

Designing pay and grading reviews

Presentation:

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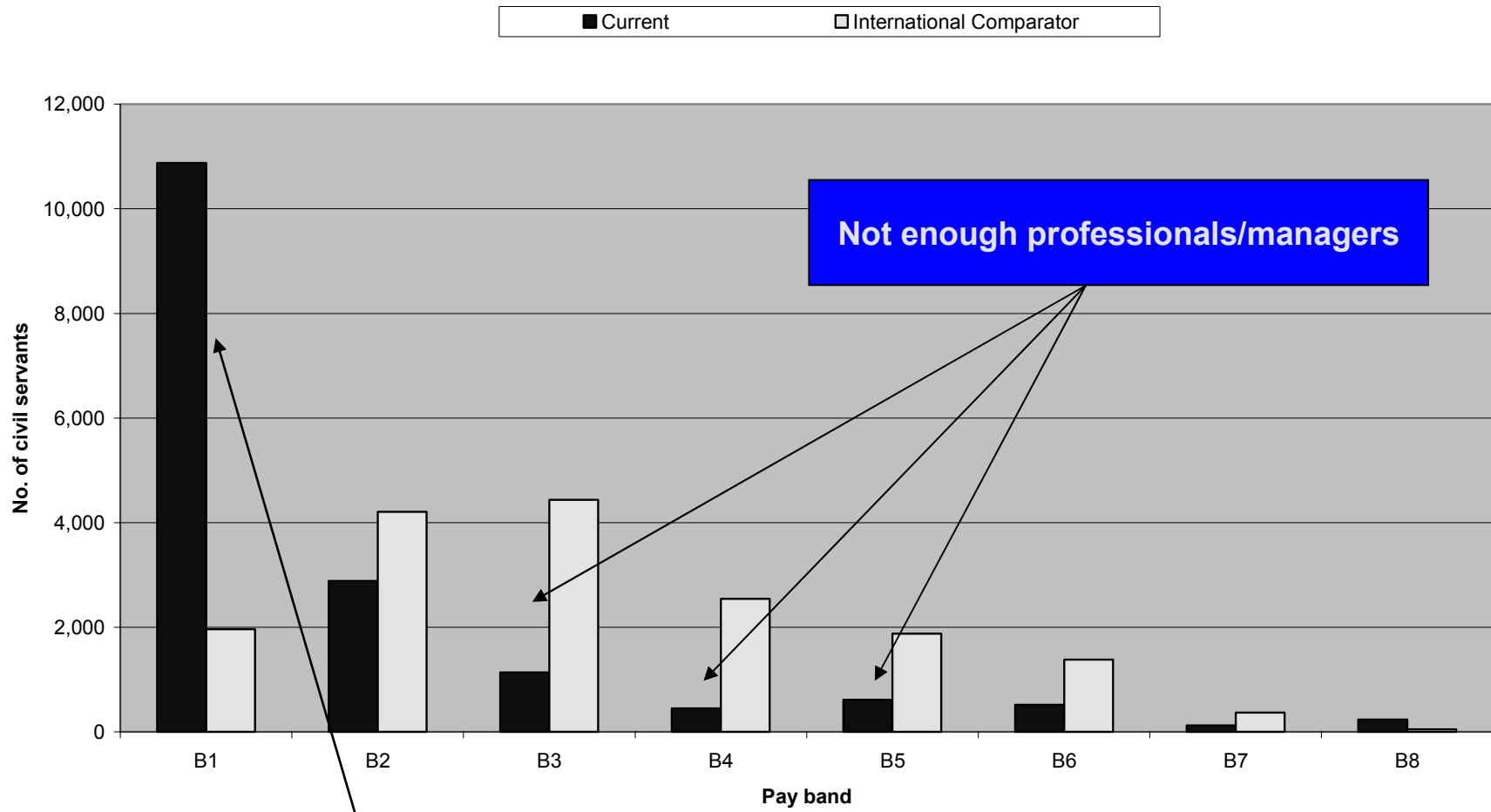


