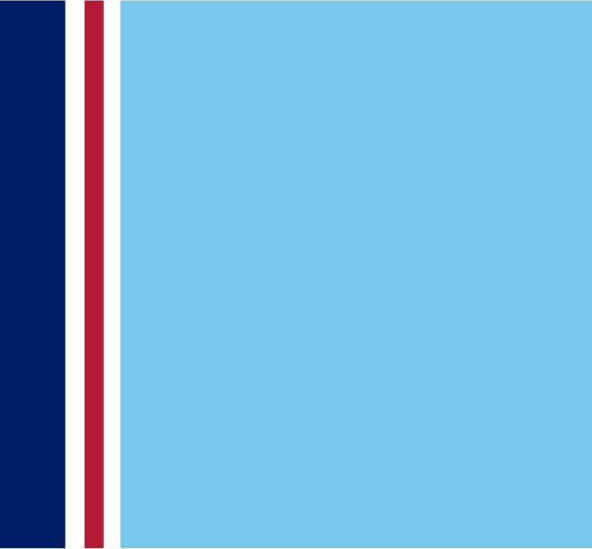


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Benchmarking Workshop
Pakistan General Industry Survey 2007
June 14/15 2007
Karachi

Meeting Objectives

- Develop a clear understanding of WW's benchmarking methodology
- Understand the Global Grading System & its importance in job levelling
- Provide some best practices for job matching

WWDS EMEA's Overall Objective

To provide corporate clients with market intelligence in the area of compensation & benefits by way of reports and services which is:

- Relevant to their needs
- Accurate & dependable
- Consistent across geographies
- Usable

Watson Wyatt Data Services Offering



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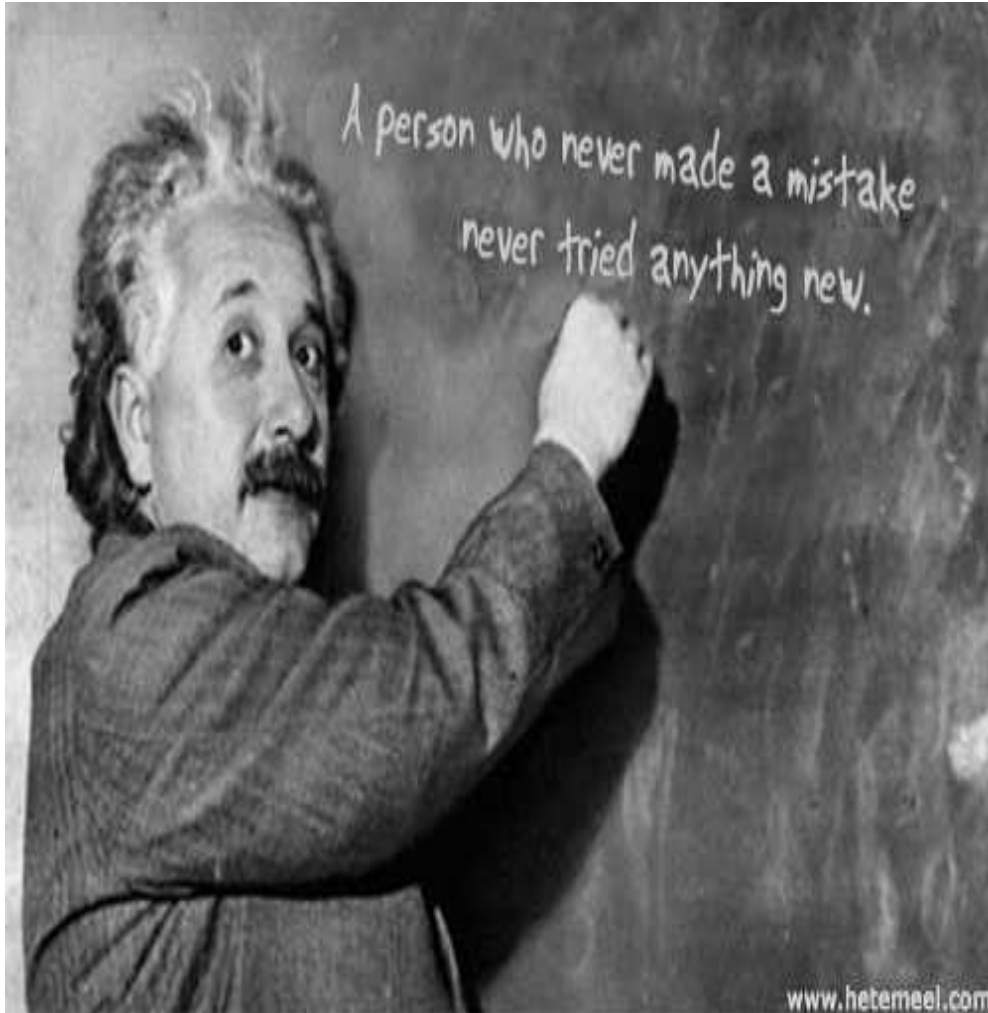
Fundamentals of Benchmarking

The Role of Methodology

Art and science have their meeting point in method.

- Edward Bulwer-Lytton

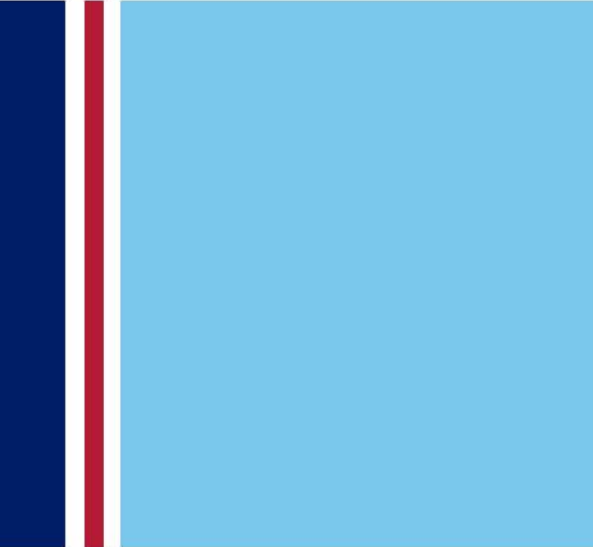
Two Truths About Benchmarking



**It's not a
science**

**It's never
finished!**

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Understanding The Underpinnings of Job Levelling



