

Workshop B:
**Job Evaluation
and Reward Policy**

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OBJECTIVES

- What is Job Evaluation?
- When do I need to do it?
- Common Schemes in the Sector
- Reward Theory How staff feel valued
- Reward Policy
- HR Climate and Pay Benchmarks

1 What is Job Evaluation?

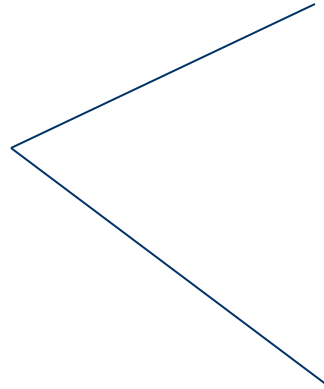
- Job Evaluation is the process of using a system by which jobs are
 - described,
 - analysed and
 - placed in an order of relative grouping to each other

What is Job Evaluation?

- This is then used to determine the position of each job in relation to the other jobs in the organisation
- It is grouping of POSTS not PEOPLE
- Points ranking system = Outcome is a list of posts in points order

JE Outcome

- Job family A
- Job family B
- Job family C
- Job family D
- Job family E



- Post 1
- Post 2
- Post 3
- Post 4

Listed first in Points order
Published in Alphabetical
order

Summary HR Processes

Person	Post	Outcomes	
Recruitment	Job Definition	Job description Person Specification	
	Job Evaluation	Relative Grouping of Posts	
Supervision and Appraisal		Standards set and monitored	
	Salary Setting	Pay scales + pay attached to each post	

SUMMARY JOB EVALUATION

- Posts not People
- Groups jobs (not a salary policy on its own)
- Postholders are very sensitive about it as a process
- Clear outcomes
- Excellent communication
- Appeal system
- JE Committee is best
- Take Time – 6-9 months

Points Ranking System

- Factors – What you value in your jobs
- Factor Levels – divisions of factors into more units – less to more challenging (5-7 normal)
- Weightings
- Points attached to each level

JE Process

- Define Jobs – up to date
- Set up Scheme and Committee
- Assess posts against the Scheme using Qnr
- Posts ranked in points order
- Draw Grade boundaries
- Publish and Appeals
- Attach figures to grade boundaries

How to Choose a system

- Peace LVSC (based on NJC Scheme)
- Gills own – Developed with Age Concern in 1990s and adapted since

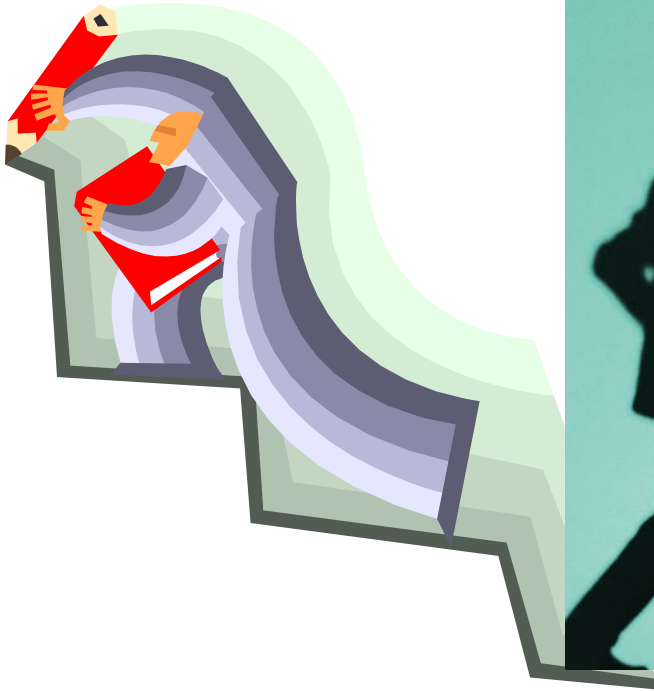
Factors in My Scheme

- Judgement and Decision Making
- Complexity
- Creativity and Thinking
- Responsibility for staff/resources/budgets
- Contacts with people
- Working Environment
- Knowledge and Skills

