

# Total Reward Case Study – University

## Amalgamation of Pay Structures

### Background to Organisation

The university is a leading institution both in research and teaching. There are around 6,000 staff, including c.1,200 academic staff, 500 in technical services, 2,000 in administrative and library roles and the remainder in senior management and facilities.

### Issues

The University was operating six different pay structures that needed to be amalgamated into one unified structure, with pay decisions across the organisation consistently applied and in compliance with equal value legislation.

### Actions

The 6,000 employees were divided into four job families:

1. Technical Services
2. Administrative Services
3. Research and Teaching
4. Facilities

Levels of work were identified and described for each job family. Seven levels in all encompass all roles within the organisation.

All individuals were matched against the appropriate job family levels using a panel of HR and line people.

At the same time, around 120 roles were evaluated using the Hay Guide Chart method of Job Evaluation. The results of the evaluations were used to test and validate the outcome of the job matching process and to do some initial pay modelling.

A policy of pay progression through the new ranges was developed, enabling incremental progress to a scale mid-point, but barring further progress to all but the best performers.

### Outcomes, Learning Points and Future Projects

There are three issues that made the project more complex:

- Unions – The University recognises three main unions for the purposes of negotiating changes to terms and conditions of employment. There has been local co-operation with the project, on the whole, but some resistance to the Hay method of evaluation. . The job family approach combined with job

matching is therefore more acceptable, with analytical evaluation as a support mechanism only

- Pay Progression – The move to a more flexible pay structure, requiring a judgement of individual performance is a major cultural shift. For the time being, pay progression remains incremental and the national 'cost of living' increase is to be awarded to all staff, therefore limiting drastically the resources needed to fund performance related pay progression
- National Scene - The University is part of the Higher Education sector and employment terms are negotiated nationally. A single pay spine for Higher Education has been developed – currently with 92 pay points – and the University pay structure has to be based on this.