

Paydata Reward Strategy and Design Pay Modelling



The Royal College of Physicians (RCP) is the professional body of doctors of general medicine and its subspecialties. It was originally founded as the College of Physicians and in 1518 became the first medical institution to receive the royal charter. The College has been continuously active in improving practice medicine since then, primarily through training and qualifying new physicians. It employs around 350 people, mostly in its Central London offices.

THE ISSUE

RCP operates in a number of employment markets. They compete for different roles with specialist bodies in health and medicine, other professional membership organisations and universities as well as the wider general market. The College wanted to understand where they stood against those markets. This was in line with their normal practice of reviewing pay and salary scales regularly as well as helping to address specific employee feedback on pay.

OUR SOLUTION

Paydata's pay modelling solution provides a structured method for reviewing pay and salary scales to ensure they remain relevant. Our starting point for pay modelling is to structure the benchmarking appropriately. This requires an understanding of both the type and level of work done.

Working with RCP, we agreed to consider clusters of similar roles at the same level, rather than benchmarking every role. We frequently adopt this approach - it helps keep timescales,

demands on internal resources and costs in check. It also recognises that benchmarking, whilst a structured analytical process, is not a precise science and provides a good balance between accuracy and simplicity.

RCP felt their grading was generally sound. We therefore suggested an approach that would convert RCP's grades into our own Paydata Levels. This would entail evaluating a sample of RCP roles using our PAYgrade job evaluation methodology and software tool. We would then be able to use Paydata Levels as a "common currency" in applying the various data sources required.

The benchmarking phase of the work creates market guidelines for clusters of roles. Our modelling software enables us to use these guidelines to create pay ranges for each RCP grade and to model the impact of applying those ranges. This includes evaluating the cost implications of bringing people below their range to the minimum salary as well as seeing how the total population is distributed within each range.



HOW IT WORKED

Having evaluated a selection of roles using our PAYgrade tool, the conversion from RCP's grades to Paydata Levels was straightforward.

To develop market guidelines we used benchmark data from our main database to represent the general market. We supplemented this with data from the salary survey we run for professional institutes and associations, together with data from 'Agenda for Change' operated in the National Health Service and other public sector bodies. Whilst we do not normally hold data for Universities, we were able to validate our conclusions by evaluating a sample of University roles.

Analysing all the benchmark data, we created a number of iterations of relevant salary ranges, paying particular attention to the distribution of jobs and salaries in RCP and the progression between levels. We then produced a full impact analysis of applying these ranges.

OUTCOME

We discussed our findings with the College's Chief Executive, Finance Director and Head of Human Resources. This led to further analysis and refinement. We then presented the outcomes to the College's Senior Management Team who accepted our analysis and conclusions. Our input enabled them to decide what they needed to do.

The RCP's employees' representative body, the Employee Forum, was briefed on the work we had done. They were impressed with the robust nature of the analysis. We subsequently presented our findings at a meeting of all the College's staff. The over-riding reaction from employees was that they felt the College's management were listening to and acting upon the feedback from their people.

Linda Asamoah, head of human resources at RCP, said:

"We approached Paydata following a staff survey, which showed there was a perception that the RCP pay and benefits are lacking in comparison to similar organisations. Paydata went through a thorough process of reviewing job descriptions, salaries and benefits in the many markets within which the RCP competes. Paydata asked all the right questions to get the detail absolutely right and this ensured the process was trusted by staff. Following completion of all the reports RCP senior management met with Paydata to discuss the results, how best to implement the findings and agree a communication strategy.

"Presentations were delivered to SMT, then to all staff, ensuring the messages were pitched just right. The methodology was robust and well explained during the presentations and meant staff appreciated the results.

"We are now taking forward recommendations made and are pleased we can rely on Paydata for support whilst implementing these. The professionalism of the team at Paydata and the specialist knowledge held made what could have been a very cumbersome process less so. Paydata grasped the engagement aspect very well, helping management convey a message of listening, trust and cohesion. The RCP is very pleased with the results."



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LINDA ASAMOAH

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

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