

## Spring Bulletin 2009

### What to say about reward?



Mike Curtis  
info@qcg.co.uk

The world has gone mad. We hear about the stock markets, housing markets, bank lending (not), falling sterling and the possible death knell of the eurozone ... but the current furore about pay knows no bounds.

A recent google search on 'executive pay' produced articles revealing the politicisation of the subject ('Tories [will] purge town hall 'fat cats'), a sudden return to fashion of J K Galbraith (pay settlements for executives being little more than grand larceny) and the somewhat ironic tale of 250 Dresdner Kleinwort staff taking legal action to retrieve their bonuses slashed after the takeover last year by Commerzbank.

Many organisations (and let's leave the banks alone for now) do not know where to turn. We know that historical precedent is less than helpful and as yet there isn't much evidence to demonstrate what is actually happening in the run-up to the April 2009 pay reviews. We know some organisations in the private sector have already shown their hands with pay freezes, pay pauses and made changes to working practices or in some cases, made quite sizeable pay settlements. Many more are waiting for more trend information to become available and, in particular, for greater clarity on the business impact of unfolding developments in the economy.

The public sector is suffering too. Mean spirited (and largely inaccurate) press coverage ('Don't bank on a pay rise unless you work in the public sector') and conflicting reports of future policy from

the centre have created some confusion. All this at a time when actually there has been a continuous loss of public sector jobs through mergers and restructuring and more to come – promised by both Tory and Labour parties. Some high profile commentators have recently reflected that the rate of inflation leaves the government with little reasonable choice but to impose a public sector pay freeze.

At QCG we watch the headlines emerge, the knees jerk and the inaccuracies prevail. Much of the reporting is (intentionally) emotive, political and designed to achieve a specific purpose. Our view, and the platform for our advice, echoes a point made in the Economist in February which stressed the importance of focusing on the **structure of pay and its governance** rather than the oversimplified and muddled castigation of bankers and their bonuses and other tactically useful scapegoats.

Decide, as best you can, within the parameters you have to work, what is going to be the right response to your own set of business circumstances. And be prepared to change if necessary, probably at short notice.

At QCG we are trying to help - to this end we are presently undertaking our own research into current pay practices, the implications of which we will be exploring at Osney Media's Rewards & Benefits 2009 Summit on 20-21 May (see page 4 of this Bulletin for details) and publishing our wider reflections on the subject in e-Reward's next *Reward Quarterly*. Our research findings will very soon be available to participants so if you would like to take part in the survey ahead of your settlement please contact **Mike Curtis** on [info@qcg.co.uk](mailto:info@qcg.co.uk)

### QCG coaching network –

Did you know that QCG works with a number of experienced and accredited coaches?  
Contact Shelagh Smith or Alison Pennington for more details.

### Is coaching worth it when times are hard?



Alison Pennington  
info@qcg.co.uk

Leading an organisation through change and delivering high performance are key challenges for senior people. Especially in this strange world we inhabit. Two recent surveys from the Harvard Business Review and Coaching at Work reveal the top business

benefits of using executive coaching:

- Developing the capability of high potentials;
- Enabling leaders to facilitate transition and change.



Shelagh Smith  
info@qcg.co.uk

At QCG we are finding that, through coaching, we are effectively supporting leaders who recognise that they have to work differently - both

operationally and behaviourally. The CIPD reported that 71% of organisations in the UK use coaching in some form<sup>1</sup> and regard it as a legitimate and effective business process.

Two of our recent coaching clients have commented on the dynamic impact of their executive coaching programmes:

*"A little bit of time with a coach made a big difference that enabled me to focus on the challenges faced within the business."*

*"Discussing issues with an objective third party put them into a different perspective that enabled me to change my mindset."*

It is interesting that both these individuals use the term 'enabled'.

But what about the benefits to the wider organisation? Today, we can see that coaching does indeed enable the transformation of the wider organisation by creating greater self awareness and prompting attitudinal change in the leadership population. Coaching gets right to the core of the emotions required to make change happen in individuals **and** in the organisational context.

Considering the context we are all working in, there is more need than ever to help leaders re-energise and engage with their teams, manage more complexity with less resource and overcome the inevitable loss of trust in the business world. In

addition, these leaders must themselves be confident, flexible, 'fleet of foot' and avoid any hint of 'leadership paralysis' that may be manifesting itself.

So, even though times are hard and the future is unclear, coaching is still a valuable tool which will deliver results, particularly in the areas that matter – productivity, confidence and engagement.

QCG's current coaching programmes are:

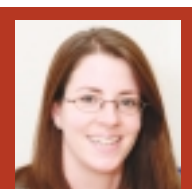
- Helping leaders deploy more relevant leadership styles for today's world;
- Supporting leaders to manage new responsibilities and their own reactions to change;
- Building new teams quickly and effectively;
- Ensuring teams make pragmatic decisions and deliver results fast in an uncertain environment;
- Guiding leaders as they negotiate critical relationships.

Successful organisations recognise that coaching is an investment and that it will require time to succeed. Providing that a clear purpose is defined, appropriate contracting takes place and preparation occurs - coaching works!

Discover more about how our coaches operate at QCG, contact **Alison Pennington** on [info@qcg.co.uk](mailto:info@qcg.co.uk)

References: Harvard Business Review, Jan 2009  
Coaching At Work, Volume 4 Issue 1, Jan/Feb 2009  
<sup>1</sup>CIPD Coaching and Buying Coaching Services, Nov 2008

## Job evaluation is dead! Long live job evaluation!



Sophie Vallance  
[info@qcg.co.uk](mailto:info@qcg.co.uk)

Recent trends towards more flexible structures and business driven pay systems have led some commentators to ignore or at best down play the role of job evaluation in organisational design. Indeed with the current focus firmly on driving down pay bill costs, we believe job evaluation has a more important role than ever to play.

