



## Salary Benchmarking: (New Grading and Pay Structure)

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# Salary Benchmarking: (New Grading and Pay Structure)

## Who Should Attend?

Compensation and Benefits analysts and HR Professionals Payroll Manager who want to know about the functionality?

## Course Outline:

### **Day 1-REWARD STRATEGY**

- Relationship of HR with business strategy
- What is meant by a reward strategy?
- Performance Related Pay
- Competence Related Pay
- Skill Based Pay
- Team Pay
- Broad banding
- Salary & Benefit Benchmarking
- Conducting effective Salary & Benefit Benchmarking exercises for organizations
- Recognized salary surveys and other data sources, including bespoke surveys.
- Process of how to carry out effective benchmarking exercises

### **Day 2-Pay & Reward Review**

- Reviewing how effective an organization's current pay and reward systems

- How they compare with the organization's competitors and the general market. Are they fair?
- Are they being operated consistently? Are they subjecting the organization to any risks? E.g. Equal Pay Claim? Are they competitive?
- Advantages and disadvantages of each.

### **Day 3-Pay Structures / Salary Structures**

- What are Pay Structures or Salary Structures?
- Their relative internal value, as established by job evaluation
- External relativities, via market rate surveys
- Where appropriate, negotiated rates for the job
- What are the main characteristics of Pay Structures?
- Indicate rates of pay for different jobs
- Provide scope for pay progression via performance, competence, contribution, skill or service
- Contain pay ranges for jobs grouped into grades, individual jobs or job families.
- Why do organizations need pay structures?
- Establish a logically-designed framework within which equitable, fair and consistent reward policies can be implemented
- Determine levels of pay for jobs and people
- Basis for the effective management of relativities
- Help monitor and control the implementation of pay practices
- Communicate the pay opportunities available to employees.

### **Day 4 Graded structures Broadband – Part 1**

- Job Family Structures
- JOB EVALUATION SCHEME

- What is Job Evaluation?
- Equal Pay for Equal Value – the Legal Position
- Types of Job Evaluation Schemes

#### 1. Analytical Schemes

- Points Rating
- Factor Comparison

#### 2. Types of Non-Analytical Schemes

- Job Ranking
- Paired Comparisons
- Internal Benchmarking or Job Matching
- Job Classification

### **Day 4-Performance Management-Part 2**

- PERFORMANCE PAY SYSTEM - CONTRIBUTION PAY
  - Choosing a Performance Pay System
  - Principle : Pay Increase or Actual Salary is Reward
  - Principle : Performance Pay or Contribution Pay
  - Principle : Behavioral Competencies Options for competencies
- PERFORMANCE RATINGS
  - Under performing
  - Achieving most
  - Achieving all
  - Exceeding
  - Outstanding
- PERFORMANCE MANAGEMENT DEVELOPMENT & RATINGS

- New - New to the role and at the beginning of their development
- Developing – Progressing in the role but not yet fully competent
- Fully Competent – Fully developed and meeting all requirements
- Advancing – Developed beyond requirements of the role
- Expert – Demonstrates mastery of the role
- Objective assessment:
  - Principle: Enforced or non-enforced distribution of ratings
  - Principle: Budget Allocation
  - Principle: Degree of devolvement of pay decisions to Managers
  - Principle: Other factors to include
  - Internal transfer and promotions guidelines
  - Six Month Reviews
  - Mid-Year Reviews
  - Non-consolidated Awards
    - BONUS SCHEME OPTIONS
    - Feature 1 Operating level
    - Feature 2 Factors
    - Productivity and output
    - Quality
    - Safety
    - Cost Management
    - Financial performance/profits
    - Sales
    - Customer Service/satisfaction
    - Attendance
    - HR-Related measures
    - Project Work Targets

- Team working
- Individual Performance
- Feature 3 Distribution of the Bonus Pool
- Feature 4 Frequency of Payments
- Feature 5 Hurdles

## **Day 5-INCENTIVE AND RECOGNITION SCHEMES**

- Why introduce a Recognition Scheme? Something to remember Open to all
  - Day 5-Case Studies
  - Pay & Reward Design
  - Compensation and Benefit
  - Hay Group PayNet. Overview
  - Survey Methodology and Statistical Definitions
  - Internal Equity
  - Benchmarking Pay / External Competitiveness
  - Cost Impact Analysis