



**THIRTEENTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Tenth Session
Denarau, Fiji
4 - 9 December 2016**

JOB EVALUATION OF SECRETARIAT STAFF POSITIONS

**WCPFC13-2016-FAC10-10
14 November 2016**

Prepared by the Secretariat

1. Purpose

1. The purpose of this paper is to present for discussion and decision of the Committee the outcomes of the job evaluation (sizing) exercise of the Secretariat staff positions undertaken by StrategicPay Ltd in the report titled “Report on Job Evaluations in a Project to Evaluate Professional and Support Roles at the Commission’s Premises in Kolonia, Pohnpei, Federated States of Micronesia”, hereinafter called the “Job Evaluation Report”.

2. Background

2. At WCPFC12, the Commission endorsed the recommendation from FAC9 that the Secretariat be given more time to consider the impacts and effects of implementing the recommendations of the Job Evaluation Report. The report with attachments as presented to FAC9 in working paper referenced WCPFC12-2015-FAC9-10 is attached to this paper as Attachment 1 for ease of reference.

3. WCPFC12 also tasked the Secretariat to prepare a paper assessing the implication of implementing the recommendations of the Job Evaluation Report and have it available for CCMs prior to TCC12 to allow for enough time to review the paper. A discussion paper was duly prepared setting out the Secretariat’s initial assessment of the implications of implementing the key recommendations of the Job Evaluation Report and distributed to CCMs for comment by a Circular No: 2016/50 dated 22 September, 2016 at the time of TCC12. CCMs were asked to provide any comments by 28th October, 2016.

4. At date of writing this paper, no substantive comments were received from any CCM. This paper is based principally on the discussion paper that was circulated on 22nd September, 2016 to CCMs for comments.

5. The key recommendations of the Job Evaluation Report as assessed by the Secretariat include:

- a) the proposal to adopt the CROP Banding system based on SP10 to replace the current salary structures for the Secretariat;
- b) replacing the ‘stepped rates’ system to that of a range based on performance;
- c) replacing the Secretariat performance evaluation system to the one documented in the ‘Developing and Assessing Employee Performance Report’; and
- d) the outcomes of the job evaluations that support the re-alignment of certain staff positions.

6. The Secretariat views the first three recommendations in paragraph 5a), b) and c) above as a package and suggests they should be considered as such as they are strongly interlinked. The fourth recommendation in paragraph 5 d) can be considered on its own merits.

7. Central to the first three recommendations, is the recommendation to change the current salary structure of the Secretariat to a new structure based on the SP10 points for professional staff. This proposed new structure is the one currently used by four agencies of the Council of Regional Organisations in the Pacific (CROP) namely Forum Fisheries Agency (FFA), Pacific Islands Forum Secretariat (PIFS), Secretariat to Pacific Community (SPC) and the Secretariat to Pacific Regional Environment Programme (SPREP). A decision against the adoption of the new SP10 based salary structure will render recommendations in paragraphs 5b) and c) above untenable as they are premised on the SP10 salary structure.

3. Current WCPFC Salary Structure and Staff Performance Evaluation

3.1 Salaries for professional staff

8. The current salary structure and pay scales for professional staff, except for the Executive Director, are based on the Cullen Egan Dell (CED) evaluation system and related salary scales. The CED system was used by CROP agencies when the Secretariat’s pay scales were adopted by the Commission. The CED system is based on a system of grades and within each grade there are nine steps. Table 1 below is the current salary structure for professional staff.

Table 1: Secretariat Salary Structure for Professional Staff

	Annual Salary		Annual Salary
Salary Level Grade/Point	SDR	Salary Level Grade/Point	SDR
I,1	25,100	L,1	53,435
I,2	26,358	L,2	56,776
I,3	27,617	L,3	60,119
I,4	28,874	L,4	63,462
I,5	30,133	L,5	66,804
I,6	31,391	L,6	70,147
I,7	32,648	L,7	73,489
I,8	33,909	L,8	76,833
I,9	35,151	L,9	80,152
J,1	35,048	M,1	64,271
J,2	36,597	M,2	68,289

J,3	38,145	M,3	72,307
J,4	39,693	M,4	76,326
J,5	41,241	M,5	80,343
J,6	42,790	M,6	84,361
J,7	44,338	M,7	88,381
J,8	45,886	M,8	92,400
J,9	47,415	M,9	96,405
K,1	45,666	ED,1	The Executive Director's salary is based on the UN's D1 salary scales^ (see website reference below)
K,2	47,682	ED,2	
K,3	49,695	ED,3	
K,4	51,709	ED,4	
K,5	53,722	ED,5	
K,6	55,736	ED,6	
K,7	57,749	ED,7	
K,8	59,765	ED,8	
K,9	61,790	ED,9	

9. The professional staff salaries are benchmarked against a reference market based on the average of relative positions in the New Zealand public service, Australian Public Service and Fiji General Market. The salaries are expressed in terms of Special Drawing Rights (SDR) and payable in USA dollars. The Commission bases any adjustments to salaries for professional staff on the results of the tri-annual reviews as required under the Staff Regulations which review the movements in the reference market and consistent with the reviews done for the relevant CROP agencies.

10. The Executive Director's salary is not placed on the CED system but is based on the United Nations Salary Scale at the D1 level and is expressed in USA dollars. Any adjustment to the UN-D1 level is also reflected in the Executive Director's salary.

3.2 Performance evaluation

11. In terms of staff performance evaluation, an evaluation is undertaken at the anniversary of a staff's contract in accordance with the process stipulated in the Staff Regulations. The process requires a staff to provide his or her own self-assessment before the staff's superior or manager provide his or her assessment of the staff's performance. As an outcome of the evaluation, the manager may recommend to the Executive Director the award of an annual increment. The Executive Director makes the final determination on the award of an annual increment. Once a staff member is at the ninth step of a grade, no further step increment can be awarded but the performance of the staff continues to be undertaken.

12. The performance evaluation of the Executive Director is set forth in his employment agreement. The evaluation is currently conducted by the Chair in consultation with Members.

3.3 Support staff

13. When the support staff positions were first graded, the FSM Telecommunication Corporation salary scales were used as a point of reference and a salary structure for support staff was developed using those rates. Those salary scales were later validated and are

comparable with wages and benefits offered by the various diplomatic embassies that operate within FSM. Adjustments to local staff salaries are based on the annual FSM cost of living index. Performance evaluations for support staff are conducted in the same manner as the professional staff. Table 2 below is the Support Staff salary structure.

Table 2: Current Salary Structure for Support Staff

Grade/Poin	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6	Point 7	Point 8	Point 9
Grade 1	\$27,07	\$28,85	\$30,76	\$32,79	\$34,95	\$37,26	\$39,72	\$42,34	\$45,13
Grade 2	\$23,83	\$25,40	\$27,08	\$28,87	\$30,77	\$32,80	\$34,97	\$37,28	\$39,66
Grade 3	\$21,61	\$23,04	\$24,56	\$26,18	\$27,91	\$29,75	\$31,71	\$33,81	\$36,18
Grade 4	\$18,88	\$20,13	\$21,45	\$22,87	\$24,38	\$25,99	\$27,70	\$29,53	\$31,48
Grade 5	\$16,15	\$17,21	\$18,35	\$19,56	\$20,85	\$22,23	\$23,70	\$25,26	\$27,56
Grade 6	\$12,77	\$13,61	\$14,51	\$15,47	\$16,49	\$17,58	\$18,74	\$19,97	\$21,29
Grade 7	\$9,39	\$10,01	\$10,67	\$11,37	\$12,12	\$12,93	\$13,78	\$14,69	\$15,64

4. The SP10 Salary Structure and Staff Performance Evaluation

4.1 SP10 Salary structure

14. The CED evaluation system and relevant grading rates used for professional staff are no longer used by other CROP agencies. The CROP Agencies, namely FFA, PIFS, SPC and SPREP, who are participants in the CROP Harmonized Remuneration Scheme (HRS) now base their salary scales and evaluation systems on the StrategicPay’s 10 points job evaluation system (SP10). Although these CROP agencies are still subscribed to the CROP HRS, their implementation and application of the HRS are at varying levels as determined ultimately by their respective governing councils. The key difference between the CED and SP10 structures is that the CED has only 5 grades for professional staff whereas the SP10 has 18 grades (bands) inclusive of professional and support staff. The other difference is that each grade in the CED structure is expressed in terms of 9 steps whereas the grades in the SP10 structure are expressed in terms of percentages i.e., 85% to 115%. Table 3 below is what a SP10 structure looks like.

Table 3: SP10 Salary Structure Grades for Professional Staff

CRO P Grade	85%	100% (Midpoint)	115%
18	120,532	141,802	163,072
17	99,365	116,900	134,435
16	85,251	100,295	115,339
15	72,473	85,262	98,051
14	60,883	71,627	82,371
13	51,767	60,902	70,037
12	45,295	53,288	61,281
11	39,456	46,419	53,382
10	29,097	34,232	39,367
9	29,097	34,232	39,367
8	25,999	30,587	35,175

15. Under the SP10 structure, each position is graded using StrategicPay's proprietary system and assigned SP10 points. The assigned points are based on the Terms of Reference (TORs) of a staff position and additional information gathered from consultations with the supervising staff and manager for that staff position. These SP10 points will determine the grade (band) for the position on the SP10 structure.

16. The salaries under the SP10 structure, like the current WCPFC structure for professional staff are also referenced to the same market of the average of related positions in the New Zealand public service, Australian Public Service and Fiji General Market. The salaries are also expressed in SDR. For locally recruited staff, adjustments are based on a national salary survey.

4.2 SP10 Staff Performance Evaluation

17. The staff performance evaluation system under the SP10 as explained in the 'Developing and Assessing Employee Performance Report (*Attachment C, WCPFC12-2015-FAC9-10*)' is an elaborate and complex system. For full details of the system, see pages 9 – 10 of the said Report. In any event, the outcome of the evaluation determines the movement of a staff within his or her salary range or referred to as the Position-In-Range (PIR). In the PIR system, a staff, based on annual performance reviews, can move between 85% and 115% of the salary range for the position. The midpoint is expressed as 100% and to reach the 100% point a staff member must be considered consistently fully competent and fully effective in the position. For a staff to progress beyond the 100% point the staff must consistently be assessed as outstanding in his performance and not just fully effective.

5. Job Evaluation Outcomes for Secretariat Staff

18. As reported to FAC9, Mr Geoff Summers, the Principal Consultant from StrategicPay Ltd., undertook the job evaluation and the outcomes of his evaluation are contained in the Job Evaluation Report, which is enclosed as part of the FAC9 working paper referenced in paragraph 2 above.

19. As part of the job evaluation, the Consultant transposed the value of each Secretariat position onto the SP10 salary structure. The Consultant used the SP10 methodology to evaluate the value of each Secretariat position.

20. As presented to FAC9 the Secretariat encountered challenges and difficulties in presenting the requisite information needed for the evaluation due to the following factors:

- a) absence of any understanding and comprehension of the SP10 methodology prior to and during the job evaluation;
- b) the WCPFC format of the terms of reference for Secretariat positions is not SP10 compatible, meaning that they do not directly address the 10 factors in the StrategicPay Job Evaluation Statement, which is central to the SP10 job evaluation methodology;
- c) the terms of reference for the existing staff positions required substantial updating for the SP10 job size evaluation;
- d) lack of internal capacity trained on how the SP10 methodology function;

- e) information imparted during the interviews undertaken in conjunction with the evaluation were unguided because of lack of understanding and knowledge of the SP10; and
- f) staff generally felt that insufficient time and information were provided and made available on SP10 in advance of, and during the evaluation exercise.

21. As background information, when the participating CROP agencies adopted the SP10 salary structure, the CED grades for professional positions as they were migrated onto the SP10 grades generally followed the pattern in the Table 4 below for professional staff. As an illustration, bands 8, 9 and 10 on the SP10 structure catered for positions that were formerly graded I in the CED structure.

Table 4: Comparison between the current Mercer CED scale and the new SP10 scale as per a 2010 paper provided to SPC governing body.

Position categories	CED Structure (grades)	SP10 Structure s (bands)
Positions advertised internationally	I	8
		9
		10
	J	11
		12
	K	13
		14
	L	15
		16
CEO	M	17
		18

22. As an outcome of the Consultant's job evaluation exercise the Secretariat positions as evaluated were assigned SP10 points and were placed on the SP10 structure as indicated in Table 5 below.

Table 5: Outcomes of Job Evaluation

Professional Staff	CED Grades (current)	SP10 Points	SP10 Grades (Band)
Executive Director	UN-D1	1201	17
Science Manager	L	829	14
Compliance Manager	L	816	14
Finance and Administration Manager	L	807	14
ICT Manager	K	652	13
Observer Programme Coordinator	K	603	12
Assistant Manager Compliance	J	600	12
VMS Manager	K	600	12
Assistant Manager Science Programme	J	578	12
Network Administrator	I	421	9

Locally Recruited Staff	Current Grades	SP10 Points	SP10 Grades (Band)
Administration Officer	2	393	8
Data Quality Officer	2	384	8
Finance Officer	3	369	8
VMS Operations Officer	5	320	7
Compliance Officer	4	320	7
RFV Officer - Assistant Data Entry	5	320	7
Project Management Assistant	4	318	7
Executive Assistant	5	288	6
ROP Data Control	7	220	4
Secretary / Receptionist	7	221	4

23. The Secretariat, in assessing the job evaluation outcomes, has serious reservations and agitations including concerns about the appropriateness of the SP10 methodology itself to evaluate the Secretariat positions, given the complex character and nature of the WCPFC as a regional fisheries management organization with a large international membership. In this context, the Secretariat has serious reservations concerning the consistent comparison of the WCPFC as a comparable agency to the CROP agencies and its purported CROP HRS in terms of staff remuneration conditions.

24. Accordingly, when transitioning the current Secretariat positions as job sized onto the SP10 structure, the WCPFC Secretariat is concerned that there are serious issues of inequity and fairness that needed to address what are considered anomalies arising out of the transition. The anomalies include:

- a) Staff that were recruited at the establishment of the Secretariat and still serving felt a sense of being unappreciated because of the perception that their current positions are being relegated to lower grades relative to where they were recruited from as incentive to join the Secretariat. As noted in paragraph 21 above, the pattern of transitioning from the CED structure to SP10, when CROP agencies moved to the SP10, appear inconsistent with the outcomes of the Consultant's evaluation for the Secretariat positions. One example, the senior managers graded L in the current CED structure are expected to move to SP10 grade (band) 14 instead of 15 or 16 which were purported to be the equivalence to graded L in the CED structure. The same is true with two other professional staff positions that are currently graded at K whose positions have been evaluated and assigned SP10 salary points that place them in grades in the SP10 structure far lower than the equivalence of their current salaries.
- b) Virtually all the support staff positions were assigned SP10 salary points that place them in grades in the SP10 structure far lower than the equivalence of their current salaries.
- c) Staff that have reached the maximum point of their current salary scale when placed on their new SP10 salary grade, found themselves below the maximum of their new grade, and thus appearing to lose out on their long years of services. So, there is a need to maintain the same relativity for all staff as they have progressed in their current grade as recognition of their years of services. To illustrate this point, if a staff is on step 5 in the current CED grades, there is a legitimate

expectation for that staff to maintain that relativity and move to 100% of the staff's new grade in the SP10 structure.

- d) The Executive Director position which is currently graded at UN-D1 level is being assessed at band 17 in the SP10 scales whereas all CROP CEO are all now placed on band 18, despite a couple of them were initially assessed using the same methodology and placed at band 17.

25. Considering the challenges and difficulties described in Paragraph 20 above, the Secretariat has reservations on the outcomes of the job evaluation using the SP10 methodology and the proposal to adopt the SP10 based salary structure.

6. Implementing the SP10 salary structure

26. However, should the Commission decide to adopt the new SP10-based salary structure, the Secretariat respectfully submit that provisions should be made to address the anomalies identified in paragraph 24 above on the ground of fairness and equity to the Secretariat staff. In that respect, the Secretariat will respectfully propose the following guidelines to guide the implementation of transitioning to the new SP10 salary structure:

- a) As a basic principle, no staff should be disadvantaged in the transition from the current salary structure to the SP10 structure;
- b) All existing contractual arrangements must be fully honored;
- c) The pattern of migration that guided the CROP agencies' movement to the SP10 structure in paragraph 21 above should be followed as a general guideline;
- d) Staff whose current salaries are above their new proposed salary range in the SP10 structure will have their salaries frozen until their new salary range catches up with their salary through the triannual reviews; and
- e) Staff's corresponding salary step in their current CED grade must be maintained in their new salary grade in terms of percentages in the SP10 structure.

27. In any job evaluation exercise, the outcomes using whatever methodologies are indicative only and not meant to be conclusive. The final decision on the placement of staff on the salary structure rests with the governing body of any organization which has the prerogative to consider other factors not necessarily accounted for in the job evaluation tool employed. These other factors, respectfully submitted, include the issue of relativity between staff positions and among other comparable organisations. The issues that this paper highlighted are strictly from the standpoint of fairness and equity for Secretariat staff. Reflecting on those issues in paragraphs 20 and 24 above, the Secretariat will respectfully propose the following grades for professional staff as set out in the farthest right column of the Table 6 below.

Table 6: Proposed SP10 grades for the Secretariat staff are provided in the fourth column.

Professional Staff	CED Grades (current)	SP10 Grades as assessed	SP10 Grades proposed
Executive Director	UN-D1	17	18
Science Manager	L	14	15
Compliance Manager	L	14	15
Finance and Administration Manager	L	14	15
ICT Manager	K	13	14
Observer Programme	K	12	13

Coordinator Assistant Manager Compliance	J	12	12
VMS Manager Assistant Manager Science Programme	K	12	13
	J	12	12
Locally Recruited Staff	Current Grades	SP10 Grade as assessed	SP10 Grades proposed
Administration Officer	2	8	8
Data Quality Officer	2	8	8
Finance Officer	3	8	8
VMS Operations Officer	5	7	7
Compliance Officer	4	7	7
RFV Officer - Assistant Data Entry	5	7	7
Project Management Assistant	4	7	7
Executive Assistant	5	6	6
ROP Data Control	7	4	4
Secretary / Receptionist	7	4	4

28. On the basis that the proposed SP10 salary grades for staff in paragraph 27 are endorsed together with the guidelines in paragraph 26, the cost implications using the SP10 salary structure in the StrategicPay report are illustrated in Table 7 below.

Table 7: Cost implications in implementing the SP10 salary structure under the conditions described in paragraphs 26 and 27.

Professional Staff	CROP Grade	85%	100% (Midpoint)	115%	Current Salaries (SRDs)	Difference (SRDs)
Executive Director	18	120,532	141,802	163,072	108,691	54,381
Science Manager	15	72,473	85,262	98,051	80,152	17,899
Compliance Manager	15	72,472.7	85,262	98,051	73,489	17,948
Finance and Administration Manager	15	72,473	85,262	98,051	80,152	17,899
ICT Manager	14	60,883	71,627	82,371	61,790	20,581
Observer Programme Coordinator	13	51,767	60,902	70,037	61,790	8,247
Assistant Manager Compliance	12	45,295	53,288	61,281	42,790	12,393
VMS Manager	13	51,767	60,902	70,037	61,790	8,247
Assistant Manager Science Programme	12	45,295	53,288	61,281	45,886	13,294
Network Administrator	9	29,097	34,232	39,367	N/A	N/A

Locally Recruited Staff	CROP Grade	85%	100% (Midpoint)	115%	Current Salaries (USD)	Difference (USD)
Administration Officer	8	17,416	20,489	23,562	37,282	0
Data Quality Officer	8	17,416	20,489	23,562	34,974	0
Finance Officer	8	17,416	20,489	23,562	36,189	0
VMS Operations Officer	7	14,964	17,605	20,246	27,568	0
Compliance Officer	7	14,964	17,605	20,246	29,538	0
RFV Officer - Assistant Data Entry	7	14,964	17,605	20,246	20,857	0
Project Management Assistant	7	14,964	17,605	20,246	18,883	0
Executive Assistant	6	14,964	17,605	20,246	22,233	0
ROP Data Control	4	11,451	13,472	15,493	12,128	292
Secretary / Receptionist	4	11,451	13,472	15,493	15,641	0

29. It should be noted that the full increases as recommended by StrategicPay for the CROP agencies have been implemented at different rate at each of the participating CROP agencies. No agency has fully implemented the StrategicPay recommended pay increase.

30. The cost of adopting the SP10 salary structure for all staff is estimated to be USD 359,162.

6.1 Implications of Replacing ‘Stepped Rates’ System to that of a Range Based on Performance and the Implications on the Secretariat performance evaluation system

31. In regards to staff performance evaluation, StrategicPay provided a paper titled “Developing and Assessing Employee Performance” (see attachment).

32. In the StrategicPay’s range-based system, a staff member’s performance is evaluated based on the terms of reference for the position, and the staff will be placed within the range of the staff member’s salary band. As described in Paragraph 17, the range is between 85% and 115% for each band with the midpoint at 100%.

33. The recommendation from StrategicPay is for the Commission to decide “if a new performance development and assessment system is needed to replace the system in current use.” If the Commission decides to adopt a new performance management system, then StrategicPay recommends the following steps:

- a) develop a System Purpose Statement as a first step;
- b) instruct management to undertake a job design process to develop well designed jobs as the basis of the new system;
- c) require managers to carefully assess the skills, qualities, characteristics and attributes that are needed to achieve the documented accountabilities;
- d) adopt a set of simple forms to document essential elements without impeding the vital aspect which is the quality of the conversations between manager and employee(s);
- e) adopt the system of informal, regular as-and-when-required meetings with an annual assessment;

- f) over time move to a compensation range of 85% to 100%; where 100% is the position where fully effective and fully competent staff are paid; and where performance at above the 100% level is rewarded with one-off bonuses; and where existing staff are grandfathered on the existing stepped range.

34. If the two recommendations above are adopted, additional resources will certainly be needed for training staff on the new system and develop Terms of Reference that are compatible with StrategicPay's performance management system. The estimated cost of these additional resources is assessed at \$40,000 USD.

6.2 Implications of Implementing the FSM Compensation Report 2015

35. In reviewing the local market, StrategicPay Ltd conducted a national salary survey. The majority of participants in the survey were the national and state governments and agencies in FSM. Many of the organizations interviewed for the private sector are government owed enterprises such as FSM Telecom and Petrocorp. Government salary scales in Pohnpei have not been adjusted since 1996.

36. Cost for conducting the survey with StrategicPay is \$8,500 USD per survey.

7. Discussions

7.1 Adoption of the CROP banding system based on the SP10 Points

37. The Committee will recall that, when the job evaluation was originally discussed and the terms of reference developed, the key objective of the evaluation was to ensure that Secretariat staff positions were properly evaluated (or sized) and placed appropriately on the Secretariat salary structure. The matter of the appropriateness of the Secretariat's salary structure was not considered nor a specific requirement of the terms of reference for the job evaluation exercise. Despite that, the Job Evaluation Report by the StrategicPay Ltd made its key recommendation to replace the current Secretariat salary structure with the current CROP banding system based on the SP10 points system.

38. The Secretariat has provided its assessment of the implications of implementing the recommendation to adopt and replace the current Secretariat salary structures with the CROP banding system based on the SP10 points system. As noted above, there would be implementation challenges in moving all staff positions to the SP10 points system because of issues of inequities and fairness as explained in paragraphs 20 and 24 above. The cost of moving to the new salary structure as may be guided by the guidelines in paragraph 26, if approved, is not insignificant and is assessed at USD \$359,162.

39. The Committee will therefore be required to consider the recommendation of the Job Evaluation Report to adopt the CROP banding system based on the SP10 points system to replace the current Secretariat salary structures.

40. The Secretariat, because of its concerns pertaining to the implementation challenges arising out of what it considered issues of inequities and fairness for staff as explained in paragraphs 20 and 24 above, will respectfully submit against the adoption of the CROP banding system based on the SP10 points system which replaces the current Secretariat salary structures.

7.2 Adoption of the SP10 points based staff performance appraisal system.

41. Associated with the recommendation to adopt of the CROP banding system based on the SP10 points system to replace the current Secretariat salary structures is the adoption of the new staff performance appraisal system for the Secretariat.

42. The proposed new staff appraisal system as explained in paper titled “Developing and Assessing Employee Performance”, is an elaborate and complex system. To support such a system requires the structures and mechanisms envisaged in paragraph 33 above in place. In addition, the new system will require additional human resources at the professional staff level that is properly trained and equipped to manage the system. The cost of a professional staff level position at the J level is between USD130,000 and USD210,000 depending on the number of dependents. The training costs for maintaining such a system have been estimated to be USD \$40,000. The Secretariat is of the view that such an elaborate and complex system is untenable in an organization of the size of the Secretariat.

43. The Committee’s consideration of this recommendation will depend on its decision in respect of the recommendation to replace the current Secretariat salary structures. If the Committee decides against replacing the current salary structures, then this recommendation is irrelevant as it is premised on the adoption of the SP10 points system. However, if the Committee supports the new salary structure, it can consider this recommendation and assess whether the proposed system is suitable for the Secretariat at its current size and staff constraints.

7.3 Outcomes of the job evaluation

44. As alluded earlier, the key objective of the job evaluation exercise was to ensure that the Secretariat staff positions were properly evaluated (or sized) and placed appropriately on the Secretariat salary structure. Despite the challenges, the Secretariat encountered in furnishing the requisite information for the job evaluation using the SP10 evaluation methodology, and the Secretariat recognizes the key findings of the evaluations. The Secretariat envisages two scenarios in respect of this issue, depending on the decision on the recommendation of the Job Evaluation Report to adopt the CROP banding system based on the SP10 points system to replace the current Secretariat salary structures.

45. The first scenario arises if the new salary structure is adopted. In that case the Secretariat will propose that the proposed SP10 grades in the farthest right column in Table 6 in paragraph 27 above will be the bands (or grades) in the new salary structure that staff positions will move to as guided by the proposed guidelines in paragraph 26 above. The cost for this scenario is assessed at USD \$359,162

46. The second scenario is when the current salary structures are retained. In that case, the evaluation outcomes in the Job Evaluation Report as set out in Table 5 in paragraph 22 above should be acknowledged and is proposed as the basis for implementing the job evaluation outcomes. For the professional staff, three positions need to be adjusted. As per the evaluation, the Assistant Manager Compliance and the Assistant Manager Science Programme were assessed at the same level as the VMS Manager and the Observer Programme Coordinator. The ICT Manager was assessed at a level that is higher than the VMS Manager and the Observer Programme Coordinator but lower than the three senior

managers. Since there is no current grade in that range, the CED grade for the position would need to be split between grades K and L.

