

strategy journeys

how I have helped organisations
develop effective strategic plans
and realise strategic opportunities



Fair rewards

- putting principles into practice

Strategy is only as good as its implementation. And in the case of HR strategy, there can be few areas more sensitive than rewards policies, where fairness and transparency are critical.

The context

A worthy initiative to develop a new 'broad-banding' job structure and rewards policy for this new UK Division of a major healthcare company had lost its momentum following the departure of its HR champion: the strategy had been announced, but there were no plans for how it would be introduced, and - critically – the organisation needed to work out how it would be applied in practice.

The challenge

These circumstances had led to a sound but incomplete and only partly implemented new rewards structure. An important practical issue was the management of salary reviews, where a process needed to be developed and accepted: there were varying interpretations amongst managers, resulting in the potential for inconsistent application and consequent unfairness. Resolution and clarification were needed urgently, and a system developed that could be used for the forthcoming annual salary review process.

How I helped

- My starting point was to investigate how other major companies had implemented similar rewards policies, and to consider options for how the strategy could be applied in practice.
- I developed a proposal based on the type of approach that would fit best with the work done so far and the organisation's culture and business strategy. This was then costed and tested to ensure that it was workable, and the key principles summarised (onto one page!) and agreed by the executive team. This included recommendations for the salary review process, dealing with ad hoc reviews through the year, guidelines reflecting performance and position within the band, and a system for monitoring and agreeing pay increases that ensured equity across departments and affordability within the company's salary budget.
- Communication tools and supporting data were prepared, and the new policy and process briefed to managers in time for the annual reviews.
- The next phase was to develop a more structured approach to bonus schemes, aligning them more closely with business targets and ensuring they fitted within the overall rewards strategy. Communication and administration was clearer, avoiding potential ambiguity.
- A further, important piece of work was to review the competitive rewards position for the organisation's several salesforces, including other benefits such as company cars and private health insurance. This led to and informed a Group-wide review of car policy and benefits.

The outcome

The work received widespread support: managers welcomed the clarification and the openness of the new process, enabling them to have more meaningful discussions with individuals in their teams and to reward their higher performers – one of the key expectations of the new strategy. The competitive rewards position was strengthened, improving retention. The new rewards strategy was more transparent, with better information, enabling the organisation to discuss this more openly.

David Booth: ixq
www.ixqconsulting.co.uk