

**HaRe Group newsletter: 30 January 2014**  
**Subject: Remuneration scorecard**

After a busy year (or three?), it really helps to take stock of your remuneration management programs. Most business leaders know that getting their salary & benefits practices right will remove cause for employee complaints and help improve employee engagement. (Think about the feedback from your last annual pay review).

In my experience, the following scorecard has been useful to many employers (large or small) in eliminating remuneration problems that are often employee sore points. How does your organization rate on each of the following items?

Item	Your Score			
	Poor	Fair	Good	Great
A job description for every employee’s position				
Work value based on job description (not just title)				
Market pay rates known for every position				
Position bands at career levels, by job family				
Pay ranges to recognise employee experience, etc.				
Communication of levels & pay ranges (incl. timing)				
Individual performance planning, objective setting and appraisal				
Pay reviews (eg. competitiveness, differentiation)				
Superannuation flexibility & choice				
Fixed “quality of life” benefits				
Salary sacrifice for additional or variable benefits				
Universal company bonus				
Business measures, setting targets and assessing outcomes				
Business-based incentives				
Individual incentives (including commissions)				
Team incentives (including productivity gains)				
Equity-based incentives (eg. share options, performance rights)				
Company share purchase plans				
Total remuneration, including all salary, benefits & incentives				

Of course, not every item will be relevant to every organization – eg. private companies will rarely have company share purchase plans – but all employers should aim to be “Good” (at least) on the items in the top half of the above list.

In most organisations that suffer low employee engagement, the greatest negatives include dissatisfaction with fixed pay administration and communication. Improvements to job definition, market alignment, [remuneration structures & systems](#) and, in particular, communication will help minimise employee dissatisfaction and allow other HR programs to work more effectively.

*Simon Hare*

**HaRe Group**  
 Performance & reward solutions, including the Remuneration Planning System