Common pay/grading issues

- Civil service has low pay and low skills
- Pay structure is compressed
- Pay rates at middle and senior levels are low compared to other sectors
- Not enough professional/managerial posts (the 'missing middle')
- Too much resources expended on too many low grade staff – poor value for money



Grade distribution of civil servants

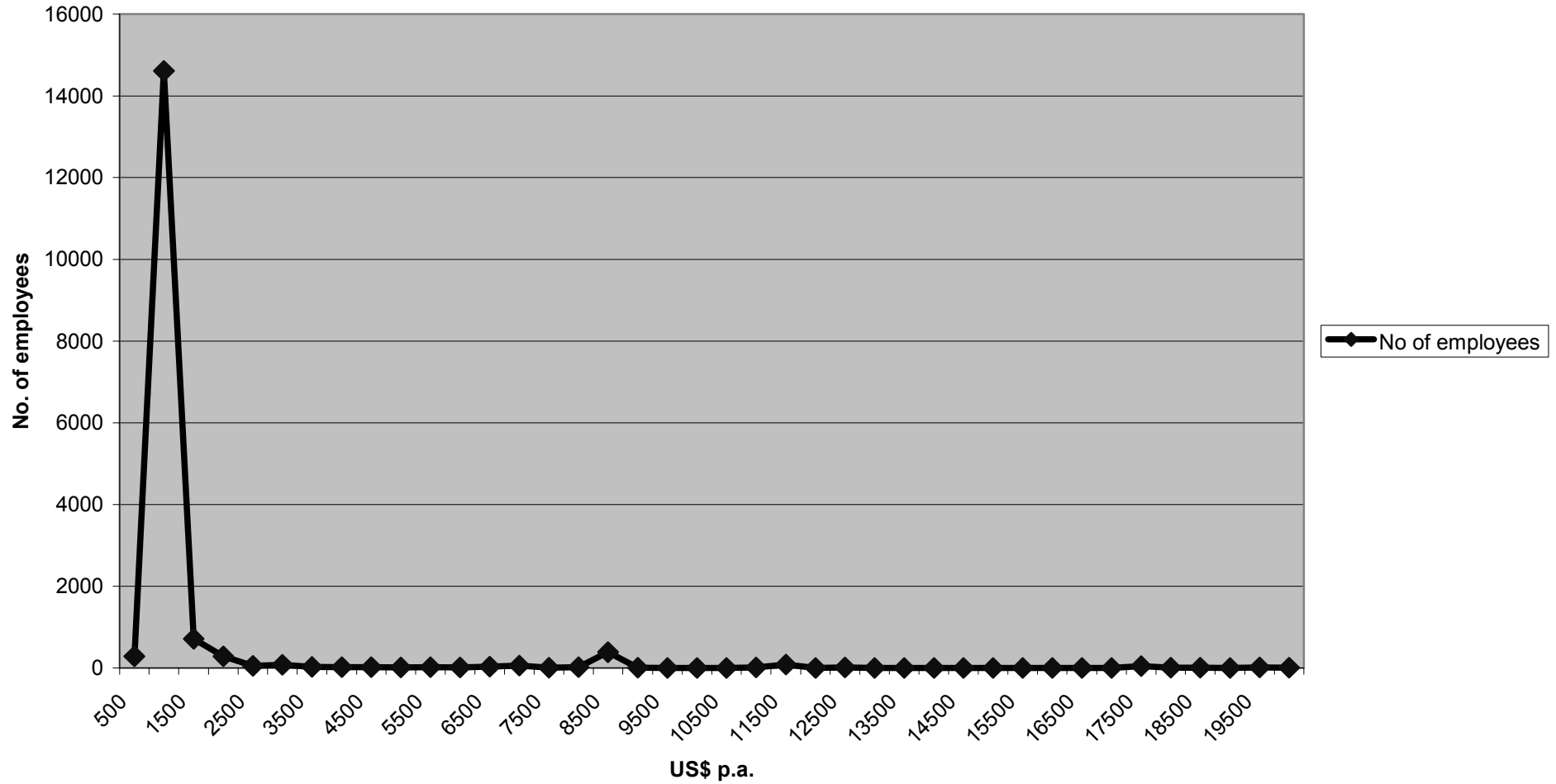


Too many manual workers

Not enough professionals/managers



Civil Service Pay distribution



How to change

- Assess service requirements for human resources
- Develop a vision of the future (total resources available; how they will be allocated)
- Set strategic targets and allocate responsibility for change
- Determine steps along the way
- No 'quick fixes'