47. For the local staff the Finance Officer was assessed at the same level as the Administration Officer and the Data Quality Officer. For the VMS Operations Officers and the RFV Officer – Assistant, Data Entry are rated at the same level as the Compliance Officer and the Project Management Assistant. The implications for affecting the outcomes of the job evaluation as follow:

Professional Staff	CED Grades (current)	SP10 Grade as assessed	CED Grades (proposed)
Executive Director	UN-D1	17	UN-D1
Science Manager	L	14	L
Compliance Manager	L	14	L
Finance and Administration Manager	L	14	L
ICT Manager	K	13	K step 5 to L step 4
Observer Programme Coordinator	K	12	K
Assistant Manager Compliance	J	12	K
VMS Manager	K	12	K
Assistant Manager Science Programme	J	12	K
Locally Recruited Staff	Current Grades	SP10 Grade as assessed	SP10 Grades proposed
Administration Officer	2	8	2
Data Quality Officer	2	8	2
Finance Officer	3	8	2
VMS Operations Officer	5	7	4
Compliance Officer	4	7	4
RFV Officer - Assistant Data Entry	5	7	4
Project Management Assistant	4	7	4
Executive Assistant	5	6	5
ROP Data Control	7	4	7
Secretary / Receptionist	7	4	7
IT Officer*	3	N/A	3

*Hired after the evaluation by StrategicPay

48. The costs for implanting these changes for 2017 are USD28,871

8. Recommendations

49. The Committee is invited to recommend to WCPFC13 that it:
- a) notes the key recommendations of the Job Evaluation Report prepared by StrategicPay Ltd, in the report formally titled “Report on Job Evaluations in a Project to Evaluate Professional and Support Roles at the Commission’s Premises in Kolonia, Pohnpei, Federated States of Micronesia” received by Secretariat on 20th November, 2015;
 - b) declines to support the recommendation to adopt the CROP banding system based on the SP10 points to replace the current Secretariat salary structures (*recommendation 5 of Report*);
 - c) declines to support the recommendation to adopt a new staff performance appraisal system where staff are paid within a range based on performance rather than on annual step increases (*recommendation 7 of Report and in the Developing and Assessing Employee Performance Report*);
 - d) endorse the realignment of certain staff positions as evaluated in the Job Evaluation Report and to be implemented within the current Secretariat salary structures as laid out in paragraphs 46 and 47 above; and
 - e) notes the FSM Compensation Survey.



**TWELFTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Ninth Session
Bali, Indonesia
2 - 8 December 2015**

JOB SIZING FOR SECRETARIAT STAFF

**WCPFC12-2015-FAC9-10
23 November 2015**

Purpose

1. The purpose of this paper is to present the report of the job evaluation (job sizing) of the Secretariat positions as required by WCPFC11 in response to a recommendation of FAC8.
2. The paper also tables for information two other associated reports namely:
 - a. Developing and Assessing Employee Performance; and
 - b. The FSM Compensations Survey.

Background

3. The FAC8, in the course of considering the paper on the ‘Established Indices for Professional Staff Salary Adjustments’ (WCPFC11-2014-FAC8-09), recommended a job sizing study of the Secretariat positions to be undertaken and tasked the Secretariat to develop a Terms of Reference (TOR). The recommendation was endorsed by the Commission at WCPFC11 and a budgetary allocation of \$25,000 was provided for a consultant to undertake the study.

4. The TORs for the study is in Attachment A to this paper.

5. Mr Geoff Summers, Principal Consultant from Strategic Pay Ltd undertook the job evaluation and his report titled “Report on Job Evaluations in a Project to Evaluate Professional and Support Roles at the Commission’s Premises in Kolonia, Pohnpei, Federated States of Micronesia” is in Attachment B. The Final Report was received by the Secretariat on 20 November, 2015.

6. Strategic Pay Ltd was preferred for the consultancy as they had conducted the most recent job sizing exercises for the CROP agencies and they were also in the process of preparing to conduct a national salary survey for locally employed staff which was needed for and relevant to the job sizing exercise.

7. The two other reports produced by the Consultant in association with the job sizing evaluation consultancy include:

- a. Developing and Assessing Employee Performance, received on 7 October, 2015 in *Attachment C*; and
- b. The FSM Compensation Report 2015, received on 20 November, 2015 in *Attachment D*.

8. The 'Developing and Assessing Employee Performance Report' outlines a potential system that could be implemented to replace the current performance evaluation system. The proposed system appears to entail extensive resource implications by setting up the appropriate structures and processes to support it and require in-house technical capability to manage the system. The Secretariat will require more time and technical guidance in assessing the implications of this new performance evaluation system.

9. The FSM Compensation Report is a voluminous report and the first of its kind to be undertaken for FSM. It is a valuable report and will be the basis of a structured local salary market for FSM. The Secretariat will require more time to undertake a proper analysis of the report and assess its implications on the terms and conditions of the locally recruited staff.

10. This paper will address only the Job Evaluation Report.

Job Evaluation Report

11. The job evaluation report is clear in its description of the evaluation process in terms of the collection of the necessary information to undertake the evaluation using the Strategic Pay Ltd owned proprietary methodology called SP10. The sources of the information were drawn from the terms of reference for the positions and the interviews with supervisors available.

12. What the report did not elaborate on are the challenges and difficulties encountered by the Secretariat in presenting the information sought in a format and structure that adequately capture the essential elements of a Secretariat staff position that matches the ten criteria of the SP10. The reasons for those difficulties include:

- a. The WCPFC format of the terms of reference for all Secretariat roles is not SP10 compatible;
- b. The terms of reference used for staff recruitment were outdated for 4-10 years and required refreshing and updating for the SP10 job size evaluation ;
- c. There is no internal capacity trained on how the SP10 methodology is applied;
- d. The information imparted during the interviews undertaken were unguided because of lack of knowledge and understanding of the SP10; and

- e. Insufficient time and information were available on the SP 10 in advance of the evaluation exercise.

The Report Recommendations

13. The Job Evaluation Report made 9 recommendations in total. They are conveniently listed on page 1 of the report as part of the Executive Summary.

14. Recommendations 1, 2, 3, 6 and 8 are noting recommendations.

15. Recommendations 4, 5, 7 and 9 are substantive recommendation and require further consideration and decision. These recommendations will be assessed and considered individually with the Secretariat providing its initial views and suggest proposed way forward.

Recommendation 4

16. The text of recommendation of recommendation 4 is:

Agree to continue the system of paying Professional staff in SDRs, the alternatives not having advantageous components sufficient to require a change.

17. The use of the SDR has not been an issue so the recommendation is readily acceptable to the Secretariat.

Recommendation 5

18. The text of recommendation 5 is:

Agree to adopt the CROP Banding system based on SP10[®] points to replace the current banding system based on superseded CED points.

19. This recommendation is the most substantive of the recommendations as it calls for a new salary structure. The proposed new structure is one anchored on the SP10 points and currently use by the 4 CROP agencies (PIFS, FFA, SPC and SPREP) that are participants of the CROP harmonised remuneration scheme.

20. The Secretariat in assessing this recommendation reflected initially on the advantages and disadvantages of the current salary structure and did the same for the proposed structure.

21. The advantages and disadvantages of the current structure are summarised in table below:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Simple and easy to follow ▪ No major complaint by staff ▪ Seem to suit the size of the Secretariat 	<ul style="list-style-type: none"> ▪ Outdated as no other CROP agency using it. ▪ Some difficulty in managing regular salary reviews and increases. ▪ One system for ED, another for professional staff and another for local staff.

	<ul style="list-style-type: none"> ▪ The ED UN-D1 salary scale has been overlapped by CROP Grade M.
--	--

22. The advantages and disadvantages of the proposed SP 10 Banding structure are summarised in table below:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Used by 4 CROP agencies including FFA. ▪ Early WCPFC decision to link terms and conditions of employment to CROP conditions. ▪ Has inbuilt regular salary reviews and increase. 	<ul style="list-style-type: none"> ▪ WCPFC not a member of CROP and has no input to discussions on salary issues. ▪ WCPFC is an international organisation not a regional agency like the CROP agencies. ▪ Lack of in-house capacity to understand and manage the SP 10 based system. ▪ How harmonised are the CROP?

23. In terms of recruitment and employment of staff of the Secretariat, the paramount consideration, as provided by Article 16(2) of the WCPFC convention, shall be the necessity of securing the highest standards of efficiency, competence and integrity. Subject to this consideration, due regard shall be paid to the importance of recruiting the staff on an equitable basis between the members of the Commission with a view to ensuring a broad-based Secretariat.

24. Guided by that paramount consideration and in light of the limited time available to conduct in-depth analysis of the implications of transitioning to a new salary structure, the Secretariat will respectfully ask the Committee to defer consideration of this recommendation and to task the Secretariat to undertake the necessary analysis and report back to the next FAC meeting.

Recommendation 7

25. The text of recommendation 7 is:

<p>Consider whether the system of stepped rates over a nine year cycle that is inherent in the Commission’s banding system is still relevant to the business environment within which the Commission operates; and consider whether the annual step system would be continued if alignment was instead made to the CROP Banding system where staff are paid within a range based on performance rather than on annual step increases.</p>

26. This recommendation is contingent on the decision in respect of recommendation 5 on the adoption of the SP 10 points based banding system.

27. Subject to the decision on recommendation 5, the Secretariat will need time and technical assistance to assess and analyze the implications of transitioning from the current system of stepped rates to that of a range based on performance.

Recommendation 9

28. The text of recommendation is:

Review the policy of fixed term employment as part of the Compensation project.

29. This issue was not included in the TOR but obviously the Consultant saw merits in raising it. The Secretariat has no strong preference on this recommendation.

Outcomes of the Job sizing evaluation

30. Irrespective of which salary structure the Commission uses, the outcomes of the job size evaluation support the realignment of the salary grades for some positions. The realignment acknowledged in the report include:

- a. The Assistant Manager Compliance and the Assistant Manager Science Programme should be at the same level as the VMS Manager and the Observer Programme Coordinator. Currently they are one level below those positions in the current system.
- b. The IT Manager position is recommended one level above the VMS Manager, the Observer Programme Coordinator, Assistant Manager Compliance and the Assistant Manager Science Programme, but at a level below the Science Manager, Compliance Manager and Finance and Administration Manager. This poses a problem within the current system as there is presently no intermediary grade between the three senior managers and the lower grade managers in the current system.
- c. There are several positions within the local support staff that need to be adjusted to be in line with the job sizing valuations.

Recommendations

31. The Committee is invited, in respect of the 'Report on Job Evaluations in a Project to Evaluate Professional and Support Roles at the Commission's Premises in Kolonia, Pohnpei, Federated States of Micronesia, to:

- a. Note the Report;
- b. Note recommendations 1, 2, 3, 6, 8 and 11;
- c. Support recommendation 4 for the continued use of system using SDR to paying Professional staff;
- d. Note recommendation 5 and task the Secretariat to analyse the implications of the proposal to adopt the CROP Banding system based on SP 10 points for professional staff and report back to FAC10;
- e. Note recommendation 7 and task the Secretariat to analyse the implications of replacing 'stepped rates' system to that of a range based on performance and report back to FAC10;
- f. Approve the job evaluation outcomes for the positions of Assistant Manager Compliance, Assistant Manager Science Programme, and IT

Manager; and task the Secretariat to include the recommended changes as part of the proposed 2017 budget; and

- g. Approve the job evaluation outcomes for the local staff positions and task the Secretariat to include the recommended changes as part of the proposed 2017 budget

32. The Committee is asked to note the Developing and Assessing Employee Performance Report and task the Secretariat to analyse its implications on the Secretariat performance evaluation system and to report back to FAC10.

33. The Committee is asked to note the FSM Compensation Report 2015, and to task the Secretariat to assess the report and its implications on the remuneration conditions of the local staff and to report back to FAC10.



TERMS OF REFERENCE

Objectives

This consultancy involves the following tasks:

- Evaluation of job bands and roles
- Review the market data that underpins the professional and support staff scales currently being used, and if appropriate recommend alternative reference markets
- Make recommendations on a transparent and workable remuneration system for implementation;
- Review the current performance management system and make recommendations for improvement;
- Review job sizing criteria to include all the above and current employee remuneration information

Scope of Consultancy

This consultancy is focused on reviewing the job sizes and job evaluation methodology for all WCPFC Secretariat roles, and reviewing the current performance management system. The consultancy will reference relevant regional experience within CROP agencies and more broadly as required.

Included in this consultancy are:

- consultations with Managers, Executive and staff
- Information gathering and analysis
- Discussions on the current performance management system
- Reviewing market data for local support staff

Expected Outcome

Draft job sizes for all WCPFC roles

Information on all roles, identifying:

- Relevant salary band and job family
- Translation costs of implementing any proposed recommendations

Performance Management

- Evaluation of Performance Management System and recommendations to change/improve current system
- Recommendation on appropriate levels/methods of performance pay.

Time Schedules, Coordination and Reporting Requirements

Reporting to – [Aaron Nighswander / Executive Director]

Job evaluations

- Initial sizing of all WCPFC Secretariat roles
- Review of draft job sizes by Managers and staff
- Tentative placement of roles into appropriate bands for Management and Executive approval
- Maintain information of job data

Matching to appropriate salary and band

- Placement of positions at appropriate salary

Change Management

- Developing a strategy to implement any recommended changes
- Communicating changes to Executive Staff
- Field FAQs
- Consultation with all staff and Divisions

Performance Management

- Review application of Performance Management systems in WCPFC
- Assess fit and application issues in light of WCPFC's Performance Management framework
- Fine-tune and test
- Communicating any proposed changes to staff

Western and Central Pacific Fisheries Commission

Report on job evaluations in a project to evaluate professional and support roles at the Commission's premises in Kolonia, Pohnpei, Federated States of Micronesia

Private & Confidential | Commercially Sensitive

**Prepared by Geoff Summers
Principal Consultant
Strategic Pay Limited
November 2015**

Contents

Executive summary	1
Recommendations	1
Background	2
The roles to be evaluated	2
Professional staff roles	2
Support staff roles	2
Job evaluation methodology	3
Process	3
Reviews	3
Evaluation outcomes	3
Commentary on Professional staff evaluations	4
Alignment to market compensation rates	5
Support Staff market alignment	6
Professional staff market alignment	6
Pay banding systems	8
CROP Band alignments	8
Need-to-pay principle	10
Two Four-year terms Limits	11
Appendix 1: SP10 [®] job evaluation methodology	12
Appendix 2: Consultants undertaking the project	13

Figures

Figure 1 - Inputs to pay policy	5
Figure 2 - Comparison of Professional staff against 2014 CROP Band recommendations	9

Table

Table 1 - Professional roles.....	2
Table 2 - Support roles	2
Table 3 - Job Evaluation outcomes 10 Professional roles	3
Table 4 - Job Evaluation profiles 10 Support roles	4
Table 5 - Professional roles alignment to CROP Bands	9
Table 6 - SP10 [®] points converted to current Commission Bands	10

Executive summary

This report outlines the results of a job evaluation project which tested the job sizes of ten Professional and ten Support staff roles employed at the Commission's Pohnpei location. The evaluations were conducted by a Strategic Pay Principal Consultant using the proprietary methodology called SP10[®] and an opportunity was provided to incumbents to request reviews. The reviews were conducted from the submissions received, this process was led by a separate Strategic Pay Senior Consultant. There are 20 final evaluations outlined in this report.

Commentary is provided in regard to alignment to market rates for the evaluated roles. It is recommended that the Support staff roles be aligned to the FSM Compensation Survey which will be published shortly. The recommendation for the Professional roles is to align them: firstly, to the CROP Banding system (which is also based on SP10[®] outcomes); and secondly, to continue to use SDRs as the payment method.

Other recommendations are made where the matters concerned were noted and are likely to be of use to the Commission.

Recommendations

It is recommended that the Commission

- (1) **note** the job evaluation outcomes for Professional staff as shown in Table 3 and where they fit within: (i) the SP10[®] internal relativity scale; (ii) the CROP Banding system; and (iii) the current Commission Banding system and also note the SP10[®] and JobWise[®] outcomes achieved for the ten Support Staff roles as shown in Table 4.
- (2) **note** that the evaluations of the first and second tier roles are somewhat large for an organisation the size of the Commission, but those outcomes have been carefully tested by Strategic Pay against the specific nature of the Commission's business and the SP10[®] outcomes achieved against CROP Agency roles, and found these results to be valid.
- (3) **note** that the yet-to-be published FSM Compensation Survey will enable accurate market alignments to be applied to the Support staff roles.
- (4) **agree** to continue the system of paying Professional staff in SDRs, the alternatives not having advantageous components sufficient to require a change.
- (5) **agree** to adopt the CROP Banding system based on SP10[®] points for Professional Staff to replace the current banding system based on superseded CED points.
- (6) **note** the placements of the Professional staff against the recommended 2014 CROP Band rates in Figure 2, noting that there would not be a significant increase in costs to ensure all were paid within the ranges if adopted; **noting** further that these were only 2014 recommended rates and a 2015 calculation might show a slightly different picture because rates will have increased.
- (7) **consider** whether the system of stepped rates over a nine year cycle that is inherent in the Commission's banding system is still relevant to the business environment within which the Commission operates; and **consider** whether the annual step system would be continued if alignment was instead made to the CROP Banding system where staff are paid within a range based on performance rather than on annual step increases.
- (8) **note** that the reason behind some Professional roles appearing to be in a lower Commission Band than previously is likely to be due to a policy decision made some years ago to pay in a higher band rather than any serious diminution in job size over time.
- (9) **review** the policy of fixed term employment as part of the Compensation project.

Background

1. The Western and Central Pacific Fisheries Commission (“the Commission”) requested that Strategic Pay Principal Consultant, Geoff Summers (“the Consultant”), conduct a job evaluation study of the roles that constitute the Commission’s staff at the Head Office complex in Kolonia, Pohnpei, Federated States of Micronesia. The Consultant traveled to Pohnpei for this and other assignments in September 2015.

The roles to be evaluated

2. There were twenty roles to be evaluated; 10 Professional Staff roles and 10 Support Staff Roles. Note that some roles have a number of incumbents.

Professional staff roles

3. Professional staff are qualified employees from other countries brought in to perform specialist technical activities; being the Executive Director (the role that undertakes the duties of the CEO), some specialist fisheries research science roles, some specialists in compliance activities related to the conservation and management of migratory fish stocks, and a specialist Finance and Administration Manager.

4. There are four second tier roles that report to the Executive Director: Science Manager, Compliance Manager, Finance and Administration Manager and ICT Manager. Three roles report to the Compliance Manager, one to the Science Manager and one to the ICT Manager with the remainder of the support staff reporting to the Finance and Administration Manager. The Professional Staff roles are listed in Table 1.

Executive Director
Science Manager
Compliance Manager
Finance and Administration Manager
ICT Manager
Observer Programme Coordinator
Assistant Manager Compliance
VMS Manager
Assistant Manager Science Programme
Network Administrator

Table 1 - Professional roles

Support staff roles

5. The Support Staff are local citizens who undertake a variety of roles from data management to administration activities. Five of these roles report to the Compliance Manager, four to the Finance and Administration Manager and one to the Science Manager. Support Staff roles are listed in Table 2.

Administration Officer
Data Quality Officer
VMS Operations Officer
Compliance Officer
RFV Officer - Assistant Data Entry
Finance Officer
Project Management Assistant
Executive Assistant
ROP Data Control
Secretary / Receptionist

Table 2 - Support roles

6. There were some additional support roles which undertake duties of a tactical nature (security guards, gardeners and cleaners) but those did not need to be evaluated because they were able to be ‘sized’ appropriately using a job mapping tool that was in use to collect data for a country-wide compensation survey that was in progress at the time of the Consultant’s visit.

Job evaluation methodology

7. The evaluations were conducted using Strategic Pay's 10 Factor job evaluation system (SP10[®]), a summary of the ten factors is attached in Appendix 1. SP10[®] has been widely used for three decades across the public and private sectors in New Zealand. It is also the primary job sizing tool used within the CROP Agencies across the Pacific (mainly in the south although SPC roles in northern Pacific states are also sized in SP10[®], including in Pohnpei).

8. SP10[®] is also used extensively by PwC Fiji (under license to Strategic Pay) to size many roles in numerous enterprises in Fiji and is the basis of a very long standing country-wide Salary Survey undertaken by PwC Fiji.

Process

9. The evaluations were conducted by the Consultant reading the job content that was apparent in the Terms of Reference ("ToR") documents that form the basis of job descriptions in the Commission. These did not (which is not unusual) provide sufficient information to complete the final evaluations, so discussions were held with appropriate people to gain additional information. Supporting details were gathered through skype interviews, in person interviews and written submissions. A meeting was also held with all staff to outline the process and answer questions about it. This was not however an information gathering exercise, it was for the purposes of staff information.

Reviews

10. A process of review was implemented. SP10[®] has a capability to have a two page explanation of the evaluation outcome to be printed and provided to the incumbent to assist with understanding and validity testing of the outcome. A number of staff took the opportunity to comment by submitting a review request. In most cases, the review requests from the incumbents were backed up by comment from the Manager concerned.

11. The reviews were undertaken within Strategic Pay by the Consultant and a Senior Consultant from the Wellington office. A number of changes to evaluations resulted from that process, although not all were altered. The outcomes at this stage were determined to be final.

Evaluation outcomes

12. The evaluations result in a numerical score. Those scores are then displayed in the tables below as CROP Agency bands (because those Bands are based on ranges of SP10[®] points) and WCPFC Bands. The latter are a conversion which is at best approximate (see explanations below). The evaluation outcomes for the ten Professional Staff roles are displayed in Table 3.

Role	SP10 [®] Points	CROP Professional Band	WCPFC Band at SP10 [®] points conversion
Executive Director	1201	17	-
Science Manager	829	14	K
Compliance Manager	816	14	K
Finance and Administration Manager	807	14	K
ICT Manager	652	13	J
Observer Programme Coordinator	603	12	J
Assistant Manager Compliance	600	12	J
VMS Manager	600	12	J
Assistant Manager Science Programme	578	12	J
Network Administrator	421	9	I

Table 3 - Job Evaluation outcomes 10 Professional roles

13. The provisional evaluations for Support Staff roles are displayed in Table 4. Note that the final column is the reference to the Strategic Pay JobWise[®] system that is currently in use to collect and collate data for the inaugural FSM Compensation Survey. That survey is for locally employed roles and the JobWise[®] placement will determine the pay alignment to the survey.

Role	SP10 [®] Points	CROP Support Band	JobWise [®] placement
Administration Officer	393	8	L3
Data Quality Officer	384	8	L3
Finance Officer	369	8	T3
VMS Operations Officer	320	7	T2
Compliance Officer	320	7	T2
RFV Officer - Assistant Data Entry	320	7	T2
Project Management Assistant	318	7	S5
Executive Assistant	288	6	S5
ROP Data Control	220	4	S3
Secretary / Receptionist	221	4	S3

Table 4 - Job Evaluation profiles 10 Support roles

Recommendation

14. It is recommended that the Commission note the job evaluation outcomes for Professional staff as shown in Table 3 and where they fit within: (i) the SP10[®] internal relativity scale; (ii) the CROP Banding system; and (iii) the current Commission Banding system and also note the SP10[®] and JobWise[®] outcomes achieved for the ten Support Staff roles as shown in Table 4.

Commentary on Professional staff evaluations

15. The size outcome for the Executive Director role and the three most senior of the second tier roles are large evaluations for an organisation of this size. The four largest professional roles all result in larger job sizes that would normally be seen in an enterprise that is within the 'small organization' category in SP10[®]'s definitions. "Small" in SP10[®] is where the enterprise has less than \$NZ60 Million revenue per annum and/or less than 200 staff; the Commission is well towards the lower end of that definition. However, there are good reasons, and some closely related precedent, for these outcomes.

16. The CROP Agencies' senior roles are all evaluated in SP10[®] with consistent similar sizing outcomes for senior professional staff, and they are also, in the main, small organizations (the exception being SPC which is classed as a "Medium" sized organization and the SPC outcomes are consequently larger).

- (1) In regard to the Executive Director evaluation, the size achieved is: (i) a little smaller than the Director General of FFA and the Director of SOPAC; (ii) smaller by a larger degree than the Secretary General of PIFS; and (iii) much smaller than the Director General of SPC which is a much larger role.
- (2) The second tier roles (with the exception of the ICT Manager role which everyone appears to agree is smaller than the others) have different profiles and total scores, but all would align to CROP Band 14. That is consistent with the sizing of the second tier roles (we do not class Deputy Director Generals or similar roles as a tier on their own) in CROP Agencies.

17. Normally, Strategic Pay would expect first and second tier roles to be smaller in organizations that are themselves smaller than the comparators, especially where the comparators are larger in both staffing and annual revenue. The most significant comparator to the Commission is FFA which has roughly double the staff and revenues. That the Consultant has achieved a different result to that expectation requires further explanation.

18. It was the regional nature of the work that the CROP professional roles perform that drove the CROP evaluation outcomes. The CROP Agencies are controlled by Boards or Commissions made up of regional representatives, in the case of FFA (the closest comparable organization to the Commission) there are 17 representatives of the governments of coastal Pacific States with keen interests in the management of migratory fish stocks mainly, but not exclusively, Tuna. It is the inherent complexity, problem solving and high level interpersonal skill use needed to operate in such a complex multi-country regional environment that drove the job evaluation scores higher than we might normally expect for the CROP senior roles.

19. In the case of the Commission, the enterprise is smaller overall than FFA, partly due to a deliberate decision to achieve the Commission's mission by contracting out a lot of the work that might otherwise be undertaken by internal staff. Those contracts include work performed for the Commission by some CROP Agencies including SPC and FFA. This creates some additional complexity because key staff seek to achieve critical accountabilities by managing the efforts of technical specialists in other enterprises through contractual obligations.

20. There is also a more critical difference between FFA and the Commission, that is the international, rather than regional, nature of the enterprise. The Commission has 26 members which include all the 16 members of FFA. The additional members are some of the powerhouse economies of the world. There are also seven participating territories (Pacific countries that are not self-governing) and seven cooperating non-members. The countries that the Commission staff have to deal with are:

- (1) **26 Member countries:** Australia, China, Canada, Cook Islands, European Union, Federated States of Micronesia, Fiji, France, Indonesia, Japan, Kiribati, Republic of Korea, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States of America, Vanuatu.
- (2) **7 Participating Territories:** American Samoa, Commonwealth of the Northern Mariana Islands, French Polynesia, Guam, New Caledonia, Tokelau, Wallis and Futuna.
- (3) **7 Cooperating Non-member(s):** Ecuador, El Salvador, Mexico, Panama, Liberia, Thailand, Vietnam.

21. The difference in the Commission's activities to that of FFA are significant. The Commission is a truly international organization rather than a regional one. The Commission's staff have to deal with, and obtain consensus decisions from, the competing interests of this large and diverse membership including government representatives of many of the world's major countries. A further complication is the cooperating non-members who participate due to their interests in commercial fishing.

22. In addition, 70% of the migratory fish stocks that agencies seek to conserve and manage are within the Commission's area of concern – the Western and Central Pacific.

23. So, whilst the outcomes look a little high for an enterprise of the Commission's size, the Consultant is comfortable that they are appropriate, the scores are high but given the job content and international context of the organization, not overly generous.

Recommendation

24. It is recommended that the Commission note that the evaluations of the first and second tier roles are somewhat large for an organisation the size of the Commission, but those outcomes have been carefully tested by Strategic Pay against the specific nature of the Commission's business and the SP10[®] outcomes achieved against CROP Agency roles, and found these results to be valid.

Alignment to market compensation rates

25. There are five areas for consideration that must be incorporated into any organization's pay policy. This is diagrammatically displayed in Figure 1.

