JCN Journal of Clinical Nursing

Journal of Clinical Nursing

ORIGINAL ARTICLE

Evaluating the impact of a new pay system on nurses in the UK

James Buchan and Jane Ball

Aims and objectives. This study examines the impact of implementing a new pay system (Agenda for Change) on nursing staff in the National Health Service (NHS) in the UK. This new pay system covered approximately 400,000 nursing staff. Its objectives were to improve the delivery of patient care as well as staff recruitment, retention and motivation.

Background. The new system aimed to provide a simplified approach to pay determination, with a more systematic use of agreed job descriptions and job evaluation to 'price' individual jobs, linked to a new career development framework.

Design. Secondary analysis of survey data.

Methods. Analysis of results of large-scale surveys of members of the Royal College of Nursing of the United Kingdom (RCN) to assess the response of nurses to questions about the implementation process itself and their attitude to pay levels.

Results. The results demonstrated that there was some positive change after implementation of Agenda for Change in 2006, mainly some time after implementation, and that the process of implementation itself raised expectations that were not fully met for all nurses.

Conclusions. There were clear indications of differential impact and reported experiences, with some categories of nurse being less satisfied with the process of implementation. The overall message is that a national pay system has strengths and weaknesses compared to the local systems used in other countries and that these benefits can only be maximised by effective communication, adequate funding and consistent management of the system.

Relevance to clinical practice. How nurses' pay is determined and delivered can be a major satisfier and incentive to nurses if the process is well managed and can be a factor in supporting clinical practice, performance and innovation. This study highlights that a large-scale national exercise to reform the pay system for nurses is a major undertaking, carries risk and will take significant time to implement effectively.

Key words: nurses, nurses' labour markets, nurses' pay, nursing, workforce

Accepted for publication: 20 January 2010

Introduction

This study examines the impact of implementing a new pay system (Agenda for Change) on nursing staff in the National Health Service (NHS) in the UK. Agenda for Change was the largest-ever attempt to introduce a new pay system in the public services, covering more than 1 million staff, including approximately 400 000 nursing staff. Its objectives were to improve the delivery of patient care as well as staff recruitment, retention and motivation.

The study draws from periodic large-scale surveys of nurses conducted on behalf of the Royal College of Nursing (RCN) to track the effect of implementation of the new pay system on nurses' pay and their reported experiences and career plans.

Background

Most care in the UK is delivered in the NHS, and the vast majority of working nurses are employed in the NHS. By the mid-1990s, the NHS pay system, developed nearly 50 years

Authors: *James Buchan*, MA, PhD, Professor, Queen Margaret University, Edinburgh; *Jane Ball*, BSc, RGN, Consultant, Employment Research Ltd, Hove, UK

Correspondence: James Buchan, Professor, Queen Margaret University, QMU Drive, Edinburgh EH21 6UU, UK. Telephone: +44 131 474 0000.

E-mail: jbuchan@qmu.ac.uk

doi: 10.1111/j.1365-2702.2010.03310.x

earlier with the creation of the NHS in 1948, was increasingly being seen as outdated and not fit for purpose. The system was based on national bargaining units, each involving multiple staff associations/trade unions covering different staff groups. Many regarded this system as complex and inflexible, constraining the development of new roles and unresponsive to the high levels of contribution being made by experienced clinical staff (Buchan & Evans 2007). It was also open to challenge on the basis of equal pay for work of equal value (Department of Health, 1999a; NHS Employers, 2007). Pressure to overhaul the pay system had been growing since the 1970s (Buchan & Evans 2007, House of Commons Health Committee 2007; National Audit Office 2009).

The election of a Labour government in May 1997 raised the prospect of a new NHS pay system. The government's White Paper on Health, published at the end of 1997, announced the intention to 'modernise' the NHS (Department of Health 1997), and in February 1999, the government published its proposals for a new pay framework for NHS staff, *Agenda for Change – Modernising the NHS Pay System* (Department of Health 1999a,b).

The proposals included simplified national pay 'spines' covering different staff groups, a national job evaluation scheme and a competency-based career framework (later named the Knowledge and Skills Framework (KSF)). The proposals emphasised that the new system was designed to: enable staff to give their best for patients, working in new ways and breaking down traditional barriers; pay fairly and equitably for work done, with career progression based on responsibility, competence and satisfactory performance; and simplify and modernise conditions of service, with national core conditions and considerable local flexibility (Department of Health 1999a,b).

Whilst the initial plan (Department of Health 1999a) was to reach agreement on the new system by September 1999, this target date proved to be hopelessly optimistic. Negotiations were drawn out and implementation began with a piloting process in 'early implementer' sites (Department of Health 2004a) followed by a full national roll-out from 1 December 2004 (Department of Health 2004b). By the end of 2006, more than 99% of NHS staff were on Agenda for Change pay arrangements (Review Body for Nursing and Other Health Professions 2006); (Buchan & Evans 2007). Table 1 summarises the timetable of negotiations and implementation.

