

# Aquarius

AQUARIUS MANAGEMENT CONSULTANTS **NEWSLETTER**



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## THERE ARE **ALTERNATIVE** WAYS TO APPROACH EQUAL PAY...

Most responsible employers want to pay their staff fairly, and indeed are compelled to by law; in theory the fight for equal pay should be over. In practice it isn't. The average pay of men is 18% higher than that of women.

Unfair pay practices still account for a significant proportion of this gap.

Equal pay needn't be a battle. We can audit your current arrangements and help you develop fair and effective systems that support the achievement of your organisations goals.

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# MIND THE EQUAL PAY GAP

**The government's focus on Equal Pay has put Salary Management firmly back on the agenda, especially for public sector organisations. Equal Pay legislation has been around for a long time, but last year it gained some teeth. Employees who believe they are being paid less than a colleague doing a job of equal value can now use an equal pay questionnaire to find out how their pay compares. Many cases are being fully supported by the trades unions, who take equal pay very seriously. If they win, claims can be backdated for up to 6 years.**

Most research shows a staggeringly high level of complacency about this issue, with only 20% of organisations having carried out a review to gauge the extent of the problem. Carrying out a review not only helps protect against equal pay claims but also demonstrates a commitment to equality and fairness.

The good news is that an equal pay review is relatively straightforward to carry out. We have completed reviews for three government agencies, a large financial services company, and had our work commended by the DTI.

In each case we used our expertise initially to investigate the way jobs were graded, thus enabling us to determine whether there was any bias at the outset. We then examined pay levels and benefits practice to identify any areas of discrimination. Our reports all provided a detailed action plan for the organisation to address.


Pay differences are allowed provided they can be justified, usually on the grounds of market variation or performance differences. Many organisations track pay markets, most however, would find it hard to rely on appraisal ratings to justify a pay difference.

We have a good understanding of pay and grading issues, and have helped a large number of organisations to develop and improve their reward policies. We believe equal pay will have a significant impact on pay & grading structures.

Broad banding (if it hasn't already been diluted with sub-bands) will disappear in all those organisations without robust methods of determining pay.

Incremental pay systems will reappear because, in the absence of consistent high quality performance management, they guarantee to achieve equality of pay in a reasonable timescale.

Developing effective reward strategies and policies that support the achievement of organisational goals is a critical and often overlooked aspect of people management. In this newsletter we describe projects with three very different organisations to illustrate the breadth of our reward work. We can help with all reward related work from job evaluation and grading to pay structures and incentive schemes.



ARTICLE BY **CHARLIE EFFORD**





## EXPERT WITNESS

We were selected by the Prison Service in the summer of 2001 to act as their experts in a large and complicated equal pay claim. The claim is supported by the Applicant's trade union and involves some 50 applicants and comparators. Our task is to fully understand each individual's job and then to decide whether or not the applicants and comparators are carrying out work of equal value.

We interviewed and documented the jobs of all those involved and made sure they agreed the job descriptions. We then developed a bespoke job evaluation scheme, taking into account the Equal Opportunities Commission guidelines, to assess whether the jobs were different. Our final tasks are to report on our findings and to represent the Prison Service when the cases are brought to Tribunal.

This has been a fascinating project; it has allowed us to combine our deep understanding of jobs and job evaluation in a testing environment, whilst giving us access to a national service that most people will never experience.

## KINGSTON COMMUNICATIONS

Kingston Communications is a fast moving telecommunications group which has bought and sold a number of businesses over the last few years to achieve its strategy. This presents problems of harmonising pay and conditions with companies as diverse as a regulated residential phone provider in Hull to a satellite broadcasting company.

There was no method of reliably evaluating jobs, there was no grading system and there was no defence from challenge. Apart from the obvious problems there was also no clear career structure for a population of 2,500 people.

Aquarius designed a method of profiling each role and taught the HR professionals to write profiles for every role in the business. This was made difficult because of the constantly changing organisation structure.

We designed a job classification scheme with managers and union representatives from KC and evaluated a benchmark population of 100 jobs. The scheme is divided into job families which provided the career structures they were looking for.

We have agreed a grading structure of some 13 grades and the HR Director, Terry O'Brien has just completed a roadshow to explain the scheme.

Managers have informed every member of staff of their new grade and any appeals will be heard before the end of June.

