



AUTUMN REWARD ROADSHOW 2016

FUTURE READY REWARD

DEBORAH REES | DIRECTOR OF CONSULTING

INNECTO
REWARD CONSULTING

HOW DOES TECHNOLOGY TRANSFORM HR?

M&S

EST. 1884

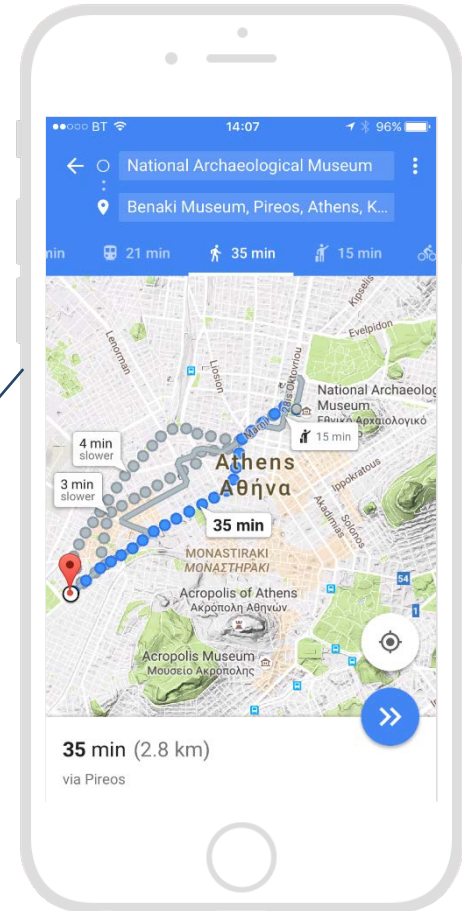


A MOVE FROM PAYROLL ON PAPER...



...TO AN IT SYSTEM

FINDING YOUR WAY AROUND



HR v2.0



LESS 'DOING', MORE THINKING

KNOW THE TERRITORY,
NOT JUST THE MAP

PROVIDE INSIGHT

RELY LESS ON OLD SKILLS, MORE
ON INTERPRETATION AND VALUE

PAYLAB™

DEMONSTRATE UP TO DATE PAY DATA INSTANTLY

MARKET ALIGNMENT COSTS

FTE SALARY ACTUAL SALARY

REPORTING GROUPS	INCUMBENTS	LOWER QUARTILE		MEDIAN		UPPER QUARTILE				
		INCUMBENTS BELOW	COST TO MOVE TO LOWER QUARTILE	INCUMBENTS WITHIN	COST TO MOVE TO MEDIAN	INCUMBENTS ABOVE	SPEND ABOVE UPPER QUARTILE			
Total from groups	139	1	£158	0.72%	33	£120,050	23.74%	32	£106,639	23.02%
Corporate	3	-	£0	0.00%	1	£442	33.33%	-	£0	0.00%
Customer Care	9	-	£0	0.00%	-	£0	0.00%	-	£0	0.00%
Dispatch, Ops & Engraving	10	-	£0	0.00%	2	£8,343	20.00%	-	£0	0.00%
Finance	4	-	£0	0.00%	3	£12,735	75.00%	1	£1,015	25.00%
IT	5	1	£158	20.00%	2	£11,316	40.00%	-	£0	0.00%
Marketing	14	-	£0	0.00%	6	£16,413	42.86%	-	£0	0.00%
Merchandising	4	-	£0	0.00%	1	£3,070	25.00%	-	£0	0.00%
Product	8	-	£0	0.00%	3	£9,969	37.50%	3	£7,601	37.50%
Quality Control	8	-	£0	0.00%	3	£8,067	37.50%	-	£0	0.00%
Retail	47	-	£0	0.00%	4	£8,203	8.51%	27	£92,034	57.45%

