

Local government workforce: a guide to pay benchmarking

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Contents

Executive summary	3
Introduction	5
Chapter 1: Evaluate	9
Chapter 2: Classify	11
Chapter 3: Compare	14
Chapter 4: Adjust	17
Chapter 5: Monitor	22
Further information and tools	23

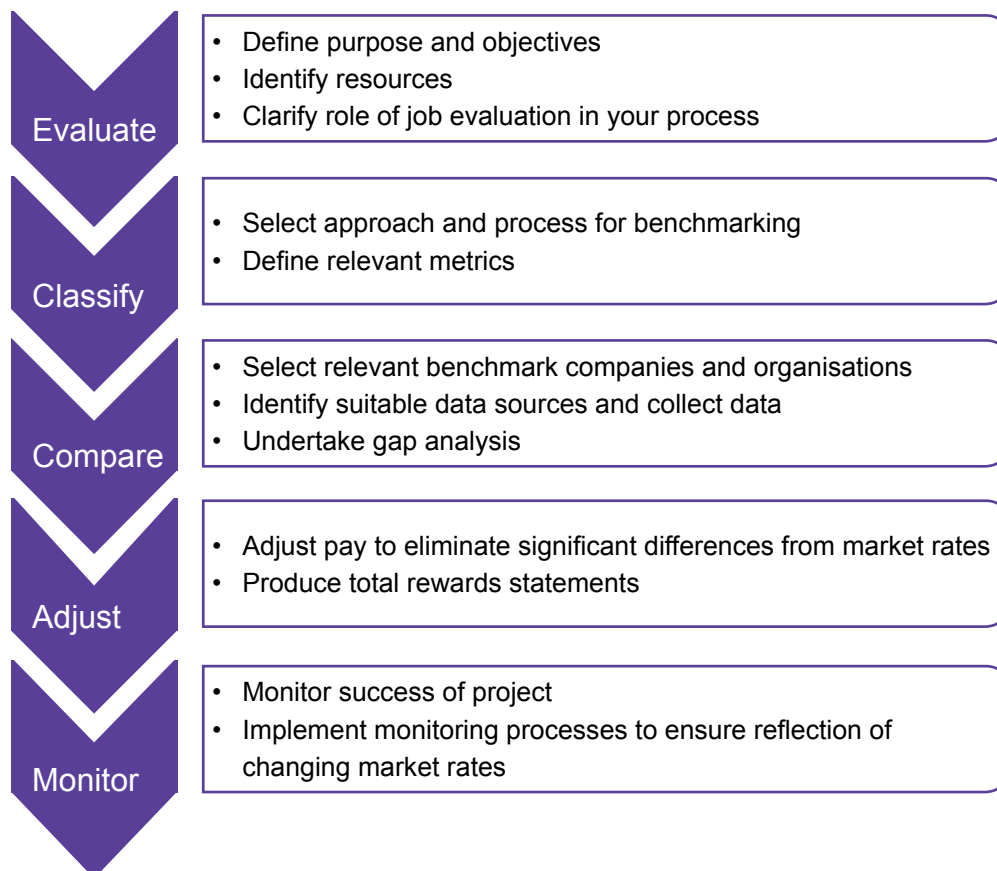
Executive summary

This paper is intended as a guide for practitioners intending to benchmark their authority.

Pay benchmarking is a process of collecting data on the compensation for similar jobs in other organisations to establish their 'market rate' and track movements in those rates.

One of the primary goals when setting the level of remuneration for a job is to match it to the 'market rate'. In simple terms this means paying enough so that you can easily recruit and retain your staff, while not paying more than you have to (which would have an inflationary and detrimental effect on budgets).

Pay benchmarking can be understood as following five stages, summarised in the figure below:



When undertaking a benchmarking project the following advice should be considered:

- define measurable aims and objectives that you can then assess once the process is complete
- be clear about the role that job evaluation will play in your benchmarking and understand the tension it creates with market rates
- when choosing your approach, understand your requirements for accuracy and the burden in data collection that these will create
- benchmarking is as much an art as a science; do not get too distracted by the pursuit of accuracy
- benchmark against basic pay only, and then account and adjust for other rewards
- benchmark based on labour market nearest neighbours and not region or authority type
- identify the data sources most suitable to your needs. Be aware of the level of detail required
- pay benchmarking is essentially a gap analysis of your pay compared to the wider market
- produce a total rewards statement to help you and the employee understand the complete value of the rewards on offer
- market supplements can be used to adjust to external market rates without affecting internal equality
- use a simpler benchmarking approach for monitoring change over time.

Introduction

This paper is intended as a guide for practitioners wishing to benchmark pay in their authority. It starts by outlining what benchmarking is, and why an authority may want to benchmark their pay. It goes on to suggest a process that authorities can follow in their approach to benchmarking and examines what elements of rewards should be included in this process.

It also suggests that instead of comparing by authority type or region, as is commonly the case, practitioners should benchmark against a new model that more accurately reflects the characteristics of labour markets.

In summary this paper covers:

- why authorities should benchmark their pay and rewards
- how pay should be benchmarked
- what authorities should be comparing
- who authorities should benchmark against.

What is benchmarking?

Benchmarking is the process of comparing one organisation's processes and performance with:

- a peer group (eg of similar councils or organisations)
- with the best in the sector

- with best practice in other bodies operating in completely different sectors (such as the private or not-for-profit sectors)
- yourself in previous years (to gather trend data).