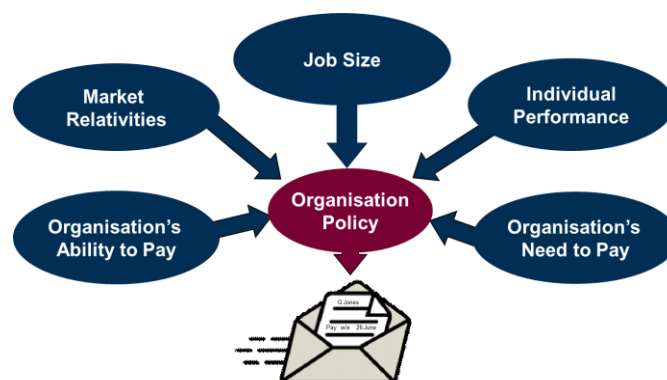


Figure 1 - Inputs to pay policy

- (1) The first consideration is Job Size. That has been accounted for in this project by use of SP10[®].
- (2) The second consideration is Market Relativities. In countries where there are market compensation surveys, this consideration requires aligning the pay of each staff member to that survey(s) in appropriate form.

For the Commission's Support staff roles this will be able to be accommodated for the first time in Pohnpei shortly when the Strategic Pay FSM Compensation Survey is published. For the Professional staff, this is a more complex problem and a section of this report is dedicated to this consideration.

- (3) The third consideration is Individual Performance. The Commission requested advice on this aspect and that has been provided.
- (4) The fourth consideration is the Need-to-pay. This involves understanding how much affect pay is having on the organization's recruitment and retention profile. This is also discussed later in this report because there has been a previous significant decision within the Commission, apparently due to this consideration.
- (5) Finally there is the need to consider the Ability-to-pay. Affordability is a critical element of any staff compensation policy – the policy must be able to be implemented within the enterprise's financial means.

26. There are of course interactions between some these considerations in some circumstances. For example, the Commission's budget may not have sufficient funding approved to meet some urgent needs to counter recruitment or retention issues, so affordability may take priority. However in doing so, that may create a crisis within the staffing situation if the consequence is that suitable staff cannot be recruited or retained - which then leads to not-achievement of the Commission's Mission. Both the governance and the management of the Commission must take these interactions into account when setting funding levels.

Support Staff market alignment

27. The Commission is currently considered to be a 'good' payer of support staff in the Pohnpei market. Whether or not this perception is true will become clear once the Survey is published. It is not sensible to pursue this matter until that situation is clarified. There will be some critical decisions that the Commission will need to make, at that time, in regard to future market alignment strategies which meet the recruitment and retention needs in relation to locally sourced support staff.

Recommendation

28. It is recommended that the Commission note that the yet-to-be published FSM Compensation Survey will enable accurate market alignments to be applied to the Support staff roles.

Professional staff market alignment

29. Professional staff are currently paid in Special Drawing Rights (SDR). However, what relationship the current paid rates have to any external market alignment is, at best, unclear; that is one of the difficulties of SDR-based pay systems.

30. It is clear that there was an historic job evaluation of Commission roles undertaken using the Cullen Egan Dell (CED) evaluation system, and the construction of the Commission's pay band system was part of that evaluation exercise. When that was conducted and whether it was by CED itself or by Mercer HR Consulting (who acquired CED in about 1999) is not known. The use of the CED system may have been an early alignment with CROP systems - the previous CROP evaluations that were replaced by SP10[®] in about 2008/9 were also CED evaluations.

31. The alignment to SDRs was most likely a part of the recommended system installed at the time of those evaluations. The Consultant understands that the CED evaluation system has not been supported by Mercer HR Consulting for many years, internationally they use a different system called IPE. So the foundation of the existing system is precarious, based on an unsupported system of very old job evaluations outcomes.

32. Whilst that puts a serious question mark around the current Pay Banding system, it does not imply that SDRs are inappropriate for the compensation of the Commission's Professional staff. Given that there is no survey of pay rates that is closely aligned to the Commission's Professional staffing, there are three possibilities when it comes to alignment of the Commission's Professional staff roles:

- (1) Use the United Nations pay compensation system that is currently used to compensate the Executive Director; or
- (2) Create a new system based on the pay rates of the five agencies that operate similarly to the Commission, these agencies already cooperate significantly and obtaining information is not considered to be a serious hurdle to this option; or
- (3) Continue to use SDRs, which are currently used for all Professional staff (except the Executive Director) and are also the basis of the compensation system still utilised in the CROP Agencies for Professional staff.

United Nations system

33. This is available and could be utilized. The major problem is that it is also available to the CROP Agencies and they have not adopted it. They are comparable enterprises to the Commission, operating in the same or contiguous areas, and it would be difficult to understand why the Commission would adopt a completely different system to the CROP Agencies; especially because there is a transfer of staff between CROP and the Commission at times. There are also some other problems with this possibility.

34. Firstly, it is a system that is cumbersome and moves very slowly. For example, it was reported to the Consultant that the alignment with this system for the Executive Director role is currently under stress because the UN Band for that role is being overlapped quite significantly by the Commission's existing Banding system which creates the situation where the margin of the senior role is being diminished. The Consultant did not have time to seriously investigate this situation, it was not part of the proposal to undertake this project, but the senior role margin is an important aspect of any compensation system.

35. Secondly, the United Nations system apparently requires that locally sourced roles (Support Staff) be paid at the rates appropriate to government roles in the locality. It is well known in Pohnpei that there has been a freeze on government roles' pay for some years now. The Commission has been paying above those rates to recruit and retain the necessary skilled staff and that staffing profile could be placed at risk with a requirement to pay Pohnpei Government rates.

36. Both of these issues would need to be seriously considered should the United Nations system become a serious contender. An in-depth study would need to be undertaken to ensure that the change was positive for the Commission's strategic staffing situation.

Cooperation between the five t-RFMOs

37. There are five Tuna Regional Fisheries Management Organizations (t-RFMO) which already cooperate in many respects. This is possible to create a system where they share information on what they pay various roles and use that as a bespoke "industry survey" for setting Professional staff pay rates.

38. The five organisations are:

- (i) Commission for the Conservation of Southern Bluefin Tuna
- (ii) Inter-American Tropical Tuna Commission
- (iii) International Commission for the Conservation of Atlantic Tunas
- (iv) Indian Ocean Tuna Commission
- (v) Western and Central Pacific Fisheries Commission

39. The major difficulty with this option is that, because they do not have their roles job evaluated in the same system (or any system in some cases), the collection of compensation data would have to be on a job matching basis. That is only useful where there are very large sample sizes for each job to be reported, which this small group of enterprises would be very unlikely to provide.

40. It is this difficulty, small samples for individual roles, that drove Strategic Pay to innovate in the collection and reporting of compensation data for surveys in small Pacific Nations. The job matching systems that proliferate in large economies simply did not provide sufficiently valid outcomes in the Solomon Islands, Cook Islands or Samoa, and those surveys were all country wide, not just five small enterprises. This drove Strategic Pay to use the job mapping tool, JobWise®, to conduct those latest surveys. The survey currently under way in FSM is also JobWise® based for the same reason.

41. Even the total staffing of the five t-RFMO organisations would result in far too small samples for most roles to be reported with high validity. For example, each t-RFMO is likely to have a Science Manager (under that or some other title), but none is likely to have more than one – five is far too few for a rate to be struck for that role.

42. Sample size is important in job matching because many of the supposedly similar roles will, in reality, be different in many respects. Where there are large samples (preferably hundreds per role), the ‘unders and overs’ in the reporting balance out, and believable results can be achieved. This would not happen in the five organisation context, the samples would simply be too small for virtually every role.

Continued use of SDRs

43. That leaves the continued use of SDRs as the only really live option at this point. It has many difficulties, none-the-less that it is based on a basket of currencies and the relative movements of currency value between these currencies means that the value of one SDR goes up and down on a regular basis, sometimes swinging quite markedly. The Commission has adopted a practice of only recalculating every six months which is sensible. There is a conversion factor available that converts SDRs into United States dollars (the currency in use in FSM) so it is a workable system.

44. There is the advantage that SDRs are also the current payment system for Professional staff in the CROP Agencies. Strategic Pay undertakes a value calculation exercise each year for the CROP Agencies based on the CROP Bands (which are significantly different to the Commission’s pay bands although the new SP10® evaluations provide an opportunity for the Commission to adopt the CROP system).

45. So there is good reason to take those two actions: (i) continue with SDRs and (ii) adopt the CROP bands. The only negative for those actions would be if there was any political reason against operating very similarly to CROP in the payment of Professional staff; but no such reasons were expressed to the Consultant.

Recommendations

46. It is recommended that the Commission agree to continue the system of paying Professional staff in SDRs, the alternatives not having advantageous components sufficient to require a change.

47. It is recommended that the Commission agree to adopt the CROP Banding system based on SP10® points for Professional Staff to replace the current banding system based on superseded CED points.

Pay banding systems

48. Given that the Commission’s current pay band system is predicated on CED job evaluation outcomes that are very old (and unable to be repeated given that system is no longer supported as far as the Consultant knows) there is a decision to be made about the pay banding for Professional staff roles.

CROP Band alignments

49. The CROP agency Professional bands go from Band 8 to Band 18. Band 18 is reserved for the larger CROP Agency CEO roles and Band 17 is for the similar roles in the smaller Agencies. When the SP10® scores (this includes the Executive Director for completeness purposes even though that roles is not currently aligned to SDRs) are plotted against the CROP Banding system Table 5 results.

Role	SP10® Points	CROP Professional Band	2014 CROP Recommended SDR rates
Executive Director	1201	17	116,900
Science Manager	829	14	71,627
Compliance Manager	816	14	71,627
Finance and Administration Manager	807	14	71,627
ICT Manager	652	13	60,902
Observer Programme Coordinator	603	12	53,288
Assistant Manager Compliance	600	12	53,288
VMS Manager	600	12	53,288
Assistant Manager Science Programme	578	12	53,288
Network Administrator	421	9	34,232

Table 5 - Professional roles alignment to CROP Bands

50. When the individual roles are plotted against what Strategic Pay recommended as midpoints for the CROP Bands in 2014 (the 2015 recommendations are currently being calculated) Figure 2 results. Note that CROP Agencies may not all have implemented these rates so this does not claim to be an accurate comparison with CROP actual practice, it only compares to what Strategic Pay recommended in 2014. Whether or not the various CROP Agencies implement the annual Strategic Pay recommendations is an internal matter and it is understood that some agencies may not have implemented those rates.

51. The Commission’s eight Professional roles (that excludes the Executive Director role which is not paid in SDRs and the vacant Network Administrator role) are currently paid as shown in comparison to the CROP Bands. There are three roles that are currently paid slightly above the 115% point in the CROP Band, one paid slightly below the 85% position, one paid at 85% and three paid within the range.

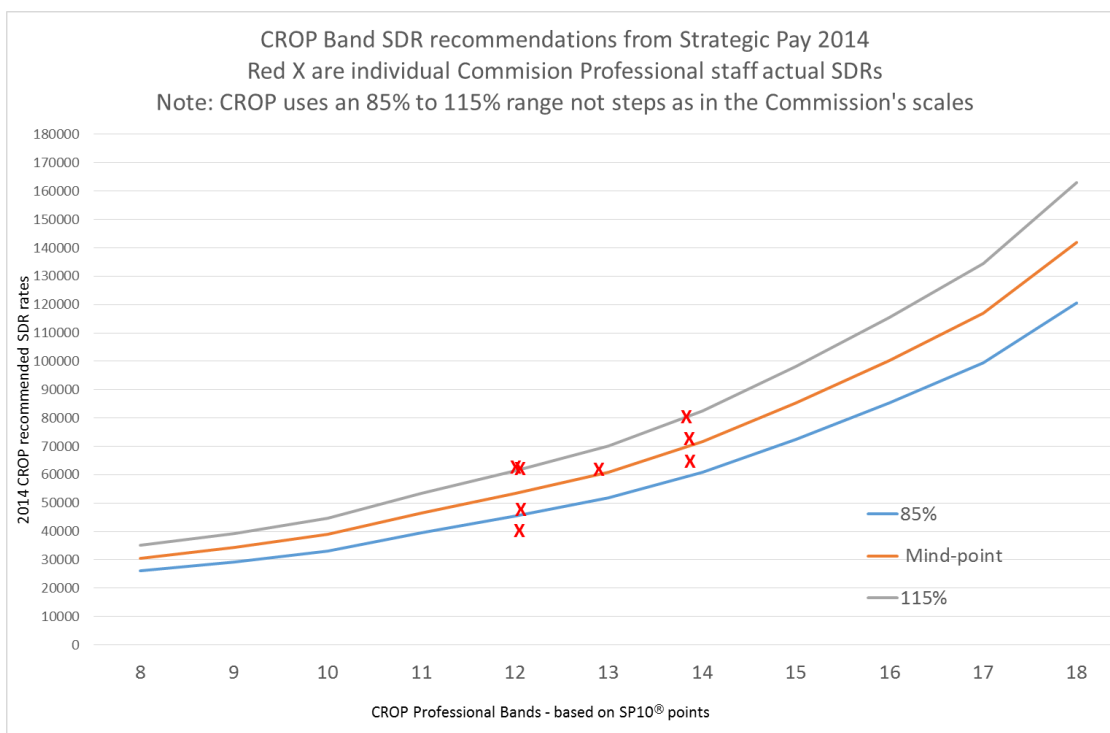


Figure 2 - Comparison of Professional staff against 2014 CROP Band recommendations

52. There is another difficulty in direct relationships with this comparison, the Commission uses a 9 step annual scale where an employee (who performs their role satisfactorily) can get to the 115% of the range by serving the full nine years and obtaining step nine pay. In contrast, CROP uses a range where new entrants start at 85% and are lifted to 100% as they obtain competence and effectiveness. Fully competent and fully effective staff are paid at 100%.

53. Only staff whose performance assessments show that they are performing consistently above the 100% effective and competent level are paid above 100%. So the Commission's 9 step scale can be perceived as considerably more generous than the CROP system.

Recommendations

54. It is recommended that the Commission note the placements of the Professional staff against the recommended 2014 CROP Band rates in Figure 2, noting that there would not be a significant increase in costs to ensure all were paid within the ranges if adopted; noting further that these were only 2014 recommended rates and a 2015 calculation might show a slightly different picture as rates will have increased.

55. It is recommended that the Commission consider whether the system of stepped rates over a nine year cycle that is inherent in the Commission's banding system is still relevant to the business environment within which the Commission operates; and consider whether the annual step system would be continued if alignment was instead made to the CROP Banding system where staff are paid within a 85% to 115% range based on performance rather than on annual step increases.

Need-to-pay principle

56. When the SP10[®] evaluations are aligned to the conversion formula to turn SP10[®] points into CED points and then to the Commission's CED points based Bands, Table 6 results. Two roles (Assistance Manager Compliance and the Assistant Science Programme Manager) are in the same Band as previously, this is because their evaluations have increased considerably from the previous CED outcomes. The others are in the Band below their current placement due to the factors outlined below.

Role	SP10 [®] Points	WCPFC Band at SP10 [®] points conversion	Current actual Band and Step
Executive Director	1201	-	-
Science Manager	829	K	L,9
Compliance Manager	816	K	L,5
Finance and Administration Manager	807	K	L,7
ICT Manager	652	J	K,9
Observer Programme Coordinator	603	J	K,9
Assistant Manager Compliance	600	J	J,4
VMS Manager	600	J	K,9
Assistant Manager Science Programme	578	J	J,8
Network Administrator	421	I	-

Table 6 - SP10[®] points converted to current Commission Bands

57. There are two factors to take into account in these placements:

- (1) There is a margin of error in conversions of one job evaluation system's points to another. Where that is a regular feature of operations and both systems are in current operation, that margin is constantly being tested and aligned so can be reasonably relied upon. The conversion from CED to SP10[®] and vice versa does not meet that test. The conversion formula is very old and we are not confident that it is highly accurate any more, but we cannot tell.
- (2) It is widely understood that the Commission implemented a need-to-pay based policy decision some years ago due to difficulty in recruiting and retaining people to work in Professional roles in Pohnpei. The Professional roles were apparently placed in the Band above the one in which their CED evaluations placed them. So the senior roles that are in Band K in Table 6 are currently placed in Band L, but this was a policy decision not a job sizing placement.

58. Point (2) above makes sense when the evaluations are considered, these roles will not have become smaller over time, so they were probably evaluated within the same Commission Band originally to that which they have been allocated by the provisional SP10[®] evaluations. They have been paid above that placement due to a policy decision.

59. The job content will have changed in the interim, but a broad banding system (which the Commission's system is) will still have them in the same Band when based on job sizing unless the differences are substantial.

Recommendation

60. It is recommended that the Commission note that the reason behind some Professional roles appearing to be in a lower Commission Band than previously is likely to be due to a policy decision made some years ago to pay in a higher band rather than any serious diminution in job size over time.

Two Four-year terms Limits

61. One policy position that the Commission might wish to review when considering the recruitment and retention situation, is the eight year fixed term nature of Professional employment. Under the current staff regulations, professional staff can be provided with two four-year terms for an aggregate of eight years. This causes uncertainty in employment and the Consultant was told of people who do not apply for Commission (or CROP) roles for that reason. It is known that people who do a good job with the Commission do get reappointed after the end of the fixed term, but that is not guaranteed. The uncertainty created means that good candidates who have unlimited term roles somewhere else might not apply.

62. Some people do not see Pohnpei as a desirable location to move to and even if they do go there, they are not likely to undertake the full settling-in activities that are normal, because their continued employment is not guaranteed.

63. In addition, fixed term employment often brings with it a premium, to be paid by the employer, the intention being to attempt to alleviate the uncertainty by additional compensation.

64. Fixed terms are an employment method that has been falling out of favour in some places because they send a bad emotional message to staff about the employer's commitment to them. For example in New Zealand since 2000, the law has prevented employers from employing staff on fixed terms unless there is a "genuine reason based on reasonable grounds" for the fixed term nature of the employment, and that reason is testable in court. There was concern expressed when that law was proposed that it would cause problems for employers but those concerns have never been realised in the reality of the law's implementation.

65. The Consultant includes this aspect to point out that recruitment and retention is not just about money, there are other avenues that might be available to the Commission to consider in a complete package that would assist to recruit and retain quality staff for the Pohnpei location.

Recommendation

66. It is recommended that the Commission review the policy of fixed term employment as part of the Compensation project.



Geoff Summers
Principal Consultant

Appendix 1: SP10[®] job evaluation methodology

The ten factors are:

1. Education

The level of education required to perform the functions required of the position. This combines both formal as well as informal levels of training and education.

2. Experience

The length of practical experience and nature of specialist or managerial familiarity required. This experience is in addition to formal education.

3. Complexity

Measured in terms of:

The time taken to learn and adjust to the specific job requirements.

The level to which the job functions are defined and follow established and predictable patterns.

The thinking challenge required to adapt to rapidly changing circumstances and innovative or conceptual thinking needed to initiate new corporate directions.

4. Scope of Work

The managerial breadth or scope of the position.

5. Problem Solving

The nature and complexity of problem solving expected of the job. Judgement exercised, availability of rules and guidelines to assist in problem solving, the degree of analysis and research required, and the originality, ingenuity and initiative required to arrive at a solution are all considered.

6. Freedom to Act

The extent of supervision, direction or guidance imposed on the job holder and the freedom the job holder has to take action.

7. Impact/ Results of Decisions

The level of discretionary decision making taken solely by the job holder and the direct cost to the organisation as a result of poor judgement or the direct contribution to the organisation achieved through good judgement.

8. Interpersonal Skills

The requirement for human relations skills in dealing with other personnel and external contacts.

9. Authorities

Authority levels expressed in terms of routine expenditure and investments, granting loans, hiring and firing staff, etc.

10. People Management

The responsibility for the control and management of staff within the organisation.



Appendix 2: Consultants undertaking the project

This project was completed by:

Project Leader:

Geoff Summers MBA(Distn.) MBS(HRM Distn.) LFHRINZ FIMNZ
Principal Consultant (Wellington office)

Geoff is one of New Zealand's foremost human resource management specialists. His qualifications include a Master of Business Administration (with distinction) and a Master of Business Studies in Human Resource Management (with distinction). He is a Life Fellow of the Human Resources Institute of New Zealand (one of only ten people to ever receive this distinction) and a Fellow of the Institute of Management New Zealand.



Geoff's wide experience has seen him involved in union roles (culminating as the first National Secretary of the NZ Professional Firefighters' Union), health and safety (he was the first National Safety and Health Manager for the New Zealand Fire Service), over a decade of remuneration consulting, and generalist human resource management gained through HR Executive roles in the Fire Service and at Victoria University of Wellington

He is a very experienced employment relations advocate. He was appointed by the Minister of Labour to serve on the Ministerial Committee that reviewed the Code of Good Faith for Collective Bargaining in 2004.

Geoff's qualifications and extensive experience provide him with specialist expertise in employment reward; directors' reward systems; employment relations; change management; safety and health; along with the full range of generalist HR proficiency. His current areas of work include:

- **Employment reward:** all aspects including - job analysis; job evaluation; salary survey utilisation; remuneration strategy, policy and advice; employment reward audits; and performance-linked pay.
- **Directors reward systems:** Directors fees calculations and recommendations.
- **Employment relations:** ER strategy and advice; tactical advice; advocacy; collective and individual employment agreement development and implementation; PG resolution advice and assistance.
- **Change management:** Change proposal development; consultation strategy; outcome implementation.
- **Safety and Health:** Development and implementation of strategy, policy and processes.
- **Generalist HR:** HR framework development; HR audits; HR strategy, policy and advice; staff development; performance management.

Geoff was previously a part-time Teaching Fellow at Victoria University of Wellington where he taught Management Skills (an Emotional Intelligence course) and Human Resources Management, both on the MBA programme. He also taught Human Resource Management in International Business on Victoria University's International MBA programme at the Chinese University of Hong Kong. He developed and teaches the HR: Architect of Business Success course for the Human Resources Institute of New Zealand. Geoff is a member of the Board of Victoria University of Wellington's Centre for Labour, Employment and Work.

He is widely respected among his peers, achieving recognition as President of the Human Resources Institute of New Zealand in 2005 and 2006. Geoff is a shareholder and Executive Director in Strategic Pay Limited, New Zealand's largest, full service remuneration consultancy.

Evaluation Reviews Leader:

Lyn Brieseman MA(HRM) Diploma(Bus. Studies) Dip.Mgt.(NZIM) MA(Hons., Eng. Lit.)
Senior Consultant, Wellington



Lyn's second Masters was a specific Human Resource Management degree gained in the United States. She is a specialist rewards consultant with experience in broader human resource management in the public and private sectors including in the health and education sectors in New Zealand and the United States. Her current areas of work include:

- Reward strategy and policy
- Performance Management system development
- Remuneration system audits
- Competency development
- HR audits, strategy and advice
- Performance-linked pay
- Remuneration Job analysis and job evaluation
- Training in rewards and job evaluation

Lyn's two decades of human resource management experience began as a personnel officer and moved to human resources advisory roles in the health and broader public sectors, and includes experience as the Director of Human Resources of a small University in the United States. Prior to joining Strategic Pay in 2007, Lyn was a senior remuneration and human resources consultant with Mercer HR Consulting in New Zealand for over eight years.

In a variety of roles Lyn has developed and audited remuneration systems, policies and strategies, facilitated training and strategy workshops and job evaluation committees; developed and audited HR policies, developed performance management systems both within an organisation and for client organisations, undertaken training needs analysis, project-managed the selection and implementation of job evaluation and remuneration systems both within an organisation and for client organisations.

Lyn brings an analytical mind, enthusiasm, a strong focus on client needs and excellent project management skills to client projects.

Developing and Assessing Employee Performance

**A paper prepared for the Western and Central Fisheries
Commission - Pohnpei, Federated States of Micronesia**

Private & Confidential | Commercially Sensitive

**Prepared by Geoff Summers
Principal Consultant
Strategic Pay Limited
September 2015**

Contents

Executive summary	1
Recommendations	1
Background	2
The opinion/research conflict	2
Performance and compensation	2
Determination on change	3
Developing and implementing an effective system	3
System purpose	3
Job design	4
Job description	6
Person specification	6
The Performance Development and Assessment system	7
Performance is about management not employees	7
Documentation	7
Developing mastery	7
Increasing Autonomy	7
Filling in the forms	8
Regular meetings	8
Assessment	8
Link to pay	9
Rewarding good performance	9
Steps in a predetermined range	9
Position-in-range	9
PIR Variations	10
At-risk pay	11
Bonus	11
Short Term Incentives	12
Transition	12

Executive summary

This report outlines a system for staff Performance Development and Assessment that could be implemented within the Commission if a decision was made to move away from the existing system.

The background includes commentary of the current debates in HR circles about performance management and includes references to appropriate literature.

The system outlined is based on a restructuring of the job design of the Commission's roles based on an accountability model that is explained. It flows to an as-and-when-required meeting schedule between managers and employees; focussed on employees having meaningful and purposeful jobs, in which they can be developed to meet their fullest potential, and be provided with the appropriate level of autonomy within their roles whilst delivering on the Commission's mission to a high performance level.

Finally, the various systems of aligning compensation to performance are explained and a recommendation made.

Recommendations

It is recommended that the Commission firstly **decide** if a new performance development and assessment system is needed to replace the system in current use (see paragraph 13); and if that decision is that a new system is needed:

- (1) **develop** a System Purpose Statement as a first step, using the statement in paragraph 16 as a guide.
- (2) **instruct** management to undertake a job design process to develop well designed jobs as the basis of the new system.
- (3) **require** managers to carefully assess the skills, qualities, characteristics and attributes that are needed to achieve the documented accountabilities.
- (4) **adopt** a set of simple forms to document essential elements without impeding the vital aspect which is the quality of the conversations between manager and employee(s)
- (5) **adopt** the system of informal, regular as-and-when-required meetings with an annual assessment.
- (6) **transit** over time to a compensation range of 85% to 100%; where 100% is the position where fully effective and fully competent staff are paid; and where performance at above the 100% level is rewarded with one-off bonuses; and where existing staff are grandfathered on the existing stepped range.

Background

1. The Western and Central Pacific Fisheries Commission (“the Commission”) requested that Strategic Pay Principal Consultant, Geoff Summers (“the Consultant”), review the Commission’s staff performance development and assessment processes. The Consultant travelled to Kolonia, Pohnpei for this and other assignments in September 2015.

The opinion/research conflict

2. There are conflicting perspectives in the world-wide Human Resources profession at present about this subject. The blogs and interactive discussion sites are awash with the views of proponents and opponents of the systems that have proliferated over the past decades. It is interesting to note that the defense of existing annual appraisal systems currently seems to be waning significantly. It would not be productive to list all the pros and cons in this paper, suffice to list a few of the more important facts of the moment.

3. There is a large, and apparently growing, view that the annual performance appraisal system has not served organizations well. Many companies are publicly declaring that they are doing away with such systems, one such high profile announcement recently was General Electric who are eliminating the old systems worldwide. A strong component of the current debate is the perceived inadequacy of assessing individual performance when almost everyone works in teams in the modern environment; and a team’s results are not necessarily just the cumulative total of all the individual results. There are many reported instances of employees being unhappy with their appraisals because the achievement of their KRAs/KPIs has been reliant upon the outputs of others and the employees did not therefore believe that any non-achievement was within their capability to positively influence.