There were three key components of the new pay system that differentiated it from the system it replaced. First, there was to be 'simplified coverage'; second, the use of agreed job descriptions and job evaluation; and third, the introduction of the Knowledge and Skills Framework (KSF) – a new career development framework (NHS Employers, 2006; Buchan & Evans 2007, UNISON 2007; Incomes Data Services 2008; National Audit Office 2009).

Table 1 Summary Timetable of Implementation of Agenda for Change (AfC), the new NHS pay system

May 1997	Labour government elected
September 1997	Exploratory talks on a new NHS pay system begin
December 1997	White Paper on modernising the NHS is published
February 1999	*Agenda for Change – Modernising the NHS Pay System* is published
October 1999	First joint statement of progress
November 2000	Second joint statement of progress
November 2001	Third joint statement of progress
December 2002	Framework agreement agreed and published
January 2003	Proposed agreement and three-year pay deal announced
June 2003	'Early implementer' sites begin to implement Agenda for Change in England
December 2004	National roll-out of Agenda for Change starts in England
End of 2006	Roll out complete

Source: adapted from Buchan & Evans 2007.

In terms of simplified coverage, Agenda for Change introduced a new pay 'spine' for NHS nurses and other health professionals covered by the remit of the Review Body for Nursing and Other Health Professions. This pay spine replaced a multiplicity of occupational pay grades, pay points and salary scales that had characterised the previous NHS pay system, where each profession had multiple pay grades and there were a range of occupation- and profession-specific additional allowances. Agenda for Change also incorporated (or 'bought out') many of these supplementary payments and additional allowances previously paid under the previous system to simplify ('harmonise') the new pay system (NHS Employers, 2006; Buchan & Evans 2007).

The Agenda for Change pay system was underpinned by a job evaluation scheme, which was based on 16 factors. Each factor (e.g. 'analytical and judgement skills', 'emotional effort' and 'working conditions') had different identified levels, and a point score was derived for each job. The factors and the weighting and scoring system used in Agenda for Change were developed as a tailor-made system for NHS staff as it was agreed there was no pre-existing system capable of evaluating all of the jobs covered. The job evaluation process depended on agreed job descriptions for different types of job and role. In part, the use of a single job

evaluation scheme was intended to support 'equal pay for work of equal value'. The new pay spine was divided into nine pay bands, and staff covered by Agenda for Change were assimilated on to one of these pay bands on the basis of job weight, as measured by the NHS job evaluation scheme (Buchan & Evans 2007, National Audit Office 2009).

The Knowledge and Skills Framework (KSF) framework defines and describes the knowledge and skills required for NHS staff to work effectively in their jobs. It provides a framework for the review and development of each staff member. Each job has a KSF postoutline that sets out the dimensions, levels and indicators required for the postholder to undertake it effectively. The KSF process is based on an annual developmental review between each staff member and their line manager, which should produce a personal development plan (PDP). The KSF was built on two key principles: that it should be simple, easy to explain and understand and that it should be operationally feasible to implement (NHS Employers 2008). There has been continuing criticism that this element of Agenda for Change has never been satisfactorily implemented, with many staff not having an annual review (O'Dowd 2007, Staines 2007, Jenkins 2007, NHS Employers 2008).

Implementation was therefore based on a national agreed framework, and local application of nationally agreed guidelines and job descriptors was led by trained teams, who matched actual jobs in their workplace with the nationally agreed guidelines (see Buchan & Evans 2007, National Audit Office 2009 for more details). An overall budget estimate was made in advance of full implementation; this proved to be an underestimate of actual cost of full implementation (National Audit Office 2009). The level of local review appeals was one indicator of the initial level of satisfaction of staff with their new pay level and is discussed in more detail in the following paragraphs.

In summary, the new pay system set out to provide a simplified approach to pay determination for nurses and other NHS staff (including all staff other than doctors and senior managers), with a more systematic use of agreed job descriptions and job evaluation to 'price' individual jobs in the workforce, linked to a new career development framework. The remainder of the study reports on survey results conducted in the lead up to full implementation and after implementation.

