



REWARD SERVICES **ADOPTING A SUCCESSFUL APPROACH FOR YOUR ORGANIZATION**



Getting your Reward Strategy right is an increasing pre-occupation with employers of choice. As well as financial rewards, employers are increasingly looking to non-financial rewards such as local recognition schemes and team awards to attract, engage and retain their employees to perform at their highest potential.

Pilat's approach to reward and recognition includes a wide range of services aimed at identifying the core issues, the right blend of consulting support, underpinned where necessary by our world-beating HR technology solutions.

Pilat's Reward Offerings

- **REWARD & RECOGNITION STRATEGY** - Aligning recognition processes to business performance.
- **REWARD HEALTH CHECK & AUDIT**
 - Reward Audit* - Health check your current business performance against internal and market indicators.
 - Equal Pay Audit* - Specifically looking at internal relativity, minimising risk, identifying areas of concern and defending against potential claims.
- **JOB MEASUREMENT** - Identifying inequalities and reducing risk. Measuring internal worth and protecting yourself against potential equal pay claims.
 - Pay Structures* - Provides the basis for building a pay and grading structure.
 - Pay Settings* - Setting pay in comparison to the external market, assessing local conditions that will affect recruiting and retaining employees and evaluating an employee's competencies against the position filled.
 - Pay Progression* - Helping to identify the means of progression and lump sum payments

Reward & Recognition Strategy

Our reward/compensation management experience suggests that a reward strategy needs to answer a number of questions and that it should have a number of components including:

- **Business drivers** - who do you need, what do you need people to do and how do you need them to do it?
- **Market assessment** - who does the organization need, what do the individuals want and what are the competitors doing?
- **Regulatory and governance environment** - what is possible and what is acceptable?
- **Remuneration policy** - how sophisticated do you want to be? e.g. What are your business aims and the different elements of pay appropriate to these aims?

Payroll costs are the largest controllable item of total costs for most organizations, managing these costs in a controlled and effective way is vitally important.

Pilat will assess your current reward structure and help you to build an integrated reward strategy that uniquely motivates your employees to perform at their best. Employees will be clear about what is expected from them in terms of attitude, aspirations and performance, and how those behaviour types will be recognised and rewarded both financially and non-financially.

Features

- Linking your reward strategy to the organization's business strategy. Pay progression aligned to pay structure and business needs.
- Understand the critical needs of your employees
- Build pay structures that fit with your current business model and employee types.

Benefits

- Improve retention.
- Create an attractive offering.
- Defensible pay practices that are equitable, fair and legal.
- Remain competitive in your marketplace.

Reward Health Check & Audit

A reward audit will provide you with an assessment of the reward arrangements you currently have in place, the changes that would be desirable and a plan on how, when and what resources are required to make change happen.

It provides the following outputs:

- A summary of current indicators and their benchmarking with 'best practice' in other comparable organizations.
- A summary of the strengths and weaknesses of current reward arrangements.
- Employees' view of the current reward management processes.
- Line managers' views on effectiveness of reward management and employee satisfaction.
- Suggestions around process standardisation.

Features

- Document analysis — reward and legal.
- Review of current processes.
- Delivery of surveys to gauge current satisfaction, involvement and suggestions for improvement.
- A structured approach that captures employees' views, enabling you to take action and make improvements.
- Engagement of employees through interviews and discussions/focus groups.

Benefits

- Clarity on where to focus resources for greatest return.
- Buy-in from both line managers and employees through involvement during the entire process.
- Identification of risks.



Job Measurement

Job Evaluation methodologies evaluate jobs against a set of 'factors' that measure the inputs (required knowledge, skills and capabilities), through-puts (processing of inputs to achieve results) and outputs (expectation of end results). The content of a job is analysed relative to each factor and represented by a numerical value.

The Gauge® software, unique to Pilat, is a web-based Job Evaluation system that replaces the need for written job descriptions by producing a 'play back' of the answers to questions. It reduces the time to complete evaluations by instant recording of answers, producing defensible results via a transparent and objective process.

■ GAUGE® FACTOR SCHEMES

Gauge is a shell which can encompass any Job Evaluation Factor Scheme. The scheme includes multi-dimensional factors and provides points of value to express their worth.

Pilat can either offer its clients a set of 'fixed factors' or develop a tailored set of factors that take into account the client's organizational culture, the type and range of jobs to be evaluated and the relative importance of the different aspects of the service provided.