It is a learning tool, with the aim of doing things better, faster, or cheaper. This paper focuses on pay benchmarking but the principles and process outlined below are applicable to benchmarking more generally.

Pay benchmarking specifically is a process of collecting data on the compensation for similar jobs in other organisations to establish their market rate and track movements in those rates. The aim of this process is to help set the organisation's own pay rates at the appropriate level in order to recruit and retain the staff it needs without paying more than necessary. The benchmarking process involves five stages, which will be dealt with in individual chapters:

- evaluate
- classify
- compare
- adjust
- monitor.

The benefits of pay benchmarking

One of the primary goals when setting the level of remuneration for a job is to match it to the 'market rate'. In simple terms this means paying enough so that you can easily recruit and retain your staff, while not paying more than you have to (which would have an inflationary and detrimental effect on budgets).

To determine the prevailing rate for a job, organisations can benchmark jobs against data from other organisations and industries, comparing the rates of pay offered for similar jobs.

In the private sector jobs are often valued using a market pricing approach. With the market pricing approach, people are compensated in relation to the market value of their job, regardless of their level in the organisation.

Within local government, jobs are required to meet internal equality standards, so that similar jobs are compensated at similar levels. This can create a tension between the need to meet equalities duties and the desire to target pay at the right rate for the market (although as we will see later this can be overcome through the use of market supplements). Despite this tension, pay benchmarking remains one of the single most important elements of accurately assessing the levels of pay that an organisation should offer.

Some of the benefits include:

- rationalises paybill (paying only what is necessary)
- improves employee retention
- ensures competitiveness with other employers
- targets remuneration fairly and equitably.

Factors affecting rewards

The CIPD Reward Management Survey 2010 asked various organisations what the most important factors for employers were in determining their annual pay award. The main drivers highlighted included ability to pay, inflation, movement of market rates and recruitment and retention issues.¹ This is key; what is driving the use of external market factors and internal organisational factors is the desire to accurately reflect market rates and recruitment and retention issues.

“Wage formation is generally a relatively complicated process in most countries, taking into account a range of factors such as: productivity, company budgets, the rate of inflation, economic growth, rates of unemployment and employment, labour market supply and demand, and the general health of the economy.”²

¹ Chartered Institute of Personnel and Development (2010) Reward Management Survey Report, pp. 6

² European Foundation for the Improvement of Living and Working Conditions (2009) 'Wage formation in the EU' <http://www.employment-studies.co.uk/pdflibrary/wfeu09.pdf> pp4

The complexity of wage formation and those factors that, on an ongoing basis, affect changes in the rate of pay make accurate pay benchmarking challenging. To try and simplify the issue we can divide the factors that affect pay rates into the following three groups:

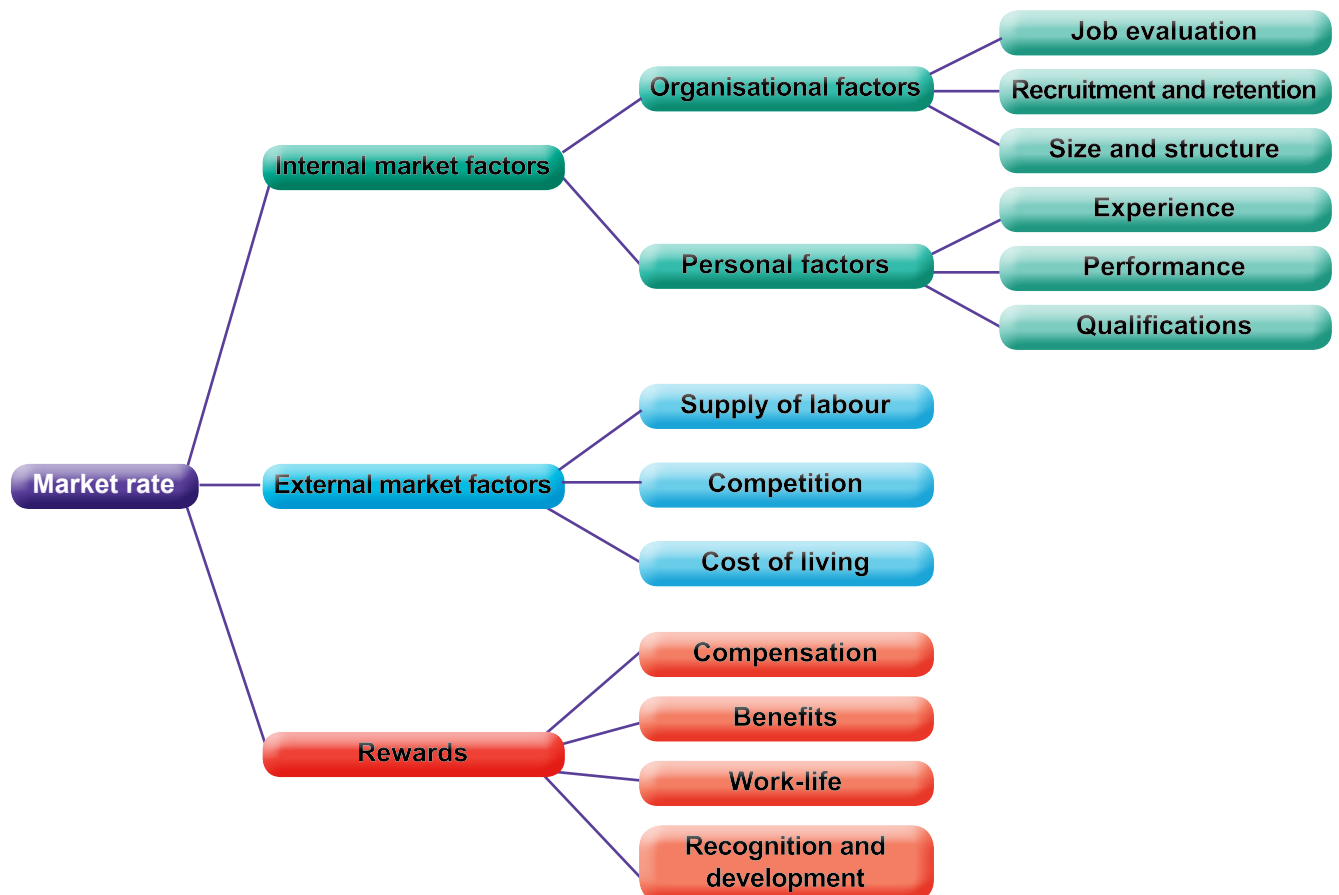
- internal personal factors
- internal organisational factors
- external market factors.