Methods

This study draws from the results of large-scale surveys of members of the Royal College of Nursing (RCN) to assess the impact of the implementation of the new pay system by examining the response of nurses to questions about the implementation process itself and their attitude to pay levels. The RCN represents qualified nurses, nursing students and health care assistants. The periodic surveys on which this study is based covered registered nurses. The approach to the survey, sampling and questionnaire content has been refined gradually since it was first commissioned in 1987. In recent years, surveys have been conducted in 2006, 2007 and 2009 (Ball & Pike 2006, 2007, 2009). To ensure continuity and allow comparisons with previous years, the questionnaire used in the survey always covers core employment and biographical questions including demographic details; pay and grading; working hours; job change; and various attitude items relating to nurses' experiences of working life. There are also a core of standardised questions on attitudes and experiences of nurses, which have been used since 1992. In recent years, the sample size used in the survey has varied between 4500–9000; the demographic profile of the survey respondents is compared with the overall NHS nurse profile and reports a similar profile. Surveys of the RCN membership (which covers more than half of all practicing nurses in the UK) are broadly representative of the nursing workforce as a whole; thus, the results of this survey of members can be taken to reflect the UK nursing workforce more generally (see Ball & Pike 2009, pages 10–12 for more details). The questionnaire also has a section for open comments from respondents.

This study draws mainly from the more recent surveys conducted in 2006 and 2009, with some reference also to results from 2003–2001. The 2006 survey (Ball & Pike 2006) was based on a sample of 4500 RCN members working in the NHS and GP practices who were surveyed to explore the impact of the move to Agenda for Change (AfC). The survey (launched in July 2006) was based on a postal questionnaire sent to home address of respondents and achieved an overall response rate of 55%, producing 2283 valid cases. The vast majority of those surveyed in the NHS (91%) reported that AfC has been implemented where they worked.

The 2009 survey (Ball & Pike 2009) was based on a postal survey of 9000 RCN members at their home addresses and was undertaken between February–April 2009. All cases were randomly selected from the population (The RCN has a membership of registered nurses in excess of 300 000). The overall response rate to the survey in 2009 was 54%.

Results

The results are presented in two sections. The first section reports on results at the time of the transition to the new pay

system, using data from the 2006 survey. The second section looks at the postimplementation period, drawing mainly from results of the survey conducted in 2009.

The transition to Agenda for Change in 2006

Job descriptions

As discussed in the *Background* section, one of the key elements of AfC was the use of agreed job descriptions to identify linked pay band. The survey response in 2006 highlighted that the vast majority of nurses had a detailed job description. Almost all (95%) respondents reported that they had a job description, and 73% said that it gave an accurate reflection of their role. Four-fifths (81%) reported that their job description had been agreed between themselves and their manager.

Whilst the proportion of NHS nurses reporting having a job description had changed little in comparison with previous RCN member surveys, views as to the accuracy of job descriptions have shifted. In 2001, just 54% of NHS respondents considered that their job description was an accurate reflection of their role compared with 73% in the 2006 survey. This suggests that an improvement in accuracy and completeness of job descriptions had been driven by the development and implementation of the AfC process.

Job evaluation

Job evaluation was the second key step in the process of assimilating staff on to the new pay spine. At the time of the 2006 survey, more than three quarters of all respondents (77%) indicated that their job had been evaluated as part of the AfC process. The majority (70%) had been told the outcome of the process in writing, 9% in person, 2% by telephone, 1% by email and 18% by other means. Few of the open comments made by respondents to the 2006 survey (summarised into themes in Table 2) disagreed with the principles of the job evaluation or with the framework for its implementation.

Where discontent was expressed by respondents in 2006, it related to the way the system had been applied locally and the reported perception that the process had not been implemented consistently or 'properly'. Dissatisfaction was expressed with the information provided, length of time taken

Table 2 Open comments on job evaluation process, 2006 – percentages

	Comment/theme	Percentage of cases
Bands/outcomes	Band(s) low/incorrect/downgraded; does not reflect role/responsibility)	19
	Inappropriate banding (evaluation performed on title not job/role)	6
	Banding different for same jobs	5
	Takes no account of experience/specialism	3
	Created bad feeling between grades/bands	1
	Unfair – banding	1
All responses re outcomes		*35*
How applied	Poor information/communication/contradictions	13
	Delays/slow process	8
	Poor management/organisation	5
	Cynical/futile/farce/shambolic	2
	Poor training/support	2
	Process rushed/no time	5
	Time-consuming	2
	Unfair process	4
	Cost/expensive	1
All responses re how applied		*41*
Involvement	Not consulted/involved	14
Job Description	Job description issues (importance/not out of date)	14
Positive	Positive comments generally – think it is a good thing	3
N/A	Not matched/banded/implemented	27
Number of cases (n)		*829*

Source: Ball & Pike 2006.

and inconsistencies in the way the job evaluation process was applied (41% referred to this theme). The other main theme (touched on by 35% of respondents) related to outcomes of the process – the new pay bands were not seen as fair as they did not reflect roles/responsibilities.

