Paydata Software Tools and Solutions
PAYreview

How PAYreview saved

Electrocomponents time and money

www.paydata.co.uk/services/pay-review-and-analysis

"Without the use of PAYreview we would not have been able to undertake our first Group-wide Pay Review activity within the timescales and with the internal resources we had available. We found Paydata to be very flexible in their support and delivery, acting as a real partner throughout the Pay Review process."

Karl Ward
Global Head of Reward Electrocomponents

Founded in 1937, Electrocomponents plc is the world's leading high service distributor of electronics and maintenance products under the trading names of RS Components and Allied Electronics.

Electrocomponents operate in 32 countries, from emerging markets in Eastern Europe, to rapidly expanding operations, literally, on the other side of the world. They employ around 5,800 people.

⊕ The Issue

In this rapidly changing environment, effective pay management is a key issue for HR. Electrocomponents employ performance-related pay. This is a feature of both their base pay management and their various bonus arrangements. Their arrangements have an inherent degree of complexity. Firstly, base pay budgets are

set at different levels for different countries. Secondly, the distribution of base pay varies because of national arrangements, local collective bargaining, and so on. Finally, bonus budgets are set relative to grade and some need to be balanced over different countries and currencies. Above all of this complexity is a high degree of management discretion, subject to appropriate authority levels.

In previous years, the pay review process had largely been managed on spreadsheets. There were quite a number of them and version control was a full-time job in itself. There was little overall control as it was difficult to track progress until all the spreadsheets were finally brought together. The process was long, complicated and senior managers found it extremely difficult to manage the budget to best effect.

Paydata
always time for you

⊕ Our Solution

PAYreview by Paydata provides a real-time solution. The web-based application represents a single version of the truth. It can be used, with the correct authority, anywhere in the world where there is internet access. As such, it works across national boundaries and makes sense of mixtures of currencies.

In simple terms, PAYreview acts as a single source of data that can be updated by line managers, their approving senior managers, and HR. Everyone looks at the approriate part of the same up-to-date data.

"The solution was simple for reviewing managers to use and for HR to administer and maintain. It did not require a "big system" implementation."

The system tracks what is being recommended and what is approved. It controls the workflow, sending emails to managers to tell them they have recommendations to review. Ultimately, it helps ensure that the business achieves its overall pay review objectives. The inbuilt security provisions are designed to meet the high standards of compliance our customers demand.

PAYreview is designed to be straight-forward and logical to use.

⊕ How it Worked

After getting a thorough understanding of how Electrocomponents wanted to conduct their pay review, we tailored the system to their needs. This included using their terminology and branding, making it instantly familiar to users. We also built in the rules concerning how bonus spend should be allocated and pooled, together with details of the relevant currencies and exchange rates. A trained in-house administrator did most of the detailed set up and administration locally.

The system generated emails to users, for example to issue access usernames and passwords and to tell an approving manager that

they have reviewing manager recommendations to review and, if appropriate, approve.

Users were guided through the system using built in help screens, a FAQ page and online help tutorials. We acted as expert advisors throughout, although our customer was able to support and administer most of the process themselves. One issue that did cause some difficulty was the incorrect identification of reviewing and approving managers. Whilst not strictly a system's issue, we were able to help resolve matters quickly using the change facility built in to PAYreview, so that managers could access the details of the correct people.

⊕ The Outcome

For line managers, the pay review process took only two weeks. That timescale was previously unachievable. Managers found it much easier to exercise their judgement to produce a good outcome. The resultant aggregation for reporting to the Executive Committee members and the Remuneration Committee was taken directly from the system. Consequently, the whole pay review sign off process was smoother and faster than it had ever been.

Immediately after the review we helped our customer conduct a detailed post-implementation review. This included running a short online survey of all users worldwide, focus groups and telephone interviews. The over-riding verdict was that PAYreview had made the whole process considerably easier.

The online survey and focus groups helped us identify areas where we could further improve PAYreview to suit the needs of the user going forward.

For more information on PAYreview please contact Tim Kellett by:

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