MARKET POSITION OVERVIEW

BASE PAY



TOTAL CASH

OVERALL MARKET POSITION **15.89%**

BELOW RANGE

0.72%

INCUMBENTS WHO FALL MORE THAN 10% BELOW THE
MEDIAN RANGE

WITHIN RANGE

76.26%

INCUMBENTS WHO FALL WITHIN 10% OF THE MEDIAN RANGE

ABOVE RANGE

23.02%

INCUMBENTS WHO EXCEED MORE THAN 10% ABOVE THE
MEDIAN RANGE

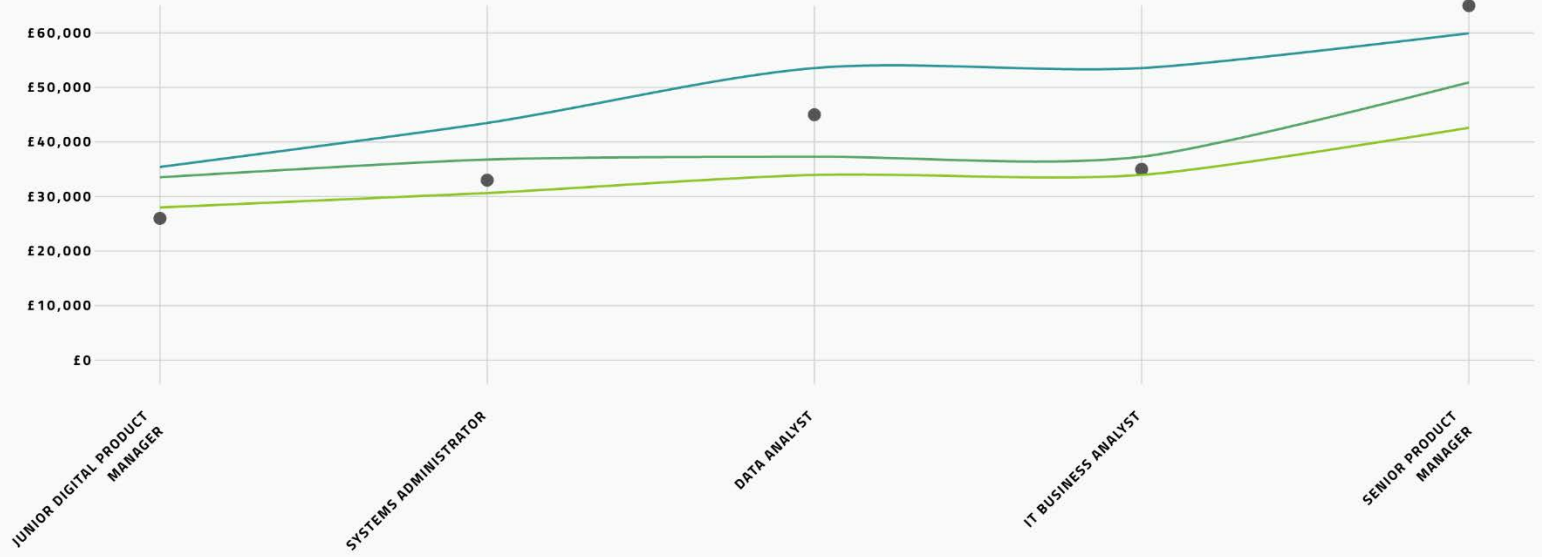
GENERATE REPORTS AND INSIGHT

REPORT BY Department IT

BASE PAY

TOTAL CASH

BASE PAY by Department IT AVERAGE AGAINST MEDIAN: 1.87%



**“BE THE
APP,
NOT THE
MAP”**

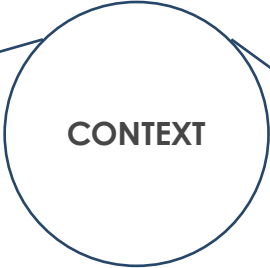
**MACRO VIEW OF REWARD
TRENDS AND COSTS ACROSS
THE BUSINESS**

**MICRO VIEW ON
INDIVIDUAL'S PERFORMANCE/
MARKET POSITION/
INTERNAL VALUE**

APPLY HR v2.0 TO GENDER PAY

MORE THAN CREATING THE NUMBERS

HOW CAN YOU ADD INSIGHT?
WHAT ARE THE QUESTIONS YOU SHOULD BE ASKING?



HOW CAN WE USE THIS TO ADD VALUE?
WHAT COULD WE DO TO MAXIMISE IMPACT?



IF WE HAD TO PUBLISH TOMORROW,
WHAT WOULD WE BE SAYING?