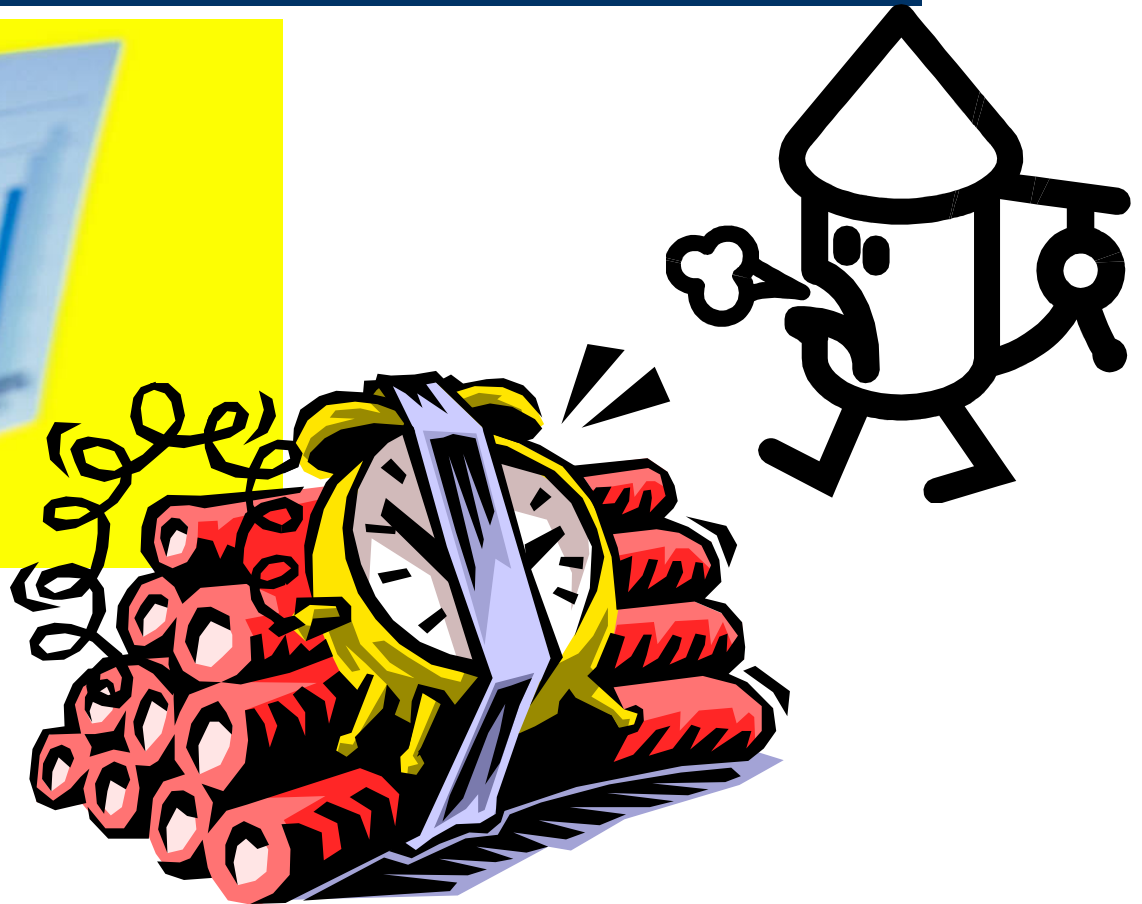
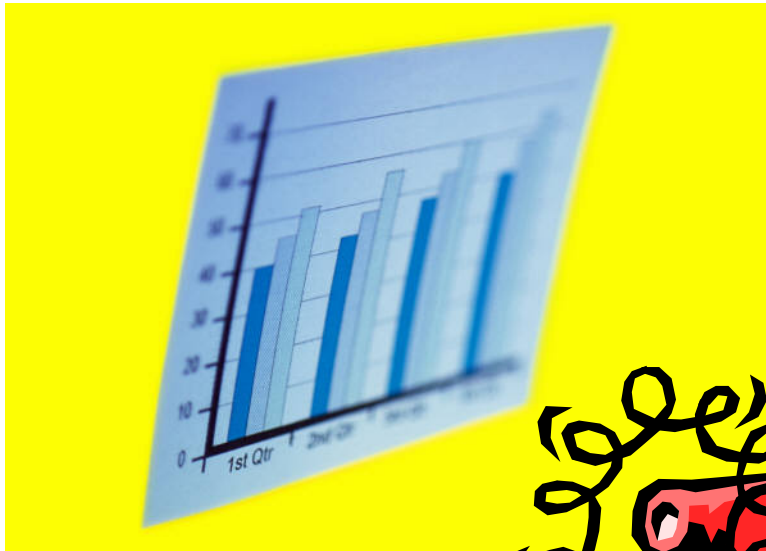
Things that go wrong with JE



Things that go wrong with JE



Things that go wrong with JE



Job Evaluation - Conclusion

- Will Job Evaluation solve it ?
- Is it what I need to do now ?