It is worthwhile noting the difference between those factors that affect the decisions behind pay rates and others that are correlated with, but do not cause, differences in pay. So for example the gender or age of an employee does (or should) not affect decisions about pay, but there will likely be significant variation in the levels of pay between different groups within each.

It is also worth noting that we will not be examining the way in which factors like inflation affect pay rates over time. Pay benchmarking is aimed at providing market-led pay decisions and, while inflation would certainly be an important element of the individual growth of earnings, it does not impact on the type of system used to formulate pay.

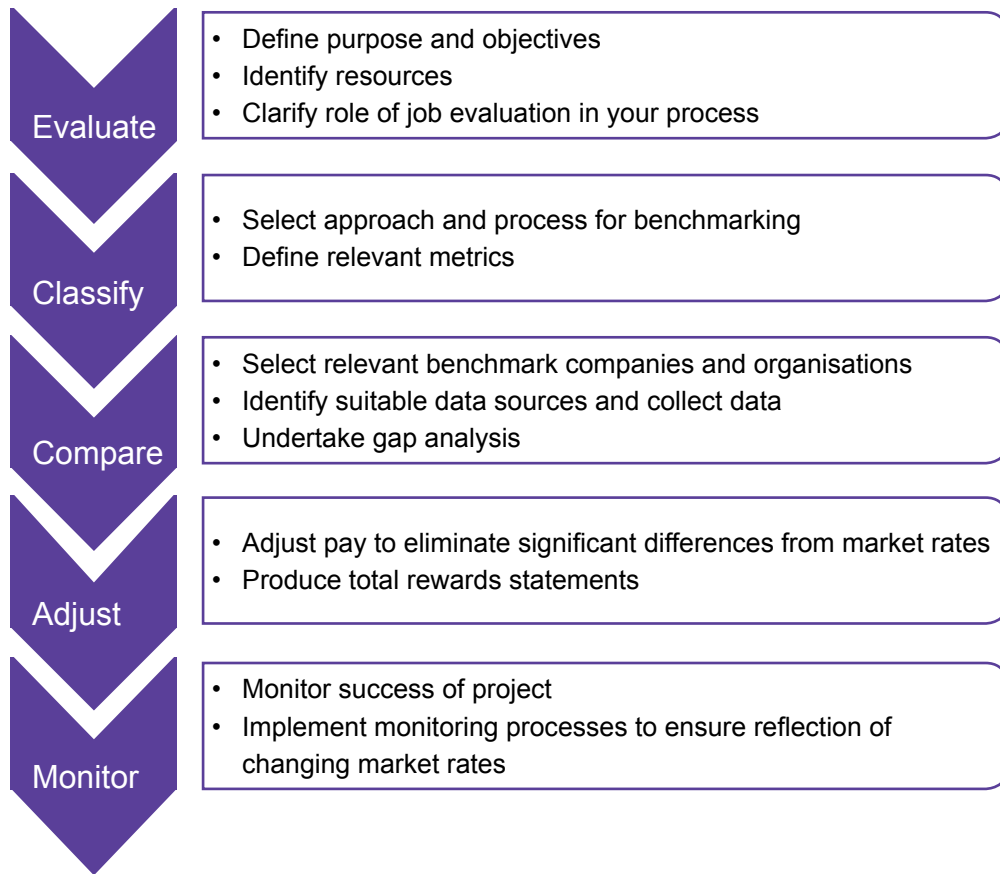
Figure 1 illustrates the types of factors that affect the going market rate for a job. As well as the three groups of factors outlined above, it also includes details of the types of rewards on offer. This is dealt with in more detail in Chapter 4: Adjust.

Figure 1: Proposed model of pay benchmarking



The following chapters relate to each of the five phases of benchmarking. These are summarised in Figure 2:

Figure 2: Summary of pay benchmarking process



Chapter 1: Evaluate

The first stage of any pay benchmarking process involves evaluation, both of the benchmarking process itself and of the roles that you want to benchmark. This section discusses the importance of having clarity of purpose and the role that job evaluation plays in pay benchmarking.

Purpose, aims and resources

Before undertaking any other work it is sensible to think through your reasons for undertaking pay benchmarking and what you want to achieve. What is the purpose of the exercise?

Does it aim to cut costs within a particular service? Are you struggling to recruit suitable candidates into a particular role, or are you experiencing retention problems? Is the process a one-off review or an annual sense-check? Whatever your reasons they will affect the best way to approach the process. Setting objectives can also help to concentrate your work on the priority areas.