In response to attitude items, approximately a half (49%) of all respondents indicated that they understood the process used to evaluate their job, 39% said that they had sufficient information to understand the job evaluation process and 40% were satisfied with the outcome of job evaluation for their job. However, only one in four (25%) agreed or strongly agreed that the job evaluation process was carried out well in their organisation. Overall, these responses revealed considerable discontent with the actual local process of implementation.

Transition to new pay band

Of those that were able to give their current AfC pay band (Table 3), 1% were on band 3/4, 38% on band 5, 32% on band 6, 25% on band 7 and 6% on band 8/9. Clinical grade prior to transition and pay band immediately after were recorded.

The grading system used for NHS nurses prior to Agenda for Change grouped most registered nurses into one of four clinical grades: grade D for newly qualified nurses, grade E for more experienced staff nurses, grade F for highly experienced staff nurses or junior ward sisters/charge nurses and grade G for more experienced ward managers, community nurses and specialist nurses. For some clinical grades, there was an almost complete transition from one grade to one pay band. For example, almost all (99%) D grades reported that they were moved to pay band 5, as were 86% of E grades. The pay band outcome of G and I grades was most varied.

Respondents to the 2006 survey were also asked how they felt about their AfC pay band immediately after the transition. Just over half (54%) were satisfied that their pay band was fair, 40% were not and 6% responded that they did not know.

Managers/directors were less likely to be satisfied (31% said it was fair, 63% said it was not), while 75% of sisters/charge nurses were satisfied that their AfC pay band was fair (22% did not). Full-time respondents were less likely to feel that the pay band they moved to was fair than their part-time colleagues.

The most striking differences in satisfaction with pay band were related to previous grade. For example, 72% of G-grade nurses who moved to pay band 5/6 did not think that their pay band was fair compared to just 11% of those who moved to band 7/8. Similarly, 83% of F-grade nurses who moved to pay band 5 did not think their band fair compared to just 29% of those who moved to band 6 and 19% of those who moved to band 7. In terms of overall numbers, E-grade nurses who had been moved to band 5 were the largest group with dissatisfied respondents (but sample sizes were relatively small).

Reviews

Across all respondents to the 2006 survey, one in four (24%) reported that they had requested a review. Of those that did not think their AfC pay band was fair, 55% had requested a review. This figure was higher among clinical nurse specialists (CNS) (64%), nurse practitioners (62%), managers/directors (74%) and district nurses (74%).

A review had reportedly been undertaken for 12% of all respondents (29% of those that did not report satisfaction with their pay band). Of those that requested a review, 41% had received it at the time that the survey was conducted. Following the review, 30% had moved to a higher band, for 54% there had been no change and for 14% the outcome had not been decided.

Just over a half (52%) of respondents who had received a review reported that they were not satisfied with the way it

Table 3 2006 survey: clinical grading immediately prior to Agenda for Change (AfC) and pay band immediately after AfC – percentages

Grade immediately prior to AfC…	Agenda for Change pay band immediately after AfC…						Original grade (%)
	3 or 4	5	6	7	8/9	Base *n* = 100%	
D	0	99	1	0	0	139	8
E	0	86	13	0	0	538	30
F	0	9	85	5	0	318	18
G	0	1	43	56	1	432	24
H	0	0	10	72	19	192	11
I	0	0	0	41	59	39	2
All respondents	1	38	32	25	6	1771	

Source: Ball & Pike 2006.

had been conducted, primarily because they considered that the outcome was not fair and did not reflect their job (58%). A third (32%) said that there was poor or insufficient information regarding the review and six per cent said the process took too long.

Financial outcome of implementation

Following the introduction of AfC, 44% of respondents to the 2006 survey indicated that they thought that they would have the potential to be financially better off, whilst a third (37%) thought there would be no change, 12% thought they would be worse off and 7% reported that they do not know. Responses varied greatly depending on the grade to pay band combination. For example, just 26% of E grades that moved to pay band 5 reported that they thought they would be better off financially compared to 77% of those who moved to band 6.

The most striking overall picture emerging from the 2006 survey, conducted just at the time of full implementation, was that few respondents viewed Agenda for Change positively. Only one in five thought that the pay system was fairer now than before AfC (55% disagreed with the statement). Implementation was criticised with 63% saying the transition was too slow and only 24% saying they were satisfied with the way AfC has been implemented in their organisation. Less than half (43%) said that their employer kept them well informed about the transition to AfC. Fewer than one in 10 respondents thought that AfC/KSF had improved the quality of care where they work.

