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| 5HR03  Reward for performance and contribution |
| *Learner Assessment Brief* |
| **Assessment ID / CIPD\_5HR03\_22\_01** |
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| *Level 5 Associate Diploma in*   * People Management |

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| **Please write clearly in block capitals. (You MUST complete all highlighted fields)** | | | | | | | | | | |
| **Centre number:** | 8 | | 7 | | | 5 | | |  | |
| **Centre name:** | Oakwood International | | | | | | | | | |
| **Learner number (1st 7 digits of CIPD Membership number):** |  |  | |  |  | |  |  | |  |
| **Learner surname:** |  | | | | | | | | | |
| **Learner other names:** |  | | | | | | | | | |
| **Declared total word count (You MUST provide your wordcount for each submission)** |  | | | | | | | | | |
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| **Unit code:** | 5HR03 | | | | | | | | | |
| **Unit title:** | Reward for performance and contribution | | | | | | | | | |
| **Assessment ID:** | CIPD\_5HR03\_22\_01 | | | | | | | | | |
| **Assessment start date:** |  | | | | | | | | | |
| **Assessment submission date:** |  | | | | | | | | | |
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**5HR03**Reward for performance and contribution

This unit focuses on how internal and external business factors influence reward strategies and policies, the financial drivers of the organisation and the impact of reward costs. It considers the importance of the role of people practice in supporting managers to make robust and professional reward judgements and the impact of rewarding performance.

**CIPD’s insight**

'Strategic reward' takes a long-term approach to how an organisation’s reward policies and practices balance and support the needs of both the organisation and its employees. The concept of 'total reward' covers the tangible and intangible aspects of work that people value and may form part of a reward strategy.

<https://www.cipd.co.uk/knowledge/strategy/reward/strategic-total-factsheet>

Performance management is about creating a culture which encourages the continuous improvement of individuals' skills, behaviours and contributions to the organisation. It’s a key part of the relationship between staff and managers. Views on how it should be carried out to the benefit of employees and the business have changed in recent years. Here you’ll find resources on managing performance, appraisal and reviews, feedback and using competency frameworks.

<https://www.cipd.co.uk/knowledge/fundamentals/people/performance>

14 Jan 2022

Making reward more accessible and performance management fairer

How can technology be used to allow better access to pay and a fairer assessment of employee performance and potential?

<https://www.cipd.co.uk/knowledge/work/technology/digital-transformation-insights/reward-performance-management>

**Please note that the purpose of this insight is to link you to CIPD’s research and evidence within the subject area, so that you can engage with the latest thinking. It is not provided to replace the study required as part of the learning or as formative assessment material.**

## Preparation for the Tasks:

* At the start of your assignment, you are encouraged to plan your assessment work with your Assessor and where appropriate agree milestones so that they can help you monitor your progress.
* Refer to the indicative content in the unit to guide and support your evidence.
* Pay attention to how your evidence is presented, remember you are working in the People Practice Team.
* Ensure that the evidence generated for this assessment remains your own work.

## You will also benefit from:

* Completing and acting on formative feedback from your Assessor.
* Reflecting on your own experiences of learning opportunities and continuous professional development.
* Reading the CIPD Insight, Fact Sheets and related online material on these topics as well as key research authors on the subject.

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# Scenario

The board at GA Pensions has decided to undertake a review of its reward strategies across the whole company. It is aware that the way reward is currently being implemented is fragmented and is causing elements of dissatisfaction amongst employees which is affecting business as well as employee performance outcomes. In your role as Reward Advisor, the board has asked you to provide it with a report that gives it an understanding of the context and approaches to reward and how these might influence a range of organisational and psychological factors. It also needs you to clarify the role that people professionals have in supporting line managers to make reward decisions.

# Task One –Report Section One

To complete the task, you should provide a written response to each of the points below, making appropriate use of academic theory and practical examples to expand your response and illustrate key points.

To help the reader, please make use of headings and assessment criteria references to signpost the assessment criteria being addressed.