4. Another strongly debated aspect is the usefulness of the KRA/KPI indicators that have been the basis of most performance systems to date. There is a wide range of interpretations of those terms and just as wide a range of practices on how they are utilized. Arguments about this construct center around how accurate and relevant they are, as well as the fact that all too often they are written to manage inputs rather than outcomes yet modern management theory posits that outcomes are not guaranteed by managing inputs, the focus should be on the results.

5. A notable participant in this debate is Dan Pink, an American researcher who has strongly promoted a view that there is a major gap between what business does and what science knows. His videos on Ted.com¹ and YouTube² are well worth watching for anyone who is interested in this topic, mainly because he relates his conclusions directly to published academic research, but is entertaining as well.

6. Pink’s summary is that researchers have shown over decades that you do not motivate people by offering them performance pay. His summary is that Purpose, Mastery and Autonomy get people motivated.

7. This fits well with Fredrick Herzberg’s two factor theory of motivation outlined in his 1959 book “The motivation to work”. Herzberg listed “motivation” factors (purpose, mastery and autonomy are inherent in many of his listed motivational factors) and “hygiene” factors – aspects that do not motivate but which can demotivate if not appropriately applied. Importantly, pay is a hygiene, not a motivation, factor. Even though this is a quite old piece of research now, the lack of any substantial research challenging his results provides a strong impetus to the validity of the two factor theory.

Performance and compensation

8. One of the consistent themes in the debate is how directly performance and compensation should be linked. There are people promoting the complete delineation of performance and compensation but they are a minority. There is an essential link between people performing their role and the compensation that they are paid for that work. It is the methods of linking performance and pay that creates the most debate.

¹ https://www.ted.com/talks/dan_pink_on_motivation

² <https://www.youtube.com/watch?v=u6XAPnuFjJc>

Determination on change

9. The first thing that needs to happen is for the Commission to decide, having reviewed this report, whether or not it is worth changing the system at all. There is an existing system that has most of the faults of existing annual appraisal systems, it is not focussed on purpose, mastery and autonomy because it was developed some time ago and it is based on agreed performance standards which flow from Terms of Reference documents that are not up to modern standards (see paragraph 11). As can be deduced from the system outlined in this paper, it would not be a system that we would install if the Commission did not have one. However, the Commission is a small organization and sometimes it is not cost effective to install whole new ways of operating when careful management of the existing, albeit not optimal, system might actually provide the necessary results. If the existing system does not actually put any significant barriers in the way of the organization's success, all that might be required may be to have managers actively implementing the existing system and making small changes to it where necessary.

10. Therefore, all the recommendations in this paper are premised on the Commission having first made that decision and if the decision is to make a change, this paper documents what that change should entail.

11. In the longer term, even if a new performance system is not implemented, the system and structure of the Commission's staff Terms of References needs significant improvement. The existing documents are old fashioned, task focused and inadequate for many HR functions. A better system needs to be implemented at some point, and the contents of this paper will be useful in that activity.

Developing and implementing an effective system

12. Assuming that the Commission chose to install a new system, and taking all the background material into perspective, there are methods of developing and accessing performance that are useful to organizations like the Commission. They logically follow a series of processes as outlined below.

System purpose

13. It is firstly useful to determine a compelling reason for having a Performance Development and Assessment ("PDA") system. Organizations have people in jobs to complete tasks/projects which achieve the business's tactical, operational and strategic objectives, thereby leading to business success for the enterprise. All the efforts of all the people in the enterprise must contribute in some way to the success of the business, that contribution may be direct, contributory or enabling (see the discussion on accountabilities below). Implementing a new PDA system must ensure that everything that people do has the appropriate link to the success of the enterprise.

14. The installation of a new system must take account of the fact that the Commission is a relatively small organisation which spends about US\$9 million per year to implement a substantial business mandate from its members. It utilises a relatively small number of professional staff to achieve this, because much of the actual work is undertaken by outsource contracts that are managed by the professional staff. This results in a heavy workload for those professionals because they have to achieve their results through the efforts of others.

15. Therefore, any performance system that is onerous to operate, or takes too much time away from other important work especially if that is perceived to be unnecessary bureaucracy, will not be considered positively or implemented well by managers or staff. To overcome this potential resistance, the overriding purpose of the system needs to be compelling so that everyone buys into it.

16. Strategic Pay's recommendation is that the system purpose be described in something similar to the following:

The Commission seeks to have a Performance Development and Assessment System which ensures that everyone has meaningful work that is personally satisfying, whilst achieving the important ongoing strategic purposes for which the Commission was established. To meet this purpose, the system must ensure that jobs are well designed, and be implemented in a manner that motivates staff to perform to the highest standards.

Recommendation

17. If the Commission determines that a new PDA System is required; it is recommended that the Commission develop a System Purpose Statement as a first step, using the statement in paragraph 16 as a guide.

Job design

18. The second action must be to assess the accuracy of the job design for all Commission roles. Jobs are the basic building blocks of organizations, and the people working within those jobs are usually the biggest single cost to the enterprise, so being careful about how jobs are structured makes very good economic sense. Yet job design is the most underutilized and poorly implemented human resource management process. Very few organizations actually implement a formal job design process; when a new role is to be recruited, the manager and HR person concerned download a job description template from the intranet and 'fill it out'. However, 'describing' something is vastly different to 'designing' it.

19. Implementing a job design system can be as complex or simple as the enterprise desires. The more complex systems involve Accountability Mapping the entire enterprise where the Board's and CEO's accountabilities are documented and then cascaded down the organization through an appropriate structure. However, they can be as simple as the system outlined below. At the simplest level, testing the design of all the enterprises' jobs involves asking and answering a series of questions.

20. *Question 1: What is the Purpose of this role (or team)?* Using Dan Pink's conclusions, motivating the employee to do a great job starts with a compelling purpose.

- (1) The employee's manager must be able to clearly determine the purpose of the role, in a manner that identifies that it has meaningful work to perform. Even tactical work should have meaning. When the job description is written, this is the statement that will be the important focus at the front of the document.
- (2) The Purpose should have a motivational compelling story attached to it that inspires the employee (or the team) about the importance of the job or jobs in the overall enterprise. Managers need to be leaders and leaders have vision about all aspects of the enterprise section that they lead. Transferring that vision to the employee, in the form of a compelling purpose, is an essential ongoing element of managing performance.

21. *Question 2: Are the accountabilities of this role strategic, operational or tactical?* Not every role is, or needs to be, strategic, i.e. concerned with longer term outcomes. The operational - short term - and/or tactical – immediate term - accountabilities (see the definition of an Accountability below) of roles are just as important to document and to be performed well.

- (1) If some of the accountabilities are strategic, those required results must directly impact on the achievement of objectives in the Strategic Plan and are usually the easiest to document, they flow from the Strategic Plan objectives. These are classified as direct accountabilities.
- (2) If some of the accountabilities are operational, those required results may not directly impact on the achievement of objectives in the Strategic Plan. For a role with operational accountabilities, there will be important reasons for that work which fall outside the direct linkages with the strategic plan. That work will most likely contribute to the achievement, by others, of their strategic objectives.

For example. data-entering information relating to fishing ship movements and catches may not be awe-inspiring work, and it may only have a tenuous link to strategic initiatives, but it does need to happen for vital operational reasons that are contributory to strategic results. In the near term, that data will be collated with other material and very important information will be extracted and analysed which has the potential to have major impacts on the Commission's strategic objectives. These are classified as contributory accountabilities.

- (3) If some of the accountabilities are tactical, then there will probably not even be a tenuous link to the Strategic Plan. There must still be important reasons why the work is done. For example, the Commission operates within Pohnpei and it would be a dereliction of duty if the substantial premises and resources stationed there were not physically protected. These tasks are completely tactical, the guards protect the premises in the immediate moment and that is an essential requirement which enables others to do their job to meet strategic objectives. The same arguments can be made for building maintenance, maintaining the gardens or keeping the premises clean. These are classified as enabling accountabilities.
- (4) One of the important reasons for asking this question is because it is very easy for organisations to become overly 'fat' with unnecessary tactical and operational accountabilities. These can become ensconced over time without any deliberate intent. Unless queried, non-one notices that they are there. Delineating the category of accountabilities enables questions to be asked about the usefulness of contributory or enabling accountabilities and therefore the potential to realign additional resources to strategic accountabilities. With accountabilities being reassessed each year to test their currency, there is much less chance of fat creeping into jobs over time.

22. *Question 3: What are the specific Accountabilities of this role?* For the purposes of Job Design, an Accountability is defined as "The Responsibility, Authority and Ownership of an outcome or result³".

- (1) It is helpful to unpick that definition a little:
- (a) Responsibility - means it is this person's (or team's) job to do the work towards achieving the result, not someone else's;
 - (b) Authority - means that this person (or team) does not need to ask separate permission to do the work to achieve the result, he/she/they has already been delegated that authority;
 - (c) Ownership - means that if it is a good result, he/she/they get the credit; if it is a bad result, he/she/they get the blame or it is they who need to provide explanation.
 - (d) Result is the outcome, this focuses the mind that accountabilities are about outcomes not inputs.
- (2) To undertake a simple job design process, the manager (in consultation with the employee/team) lists all the key tasks or projects that the employee/team currently undertake, many of these are often already listed in the terms of reference. The tasks and projects are then drafted in outcome terms because inputs are not accountabilities. In consultation, the manager then determines the following:
- (a) *What aspect of the task/project is actually the accountability of this employee/team?* Just because something is an accountability of a specific role, that does not imply that there is no supervision or checking. E.g. An Accounts Payable Clerk will be assisting a manager to ensure that all accounts are paid on time and accurately, and the work of the APC will be checked for accuracy. The accountability for initially checking the account against the invoice, before putting it forward for payment, is still the full accountability of the APC. The APC's manager will be accountable for checking the work and for the overall result.
 - (b) If this analysis shows that a role is not responsible for a particular result; and/or does not have the authority to do what is needed to produce that result; and/or does not have ownership of the result; then this it is not their accountability. In those circumstances the accountability lies somewhere else. The answers to this question are useful because they will inevitably throw up some areas where the accountability actually lies elsewhere to what everyone thought. That enables appropriate changes to be made which lead to increased efficiencies.

³ This definition comes from a book on driving organisational performance, PLUS, by John Ellen, a shareholder in Strategic Pay Limited.

- (c) *What is the 'result' that is required to be achieved?* The accountability that is written into the job description must be couched in terms of the result required to have been achieved (and for which the employee/team has the responsibility, authority and ownership). Thus, accountabilities are written in the job description in the past tense.

23. *Question 4: Do all the identified accountabilities lead to the success of the business in some expected way?* Having identified the accountabilities, it is just good business sense for the manager to then question whether these are real or just matters that have 'grown' over time with the job.

24. *Question 5: Are there any overlaps with tasks that others do, or think is their job?* This is an opportunity to question overlaps which tend to creep into jobs. This need not be onerous, but it is still important. If someone is going to be given an accountability, then it must not be something that someone else thinks is their accountability. This is a chance to eliminate many of the overlaps that inevitably exist and thereby make the enterprise much more efficient.

25. *Question 6: Are there any tasks or functions that are not currently done that should be done in this job?* This is the opportunity to undertake some job enhancement or job enlargement where that is appropriate, and to fix any gaps in accountabilities that have been identified during the process.

Recommendation

26. If the Commission determines that a new PDA System is required; it is recommended that the Commission instruct management to undertake a job design process to develop well designed jobs as the basis of the system.

Job description

27. Having designed the job, now is the time to describe it. The Job Purpose and Accountabilities become the basis of an effective Job Description that will serve the organisation well in many HR processes, enabling:

- the employer to recruit an appropriate person;
- the employee to understand their role;
- the employee to be developed within the role;
- the job to be 'sized' properly in a job evaluation process;
- the employee to be compensated properly for their efforts; and
- the employee to be assessed for performance within the role.

28. A format template for presenting the information required in a job description (which could be called Terms of Reference if that is what the Commission desires) is appended separately to the paper.

29. Importantly, if there are vital accountabilities for which a team is accountable, a team job description can also be prepared and utilized to achieve and manage those results. It will be a less complete document because the Person Specification will simply list the roles that are part of the team. Each team member's job description will reference the team JD and include an accountability to be a fully functioning member of that team; the team results can be discussed throughout the year and assessed at the year's end.

Person specification

30. Each manager, in direct consultation with senior management, HR, and very importantly the employee, determines what level of skills, qualities, characteristics and attributes are essential for the job to be done to the fully effective level, so that these details can also be entered on the Job Description. This must fall directly out of the job purpose and the accountabilities. The question that the documented Person Specification answers is, *"What skills, qualities, characteristics and attributes does a person need to be able to do this job to the fully competent and fully effective level?"*

Recommendation

31. If the Commission determines that a new PDA System is required; it is recommended that the Commission require managers to carefully assess what skills, qualities, characteristics and attributes are needed to achieve the documented accountabilities.

The Performance Development and Assessment system

32. Having got the job documentation prepared, the next step is to design the PDA system itself.

Performance is about management not employees

33. There is an old HR adage that says, *“If the employee hasn’t performed, the manager hasn’t managed!”* Too many systems exist to deal to “poor performers” and there was often a section in the old style performance appraisal systems’ documentation dealing with this issue. There are even courses in the marketplace to teach people how to “manage poor performers”. These completely miss the point. If there are poor performers in the business, then teaching managers how to ‘deal to’ the people concerned is the wrong answer. The right answer is to teach the managers how to do their job.

Documentation

34. Traditionally, there has been a form filling exercise conducted that masqueraded as performance management and staff development. Some of these forms were so detailed that they were difficult to read, and employees consequently ignored them and so did most managers.

35. If jobs are well designed, and that need not be an overly onerous task as can be seen above, then the documentation to enable PDA conversations to occur between manager and employee need not be complex. It is the quality of those conversations that matters in managing performance, not the bureaucratic task of form filling.

36. The documentation need not repeat what is already written elsewhere such as on the job description, it is suffice that a cross reference is made.

Developing mastery

37. Everyone likes to think that they are good at what they do, and it is the responsibility of the manager to ensure that the employee is as masterful as is possible in performing their role. Developing talent is one of the most vital tasks of being a manager. There is latent potential in all role incumbents and, in all cases, there is benefit to the enterprise and the individual in having that potential developed and utilized.

38. The documentation has a place where the manager, in consultation with the employee or team, assesses how close to the person specification the employee currently is. This leads to planning the development that the employee will undergo, in stages as appropriate, to become fully proficient in this role (and of course to become ready for the next promotion if that is a relevant possibility). Even highly efficient people should have some development offered: they may not need extensive training, their development may only consist of arranging coaching with someone within or external to the organisation who can assist them to consider their future career; or by ensuring involvement in processes/meetings that are not part of their core activity to broaden their understanding of the wider enterprise etc.

Increasing Autonomy

39. A basic human trait is the intense dislike of having someone peering over your shoulder while you are trying to achieve something. The management speaker, Peter Drucker, is reputed to have said, “Management’s job is to train the staff and get out of the way!”. One feature of motivating staff is for managers to assess how much autonomy they can provide to staff, without compromising safety or quality, and then give it to them. The appropriate level of autonomy varies depending upon many factors such as inherent safety hazards, the level of competency that an employee has developed, etc.

40. As part of the plan, each manager gains agreement from the employee about the level of autonomy that will exist in the performance of the role. Each must understand where the manager will be more directly and actively involved in order to assure safety and quality, or where that active involvement is part of the ongoing development for the employee (coaching) in order that they may be provided with increased autonomy in the future.

Filling in the forms

41. Finally, some simple forms are signed to document the agreements made, a sample template is appended separately to this paper.

Recommendation

42. If the Commission determines that a new PDA System is required; it is recommended that the Commission adopt a set of simple forms to document essential elements without impeding the vital aspect which is the quality of the conversations between manager and employee(s)

Regular meetings

43. Then the most important aspect of the system begins, regular meetings are held throughout the year between the manager and the employee, on an as-and-when-required basis, to generally discuss the work being performed. Where, as is nearly always to case, there is a strong team component to the role, team meetings are held for general discussions as well.

44. The caveat applicable here is that these must not turn into forums for attacking anyone or angry arguments, that is not the purpose of these meetings. They are designed to be supportive meetings with the positive purpose of helping everyone become motivated and therefore perform to a high level. These are not formal form filling exercises either but helpful discussions to provide support and feedback.

- (a) The objective here is for the manager to assure him/herself that the employee/team is achieving the accountabilities, that the work is being performed to the required standards, and to ascertain what additional support or development might be needed.
- (b) An important aspect is that the employee/team is entitled to ask for a meeting at any time, it must be as much their meeting as the manager's. They are entitled to have friendly discussions with their manager, where they get honest feedback and ask for support, whenever they need it.
- (c) These need to occur frequently enough that both the employee, the team and the manager have an active 'no surprises' agreement between them. Whenever the employee has a problem that needs support, they get it; and when the manager needs to discuss anything or provide feedback, it happens. These can often be corridor meetings where simple discussion occurs, provided of course that there are no privacy connotations. It should be an accountability of the manager that these meetings have occurred frequently enough for the no surprises agreement to have occurred.
- (d) In a well operating system, these discussion become a normal part of the regular interactions between the manager and employee, it becomes normal to discuss how the role is being performed and what support of other encouragement is needed.

Assessment

45. At the end of the year, an assessment is made of how things have gone against the employee's/ team's accountabilities. The no surprises policy must mean that both are happy to agree about the level of performance and the development that has occurred and what is needed in the coming year. This discussion leads, where appropriate, to updates in the job description by discussing and agreeing:

- (i) any changes to the job purpose and where it fits into the overall enterprise;
- (ii) any changes to accountabilities;
- (iii) the development needs that the employee/team now has; and
- (iv) how the autonomy aspects of the role(s) will change in the coming year.

Recommendation

46. If the Commission determines that a new PDA System is required; it is recommended that the Commission adopt the system of informal, regular as-and-when-required meetings with an annual assessment.

Link to pay

47. Finally, a link to performance is made in the pay system according to the consistently applied policy. This is dealt with in the next section of this paper.

Rewarding good performance

48. There are a variety of methods that enterprises utilise to reward good performance, and sometimes to sanction performance that is not up to scratch (especially when the manager has been actively trying to gain improvements). These can be as simple as the Commission's current series of annual steps towards a ceiling in the pay band, purportedly based on satisfactory performance, or a slightly more complex system such as position-in-range determination or bonuses, at-risk pay or STIs (short term incentives).

Steps in a predetermined range

49. This is the Commission's current practice. In the current system, there are 9 steps in the range for the role. These appear to have been originally developed from a 15% above and below the midpoint of the pay band, with step 1 being 85% of step 5 and step 9 being 115%. There are then three roughly equidistant steps in between step 1 and step 5 and again between step 5 and step 9.

50. People are progressed one step annually provided they receive a satisfactory performance report and their manager recommends to the manager above that the step increase be awarded.

Advantages

51. The advantages to this system are:

- It is very straightforward to explain to staff and easily understood by everyone;
- It is a similar system to that in use by the Pohnpei Governmental (and by a number of other governments), so is seen to be 'normal';
- It provides a pay rise in each of the employee's first 9 years regardless of market movement;
- It can be budgeted for with some precision.

Disadvantages

52. The disadvantages are:

- It creates an entitlement culture – because a step rise is seldom refused in such systems, employees come to believe that they are entitled to the rise regardless of performance or any other factors (this is known in compensation consulting circles as "Entitlement");
- Any intended link to performance becomes tenuous at best, non-existent in most cases;
- Staff tend to bunch up at the top, unless there is significant staff turnover everyone ends up at step 9;
- Many staff get paid at the 115% point in the pay range even if they are only operating at 100% or less;
- Nothing focuses staff attention on performing their role to a high standard because they can get paid on their step, based on time served in the role, regardless of performance;
- Good performers can see lesser performers being paid exactly the same as them with negative motivation occurring, this can sometimes cause the best performers to leave.
- Once on step 9 pay does not move, so after a regular annual pay rise, everything stops – long serving staff can feel badly treated in this respect.

Position-in-range

53. Position-in-range ("PIR") is the system that the CROP Agencies adopted a few years ago. It has become prevalent in many Western countries. It begins with the enterprise determining a market alignment policy (e.g. where there are useful market surveys it may be the Median of the Public Sector for Base Salary or something similar) and that rate becomes the 100% point or mid-point. A range is placed around the mid-point, most usually in the modern era being 15% below and above the mid-point. This is referred to as an 85% to 115% range. The 100% point, the mid-point, is where the 'fully competent and fully effective' performer is paid.

54. New staff are brought on at 85% (or somewhat higher if the assessment is that they are more competent than that). The intention is to pay staff at the percentage level that matches their competence and effectiveness. So the new staff member is moved up to the mid-point as they obtain additional competence and effectiveness in the role over time.

55. Staff who operate above the mid-point consistently over a long period, and prove that they are worthy of being paid above the mid-point, are paid somewhere between 100% and 115%.

56. This system works best where there is a regular market alignment structure of some sort. There are three scenarios following the annual assessments:

- (a) Staff who have performed well and shown that they are operating at a level above the current PIR, will receive the market movement⁴ and a movement up the range. They will then be on a higher PIR in percentage terms;
- (b) Staff who continue to operate at the level where they are currently paid, will not have an approved movement in PIR, but will receive the market movement and consequently remain on the same PIR in percentage terms;
- (c) Staff who, regardless of the sustained efforts of their manager, performed below their current PIR level and are not perceived to be making the effort to improve, will not receive the market movement and their PIR will decrease in percentage terms (this is usually a very small group). In most places, there is no actual pay decrease (in many countries that would be legally difficult to implement anyway). The lower PIR is a strong signal in itself that performance needs to improve.

Advantages

57. The advantages of PIR are:

- It focuses staff and managers on getting everyone to the fully competent and fully effective level; this is a good thing, if everyone was operating in an enterprise at 100% the business would be very successful;
- People are paid according to the level of performance they exhibit;
- Good performers are treated better than poor performers so the difficulty in potentially losing the best performers is minimized;
- After an initial difficulty in comprehension, staff become very used to the system and understand it well.

Disadvantages

58. The disadvantages of PIR are:

- Staff see the 115% PIR as the 'aiming point' rather than the 100%;
- Those consistently paid at 100% become dissatisfied because they perceive there to be an "unattainable" additional salary level;
- The competence of managers needs to be high to operate the performance assessment system (and this is rare);
- The organization needs to have a very good performance development and assessment system in place.

PIR Variations

59. There are variations on the PIR system, the most obvious ones relate to attempts to overcome the 'over 100% problem'. Enterprises have attempted to put 100% as the 'aiming point' for staff so that everyone aims for that and an employee's regular pay can never be more than the mid-point. This requires a different method to be devised for rewarding those staff who over-perform the 100% level.

⁴ Market Movement is the term used to identify placing the employee's salary at the latest market survey alignment rate, this will almost inevitably be higher than the rate to which the salary was aligned in the survey from the previous year, so there has been "market movement". There have been situations where there have been downward, or negative, movements but these are very rare.

60. The most regular variation is to pay one-off bonus payments to those performing over 100% instead of a pay rise. Variations on that have included suggestions of giving the pay rise but contractually only for the year following the assessment (this could create a serious demotivation problem at the end of that year if the pay then goes down – see Herzberg's hygiene factor discussion).

61. These, most particularly the bonus which is the easiest to administer, fit well with the performance discussions in the beginning of this paper. Also, by enabling staff to get to the 100% point and remain there with good performance equally with anyone else, equity theory comes into play.

62. Adams Equity Theory⁵ argues that we prefer situations of balance, or equity, which exists when we perceive the ratio of our inputs and outcomes to be equal to the ratio of inputs and outcomes of a comparison other. This aligns well with pay being a hygiene factor, in the satisfied state there will be no demotivation. By enabling a bonus to be received for additional value adding performance, equity theory alignment will create contentment.

Advantages

63. The advantages outlined in paragraph 57 apply equally to this variation on PIR. Another advantage is that the variation eliminates the first two bullet point disadvantages in paragraph 58. Another advantage from the employer perspective is that a bonus system does not add an ongoing annual cost to the wage bill that a pay rise does.

Disadvantages

64. The final two bullet points outlined in paragraph 58 apply equally.

At-risk pay

65. A system that was popular a few years ago was the at-risk pay system. In this system, an employer offered an employee a certain pay level, but then held back some of that pay 'at-risk to performance'. At the year's end the employee could get the at-risk pay if they had performed to the required level. This system has waned over recent years although it is still seen in the marketplace.

Advantages

66. There were few advantages to this system, at least not for the employees. There was one advantage for employers in that they held all the power in the relationship relating to the at-risk money.

Disadvantages

67. There were two serious disadvantages:

- The employee felt almost completely powerless in this relationship; the decisions on how much of the at-risk pay was provided was seen as the domain of the employer only (which in many cases it was);
- Because the employee had agreed to a certain pay level, but some was held back at-risk, if they did not get all of that money at the end of the year they considered that the employer had effectively 'stolen' some of their income; money that had started out as being 'theirs' had gone to the employer.

Bonus

68. The straight bonus system was completely at the employer's discretion. On whatever criteria the employer chose to invoke on any occasion, the employee was provided with an additional one-off payment. This has since been discredited so much that it is seldom seen in the marketplace now. Strategic Pay would not recommend such a system.

5 Adams., S.J. (1965). Inequity in social exchange. In Berkowitz., L. (ed.). Advances in Experimental Psychology. Vol 2. Academic: New York. pp. 267-299

Short Term Incentives

69. STI programmes became popular over recent years, (along with sister programmes called Long Term Incentives which usually involved the employee acquiring equity which had a long vesting period). STIs promise employees additional compensation if certain specified goals are achieved. In many respects they were very similar to the traditional annual appraisal systems except that there is specific reward attached to each achievement.

Advantages

70. The advantages are:

- Specific goals can be set and the cost of their achievement budgeted accurately;
- If the employee wants the money enough, they may focus strongly on achieving those goals that enable them to receive the additional compensation, thereby achieving the employers' intention.

Disadvantages

71. The disadvantages are:

- The name implies that the system will incentivize (i.e. motivate) staff but this ignores the research that shows that pay is still only a hygiene factor (in Herzberg's terms) so this system assumes a motivational intention that is, at the best, suspect;
- Where the employees do focus on the achievement of goals that will bring them additional money, it is often at the expense of other important work that was not part of the incentive scheme; employees do the work that will bring in more money and ignore other tasks that might be just as important.

Transition

72. An important aspect of the decision about what system is to be used in the future other than continuing with steps, is how would the Commission transition from steps to anything else.

73. Annual steps, especially when they automatically transit staff above the mid-point (as the Commission's existing system does) create a serious barrier to any of the other systems. The Entitlement inherent in that system is very difficult to transit. There is only one logical answer and that is to implement the new system over time. Even then there are difficulties. The way most enterprises would choose to do this would be to "grandparent" the existing employees on their existing contractually obligated conditions (the only other obvious method is to 'buy' the entitlement off the staff concerned as they transit to the new system, that is expensive and still can have negative connotations).