PHASED PLAN

1

UNDERSTAND HOW THE NUMBERS WOULD LOOK IF YOU WERE TO PUBLISH TOMORROW

2

IDENTIFY AREAS OF RISK BY JOB & DEPARTMENT AND PLAN TO REDUCE EXPOSURE

3

PINPOINT KEY PRACTICES WHICH MAY BE DRIVING MALE | FEMALE PAY DIFFERENCES

4

BUILD A STRAIGHTFORWARD NARRATIVE & ACTION PLAN TO EXPLAIN YOUR PAY POSITION AND COMMITMENT TO FAIRNESS

5

PREPARE FINAL REPORTING AFTER 30 APRIL 2017 READY FOR PUBLICATION

FINDING THE HEADLINES

Your employee pay gap is: 15.1%



GET A HANDLE ON YOUR GENDER PAY GAP NOW

28%
WOMEN IN
TOP 10% OF
EARNERS
(£40K+)*

18%
WOMEN IN
TOP 1% OF
EARNERS
(£119K+)*

9%
WOMEN IN
TOP 0.1%
OF EARNERS
(£456K+)*

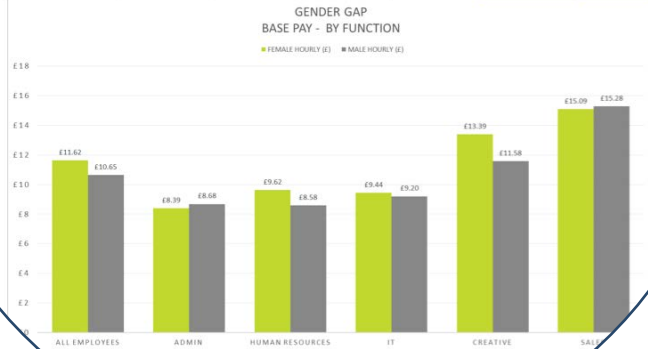
Female	Male	Ratio	Female	Male	Pay gap
310	202	61 : 39	£ 10.33	£ 12.17	15.1%
FEMALE		MALE			
QUARTILE	Number of females in quartile	% of females in quartile	Number of males in quartile	% of males in quartile	Total Employees in Quartile
QUARTILE 1	77	60%	51	40%	128
QUARTILE 2	149	89%	18	11%	167
QUARTILE 3	33	37%	57	63%	90
QUARTILE 4	51	40%	76	60%	127

UNDERSTAND THE NUMBERS YOU WILL BE PUBLISHING NEXT YEAR

UNCOVERING RISK

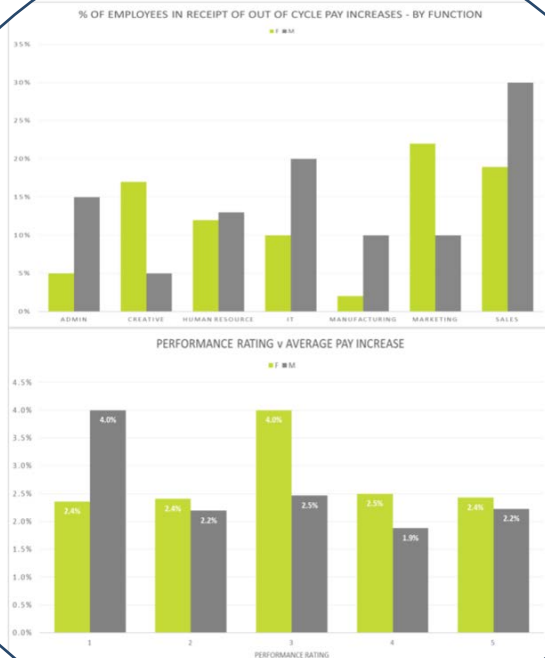
ANALYSIS OF DATA AND DRILLING DOWN TO UNDERSTAND LIKELY RISK YOU FACE AS AN ORGANISATION

Function	Business Line/Subsidiary		Location	Function	Comp. Level	
	By:	Line				
	Mean	Line 1	Birmingham	Human Resource	3	
REPORTING GROUP	FEMALE HOURLY (£)	MALE HOURLY (£)	TOTAL NUMBER OF EMPLOYEES	GENDER RATIO (F:M)	BASE SALARY GENDER GAP	
All employees	11.62	10.65	513	65 : 35	-9.1%	(F)
Admin	8.39	8.68	106	64 : 36	-3.3%	(M)
Human Resources	9.62	8.58	18	67 : 33	-12.2%	(F)
IT	9.44	9.20	184	60 : 40	-2.6%	(F)
Creative	13.39	11.58	104	68 : 32	-15.7%	(F)
Sales	15.09	15.28	101	73 : 27	1.3%	(M)



PRIORITISING YOUR AREAS OF EQUAL PAY RISK ACTION

TAKING CONTROL



**LARGE GENDER PAY GAP =
HISTORICAL POLICIES & PRACTICES
THAT FAVOUR MEN**

**DEVELOP METRICS TO TRACK
SUCCESS OF CHANGES**

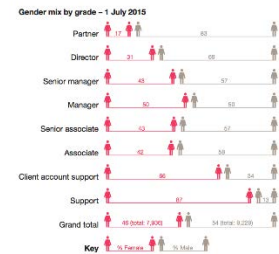
- HOW MUCH IS SPENT OUT OF CYCLE AND WHAT'S THE GENDER SPLIT?
- THE GENDER SPLIT AND STARTING SALARY OF ALL NEWLY HIRED/PROMOTED EMPLOYEES OVER THE LAST YEAR
- PERFORMANCE SCORES MALE | FEMALE DOMINATED DEPARTMENTS

