

Compensation and Reward Framework

PERFORMANCE MANAGEMENT AND REWARD

Explainable reward decisions need clear principles and relevant evidence. This framework helps leaders connect the employment offer with organisational priorities, the value of work, external comparisons and affordability. It supports targeted policy reviews or broader redesign, making reward elements, progression rules, exceptions and ongoing ownership easier to govern.



THE MODEL AT A GLANCE

The approach

The Reward Decisions Model connects six policy choices from purpose to ongoing stewardship. Job value, market, contribution and funding evidence answer distinct questions. Diagnostic review and option testing inform reward design, movement rules and implementation, with clear approval and exception ownership.

When to use it

- Pay exceptions have accumulated without a clear policy rationale.
- Managers treat different reward concerns as the same adjustment problem.
- The employment offer needs a structured review of reward choices.

What the model covers

Purpose · Value · Position · Mix · Movement · Stewardship · Internal job value · Market evidence · Contribution evidence · Funding evidence

Value for your organisation

- Makes the purpose and rationale of reward decisions clear.
- Keeps job value, market, contribution and funding evidence distinct.
- Supports consistent exception handling, communication and review of reward choices.

Put it into practice

Choose a pay-adjustment request and establish its intended purpose. Separate job value, market, contribution and funding evidence before considering amounts. Compare policy options, record the authorised rationale and clarify eligibility, communication and the trigger for review.

Outputs you can use

- Reward policy mandate explaining principles, scope and authorised decision roles.
- Evidence and option review separating job value, markets and affordability.
- Implementation and review plan covering eligibility, communication and exceptions.