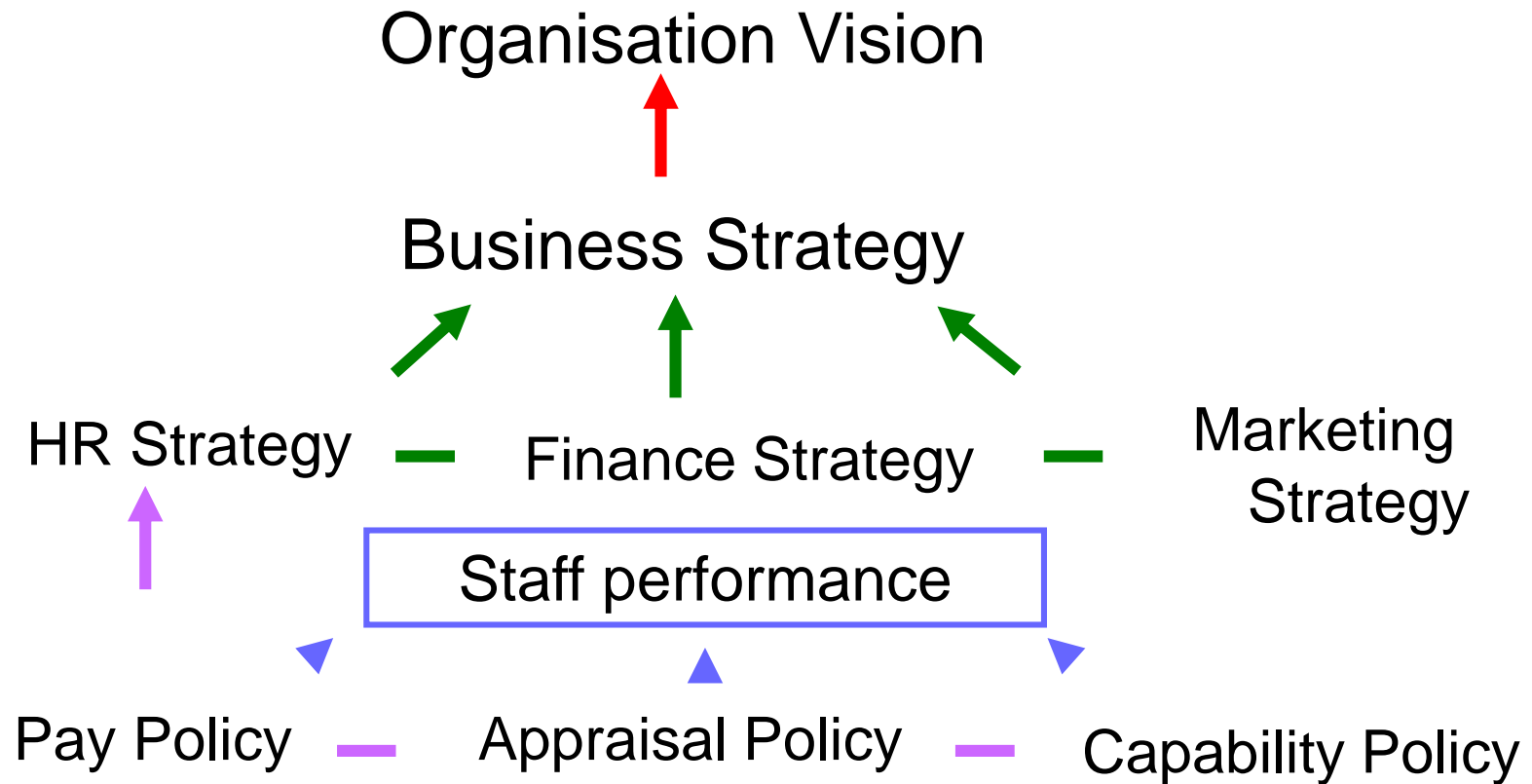


Aligning reward strategy with entrepreneurialism / business focus

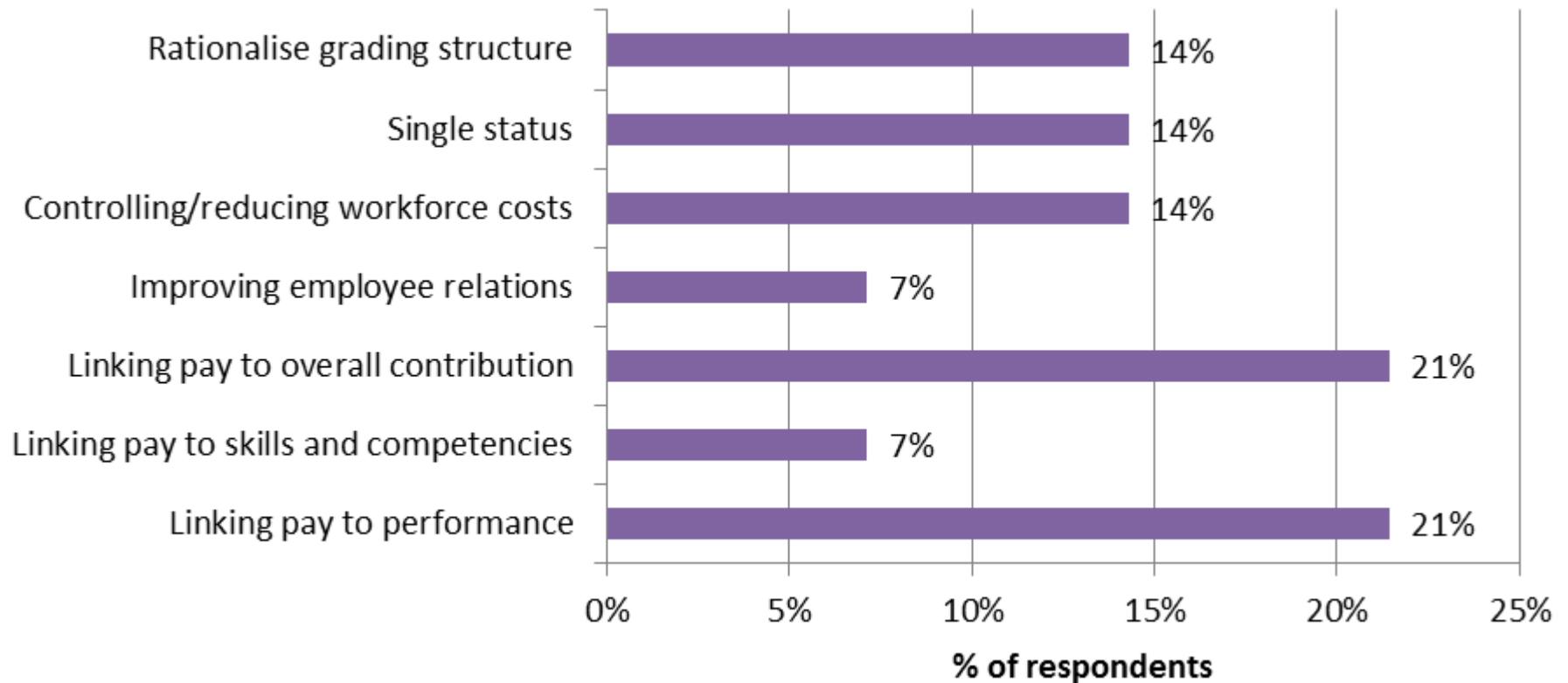
Sarah Messenger
Head of Workforce

Links between organisational vision, HR Strategy and Pay Policy



Ambition