RUNNING FOR REAL



	Male	Female	Pay Gap	
March-15	Mean	£60,940	£48,945	-19.7%
	Median	£54,588	£39,508	-27.6%
	Quartile 1	401 (43.9%)	513 (56.1%)	
	Quartile 2	485 (53.1%)	429 (46.9%)	
	Quartile 3	577 (63.1%)	337 (36.9%)	
March-16	Mean	£61,807	£50,278	-18.7%
	Median	£55,828	£41,082	-26.4%
	Quartile 1	418 (44.6%)	520 (55.4%)	
	Quartile 2	476 (50.7%)	462 (49.3%)	
	Quartile 3	577 (61.5%)	361 (38.5%)	
Quartile 4	638 (68.0%)	300 (32.0%)		

PwC workforce profile



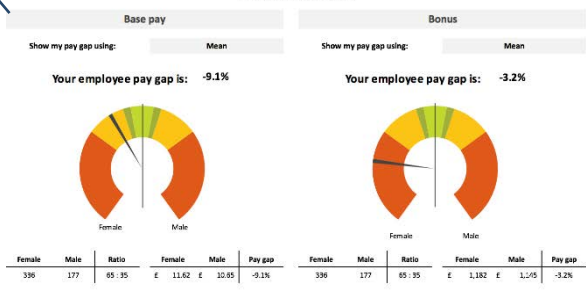
We have a firm-wide bonus plan, but individual bonuses are determined by each Line of Service.

We have conducted Equal Pay Reviews for the last 10 years. Last year we published our gender pay gap externally for the first time. We were the first in our sector and one of only a handful of private companies to do so. This is one of the many activities we undertake to ensure our employment policies and practices are fair. We review pay and bonus by gender, ethnicity and different working patterns (full time to part time).

In FY15 our single figure gender pay gap is 15.3% (FY14: 15.1%). This compares favourably with 19.1% for the UK economy. Our single figure gender pay gap does not take into account objective reasons for pay difference such as grade, location or performance level. In line with good practice, we therefore adjust this figure for the different gender demographic across the grades, as we have more men than women at our most senior grades; this adjusted pay gap figure is 2.8% (FY14: 2.5%).

1 Source: ONS Annual Survey of Hours and Earnings (released November 2014)

HEADLINE PAY GAPS



This pay gap compares the basic hourly pay of all employees, allowing a direct comparison of part time and full time earners. This analysis has shown an apparent significant pay gap in favour of female employees. We recommend you take action to identify and put in place plans to address this gap.

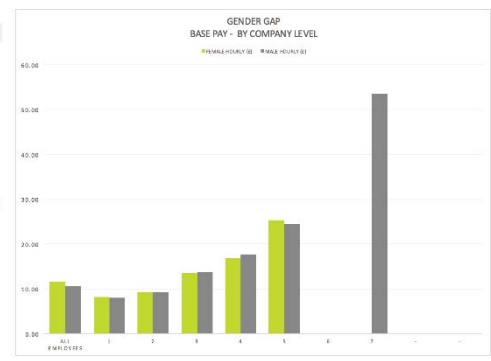
This pay gap compares the average bonus pay of all employees who were awarded one. This analysis has shown an apparent slight pay gap in favour of female employees. We recommend you take investigate and confirm there are legitimate reasons for this gap.

SALARY QUANTILES

QUARTILE	FEMALE		MALE		Total employees
	Number of females in quartile	% of females in quartile	Number of males in quartile	% of males in quartile	
QUARTILE 1	69	23%	59	38%	128
QUARTILE 2	67	22%	49	31%	116
QUARTILE 3	82	27%	21	13%	103
QUARTILE 4	86	28%	29	18%	115

Employers are required to divide their overall pay range into four 'quarters' or pay bands and report the number of men and women in each of those bands.

The four bands need to span the entire range of salaries paid to employees.



HR v2.0 - OUR REAL JOB...



**REWARD STRATEGY | INTERNATIONAL REWARD
EXECUTIVE COMPENSATION
EMPLOYEE ENGAGEMENT | PAY BENCHMARKING
GENDER PAY AUDIT & CONSULTING
JOB EVALUATION | REWARD COMMUNICATIONS
PAY FRAMEWORKS | VARIABLE PAY | SALES BONUS
REMUNERATION COMMITTEE SUPPORT
BENEFITS AUDIT & DESIGN | PERFORMANCE MANAGEMENT**

OUR CONTACT DETAILS

www.innecto.com

T: 020 3478 4810

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