A recent article by Duncan Brown and Brian Dive reinforces this idea by saying that organisations should look beyond the defensive rationale for job evaluation and consider it in the light of organisation design and talent management. Newer approaches to job evaluation are being used that are less rigid and analytical and can be applied to organisational design, career enrichment and career development.

Traditional financial motivators are less credible and less available at present so organisations will be forced to consider alternatives – like job enrichment and career development – to motivate and engage with their people. Now really does seem to be the time for us to take the opportunity to reinvigorate job evaluation methodologies to focus on creating flexible, responsive organisational structures and to redefine the requirements of individual roles.

QCG's view is that job evaluation is still a fundamental business process so long as it is aligned with, and supportive of, the overall business strategy. It needs to be flexible to reflect skill needs and local market differences as well as individual work performance and contribution.

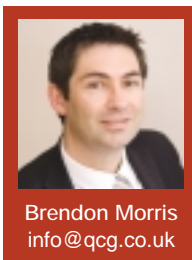
With all this in mind, QCG has developed its own job evaluation approach. We have focused on six

essential factors that really differentiate job roles from each other and identify level differentiation. And define the nature and relative weights of the jobs. It acknowledges the expectations of the individual in the role and the impact the role has on business delivery and/or customer service. The QCG approach will also have the ability, if needed, to link to other management tools such as

succession planning, market pay and performance management. The focus is on roles, how they are structured and how they deliver value - not just pay, grading and equal value.

For more information contact **Sophie Vallance** on [info@qcg.co.uk](mailto:info@qcg.co.uk)

## Performance Improvement



In our last bulletin, we talked about the critical need for organisations to move early to meet the challenges of the downturn. As we move towards the Spring, we want to help you take a more positive approach to your thinking about preparing for the better times. "Too soon", I hear you say. Well read on.

It may be too soon if there is still work to be done in getting your organisation in shape for the tougher business conditions we are experiencing. And if you are still not fully in shape to weather the storm you should be calling us now! If you are part way through this transition you should have an eye to what your business capability needs to look like for the better times that will inevitably return.

And, this is the real challenge. How to gauge what you need in place for those better times and more critically guessing – and it will be a guess - when they will return.

The central message here is that your organisation should have the analytical framework that allows you to see what your 'ideal' business position looks like – post recession. Any organisation's ability to do that will be partly down to the historic knowledge of what their ideal business model looks like from past best times. More fundamentally, however, having in place the capacity to look beyond what has worked in the past – in what is likely to be a more fragile and less confident market in the short-term - is vital. In undertaking this analysis we think there are a few key points:

- In unpredictable situations where the problems are complex and contingent, you must resist the temptation to focus only on the most obvious parts of the challenge – ask yourself - *"is what you are doing taking a whole organisation view that will enable concerted action to take the business forward?"*

- Your few(er) key players/influencers will be as critical to you in the upturn as they have been through the difficult times: *are you doing enough to make them feel valued and central to the future?* Moreover - *are you giving them the support they need to excel at what they are striving to achieve now?*
- Ambiguity typically make organisations introspective – looking at costs, structures and processes is essential but can easily lead to less attention to customers and quality of services: *are you relentlessly focussed on knowing your customers' (changing) needs and delivering to their current and future requirements?*
- Have you shaped your workforce in the right way: *have you retained the skills and capabilities to take you up the growth curve once that upward trend comes?*
- Those who come out of the downturn fast and furious will have harnessed the energy and ideas of their people: *have you continued to engage with and mobilise the creative energy of your people?*
- Who knows when the turning point will come in the economy – are you clear what the triggers will be for your business: *do you know what to look out for and can you envisage what's on the horizon?*

And while the answer on when those better times might return may still seem elusive, if your groundwork on these issues is thorough and diligent, you will be ahead of the curve – and the competition – when the opportunity raises its head! If any of the above resonates with you and you want to discuss your strategy, contact **Brendon** at [info@qcg.co.uk](mailto:info@qcg.co.uk)

## Stop press!!Stop press!!Stop press!!

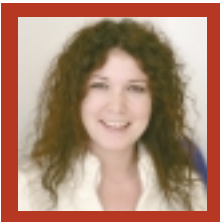
We will also be answering your questions and exploring the implications of our recent research on pay awards and bonus practice at our workshop at the Rewards and Benefits Summit 2009 (see [www.rewardssummit.com](http://www.rewardssummit.com)), taking place on the 20th and 21st May 2009 at the Thistle Hotel Marble Arch in London.

Come and visit us at our stand or bring your most challenging questions to our workshop **on Day 2 right before lunch.**



## Stop press!!Stop press!!Stop press!!

### Contact us



For more information about any of the articles in this newsletter, to express an opinion on them or to find out more about our services please contact one of our CRM team or the consultants identified in the features.

**Anna Cummins** Tel: 020 7462 4840, e-mail [info@qcg.co.uk](mailto:info@qcg.co.uk)

**London Office:** 27 Hanson Street, London W1W 6TR

**Chobham Office:** The Park Gallery, Station Road, Chobham, Surrey, GU24 8AQ

**Belfast Office:** Cathedral House, 23-31 Waring Street, Belfast, BT1 2DX

Tel: 020 7462 4800 Fax: 020 7462 4801

**Website:** [www.qcg.co.uk](http://www.qcg.co.uk)