* Evaluate the principles of reward and its importance to organisational culture and performance management. (AC 1.1)
* Explain how policy initiatives and practices are implemented. (AC 1.2)
* Explain how people and organisational performance can impact on the approach to reward. (AC 1.3)
* Compare **two** different types of benefits offered by organisations and the merits of each. (AC 1.4)
* Assess the contribution of extrinsic and intrinsic rewards to improving employee contribution and sustained organisational performance. (AC 1.5)
* Assess the business context of the reward environment. (AC 2.1)
* Evaluate the most appropriate ways in which benchmarking data can be gathered and measured to develop insight. (AC 2.2)
* Explain how organisations use insight to develop reward packages and approaches. (AC 2.3)

**TASK ONE**

Your evidence must consist of:

* Written responses to each of the 8 instructions above.
* Approximately 2600 words in total, refer to CIPD word count policy
* **IMPORTANT NOTE:** At Associate Level Referencing is **mandatory** – you must provide a reference where you have drawn from a secondary source; Harvard referencing is preferable. Please use the Reference box provided to record all of your long references. Short references should be included within the narrative.
* Upload the completed Learner Assessment brief, with both tasks completed, through the Assignments option in the Oakwood Learner Hub.

**Task One – Report Section Once**

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| Evaluate the principles of reward and its importance to organisational culture and performance management. (AC 1.1)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
| Well-crafted rewarding strategies help the organization to shape the culture it wants and boost employee performance. What the organization chooses to pay for and how it pays shapes the culture it wants to adopt (Elzinga, 2017). When employees feel they are compensated fairly, they would be more productive and loyal (Indeed, 2022). There are several principles based on which reward strategies to gain the required results.  Fairness and equity:  Unfair employee reward at GA pension led to employee dissatisfaction and employee resentment that impacted the organizational culture and employee outcomes. Unfair reward creates a culture of distrust that leads to a toxic environment. It also makes employees less productive and will eventually lead to higher turnover.  Fair reward strategies, on the other hand, increase employee’s engagement and retention (Shearer, 2023). It would also create a culture of trust in which employees feel that they are valued and respected.  Balancing internal and external factors:  An effective compensation strategy should reflect the internal organizational needs and the culture which organization wants to create and the external benchmarks regarding compensation and benefits (Charaba, 2022). Employees who are paid against the market benchmark would be more engaged and productive which will result in higher retention rates. They would not quit the organization if they were paid according to market price. That would also create a positive organization culture in which employee efforts are valued. Otherwise, they would look for another company that has better pay and culture.  Integrating reward with business objective:  The aim of a reward strategy is to balance the employee and organizational needs (Almarwan, 2019). Employees who feel that their needs are being met are more productive and committed which increases their performance. It will also create a positive culture where employees feel valued and supported. However, putting business needs on the account of employee’s needs makes them alienated and dissatisfied which creates a negative and toxic culture. |

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| Explain how policy initiatives and practices are implemented. (AC 1.2)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
| Reward policy is a documented guidelines for decision-making and action in terms of reward initiatives (e-reward, n.d.). Performance-based bonus, for example, is a reward initiative that can be implemented for employees who show above standard performance. Top performers are paid a monetary reward for their performance.  To implement performance-based policy in GA pension, Matthews (2019) explain the steps:   * Assess the status quo: The current situation at GA pensions needs to be carefully assessed through focus groups or anonymous surveys to gather information about the root cause of dissatisfaction in terms of reward. The input from the employees helps the design of the reward policy; it makes the situation clear about their preferences. * Have a goal in mind: The current reward policy at GA pensions makes employees alienated, so there must be a SMART goal for reaching a specific employee satisfaction level. * Research the best reward: based on the survey in GA pensions, performance-based bonus is the best fit for employees. * Implementation: the last bit is to implement the policy involving key stakeholders.   The key stakeholders are the employees and their line managers. Employees shared their feedback (above) while line managers help appraising employee’s performance according to pre-determined standards. They categories performance tiers of employees so that top performers are identified and rewarded. |