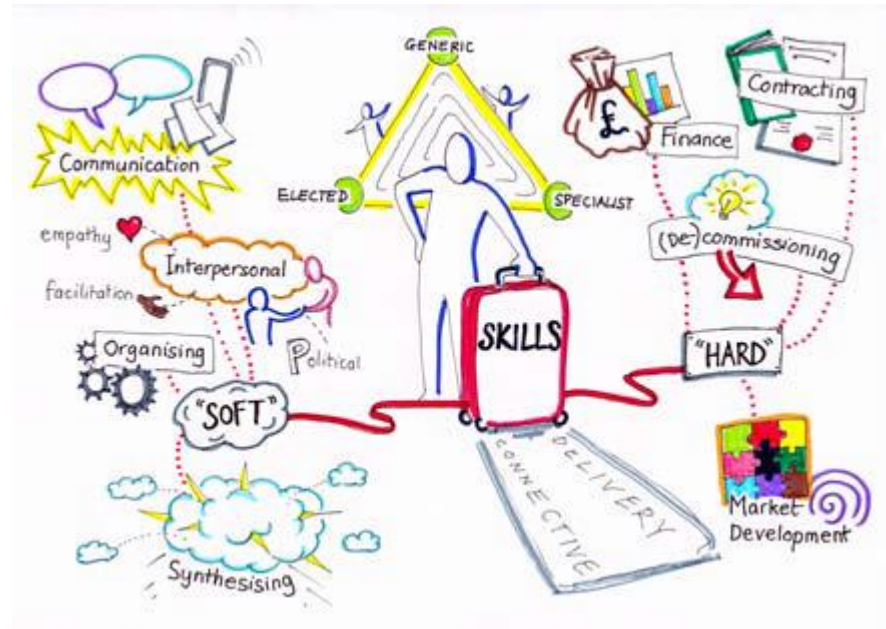
What was the main motivation in implementing a new pay progression system?



Changing workforce context: The 21st Century Public Servant

- Generic skill set
- Soft skills
- New skills
- Multi-disciplinary teams

- Are our HR & Reward strategies too rigid?