Work is about to start on analysing current pay practice to determine if there are any areas where an equal pay challenge would be successful and to identify significant differences between locations throughout the country. We are addressing the questions of

- How much to pay
- How to pay (cash or benefits)
- What to pay for?

This is an interesting mixture of philosophy and mechanics which, when addressed, will help Kingston to compete successfully in a very difficult marketplace.

## IT PAYS TO HAVE LOCAL KNOWLEDGE

We have been running a local Pay and Benefits survey on behalf of Skipton Building Society for five consecutive years. The aims of the survey are to collect data on local pay and benefit practices to inform pay policy decision-making and to get a better understanding of the issues that concern local employers. We produce two bespoke surveys, one for Administrative, Clerical and Call Centre jobs and one for Accounting jobs.

The need for the surveys was highlighted by the limited availability of pay and benefits information across all industries and sectors in the North Yorkshire, West Yorkshire and East Lancashire areas.

Our approach uses generic job descriptions that allow participants to quickly and easily match their jobs with those targeted in the survey. The survey collects and analyses data and information ranging from basic pay, benefits and salary management issues, through to working practices and turnover rates for each of the job levels.

We produce a final report and distributed it to all the participants, allowing them to compare their own pay and employment practices against the whole sample.

We have a comprehensive knowledge of jobs and pay and have used this to produce an accurate and effective survey.

In the context of Equal Pay, market forces can be used to defend equal pay claims, but only if there is reliable survey information to support the defence

**If we can help you with Equal Pay or with any other aspect of reward, please call.**

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Aquarius is an independent management consultancy with a core team of highly experienced consultants in business and people management. We have expertise across a wide range of business sectors and activities through many years of working with every kind of organisation, from Blue Chip companies and Government Departments to community based Primary Care Trusts.

# CONSULTANCY NEWS



## TOM HAS LANDED

2004 saw the launch of The Office Mentor (or TOM), a web-based approach to coaching, performance management and capturing learning in your organisation.

Developed by a long-standing Associate of Aquarius, Doug Young, TOM is an online 'toolkit' enabling coaching and development both for and by managers and their staff. It can be used to cover recurring issues, such as training business managers in budget management or support staff in product training, and is not limited solely to HR-related issues.

'Owned' by the HR department and accessible by all staff, this approach enables all staff to benefit from coaching, not just Executive Directors, the traditional beneficiaries. Step-by-step 'Action Plans' allow staff to develop solutions specific to their problems. Access to a continually growing and developing database of organisation and industry sector 'Case Studies', enables the sharing of best practice. This helps reinforce those behaviours that have a positive impact on the performance of individuals and teams, and is one step closer to a true learning organisation.

The Office Mentor is available to staff 24 hours a day, 7 days a week, allowing access at a time convenient to the individual, whether working on a shift pattern outside of normal office hours, or even at home. In this way, the timing and pace of learning can be controlled by the individual to suit individual circumstances.

We are currently finalising details of pilot projects or full-scale implementations with several clients. These include supporting:

- Business managers in the NHS;
- HR Managers in Local Authorities;
- Faculty and students in Further Education;
- Contact Centre staff at a global toy manufacturer.

For further details, visit the TOM demonstration website at <http://tom.uk.com>. We can also arrange password protected access to the main site for a limited period so that you can experience the full functionality of TOM and explore ways in which it can support the development of your people and organisation.

## CONTACT DETAILS

If you would like more information about any of our work please call us on:

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## OUR PEOPLE

We bid farewell and wish every future success to Anita Higginbottom, a long-serving member of the Aquarius team, as she takes up her new role as Group Director Compensation and Benefits at Royal and Sun Alliance Insurance Group plc.



**We would like to welcome Martin Gregory to the Aquarius team.**

Martin is a Leadership Development specialist who works primarily with senior executives to help them improve their performance. He is also an experienced facilitator, leading leadership, teambuilding and coaching workshops.

Prior to joining Aquarius, Martin spent 15 years establishing himself as a leading consultant in the fields of leadership development and executive coaching, and successfully led several business teams with Hay Management Consultants. He has worked with a range of clients in the media, Telecoms, FMCG, Finance, Education, Health and Consulting sectors.

Martin holds an MBA from London and New York Business schools and is an accredited and experienced executive coach. He has worked professionally in Europe, Australia, the Middle East and Canada.