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| Explain how people and organisational performance can impact on the approach to reward. (AC 1.3)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 250 words** |
| People performance is a measure to how well individuals perform their job duties against predefined KPIs and measures (Litmos, n.d.). Measuring people performance is a key for determining rewarding and incentivizing employees. People performance is not just about measuring data of productivity; it also encompasses a human touch to it. It is vital to measure productivity as well as passion for learning and development, interaction with team, and enthusiasm as well (Nguyen Ky, 2022).  Organizational performance is a measure to the ability of the organization to achieve its goal and objectives in a constant change (Miles, 2022) with the allocated resources. Financial KPIs are crucial when measuring GA pensions’ performance, but other factors like customer satisfaction and organizational sustainability are also vital (Sinek, 2019).  There is an issue with employee performance in GA pensions due to employee resentment which is attributed to the current reward policies. GA pensions, in this case, would choose performance-based reward system among other policies. Rewards include bonuses, commissions, profit-sharing plans are given to top performers for their contribution towards GA pension’s goal achievement. That could boost employee performance and incentivize them to receive the reward.  In addition, organizational wide issues have an impact on the decision on which approach to follow. Low employee engagement, as in the case of GA pensions, mandates it to take recognition-based reward approach to encourage and motivate employee and gain their engagement. Employee of the month, for instance, is an approach that could be taken to recognize employee’s performance and boost their performance and contributions towards the organization’s goals. |

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| Compare **two** different types of benefits offered by organisations and the merits of each. (AC 1.4)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
| Benefits are a non-cash compensation for employees for their work at an organization within their reward package (CIPD, 2023). Although benefits are non-cash compensation, they can be financial or non-financial benefits. Financial benefits have a direct cost on the organization like gym membership, tuition assistance, or life insurance while non-financial benefits do not have a direct cost on the organization like flexible working, and recognition.  Financial benefits:  Healthcare insurance coverage is a fundamental aspect of financial benefits nowadays, especially post-pandemic. Two in three employees and employers say that healthcare insurance coverage is the top priority benefit they could receive or provide (Miranda, 2023). GA pensions could provide their employees with healthcare insurance coverage as a part of its total reward strategy combined with non-financial benefits.  Non-financial benefits:  Flexible working is an example of non-financial benefits that is sought after by employees and employers. It is an added advantage to their work-life balance as it enables employees to care for their dependent families (Indeed, 2022). It is also preferable by employers if it does not compromise the quality of work as it does not have any financial implications.   |  |  |  | | --- | --- | --- | |  | Financial | Non-financial | | Similarities | Both help attract and retain talents and motivate them | | | Differences | Has a direct cost on the organization | No monetary cost involved | | Pros | Sought after by many employees; it saves them the cost that would be paid otherwise. | A compromise between employees needs and saves the budget for the organization. | | Cons | It is a burden on the budget of the company because of the cost involved. | Not all employees would appreciate or taste the same non-financial benefit equally; does not suit every employee. | |

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| Assess the contribution of extrinsic and intrinsic rewards to improving employee contribution and sustained organisational performance. (AC 1.5)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 250 words** |
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| Assess the business context of the reward environment. (AC 2.1)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 400 words** |
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| Evaluate the most appropriate ways in which benchmarking data can be gathered and measured to develop insight. (AC 2.2)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 400 words** |
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| Develop organisational reward packages and approaches based on insight. (AC 2.3)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 400 words** |
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**References**