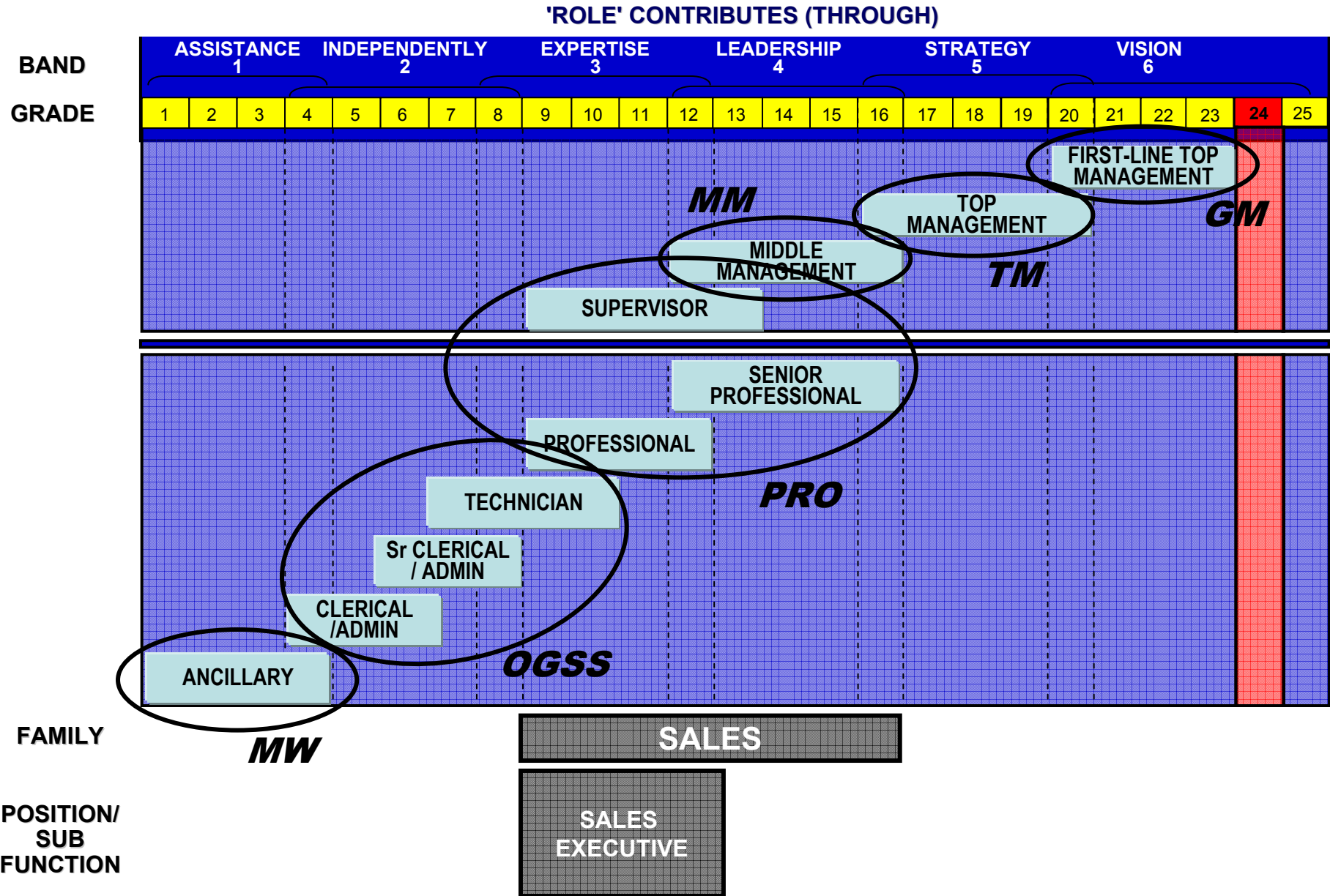
The beginning of knowledge is the definition of the terms.

Socrates

Global Grading System

- Underpins all Watson Wyatt Surveys
- Assists Job Matching, not a substitute for!!!
- Grades are consistent across families
- Benchmark jobs have suggested grades
- Can link to other providers grading systems based on empirical referencing (Hay, Mercer)
- Standard Simple Methodology which is useful for Job Matching
- **Always starts with defining the Business in terms of scope**

Watson Wyatt Salary Survey Structure



Global Grade Definitions

	Support/ Technical	Managerial/Supervisory
1	- Basic Manual worker, with single simple task	
	- Limited formal education required and no previous work experience	
2	- Basic Manual worker, performing a number of simple tasks	
	- Limited education required with some work experience	
3	- Unskilled Manual or Junior Clerical Support Role	
	- Works under close, direct supervision	
	- Performs routine often repetitive tasks in straightforward situations and from clearly defined options	
	- Basic education , limited experience with simple training	
4	- Semi Skilled Manual or Junior Clerical Support Role	
	- Works under direct supervision	

Global Grade Definitions

	Support/ Technical	Managerial/Supervisory
5	- Skilled Manual or Clerical Support Role	
	- Works under general supervision	
	- Works on basic tasks/assignments requiring some basic skills where multiple procedures are well defined	
	- Minimum 1 year of experience following apprenticeship/trade school/high school	
6	- Multi Skilled Manual/Craft or Clerical Support Role	
	- Works with limited supervision	
	- Procedures are well defined	
	- 1– 2 years of experience	
7	- Senior Support Role/Technician	- As 'Lead' or Senior may provide coaching on procedures/approaches or technical assistance to new members
	- Works under little or no direct supervision	- May allocate work as team leader or check on completion for quality/quantity
	- Performs moderately complex and varied assignments with direct impact to the business by ensuring the quality of service provided	- Will resolve moderately complex operational and complex issues as required
	- High / Tech School / Tech Certification ; 2 – 4 years of experience	
8	- Entry Level University Graduate / Junior Professional	- As Lead or Senior Support will be responsible for allocating and checking work of team members, ensuring quality, timeliness and service
	- (or Senior Support Role)	- Will be expected to work on own initiative guided by procedures rather than supervised
	- As developing professional works within fairly strict guidelines/ procedures, performs mainly tasks using disciplinary knowledge	- Limited impact on growth and development of people
	- Receives frequent supervision	
	- Small to moderate impact on business	

