

Specification of Competency Standards for Human Resource Management

Unit of Competency

| | |
|---------------------|--|
| Title | Conduct periodic pay and grading review exercise |
| Code | 106971L5 |
| Range | Reviewing both the existing job / pay grade structure and base pay structure; and proposing adjustments around grading system, transitional arrangements and incentives to be provided to different levels of employees. This applies to the periodic review and alignment of pay and grade of all levels of employees for maintaining competitive pay positioning in respective operating markets and jurisdictions. |
| Level | 5 |
| Credit | 5 |
| Competency | <p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge in the Subject Area <ul style="list-style-type: none"> • Understand the importance of pay and grading review exercise in job evaluation 2. Applications and Processes <ul style="list-style-type: none"> • Define objectives and scope of the review exercise in alignment with reward strategy and business needs • Conduct pay and grading review exercise regularly by matching the latest job descriptions, measuring the value of each job and referring market benchmarking to relevant jobs • Gather market data (e.g. via pay trend surveys, professional bodies) to conduct data and sensitivity analysis and initiate off-cycle pay review exercise for affected groups (e.g. contract employees) when necessary • Review grading system according to internal grades and external titles • Make adjustment to mid-points value and pay ranges based on the organisation's reward strategy and review on pay progression to maintain competitive pay positioning • Set up budget for base pay revision, promotion, special adjustment and variable bonus with reference to the organisation's reward strategy and business performance • Provide guidance to managers to follow reward philosophy, budget and guidelines through pay and grading review exercise • Identify recurring and non-recurring cost impact to the organisation and provide sensitivity analysis to facilitate senior management's decision-making 3. Professional Behaviour and Attitude <ul style="list-style-type: none"> • Validate effectiveness of the review exercise to identify improvement areas |
| Assessment Criteria | <p>The integrated outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Execution of pay and grading review exercise on a regular basis by matching the latest job descriptions, measuring the value of each job and referring market benchmarking to relevant jobs. • Establishment of budget for base pay revision, promotion, special adjustment and variable bonus with reference to the organisation's reward strategy and business performance. • Provision of advice to managers on relating reward philosophy, budget and guidelines to the organisational strategic objectives and human resource strategy. |
| Remark | |