

Case Study: Reimagining Your Workforce Remuneration Model

Project Drivers

A large national organisation was arranged in a traditional divisional structure with key functions separated eg: Manufacturing, Marketing etc.

Following a review of their entire organisation they had refocused and agreed on a new customer-centric Strategic Direction.

Brief To Insightpay

The organisations expected the structure to change over time to better support the new Strategic Direction with the customer at the centre.

Senior leadership saw this as an opportunity to make significant changes to entrenched organisational remuneration frameworks, in favour of a more cost-effective model.

Insightpay was engaged to analyse the effectiveness of a proposed restructure model.



The Aha Moments

Re-shaping rem structures was high on the CEO's agenda, as it was potentially high risk.

Modelling a specific scenario was the original brief.

However, the remuneration model Insightpay created allowed multi-scenario testing which significantly increased its value to the CEO and HRD.

It also extended the longevity of the model, which could become very useful in these uncertain times.

Insightpay's Approach

Firstly, various scenarios and structures were modelled with 'on' or 'off' for each hypothesis incorporated into the model. Tests included a static number, lesser and higher number of positions for robustness.

Secondly, organisation pay rates were modelled. Allowing the user to switch from existing pay levels to market-based levels. This helped ensure robust analysis and model longevity.

Thirdly, we proposed an organisation structure and hierarchy. It incorporated a Job Evaluation Outline with limited detail. This allowed actual & notional pay grades to be overlaid.

Finally, to futureproof the model we added in items like FTE, employee numbers by position and Grade and home vs office-based status and benefits.

The Outcomes

Our client was able to measure the effectiveness of the new proposed structure across a wide variety of scenarios.

It also allowed them to conduct cost analysis of existing management and salaried positions. Importantly, they were also able to compare the old structures to these new scenarios.

This provided robust scenario testing from a remuneration and salary banding point of view using a pre-tested, well thought out set of responses. Ultimately reducing the client's restructuring risk and maximising the long-term benefit of the new remuneration structure to the organisation.