




CASE STUDY

REVIEW OF EXECUTIVE PAY & REWARD



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Review of executive pay and reward

CASE STUDY

Ensuring that your pay for your executives remains both competitive and proportionate to your business is one of the biggest challenges organisations face.

There is ever increasing scrutiny of pay at executive level, with concerns about pay arrangements not driving long term strategy, and that levels are disproportionate to the pay of other staff.

This case study illustrates a typical example of where a client is keen to establish whether their pay and terms are relevant to their business sector.



THE CHALLENGE

The client organisation had been through a period of growth and had recently restructured the executive team.

The remit for the new team was to ensure that there was a strong focus on continuing the strategic growth, whilst ensuring that the operational and day to day services continued to achieve the high standards seen in the past.

It was essential to maintain the ongoing good reputation of the organisation.

The Remuneration Committee were not sure that pay levels for these executives were right. A sense check of jobs advertised in industry press suggested that other executive posts with a similar strategic focus were paid significantly higher.

In addition, the jobholders were starting to show some discontent with their pay. They had worked hard in recent years to develop the business and felt that they were due some recompense for the strategic responsibilities they had taken on. At least one of the key players was suggesting that they could leave for better pay elsewhere.

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The organisation needed to take this seriously. There was little budget for the significant increases suggested by some of the evidence presented by the jobholders. But they were keen to ensure that they had robust information to support their decisions and enter into discussions with the team.

WHAT DID RRM LTD. DO?

We worked with the Director of HR to identify which roles were in scope and establish what information was needed to support the review.

KEY STEPS INCLUDED

- Discussing and reviewing Remco concerns.
- Identifying job detail and speaking with incumbents to clarify their roles.
- Using KPlan job evaluation to assess and size each of the roles.
- Using our RRMPay database to align job size to the market based on organisation size.
- Identifying relevant comparator jobs from our database of recently published adverts and client information.

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KEY STEPS INCLUDED

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- Reviewing on-line recruitment sources for additional posts.
- Reviewing published surveys and pay information from industry bodies (e.g. CIMA, CIH).
- Assessing a market rate for each post based on the combined information.
- Identifying market practice regarding bonus, pensions, health insurance, life assurance and other terms.
- Creating a total reward comparison for each post.
- Presenting the outcomes in a report for discussion with the Director of HR.

WHAT WERE THE OUTCOMES?



- We were able to present a report to Remco that evidenced the market position and highlighted where the risks lay.
- It was clear that while, on the face of it, pay appeared to be slightly below market, the organisation structure and role responsibilities meant that pay was not significantly adrift when assessed using job evaluation methodology linked to market data.
- Remco were able to authorise a small pay rise to maintain market position.
- The organisation was able to present relevant supporting information to the team and discuss their position with a high degree of confidence and certainty.



GET IN TOUCH

We can help you set an executive pay level that will attract and motivate the key people who are central to the success of your business. Contact us to find out more.

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