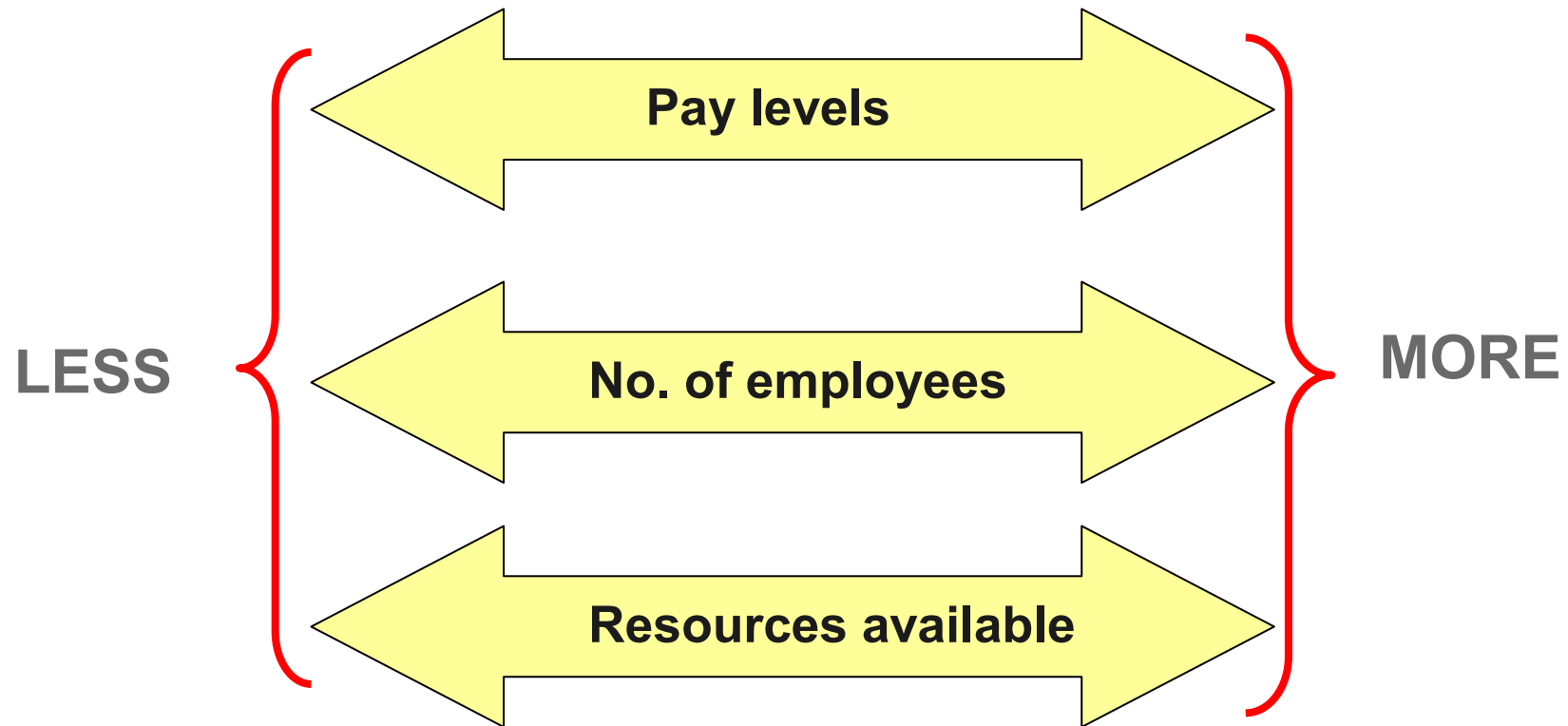


Practical steps to reform

- Prepare a financial model to appraise options for size, shape and cost of the service
- Develop pay policy
- Update systems for:
 - Payroll administration
 - Post control
 - HR data
- Ensure pay & grading supports the needs of the service