Global Grade Definitions

	Support/ Technical	Managerial/Supervisory
9	- Developing Professional	- Supervisor/Team Leader
	- 1-2 years experience after university	- Small team of clerical/support staff
	- Follows existing methodology, although no procedures exist (independent)	- Supervises completion of straightforward tasks – quantity
	- Very complex problems are still referred up	- Limited impact on growth and development of people
	- Works under broad supervision	
10	- Developing Professional	- Supervisor
	- 2 – 3 years experience	- Medium-sized operational/administrative team of clerical/support staff
	- Moderate, usually indirect impact	- Supervises completion of sometimes complex tasks, allocates work , schedules activities and ensures quantity and timeliness of end results
	- Deals with most problems independently	- Some input in performance management process
	- Is controlled on deliverable/outcome, much less on “how”	
11	- Established Professional	- Group Supervisor responsible for large or multiple teams
	- 3– 5 years experience	- Supervises work, ensures effective utilisation of individuals and checks on quality and quantity
	- Moderate but direct impact through close contact with businesses’ core activities	- Resolves variables issues with broad business impact
	- Will work completely independently and have significant latitude to solve complex problems	- Input in team-members’ assessment and pay-review

Global Grade Definitions

	Support/ Technical	Managerial/Supervisory
12	- Established Professional	- Group Supervisor for very large team with moderate budgetary impact on business
	- 5 – 8 years experience, proficient in all aspects of role technically	- Contributes to development of new techniques, operational models and plans
	- Significant impact (in terms of project-size, territory, ...)	- Suggests alternatives / improvements in processes and flows
	- Involved in training, coaching of new recruits	- Full responsibility for team-members' assessment, development/ motivation and pay-review
	- Recognise and be able to contribute to the improvement of processes and work-flows (policy development) for their function	
13	- Strategic Professional	- Operational Manager
	- 8 – 10 years experience	- Responsible for planning of short term action plans, budgeting and resource planning
	- Stays abreast of latest developments in own field and contributes to strategy by applying in own job / organisation	- Resolves occasional complex and variable issues, recommending and implementing course of action
	- Will typically have responsibility for other professionals as project manager or team leader	- Responsible for people's growth and development
	- Significant impact through deliverables	- Requires commercial awareness and developed communication skills to influence and persuade both internally and external to the organisation
14	- Strategic Professional	- Operational Manager
	- +10 years experience	- Leads and directs team of professionals, technicians and support staff
	- Follows latest trends and developments in own field and adapts these to apply in own job / organisation	- Strong commercial awareness with accountability for delivery of service to one or more businesses /regions
	- Recognised subject matter expert, applying ingenuity and creativity to problem resolution	- Responsible for short- to medium-term planning of actions and resources for own functional area
	- Will have a degree of responsibility over technical strategy for a specific function	- Full management responsibility for people budget and planning

Global Grade Definitions

	Support/ Technical	Managerial/Supervisory
15	- Strategic Professional	- Integrating Manager with Strategic Impact
	- +15 years experience	- Manages through managers or large group of senior professionals
	- Develops new techniques, methodologies, approaches ... in own field to directly impact the work of others and the results of the organisation	- Responsible for medium-term (1-3 years) planning
	- Thought leader developing business solutions for a major function	- Sizeable section of the business – big direct impact
16	- Strategic Professional!	- Strategy Setting Manager
	- +20 years experience	- Manages multiple teams
	- Internally and externally recognised Guru that influences the way things are done in both the business and in the entire industry	- Responsible for medium/ long-term (+3 years) planning for broad issues that impact the whole business
	- Sets the technical direction in areas that are key to the business	- Integrating different disciplines / sections of the business
		- Covering diverse functions or one major function in a large organisation

A Bit of Grading Advice....