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| **Please provide your full long reference list here. The Harvard method is preferable. Please refer to the guidance on the Learner HUB.** |
| Elzinga D., (2017) *Remuneration and culture.* Available at <https://www.youtube.com/watch?v=b1DSQ274Qmo> (Accessed: 20 June 2023).    Indeed (2022) *Rewarding Employees for Performance.* Available at <https://www.indeed.com/career-advice/career-development/rewarding-employees-for-performance> (Accessed: 20 June 2023).  Shearer A., (2023) *Fairness and Equality in Company Culture: The Impact on Employee Productivity and Company Profitability.* Available at <https://www.linkedin.com/pulse/fairness-equality-company-culture-impact-employee-andrea-shearer/> (Accessed: 20 June 2023).  Charaba C., (2022) *What is a compensation strategy?* Available at [*https://www.peoplekeep.com/blog/what-is-a-compensation-strategy*](https://www.peoplekeep.com/blog/what-is-a-compensation-strategy)(Accessed: 20 June 2023).  Almarwan M., (2019) *Evaluate the principle of total rewards and its importance to reward strategy.* Availabe at [*https://www.linkedin.com/pulse/evaluate-principle-total-rewards-its-importance-marwan/*](https://www.linkedin.com/pulse/evaluate-principle-total-rewards-its-importance-marwan/)(Accessed: 20 June 2023).  E-reward (n.d.) *Reward policy.* Available at <https://www.e-reward.co.uk/resources/factsheets/reward-policy> (Accessed: 21 June 2023).  Matthews K., (2019) *How to Create an Employee Rewards and Recognition Policy.* Available at <https://hrdailyadvisor.blr.com/2019/06/28/how-to-create-an-employee-rewards-and-recognition-policy/> (Accessed: 22 June 2023).  Litmos (n.d.) *What Is Employee Performance?* Available at <https://www.litmos.com/platform/define-what-is-employee-performance> (Accessed: 23 June 2023).  Nguyen Ky (2022) *How to Measure Employee Job Performance Accurately.* Available at <https://blog.grovehr.com/job-performance-measures> (Accessed: 23 June 2023).  Miles M., (2022) *Organizational performance: 4 ways to unlock employee potential*. Available at <https://www.betterup.com/blog/organizational-performance> (Accessed: 23 June 2023).  Sinek S., (2019) *The infinite game* Available at <https://www.amazon.sa/-/en/Infinite-Game-Simon-Sinek/dp/073521350X> (Downloaded: 23 June 2023).  CIPD (2023) *Employee benefits: an introduction.* Available at <https://www.cipd.org/uk/knowledge/factsheets/benefits-factsheet/> (Accessed: 23 June 2023).  Miranda D., (2023) Best Employee Benefits In 2023. Available at <https://www.forbes.com/advisor/business/best-employee-benefits/> (Accessed: 23 June 2023).  Indeed (2022) *What Is Non-Financial Compensation? (With Types and Benefits).* Available at <https://www.indeed.com/career-advice/pay-salary/non-financial-compensation> (Accessed: 23 June 2023). |

# Task Two - Report Section Two

This task requires you to provide understanding of the role that people professionals undertake in supporting line managers to make reward decisions.

* Explain the legislative requirements that impact reward practice. (AC 2.4)
* Assess different approaches to performance management. (AC 3.1)
* Review the role of people practice in supporting line managers to make consistent and appropriate reward judgements. (AC 3.2)
* Explain how line managers make reward judgements based on organisational approaches to reward. (AC 3.3)

**TASK TWO**

Your evidence must consist of:

* Written responses to each of the 4 instructions above.
* Approximately 1300 words in total, refer to CIPD word count policy.
* **IMPORTANT NOTE:** At Associate Level Referencing is **mandatory** – you must provide a reference where you have drawn from a secondary source; Harvard referencing is preferable. Please use the Reference box provided to record all of your long references. Short references should be included within the narrative.
* Upload the completed Learner Assessment brief, with both tasks completed, through the Assignments option in the Oakwood Learner Hub.