Model to examine 'trade-offs'

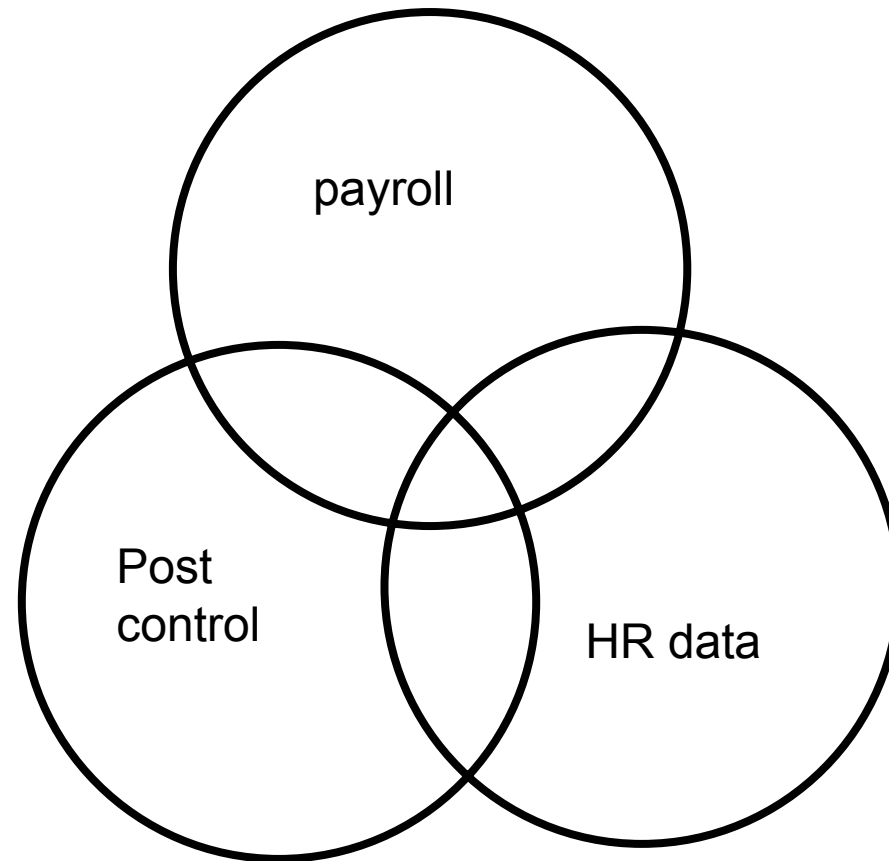


Pay policy

- *Affordable* (not crowd out other expenditures)
- Relate public sector pay to *relevant* labour market
- Don't be a '*pay leader*'
- Allowances should be *temporary* solutions to *temporary* problems