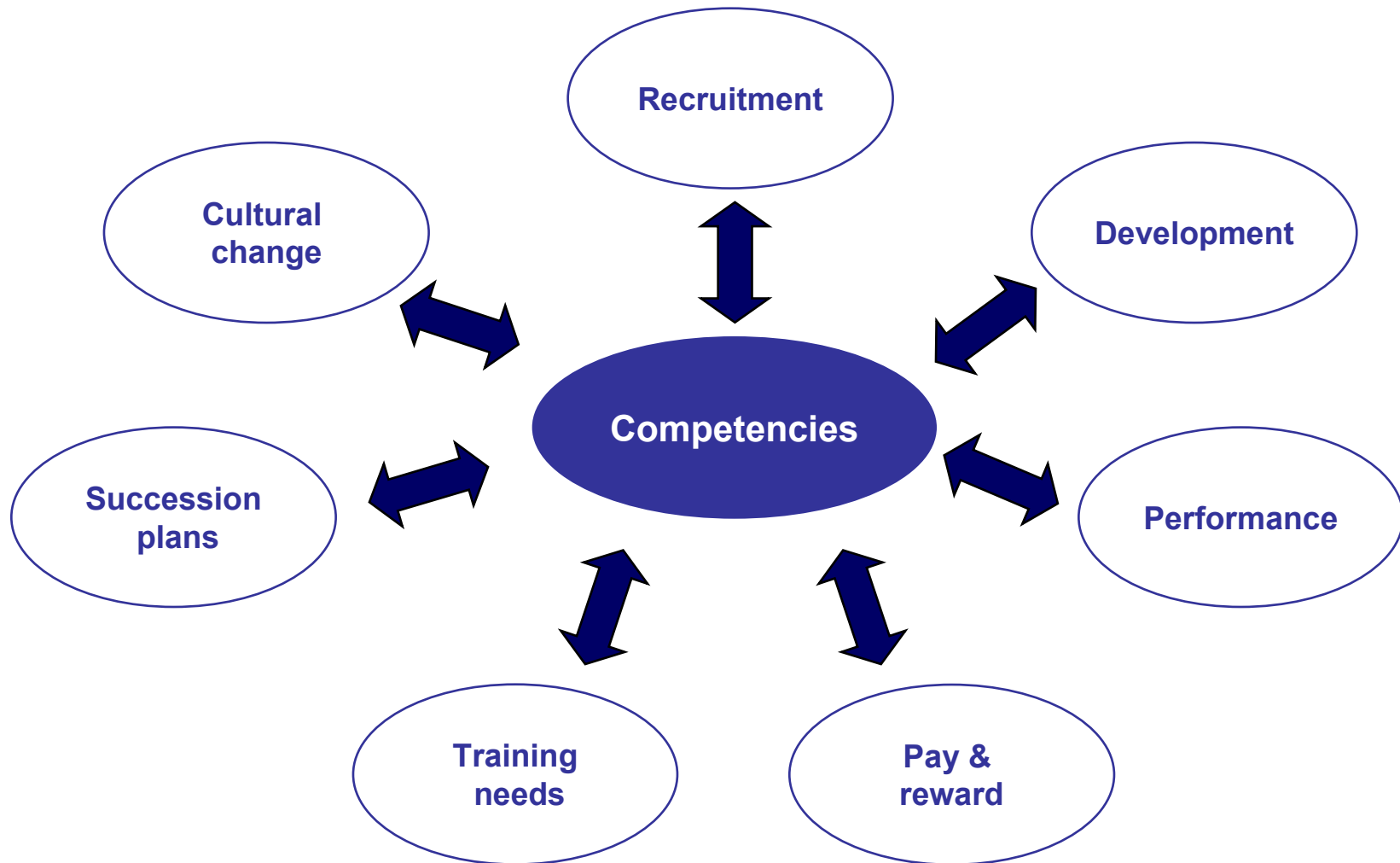


**You Need To
Feel
The Grades**

Competencies

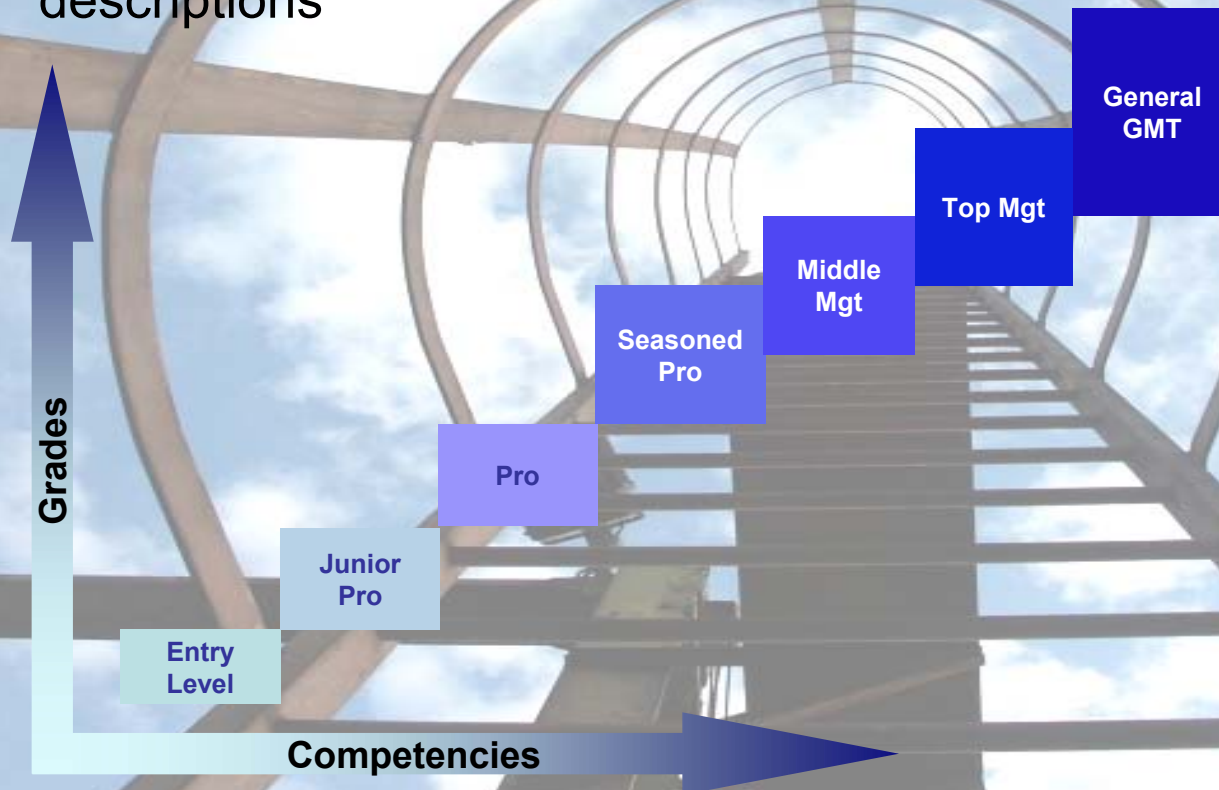
- A combination of observable, applied knowledge, skills, behaviours and, in certain circumstances, personal attributes that create competitive advantage for an organisation
- Competencies focus on how an employee creates value versus what is actually accomplished.
- Offer a common language for job matching & levelling
- Competencies have a direct link to Global Grades

The Cornerstone of Many Things



Career Ladders

- Provide the framework within which roles exist
- Define the start and end points of career progression
- Offer an easier way for individuals to relate to generic job descriptions