74. Grandparenting is fine for those employees, they feel fairly treated at least at the time. However, there are two complications to this process:

- (1) The Commission has a policy of re-advertising roles after a period of eight years employment, this situation could mean that someone successfully achieving re-employment would restart on very different conditions than they had prior to the advertisement of their role. Of course there are ways around this as well, the grandparenting could continue, or the bargaining over new conditions could take into account the conditions the employee previously enjoyed (and there is an inevitable cost to this latter alternative).
- (2) The most difficult situation is that new employees would quickly understand that the grandparented people doing similar jobs are getting paid differently to them. Again there are ways around this, being open and communicative about the changes is the most obvious and what most employers would do.

75. Moving to a different system of compensating good performance is a difficult decision but is not necessarily tied to the decision to implement a new performance development and assessments system. A new system could exist with a stepped range, although that is not the optimal outcome.

Recommendation

76. If the Commission determines that a new PDA System is required; it is recommended that the Commission transit over time to a compensation range of 85% to 100%; where 100% is the position where fully effective and fully competent staff are paid; and where performance at above the 100% level is rewarded with one-off bonuses; and where existing staff are grandparented on the existing stepped range.

A handwritten signature in black ink, appearing to read 'Geoff Summers', with a large, stylized initial 'G'.

Geoff Summers
Principal Consultant

This advice was prepared by:

Geoff Summers MBA(Distn.) MBS(HRM Distn.) LFHRINZ FIMNZ
Principal Consultant (Wellington office)

Geoff is one of New Zealand's foremost human resource management specialists. His qualifications include a Master of Business Administration (with distinction) and a Master of Business Studies in Human Resource Management (with distinction). He is a Life Fellow of the Human Resources Institute of New Zealand (one of only ten people to ever receive this distinction) and a Fellow of the Institute of Management New Zealand.



Geoff's wide experience has seen him involved in union roles (culminating as the first National Secretary of the NZ Professional Firefighters' Union), health and safety (he was the first National Safety and Health Manager for the New Zealand Fire Service), over a decade of remuneration consulting, and generalist human resource management gained through HR Executive roles in the Fire Service and at Victoria University of Wellington

He is a very experienced employment relations advocate. He was appointed by the Minister of Labour to serve on the Ministerial Committee that reviewed the Code of Good Faith for Collective Bargaining in 2004.

Geoff's qualifications and extensive experience provide him with specialist expertise in employment reward; directors' reward systems; employment relations; change management; safety and health; along with the full range of generalist HR proficiency. His current areas of work include:

- **Employment reward:** all aspects including - job analysis; job evaluation; salary survey utilisation; remuneration strategy, policy and advice; employment reward audits; and performance-linked pay.
- **Directors reward systems:** Directors fees calculations and recommendations.
- **Employment relations:** ER strategy and advice; tactical advice; advocacy; collective and individual employment agreement development and implementation; PG resolution advice and assistance.
- **Change management:** Change proposal development; consultation strategy; outcome implementation.
- **Safety and Health:** Development and implementation of strategy, policy and processes.
- **Generalist HR:** HR framework development; HR audits; HR strategy, policy and advice; staff development; performance management.

Geoff was previously a part-time Teaching Fellow at Victoria University of Wellington where he taught Management Skills (an Emotional Intelligence course) and Human Resources Management, both on the MBA programme. He also taught Human Resource Management in International Business on Victoria University's International MBA programme at the Chinese University of Hong Kong. He developed and teaches the HR: Architect of Business Success course for the Human Resources Institute of New Zealand. Geoff is a member of the Board of Victoria University of Wellington's Centre for Labour, Employment and Work.

He is widely respected among his peers, achieving recognition as President of the Human Resources Institute of New Zealand in 2005 and 2006. Geoff is a shareholder and Executive Director in Strategic Pay Limited, New Zealand's largest, full service remuneration consultancy.

OCTOBER 15

**Federated States of
Micronesia**

COMPENSATION REPORT 2015

**Federated States of Micronesia
Compensation Report
October 2015**

**Generously sponsored by:
Western and Central Pacific Fisheries Commission and Vital-FSM PetroCorp**

Table of Contents

Executive Summary	1
1 Introduction	3
Introduction	5
Participating Organisations	5
Survey Parameters	6
Survey Database	7
Index of JobWise® Pathways	9
2 Salary Increases	11
Actual Salary Increases Awarded During the Past Year (2014-2015)	13
Forecast Increases for the Coming Year	13
Basis of Salary Increases	14
3 Employment Policies and Practices	15
Benefits Offered	17
Vehicle Benefits	19
Social Security and 401K Plan	20
Shift Work and On-Call	21
Work / Life Balance Initiatives	22
Variable Pay / Incentive Schemes	23
Annual Leave	25
Sick Leave	26
Other Leave	26
Staff Turnover	27
Recruitment	27
Hot Skills	27
Retention Strategies	28
Executive Management	28
4 Compensation Market Data	29
General Information	31
Detailed Analysis by JobWise® Band	32
General Market	32
Public Sector	35
Private Sector	38
Summary Table and Detailed Data Pages	41
Customer and Business Support	43
Operations	53
Technical / Specialist	63
Leadership	75
5 Appendices	87
Appendix A: Index of Positions	89
Appendix B: Explanation of Terms and Statistics	90
Appendix C: Strategic Pay Vehicle Use Methodology	91
Appendix D: Frequently asked questions about Data Pages	92
Appendix E: The Strategic Pay Approach to Job Mapping and Sizing	94
Appendix F: About Strategic Pay Limited	96

Executive Summary

Highlights of the Federated States of Micronesia Compensation Report 2015 are as follows:

- + Data for 983 individual employees was submitted by 30 participating organisations.
- + Seventy percent of participants have a formal annual salary review process in place.
- + Of participants who provided salary increases to employees for the past year, the overall average base salary increase was 4.3%.
- + Employee performance is the most popular method used to make decisions on salary increases.
- + Seventy percent of respondents have international employees and of these 71% pay for visa applications.
- + Sixty percent of participants provide both Social Security and 401K Plan contributions to some or all employees.
- + Eighty percent of participating organisations provide some kind of health and wellbeing benefit with health checks being the most common.
- + Most participants provide between 11 to 20 days annual leave to employees.
- + The overall staff turnover for the past year among survey participants was 4%.
- + Voluntary turnover has stayed about the same for 57% of participants while 14% have seen a decrease and 29% have seen no discernible pattern.
- + Fifty percent of participants are currently experiencing difficulty in recruiting or retaining staff in one or more job functions.

Introduction

1 Introduction

Strategic Pay is pleased to present the Federated States of Micronesia Compensation Report for 2015. This is the first year Strategic Pay has conducted this survey which uses the JobWise® methodology for assigning job codes to roles.

The objective of this report is to provide comprehensive information on compensation market trends in the Federated States of Micronesia (FSM). This will assist participating organisations in making informed compensation-related decisions.

In addition, it provides a means of comparing individual compensation rates to the market.

Participating Organisations

Data submitted by the following 30 organisations is included in this survey.

- + Ace Office Supply
- + Australian Embassy
- + Bank of Guam
- + Chuuk Public Utility Corporation
- + FSM Development Bank
- + Department of Education
- + Department of Finance and Administration
- + Department of Foreign Affairs
- + Department of Health and Social Affairs
- + Department of Justice
- + Department of Resources & Development
- + Department of Transport, Communication and Infrastructure
- + FSM Banking Board
- + FSM Congress
- + FSM Health Insurance MYCARE
- + FSM Insurance Board
- + FSM Postal Service
- + FSM Public Auditor
- + FSM Supreme Court
- + National Oceanic Resource Management Authority
- + Office of Environment and Emergency Management
- + Office of National Archives, Culture and Historic Preservation
- + Office of Statistics, Budget and Economic Management
- + FSM Office of the President
- + FSM Office of the Public Defender
- + Secretariat of the Pacific Community - North Pacific Regional Office
- + United States Embassy - Kolonia
- + UNFPA - United Nations Joint Presence Initiative (FSM)
- + Vital-FSM PetroCorp
- + Western and Central Pacific Fisheries Commission

Survey Parameters

Purpose

The purpose of the Strategic Pay Federated States of Micronesia compensation report is to provide a credible, reliable and consistent methodology for analysing rates of employee compensation within Federated States of Micronesia organisations.

Timing

The data is reported as at 1 October 2015.

Method of data collection

Ease of data collection for survey participants remains a key objective for the Strategic Pay Survey. Survey participants provide compensation data for all locally employed staff and assign an appropriate JobWise code. Strategic Pay uses statistical sampling techniques to ensure representative samples and avoid data skewing.

Job mapping and sizing methodology

This survey reflects a mix of job match and job evaluation data as submitted by participants. From a quality assurance perspective, we seek to work more closely with individual firms to confirm the validity of their internal relativities and associated matching to the Federated States of Micronesia Compensation Survey format.

Job evaluation is a tool for understanding how jobs and organisations function. It is evident that many roles at middle and lower levels are generic within and across organisations. We expect to see certain patterns in the job evaluation scores assigned to knowledge, experience, complexity and problem-solving. Strategic Pay has condensed this research and understanding into an analytical job matching tool. We call it JobWise®.

JobWise® is a job sizing technology for assigning jobs firstly to generic career pathways, and then to the job level that best matches the job content and skill requirements. We call this 'job mapping'. The outcome of job mapping is a career pathway and level for every job, e.g. S6, a Senior Specialised Business Support role in the Business Support pathway. The career pathways and levels within each pathway correspond to Strategic Pay bands that typically underpin the pay structure. (See appendix E for further information)

Base Salary, Fixed Compensation and Total Compensation

The survey report provides detailed analyses for base salary, fixed compensation (total compensation less actual bonus), and total compensation (all cash and non-cash benefits received, excludes any target amounts). The fixed compensation and total compensation lines calculate all compensation items for which a benefit value has been assigned by participants.

Currency

All dollar values are quoted in United States of America Dollars (USD\$).

Confidentiality

Strategic Pay maintains stringent standards of data confidentiality and security. It is expected that this Survey Report will be used by participating organisations for **internal purposes only**.

Disclaimer

This report is designed to provide a summary of current pay trends, and as such does not purport to be conclusive or to provide specific guidelines. No responsibility can be accepted for loss occasioned to any person, or organisation, acting, or refraining from acting, as a result of any statement in this publication.

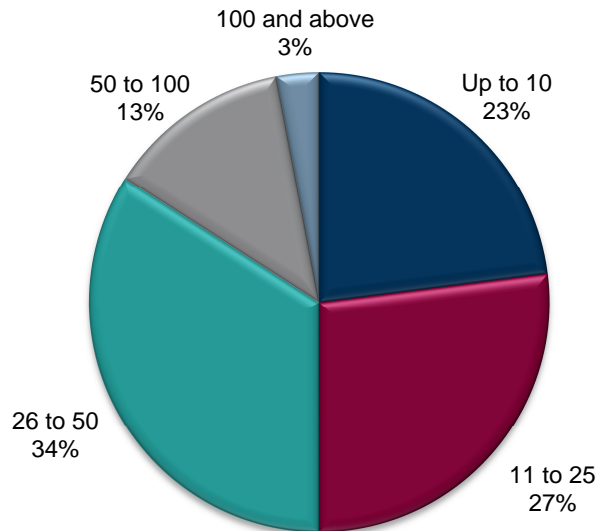
Feedback

We welcome feedback from participating organisations on additions / deletions / enhancements to the Survey. Please send your feedback to Santa Harvett, Market Information Manager at santa@strategicpay.co.nz

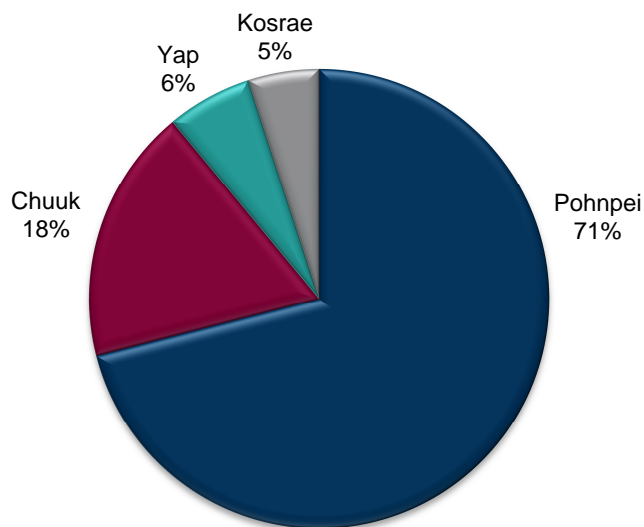
Survey Database

Data for 983 individual employees was submitted by 30 participating organisations. The distribution of employees by numbers and by region is shown below along with the distribution of organisations by industry.

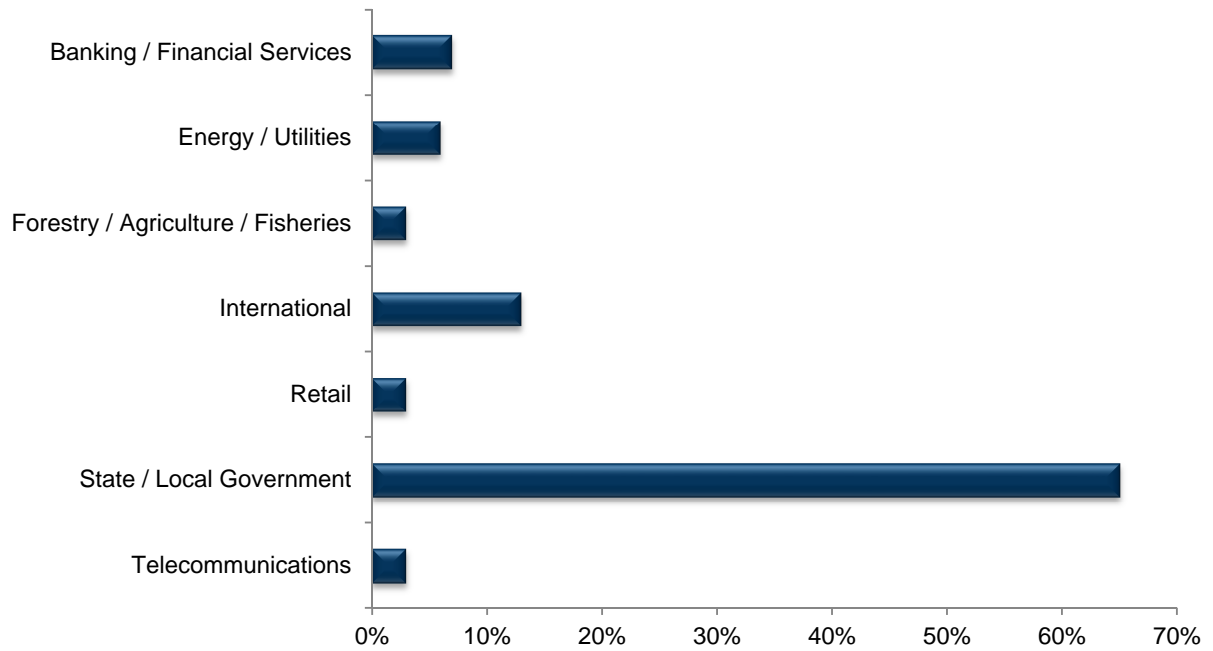
Distribution of Participating Organisations by Employee Numbers



Distribution of Employees by Region



Distribution of Participating Organisations by Industry



Information in this survey is current as at 1 October 2015.

Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
Customer and Business Support			
S2	Band B	Office Support	47
S3	Band C	Administration / Customer Support	48
S4	Band D	Technical Admin / Customer Focus	49
S5	Band E	Specialised Admin / Customer Focus	50
S6	Band F	Senior Specialised Business Support	51
Operation			
O1	Band A	Manual Labour 1	57
O2	Band B	Manual Labour 2	58
O3	Band C	Trades 1	59
O4	Band D	Trades 2	60
O5	Band E	Technician 1	61
Technical / Specialist			
T1	Band D	Technical Support	67
T2	Band E	Technical / Entry Level Specialist	68
T3	Band F	First Level Specialist	69
T4	Band G	Mid-level Specialist	70
T5	Band H	Senior Specialist	71
T6	Band I	Advanced Specialist	72
T7	Band J	Leading Expert	73
Leadership			
L1	Band D	Leading Hand	79
L2	Band E	Working Supervisor	80
L3	Band F	Supervisor I	81
L4	Band G	Supervisor II	82
L5	Band H	Team Leader	83
L6	Band I	Team Manager	84
L7	Band J	Section Leader	85
L8	Band K	Function Manager	86

Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1, O6, and L9.

Salary Increases

2 Salary Increases

Seventy percent of participants have a formal annual salary review process in place with 25% of those organisations selecting 'Date of Anniversary' for salary reviews to become effective. The remaining 75% of organisations with a formal annual salary review choose a specific month in the year which varies between organisations, with no particular month being the most popular.

Actual Salary Increases Awarded During the Past Year (2014-2015)

Participants were asked to provide information on both the salary increases that they applied to the different employee categories over the last year and the overall salary increase for their organisation.

Of those who responded, 30% reported that their recent salary increases were higher than last year and 70% stated they were about the same as last year with no organisations reporting they were lower than in 2014.

Thirteen percent of participants reported no increase across all staff categories for the past year. Of those organisations that did provide salary increases to employees, the minimum, median, maximum, and average increase for each employee category is shown in the table below.

Employee Category	Salary Increase (as a % of base salary)			
	Minimum	Median	Maximum	Average
CEO	2.0%	2.0%	2.0%	2.0%
Senior Management	5.0%	5.0%	5.0%	5.0%
Middle Management / Specialist	1.1%	3.2%	4.3%	2.9%
General Staff	2.5%	3.9%	5.6%	3.9%
Overall Salary Budget*	3.6%	3.9%	5.3%	4.3%

*The 'Overall' increases are a discretely reported figure and not an average of the other figures.

Forecast Increases for the Coming Year (2015-2016)

Thirteen percent of participants forecast no salary increases across all staff categories for the coming year. For those organisations which forecast a salary increase, minimum, median, maximum, and average increase for each employee category is shown in the table below.

Employee Category	Forecast Salary Increase (as a % of base salary)			
	Minimum	Median	Maximum	Average
CEO	5.0%	5.0%	5.0%	5.0%
Senior Management	5.0%	5.0%	5.0%	5.0%
Middle Management / Specialist	1.0%	3.3%	5.0%	3.1%
General Staff	2.5%	4.4%	5.0%	4.1%
Overall Salary Budget*	4.0%	5.0%	18.0%	9.0%

*The 'Overall' increases are a discretely reported figure and not an average of the other figures.

Basis of Salary Increases

The methods participants use to make decisions on salary increases are shown in the table below.

Basis of Increase	Employee Category (% of organisations)			
	CEO	Senior Management	Middle Management / Specialist	Other Staff
Performance	75%	75%	100%	90%
Cost of Living (CPI)	50%	50%	63%	50%
Affordability	50%	50%	50%	40%
Tenure	25%	25%	25%	20%
Market Data	-	-	13%	20%
Union Agreements	-	-	-	-
Other	-	-	13%	-

A range of methods are used by all participants when deciding on the level of salary increases, with performance the most popular across all employee categories.

Of the responding organisations, all have a formal performance appraisal system in place to assess employee performance and 90% of those vary the level of salary increase according to performance.

Strategic Pay strongly recommends that performance be a major consideration in any compensation decisions.

Employment Policies and Practices

3 Employment Policies and Practices

Results in this section are drawn from the responses provided by organisations that completed the policies and practices questionnaire.

Benefits Offered

The following table details the types and incidence of benefits offered in the participating organisations, by staff category.

Benefit	% of Orgs	Employee Category					Value Communicated	
		CEO	Senior Mgmt	Middle Mgmt / Specialist	Sales	Other Staff	In Employment Offer	At Salary Review
Vehicle Benefits								
Work vehicle	60%	40%	50%	30%	20%	30%	33%	17%
Personal vehicle	20%	10%	10%	10%	-	-	50%	-
Transport to and from the office	10%	10%	-	-	-	-	-	-
Social Security, 401K Plan, and Insurances								
Health insurance	100%	40%	40%	80%	50%	100%	40%	30%
Death and disability and/or life insurance	90%	40%	40%	80%	50%	90%	44%	22%
Social security above minimum	70%	30%	30%	50%	30%	60%	29%	29%
401K retirement plan	60%	40%	40%	60%	40%	60%	67%	33%
Telecommunications Benefits								
Cell phone rental	20%	20%	20%	20%	10%	10%	50%	-
Home internet connection	20%	20%	20%	20%	10%	10%	-	-
Memberships and Discounts								
Gym	20%	10%	10%	10%	10%	20%	50%	-
Professional association fees	20%	20%	20%	10%	10%	10%	50%	-
Staff discounts	10%	10%	10%	10%	10%	10%	100%	-
Education								
Education subsidies / full reimbursement	40%	30%	30%	40%	20%	30%	25%	25%
Study time	20%	-	10%	20%	-	10%	-	-

Benefit	% of Orgs	Employee Category					Value Communicated	
		CEO	Senior Mgmt	Middle Mgmt / Specialist	Sales	Other Staff	In Employment Offer	At Salary Review
Other Benefits								
Subsidised utility bills	90%	20%	90%	40%	20%	10%	33%	11%
Christmas bonus	50%	10%	40%	30%	20%	40%	-	-
Uniform	30%	30%	30%	30%	30%	30%	67%	100%
Expense allowance	20%	20%	20%	20%	10%	-	100%	50%
Low interest loans	20%	10%	10%	20%	20%	20%	100%	-
Free housing or furniture	20%	10%	-	10%	-	-	50%	-
Annual leave passage to home island	20%	10%	10%	20%	-	10%	100%	50%
Other	10%	-	-	10%	10%	10%	-	-

Benefits for International Employees

Seventy percent of respondents have international employees and of these 71% pay for visa applications. None of the organisations that have international employees pay for an annual trip home.

Vehicle Benefits

Incidence of Vehicle Benefits

In this section, 'vehicle benefits' refers to the provision of 'personal' vehicles and/or 'work' vehicles, which are defined as follows:

- + **Personal vehicle** – a company car provided for roles where travel is not a requirement of the position
- + **Work vehicle** – a company car provided for roles where travel is a requirement of the position

All respondents offer vehicle benefits of some kind, with multiple policies of usage common amongst organisations.

Vehicle Benefit Offered	% of Organisations with Vehicle Benefits
Personal vehicle	20%
Work vehicle with personal use, either full or limited	40%
Work vehicle with no personal use	100%

Please note that some organisations apply more than one policy when offering vehicle benefits.

Company Car Use Policies

Participants who offer company cars were asked to describe their vehicle use policies; these are shown below by employee category. No organisations reported offering company cars with 'full use except holidays' or 'limited mileage'.

Vehicle Use Policy	Employee Category				
	CEO	Senior Management	Middle Management / Specialist	Sales	General Staff
Full use	100%	83%	11%	-	14%
Working week use	-	17%	11%	25%	-
Business use only	-	17%	89%	100%	86%

Please note that some organisations have multiple policies for each employee category.

Social Security and 401K Plan

Social Security Funding

Participants were asked how Social Security contributions are treated in relation to total compensation. Ninety percent of participants responded and of this 78% include Social Security contributions in addition to or 'on top of' total compensation while 22% treat contributions as part of their definition of total compensation.

For participants who make employer contributions to social security, the minimum, median, maximum, and average percentage of base salary are shown in the table below for each employee category.

Staff Category	Flat % contribution to Social Security Only % of Base Salary			
	Minimum	Median	Maximum	Average
CEO	7.5%	7.5%	8.0%	7.7%
Senior Management	7.5%	7.8%	8.5%	7.9%
Middle Management/Specialist	3.0%	7.5%	8.0%	6.6%
Other Staff	3.0%	7.5%	8.0%	7.0%

401K Plan

Sixty percent of participants provide both Social Security and 401K Plan contributions to some or all employees.

For those organisations who offer a 401K plan, 87% indicated they provide a 401K plan in addition to social security and the remaining 13% do not offer one or plan to.

Of the organisations that provide a 401K plan, 71% limit the eligibility to join the plan in some way while 29% allow all employees to join.

Employee Group	% of Organisations
All employees	29%
Senior Management only	-
All full-time employees	29%
All permanent full- and part-time employees	-
Employees with defined length of service	29%
Other	13%

For participants who make employer contributions to a 401K plan, the minimum, median, maximum, and average percentage of base salary are shown in the table below for each employee category.

Staff Category	Maximum Employer Contributions % of Base Salary			
	Minimum	Median	Maximum	Average
CEO	4.0%	10.0%	15.0%	9.8%
Senior Management	4.0%	10.0%	15.0%	9.4%
Middle Management/Specialist	4.0%	10.0%	15.8%	10.5%
Other Staff	4.0%	10.0%	15.8%	10.5%

Forty-three percent of organisations that provide a 401K plan indicated that they allow employees to receive the cash equivalent of the employer's contribution in lieu of joining the 401K plan.

Shift Work and On Call

The table below shows the spread of operating hours among participants.

Operating Hours	Organisation Department	
	Corporate	Operations
24 hours x 7 days	-	25%
8 hours x 5 days	75%	37%
7.5 hours x 5 days	25%	25%
Other (8 hours x 7 days)	-	13%

Shift Work

Sixty percent of participants have employees working regular shifts. The table below shows the percentage of organisations with employees working regular shifts in each functional area.

Functional Area	Operate in Shifts
IT Support	20%
Call Centre	20%
Property Management/Security	40%
Production / manufacturing / operations	40%
Other	20%

Percentages in the above table total more than 100% as organisations can have more than one functional area operating in shifts.

On-Call

Forty percent of participants have employees regularly on-call, none of these pay any on-call allowances. The functional areas with employees on-call include; IT Support, Property Management / Security, and Production / Manufacturing / Operations.

Work / Life Balance Initiatives

Forty percent of the participating organisations offer some type of benefit which reflects work / life balance policies with the most common offering being flexible work hours. No organisation indicated they offer part-time work or job-share.

For organisations that offer some type of work / life benefit, the table below shows the percentage of organisations that offer each initiative.

Work/Life Balance Initiative	% of Orgs	Senior Management	Middle Management / Specialist	Other Staff
Flexible Hours	30%	25%	50%	50%
Working from home	20%	50%	25%	-

Health and Wellbeing Benefits

Eighty percent of participating organisations provide some kind of health and wellbeing benefit. Amongst those organisations the most common health and wellbeing benefit offered is health checks.

Wellness Benefit	% of Orgs	% of Employees (in organisations offering wellness benefits)				
		CEO	Senior Mgmt	Middle Mgmt / Specialist	Sales	Other Staff
Health checks	60%	30%	30%	40%	20%	60%
Vaccinations	40%	10%	10%	30%	-	40%
On-site gym, fitness classes	20%	-	-	10%	-	20%

Variable Pay / Incentive Schemes

Types of Variable Pay

Variable Pay Scheme Definitions

For the purposes of this report, variable pay schemes are defined as follows:

Short-term Incentive (STI) Schemes

Short-term (12 months or less) incentive (STI) schemes reward employees for achieving pre-determined performance objectives. Performance objectives and the resulting rewards are typically communicated at the beginning of the performance period and are measured and paid quarterly, 6-monthly or annually to coincide with financial results. Objectives may be based on individual, team and / or company performance. Schemes where performance is measured over one year but payment is deferred are still defined as short-term incentive schemes. Rewards are generally expressed either as a percentage of base salary or as a fixed dollar amount.

