

Thought paper: ECC approach to including total reward as a service offering

Purpose of thought paper:

This paper has been put together to help focus thinking within ECC Executive team about the remit and purpose of the proposed project to develop a total reward solution for ECC.

Whilst the terminology has been banded around in networks, professional groupings and contacts with members over the last 2-3 years, the picture of what is actually meant by the term 'total reward' and its relevance to ECC and its' current services is not totally clear. This makes it difficult to put together a project plan for how we go about 2016-21 Strategic Project B6: 'Define Total Reward Service' to be offered by ECC, without any further thinking or information from a more strategic level in ECC.

Included in this paper are brief extracts from CIPD and other professional literature to provide a resume of sorts, and attempt to set out the main topics as a reference point to stimulate thinking.

It is hoped that as a result of this opportunity to pause before initiating the project a discussion and consideration of recommendations will help to:-

- Determine the nature, scope and priority of the proposed project and expected outcomes
- Provide an indication of the expected size and commitment required to deliver the outcomes
- Define the purpose and objectives of the proposed project.

CIPD factsheet background information:

Strategic reward

Strategic reward is based on the design and implementation of long-term reward policies and practices to closely support and advance business or organisational objectives as well as employee aspirations.

Total reward

The concept of total reward encompasses all aspects of work that are valued by employees, including elements such as learning and development opportunities and/or an attractive working environment, in addition to the wider pay and benefits package.

Links between strategic and total reward

The use of total reward may form part of a strategic approach to reward for many employers. For example, an organisation might adopt a total reward approach, encompassing the provision of both cutting edge training programmes together with flexible working options, as well as more traditional aspects of the pay and benefits

package, in order to recruit, retain and engage the high quality staff that are best placed to help it secure its business objectives.

Total reward is usually delivered as a blended approach of inter-linked elements (as well as the more traditional elements of pay and benefits packages) and may include some, or all, of the following:

- flexible benefits
- access to professional and career development
- a challenging role
- freedom and autonomy
- opportunity for personal growth
- recognition of achievements
- preferred office space or equipment
- capacity to raise matters of concern
- involvement in decisions that affect the way work is done
- flexible working hours
- opportunities for home working
- administrative support.

The term total reward can also be used in a more limited way simply to refer to the financial value of the pay and benefits package rather than the value of the total package of financial and non-financial rewards.¹

Show me the money! The behavioural science of reward²

In the foreword to this research report there is a very apt quote is "*The time is ripe for a renewed look at how we design and apply reward strategies.*"

Seeing pay and reward as taking up a central place in any HR strategy, the report seeks to draw attention to how with the right skills and behaviours of the staff who develop and apply these strategies, can turn reward strategy into a powerful leverage tool.

In particular, how in a time where there is ever increasing pressure on the pay bill and budgets and delivering increased organisational performance, the role of senior decision makers is key. The report looks very much of human behaviours and how to incentivise all those in the organisation.

¹ CIPD website 2017

² Dr Ben Lupton, Dr Andrew Rowe and Richard Whittle, Manchester Metropolitan University, 2015

However, this thinking could provide a slightly different possibility for how ECC might develop its' reward offering, although at this stage it might be deemed more of a long shot. This idea is to think about defining key behaviours for remuneration committee and senior staff tasked with designing, implementing and managing reward strategies in HE.

This idea could be the linking of ECC's work on competencies and behavioural indicators and how this is an essential building block to people and talent management.

The authors believe that the application of behavioural science insights to reward, people management and development has the potential to be game changing. Whilst this may indeed be the case could ECC on its own do this development work? Would it need to find and work with 'suitable partners' or is it even within the strategic remit?

Relevance of total reward solutions to ECC core business (grading roles and pay): A snapshot assessment

Aspects of Total Reward	Relevance to core business	Fit with ECC current services	Possible development	Build on existing or create new work
Flexible benefits	Yes, limited	Link with work on pensions and tax benefits	ECC arrangements/deals/information with Third party suppliers for members	Mix
Access to professional and career development	Yes, strong	Direct link to work on use of competencies framework (CF) for talent management (the identification of development needs and sourcing appropriate solutions)	<ul style="list-style-type: none"> • CF project defining methods • Promotion of CF methods and expertise 	Existing planned development
A challenging role	Yes, strong	Direct link to ethos of ECC work on job design and creating effective job descriptions	Training and guidance on good quality job descriptions and person specifications	Existing materials and development
Freedom and autonomy	Marginal	No direct link to current portfolio. Organisational cultural issue	?	New work strand behaviours/management practice.
Opportunity for personal growth	Yes, strong	Direct link to talent management (career and personal development) planning via CF	<ul style="list-style-type: none"> • CF project defining methods • Promotion of CF methods and expertise 	Existing planned development
Recognition of achievements	Yes, medium	Direct link to talent management (performance management) mapping and recognition via CF	<ul style="list-style-type: none"> • CF project defining methods • Promotion of CF methods and expertise 	Existing planned development
Preferred office space or equipment	Marginal	No direct link to current portfolio. Depends on organisational resources	?	Possible link to new work strand behaviours/management practice.
Capacity to raise matters of concern	Marginal	No direct link to current portfolio. Organisational cultural issue	?	
Involvement in decisions that affect the way work is done	Marginal	No direct link to current portfolio. Organisational cultural issue	?	
Flexible working hours	Marginal	No direct link to current portfolio. Organisational cultural issue	?	

Opportunities for home working	Marginal	Direct link to ethos of ECC work on job design and creating effective job descriptions	Training and guidance on good quality job descriptions and person specifications	Existing materials and development/New practice as above
Administrative support	Yes, limited	Direct link to ethos of ECC work on job design and creating effective job descriptions	Training and guidance on good quality job descriptions and person specifications	Existing materials and development

Recommendations

1. Links to existing projects/work-streams

A number of the aspects of total reward do link in with current initiatives and long-standing service offerings: not least the competency framework and its use to provide a tool to map and measure potential for talent management (design of work and jobs, professional and career development, performance management and recognition).

Recommendation A

Should the Total reward project be set-up to include the most relevant aspects of total reward?

Recommendation B

If these aspects are included in the total reward project should they be the only ones that are used to further scope out their cross-over with other strands and service definition for marketing and promotion by ECC staff?

2. Generation of new initiatives or work

Some of the aspects of total reward do not have a direct link to the current business of ECC. However, there may be some merit in doing some development moving into the realm of 'management development' initiatives that are about optimal work and best practice. In particular, aspects of culture and value-driven themes such as work based freedom, autonomy, flexibility and different modes of working or just focussing on senior decision makers.

Recommendation C

Do we want to branch out into the field of behavioural science or management development as a service strand, and if so, should this be under the auspices of the total reward project?

Recommendation D

Should we accept management development broadly as a potential future topic but not within the current strategic plan?

Recommendation E

Should we accept the further development of our competencies (behavioural indicators) for senior decision makers with reward strategy as a potential future topic within or without of the current ECC strategic plan?

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