Bringing It All Together

Human Resources Generalist

Global Grade	Competencies	Career Ladder	Benchmark
15	In-depth knowledge of wider function & impact on the business; competitor knowledge; manages teams; uses complex analytical judgment, high level negotiation skills	Middle Management 	HR1000
13	In-depth knowledge of own area & others; basic commercial awareness, uses analytical judgment; interfaces across teams; able to persuade others	Seasoned Professional 	HR1030
11	Knows own & related subject areas, some knowledge of wider sub-function; uses analytical judgment, interfaces with related teams	Professional 	HR1040
9	Knows own subject area & objectives; judgment based on precedence; interfaces primarily within own team	Junior Professional	HR1060

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Job Matching Process

Process

- Gather Data
- “Cap” the organization by grading and benchmarking the top role
- Benchmark 1st line management
- Benchmark by job family remaining employees

TOP



DOWN

Gather information

- **Organisation charts**
 - *Excellent tool for seeing jobs in context*
 - *Tend to be agreed and up to date*
- **Job descriptions/Role Profiles**
 - *Are they valid?*
 - *Make sure they are current*
 - *Take the opportunity to update (include elements taken from the benchmark job description?)*
- **Line management input**
 - *Particularly useful for new or business critical roles*

Gather information

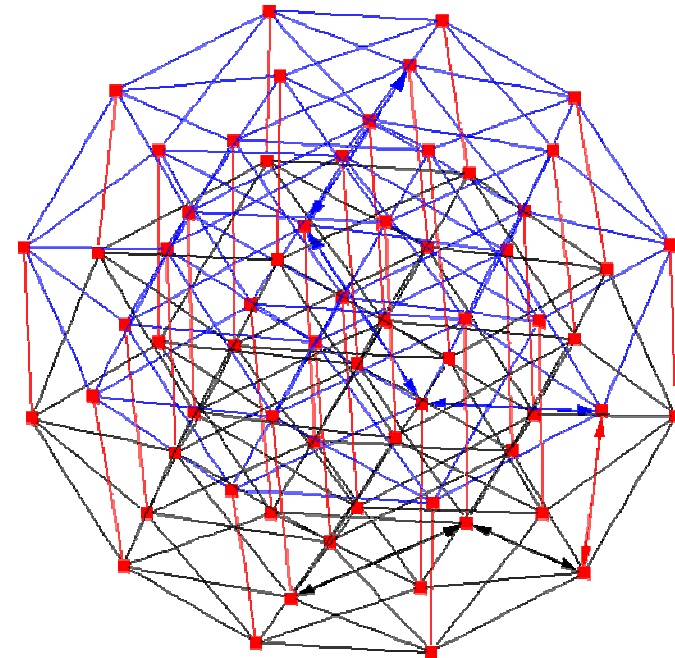
The idea is to **get a full picture of what the role covers** by looking at:

- Which department the individual works in
- Reporting line(s)
- Nature of the job
- Internal grade/level
- Job requirements – level of experience, qualifications, competencies etc.

The GGS Scope Data Matrix

4 dimensions:

- Business Size
 - Measured by Company turnover figure
- Business Complexity
 - Measured by the level of integration of the business, the diversity of the product portfolio, the complexity of the business processes, etc.
- Organisational Size
 - Measured by the number of employees
- Geographical scope
 - Measured by the international reach of the organisation



Scope the Business

- Set the CEO grade and the “ceiling” for all other jobs in the organisation

EMPLOYMENT
TURNOVER
(in USD m)

16	17	18	19	20	21	22	23	24	25
90	240	620	1,600	4,100	10,600	27,500	75,000	200,000	
75	150	500	1,000	2,000	5,000	10,000	50,000	100,000	

BUSINESS COMPLEXITY	COMPLEXITY OF MARKET		
	Domestic	International	Global
LOW	16	19	20
MEDIUM	18	21	22
HIGH	20	23	24

Business Complexity

Structure Diversity	Subordinate entity (including regions, subsidiaries)		Parent	
	Integrated with other BU	Independent of other BU	Non- complex business	Complex business
Single industry, related product/services	Low	Medium	Low	Medium
Multiple industries, unrelated products/services	Medium	High	Medium	High

Business Complexity

- **“Diversity”** measures the extent to which a business unit:
 - Provides products and services that are related and serve within a single industry, or
 - Is very diverse and belongs to two or more industries
- **“Structure”** measures
 - the extent to which a business unit is integrated with other business units, and
 - the breadth of operations encompassed within the business (complexity).

Business Complexity

- A business unit is **integrated** when another business unit (or the parent):
 - Manufactures or sources the products,
 - Supplies manufacturing or other technology solutions,
 - Sets product pricing structure,
 - Determines HR, Finance and/or IT policies or practices.
- A business unit is **independent** of other business entities when it is largely left by the parent to determine its own:
 - Range of products,
 - Marketing and pricing policies unilaterally,
 - Policies with regard to financial, IT and HR management.

Business Complexity

- A business unit is **complex** when the full value chain is represented, from product conception and design to materials sourcing, operations, marketing, sales and customer services.
- A business unit is **not complex** when it focuses solely on one or more (but not all) of these activities.

Market Complexity

- DOMESTIC COMPANY
 - Its operations are essentially based in the home country and will essentially supply the domestic market. May have small operations with only one or two functions represented in other countries (e.g. sales representatives).
- INTERNATIONAL COMPANY
 - Will have offices / operations with more than one function (e.g. HR, finance and sales) across a whole region (e.g. Europe, Asia Pacific) or in several countries in different continents.
- GLOBAL COMPANY
 - Will have significant operations (all functions represented) in three or more continents.

Remember !

- In order to match to GM or Business Unit manager certain criteria have to be met
- P/ L responsibility is the key criterion
- Legal responsibility for entity
- Multiple function responsibility beyond sales
- Two grade maps follow
 - Grade 19 organisation - Typically Regional GM
 - Grade 16 organisation - Typically Small territory

http://62.172.72.81/GGXDemo/

GGXpress - Microsoft Internet Explorer provided by Watson Wyatt Limited

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Print Mail Stop

Links Webmail Address C:\Program Files\Comtrack\Products\2006\GGEXPRESS\GGXFrame.htm

Watson Wyatt's
Global Grading System™

Global Grade Scope Matrix

The Global Grade Scope Matrix is used to set the Global Grade for the General Management level in the company.

