

A photograph of three people (two women and one man) smiling and looking at a laptop in a library setting. The image is framed by a large blue speech bubble shape. A green speech bubble is overlaid on the image, containing the text 'CASE STUDY' and 'SALARY BENCHMARKING'.

CASE STUDY

SALARY BENCHMARKING



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Salary benchmarking

CASE STUDY

Salary benchmarking is one of the most effective ways of ensuring that your pay is competitive. Knowing that your pay is competitive means that you can respond to employee queries with confidence.

However, salary benchmarking is also one of the least followed processes in HR. A quick sense check of the recruitment websites will tell you what other people are paying for the same job title – but does that mean it is the same job?

Is the finance manager of a small housing association doing the same job, and earning the same as the finance manager of a larger manufacturing company? What is the competition like for finance manager posts? What is happening in the economy that will affect our ability to recruit/retain these posts?

Answering these questions for any post you are considering, will help you to identify what your pay issues might be. In this case study we show how we helped our client establish the rate for the job and identify market factors that affected their pay decisions.

THE CHALLENGE

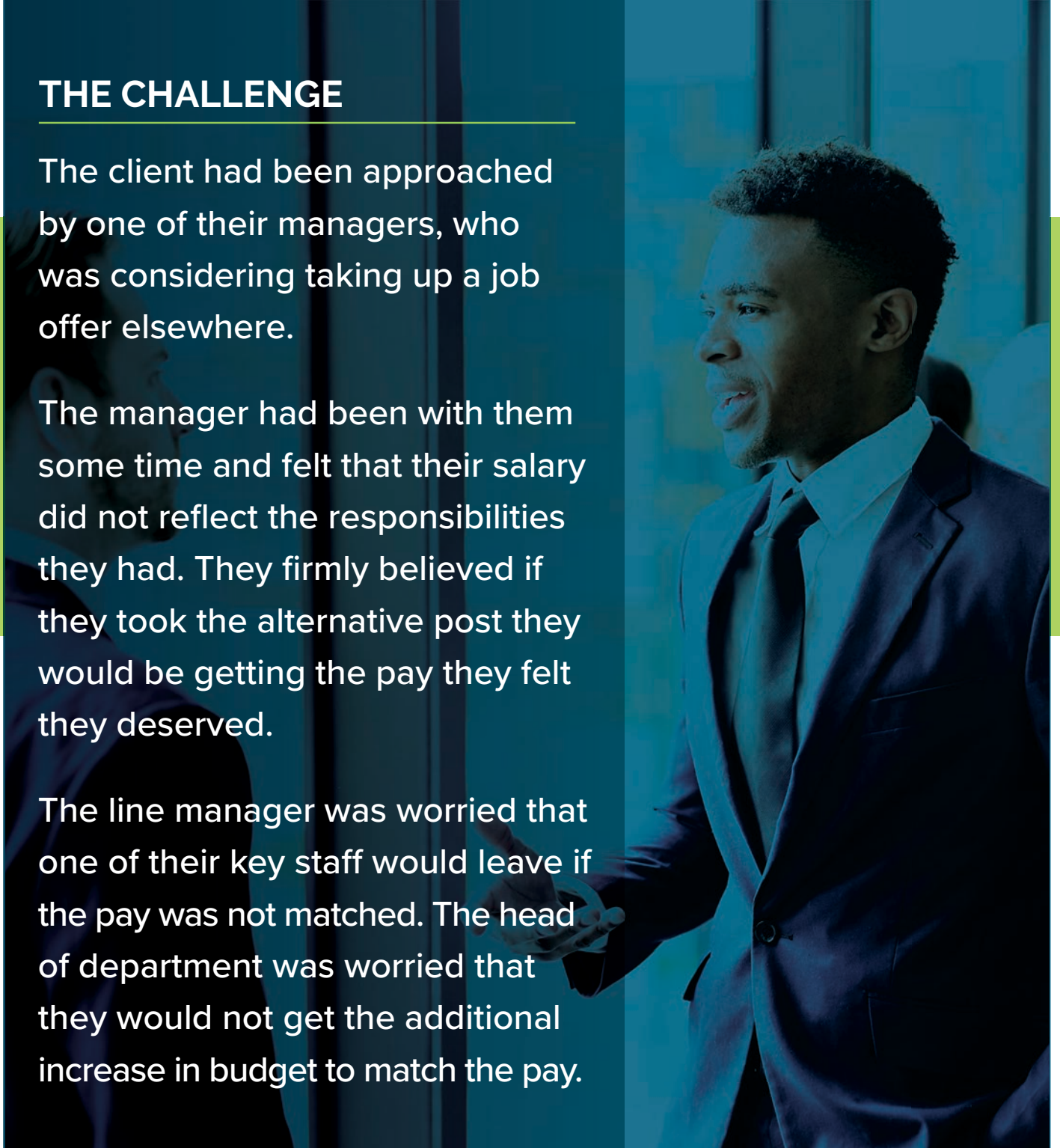
The client had been approached by one of their managers, who was considering taking up a job offer elsewhere.

The manager had been with them some time and felt that their salary did not reflect the responsibilities they had. They firmly believed if they took the alternative post they would be getting the pay they felt they deserved.

The line manager was worried that one of their key staff would leave if the pay was not matched. The head of department was worried that they would not get the additional increase in budget to match the pay.

WHAT DID RRM LTD. DO?

We worked with the HR Manager to understand the role, identify core competitors and establish what the market rate for the job is.