Broader-based research and analysis conducted just after implementation of AfC (Buchan & Evans 2007, Jenkins 2007) also highlighted difficulties with implementation including inconsistent and uneven interpretation of the national guidelines, time delays in implementation in some organisations, incomplete linkage to and establishment of KSF and an absence of evaluation of impact. There was also criticism (Buchan & Evans 2007, House of Commons Health Committee 2007) that in the early phase of implementation there was little evidence emerging that AfC was delivering the claimed 'benefits' (NHS Employers 2006) of improved quality of care and effectiveness. Whilst this criticism could be countered by the argument that it was 'early days' for the new system, an analysis of more recent data suggests that the new pay system has not yet met all its objectives, as discussed later.

After the transition to AfC – results from 2009

In this section, results of the 2009 survey are assessed to identify whether the reported experiences and opinions of nurses in relation to Agenda for Change had altered, after it was more fully 'bedded down' as a new pay system. Some reference to results from other surveys is also used to provide a sense of longer term changes.

The 2009 survey asked NHS nurse respondents about their clinical grade immediately prior to the transition to AfC and their pay band immediately after transition. Response was not dissimilar to that in the 2006 survey. Almost all (97%) D grades reported that they were moved to pay band 5, as were 85% of E grades.

Respondents in 2009 were also asked to report whether or not they had requested a review of their banding. As noted earlier, this can be taken as one indicator of dissatisfaction. Across all NHS respondents, one in four (23%) had requested a review but this varied by reported grade prior to AfC (Fig. 1).

This is exemplified further by examining the pattern of review requests in relation to job title. This varied markedly, with 16% of staff nurses, 17% of ward managers, 24% of

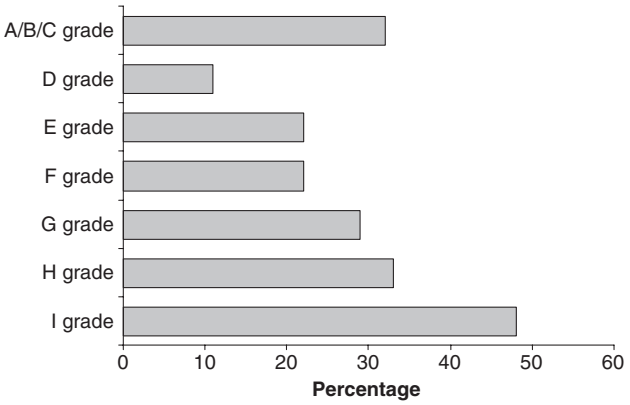

Figure 1 Percentage of nurses seeking a review of their banding by grade prior to transition, 2009 (percentages). Source: Ball & Pike 2009.

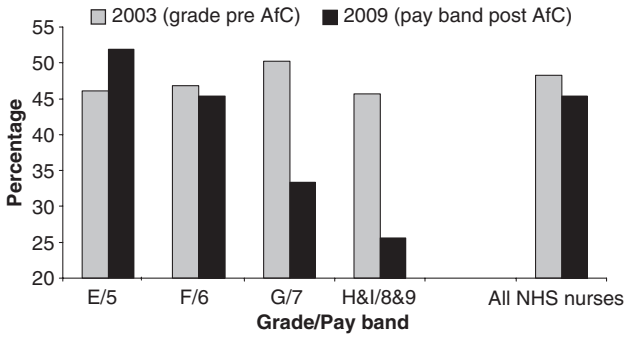

Figure 2 Pay band/grade is inappropriate by grade/band (2003 & 2009 NHS). Source: Ball & Pike 2009.

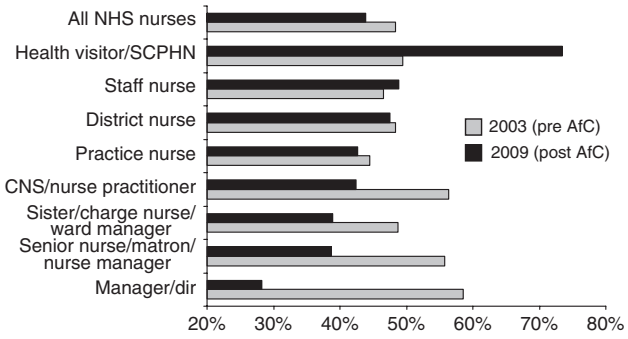

Figure 3 Pay band/grade is inappropriate by job title (NHS 2003 & 2009). Source: Ball & Pike 2009.

district nurses, 30% of practice nurses and nurse practitioners, 33% of CNS and 50% of health visitors responding to the 2009 survey reporting that they had requested a review. Figures 2 and 3 draw from data from an earlier RCN survey (2003) to give a perspective from before Agenda for Change was piloted and the postimplementation situation in 2009.

