How Paydata helped L&Q streamline their approach to job evaluation, grading and pay

London & Quadrant (L&Q) is one of the UK's leading housing associations and one of London's largest residential developers. They own or manage over 90,000 homes in London and the South East.

THE ISSUE

The organisation has had a full HR agenda for some time. This has included a number of different but related strands, such as the development of a values-driven competency framework; a reward strategy which Paydata helped to research through a series of structured interviews and workshops; and a new performance management system. Based on the work completed L&Q identified a need to simplify and refocus their approach to job evaluation, grading and pay whilst building on the work they had already initiated.

OUR SOLUTION

Paydata discussed options with L&Q on how the various people processes and mechanisms could work together for maximum impact.

First, we suggested adopting multi-purpose role profiles. These replace the existing job descriptions which had largely become task lists. The role profiles would include the job purpose and main accountabilities, as well as financial and people management dimensions. They would also include details of the skills, experience and competencies necessary for the role. This document could then be used for job evaluation, people specification for recruitment and also part of the performance management process.

Secondly, we suggested replacing the previous job grading arrangements with our own PAYgrade job evaluation system. Together with its web-based software application it is simple to set up and maintain, and would enable a rapid transfer of skills to the L&Q HR Team. Furthermore, people managers throughout L&Q could be quickly trained in its use as a means of benefitting from the knowledge and experience within the business; thereby increasing management buy in and helping to ensure evaluations are of a consistent high quality.

The evaluated grades derived from PAYgrade would be used to aid pay benchmarking. We can relate our PAYgrade levels to those of other systems in common use and this would help us match market data to the L&Q roles. Combining our own data, with other sector specific data held by L&Q, we would be able to design salary scales using our pay modelling database. This tool, developed over several years, helps us combine market data and internal actual salaries to produce a comprehensive benchmarking report. This would not only help L&Q

understand what salary scales should look like, but also the impact of their implementation and the distribution of current employees within those scales.

HOW IT WORKED

Initially the intention was for Paydata to undertake the first batch of meetings with key managers to gather the information required to create role profiles. In practice, other developments in the business meant we wrote a significant number of profiles, as internal resources were needed elsewhere. The flexibility to react to the changing needs of our customers is important for the long-term partnerships we try to build.

We trained a number of HR professionals and people managers in the use of the PAYgrade job evaluation system. We also facilitated many of the initial evaluation sessions providing a degree of oversight on the quality of the outcomes.

Using a wide sample of roles we prepared a full benchmark report and developed salary scales. This is usually something of an iterative process to make sure the proposed scales are both market relevant and work sensibly with existing employees' salaries. L&Q also asked us to review their previous guidance for managers on pay management and update it to reflect the changes that were taking place.

OUTCOME

All the building blocks for this part of the transformation are now in place and, at the time of writing, are about to be implemented. L&Q have already received support for the changes from senior management and the recognised trade union.

We are continuing to work together on the next phase of the project, as well as through the ongoing provision of benchmarking data.

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At L&Q we looked at our Pay and Reward strategy and conducted a review to design a more streamlined approach, holding focus groups and analysing best practice elsewhere. We chose to work with the Paydata team who have really added value to the work that we have been driving forward at L&Q."

TOM NICHOLLS
Group Director, Human Resources
London & Quadrant

To discuss how we can help with your needs, please call us on

+44 (0)1733 391 377
info@paydata.co.uk