

Existing definitions of the elements  
included in the Pay Trend Survey

Cost of living - salary adjustments awarded to a whole category of employees to reflect changes in the cost of living.

General prosperity and performance of the company - salary adjustments awarded to a whole category of employees as a result of the general prosperity and performance of the company. Normally, if awarded, such general adjustments take the form of something over and above any adjustments made as a result of general changes in market rates and cost of living.

General changes in market rates - adjustments awarded to a whole category of employees to reflect general pay rises in the market as indicated by the findings of a pay trend or similar survey conducted by the company. They are different from increases due to changes in external

relativities (i.e. market rate adjustments for specific jobs) resulting from a pay level survey.

Merit payment - an adjustment to the salary of an individual employee which reflects his or her personal performance. Where companies make merit payments they must be able to demonstrate that some individual employee within the same group has received a discretionary addition to the general increase and that it is based on a staff appraisal system.

In-scale increment - salary adjustments awarded to individual employees by virtue of the fact that they receive increments due to progression on a formal salary scale which has been in use for at least one year.

Promotion and transfer - salary adjustments awarded to individual employees as the result of their promotion or transfer to a different job.

External and internal relativities - salary adjustments awarded to individual employees or a specific group of employees as a result of a survey of the salaries paid by other companies for a similar job. Salary adjustments due to changes in external relativities will be accepted as such only if there is evidence that an outside survey of similar jobs has been carried out by the company. Salary adjustments resulting from changes in external relativities may lead to the adjustment of the salaries of other employees in the same company where this is necessary to preserve internal relativities. Such adjustments will only be accepted if there is evidence that they are the consequences of an external survey.