Figure 2 shows that in general, nurses in higher grade posts were more positive about their pay bands following the implementation of AfC than were grades E and F nurses. In 2003, there was little variation between nurses on different grades as to whether or not they considered their grade to be inappropriate given their role and responsibilities. But in 2009, band 5 nurses were twice as likely as band 8/9 nurses to report that they considered their grade inappropriate to their role and responsibilities. The proportion reporting that they considered their pay band to be inappropriate reduces as pay band increases. Figure 3 shows variation in response to this question by job title for all respondents in the NHS and GP practices, for the last year when all respondents were on clinical grades (2003) and the 2009 survey when all respondents were on AfC pay bands.

In the NHS, the way nurses in particular jobs view the grading of their post has changed since 2003 (Fig. 3). For example, prior to AfC (in 2003), nearly six in 10 nurses (59%) working in managerial posts felt that their grade was inappropriate relative to their role and responsibilities. But in 2009, this figure has halved to 28%. A similar albeit less marked change is apparent for other senior posts: senior nurses/matrons/nurse managers (56% considered their grade inappropriate in 2003 compared with 39% in 2009), CNS/nurse practitioners (56% in 2003 to 42% in 2009) and sisters/charge nurses (49% in 2003 compared with 39% in 2009).

While there has been little change in the views of practice nurses and district nurses between 2003–2009, the reverse is true for health visitors. Three quarters of health visitors in the NHS (74%) reported that they do not feel appropriately graded in 2009 compared to just 49% in 2003. Although the number of health visitors covered in the 2009 survey was small (41 cases), the results corroborate findings from the 2007 survey which also identified health visitors as more dissatisfied with their pay band (69% of 48 cases) (Ball & Pike 2007).

Discussion

What does the analysis of this survey data tell us about the impact of the new pay system? Answering this question is important in terms of the huge costs and coverage of the system – more than 400,000 nurses were involved. It also has broader implications for any assessment of the strengths and weaknesses of different approaches to nurses' pay determination. The UK has a highly centralised national approach to pay determination for nurses. This can have benefits of relative transparency, can support lateral career moves between organisations whilst maintaining a national career structure and can reduce significantly local management time and costs in running a reward system for their staff, if they are operating in a national framework. However, it may also have constraints related to lack of responsiveness to labour market variations and limiting the scope for individual organisations to be innovative in their reward strategy (see Calmfors 1993, Buchan 2000, Buchan & North 2009 for more discussion on local vs. national pay bargaining).

One of the main challenges in implementation across a whole system, employing hundreds of thousands of unionised staff is that anomalies and variation in local implementation can create real difficulties in terms of variations in response of nurses. This data reported previously gives clear indication of such variations but also highlights what might be regarded as national 'pressure points', where there are identifiable groups of specialist nurses or senior nurses who may feel less or more equitably treated. This in turn can lead to variations in levels of pay-related satisfaction.

Prior to the implementation of AfC, the previous main change to the structure of NHS nurses' pay had occurred in 1998 when 'clinical grading' was introduced – a form of national grading of all NHS nursing posts. Evaluation at the time of that implementation (Buchan *et al.* 1989) had shown that expectations had been raised that the new system would deliver big pay rises, that there had been local variation in experience of implementation because of variance in management competence and funding availability and that whilst most nurses were neutral or satisfied about the change in the system at that time, a significant minority were unhappy

about implementation. In summary, not dissimilar to the findings reported above for the current implementation. Overall, the fundamental issue for nurses themselves is not how nurses' pay is determined, but what they receive as a result of that determination process. If a new pay system is implemented with the promise of a pay rise and it does not deliver to an individual nurse, she is unlikely to be positive about the new system, even if a dispassionate overall analysis suggests that the new system is 'better' for patient care or labour market responsiveness. And if the size of the workforce is hundreds of thousands, even a relatively small proportion of dissatisfied nurses can translate into a significant numerical vocal minority. Furthermore, external changes in labour market conditions, funding availability and other factors may contribute to satisfaction levels with a new pay system or may confound attempts to analyse its impact through assessment of staffing indicators such as staff absenteeism and turnover levels – other factors may impact to change these rates (Buchan & Evans 2007, NAO 2009).

Some sense of the longer term view of nurse respondents on pay and career progression issues in the NHS can be seen in Figs 4 and 5. Between 2005–2007 (a time period when there was considerable concern about redundancies and financial deficits in NHS organisations), nurses' views of career opportunities fell dramatically. This had reversed somewhat by 2009, with a more positive overall response, but one that remained below the level recorded in 2005.

Generally, views of pay among nurses have historically been very negative and this remained the case in 2009.