2 REWARD Theory of Reward

- Psychological contract
- Current Challenges for the Sector
- Insecurity and Change
- Summary of ideas

Psychological contract

- Being given good quality feedback from a manager you can trust
- Being valued and Relationship with Line manager
- Honest communication
- Salary has to be enough
- After that Perceived fairness is most important

Managing staff Resilience in a Recession

- Recognise that in these times neither organisations nor individuals are in or feel in control!
- Mergers, Redundancies, Cuts and Change are destabilising even in the best run organisations – cant remove all the external sources of stress
- Organisations can take action to try and offset stress
- We can offer stress reducing help as benefits
- Look at morale and engagement issues

Economic Outlook

Economy slowed down to near stop

Watch out for the triple dip

Poverty and Social inequality in UK are rising

National and Local Government Cuts £2.8bn 2011-16

Cuts spread out year on year and Austerity til 2017

Local Govm devastated local elections – politics in flux

Charities facing increasing needs but decreasing resources

Local Govm pay capped at 1% for next two years

Not a bump in the road

- We are in game changing times
- Not about hiding til things get better – radical rethink needed
- 710,000 job losses in public sector expected
- The cuts are only half way
- 33% expect redundancies
- Increase in temporary recruitment (1.66m)

Economy Key Indicators

	April 2013
UNEMPLOYMENT (UK)	7.8% (2.5m)
EMPLOYMENT	29.5m
RPI	3.2%
SETTLEMENTS	2.5 % National Av (IRS) 0.8-1.5 % NJC
AVERAGE EARNINGS GROWTH	1.5 - 3.1% National Range 1.6% Public sector (LRD)

Headline HR Benchmarks

Recruitment	65%	Intending to Recruit	(CIPD)
Oil and Gas Industry Engineers IT and Managers	These are the industry and jobs that are most in demand		
Expect to recruit	73 % F/T	27% P/T	
Organisations making 10 or more staff redundant	48% Public	23% Private	25% NFP
Difficulty recruiting	41%	Retention Difficulty	69%

Headline PAY Benchmarks

Expected mean settlement	1-2.8%	0.8% Public	1.5% NFP
44% Increase	38% Depends	17% Freeze	1% pay cut
Ability to pay 60%	Inflation 52	Perf 42	Market 24
Recruitment and retention 21	Pay catch up 17	Union 17	Gov funding 11
NMW 7	NLW 3		

Summary Economic Pressures

- Recession = deflationary wages
- (Except for skills shortages)
- Government policy favours private sector
- Cap on public sector pay 1% in 2012/13/14
- Market forces still to be taken into account
- Some skills in very high demand
- Difficult balancing act

Summary Checklist

- Recognise wider context of Economy and Change and Insecurity
- Have a Change agenda and get key processes working and skills
- Ensure organisation is `honest' in it's communication
- Emphasise trust and emotional intelligence skills as well as technical skills in managers
- Leadership essential for engagement
- HR part of plan

Summary Checklist

- Fair pay across the Board
- Transparency in how pay rises are awarded
- Honesty about possibility of pay rises in a time of cuts
- Look at benefits – employability coaching skills enhancement
- Employee Assistance programmes with advice and counselling

Reward Policy

SALARY SCALES

Points/Weightings/Cost of Living

GRADE FOR JOB

Starting Point

Progression within Grade

SALARY BENCHMARKING

Reward Policy

SALARY BENCHMARKING

Surveys/Published posts

ANNUAL REVIEW

Negotiations

PUBLISH TO STAFF

Survey Salary Benchmarks

Chief Officer	Av £71,369	Median £68,186
Head	£48,908	£48,927
Manager	£39,245	£39,416
Officer	£25,184	£25,689
Admin	£18,356	£18,728

Published Salary Benchmarks

	LQ	Median	UQ
Chief Officer	£60	£70	£80
Director	£40	£45	£58
Manager	£30	£32	£33
Team Leader	£25	£26.5	£27.5
Officer	£21	£22	£23