Essential HR control systems



Grading: equal pay for equal work

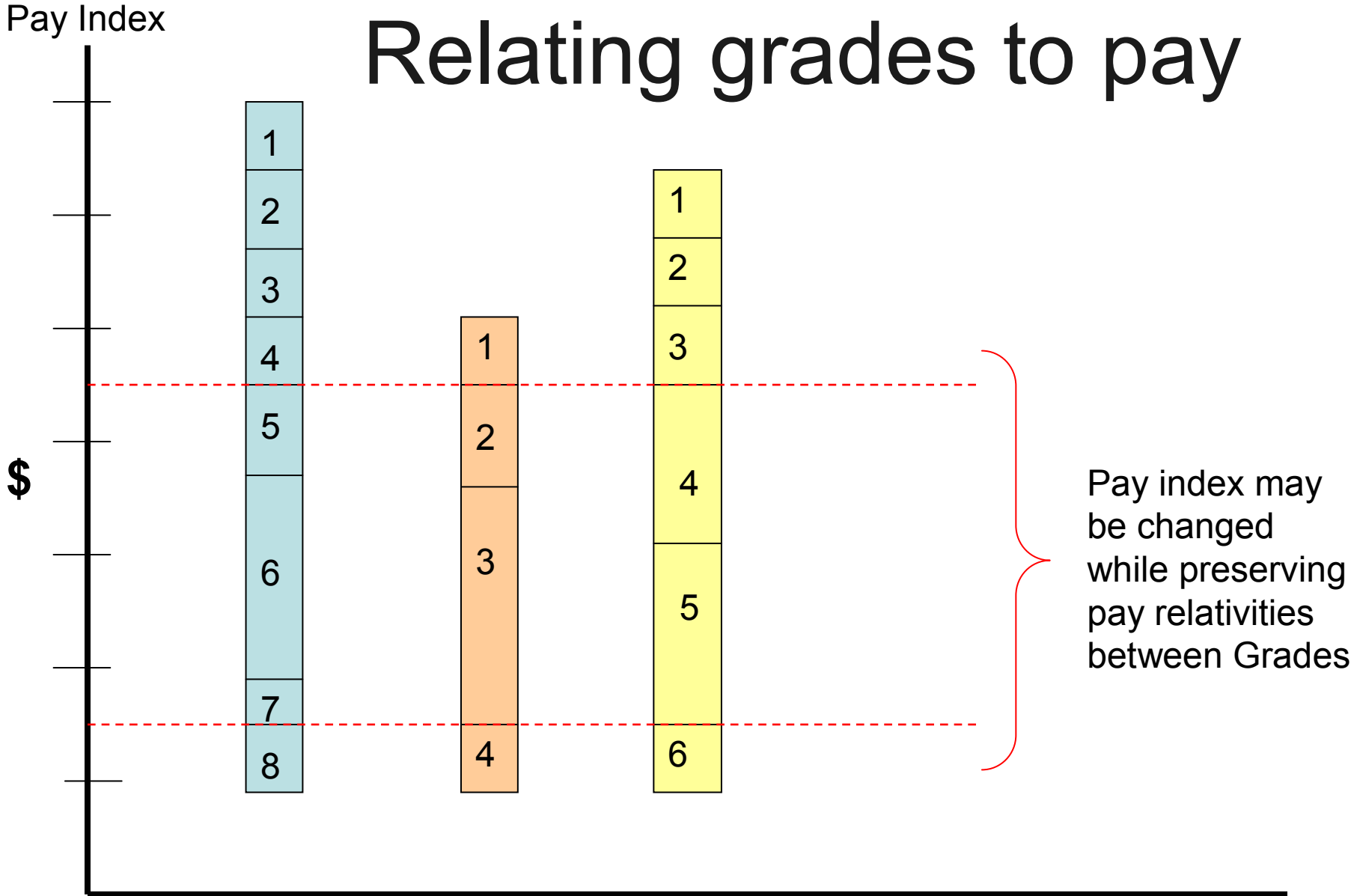
1. Conduct organisational/functional reviews first
2. Prepare job descriptions
3. Evaluate jobs
4. Develop a simple grade structure based on real (not perceived) job differences
5. Relate grades to pay scales



Grade	Generic grade title	Sample jobs
1	Top manager	Permanent heads of major governmental organizations.
2	Senior manager	permanent heads of smaller ministries/organizations; deputy heads of large ministries/organizations
3	Manager	hospital consultants; heads of large administrative units
4	Senior Administrative/Professional	lawyers; accountants; doctors; head teachers
5	Administrative/Professional	senior nurses; project managers; administrators; senior teachers
6	Executive/Technical	nurses; skilled technicians; finance clerks; teachers
7	Clerical/Semi-skilled	driver; basic mechanic; basic clerk; trainee/assistant teachers
8	Service	cleaner; messenger; labourer



Relating grades to pay



Conclusions

- Pay represents a huge use of public resources – vital to get it right
- Grade structures should flow from service requirements
- Pay and grading are different things
- No shortcut to success – requires management's sustained attention to detail