Finally it is helpful to be clear about how much resource you will have to undertake the benchmarking. Access to data can often cost money and more in-depth benchmarking is frequently time consuming. If you have limited resources then you need to be realistic about the degree of accuracy and detail that you will be able to achieve.

A balance needs to be struck between achieving enough detail and accuracy to meet your objectives while minimising the burden involved.

In summary it is useful to ensure that you:

1. understand your purpose
2. define your objectives
3. identify available resources.

This will help to ensure that your benchmarking exercise provides the best outcomes for the lowest possible cost.

Job evaluation

Job evaluation is a method of determining on a standardised basis the relative value of different job roles. This is an important aspect of councils meeting their responsibilities under equal pay legislation and helps to ensure the coherence of an employer's grading structure. Most councils use one of three different systems of job evaluation: National Joint Council for Local Government Services (NJC) scheme, Greater London Provincial Council (GLPC) scheme or the Hay Guide Chart-Profile Method.

Benchmarking tip #1:

Define measurable aims and objectives that you can then assess once the process is complete.

For the purposes of this section let us assume that job evaluation has already been undertaken (and any equal pay issues have been resolved). The job evaluation score will be linked to the grading structure which will normally involve a series of pay ranges (unless spot salaries are used). The question that pay benchmarking needs to answer is: 'Is the salary range for this role in line with external market rates?' In other words are we paying enough, in comparison to other employers, to ensure that we can recruit and retain staff to this role?

As we shall see in the following section it is not always necessary to compare roles in terms of job evaluation score; this will depend on the purpose and aims of your benchmarking exercise. As a general rule it is useful to ensure that as much data as possible is maintained on job evaluation scores, job descriptions, etc so that it is available if required for future processes.

There are two issues with job evaluation. The first is the tension between job evaluation and market pricing. Job evaluation has an internal focus as it ranks jobs and their relative value within an organisation, whereas the main focus of market pricing is external as it aims to compare the pay rate for an organisation's jobs with those in the wider labour market.

The other issue with job evaluation is that it is not always possible to accurately compare roles with employers that do not use the same (or any) job evaluation scheme. In particular it can make it difficult to compare public sector roles (which are normally subject to job evaluation) with comparable roles in the private sector (which are often not evaluated).

The first of these issues is one around the reward mechanisms used and is dealt with in Chapter 4: Adjust. The second issue is more pertinent to the process of actual benchmarking and requires the employer to strike a balance between the accuracy and comparability of the benchmarking process and the burden (or cost) that it involves.

Outcomes

By the end of the first stage of the benchmarking process you should have achieved the following outcomes:

- defined your purpose and objective
- identified resources
- clearly scoped and planned your benchmarking project
- understood the role of job evaluation in your project.

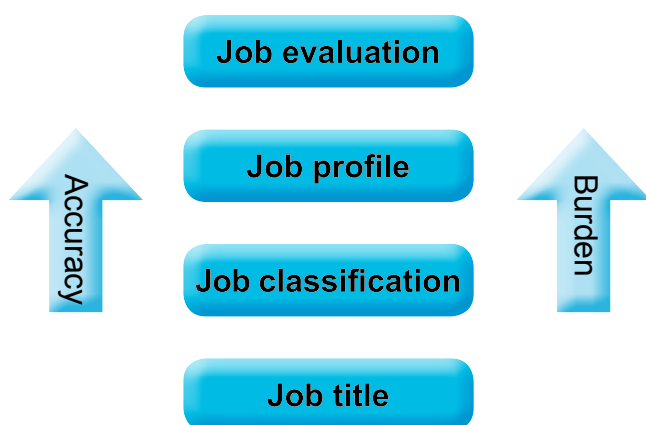
Benchmarking tip #2:

Be clear about the role that job evaluation will play in your benchmarking and understand the tension it creates with market rates.

Chapter 2: Classify

The approach that an employer decides to take in terms of benchmarking pay will have a knock-on effect to the availability of data and level of detail covered. There are many different ways of benchmarking pay but the four most commonly used are listed in Figure 3 (which provides an illustration of their relative accuracy and burden).

Figure 3: Accuracy and burden of different role classifications



Approaches to pay benchmarking

The simplest way to compare roles is via job title, but this is prone to error as job titles vary so much in their meaning. This brings into question the true comparability of the roles you are comparing. Comparing by job classification has all of the advantages of comparing by job title (simplicity and availability of data) but is not as prone to error as job title. There does, however, tend to be an issue with judging the seniority of roles, which will naturally affect the expected pay rates. It is also worth noting that many national job classification systems use automated coding of job titles as the main source of data.

Comparing by job profile or job evaluation is much less prone to classification error. Using a job profile (a description of the role and its duties and responsibilities) makes it much easier to ensure that you are comparing like with like. To do this on any large scale is incredibly burdensome, however, and the availability of data is often patchy.

Benchmarking tip #3:

When choosing your approach, understand your requirements for accuracy and the burden in data collection these will create.

Benchmarking tip #4:

Benchmarking is as much an art as a science; do not get too distracted by the pursuit of accuracy.

Using job evaluation is the best way to ensure that you are comparing roles that are enough alike to expect similar levels of pay. Data is also available, although often only on a paid basis. Care needs to be taken when comparing across different job evaluation schemes as this often brings in a degree of error that using job evaluation was meant to avoid.

The major issue with this approach, other than the cost of data, is that it will frequently bias the comparisons in favour of like employers (ie those who use the same job evaluation scheme). While this might sound like a desired outcome, care needs to be taken that this does not ignore elements of the labour market that are in direct competition with an employer.

