase. These figures have then been used to create a level of comparison of average pay for these areas since 1989. Table 8 shows that by 2000 the average pay index was highest (compared to its 1989 levels) for the Shotton TTWA, whilst Merthyr had the lowest average pay index, at around 48% above its 1989 level.

Finally, Table 9 gives a comparison of the pay increases for the various job groupings, of professional/managerial, clerical, supervisory/technical, craft and manual for the years 1999 and 2000.

**Table 5: Average Percentage Total Pay Increases (Year ending 31 August)**

Total Pay Increases								
Year	1993	1994	1995	1996	1997	1998	1999	2000
%	2.05	2.81	3.24	3.61	3.64	3.53	3.13	3.06

**Table 6: Percentage Pay Increase by Area**

AREA	1998		1999		2000	
	N	Total	N	Total	N	Total
North Wales	18	3.59	18	3.01	14	3.03
West Wales	24	3.78	24	2.92	12	3.09
South Wales	35	3.29	33	3.33	32	3.07

**Table 7: Average Percentage Annual Pay Increase 1994-2000 Unweighted - All Responsibilities**

TTWA	Average Total Pay, % Increase						
	1994	1995	1996	1997	1998	1999	2000
Merthyr	2.12	2.64	2.91	2.81	3.10	3.19	2.58
Brecon	2.48	2.86	2.75	3.27	3.44	3.33	3.35
Cardiff	2.73	3.05	3.17	3.22	3.33	3.31	3.22
Swansea	2.72	2.88	3.60	3.28	3.52	2.71	3.11
Shotton	2.46	3.13	3.54	3.14	3.50	2.83	2.95
Bangor	2.78	3.01	3.53	3.71	3.36	3.17	3.57
H'West	2.74	3.20	3.52	3.37	3.37	3.42	3.02
<b>Average</b>	<b>2.60</b>	<b>2.98</b>	<b>3.33</b>	<b>3.26</b>	<b>3.42</b>	<b>3.12</b>	<b>3.06</b>

There are some minor differences between the pay increases for the groups during the two years, with professional/managerial and clerical groupings having a reduced pay increase in the year 2000 in comparison to 1999. The other groupings however saw their annual average pay increases rise over the 1999-2000 period, in particular the manual grouping experiences average annual pay increases rising from 3.02% in 1999 to 3.27% in the year 2000.

#### The Future

Following the withdrawal of sponsorship from the Pay Survey, David Simpson and Robert McNabb, (the authors of the Survey Report) sought alternative support for the Survey. There is now an intention to merge the Pay Survey with the Advisory, Conciliation and Arbitration Service (ACAS) Wales' activities, with the survey to be known as the ACAS Wales/Cardiff Business

School Annual Pay Survey. The sponsoring group for the survey will include ELWa, the WDA and the Welsh Assembly Government.

With this merger, it is intended to expand the number of participating firms to in excess of 250, covering all of Wales and reflecting the distribution of employment within the Principality. The survey will also expand in coverage of jobs, and will remove some of the more utility specific jobs, and concentrate on a wide range of jobs generally found within employing organisations located in Wales. The final details of the number of job categories to be included has yet to be determined, however it is expected to number in excess of 70, although some of the jobs may be subdivided into those which include the qualified, semi-qualified or new starters.

In part, the new survey will rely on many of the contacts that ACAS has with

its Personal Manager Network Groups. In particular, ACAS in its South East Wales Personal Management Group, has conducted a pay survey over recent years, and this will provide the basis, together with some of the participating organisations in the Cardiff Business School Pay Survey for the new survey in the year 2002. In addition, Personal Management Network Groups exist in West Wales, North East Wales, and North West Wales, and these will add to the basis of the companies participating in the Pay Survey.

For further information regarding the 2000 Cardiff Business School Pay Survey, or about participation in the 2002 ACAS Wales/Cardiff Business School Pay Survey please contact Dr David Simpson at Cardiff Business School, email SimpsonD@cardiff.ac.uk.

**Table 8: Comparisons of Average Pay of TTWAs in Wales (1989=100)**

TTWA	Merthyr	Brecon	Cardiff	Swansea	Shotton	Bangor	H'West
1990	109.8	109.2	108.9	109.1	108.0	108.7	108.9
1991	115.3	117.6	117.2	117.1	114.0	116.6	117.7
1992	120.7	121.8	122.5	121.9	120.5	121.5	121.5
1993	122.3	124.0	125.4	124.3	123.1	123.2	123.6
1994	125.3	126.6	128.4	127.7	127.1	126.5	126.6
1995	128.6	130.0	131.6	131.0	131.6	129.9	129.7
1996	132.1	134.1	135.6	135.2	137.6	133.7	133.6
1997	135.6	137.9	139.8	139.0	143.6	137.6	137.0
1998	139.7	142.2	144.3	143.6	148.7	141.9	141.3
1999	144.2	147.2	149.1	147.4	152.9	146.4	146.1
2000	147.9	152.1	153.9	152.0	157.4	151.6	150.5

**Table 9: Average Total Increase in Pay by Job.**

	Prof/Mang	Clerical	Super/Tech	Craft	Manual
2000	3.04	2.96	3.06	3.16	3.27
1999	3.16	3.11	3.03	3.14	3.02