

Overpaid or Underpaid – Do I Really Know?

March 2011



Introduction

A few months ago the Government completed its spending review and the daily headlines are forever reminding us all of what will be cut and by how much.

At this time of the year, many are working on their annual budgets and making some very careful decisions about what they can expect to cut and where they can afford to invest.

Does your pay strategy drive performance?

Employee pay and benefits often form a significant portion of an organisation's operating costs yet sometimes little time is spent to ensure the right levels of funding. Some key questions:

- Is your budget based on last year's with just a tweak here and there?
- Are you able to attract, develop, motivate and retain your top talent?
- What would be the impact if one or more of your top performers left unexpectedly?
- Are you at risk of an equal pay claim?
- Given the contrast of high salary and bonus payments in some sectors and job cuts and pay freezes in others, are you still confident that your pay strategy is relevant in your sector in today's market?

Increasingly, organisations are paying more attention to their employee reward strategies. Attracting and rewarding high performing employees is critical in a competitive and performance driven market which demands results.

Contact Us

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Offices in Romford, London (City & West End), St Albans, Hayes and Redhill.

Getting pay levels right

If you are not sure you are getting the right return on your people investment, or the right balance between guaranteed pay, bonus or incentive pay, then perhaps its now time to look at this critically. To do this, you need to:

- Understand your position in relation to the wider market by scoping the size of your organisation and the market sector in which it operates
- Benchmark and compare internal pay data against relevant market pay and incentive data
- Using external pay market data as a guide, analyse the data in relation to your existing pay scales and align these to your own organisation.

Remember that any changes you may want to implement should always reflect your desired market position, your ability to pay, the performance of key individual employees and the need to compete within the recruitment market.

The benefits for you

HR Insight has access to pay benchmarking data and will work with you to identify and address any anomalies in your current pay structures, as well as implement a pay strategy which enables you to attract, develop, motivate and retain you high performing talent.

By adopting cost effective pay strategies, you will have greater confidence in the proactive management of employment costs at levels which will allow you to maximise employee performance.

New Rates - April 2011

Please note the following new rates come into effect from April 2011:

Statutory Sick Pay (SSP) per week:
Increases from £79.15 to **£81.60**

Maternity, Paternity & Adoption Pay:
Increases from £124.88 to £128.73

National Minimum Wage (NMW):

- Workers aged 21 and over: £5.93
- Workers aged 18 to 20: £4.92
- Workers aged 16 and 17: £3.64
- Apprentices: £2.50

Free Webinar

Following the release of our Factsheet each month, we host a free webinar which takes the form of a Q&A session where you can login to take part, either to pose your questions or listen to the discussion.

To register for the next webinar on Friday 4th March at 2.30pm please click on the link below:

[Webinar Registration](#)

Can We Help?

If you have any questions about the content of this Factsheet or any specific concerns about any individual employees or specific procedures, please contact us on **01708 758958** or visit us at www.hrinsight.co.uk

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