**Task Two – Report Section Two**

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| Explain the legislative requirements that impact reward practice. (AC 2.4)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
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| Assess different approaches to performance management. (AC 3.1)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 400 words** |
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| Review the role of people practice in supporting line managers to make consistent and appropriate reward judgements. (AC 3.2)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
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| Explain how line managers make reward judgements based on organisational approaches to reward. (AC 3.3)  **Short references should be added into your narrative below. Please remember to only list your long references in the reference box provided at the end of this section. Word count: Approximately 300 words** |
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**References**

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| **Please provide your full long reference list here. The Harvard method is preferable. Please refer to the guidance on the Learner HUB.** |
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### Assessment Criteria Evidence Checklist

You may find the following checklist helpful to make sure that you have included the required evidence to meet the task. This is not a mandatory requirement as long as it is clear in your submission where the assessment criteria have been met.

| **Task 1 – Report Section One**  **Assessment criteria** | | **Evidenced Y/N** | **Evidence reference** |
| --- | --- | --- | --- |
| 1.1 | Evaluate the principles of reward and its importance to organisational culture and performance management. |  |  |
| 1.2 | Explain how policy initiatives and practices are implemented. |  |  |
| 1.3 | Explain how people and organisational performance can impact on the approach to reward. |  |  |
| 1.4 | Compare the different types of benefits offered by organisations and the merits of each. |  |  |
| 1.5 | Assess the contribution of extrinsic and intrinsic rewards to improving employee contribution and sustained organisational performance. |  |  |
| 2.1 | Assess the business context of the reward environment. |  |  |
| 2.2 | Evaluate the most appropriate ways in which benchmarking data can be gathered and measured to develop insight. |  |  |
| 2.3 | Develop organisational reward packages and approaches based on insight. |  |  |

| **Task 2 – Report Section Two**  **Assessment criteria** | | **Evidenced Y/N** | **Evidence reference** |
| --- | --- | --- | --- |
| |  |  | | --- | --- | | 2.4 |  | | Explain the legislative requirements that impact reward practice. |  |  |
| 3.1 | Assess different approaches to performance management. |  |  |
| 3.2 | Review the role of people practice in supporting line managers to make consistent and appropriate reward judgements. |  |  |
| 3.3 | Explain how line managers make reward judgements based on organisational approaches to reward. |  |  |

### Declaration of Authentication

## Declaration by learner

|  |  |
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| **I can confirm that this assessment is all my own work and where I have used materials from other sources, they have been properly acknowledged.** | |
| **Learner name:** |  |
| **Learner signature:** |  |
| **\*This should be the date on which you submit your assessment.**  **We cannot accept a typed or e-signature**. You need to scan or photograph your handwritten signature and inset the image here. **You MUST add a new date for each submission.**  **Submission Date 1:**    **Submission Date 2:**    **Submission Date 3:** |  |

## Declaration by Assessor

**I confirm that:**

* **I am satisfied that to the best of my knowledge, the work produced is solely that of the learner.**
* **The learner’s work was conducted under the conditions laid out by the assessment brief.**

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| **1st submission Assessor name:** |  |
| **Assessor signature:** |  |
| **Date:** |  |
| **2nd submission Assessor name:** |  |
| **Assessor signature:** |  |
| **Date:** |  |
| **3rd submission Assessor name:** |  |
| **Assessor signature:** |  |
| **Date:** |  |

5HR03

Reward for performance and contribution

# Assessment Criteria marking descriptors.

Assessors will mark in line with the following assessment criteria (AC) marking descriptors, and will indicate where the learner sits within the marking band range **for each AC**.

Assessors must provide a mark from 1 to 4 for each assessment criteria within the unit. Assessors should use the mark descriptor grid as guidance so they can provide comprehensive feedback that is developmental for learners. Please be aware that not all the mark descriptors will be present in **every** assessment criterion, so assessors must use their discretion in making grading decisions.

The grid below shows the range for each unit assessment result based on total number of marks awarded across all assessment criteria.

**To pass the unit assessment learners must achieve a 2 (Low Pass) or above for each of the assessment criteria.**

The overall result achieved will dictate the outcome the learner receives for the unit, provided **NONE** of the assessment criteria have been failed or referred.

Please note that learners will receive a **Pass or Fail** result from the CIPD at unit level. **Referral** grades can be used internally by the centre.

|  |  |
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| **Overall mark** | **Unit result** |
| **0 to 23** | **Fail** |
| **24 to 30** | **Low Pass** |
| **31 to 39** | **Pass** |
| **40 to 48** | **High Pass** |