For example, a council could sensibly use pay comparisons based on job evaluation and expect a number of other councils to provide comparable data. But councils do not compete just with the public sector for staff. There needs to be adequate comparison with the private sector to ensure that councils are not driving up pay unnecessarily. This can be difficult when using job evaluation and far fewer employers in the private sector would have this data available.

Employers must also remember that however systematic their approach to job evaluation and pay benchmarking, it is still only indicative of market rates. There is no single scientific solution for setting pay at a sensible rate even when accurate comparisons are made with similar employers. This is because each employee is different, and therefore the rewards package that appeals to one may not appeal to another.

It is probably advisable to have two approaches to pay benchmarking. The first should be based on job classification, which will enable quick and cheap comparisons to be made to sense check pay rates. The second approach should be more systematic but should try to encompass both the private and public sector. This may involve a hybrid of job evaluation and job profile (where a job evaluation score is not available).

Classifying rewards

Employers must also decide how they are classifying the rewards they wish to compare – for example, basic salary, total earnings (including bonuses and so on) or the wider package (encompassing such elements as pension provision or non-pay benefits).

Data on the wider package tends to be variable in coverage and quality, has higher levels of error and often classifies things as alike when they are not (eg parking provision in centre of a city would be worth far more than parking provision in a rural setting). There is also an issue with the level of burden required to produce usable data.

Data on earnings is often better quality and is more readily available but there are issues with comparability as some additional elements that might be captured in the data are either one off payments that could skew annual figures (eg golden handshakes) or additional pay based on additional hours worked (eg overtime).

For these reasons it is recommended that pay benchmarking focus on basic pay for the comparison stage. Consideration of earnings and the wider reward package should come at the Adjustment stage.

Benchmarking tip #5:

Benchmark against basic pay only, and then account and adjust for other rewards.

Outcomes

By the end of the second stage of the benchmarking process you should have achieved the following outcomes:

- identified the approach and process for your benchmarking project
- decided on the definitions of all relevant metrics.

Chapter 3: Compare

Having decided on what basis to compare roles, both in terms of the detail of the role classification and the type of remuneration accounted for, it is necessary to decide who to compare against and what data to use. This involves defining the labour market areas and identifying a suitable data source.

Defining the labour market

Traditionally councils have benchmarked themselves against other councils from within the same region or of the same authority type (shire districts, unitaries, etc.). Recent analysis has shown that other than in London, the south east and occasionally the east of England, these comparisons have no significant importance to the rates of pay offered by a council.

As such, if councils want to usefully compare themselves with other employers they need to do so in terms that accurately define the labour market conditions in their locality. If councils compare solely based on arbitrary regional groupings then they will be comparing with areas that have very different labour market conditions and consequently the benchmarking they undertake will not actually lead to market-driven pay.

Benchmarking tip #6:

Benchmark based on labour market nearest neighbours and not region or authority type.

It is likely that benchmarking against regional neighbours has led to inflationary pressures on pay rates as benchmarking more often leads to pay increases (as they are easier and quicker to implement). Councils comparing with regional neighbours may be will be basing their pay comparisons on labour market conditions that do not apply to them.

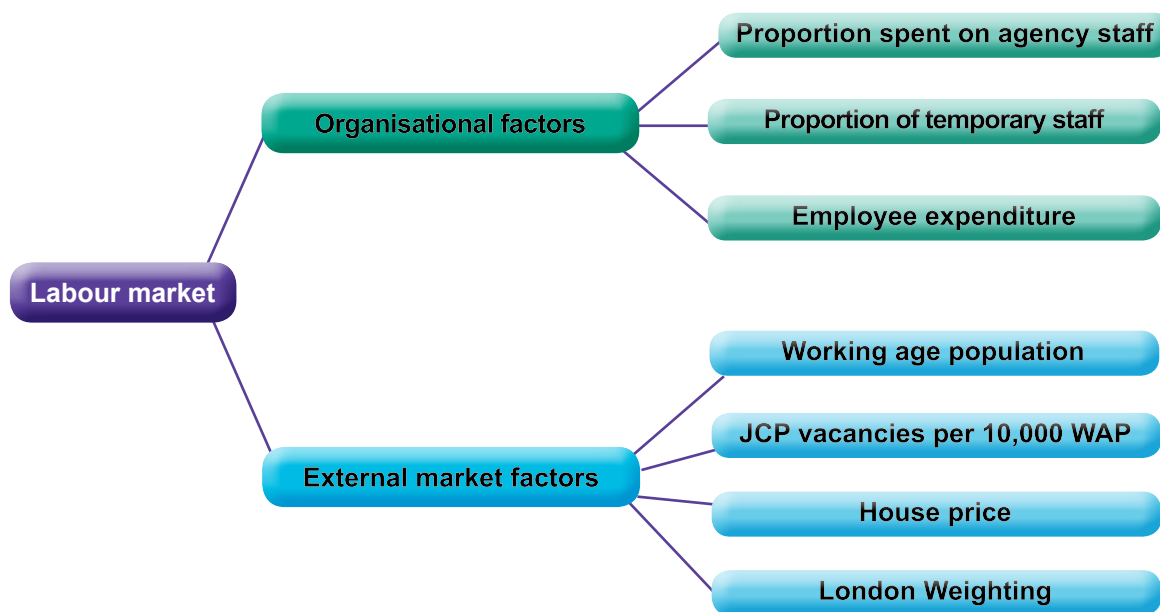
Instead a nearest neighbour model has been developed that uses the labour market factors that have the most significant effect on pay levels to produce groupings of similar labour markets. Figure 4 illustrates the variables that are used to define local labour market conditions. Further information on defining labour market nearest neighbours is available in a separate methodology paper.