■ GAUGE® REPORTS

Gauge can produce a number of reports to support the Job Evaluation process and its transparency. Standard reports include Job Summary, Full Job Overview, Question Trace, Elimination Question Trace and Factor Level Summaries.

■ GAUGE® SUPPORT

Pilat provides clients with comprehensive support before, during and after the implementation of the scheme. When you purchase a Gauge® licence and software, a Pilat consultant will provide advice and/or training in both the Administrator and Evaluator functionality.

■ GAUGE® MODELLER & GRADING

This enables pay structures to be developed once a rank order of job roles has been completed. Different models including factor weights, can be assessed.

■ CONSULTANCY

In addition to offering Job Evaluation software, Pilat HR Consultants are also available to help organizations and unions successfully implement the underpinning processes of Job Evaluation. Experience has shown that early involvement of consultants in setting up Job Evaluation procedures is extremely useful and cost effective.

GAUGE™

Job measurement as a process provides the basis for an organization's reward strategy — it is the foundation upon which other aspects of reward management are built.

Features

- Job holders feel 'brought in' as they can be directly involved in evaluating their own jobs.
- Audit Trail of all implemented changes.
- Cultural Acceptance due to active involvement of the job holders.
- No requirement for a Job Description. In fact Gauge produces a Job Summary.
- Equality proofed scheme ensuring that none of the factors are inherently discriminatory.
- The system asks about what is done by the Job Holder, not others' subjective perceptions of the worth of those duties.
- The scheme can be 'off the shelf' or tailored to suit your needs.
- A Job Analyst inputs Job Holder's and his/her Manager's responses to a set of carefully tailored questions under each of the factor headings.
- Quicker and simpler results through computerised analysis.
- The process transparent, consistent and open to the job holders, line managers, key stakeholders and unions. Job scores are directly linked to question responses.
- Ease of access through the use of web-based technology.
- Enables immediately 'what if' scenario planning on grading and salaries.

Benefits

- Acts as a defence against an equal pay claim.
- Takes away any need for IT support at the clients end — we take care of all backups, upgrades, fixes.
- Minimises Organizational Risk through identification of discrepancies.
- Reduction of appeals by getting it right the first time.
- Cheaper and more consistent than a paper-based approach.



Pay Structures

Job sizing and a rank order of jobs are the basis for supporting the design of pay structures. What is an appropriate pay structure will depend on a number of variables including the size and sophistication of your organization, as well as the type of employees that you wish to include in your pay structures.

In recent years, a number of different approaches have become common — career grades, broad banding and job families — in addition to the more traditional approach of narrow grades.

Features

Once jobs have been evaluated using Pilat's online tool, Gauge®, the next step is to load the evaluated scores and current salaries into Gauge Grade Modeller. Pilat consultants can help you make the choice between different approaches, including modelling the outcomes of different scenarios.

The different approaches are summarised below:

- **Graded pay structures** - typically includes taking job evaluation points, mapping them against current salaries in order to establish small salary differentials between ascending grades.
- **Broad bands** - typically less than six bands, each with a pay span of between 70 and 100 per cent above the pay range minimum. Principal advantages include devolvement of pay management to line managers as well as rewarding lateral moves where pay progression is less structured.
- **Job families** - individual pay structures within broad bands either for similar work (engineers), functional (sales nature) or type (branch managers, customer relations).

Benefits

One size does not fit all and our consultants will help you to determine an optimal solution.

Pilat's approach has a number of benefits:

- Developing tailored structure that is most appropriate to your organizational needs, culture and context.
- Pay structures are aligned with the business strategy ensuring the reward structure *assists and does not inhibit* the change process.
- Active involvement of the job holder leads to greater acceptance of results and a decrease in the number of appeals.
- Drives engagement and performance from employees

Why Pilat?

Pilat's international HR Consulting practice has invested more than 30 years in developing cutting-edge solutions in the design of reward management arrangements, where one of the key aspects of basic pay management is job measurement. Pilat's reward management advice is underpinned by a leading software tool, Gauge, which provides a fast and efficient means of establishing job size or weight of job.

Pilat offers expert advice on all aspects of reward management. To ensure you get maximum value from rewarding your people, we review current payment practices and analyse their impact on your organization's performance and culture.

Pilat consultants help you formulate clear objectives to achieve integration with your other HR initiatives, as well as your organization's business strategy. We offer your line managers the means of capturing and monitoring vital information about individual performance, as well as the opportunity to develop the skills necessary to make these crucial decisions.

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