

# Case Study: Regional Remuneration Framework Review

## Project Drivers

A rural water organisation was finding they had to pay higher than their existing Rem framework guidelines to attract new people. And it was happening across a range of roles.

Their board was reviewing recent appointments and Senior Management was asked to provide a quantifiable explanation for the increase in salary costs compared to their remuneration budget.



## Client Project Brief

Management wanted to be sure that their existing Rem framework was comparing them against the right job market, ie: the actual market in which they were having to compete for talent.

From experience, the HR Team found that paying at this level was not enough to attract people to their rural water organisation and they needed to pay more.

Insightpay was engaged to quantify the adjustments (if any) that were required to the current remuneration framework to correct it. Then to redesign the current framework to better reflect the actual job market.

### The Aha Moments

*Experience and gut feel had told the HR Team to pay at this level because candidates were voting with their feet.*

*This benchmarking exercise confirmed their existing “talent pricelist” had been set well below actual market value.*

*Perceived overpayments were not overpayments at all ... they were actually referencing a discounted Rem framework.*

*In recent times the HR Team had unconsciously competent, intuitively reading the talent market correctly.*

*This process provided valid data and an updated remuneration structure to back up their recent decision.*

### Insightpay’s Approach

Insightpay found that the existing Rem framework had been set up by a large national provider using Australian-Wide non-industry-specific data. This provider suggested paying at the 25<sup>th</sup> percentile was an indication of where the overall regional remuneration market sat. This was despite a range of industry and regional factors at play.

Our team assessed and validated the existing framework compared to the water market data from the Insightpay Utilities Sector Salary Survey

Given the mix of Regional and Metropolitan organisations Insightpay was able to compare the framework against relevant regional data.

Jobscore™ also allowed Insightpay to use a comparison tool to align their structures to the relevant comparison points in the market.

### The Outcomes

Confirmed pay rates now sit on the 50<sup>th</sup> percentile of their specific industry market.

The HR and Management Team was now able to explain to the Board that they are now paying at the appropriate level for their regional market.

They now had a valid reference framework moving forward that was fact-based and relevant to their industry. It was a very satisfying project for both the client and for Insightpay.