Bonus Schemes

Bonus schemes retrospectively reward employees for individual, team and / or company performance. Bonus schemes tend to be more subjective and discretionary than commission or incentive schemes. Performance measures and the resulting rewards are not necessarily stipulated at the beginning of the performance period. Bonuses tend to be paid annually.

Commission Schemes

Commission schemes, a type of STI, are typically measured and paid within a monthly or quarterly period. Payments are generally a pre-determined amount or percentage of fees / revenue generated. Targets are commonly expressed as a percentage of each fee / revenue dollar, percentage of gross margin or a dollar amount per unit sold / produced.

Long-term Incentive (LTI) Schemes

Long-term incentive (LTI) schemes reward employees for achieving pre-determined performance objectives over more than one year, usually 2 to 5 years. Performance objectives and the resulting rewards are typically communicated at the beginning of the performance period and are measured and paid after the 2 to 5 year performance objectives are met. Incentives are commonly equity-based, but may be cash-based.

Eligibility for Variable Pay / Incentive Schemes

Fifty percent of participating organisations offer some form of variable pay / incentive scheme to their employees with profit share or other bonus schemes being the most popular.

The table below shows the percentage of organisations offering each scheme and the percentage of employees eligible for each scheme within those organisations.

For example: 50% of organisations offer profit share or other bonus schemes; of those organisations, 40% offer profit share or other bonus schemes to CEOs, 60% offer them to senior management, 80% offer them to middle management/specialist staff, 80% offer them to sales staff and all offer them to other staff.

Type of Variable Pay	% of Orgs	% of Employees Eligible (in organisations offering each scheme)				
		CEO	Senior Mgmt	Middle Mgmt / Specialist	Sales	Other Staff
Profit Share or other Bonus Scheme	50%	40%	60%	80%	80%	100%
Commission Scheme	10%	-	-	100%	100%	-

Percentages in the table above total more than 100% because some participants use more than one type of variable pay for some staff categories.

No organisations indicated that they provide STI Other than commission or Long term incentive schemes.

Profit Share or other Bonus Schemes

Fifty percent of the participating organisations operate some form of bonus scheme.

Of these, 60% of the respondents report that bonuses are company-wide; i.e. either all eligible staff receive a bonus or no staff do. For the remaining 40%, bonuses are not company-wide; i.e. factors such as individual or team performance are taken into account when deciding who receive a bonus.

Bonus Scheme	% of Organisations with Bonus Schemes
Bonuses are company-wide (i.e. either all eligible staff receive a bonus or no staff do)	60%
Bonuses are not company-wide (factors such as individual or team performance are taken into account when deciding who receive a bonus)	40%

Based on past history, 80% of organisations with bonus schemes generally pay bonuses every year, while 20% only pay bonuses in a successful year.

Bonus Scheme History	% of Organisations
Based on past history - bonuses are generally paid every year (for eligible staff)	80%
Based on past history - bonuses are only paid in a successful year (for eligible staff)	20%

Commission Schemes

Ten percent of participating organisations offer commission schemes across middle management / specialist and sales roles and use individual performance to determine commissions paid.

Long-Term Incentive Schemes

Long-term incentives can be an essential part of an organisation's total rewards package. If implemented correctly, they can promote ownership, higher performance and, ultimately, higher shareholder returns. The key feature of a long-term incentive scheme is that it encourages employees to focus on medium to long-term results, as opposed to short-term results (which are typically rewarded through incentives or commission schemes). Organisations will often use a combination of short and long-term incentives to balance short and long-term decision making.

Targeted / Capped Incentive Payments

Incentive targets are typically used to communicate performance expectations to employees, with the targeted amount reflecting competent performance in the role, while caps are typically used by organisations to control the costs of variable pay, but may also be used to:

- + Limit earnings
- + Avoid 'windfall' payments
- + Overcome poor target setting
- + Control adverse behaviours (e.g. sales at all costs)

Annual Leave

Annual leave entitlements at the start of employment are shown below for each employee group with most participants providing between 11 to 20 days annual leave to employees.

Number of Days Leave	% of Organisations Offering			
	CEO	Senior Management	Middle Management / Specialist	Other Staff
0 to 10 days	-	-	14%	10%
11 to 20 days	60%	60%	86%	80%
21 to 30 days	20%	20%	-	10%
More than 30 days	20%	20%	-	-

Sixty percent of participants indicated that they provide increased annual leave entitlements based on length of service to one or more employee groups. Increased number of days ranges from 4 to 20 days and increased annual leave is often awarded after 3, 5, 10, 15, 18, or 26 years of service.

Forty percent of organisations allow employees to sacrifice salary or 'buy' additional leave.

Long Service Leave

Participants were asked whether they provide additional long service leave which does not increase the annual leave entitlement but is taken as a one off, and if so, at what milestones is long service leave provided. No participating organisation provides long service leave to employees across any employee level.

Sick Leave

Sick leave entitlements provided to employees were reported by 80% of participating organisations with 13% of those organisations offering between 10-12 days per annum, 37% offering 13-20 days, 25% offering 21-30 days and 25% offering more than 31 days sick leave per annum.

Sick Leave Entitlements	% of Organisations
1 to 9 days	-
10 to 12 days	13%
13 to 20 days	37%
21 to 30 days	25%
More than 31 days	25%

Sixty-three percent of participants with sick leave provisions allow sick leave to be accumulated, 49 days is the average maximum number of days to be accumulated.

Other Leave

All participating organisations provide other leave to employees over and above the statutory entitlement. The table below shows the percentage offering each type of additional leave.

Additional Leave	% of Organisations	CEO	Senior Management	Mid Management / Specialist	Other Staff
Maternity Leave	100%	40%	40%	80%	90%
Bereavement	90%	40%	40%	80%	80%
Parental leave (other than maternity)	40%	20%	20%	40%	40%
Jury service leave	30%	20%	20%	30%	30%
Four days between Christmas and New Year	30%	10%	10%	20%	30%
Family leave	20%	10%	10%	20%	20%
Domestic leave (additional to sick leave)	20%	20%	20%	20%	20%
Study leave	20%	-	10%	20%	10%
Volunteer service leave	10%	10%	10%	10%	10%
Birthday Leave	-	-	-	-	-

Staff Turnover

The overall staff turnover for the past year among survey participants was 4%. Both senior management and middle management/specialist employee categories have had no involuntary turnover in the past year.

The following table summarises turnover by staff category.

Employee Category	Average Turnover		
	Voluntary	Involuntary	Total
Senior Management	10%	-	10%
Middle Management / Specialist	3%	-	3%
Other Staff	2%	2%	4%
All Staff	3%	1%	4%

Organisations noted that voluntary turnover has stayed about the same for 57% of participants while 14% have seen a decrease and 29% have seen no discernible pattern. No organisations have reported an increase in turnover.

Participants were asked to report the pattern of overall staff numbers for the past year and what they were expecting for the next 12 months. The table below shows results to this question with no organisations reporting a decrease for the past 12 months or expecting a decrease in the coming 12 months.

Pattern (% of total organisations)	Last Year (2015)	Expected Next Year (2016)
Increase	25%	25%
Decrease	-	-
No change	75%	75%

Recruitment

When asked to report on their recruitment activities; 60% of organisations have no vacancies at the moment, 30% report less recruitment happening than a year ago and 10% of participants are just as busy with recruitment as a year ago. No organisations reported having a recruitment freeze in place.

Hot Skills

Fifty percent of participants are currently experiencing difficulty in recruiting or retaining staff in one or more job functions. Areas of demand or difficulty in recruiting are Administration and Support, Finance and Accounting, and Information Technology.

Retention Strategies

Forty percent of participants have formal retention strategies in place. The table below outlines some of the approaches used by these organisations and the impact of those approaches on the organisations' retention rates.

No organisation reported using sign-on bonus.

Retention Approach	% of Organisations Using Approach	% of Organisations Finding Valuable		
		Valuable	No Long-term Impact	Unable to Measure
Enhanced benefits	100%	75%	-	25%
Enhanced training	100%	75%	-	25%
Mentoring	75%	67%	-	33%
Enhanced management training	75%	67%	-	33%
Flexible working arrangements	50%	100%	-	-
Accelerated Salary Progression	25%	100%	-	-
Enhanced Induction Process	25%	100%	-	-
Relocation Allowance	25%	100%	-	-
Retention Bonus	25%	100%	-	-
Additional holidays	25%	50%	50%	-

Executive Management

The average employment agreement for CEOs and Top Executive (corporate) is 4 years and 3 years for Top Executive (business/line). No organisation indicated that they opt for open ended contracts.

Executive Group	Years of Term		
	Minimum	Average	Maximum
CEO	1	4	5
Top Executive (Corporate)	1	4	5
Top Executive (Business / Line)	1	3	5

When asked if Top Executives are eligible for a termination payment of any type, no organisation indicated that termination payments are provided.

Compensation Market Data

4 Compensation Market Data

General Information

Confidentiality

To protect confidentiality, published salary information in this report is based on the following criteria:

- + A minimum of 3 organisations in any one sample.
- + Where 5 individual employees make up the sample, median information only is published.
- + Where 6 individual employees make up the sample, average and median information only is published.
- + Full information is published where 7 or more individual employees are included.

Data Page Layout

Essential compensation elements are presented as separate lines in the data page.

Data Pages

Data pages for 25 JobWise® pathway levels have been published in this year's survey.

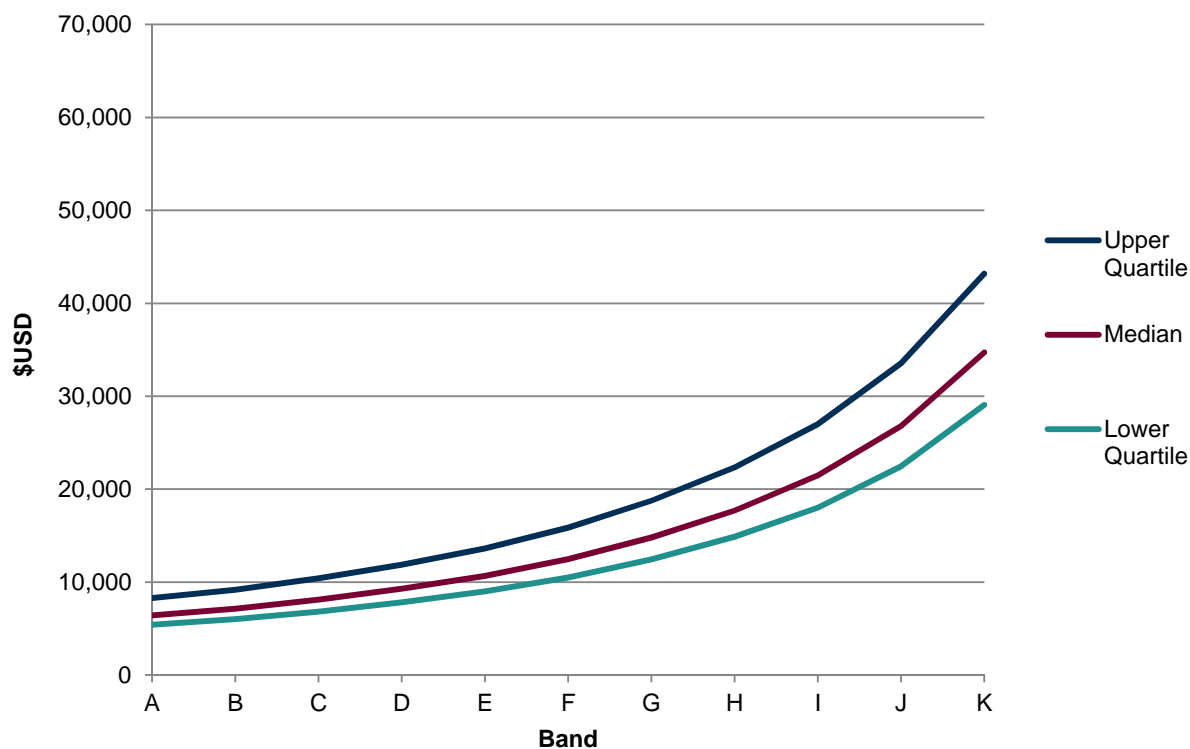
Due to lack of data we were unable to report the following JobWise® pathway levels:

- + S1 – Task Support
- + O6 – Technician 2
- + L9 – Senior Manager

Detailed Analysis by JobWise® Band

The following data is firstly delineated by JobWise® Code – the trend-line analysis details market compensation values based on JobWise® Band. The data is published in quartiles and medians for base salary, fixed compensation, and total compensation.

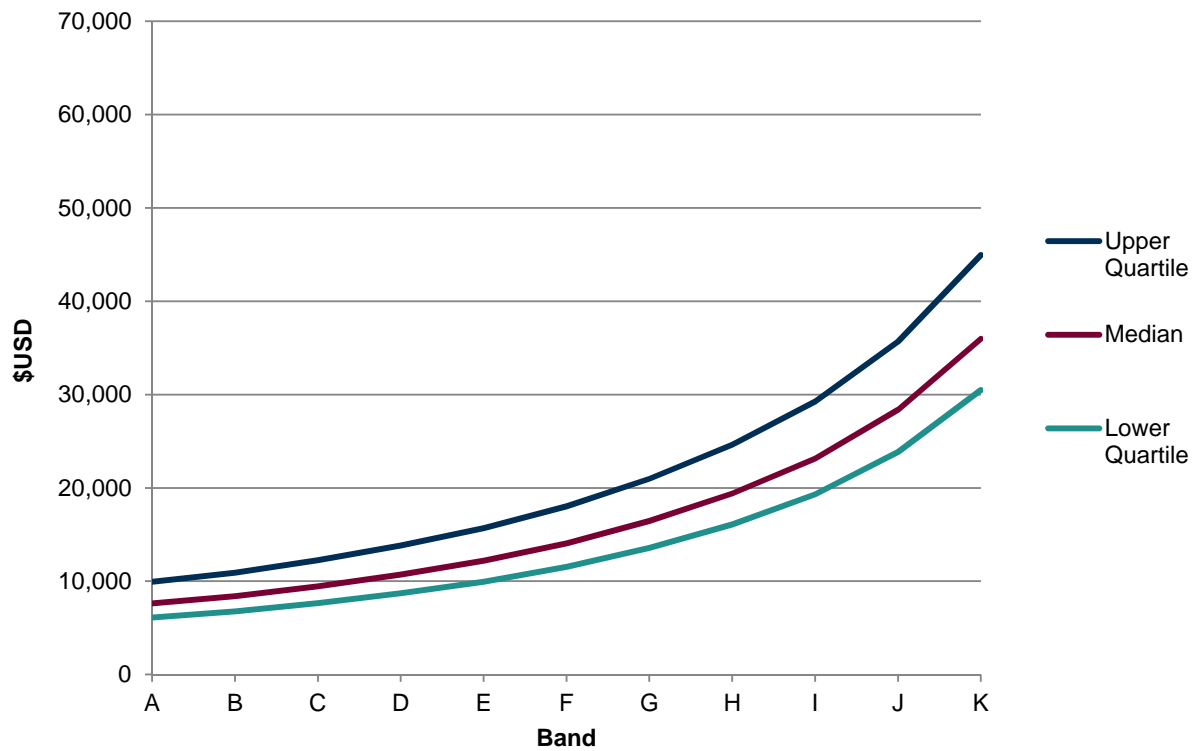
Base Salary Summary – General Market



Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	5 434	6 434	8 291
B	S2, O2	6 033	7 146	9 189
C	S3, O3	6 850	8 120	10 413
D	S4, O4, T1, L1	7 844	9 305	11 899
E	S5, O5, T2, L2	9 008	10 693	13 634
F	S6, O6, T3, L3	10 521	12 500	15 886
G	T4, L4	12 464	14 821	18 769
H	T5, L5	14 890	17 723	22 360
I	T6, L6	18 042	21 496	27 011
J	T7, L7	22 487	26 823	33 550
K	L8	29 075	34 728	43 204

Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1 and O6. However data supplied for roles with these codes has been included in the Band analysis.

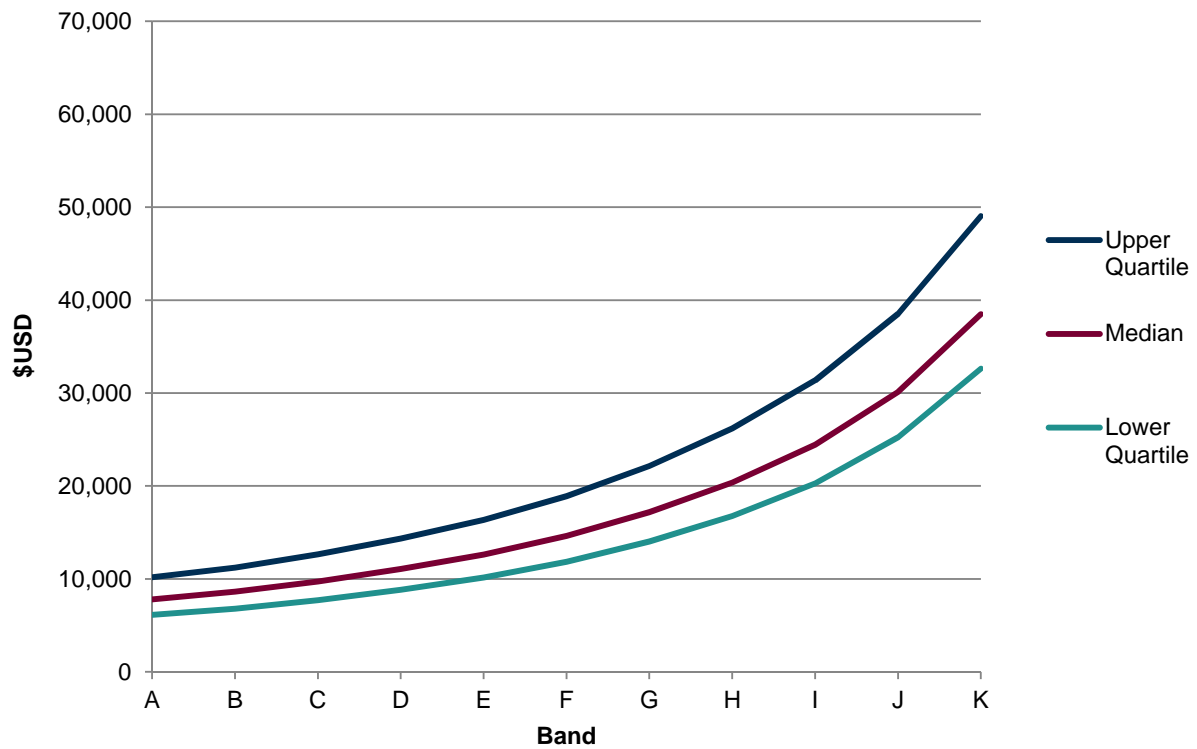
Fixed Compensation Summary – General Market



Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	6 137	7 650	9 959
B	S2, O2	6 782	8 425	10 940
C	S3, O3	7 659	9 474	12 263
D	S4, O4, T1, L1	8 719	10 737	13 852
E	S5, O5, T2, L2	9 952	12 200	15 686
F	S6, O6, T3, L3	11 545	14 082	18 036
G	T4, L4	13 576	16 468	21 003
H	T5, L5	16 093	19 408	24 644
I	T6, L6	19 337	23 174	29 287
J	T7, L7	23 871	28 402	35 698
K	L8	30 520	36 009	44 973

Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1 and O6. However data supplied for roles with these codes has been included in the Band analysis.

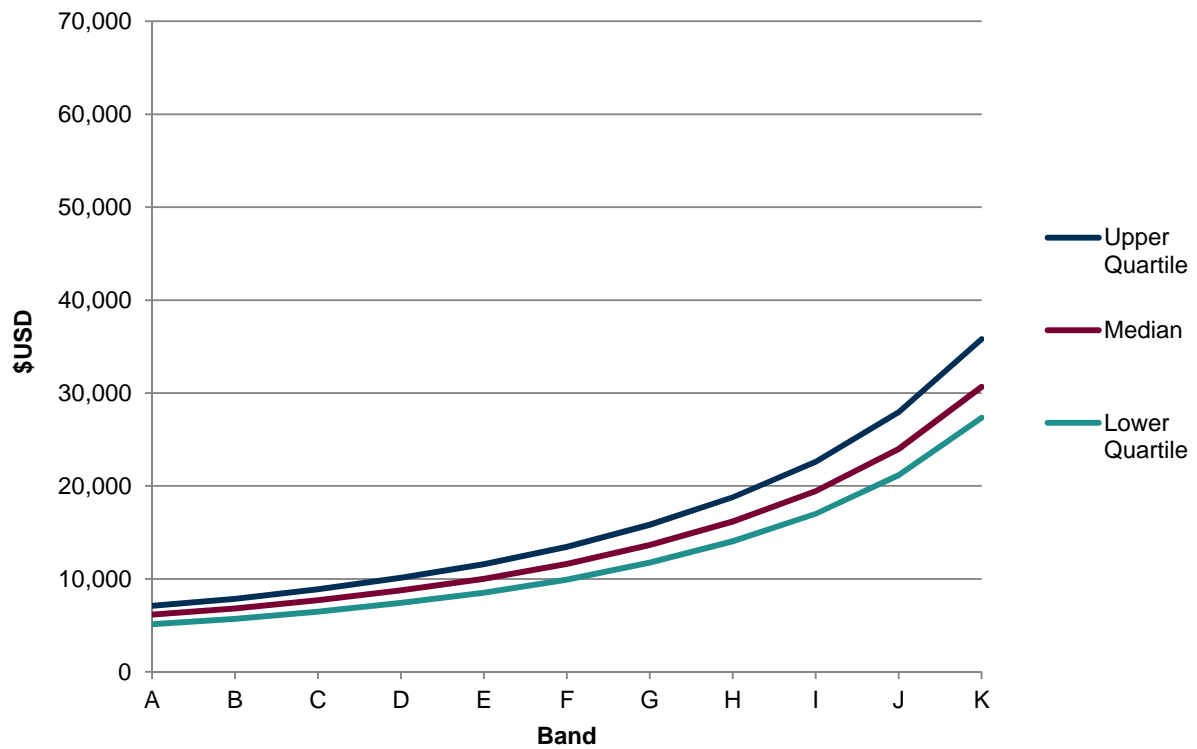
Total Compensation Summary – General Market



Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	6 141	7 820	10 183
B	S2, O2	6 814	8 636	11 231
C	S3, O3	7 733	9 744	12 651
D	S4, O4, T1, L1	8 850	11 083	14 366
E	S5, O5, T2, L2	10 158	12 640	16 355
F	S6, O6, T3, L3	11 857	14 650	18 918
G	T4, L4	14 036	17 209	22 175
H	T5, L5	16 757	20 378	26 199
I	T6, L6	20 288	24 456	31 367
J	T7, L7	25 263	30 149	38 560
K	L8	32 630	38 486	49 064

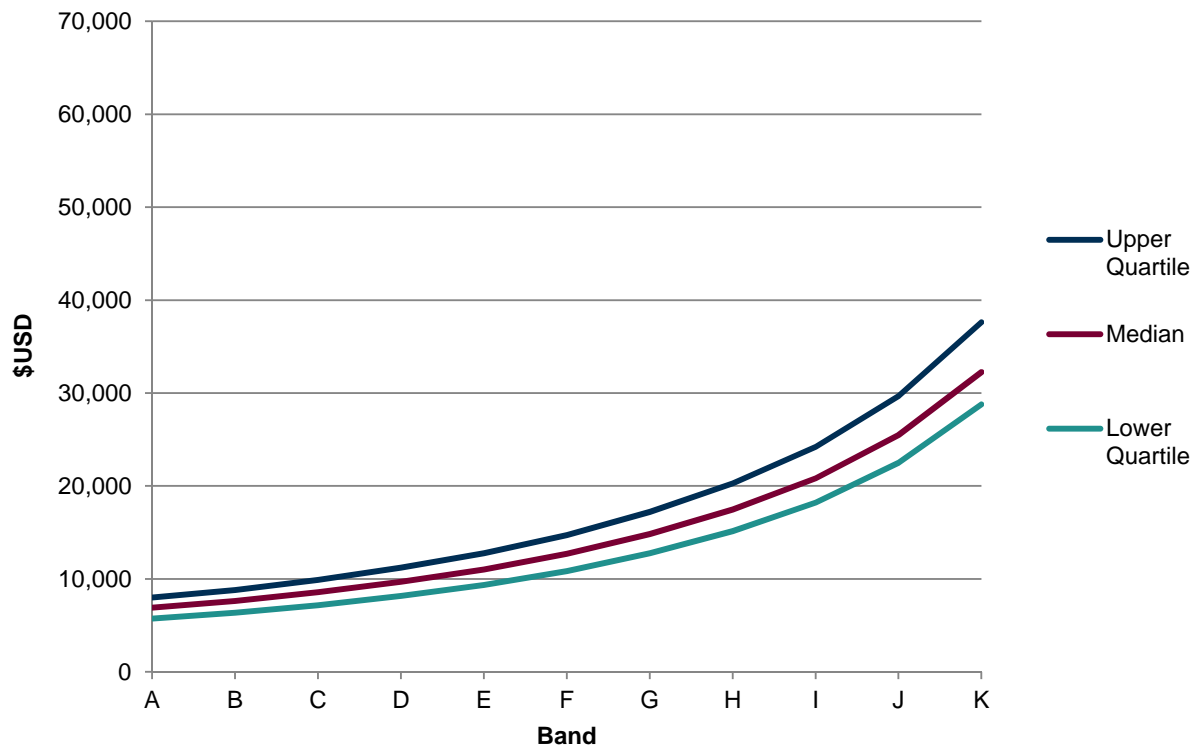
Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1 and O6. However data supplied for roles with these codes has been included in the Band analysis.

