SIOPSA Psycho – Legal Panel Discussion – The importance of role profiles / descriptions & job evaluation and targeting the correct salary surveys when benchmarking jobs

AVERILE RYDER
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Presented by Averile Ryder

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Components of A Total Remuneration Strategy

- Internal Equity
- External Equity
- People Equity
- Company's Competitive Market Strategy or Policy

Internal Equity

Equal pay for equal work within the same organisation

- Job descriptions developed in accordance with interviews with current job holder(s) and relevant line management
- Placing jobs into occupational families
- Ensuring that job descriptions and occupational families are regularly updated
- Ensure that job titles are consistent and reflect the nature and level of the positions.

Job Description Methodology

- Job Title (must reflect the nature and level of the position)
- Current Job Evaluation Grade
- Geographical Location of Job
- Main Purpose of the Job (why does the job exist?)
- Job Size Parameters – **very important!**
- Reporting structure
- Internal / External Relationships / Contacts – **also very important!!**
- Working Conditions, i.e. regular domestic travel required
- Job Holder Specifications
- Actual Description of Key Performance Areas / tasks
- Authorisation Signatures and Dates – **also very important!!!**

Job Holder Specifications

Executive Personal Assistant	
Minimum formal education / qualifications on entry into job	Matric level English and Computer Applications Technology
Relevant previous work experience and knowledge	Two (2) years drafting of own correspondence, formatting of documents, taking and drafting of minutes of meetings and carrying out and drafting reports on desk top research findings.
Skills	Proficiency in Microsoft Word, PowerPoint and Outlook
Competencies of Behaviour Attributes	Ability to juggle conflicting priorities, assertive and the ability to emphasize

Internal Equity (Continued)

Equal pay for equal work within the same organisation *(continued)* and the importance of job evaluation

In simple words, job evaluation is the rating or ranking of jobs in an organisation. It is the comparative process of establishing the value or worth of jobs in a JOB hierarchy

Always grade the job and not the person!!!!

Job grades must not be manipulated to accommodate individual job holder personal, unsatisfactory performance and long service situations, etc.

Principles or Rules of Job Evaluation

- Job evaluation measures the job and not the person
- Job evaluation is a human judgemental process
- Job evaluation can only determine that a job has more responsibility and more variety, etc. than another job
- Job evaluation does not determine pay levels
- Job evaluation takes a snapshot of a job as it is currently structured;
- Job evaluation only considers responsibilities that are a normal ongoing part of the job
- Job evaluation does not take into account errors of incompetence when measuring consequence of judgement or job impact

JE Systems Measurement Factors

System	Input	Process	Output
Paterson	Decision Making		
Task	Knowledge	Complexity	Influence
		Pressure	
Peromnes	Knowledge	Problem Solving	Job Impact
	Comprehension	Pressure of Work	Consequence of error
	Formal Education		
	Training & Experience		
Hay	Know How	Problem solving	Accountability
Re-measure	Qualifications , Knowledge and Skills	Problem Solving	Financial Impact
	Experience & Training	Communication	Influence
JE Manager	Acquisition and application of knowledge	Planning and Leadership	Job Impact
	Skills acquisition and practice	Communication	Judgment

6 Paterson Decision Bands

Paterson Band	Decisions Made	Typical Job Titles
A	Defined	Security Guard General Assistant Grounds man
B	Automatic	Driver Receptionist Accounts Clerk
C	Process	Artisan Program / Projects Officer Bookkeeper
D	Interpretive	Finance Manager Doctor / Pilot Human Resources Manager
E	Programming	General Manager / Managing Director of a Single Unit Company or Chief Financial Officer of a Holding Company
F	Strategic or Policy	CEO of a Holding Company / MAIN Board of Directors

3 Paterson Grading Methodologies

- 6 Career Bands
- Broad Bands or the 11 Classical Grades
- 28 Paterson Single Grades

The 3 Paterson Grading Methodologies

Bands	Broad Bands	Single Grades
A	A Band	1, 2, 3
B	B Lower	1, 2, 3
	B Upper	4 & 5
C	C Lower	1, 2, 3
	C Upper	4 & 5
D	D Lower	1, 2, 3
	D Upper	4 & 5
E	E Lower	1, 2, 3
	E Upper	4 & 5
F	F Lower	1, 2, 3
	F Upper	4 & 5

Top Executive Pay

- Annual turnover or operating budget
- Annual net profit before tax
- Market capitalisation
- Value of tangible assets
- Annual salary and wage bill
- Total no. of employees
- Company structure, i.e. holding company, subsidiary, single unit, etc.