KEY STEPS INCLUDED

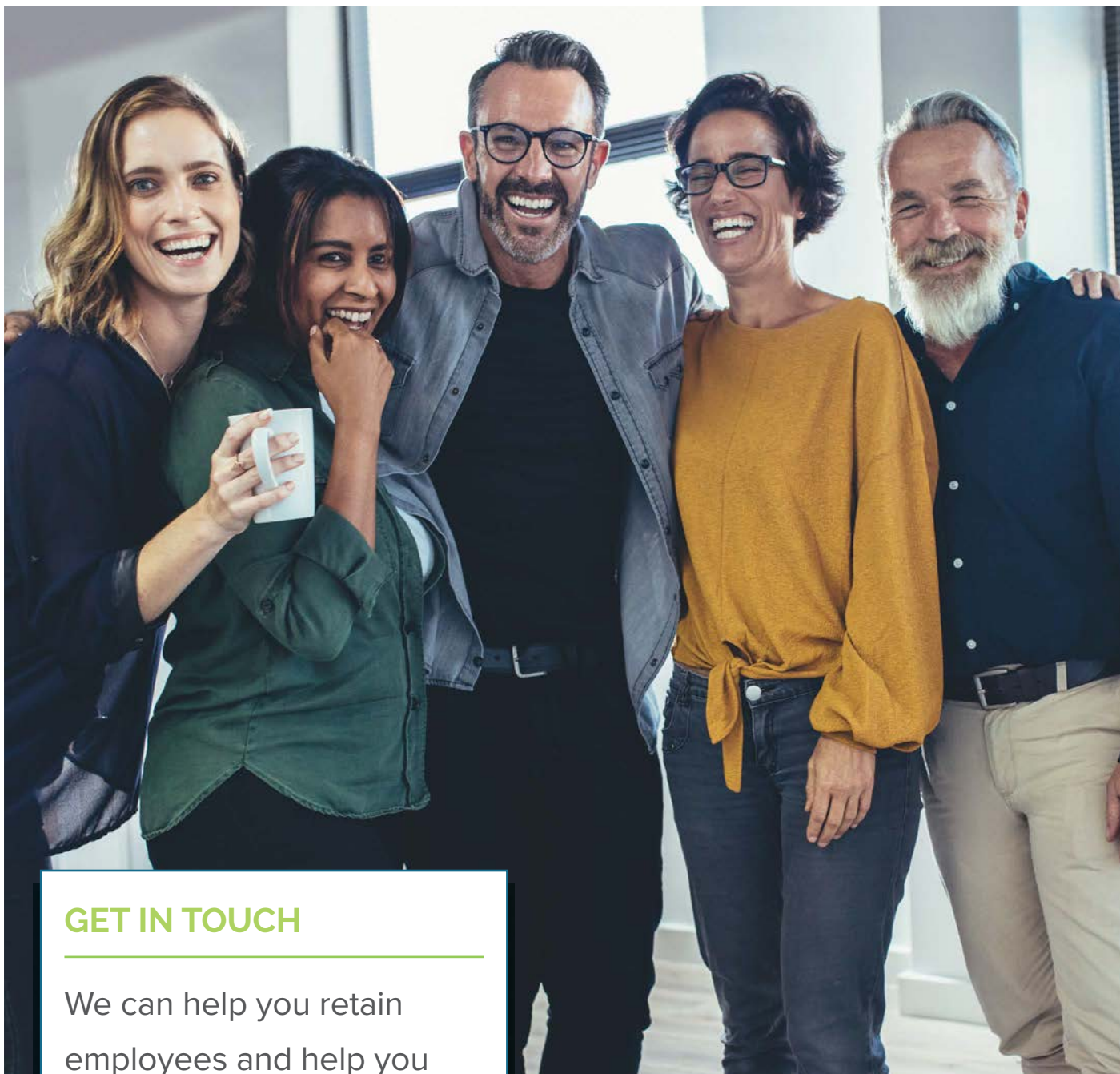


- Reviewing and assessing the job description and organisation structure along with other relevant information about the role and allocating a job size to the role.
- Identifying who were the core competitors and what other sectors the business would want to know about.
- Researching pay levels through a variety of sources including:
 - Relevant published surveys.
 - Data from the key industry bodies.
 - Recent adverts from on-line recruiters.
 - Review similar jobs advertised by their chosen competitors.
 - Assessing the market salary from RRMPay, our salary database that analyses market data according to job size, sector, location and size of company.
- Collating the data and identifying an assessed market rate.
- Putting the outcomes into a short report for the client along with information on how the market data was selected.
- We included a piece on the economic context and some guidance for the business on how this data can be used.

WHAT WERE THE OUTCOMES?



- The client was able to take a report to the director and line manager that evidenced the market rate for the job. In this case it was clear that the current employee's salary was c. £1,000 below the market rate. This was sufficient for the employee to feel undervalued and make them consider looking outside of the business for another job.
- The director was able to use the report to show that this was a high risk post and obtain agreement to pay the additional salary as a market supplement, (which meant that the rate would be assessed annually to ensure that it was still relevant).
- With the help of the guidance provided with the report, the HR Manager was able to reinforce the need to ensure that this pay decision was applied fairly across the team – others doing the same role were also given the market supplement.



GET IN TOUCH

We can help you retain employees and help you remain competitive by collating industry research and data and presenting it to the relevant decision makers in a clear and comprehensive report. Contact us to find out more.

REWARD RISK MANAGEMENT LTD.

Telephone: 07415 974004

Email: info@rewardrisk.co.uk

Company Registration No. 10226923

Registered in England and Wales

VAT No: 245409802

www.rewardrisk.co.uk