Base Salary Summary – Public Sector



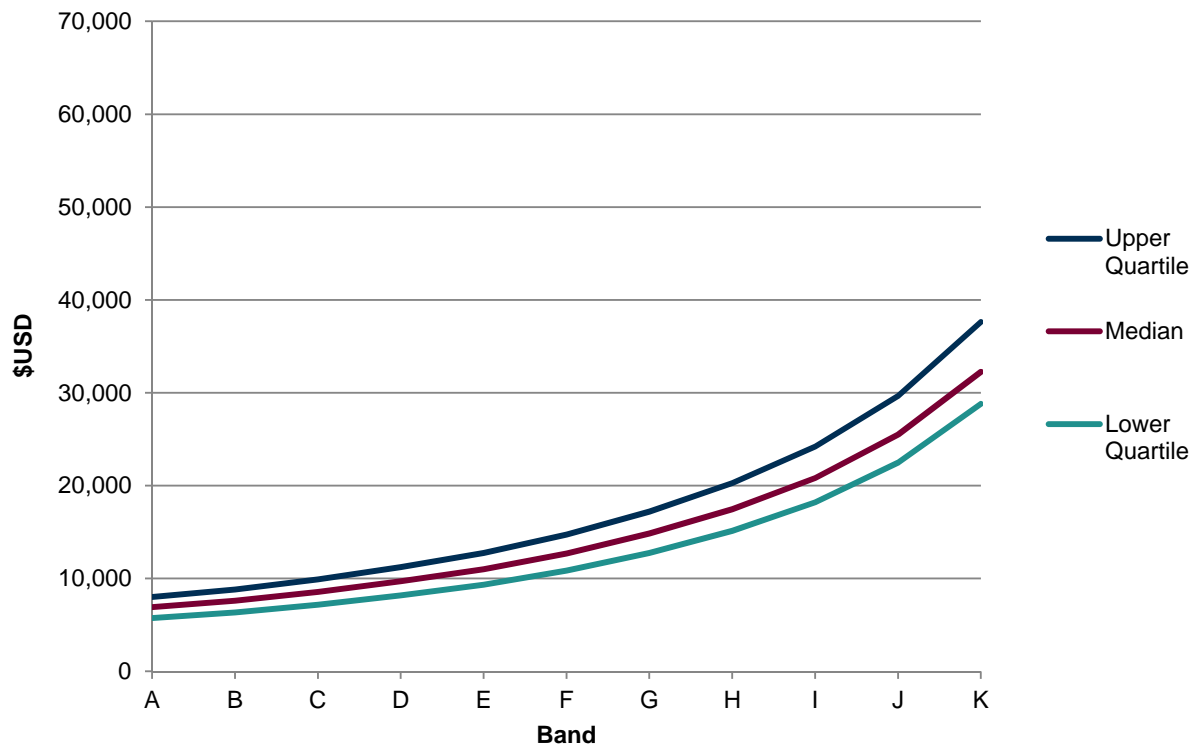
Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	5 159	6 189	7 126
B	S2, O2	5 723	6 838	7 880
C	S3, O3	6 494	7 720	8 905
D	S4, O4, T1, L1	7 431	8 787	10 146
E	S5, O5, T2, L2	8 527	10 027	11 592
F	S6, O6, T3, L3	9 952	11 630	13 461
G	T4, L4	11 778	13 671	15 846
H	T5, L5	14 057	16 202	18 805
I	T6, L6	17 015	19 461	22 623
J	T7, L7	21 181	24 015	27 966
K	L8	27 348	30 691	35 814

Fixed Compensation Summary – Public Sector



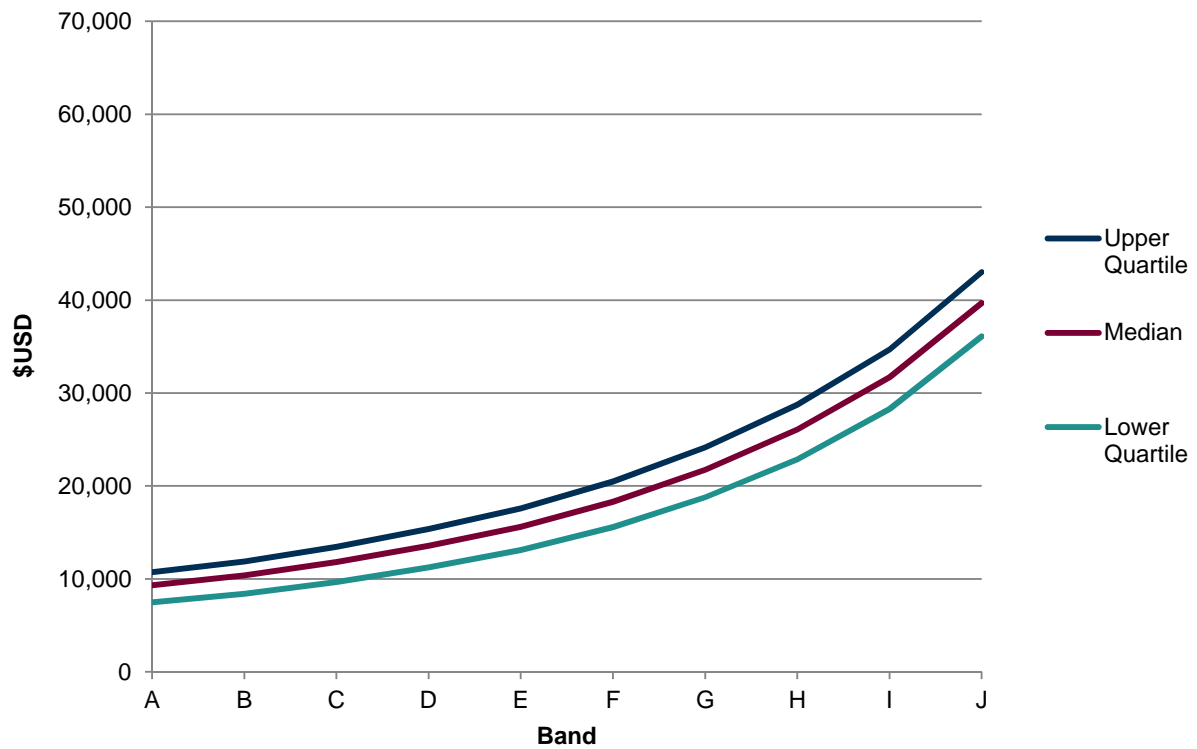
Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	5 760	6 938	8 013
B	S2, O2	6 368	7 636	8 823
C	S3, O3	7 194	8 579	9 921
D	S4, O4, T1, L1	8 193	9 714	11 241
E	S5, O5, T2, L2	9 356	11 027	12 772
F	S6, O6, T3, L3	10 860	12 714	14 738
G	T4, L4	12 778	14 849	17 231
H	T5, L5	15 157	17 479	20 303
I	T6, L6	18 223	20 843	24 237
J	T7, L7	22 513	25 505	29 696
K	L8	28 809	32 278	37 637

Total Compensation Summary – Public Sector



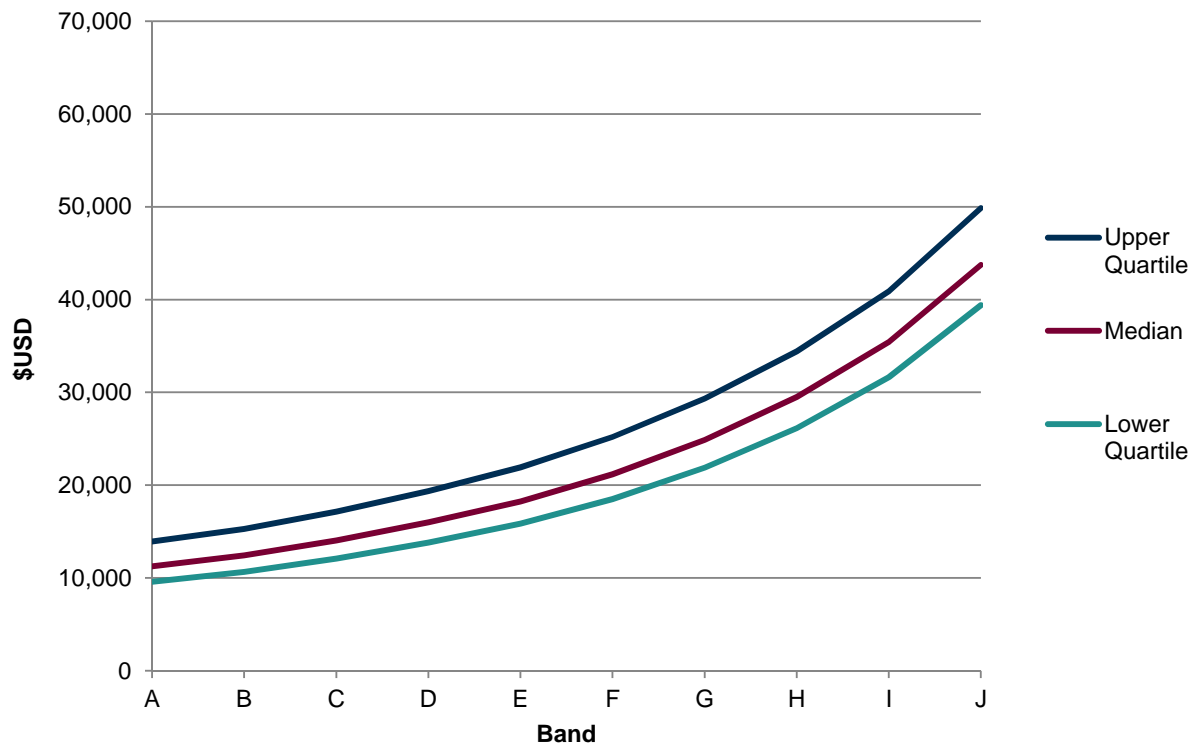
Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	5 760	6 938	8 013
B	S2, O2	6 368	7 636	8 823
C	S3, O3	7 194	8 579	9 921
D	S4, O4, T1, L1	8 193	9 714	11 241
E	S5, O5, T2, L2	9 356	11 027	12 772
F	S6, O6, T3, L3	10 860	12 714	14 738
G	T4, L4	12 778	14 849	17 231
H	T5, L5	15 157	17 479	20 303
I	T6, L6	18 223	20 843	24 237
J	T7, L7	22 513	25 505	29 696
K	L8	28 809	32 278	37 637

Base Salary Summary – Private Sector



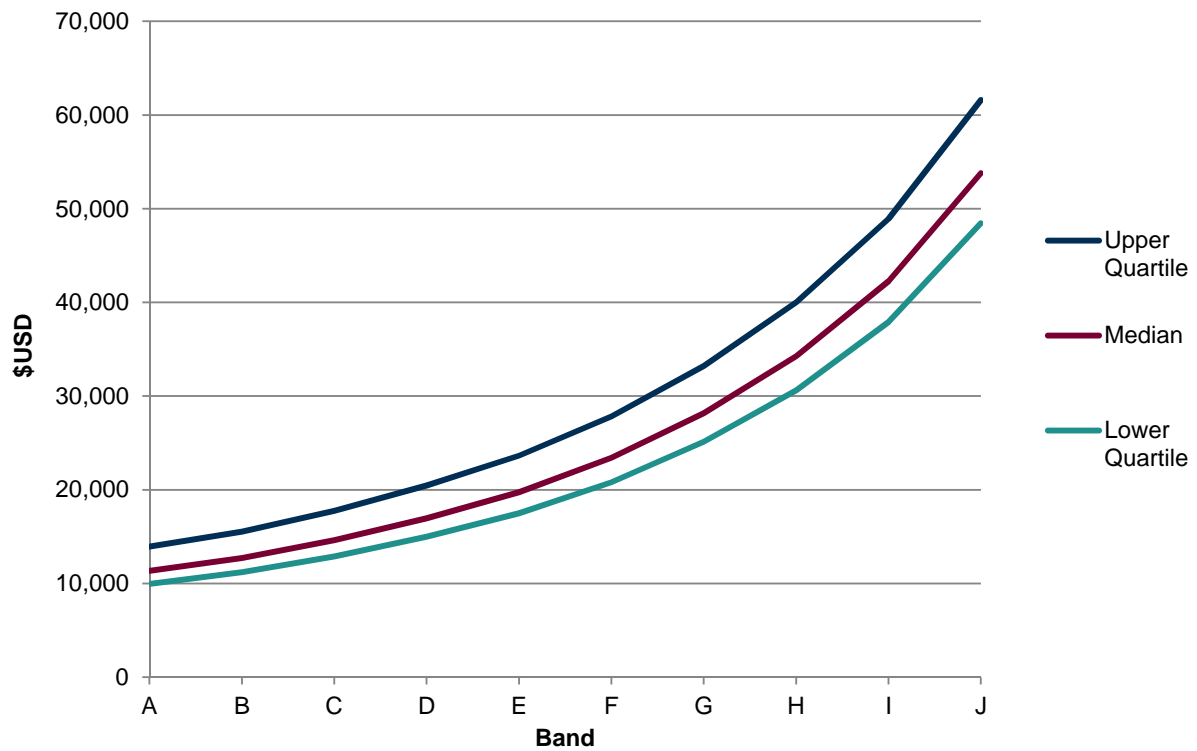
Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	7,500	9,334	10,745
B	S2, O2	8,419	10,384	11,900
C	S3, O3	9,690	11,820	13,472
D	S4, O4, T1, L1	11,258	13,571	15,379
E	S5, O5, T2, L2	13,121	15,627	17,605
F	S6, O6, T3, L3	15,581	18,308	20,489
G	T4, L4	18,793	21,760	24,177
H	T5, L5	22,881	26,087	28,765
I	T6, L6	28,297	31,728	34,700
J	T7, L7	36,106	39,716	43,030

Fixed Compensation Summary – Private Sector



Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	9,604	11,267	13,931
B	S2, O2	10,655	12,450	15,301
C	S3, O3	12,089	14,056	17,150
D	S4, O4, T1, L1	13,832	15,999	19,369
E	S5, O5, T2, L2	15,871	18,259	21,931
F	S6, O6, T3, L3	18,520	21,179	25,213
G	T4, L4	21,916	24,899	29,355
H	T5, L5	26,154	29,511	34,439
I	T6, L6	31,653	35,451	40,919
J	T7, L7	39,398	43,752	49,867

Total Compensation Summary – Private Sector



Band	JobWise®	Lower Quartile	Median	Upper Quartile
A	S1, O1	9,982	11,365	13,952
B	S2, O2	11,212	12,742	15,563
C	S3, O3	12,914	14,644	17,774
D	S4, O4, T1, L1	15,016	16,987	20,480
E	S5, O5, T2, L2	17,514	19,765	23,669
F	S6, O6, T3, L3	20,816	23,429	27,842
G	T4, L4	25,133	28,205	33,238
H	T5, L5	30,632	34,270	40,034
I	T6, L6	37,925	42,288	48,936
J	T7, L7	48,452	53,821	61,609

Summary Table and Detailed Data Pages

The table below provides a summary of median base salary, fixed compensation and total compensation by JobWise® pathway level. More detailed information for each job can be found in the following detailed data pages.

JobWise® Pathway Level	Band	JobWise® Pathway Title	Grade	Sample size	Base Salary	Fixed Compensation	Total Compensation
					Median	Median	Median
Customer and Business Support							
S2	Band B	Office Support	5-6	22	7 443	8 474	9 283
S3	Band C	Administration / Customer Support	7-8	75	10 013	10 729	10 729
S4	Band D	Technical Admin / Customer Focus	9-10	33	11 466	12 741	13 387
S5	Band E	Specialised Admin / Customer Focus	11-12	34	12 936	13 915	13 915
S6	Band F	Senior Specialised Business Support	13-14	21	14 723	16 342	16 342
Operations							
O1	Band A	Manual Labour 1	4	13	6 500	7 215	7 215
O2	Band B	Manual Labour 2	5-6	28	7 681	8 202	8 202
O3	Band C	Trades 1	7-8	77	8 275	9 185	9 185
O4	Band D	Trades 2	9-10	8	9 148	10 089	10 089
O5	Band E	Technician 1	11-12	9	9 360	10 524	10 524
Technical / Specialist							
T1	Band D	Technical Support	9-10	13	9 044	10 039	10 039
T2	Band E	Technical / Entry Level Specialist	11-12	69	9 481	10 524	10 524
T3	Band F	First Level Specialist	13-14	104	12 060	13 387	13 387
T4	Band G	Mid-level Specialist	15-16	95	14 723	16 342	16 342
T5	Band H	Senior Specialist	17-18	44	18 092	20 083	20 083
T6	Band I	Advanced Specialist	19-20	12	33 500	37 185	37 185
T7	Band J	Leading Expert	21-22	6	46 500	54 390	54 390
Leadership							
L1	Band D	Leading Hand	9-10	5	8 936	10 634	10 634
L2	Band E	Working Supervisor	11-12	18	11 284	12 498	12 998
L3	Band F	Supervisor I	13-14	20	13 870	14 772	14 772
L4	Band G	Supervisor II	15-16	46	15 806	17 647	17 647
L5	Band H	Team Leader	17-18	32	17 635	19 575	19 575
L6	Band I	Team Manager	19-20	8	20 141	22 357	22 357
L7	Band J	Section Leader	21-22	32	23 944	25 685	26 269
L8	Band K	Function Manager	23-24	12	31 496	34 961	34 961

Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1, O6 and L9.

Some JobWise® pathway levels have not been published due to small sample sizes. Even some of the above have relatively small samples and that can cause a problem because one organisation's internal policy can impact on the outcomes. Where the samples noted in the table above are small, care should be taken in how that data is utilised.

Customer and Business Support

Customer and Business Support

Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
S2	Band B	Office Support	47
S3	Band C	Administration / Customer Support	48
S4	Band D	Technical Admin / Customer Focus	49
S5	Band E	Specialised Admin / Customer Focus	50
S6	Band F	Senior Specialised Business Support	51

Office Support - Band B

S2

These are likely to be clerical or semi-skilled positions in support roles where accountability is limited to achievement of own day-to-day tasks, set and monitored by others. May also include customer-facing roles, routine tasks.

Grades

5-6

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
9	22					
Base Salary			6 065	7 443	9 090	7 627
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		23%	-	206	-	409
Income Protection Insurance		0%	-	-	-	-
Life Insurance		27%	-	155	-	157
Social Security and/or 401K		55%	643	875	1 156	891
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			6 553	8 474	9 472	8 248
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		36%	1 284	3 831	6 122	4 047
Target Bonus / Incentive		0%	-	-	-	-
Commission		5%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			7 168	9 283	11 146	9 856
Overtime		45%	529	678	1 235	876
Annual Leave (days)		59%	5	5	13	9

Administration / Customer Support - Band C

S3

Process-focused administrative or support roles with accountability for own day-to-day tasks requiring knowledge of procedures and processes within a work area. This level may also include customer facing roles with varied transactions, explaining, resolving enquiries.

Grades

7-8

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
20	75					
Base Salary			7 588	10 013	11 576	10 134
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	31%	356	974	1 404	1 049	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	33%	184	240	746	396	
Social Security and/or 401K	89%	458	766	1 101	839	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	7%	-	250	-	250	
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			8 608	10 729	12 761	11 354
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	17%	947	1 000	1 000	1 836	
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			8 792	10 729	13 338	11 672
Overtime	37%	63	134	519	369	
Annual Leave (days)	61%	11	11	13	13	

Technical Admin / Customer Focus - Band D

S4

Technical administrative roles with accountability for results of and processes within portions of work or projects. Varied problems requiring judgment and interpretation within recognised patterns.

Grades

9-10

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
15	33					
Base Salary			9 481	11 466	15 101	12 404
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		36%	404	974	1 028	1 202
Income Protection Insurance		0%	-	-	-	-
Life Insurance		30%	189	225	288	245
Social Security and/or 401K		91%	1 007	1 200	1 762	1 406
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		3%	-	-	-	-
Other Benefits		3%	-	-	-	-
Fixed Compensation			10 524	12 741	17 612	14 205
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		30%	1 000	1 000	1 000	3 356
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			10 524	13 387	19 301	15 222
Overtime		21%	203	812	1 830	1 172
Annual Leave (days)		42%	13	13	15	16

Specialised Admin / Customer Focus - Band E

S5

Jobs at this level tend to be more self-directed. Accountable for a specialist area of administration for the organisation with measurable impact. Varied problems of moderate complexity, requiring judgment and interpretation and perhaps analysis and research.

Grades 11-12

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
16	34					
Base Salary			9 481	12 936	14 723	13 211
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		21%	979	1 949	2 436	1 726
Income Protection Insurance		0%	-	-	-	-
Life Insurance		21%	178	182	193	225
Social Security and/or 401K		97%	1 007	1 252	1 539	1 235
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		3%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			10 524	13 915	16 342	14 855
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		3%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			10 524	13 915	16 342	14 863
Overtime		12%	-	-	-	-
Annual Leave (days)		24%	19	28	30	24

Senior Specialised Business Support - Band F

S6

Accountability for a specialist area of admin or customer support, involving conflicting and diverse activities requiring high level of individual judgment. Problems of moderate scope and complexity requiring analytical and creative input, initiative and judgment.

Grades 13-14

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
15	21					
Base Salary			9 939	14 723	20 000	15 920
<i>Benefits</i>						
Cell Phone / Internet Allowance	10%	-	-	-	-	-
Medical / Health Insurance	14%	-	-	-	-	-
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	14%	-	-	-	-	-
Social Security and/or 401K	100%	1 071	1 327	2 200	1 772	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	5%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			11 032	16 342	22 200	18 079
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	14%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			11 032	16 342	22 813	18 187
Overtime	14%	-	-	-	-	-
Annual Leave (days)	19%	-	-	-	-	-

Operations

Operations

Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
O1	Band A	Manual Labour 1	57
O2	Band B	Manual Labour 2	58
O3	Band C	Trades 1	59
O4	Band D	Trades 2	60
O5	Band E	Technician 1	61

Manual Labour 1 - Band A

O1

Task-focused manual roles where the work is limited to clearly defined and straightforward tasks governed by simple rules or detailed instructions.

Grades

4

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
6	13					
Base Salary			5 467	6 500	8 320	6 671
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		46%	-	2 436	-	2 053
Income Protection Insurance		0%	-	-	-	-
Life Insurance		54%	184	193	203	195
Social Security and/or 401K		46%	-	601	-	602
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		31%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			6 068	7 215	10 646	8 078
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		15%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			6 068	7 215	10 646	8 147
Overtime		54%	60	99	184	154
Annual Leave (days)		46%	-	15	-	15

Manual Labour 2 - Band B

O2

These are likely to be clerical or semi-skilled positions in support roles where accountability is limited to achievement of own day-to-day tasks, set and monitored by others. May also include customer-facing roles, routine tasks.

Grades

5-6

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
7	28					
Base Salary			5 314	7 681	8 320	7 095
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	61%	154	208	2 923	1 267	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	71%	184	184	213	188	
Social Security and/or 401K	39%	587	910	926	862	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	21%	-	250	-	250	
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			5 744	8 202	11 706	8 391
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	4%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			5 744	8 202	11 706	8 400
Overtime	61%	292	390	980	661	
Annual Leave (days)	75%	13	15	15	16	

Trades 1 - Band C

O3

Skilled or semi-skilled roles working more independently on a varied range of well defined tasks requiring a broader understanding of processes, procedures and work routines. May be required to operate machinery requiring proficiency.

Grades

7-8

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
9	77					
Base Salary			7 155	8 275	9 044	8 128
<i>Benefits</i>						
Cell Phone / Internet Allowance	1%	-	-	-	-	-
Medical / Health Insurance	35%	196	974	1 404	1 010	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	53%	146	184	184	170	
Social Security and/or 401K	82%	910	995	1 238	1 087	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	1%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	1%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			8 251	9 185	10 039	9 518
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	18%	1 000	1 000	1 000	896	
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	1%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			8 251	9 185	10 039	9 720
Overtime	31%	435	1 214	1 700	1 307	
Annual Leave (days)	52%	13	13	14	15	

Trades 2 - Band D

O4

Skilled trades or technical roles with accountability for results of and processes within portions of work or projects. Works under limited supervision performing moderately complex and varied tasks requiring judgment and interpretation.

Grades 9-10

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
5	8					
Base Salary			8 103	9 148	9 676	9 427
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		13%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		50%	-	-	-	-
Social Security and/or 401K		75%	-	1 005	-	1 116
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			8 995	10 089	11 523	10 532
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		13%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			8 995	10 089	11 773	10 657
Overtime		38%	-	-	-	-
Annual Leave (days)		50%	-	-	-	-

Technician 1 - Band E

O5

Specialist technical roles at advanced trades or certificate level accountable for moderately complex tasks with some impact on the work unit or wider organisation. Jobs at this level tend to involve more complex problem-solving, requiring judgment, interpretation and perhaps analysis and research.

Grades 11-12

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
5	9					
Base Salary			8 275	9 360	12 480	9 997
<i>Benefits</i>						
Cell Phone / Internet Allowance	11%	-	-	-	-	-
Medical / Health Insurance	33%	-	-	-	-	-
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	22%	-	-	-	-	-
Social Security and/or 401K	100%	910	995	1 464	1 154	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	11%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			9 185	10 524	14 772	12 137
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	33%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			9 185	10 524	14 772	12 390
Overtime	22%	-	-	-	-	-
Annual Leave (days)	33%	-	-	-	-	-

Technical / Specialist

Technical / Specialist

Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
T1	Band D	Technical Support	67
T2	Band E	Technical / Entry Level Specialist	68
T3	Band F	First Level Specialist	69
T4	Band G	Mid-level Specialist	70
T5	Band H	Senior Specialist	71
T6	Band I	Advanced Specialist	72

Technical Support - Band D

T1

Entry level technician or technical support roles with accountability for results of and processes within portions of work or projects. Varied problems requiring judgment and interpretation within recognised patterns.

Grades

9-10

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
7	13					
Base Salary			7 588	9 044	13 308	10 206
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		15%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		8%	-	-	-	-
Social Security and/or 401K		100%	835	995	1 203	1 128
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			8 423	10 039	14 772	11 552
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		15%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			8 423	10 039	14 772	11 650
Overtime		8%	-	-	-	-
Annual Leave (days)		15%	-	-	-	-

Technical / Entry Level Specialist - Band E

T2

Jobs at this level are accountable for results of and processes within portions of work or projects or for providing specialised technical service in their own right. Varied problems requiring judgment and interpretation and perhaps analysis.

Grades 11-12

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
16	69					
Base Salary			8 649	9 481	12 060	11 349
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	13%	825	974	2 923	1 582	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	10%	634	771	892	705	
Social Security and/or 401K	100%	951	1 043	1 327	1 153	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	1%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	6%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			9 601	10 524	13 387	12 890
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	7%	-	399	-	-	587
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			9 601	10 524	13 387	12 933
Overtime	10%	580	800	950	764	
Annual Leave (days)	14%	15	15	15	16	

First Level Specialist - Band F

T3

First level of technical specialisation. Problems of moderate scope and complexity requiring analytical and creative input, initiative and judgment. Jobs at this level assess, investigate, analyse and interpret information.

Grades 13-14

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
22	104					
Base Salary			9 939	12 060	16 304	13 442
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	15%	498	700	1 243	1 095	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	10%	434	886	1 017	748	
Social Security and/or 401K	97%	1 093	1 326	1 467	1 358	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	2%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	2%	-	-	-	-	-
Other Benefits	1%	-	-	-	-	-
Fixed Compensation			11 032	13 387	17 829	15 135
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	13%	959	1 000	1 072	2 375	
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			11 032	13 387	17 829	15 432
Overtime	6%	-	1 111	-	2 070	
Annual Leave (days)	19%	10	10	16	14	

Mid-level Specialist - Band G

T4

Jobs at this level are likely to provide independent specialised technical service requiring general application of practices, techniques, concepts and theoretical principles from the relevant discipline. They will develop solutions to a variety of problems of moderate scope and complexity.

