Now largely complete, the new total reward scheme is proving to be successful. Valerie Burns says: “It’s been hard work but we are now able to recruit with no difficulties as we are consistent with the commercial markets. It’s also given us a degree of flexibility we didn’t have before. I’d like to thank Innecto for their expert knowledge, project management, technical skills and sensible pragmatic advice which all contributed towards a successful outcome.”

Valerie Burns
Head of Human Resources

One of Innecto’s most extensive relationships to date has been with The Crown Estate who we helped devise and implement a completely new total reward strategy over three years.

The Crown Estate is a public body and has a dual role as both guardian of some of the country’s most important land and as a revenue generator for HM Treasury. This single organisation is responsible for managing over £6 billion worth of land in the UK including Regent Street in London to Windsor Great Park, Portland stone mines in Dorset and agricultural estates in Scotland as well as extensive marine assets.

Its revenue generator role has come to the fore in recent years as the property market has become increasingly competitive. This proved quite a challenge for an organisation that was previously run along the civil service model. Valerie Burns, Head of Human Resources explains: “In late 2006 we were experiencing recruitment problems because our reward packages did not reflect the job markets in which we were operating. We had a very traditional public sector pay model which was generalist and inflexible – it simply didn’t allow us to attract and retain the calibre of people we needed to meet our business objectives.”

Burns tasked her Remuneration Committee with agreeing a way forward that would lead to a more market oriented reward structure. They concluded this would require nothing less than a complete reworking of base pay, performance management, bonus, pension and benefits, terms and conditions. “Our strategy,” says Burns “was to redistribute the reward budget rather than increase it. We were spending too much on pension and benefits and not enough on salary and performance incentives.”

“We also wanted a framework that would apply to everyone whether an estate worker or a marine property asset manager. The Crown Estate is a diverse organisation with many different roles, sectors and locations but it was important for us to unite our employees while at the same time having the flexibility to achieve our financial targets.”

Burns initiated a competitive tender to recruit third party assistance as she had neither the resources or the expertise to execute a project of this scale internally. “We selected Innecto based on their track record of working in both the public and private sector and the confidence they gave us of understanding our needs and what was required to achieve them. Theirs was the only presentation that gave us clear advice on the sheer momentum required to make this project successful.

“Looking at the scale of the project, The Crown Estate HR team and Innecto agreed a phased approach was best. Innecto Director Justine Woolf says: “At the time, this was probably the most complex reward review we had ever considered. Our task was to produce a single reward strategy that could be applied to people working in very different environments and job markets – the difference between the reward requirements of the property management team based in London and Edinburgh are a long way removed from the estate workers who tend woodland or agricultural land. Dividing the project into three phases allowed us to focus on each sector of employment separately and clearly.”

The unique culture of The Crown Estate also presented some interesting challenges. The organisation has three core values: Commercialism, Integrity and Stewardship.
Case Study: The Crown Estate

New Total Reward Scheme

Commercialism rising to prominence, it was important that the other values weren’t sidestepped and would need to be built in as modifiers to the performance management system for example.

Over the next two years, Burns and Innecto looked at job descriptions, carried out job evaluations and benchmarked against the relevant markets. The result was a total reward programme that included a new pay structure based on a job family framework, a new performance management system linked directly to a new bonus scheme, new pension arrangements and a revised benefits package.

The decision was made to create two separate reward packages: one for existing employees, and one for people joining in the future. This meant that The Crown Estate could continue to honour existing pension arrangements and benefits, terms and conditions for current staff while introducing sustainable and more affordable options for new joiners. Existing employees were to be given a choice of the two reward packages which meant that all communications on the project had to be clear, concise and easy to understand.

Recognising its responsibility as an employer to explain the two options fully, especially in the area of pensions, The Crown Estate commissioned an extensive employee engagement programme designed to educate, involve and gain support from staff throughout. Innecto’s Communications Associate Holly McEnaney explains: “We used monthly written updates to keep people informed of progress and invite their responses. Valerie and her team also held lunchtime surgeries where employees could learn more and ask questions about this important area.

"At launch, we created an internal brand for the new reward packages with a unique design and colour coding for each area which allowed us to present complex information clearly to help employees choose which of the two reward packages suited them best. All employees were invited to a presentation by the Chief Executive to explain the new packages and were given a handbook to take home as well as a personal letter outlining their own individual position and options. Managers were given training and question and answers to support them in their important role communicating the new structure to their direct reports.”

The investment in employee engagement paid off. Opinion surveys carried out at the start and completion of the project showed a clear improvement in understanding of the issues involved and major changes including a revised pension scheme for future employees were implemented without any dispute from the trade union.

Now largely complete, the new total reward scheme is proving to be successful. Valerie Burns says: “It’s been hard work but we are now able to recruit with no difficulties as we are consistent with the commercial markets. It’s also given us a degree of flexibility we didn’t have before.

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