General Industry | Banking

		Global Grade
Employment:	Less than 90	16
Turnover (in millions US\$):	Less than 75	16
Diversity/Complexity:	Low	16
Geographical Scope:	Domestic	16
Average Global Grade:		16

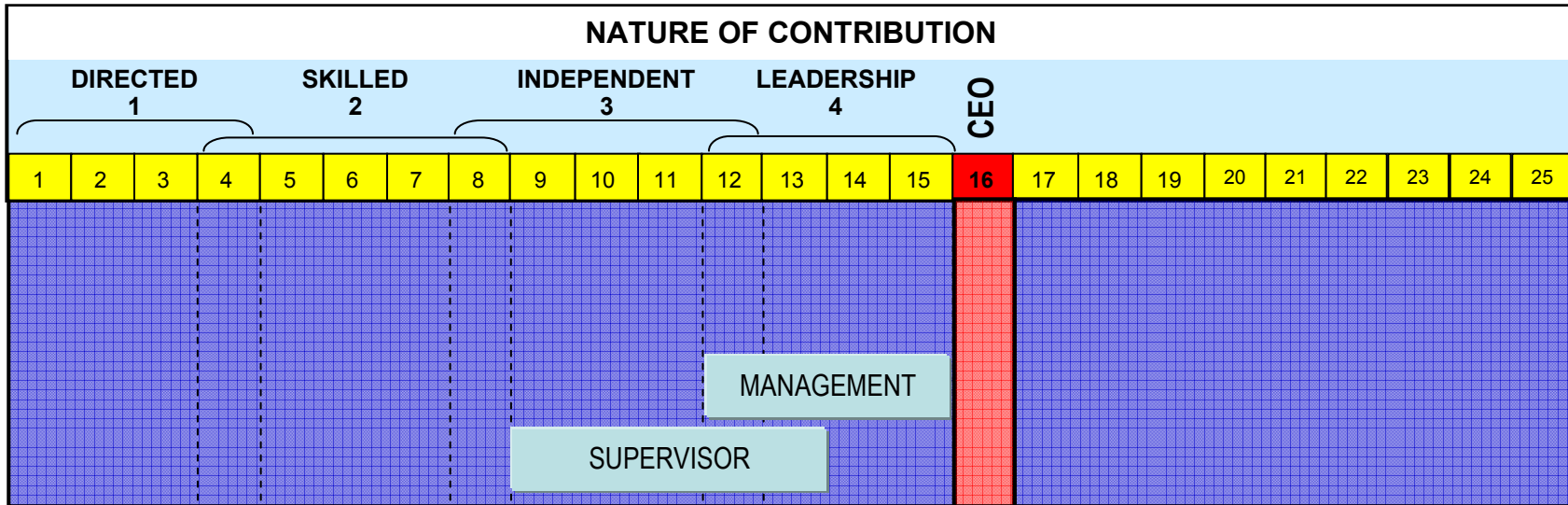
Good way to set your grade cap quickly

BUT

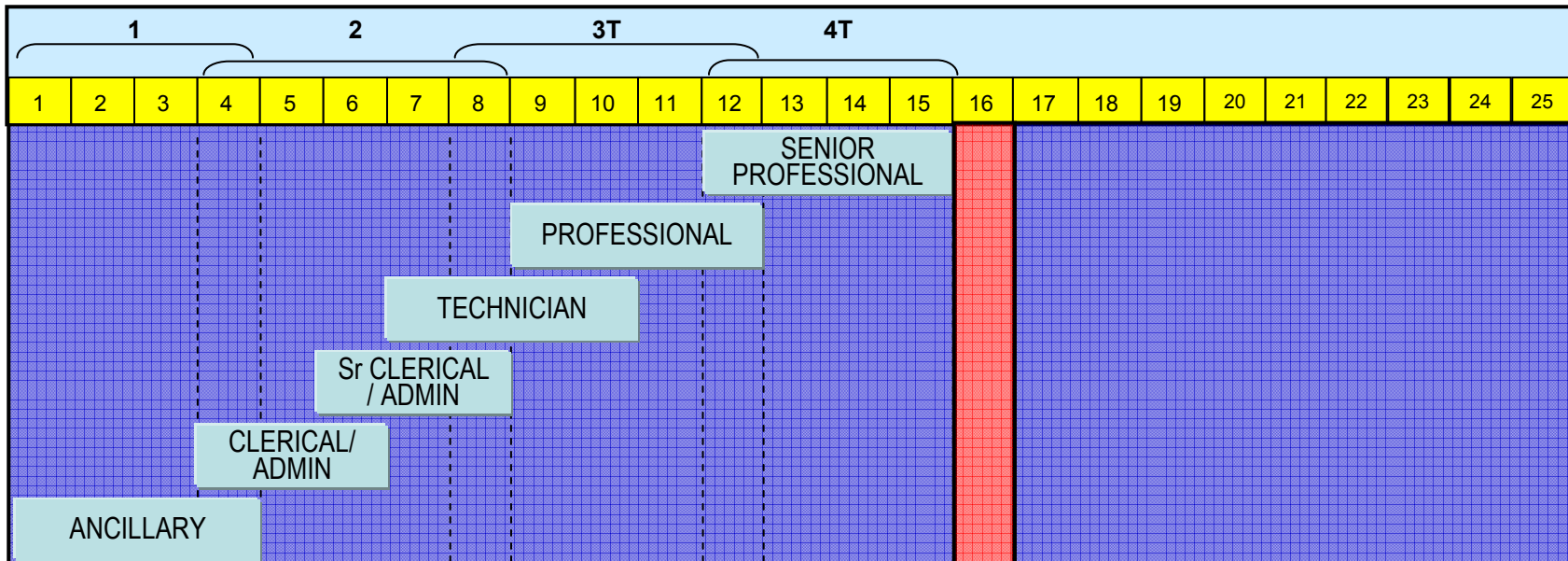
Shouldn't be used for organizations with fewer than 80 employees