Example of different Paterson Job Grades and Pay Differentials using the same organisation size parameters

Job Title	Company Geographical Locations	Paterson Single Grade	Grade Pay Differentials
CEO for a Single Operating Unit	South Africa	E2	75
CEO for a Single Operation Unit which has operations in several countries within Sub-Sahara Africa	South Africa, Botswana, Malawi, Mozambique, Zambia & Zimbabwe	E4	100
CEO for a Holding Company that has several subsidiary companies, however they are all located in one country	South Africa	F1	125
CEO for a Holding Company that has several subsidiary companies, located in different geographical locations	South Africa, Botswana, Malawi, Mozambique, Zambia & Zimbabwe	F3	150

Benchmarking

The job description / role profile and job evaluation grade of the job informs the benchmarking or external equity of the job!!!!

External Equity

Equal pay for equal work when compared against the organisation's competitive or comparator organisations

The market for any job or occupational family is:

"Where a company loses its human capital to or attracts its human capital from"

Competitive Market Positions

- **Lead Payer**

  Pay at the UQ with an additional percentage for salary inflation
- **Lead / Match Payer**

  Pay at the UQ for 6 months of the year
- **Match Payer**

  Pay at the MQ with an additional percentage for salary inflation
- **Match / Lag Payer**

  Pay at the MQ for 6 months of the year
- **Lag Payer**

  Pay at the LQ or lower for the entire organisation financial year

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Guaranteed Annual "Total Cost To Company" or "TCC" Remuneration Levels

This represents

- Basic salary / cash component
- Value of a guaranteed bonus or 13th cheque
- All other guaranteed cash and non-cash benefits and allowances
- Excludes organisation statutory contributions to UIF, SDL and COIDA, etc.

People Equity

- Individual job holder or team recognition
- Performance appraisals
- Annual salary reviews based on individual job holder performance and not CPI
- Short term performance incentive bonus where the performance horizon is one year
- Incentive and recognition schemes to leverage business performance by aligning employee performance with key organisation targets and performance standards
- Long term retention and share option schemes to leverage business growth and employee retention (usually 3 to 5 years)

Example of a Organisation Total Compensation Strategy

"Within the next three (3) years to become a match payer for the entire organisation financial year, and to pay a guaranteed "total-cost-to company" (TCC) package, at the median quartile, of selected comparator organisations' as at 1 April each year. This includes the costs of the companies contributions to medical aid membership, retirement funding, death and disability benefits as well as the value of a guaranteed 13th cheque and travel allowance"

Example of a Total Compensation Strategy (*Continued*)

"In order to ensure that the organisation remains a "match" payer for the entire organisation financial year and values individual job holder contributions to the organisation will pay a performance incentive bonus earning opportunity of up to 20% of guaranteed "total-cost-to-company" TCC employee packages based on the achievement of organisation / divisional / departmental and individual employee mutually agreed targets and performance standards for the organisation financial year"

"In addition, the organisation also fosters a culture that is sensitive to work / life balance, diversity and inclusion and aims to develop and promote relevant policies and interventions to achieve this culture".

Example of three (3) different Benchmarking Markets

Job or Role	ARGRS – Annual GTCC			EG – Annual GTCC			EG – Annual GTCC		
	Non Profit Sector			Private Sector			Government		
Quartiles	LQ	MQ	UQ	LQ	MQ	UQ	LQ	MQ	UQ
Office Cleaner	64,680	86,774	114,160	93,357	101, 866	115,951	83,756	93,725	107,248
Front Office Administrator	218,916	275,227	313,353	233,469	272,686	301,023	209 ,858	248,361	278,363
Human Resources Officer	466,010	502,788	525,963	583,735	658,604	747,486	519,966	596,199	691,474
Program Manager	866,190	919,721	965,233	795,117	876,388	956,269	672,409	799,721	879,716
CEO-Chief Executive Officer	1,079,289	1,445,380	1,853,566	1,436,627	1,840,612	2,191,898	1,271,675	1,681,927	2,038,255

ARGRS – Averile Ryder Global Reward Specialists

EG – Emergence Growth

How to Grade Jobs using the Paterson System of Job Evaluation

Step 1: Determine the decision making level or Paterson Band, i.e. A, B, C, D, E or F.

Step 2: Determine whether the position has any supervisory or coordinating tasks or key performance areas in the job

Step 3: Determine the broad band or single-grade, i.e. lower or upper or 1, 2, 3, 4 or 5.