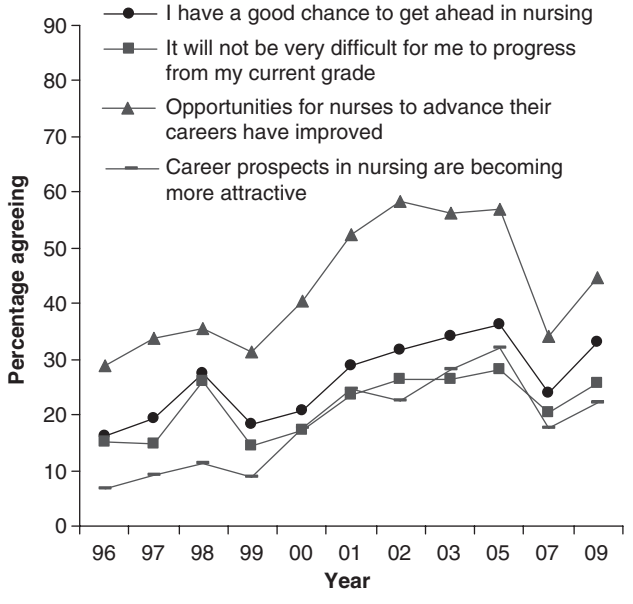

Figure 4 Career progression: responses of NHS nurse survey respondents 1996–2009. Source: Ball & Pike 2009.

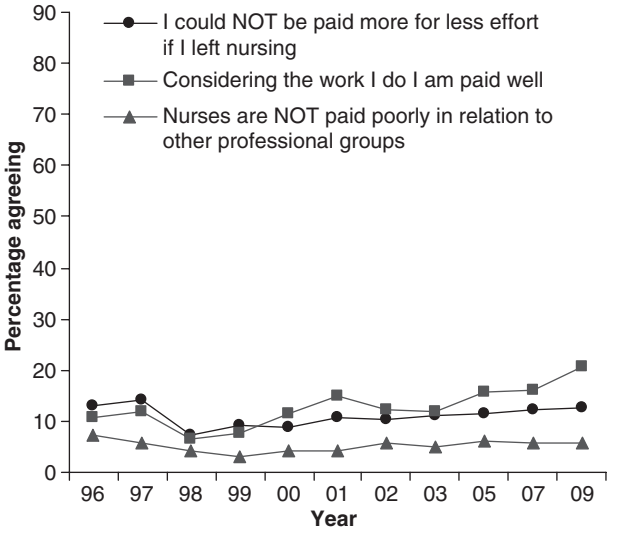

Figure 5 Pay (percentages NHS only) 1996–2009. Source: Ball & Pike 2009.

Figure 5 presents NHS nurses' views of pay since 1996 and shows there has been very little change in pay satisfaction over the last decade.

There is some suggestion that the 'bedding down' of AfC may have contributed to improvements in satisfaction – between the 2007–2009 survey, there was a slight improvement in satisfaction with pay 'considering the work I do'. In 2007, 64% did not feel well paid considering the work they do – in 2009, the equivalent figure was 57% and there was also some increase since 2003 in the proportion of nurses who agree that they are paid well considering the work they do. However, there was very little change in views on the other two pay attitude items – in 2009, 84% indicated that nurses are not well paid in relation to other professional groups and 78% disagree with the statement 'I could be paid more for less effort if I left nursing'.

Conclusions

This study has examined survey results to assess the impact of a new pay system of NHS nurses. The use of staff surveys, as reported in this article, can give a detailed insight into how nurses are experiencing pay reform or responding to pay implementation at a point in time. The results have demonstrated that there was some positive change after implementation of AfC in 2006, mainly some time after initial implementation, and that the process of implementation itself raised expectations that were not fully met for all nurses. There were also clear signs of differential impact and experience, with some categories of nurse being less satisfied

with the process of implementation. The overall message is that a national pay system has strengths and weaknesses compared to the local systems used in other countries and that these benefits can only be maximised by effective communication, adequate funding and consistent management if the system is to be overhauled effectively.

Relevance to clinical practice

How nurses' pay is determined and delivered can be a major satisfier and incentive to nurses if the process is well managed and can be a factor in supporting clinical practice, performance and innovation. This study highlights that a large-scale national exercise to reform the pay system for nurses is a major undertaking, carries risk and will take significant time to implement effectively if clinical practice is to be supported and sustained.

Acknowledgements

The authors acknowledgement support from Grant-in-aid for Scientific Research (B: principal investigator Yoshifumi Nakata) by The Japan Society of Promotion of Science and Grant for International Collaborative Research (principal investigator Yoshifumi Nakata) by Pfizer Health Research Foundation.

The authors also acknowledge the support of the Royal College of Nursing who enabled access to relevant membership survey data. The views expressed in the article are the authors alone.

Contributions

Study design: JBu, JBa; data collection and analysis: JBa, JBu and manuscript presentation: JBu, JBa.