Example Grade Map with CEO at GG 16

BAND
GRADE



MANAGEMENT CAREER



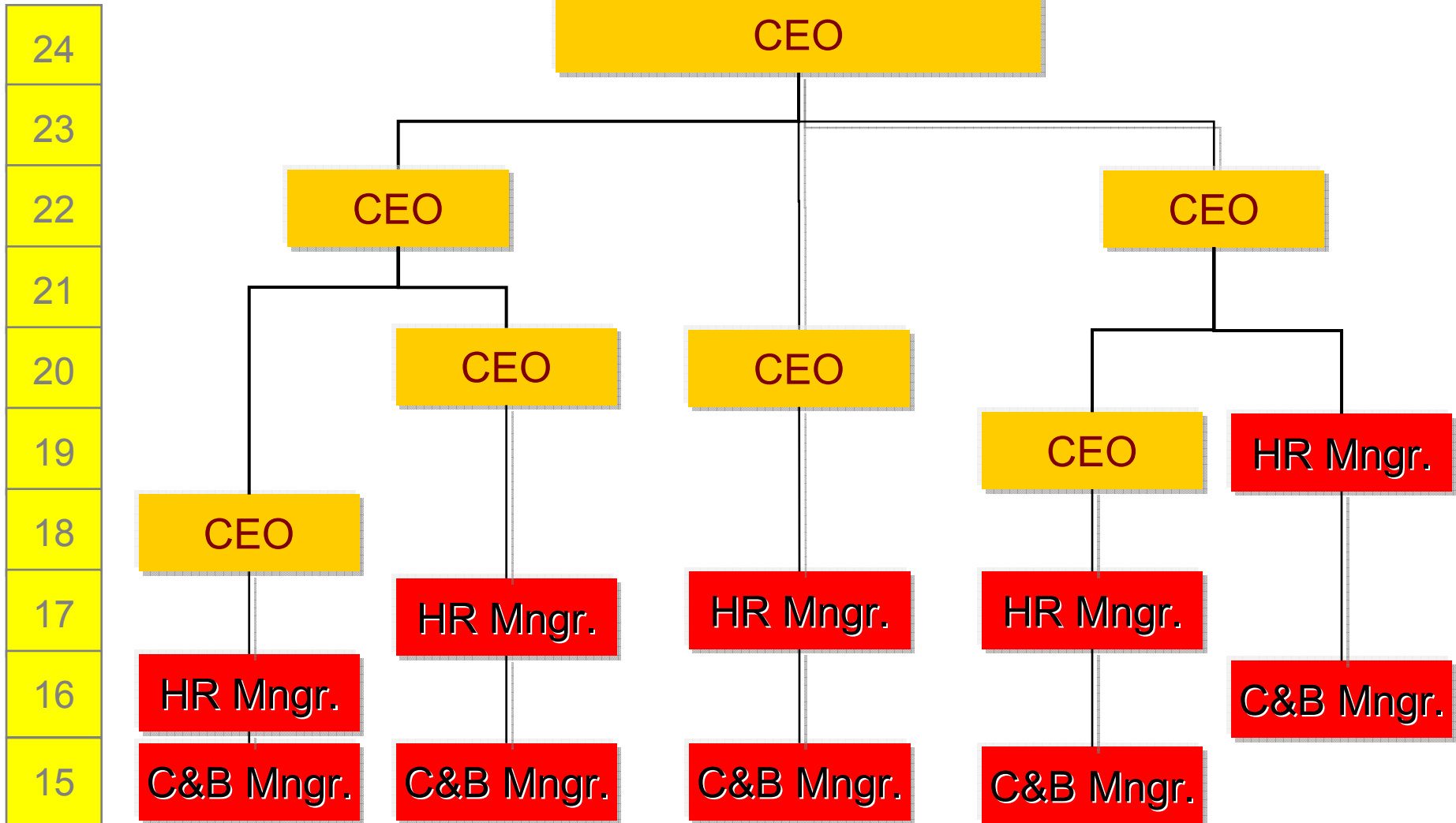
PROFESSIONAL CAREER

Scope data setting the ceiling

20
19
18
17
16
15



Scope data sorting the mess up



Matching a job

For each position we provide:

a Global Grade (Watson Wyatt Global Grading System) adding a relative size indicator to each role

AD1120 Executive Secretary (OGSS) Global Grade Level 9

Alternative Job Titles: Secretary to General Manager, Personal Assistant
Reporting to: General Manager

Provides full secretarial service to General Manager; may be involved in general office administration and deals with customer queries to a limited extent. May handle additional duties such as purchasing, personnel administration, training or supervision of secretarial staff. Performs administrative assignments that vary widely in complexity. May review correspondence and reports prepared by others for General Manager's signature.

A generic description of the role

a refined definition for each level of responsibility identifying level of skill, competence, scope of activities, responsibilities, etc.

1. Choose the job family

Over 150 Job Roles grouped into 4 broad categories



	General Management	Commercial	Operations & Technical	Infrastructure
<i>General Management</i>	Chief Executive	Customer Services	Logistics/ Purchasing	Human Resources
<i>Top Management</i>				
<i>Middle Management</i>	Business Unit Manager	Direct and Indirect Sales	Manufacturing	Finance
	Project Management	Marketing	Quality	IT
<i>Professional</i>			Engineering/ Technical Support	Administration/ Corporate Services
<i>OG Salaried Staff</i>			R&D / Medical	
<i>Manual Workers</i>			Manual Workers	

2. Identify the role

- Typically 4 elements in Watson Wyatt descriptions:
 - Job titles
 - Helpful, but should not drive the matching
 - Capsule description
 - Will provide an idea of job content (elements of the job), but not necessarily of the level of the job
 - Reports to
 - Helps put job into organisational context
 - Alternative titles
 - Helpful, but should not drive the matching

Capsule description - Example

LG0025 - HEAD OF LOGISTICS & PURCHASING

Scope of responsibility



Responsible for the overall control of the movement of materials and products within and outside the company **or** directs and controls a range of activities

List of elements in the job



such as purchasing, warehousing, distribution and transport, materials planning and inventory control.