Data sources

There are many different sources of pay data but they can be grouped into three main categories:

- Off-the-peg published data from pay surveys and similar organisations can give some indication of going rates. These are likely to contain only job classifications, but they can be useful in providing periodic sense checks against current rates.

Figure 4: Data inputs into proposed model of labour market nearest neighbours



- Benchmarking clubs of employer groups that regularly exchange information on pay levels. Only participants will have access to the data, and there are issues of participant bias (in the sense that only similar employers in close localities are likely to be involved).
- Consultancy and ad-hoc surveys funded by individual organisations from specialist pay consultancies. Many organisations, particularly those involved in job evaluation, will maintain databases of pay data against job evaluation scores and job profiles. These are more accurate than other sources but can be costly and complicated to apply.

Once a suitable source of data has been identified, decisions need to be made about the criteria for comparison (ie on what basis is an organisation similar to another) and the interpretation of the resulting data.

The previous section has already highlighted how councils might identify similar organisations for benchmarking purposes. The main advantage of this model is that it can also be used to identify private sector organisations that are comparable (although there are likely to be issues about availability of data).

Positioning

Organisations need to consider where they wish to position their pay levels in relation to the market, for example whether above, below or equal to the median level of pay in the external labour market.

These considerations are made in the adjustment stage and, as such, it is recommended that pay rates at each decile are collected. This essentially divides all pay into ten equal parts, thus the 1st decile represents the pay rate below which 10 per cent of the workforce earn. This will ensure that there is enough data to make sensible adjustments.

Benchmarking tip #7:

Identify the data sources most suitable to your needs. Be aware of the level of detail required.

If this is deemed to be too burdensome (as well it might for large-scale comparisons) then the median and upper and lower quartiles are recommended (ie 25th, 50th (median) and 75th percentile). Means should not be used as they are prone to being significantly affected by large outliers.

It is important to be clear about the purpose of the benchmarking and therefore the data that will be needed. More data means more complexity and ultimately, greater burden, so there needs to be a clear case for what data is required and why.

Comparison

Once you have decided on the organisations you wish to benchmark against, the sources of relevant data, and the detail you will need to collect, you will then need to undertake the actual comparison. Essentially this will amount to a gap analysis, where each relevant field of data from your organisation is compared with the same data from other organisations.

Benchmarking tip #8:

Pay benchmarking is essentially a gap analysis of your pay compared to the wider market.

This gap analysis can be broken down into three simple steps:

1. Measure your current pay rates – this should include all relevant levels of detail as decided earlier in the pay benchmarking process (eg occupation, seniority, etc.)
2. Measure other organisation's pay rates – this should include organisations identified as being within similar labour markets and should be done on the same basis as your internal measurement.
3. Use the two sets of data to identify differences (or 'gaps') between your pay levels and those of your comparator organisations.

When undertaking these comparisons it would be sensible to consider the total rewards on offer for the role in question. Public sector employers often offer more holiday entitlement and greater flexibility and while it is often not possible (or desirable) to quantify these in monetary terms it is useful to understand the intricacies that might underlie any differences.

Outcomes

By the end of the third stage of the benchmarking process you should have achieved the following outcomes:

- selected relevant benchmark companies and organisations
- identified suitable data sources
- collected data
- undertaken gap analysis.

Chapter 4: Adjust

Once you have identified any serious differences between what you are currently paying and what the comparable market rates are, you will need to decide on any adjustments to the current rewards you are offering to ensure that your pay is targeted at the right market rate. This can be problematic for employers as they need to balance a desire to pay individual jobs at the going market rate with the requirement that pay should be equivalent between jobs of equal internal value.

Employers may need to seek resolutions to such tensions if they wish to ensure that pay rates remain both internally equitable and externally competitive. For example, where higher earnings are commanded in the external market for a particular position than justified by an internal job evaluation exercise, one approach would be to use temporary market supplements to top up earnings for that role as necessary.

This section outlines some key considerations regarding rewards and the use of market supplements.

Rewards

The most common, and easiest to measure, type of reward is basic pay. This is usually agreed as an annual salary rate although it can also be an hourly, daily or sessional rate. The basic rate is an amount before deductions for PAYE, National Insurance, pension schemes and voluntary deductions.

It is important to understand and take account of how other rewards linked to a role may affect the base pay rate (and therefore the comparability of data). Many employers have moved from the traditional view that compensation (ie pay) is the only motivator of the workforce and have embraced a concept of 'total reward' that incorporates a range of other factors within the package offered to employees.

