

Specification of Competency Standards for Human Resource Management

Unit of Competency

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| Title | Formulate a reward philosophy as guiding principle of reward framework |
| Code | 106964L7 |
| Range | Translating the organisation's vision, mission and values into a reward philosophy that guides the design and decision-making of base salary, short-term and long-term incentives, recognition and benefits. This applies to the process of developing a reward framework, with the support from senior management. |
| Level | 7 |
| Credit | 7 |
| Competency | <p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <ul style="list-style-type: none"> • Understand the concept and value of reward philosophy when developing reward strategy • Understand the trends of reward strategy (e.g. creating a culture of recognition, total reward strategy) in respective operating markets and jurisdictions • Understand the key factors that contribute to the development of a reward philosophy (e.g. organisation's core values, external business environment) <p>2. Applications and Processes</p> <ul style="list-style-type: none"> • Formulate a reward philosophy in alignment with the organisation's strategic objectives and human resource strategies • Establish a reward philosophy as guiding principle of reward framework for the organisation (e.g. variable pay, emphasis on competence and continuous development) • Consult and solicit support of senior management for the reward philosophy • Formulate reward philosophy statements in a simple and concise manner to guide the development and implementation of reward strategies <p>3. Professional Behaviour and Attitude</p> <ul style="list-style-type: none"> • Establish an appropriate reward philosophy that matches the size, nature and culture of the organisation • Investigate social and economic trends and their potential impact on the development of reward strategy and philosophy |
| Assessment Criteria | <p>The integrated outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Execution of thorough discussions with senior management before formulation of reward philosophy for multiple sources of input and ownership of reward philosophy. • Establishment of a reward philosophy as guiding principles to develop a reward framework for the organisation (e.g. variable pay, emphasis on competence and continuous development) • Formulation of reward philosophy statements in a concise manner to guide the development and implementation of reward strategies. |
| Remark | |