Reporting lines and alternative job titles



Reports to the Chief Executive (GM000*) or Business Unit Mgr (GM001*).

Alternative job titles: Director of Materials.

3. Choose the level

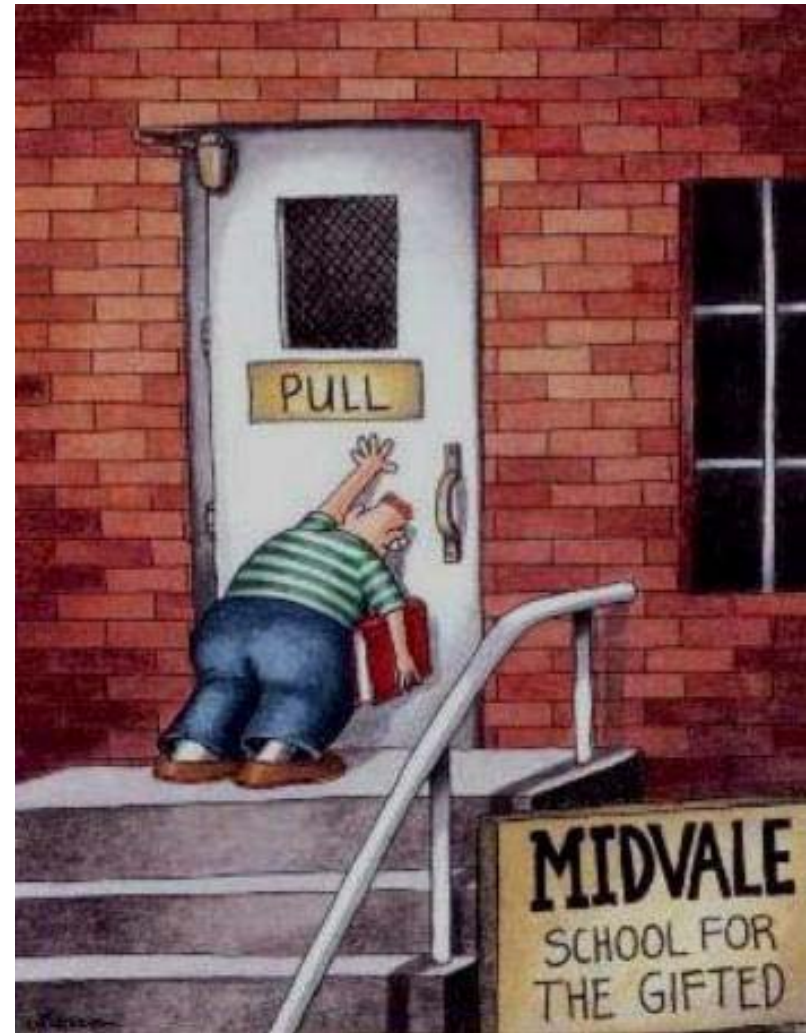
Elements to consider:

- **Employee category**, included in brackets (Top and Middle management, Professional, etc.)
- **Global Grade** (will give a sense of level)
- **Capsule definition**
 - Will describe the job around some of the Global Grading factors:
 - Functional Knowledge
 - Business Expertise
 - Leadership
 - Problem Solving
 - Nature of Impact
 - Area of Impact
 - Interpersonal Skills
 - Sometimes also includes indication of experience required

3. Choose the level

Common mistakes:

- “It’s the highest position in the company for this function, it must be at the top of the family then”
- “I’ll put it as a director so that I can put *this other person* as a manager”
- “It’s between ‘professional’ and ‘middle management’, so just in case I’ll say ‘middle management’”



Employee categories

6 Typical Levels

- General Management (GM) GG 16 - 21
- Top Management (Heads of) (TM) GG 16 - 21
- Middle Management (MM) GG 13 - 16
- Professionals (PRO) GG 9 -14
- Other General Salaried Staff (OGSS) GG 4 - 9
- Manual Workers (MW) GG 1 - 5

Top Management (TM)

- Executives who report directly to the General Management with a **full responsibility for major departments or functions**.
- Heads of Function
- Actively **participate in developing company policy** and work closely with General Management on **strategy**
- **Achieve their objectives via other managers**
- Grading directed by grading of GM/top position

General Management (GM)

- The **most senior executive** position in the organisation directing the **full range** of functions in a territory or Business Unit
- Provides leadership and **has overall direction and control** of the company's operations/divisions
- Responsible for **strategic long-range planning** and establishment of basic policy
- **Size of role determined by Scope Data Matrix. Global Grade will set cap for organisation and provide a reference for jobs reporting into it**

Middle Management (MM)

- Executives who either report directly to the General Management but are not regarded as the top level of management, or
- alternatively report directly or indirectly to department heads or heads of function (either in country or remotely at region/corporate level).
- Position with full management status.
- Engaged in **medium term, operational** management

Professionals (PRO)

- Personnel who either through a **specific qualification** or a level of **skill/competence in particular discipline** are considered as experts in their field.
- From Entry Level to Strategic (subject matter expert)
- Positions with **supervisory responsibility** which are not regarded as having full management status belong to this level.
- From first level supervision to Group Supervisor

Other General Salaried Staff (OGSS)

- White collar personnel employed directly by an organisation, either in the office environment or in the field.
- Involved in Administration/Technical activities
- Typically eligible for overtime

Manual Workers (MW)

- Blue collar personnel employed in a plant/factory environment. Levels can vary from unskilled to highly skilled.
- Typically eligible for overtime

Remember ...

- **Matching** against Benchmark Job Description **is not a science**
- Not all levels are necessarily covered in Benchmark Surveys
- **Question:** Matching Job or Person ?
 - **Answer: A JOB !**
- **80% rule:** if your job is less than 80% comparable, do not use the match
- **WHEN IN DOUBT, LEAVE IT OUT !**

Your feedback



Ideas
Comments
Concerns
Questions