

**HaRe Group newsletter: 22 August 2014**

**Subject: Don't read this if you're happy with your remuneration system**

Sometimes, my clients don't read my newsletters (no, I'm not shocked). They usually say the material is (thankfully) interesting, but not currently relevant. So in this case, I'm writing this newsletter just for those people who are not happy with their remuneration "system".

If you're unhappy, this could be for any of the following reasons (and more) – each situation could be sufficient justification for junking your remuneration system and starting afresh.

Inaccurate remuneration cost:

If you can't easily combine the fragmented costs of superannuation, cars, other benefits and allowances, you should think about a new approach that aggregates and confidently communicates all remuneration items. If you don't know what people earn overall, you can't effectively manage your total costs of employment and you'll lose good people in the confusion.

Slow extraction of useful information:

If it takes "forever" to compile data for remuneration planning, this is another sign that your remuneration system is failing. The HR function should efficiently and confidently provide its business leaders with a reliable analysis of people and employment costs compared to local market rates. If you can't present accurate data quickly, the business will leave you behind.

Unknown pay alignment:

If your company has diverse business units, do you know if you're paying equitably for the same jobs across the organisation? Are your pay scales calibrated for local market rates? You may find it difficult to have consistent remuneration processes across the country, or to provide advice on remuneration budgets for the annual pay review. For business leaders trying to trim a few dollars off the cost of each widget, the ability to analyse remuneration by location can make the difference between success and failure.

Bogged down in worksheets:

Are managers and business leaders frustrated by continuous manual iterations and worksheet handball? Is there a security risk in emailing sensitive information? If you manage remuneration with worksheets, you probably struggle with the propagation of different versions of the same data. If so, it may be time to get off Excel and look for a new remuneration review solution.

Employee dissatisfaction (the elephant in the room):

While many business leaders debunk employee complaints about remuneration, perceptions of poorly managed remuneration is a well-known and significant contributor to employee turnover. People who see the evidence of a consistently well-managed pay review process are less likely to complain about their remuneration.

You may not lie awake at night with these thoughts churning through your mind, but really, would your employees be happier at work if a few of these problems were fixed?

*Simon Hare*

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