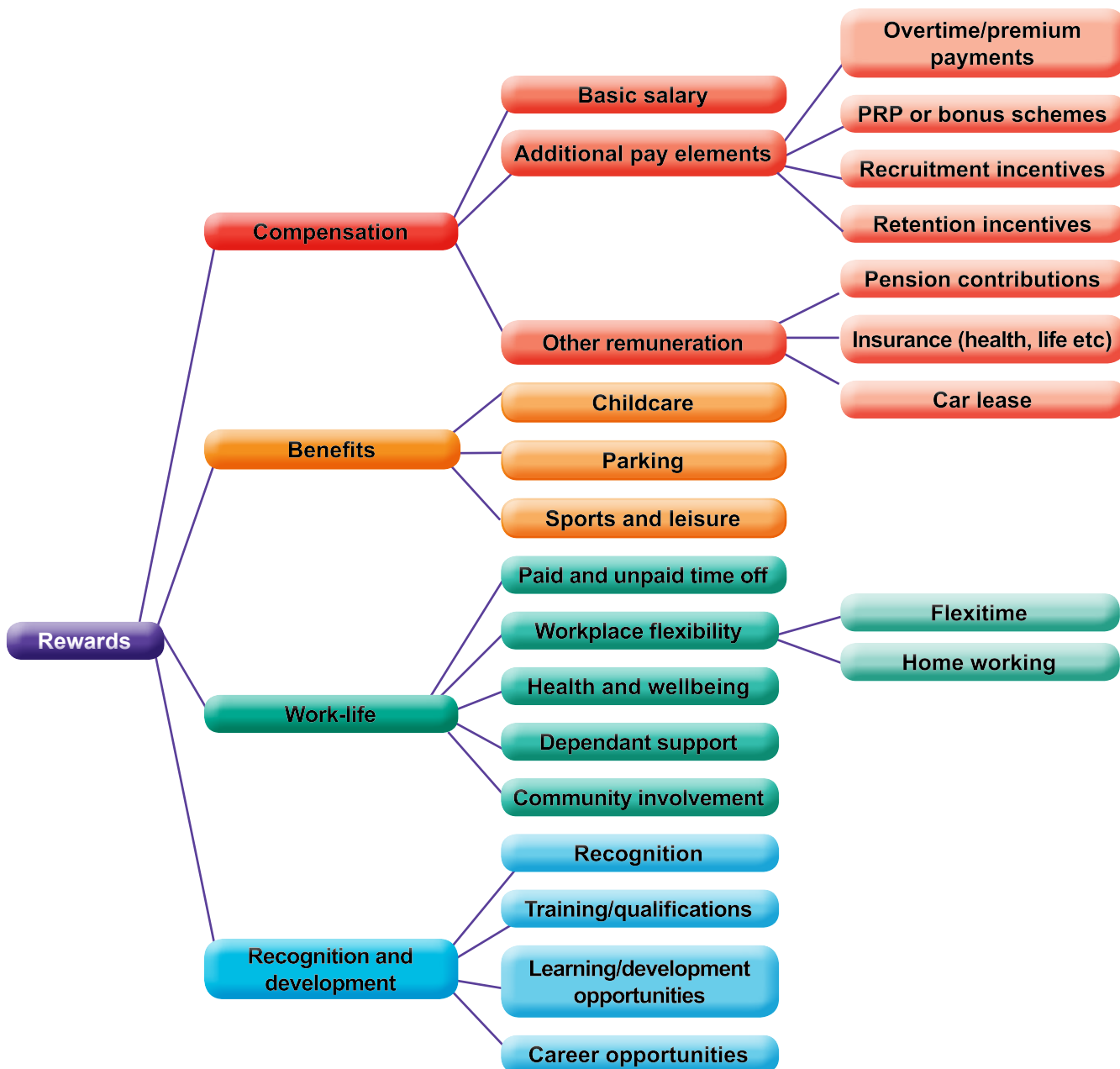
Categories of reward

For the purposes of this paper we will classify rewards into the following categories:

1. **Compensation:** this consists of basic pay, additional (or variable) pay and other remuneration (including taxable benefits and employers' pension contributions). Additional pay is anything paid to the employee in addition to the basic pay, and will vary according to the work and/or performance achieved. These can include bonus payments, allowances for shift work, overtime, recruitment or retention incentives and any other payments made in addition to the basic pay rate. The total remuneration figure attached to a role incorporates all basic and additional pay elements plus pensions contributions and any other taxable benefits (eg company car, health insurance, etc.)
2. **Non-taxable benefits:** any benefits offered to the employee that do not go towards the remuneration package but still provide a measurable (in financial terms) incentive/reward to the employee. Examples include luncheon vouchers, free/subsidised child-care, free parking, job-related living accommodation, moving expenses, etc.
3. **Work-life:** the degree to which the employing organisation actively supports employees to achieve success and happiness both at work and at home. These include what leave (both paid and unpaid) is provided, workplace flexibility (both in terms of time and location), health and well-being support, dependent support, and community involvement. This third category is harder to quantify than the previous two but has an important impact on the attractiveness of a position, particularly for those with children.
4. **Recognition and development:** this covers the efforts that an employer can make to ensure their employees feel valued, motivated and have opportunities to improve their skills and develop their potential.

A summary of a typical total rewards model is provided in Figure 5.

Figure 5: Elements of an example total reward package



Calculating total rewards packages

It is easy to understand that a higher total compensation package could more than make up for a lower basic pay rate. For example, a job with a £15,000 starting salary, 10 per cent performance bonus, plus a generous pension scheme would likely be more inviting (depending on the applicants circumstances) than a job with only a basic salary of £17,000.

In addition to a generous compensation package, employers can look to improve the attractiveness of a role by providing additional benefits and improving the work-life, recognition and development schemes that they offer. This is often a better option for employers than a complex compensation package as it is easier to administer and leads to a better working environment.

The problem for employers lies in the fact that it is difficult to calculate the effect that a generous total rewards package has on the competitiveness of the basic salary rate on offer. Benchmarking salaries is simple as they are pretty much comparable. Benchmarking how much an employee will value the addition of flexible working or a generous leave allowance is far more problematic, particularly as the value placed upon such things is likely to differ from candidate to candidate.

