



Top 6 Tips Reward (Pay & Benefits)

The term 'reward' generally covers all financial provisions made to employees, including cash pay and the wider benefits package (pensions, paid leave and so on). It could also include 'non-pay' benefits.

Recent research indicates that individuals are attracted, retained and engaged by a whole range of financial and non-financial rewards and that these can change over time depending on personal circumstances. If you want to consider your Reward strategy in more detail then please contact andrew@penker.co.uk

Benchmarking

Used to establish the market rates for jobs and skills. The aim is to set the employer's own pay rates at an appropriate level to recruit and retain the staff it needs. Employers need to exercise caution in setting remuneration levels in relation to the market as there is never a single rate of pay for a job or role.

Job Evaluation

'A method of determining on a systematic basis the relative importance of a number of different jobs' ACAS.
Job evaluation is typically used when:
•determining pay and grading structures/framework
•ensuring a fair and equal pay system
•comparing pay rates against the internal or external job market.

Benefits

Benefits may be offered to: match market practice, provide workers with some measure of health or disability security, or retain employees. Some benefits, can be tax-efficient methods of remuneration via salary sacrifice provisions. Flexible benefits schemes and Voluntary benefits can also be used by employers.

Strategy

Organisations should state the aims of the various reward elements and how they are integrated. This should be complemented by clear explanations to staff about what behaviours and performances the organisation is rewarding. Employers also need to have measures in place to assess the impact of their reward strategy on people and performance.

Framework

A pay framework/structure is a collection of pay grades, levels or bands that link related jobs within a hierarchy. A pay framework implements reward strategies and policies.

UK Legislation

UK employers must meet legal requirements, for example, provisions on equal pay and the National Minimum Wage. Additionally, they may voluntarily sign up to the Living Wage.

Employers should find out what attracts, retains and inspires individuals and explore how best they can meet these needs - as well as meeting the requirements of the business within the appropriate legal and regulatory environment. When creating a reward package, it's also important that organisations integrate the various elements so that they support, rather than contradict, one another.

Please contact Andrew Penker for trusted advice on how to design your organisations approach to Reward (Pay & Benefits) to ensure it is efficient and effective at delivering your objectives. Please also contact Andrew Penker if you have questions on job evaluation, undertaking benchmarking (Pay & benefits) or creating a pay framework.

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Contact andrew@penker.co.uk for more Top tips on: Remote working, and Organisation Design (OD) Coming soon: xsectormentor.com – the global, virtual mentor programme

Andrew Penker Chartered FCIPD, MSc is an independent HR Consultant Trusted HR Advice.