Conflict of interest

The authors state that there is no conflict of interest.

References

Ball J & Pike G (2006) Impact of Agenda for Change: results from a survey of RCN members working in the NHS/GP practices. Employment Research Ltd, Hove. Available at: http://www.rcn.org.uk/publications/pdf/impact_of_agenda_for_change.pdf (accessed 8 August 2009).

Ball J & Pike G (2007) *Holding On: Nurses Employment and Morale in 2007*. RCN, London/Employment Research.

Ball J & Pike G (2009) Past imperfect: future tense: nurses employment and morale in 2009. Royal College of Nursing, London. Available at: http://www.rcn.org.uk/__data/assets/pdf_file/0005/271364/003545.pdf (accessed 3 December 2009).

Buchan J (2000) Health sector reform and human resources: lessons from the United Kingdom. *Health Policy and Planning* **15**, 2000.

Buchan J & Evans D (2007) *Realising The Benefits? Assessing the Implementation of Agenda for Change*. Kings Fund, London. http://www.kingsfund.org.uk/publications/kings_fund_publications/realising_the.html (accessed 9 August 2009).

Buchan J & North N (2009) Evaluating the impact of a new pay agreement on New Zealand nursing. *International Nursing Review 2009* **56**, 206–213.

Buchan J, Waite R & Thomas J (1989) *Grade Expectations: Clinical Grading and Nurse Mobility*. Institute for Employment Studies, Brighton, UK.

Calmfors L (1993) Centralisation of wage bargaining and macroeconomic performance. OECD Economic Studies no 21. p. 161.

Department of Health (1997) *The New NHS: Modern, dependable*. Cm 3807. Department of Health, London. Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4008869 (accessed 7 July 2007).

Department of Health (1999a) Agenda for Change – modernising the NHS pay system: joint framework of principles and agreed statement on the way forward. Health Service Circular HSC 1999/227. Department of Health, London. Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Healthservicecirculars/DH_4003838 (accessed 5 October 2009).

Department of Health (1999b) *Agenda for Change – Modernising the NHS Pay System*. Health Service Circular HSC 1999/035. Department of Health, London. Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Healthservicecirculars/DH_4003632 (accessed 5 October 2009).

Department of Health (2004a) *Agenda for Change – Review of Experience in the Early Implementer Sites*. Department of Health, London. Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4091585 (accessed 8 August 2009).

Department of Health (2004b) *Agenda For Change: Final Agreement*. Department of Health, London. http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4095943 (accessed 10 August 2009).

House of Commons Health Committee (2007) *Workforce Planning: Fourth Report of Session 2006-07. HC 171-I (2006-07)*. The Stationery Office, London. Available at: http://www.publications.parliament.uk/pa/cm/cmhealth.htm (accessed 17 July 2009).

Incomes Data Services (2008) *Pay in the Public Services 2008*. Thomson, Sweet and Maxwell, Andover. Available at: http://www.incomesdata.co.uk/report/pps.htm (accessed 8 August 2009).

Jenkins D (2007). *Implementation and Outcomes of Agenda for Change in Wales*. Department of Health and Social Services, Cardiff, Wales.

National Audit Office (2009) *NHS Pay Modernisation in England: Agenda for Change*. NAO, London. Available at http://www.nao.org.uk/publications/0809/nhs_pay_modernisation.aspx (accessed 4 October 2009).

NHS Employers (2006) *Agenda for Change and benefits realisation: A Summary of Opportunities Provided by the New Pay System*. NHS Employers, London. Available at: http://www.nhsemployers.org/pay-conditions/pay-conditions-783.cfm (accessed 7 July 2009).

NHS Employers (2007) *Equal Pay and AfC: An Update*. NHS Employers, London. Available at: http://www.nhsemployers.org/pay-conditions/pay-conditions-2223.cfm (accessed 11 July 2009).

NHS Employers (2008) *Embedding the KSF*. NHS Employers, London/Leeds. Available at: http://www.nhsemployers.org/pay-conditions/pay-conditions-2763.cfm (accessed 12 August 2009).

O'Dowd A (2007). 'Poor KSF progress puts careers at risk'. *Nursing Times* **103**, 20 February, pp. 8–9.

Review Body for Nursing and Other Health Professions (2006). Twenty-first report on nursing and other health professions. Cm 6752. The Stationery Office, London. Available at: http://www.ome.uk.com/downloads/Nurses%202006%20report.pdf (accessed 7 July 2009).

Staines R (2007) 'KSF being sidelined by NHS reform'. *Nursing Times* **103**, 13 February, p. 3.

UNISON (2007) *NHS Pay at a Crossroad*. Unison, London. http://www.unison.org.uk/acrobat/B3738a.pdf (accessed 16 August 2009).