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

<table>
<thead>
<tr>
<th>Pay band</th>
<th>Current</th>
<th>International Comparator</th>
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- Too many manual workers
- Not enough professionals/managers
Civil Service Pay distribution

No. of employees

US$ p.a.
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’

LESS

Pay levels

No. of employees

Resources available

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

Pay index may be changed while preserving pay relativities between Grades.
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