Grades 15-16

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
22	95					
Base Salary			10 937	14 723	17 996	15 864
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	7%	822	974	1 715	1 378	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	11%	408	670	1 168	765	
Social Security and/or 401K	100%	1 203	1 620	1 941	1 792	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	3%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			12 140	16 342	20 031	18 021
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	7%	1 000	1 000	1 045	983	
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	1%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			12 140	16 342	20 031	18 125
Overtime	3%	-	-	-	-	-
Annual Leave (days)	11%	13	13	19	16	

Senior Specialist - Band H

T5

Grades 17-18

Jobs at this level provide a specialised technical service, developing solutions to varied and complex problems. Analytical and creative reasoning required to explore alternative options and formulate solutions. Requires sound understanding of practices, techniques, concepts and theoretical principles from relevant discipline.

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
18	44					
Base Salary			13 995	18 092	24 694	20 380
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		4%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		13%	-	507	-	478
Social Security and/or 401K		98%	1 539	1 990	2 589	2 324
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		2%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			15 534	20 083	27 133	22 971
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		7%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			15 534	20 083	27 133	23 046
Overtime		5%	-	-	-	-
Annual Leave (days)		18%	13	13	15	14

Advanced Specialist - Band I

T6

Jobs at this level are likely to provide a specialised technical service at expert level, developing solutions to highly complex problems requiring a complete understanding of practices, techniques, concepts and theoretical principles from the relevant discipline.

Grades 19-20

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
9	12					
Base Salary			26 000	33 500	40 000	32 007
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		0%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		0%	-	-	-	-
Social Security and/or 401K		100%	2 860	3 685	4 400	3 521
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			28 860	37 185	44 400	35 528
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		0%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			28 860	37 185	44 400	35 528
Overtime		0%	-	-	-	-
Annual Leave (days)		0%	-	-	-	-

Leading Expert - Band J

T7

Few stand-alone roles score at this level. They will be the organisation's most advanced specialists - the "subject matter experts" in a significant area of concern for the organisation. Jobholders in these roles will apply advanced specialised or technical principles, theories and concepts to resolve unusually complex technical problems.

Grades 21-22

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
4	6					
Base Salary			-	46 500	-	47 721
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		33%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		17%	-	-	-	-
Social Security and/or 401K		100%	-	4 730	-	4 652
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		33%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			-	54 390	-	56 225
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		17%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			-	54 390	-	56 703
Overtime		0%	-	-	-	-
Annual Leave (days)		33%	-	-	-	-

Leadership

Leadership

Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
L1	Band D	Leading Hand	79
L2	Band E	Working Supervisor	80
L3	Band F	Supervisor I	81
L4	Band G	Supervisor II	82
L5	Band H	Team Leader	83
L6	Band I	Team Manager	84
L7	Band J	Section Leader	85
L8	Band K	Function Manager	86

Leading Hand - Band D

L1

Grades 9-10

In addition to undertaking task-oriented/ manual work at skilled operator or trades level, roles at this level are responsible for allocating work and close supervision of staff performing similar tasks. Generally such roles work alongside the staff supervised.

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
4	5					
Base Salary			-	8 936	-	-
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		60%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		60%	-	-	-	-
Social Security and/or 401K		60%	-	-	-	-
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			-	10 634	-	-
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		20%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			-	10 634	-	-
Overtime		60%	-	-	-	-
Annual Leave (days)		80%	-	-	-	-

Working Supervisor - Band E**L2**

First level supervisory roles undertaking some of the same duties as those supervised in a working supervisor capacity. Ensures decisions of management are articulated and implemented. Responsible for scheduling, rosters, work allocation and monitoring, and performance reviews.

Grades 11-12

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
8	18					
Base Salary			8 840	11 284	15 470	12 619
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		56%	248	363	499	526
Income Protection Insurance		0%	-	-	-	-
Life Insurance		50%	184	184	184	198
Social Security and/or 401K		61%	953	1 450	1 537	1 440
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			9 413	12 498	17 291	13 890
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		22%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			9 413	12 998	17 291	15 075
Overtime		50%	2 718	2 955	5 114	3 789
Annual Leave (days)		61%	13	20	20	18

Supervisor I - Band F

L3

Supervisors at this level tend to be responsible for staff in task-focused roles. Likely to be responsible for budget. Emphasis on scheduling, work allocation and monitoring. Responsible for performance reviews and staff training.

Grades 13-14

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
9	20					
Base Salary			13 308	13 870	19 030	17 207
<i>Benefits</i>						
Cell Phone / Internet Allowance	0%	-	-	-	-	-
Medical / Health Insurance	15%	-	-	-	-	-
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	15%	-	-	-	-	-
Social Security and/or 401K	85%	1 093	1 265	1 464	1 378	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			14 227	14 772	19 844	18 475
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	0%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			14 227	14 772	19 844	18 475
Overtime	15%	-	-	-	-	-
Annual Leave (days)	15%	-	-	-	-	-

Supervisor II - Band G

L4

Supervisors at this level tend to be responsible for staff in process-focused or technical support roles. May be responsible for budgets. Emphasis on scheduling, work allocation and monitoring. Responsible for performance reviews and staff training.

Grades	15-16
---------------	-------

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
10	46					
Base Salary			13 308	15 806	18 563	17 319
<i>Benefits</i>						
Cell Phone / Internet Allowance	7%	-	-	-	-	-
Medical / Health Insurance	13%	-	1 034	-	-	1 084
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	22%	184	326	338	321	
Social Security and/or 401K	91%	1 464	1 620	2 226	1 965	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			14 772	17 647	21 371	19 372
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	9%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			14 772	17 647	22 106	19 459
Overtime	11%	-	3 079	-	-	4 221
Annual Leave (days)	22%	13	13	18	16	

Team Leader - Band H

L5

Team leaders at this level tend to fall into one of two types: either technical specialists with one or more assigned technical staff, or lower level specialists with a team of business or technical support staff. Planning, scheduling and monitoring work and associated budgets.

Grades 17-18

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
13	32					
Base Salary			16 304	17 635	24 182	19 646
<i>Benefits</i>						
Cell Phone / Internet Allowance	9%	-	-	-	-	-
Medical / Health Insurance	25%	690	953	1 484	1 113	
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	22%	500	700	1 216	846	
Social Security and/or 401K	100%	1 793	1 846	2 126	2 256	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	6%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	9%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			18 097	19 575	27 595	23 720
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	22%	1 000	1 199	1 310	1 238	
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			18 097	19 575	28 236	23 991
Overtime	6%	-	-	-	-	-
Annual Leave (days)	25%	10	13	13	12	

Team Manager - Band I

L6

Manages staff assigned to specified administrative, operational or technical roles who work independently as technical specialists. Ensures decisions of management are articulated and implemented. Manages and monitors work and associated budgets.

Grades 19-20

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
5	8					
Base Salary			18 092	20 141	21 659	23 827
<i>Benefits</i>						
Cell Phone / Internet Allowance	13%	-	-	-	-	-
Medical / Health Insurance	13%	-	-	-	-	-
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	13%	-	-	-	-	-
Social Security and/or 401K	100%	1 990	2 216	2 383	3 071	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	0%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			20 083	22 357	24 042	27 445
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	13%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			20 083	22 357	24 042	27 570
Overtime	0%	-	-	-	-	-
Annual Leave (days)	13%	-	-	-	-	-

Section Leader - Band J

L7

Responsibility for managing a section or part of a division/department, where effective utilisation of staff is important and impact on stakeholder satisfaction is significant. Staff will include technical specialists and programme/ project roles, managed directly or through team leaders.

Grades 21-22

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
17	32					
Base Salary			20 327	23 944	29 532	28 524
<i>Benefits</i>						
Cell Phone / Internet Allowance	9%	-	-	-	-	-
Medical / Health Insurance	13%	-	-	-	-	-
Income Protection Insurance	0%	-	-	-	-	-
Life Insurance	9%	-	-	-	-	-
Social Security and/or 401K	97%	2 212	2 461	2 860	3 080	
Additional Leave	0%	-	-	-	-	-
Housing Assistance	0%	-	-	-	-	-
Rental Assistance	0%	-	-	-	-	-
Transport Allowance	0%	-	-	-	-	-
Car Allowance	0%	-	-	-	-	-
Motor Vehicle	6%	-	-	-	-	-
Clubs / Professional Fees	0%	-	-	-	-	-
Other Cash Payment	0%	-	-	-	-	-
Other Benefits	0%	-	-	-	-	-
Fixed Compensation			22 564	25 685	32 781	32 630
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive	9%	-	-	-	-	-
Target Bonus / Incentive	0%	-	-	-	-	-
Commission	0%	-	-	-	-	-
Callout / Shift Allowance	0%	-	-	-	-	-
Total Compensation			22 648	26 269	32 781	33 051
Overtime	3%	-	-	-	-	-
Annual Leave (days)	28%	11	11	13	12	

Function Manager - Band K**L8**

Leadership of a single function or aspect of a larger function where the impact on overall organisation end results is significant. Typically managing managers or team leaders with staff in technical/ specialist roles requiring high levels of expertise.

Grades 23-24

Total Sample		Compensation Data				
No. of Orgs	No. of Jobs	% Rec.	Lower Quartile	Median	Upper Quartile	Average
9	12					
Base Salary			28 895	31 496	39 161	33 225
<i>Benefits</i>						
Cell Phone / Internet Allowance		0%	-	-	-	-
Medical / Health Insurance		8%	-	-	-	-
Income Protection Insurance		0%	-	-	-	-
Life Insurance		8%	-	-	-	-
Social Security and/or 401K		92%	3 072	3 409	4 350	3 641
Additional Leave		0%	-	-	-	-
Housing Assistance		0%	-	-	-	-
Rental Assistance		0%	-	-	-	-
Transport Allowance		0%	-	-	-	-
Car Allowance		0%	-	-	-	-
Motor Vehicle		0%	-	-	-	-
Clubs / Professional Fees		0%	-	-	-	-
Other Cash Payment		0%	-	-	-	-
Other Benefits		0%	-	-	-	-
Fixed Compensation			32 074	34 961	43 468	36 794
<i>Cash / Variable Pay</i>						
Actual Bonus / Incentive		8%	-	-	-	-
Target Bonus / Incentive		0%	-	-	-	-
Commission		0%	-	-	-	-
Callout / Shift Allowance		0%	-	-	-	-
Total Compensation			32 074	34 961	44 737	39 674
Overtime		0%	-	-	-	-
Annual Leave (days)		8%	-	-	-	-

Appendices

5 Appendices

Appendix A: Index of JobWise® Pathways

JobWise® Pathway Level	Band	JobWise® Pathway Title	Page
Customer and Business Support			
S2	Band B	Office Support	47
S3	Band C	Administration / Customer Support	48
S4	Band D	Technical Admin / Customer Focus	49
S5	Band E	Specialised Admin / Customer Focus	50
S6	Band F	Senior Specialised Business Support	51
Operation			
O1	Band A	Manual Labour 1	57
O2	Band B	Manual Labour 2	58
O3	Band C	Trades 1	59
O4	Band D	Trades 2	60
O5	Band E	Technician 1	61
Technical / Specialist			
T1	Band D	Technical Support	67
T2	Band E	Technical / Entry Level Specialist	68
T3	Band F	First Level Specialist	69
T4	Band G	Mid-level Specialist	70
T5	Band H	Senior Specialist	71
T6	Band I	Advanced Specialist	72
T7	Band J	Leading Expert	73
Leadership			
L1	Band D	Leading Hand	79
L2	Band E	Working Supervisor	80
L3	Band F	Supervisor I	81
L4	Band G	Supervisor II	82
L5	Band H	Team Leader	83
L6	Band I	Team Manager	84
L7	Band J	Section Leader	85
L8	Band K	Function Manager	86

Please note: Due to lack of data we were unable to report the following JobWise® pathway levels; S1, O6, and L9.

Appendix B: Explanation of Terms and Statistics

Job Size	Grade	Strategic Pay Job Evaluation Grades, as a result of a job evaluation via SP5 or SP10, Strategic Pay's Job Evaluation methodologies.
	Points	The job evaluation points total as a result of a SP10 or SP5 job evaluation.
Total Sample	No. of Orgs	The number of firms which submitted data for this job.
	No. of Jobs	The total number of employees in this sample.
Compensation Definitions	Base Salary	The base pay paid weekly, fortnightly or monthly without the inclusion of any additional payments or benefits (such as allowances, superannuation, bonus etc.).
	Fixed Compensation	Base Salary plus fixed or proportioned benefits such as vehicles, allowances, additional leave, service payments, superannuation contributions. Any definite benefits which are subject to tax measures have this tax amount paid by the firm included.
	Total Compensation	The sum of all definite compensation items base, cash and benefits. This excludes target amounts for bonus or incentives. This definition also excludes any overtime payments however any benefits which are subject to tax measure have this tax amount paid by the firm included.
Statistical Definitions	Upper Quartile (UQ)	The 75 th percentile at which 25% of the data is higher than this point.
	Median (Med)	The 50 th percentile at which 50% of the data is higher and 50% of the data is lower than this point.
	Average (Ave)	The arithmetic mean of the data; the sum of the data divided by the sample receiving.
	Lower Quartile (LQ)	The 25 th percentile at which 25% of the data is lower than this point.
	Percentage receiving (% Rec.)	For each compensation item, the survey page identifies the percentage of participants receiving that item.
Compensation Item	Additional Leave	The monetary value of any additional annual holidays that has been "purchased" by the employee over and above the leave specified in any employment contract (ie. leave without pay)
	Bonus	Performance bonus. Actual amounts paid to recognise the achievement of individual, team or organisation goals.
	Cell Phone / Internet Allowance	Actual dollar amount paid toward cell phone and/or internet rental/expenses.
	Insurance (Medical / Health or Life)	Payments made by the employer to cover all or some of the costs of a health care scheme or other medical cover, or life insurance policy.
	Motor Vehicle	Vehicles have been included in this analysis on the basis of the value to the employee.
	Social Security and/or 401K	Actual dollar amount that the organisation contributes to Social Security and/or 401K Plan.
	Other allowances	The sum total of all other benefits. These range from housing subsidy to professional fees, and other cash allowances. The totals shown represent the actual dollar amount paid by the employer.

Appendix C: Strategic Pay Vehicle Use Methodology

Valuing vehicle use as part of package

Private use of an employer-provided vehicle does confer a benefit on the employee. The tricky question - what is the value of that benefit for compensation purposes?

For the purposes of the current survey, vehicles for private use are valued as follows:

Company Car Level of Use	Value for Compensation Purposes
Full use	40% of new vehicle purchase price
Full use except holidays	35% of new vehicle purchase price
Working week only	30% of new vehicle purchase price
Business use only	0 (no compensation value)
Business use plus home to work travel	10% of new vehicle purchase price

Appendix D: Frequently asked questions about Data Pages

Why don't the numbers in a data page 'add up'?

In a data page, the figures given for these different salary components will not 'add up' for each statistical column (lower quartile, median, upper quartile), because they are not a calculated figure, but a single point in the data sample (refer to Appendix B for an explanation of each statistical term).

For example, the median fixed compensation and the median variable pay figures will not necessarily add up to the median total compensation figures, as illustrated in the following worked example:

Employee	Base Salary	Benefits	Fixed Rem.	Variable Pay	Total Rem.
A	50,000	2,000	52,000	8,000	60,000
B	55,000	500	55,500	2,000	57,500
C	52,000	10,000	62,000	-	62,000
D	50,000	7,500	57,500	-	57,500
E	55,000	5,000	60,000	5,000	65,000
Median	52,000	5,000	57,500	5,000	60,000

In this example, the median fixed compensation figure (\$57,500) and the median variable pay figure (\$5,000) **do not** add up to the median total compensation figure (\$60,000), because the median figure for each of these statistics has come from different employees:

- + Fixed compensation comes from employee D
- + Variable pay comes from employee E
- + Total compensation comes from employee A

But surely the Average column should add up – after all, an average is not an actual incumbent's figure, but the 'average' of all the incumbents?

The average column does not necessarily add up because it is only calculating averages of those receiving the particular compensation component. Using the same example as above:

Employee	Base Salary	Benefits	Fixed Rem.	Variable Pay	Total Rem.
A	50,000	2,000	52,000	8,000	60,000
B	55,000	500	55,500	2,000	57,500
C	52,000	10,000	62,000	-	62,000
D	50,000	7,500	57,500	-	57,500
E	55,000	5,000	60,000	5,000	65,000
Average	52,400	5,000	57,400	5,000	60,400

You'll note that the base salary and benefits averages **do add up** to the fixed compensation. But the fixed compensation and variable pay **do not add up** to the total compensation.

This is because all employees in this sample received benefits but not all employees received variable pay. It is extremely rare for a data page to have 100% of employees receiving the various benefits and / or variable pay. Therefore the averages column will not 'add up'.

Shouldn't the Median and Averages be the same?

You will find that on some data pages, the median and average figures are about the same, whereas on other data pages, the median and average figures are quite different.

Both of these scenarios give you valuable information about the underlying data.

The following examples illustrate this:

Employee	Base Salary	Employee	Base Salary
A	50,000	F	50,000
B	55,000	G	55,000
C	52,000	H	52,000
D	50,000	I	50,000
E	90,000	J	20,000
Median	52,000	Median	50,000
Average	56,400	Average	45,400

If the average is higher than the median, as in example 1, then it is likely that there is a small number of employees with high figures in the sample.

If the median is higher than the average, as in example 2, then it is likely that there is a small number of employees with lower figures in the sample.

Whilst the figures given in the examples above are extreme, you can apply the same principles when looking at data pages.

Why are the variable pay percentage figures different from my calculations?

In the data page, the 'as % of Variable Pay' line shows the lower quartile, median, upper quartile and average statistics of total variable pay as a percentage of base salary.

It is important to remember that these statistics are based on percentage calculations for all employees (who have received some variable pay) in the sample and that, for example, the median percentage on the page may not necessarily relate to the employee who has the median base salary on the page.

Appendix E: The Strategic Pay Approach to Job Mapping and Sizing

One of the challenges facing organisations today is the development of effective reward systems to ensure the very best organisational and individual outcomes. Equitable and competitive compensation is critical to the attraction, motivation and retention of high calibre employees. In order to ensure equitable and competitive systems, an organisation must first establish the relative worth of its jobs. Analytical job evaluation is a useful and reasonably objective basis for assessing relative job worth.

Job sizing is an objective and systematic method of comparing one particular job, a group of jobs, or even a type of work with other jobs. It provides management with key information for identifying and establishing meaningful and dependable pay relationships between jobs, both within the organisation, and externally with the wider labour market.

JobWise® offers a cost effective starting point for the evaluation process, enabling organisations to speedily evaluate comparable roles in varying functions. The emphasis is on looking for the similarities between jobs rather than the differences.

JobWise®

Job evaluation is a tool for understanding how jobs and organisations function. It is evident that many roles at middle and lower levels are generic within and across organisations. We expect to see certain patterns in the job evaluation scores assigned to knowledge, experience, complexity and problem-solving. Strategic Pay has condensed this research and understanding into an analytical job matching tool. We call it JobWise®.

The JobWise® Framework



The Banding Model

The JobWise® job sizing and placement tool is designed to clarify role expectations at different levels and confirm placement within 'bands'. Banding systems are designed to group roles of similar size for salary management purposes. The emphasis in broadbanding systems lies in understanding the similarities between jobs rather than the differences.

The 12 generic JobWise® bands (labelled A to L) represent an alternative to the narrow banding system that form the sizing output of the SP10® and SP5® system. They are also a response to Strategic Pay's research on the job design, how organisations are structured, and patterns in the job evaluation scores assigned to jobs at different career levels. They have been well tested in client situations.

With the exception of Band A, which is Grade 4 only, the 12 bands each consist of two Strategic Pay grades. They are designed to reflect the outcomes of each of the Strategic Pay job evaluation systems (the grade boundaries having been predetermined and assigned). While narrow-band models tend to suit many small organisations, the two-grade banding model was a natural response to the move to broadbanding by many medium-large organisations seeking pay structures that allowed for flexibility and ease of administration.

The bands and the various pathways within them are diagrammatically displayed above. This shows the pathways, the levels, the bands and the range of SP10® points and Strategic Pay Grades that inform each band.

The Career Pathways

JobWise® is a job sizing tool which enables organisations to analyse and size jobs in one of four standard Career Pathways:

- + Customer and Business Support
- + Operations
- + Technical / Specialist
- + Leadership

The career pathways are the starting point for the process. They define the role orientation in the first instance, with progressive levels of role contribution and expectation determined subsequently. These are the Job Levels within the pathways and are aligned with the Bands.

Each level is defined around the problem-solving and interpersonal skills as well as the organisation setting and expertise required for effective performance. Each level has been informed and developed based on extensive experience gained through implementation of the Strategic Pay job evaluation systems.

Jobs are sized by being assigned a career pathway along with the most appropriate level based on the role profile and set out guidelines. In the event that roles do not fit neatly into an appropriate career pathway and job level, we recommend a formal job evaluation using SP10®, Strategic Pay's formal points factor job evaluation system.

At Strategic Pay we use two Job Evaluation systems:

- + **SP10®** - A points factor system using 10 factors with pre-determined weightings. The separate definition of each factor and sub-levels within each factor allows the evaluator to explain the subtleties and nuances of roles more precisely than the SP5 methodology. This system was initially developed by PriceWaterhouseCoopers.
- + **SP5®** - A points factor system using 5 factors with pre-determined weightings. This system is designed to examine the similarities between jobs, rather than the minute differences. It does this by amalgamating some factors treated separately in SP10 (e.g. education and experience joined as the Expertise factor) and eliminating sub-levels within each factor. This makes it a simple system, ideal for broad-banded environments.

Both systems can evaluate jobs across all sectors and link directly to the Strategic Pay database and suite of surveys.

Appendix F: About Strategic Pay Limited

Strategic Pay is at the leading edge of developments in strategic compensation, performance management and organisation change solutions. We offer a powerful combination of resources to help organisations improve how they operate, and ensure rewards are closely linked to business objectives.

Strategic Pay in the Pacific

Strategic Pay works across a number of pacific island countries including the Cook Islands, Federated States of Micronesia, Fiji, New Caledonia, Samoa, the Solomon Islands, and Vanuatu. In addition to working with the regional aid agencies (CROP) we conduct regular compensation surveys in the following countries

- + Cook Islands
- + Fiji (this survey is conducted by PWC using SPL methodologies)
- + Samoa
- + Solomon Islands

Strategic Rewards

The highly experienced consultancy team at Strategic Pay offers clients a sophisticated set of proprietary tools designed to integrate compensation, performance and rewards management.

This includes:

- + Compensation and reward strategy
- + Executive compensation and performance
- + Base pay systems, including points, grades, bands or benchmarks using our proprietary job evaluation systems
- + Salary review management, including processes, tools and training
- + Performance management systems, including customised design and implementation

New Zealand's largest data services offering

Strategic Pay offers an unrivalled suite of nation-wide and specialist industry sector market surveys, based on a database of over 128,000 New Zealand employees from over 1,000 organisations.

Our key surveys and reports include:

- + NZ Compensation Report (published 6 monthly)
- + CEO and Senior Executive Compensation Report
- + Corporate Services and Executive Management
- + NZ Benchmark Report
- + Directors' Fees Report
- + Financial Services
- + Association of Consulting Engineers NZ
- + Central Government
- + Chartered Accounting Firms
- + Electricity Transmission, Distribution and Asset Management
- + HRINZ HR Practitioners
- + Institutes of Technology and Polytechnics
- + HR Metrics Survey
- + Pharmaceutical
- + Law Firms
- + Local Government (published 6 monthly)
- + Retail Industry
- + Not for Profit Sector
- + Property
- + Wine Industry

Smart Technology

We understand the needs of busy HR practitioners and have developed a range of smart automated tools to manage your compensation and survey submission needs.

- + RemWise® – salary management software for managing every aspect of compensation management
- + spectREM® – Strategic Pay's Web-enabled database
- + PayCalculator – survey data at your fingertips
- + Rem On-Demand® – access to accurate and exhaustive information on compensation trends and topical human resource issues in New Zealand

PLUS+: Driving Organisation Performance

Superior organisation performance is having a future proof strategy, an organisational model and structure that supports the strategy and the right people matched to the accountabilities best designed to deliver the strategy. Strategic Pay's PLUS+ business consists of experienced consultants delivering the PLUS+ suite of change management tools.

PLUS+ encompasses a range of organisation change programmes bound around a philosophy for achieving enduring change. They include:

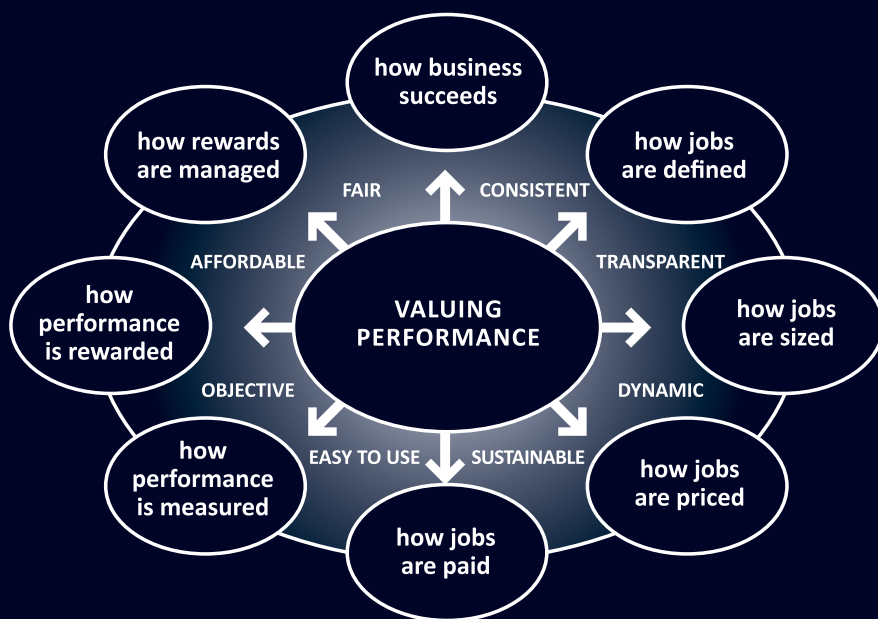
- + Vision setting
- + Accountability mapping
- + Designing jobs
- + Future proof strategic planning
- + Organisation modelling

Please contact the Strategic Pay office for more information

Ph: +64 9 303 4045

Email: info@strategicpay.co.nz

Web: www.strategicpay.co.nz



Auckland

Level 4, Telco Building, 16 Kingston Street, Auckland 1010
 PO Box 5313, Wellesley Street, Auckland 1141
 +ph 09 303 4045 +fax 09 303 4048
 +e auckland@strategicpay.co.nz

Strategic Pay Limited

Wellington

Level 1, 85 The Terrace, Wellington 6011
 PO Box 10 503, The Terrace, Wellington 6143
 +ph 04 473 2313 +fax 04 472 1693
 +e wellington@strategicpay.co.nz

+e info@strategicpay.co.nz

Dunedin

Level 1, Moray Chambers, 30 Moray Place, Dunedin 9016
 PO Box 5387, Dunedin 9058
 +ph 03 479 0637 +fax 03 479 0638
 +e dunedin@strategicpay.co.nz

www.strategicpay.co.nz