Step 4: Develop a job family / job evaluation matrix

Step 5: Do a cross comparison of other jobs in the organisation already evaluated

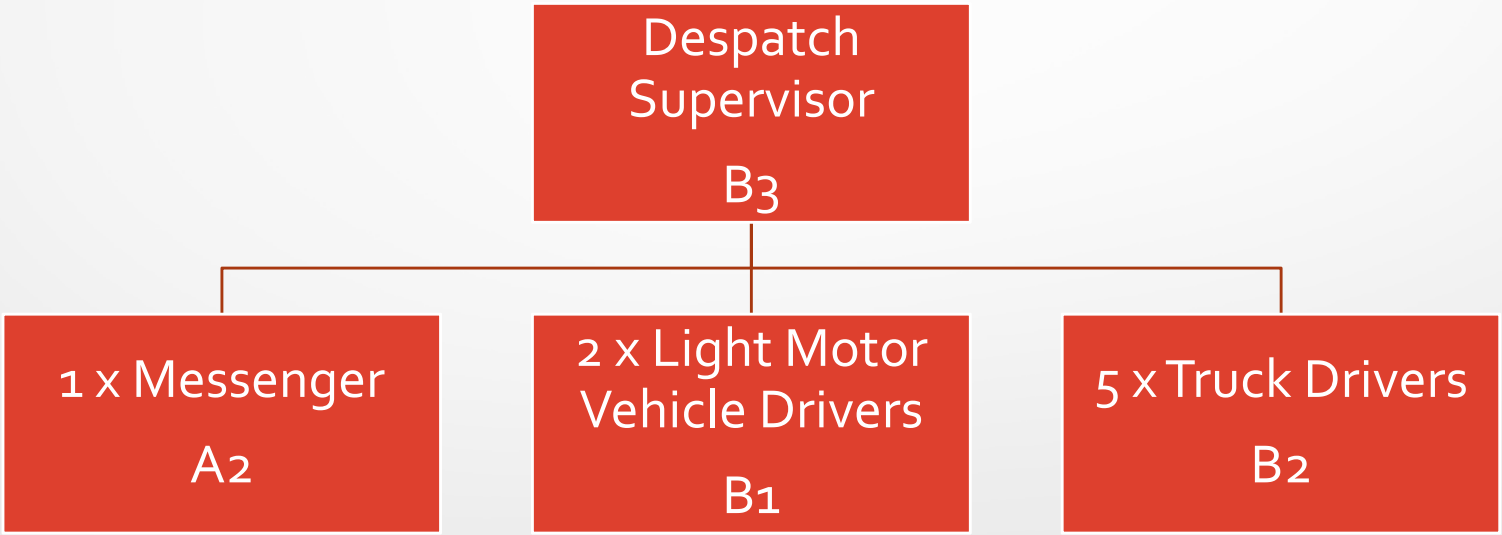
STEP 1

Band the Job

STEP 2

Grading of line management, supervisory and / or co-ordinating key performance areas or tasks

Grading Jobs responsible for Managing or Coordinating Key Performance Areas or Tasks of other Job Holders



STEP 3
Determine the PATERSON Broad Band or SINGLE Grade

- Formal entry education, skill level and type
- Minimum relevant previous work experience in a similar job or occupational family
- Variety of key performance areas / tasks
- Complexity of key performance areas / tasks
- Precision of work
- Pressure of work / physical effort

Paterson Broad Band or Single Grade Comparison Criteria

Comparison Criteria	Details
Skill level and type	Skill level relates to skills acquired like operating a certain machine or driving a vehicle
Education and time taken to learn job	Entry level education for C Band jobs is usually a degree, diploma or some work experience required
Variety of Tasks	Jobs having a wider variety of tasks are sub graded higher than jobs where there is little variety
Complexity of tasks	Jobs having more complex tasks or more complex combinations of tasks are sub graded higher then fewer complex jobs
Precision	Job requiring a high degree of precision and very strict tolerances would be sub graded higher than jobs where precision is not critical
Pressure of work / physical effort	Jobs demanding high physical and/or mental stress are often sub graded higher than jobs where these factors are less demanding

Step 5

Do a cross correlation of all other roles already graded

OTHER PATERSON JOB EVALUATION FACTORS TO CONSIDER

- Jobs that give strong advice to job holders in other roles or specialist job categories
- Interns and / or human capital employed on learnerships

QUESTIONS