Methods: Performance linked pay

Benefits

- Align employee and business objectives
- Increase staff motivation, staff engagement and retention as performance is recognised
- Cost savings from avoiding overpayment of underperforming employees

Types

- Pay progression by assessment
 - Bonus
 - Spot salary in a grade
 - Non-consolidated pay points
 - Variable annual increases
 - Variable speed of progress
 - External factors
-

Equal Pay need not be a barrier



- You can pay more for jobs of equal value if individuals demonstrate:
 - Better performance
 - Higher productivity
 - Better outcomes for residents of the council
- Market forces may justify higher pay

Contribution Based Pay – Bucks CC

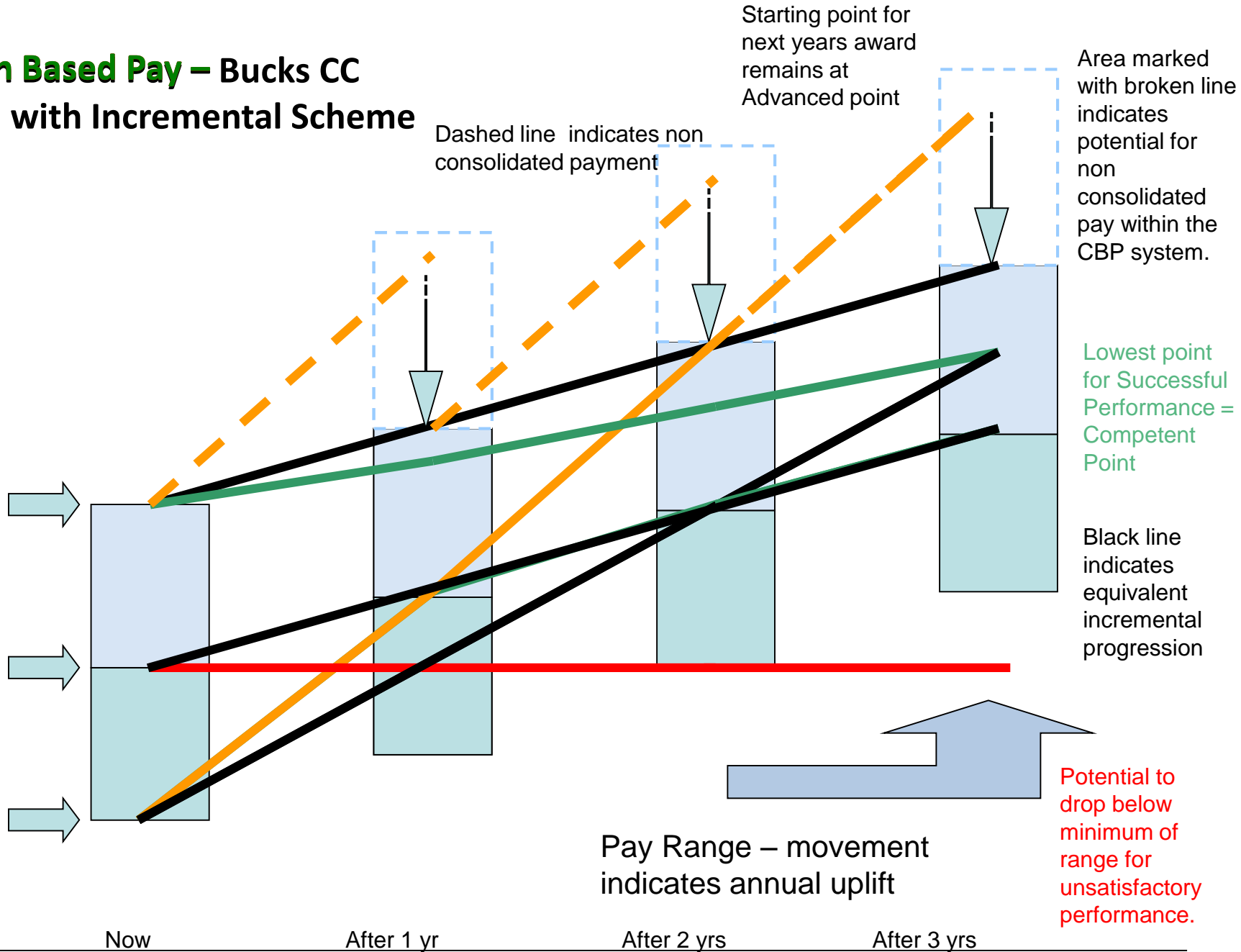
Comparison with Incremental Scheme

Pay Range

Advanced Point

Competent Point

Entry point



Outcomes and Lessons Learned

Outcomes

Buckinghamshire CC

- Paperless process: saved £1.4m
- A 1% productivity increase: saved £3m)
- Streamlined to 120 job titles in 10 job families: saved £50k in job evaluation costs
- Opportunity to train 580 managers and embed culture

Lessons learned

City of London

- Labour intensive – need to simplify
 - A discussion helps to understand the evidence
 - Forced Distribution Curve keeps costs under control
 - Terminology is important
 - Prepare for exceptions
-

Which challenge is the most difficult to overcome when implementing a new pay progression system?