There is also an issue with the burden of collating data relating to a total rewards package. It is often impossible to judge what additional value each individual places upon the schemes that are provided by the employer. Data on remuneration and other benefits is also far more complicated than simple pay data and therefore more likely to be 1) incomparable and 2) misleading. There are some benefits that are very difficult to sensibly put a cost on (costing free child-care at the local rate for a nursery may underestimate the value to the employee of savings in journey times and better location etc).

The availability of comparable data on remuneration and other benefits is also far more limited than for basic and additional pay. It is harder and more burdensome to collect and the quality of the resultant data is often questionable.

It is therefore impossible to benchmark the total rewards package that is offered by one employer against that of another. Even benchmarking the total compensation package on offer is fraught with difficulty. For these reasons it is recommended that the simplest and most accurate way of benchmarking pay is to use only the basic pay element.

This is not to say that employers should ignore the value of the wider rewards that they offer employees. Indeed if an employer knows that they offer more generous benefits than other comparable employers then they have a basis on which to set their starting salary below the going rate. It is only in this way that the salary they offer will truly reflect market conditions: they do not need to pay as much basic salary as people are more likely to choose them over the competition for other reasons.

It can be useful to an employer to produce total reward statements. These provide employees (and potential employees) with a personalised document that communicates the overall value of their financial rewards such as base pay, incentives and employee benefits. Total Reward Statements can also be used to reinforce the communication of less tangible benefits such as work/life programmes, learning and development and flexible work arrangements.

Benchmarking tip #9:

Produce a total rewards statement to help you and the employee understand the complete value of the rewards on offer.

Benchmarking tip #10:

Market supplements can be used to adjust to external market rates without affecting internal equality.

Market supplements

As has been mentioned previously there may be situations when the pay rate at which a job is set internally (through job evaluation) is not high enough to meet the external market demand. In this case it may be appropriate for consideration to be given to the payment of a market supplement to overcome this problem.

A market supplement is an additional temporary payment to the basic salary of an individual job or group of jobs where market pressures would otherwise prevent an organisation from being able to recruit or retain staff with the required skills.

There are two different types of market supplement:

- a Recruitment Supplement is a temporary payment made to an individual to ensure their recruitment by enhancing the salary being offered, bringing their total reward package up to the market rate.
- a Retention Supplement is a temporary payment made to an existing employee over and above their basic salary in order to retain their services, bringing their total reward package up to the market rate.

The value of the supplement will normally be determined by the difference between the top point of normal progression in the grade for the job as determined by job evaluation, and the market rate for the job in question.

Market supplements should only be paid in exceptional circumstances, once alternative options have been considered and where market forces indicate pay and benefits being offered by an employer are significantly below the required market rate.

Outcomes

By the end of the fourth stage of the benchmarking process you should have achieved the following outcomes:

- adjusted pay to eliminate significant differences from market rates
- produced total reward statements.

Chapter 5: Monitor

It is important to recognise that benchmarking should not be considered a one-off exercise. If pay is to reflect market forces it will naturally need to be adjusted as the economic circumstances of the local labour markets change. It is also important to recognise that recruitment or retention issues experienced by individual employers change over time. Therefore pay needs to change to reflect the changes to internal and external market forces.

As we have already discussed in the 'classify' section, it might be useful to identify two benchmarking approaches, one that goes into enough detail to be considered complete, and the other that is simplified and is used as a way of measuring change in the market rate.

It would also be useful to monitor the overall effects on paybill and pay rates of the benchmarking process. This should assess to what extent the benchmarking project has been successful in achieving its aims and objectives.

Benchmarking tip #11:

Use a simpler benchmarking approach for monitoring change over time.

Outcomes

By the end of the fifth stage of the benchmarking process you should have achieved the following outcomes:

- implemented monitoring processes
- tested the success of the benchmarking itself.

Further information and tools

'Facing the market: how best to align remuneration levels' provides an overview of the key issues when setting market-based pay, including establishing the value of a job and issues of occupation, sector and location.

<http://www.employment-studies.co.uk/pdflibrary/mp31.pdf>

Pay structures: provides information on the basic forms of pay structures and their respective advantages.

<http://www.lge.gov.uk/lge/core/page.do?pagelId=119813>

Pay systems: provides advice and help on devising a suitable pay and rewards system, including performance and achievement-based pay.

<http://www.lge.gov.uk/lge/core/page.do?pagelId=119825>

'Compensation Today – Creating a salary benchmarking plan': provides an overview of the things to consider when planning a pay benchmarking exercise.

<http://blogs.payscale.com/compensation/2009/05/creating-a-salary-benchmarking-plan.html>

Office of Government Commerce – Benchmarking: provides advice and guidance on the approach and process of benchmarking.

http://www.ogc.gov.uk/documentation_and_templates_benchmarking.asp

Equality and Human Rights Commission – 'Market forces and pay: advice and guidance on market pay and equal pay requirements'.

<http://www.equalityhumanrights.com/advice-and-guidance/guidance-for-employers/tools-equal-pay/checklists-equal-pay-in-practice/9-market-forces-and-pay/>

Office for National Statistics – 'Annual Survey of Hours and Earnings (ASHE)': provides information about the levels, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions.

<http://www.statistics.gov.uk/statbase/product.asp?vlnk=13101>

Local Government Group – Benchmarking Data: provides data and outputs from our surveys and research that we think councils might find useful when attempting to benchmark their workforce.

<http://www.lga.gov.uk/lga/core/page.do?pagelId=15145727>



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