



# Events

## Pick the winning ticket!

Which compensation management software is the life changing one for you?

The new generation of compensation planning software is powerful and highly effective: choosing the right system is vitally important, and reward practitioners are looking for all the help they can get to ensure that they make the right buying decision.

Compensation management software applications are the preferred method for salary structure, performance pay and equity analyses. A while ago this software really only encompassed a simple spreadsheet replacement which was often complicated to use.

Times have changed and broader, more integrated compensation solutions are on the market.

When done correctly, automating the compensation process through HR software will reduce errors, allocate funds more effectively and

certainly drive attraction and retention initiatives for top performers.

Which is great news for the many companies who find their current solutions to be inadequate.

It's not easy though. Many organisations struggle to understand the critical components needed to guide the selection process.

### An unbiased look at what's on the market

E-reward is hosting a unique information day on 19th November in London. Some of the top compensation software systems in the market will have the opportunity to demonstrate what they can do, showing off their advice, solutions and the packages themselves. Attendees can review in one day the key aspects of each

including the cost indications.

- How to develop a business case for introducing or changing compensation software
- How to determine what is needed from your compensation software system and what needs to be customised
- How to choose your provider
- How to negotiate the best deal
- How to overcome the inevitable issues

### Your invite

E-reward has **50 free tickets** for this compensation software showcase day. If you are a head of reward or a reward/HR manager or an HR director for a company with more than 250 employees you can apply for one of these complimentary places by emailing [paul@e-reward.co.uk](mailto:paul@e-reward.co.uk)

Sponsored by:



# POINT *of* VIEW

## Holiday Pay: Waiting for Godot?

You have a statutory right to paid holidays, topped up with an additional contractual right. You take time off, safe in the knowledge that you will be paid as usual for the time away. Simple, isn't it? But as **Tom Flanagan** and **John Nichols** explain, the proper calculation of holiday pay, particularly for those who do not have standard hours, has turned into one of the most complicated collective employment law issues for years, harking back to the part-time pensions' cases which emerged in the mid-90s and took nearly 15 years to resolve.

Why is this so complicated? Let us go back to the principles which seem to have created this monster out of simple bit parts. This is about what should be included in holiday pay. The issues emanate from the Working Time Directive, implemented in the UK by the Working Time Regulations 1998. At European level, this is a Health and Safety issue – holidays are to be encouraged and the Directive should not be implemented in such a way as to deter employees from taking holidays.

During a holiday, employees should be paid "normal" pay. Where pay is variable, what is normal should be gleaned from an average over a given reference period prior to the holiday period in question; in the UK that period is 12 weeks for all purposes. There are a number of legal cases at various stages in the judicial system in the UK and Europe, which are addressing different elements of what might be included in holiday pay.

The *Bear Scotland v Fulton* case is about overtime and is, essentially, a case based on unlawful deduction from wages. In November 2014, the Employment Appeal Tribunal (EAT) concluded that contractual and guaranteed overtime were "pay" for these purposes, as was regular, non-guaranteed overtime. The issue of whether purely voluntary overtime was included in holiday pay was not decided, although the arguments seemed to favour the conclusion that voluntary overtime could be included if it is regular and/or frequent. The case left open a lot of uncertainty – for example, about time limits to bring claims and how far back damages could go.

In response to this situation, on 8 January 2015, the government introduced **The Deduction from Wages (Limitation) Regulations**, to take effect from 1 July 2015. These Regulations vary the Employment Rights Act 1996

and the Working Time Regulations 1998.

The two key elements are:

- setting a time limit on backdated claims of two years from the date of bringing a claim
- "clarifying" that the Working Time Regulations' right to pay for statutory annual leave does not create a contractual right to that pay – it is a statutory right, only.

This latter point was intended to avoid the argument that failure to pay proper holiday pay is a breach of contract, carrying the risk of backdating damages for six years, which is the time limit for bringing a breach of contract claim.

**But for the issue of purely voluntary overtime, that seemed to have dealt with the overtime element of holiday pay . . . or did it?**

### Two issues

There are two potential problems with the new regulations, which go to the core of their purpose.

In the part-time pensions cases (*Preston v Wolverhampton Healthcare NHS Trust; Fletcher v Midland Bank*) the two year limitation on backdated pay was judged by the European Court of Justice to be contrary to EU law; the arguments which led to that judgement might not all apply to the new regulations but there is some doubt over whether the limitation works.

The other is the mechanism of saying that the Working Time Regulations do not create a contractual right to pay in relation to the statutory period. They may not but if, as is sometimes the case, the employment contract

specifically includes that period as part of the contractual right to holiday pay then it is contractual, anyway, whatever the new regulations say. In that situation the possibility of backdating claims for six years because of a breach of contract re-emerges. There may yet be other cases necessary to decide these issues.

It is relevant to note that the judge in *Bear Scotland* case gave leave to appeal his decision but parties decided against it, possibly both cutting their losses and awaiting a clearer cut case to pursue. At least that indicated that even the judge did not think that the situation was completely certain.

The *Lock v British Gas* case is about **commissions and bonuses**; this could also be an unlawful deduction from wages or breach of contract claim. The first point, which British Gas actually did, is that holiday pay should include an average of commission earned in the reference period (of 12 weeks). However, it went on to decide that the principle of not deterring employees from taking holidays would be satisfied only if it also took account of the fact that someone whose pay included an element of commission would still lose out because of the inability to earn commission during the period away on holiday. Therefore, there should be an additional amount included in the holiday pay to "compensate" for the loss of potential commission caused by being on holiday.

This result would require rewriting the Working Time Regulations to make them compatible with EU law. The current state of play on this issue is that, having been to the European Court and back to the EAT, the decision in both *Bear Scotland* and *Lock* is that UK law can and has been rewritten to achieve that end. However, British Gas has appealed that decision in the *Lock* case and a hearing is awaited, perhaps late in 2015. **A successful appeal could mean that commission/bonus cases would be treated differently to overtime cases and, possibly, would not be included in holiday pay at all.**

Meanwhile, we were awaiting another hearing in *Lock* to look at what elements of commission and bonus would be included in holiday pay, on the assumption that UK law has now been rewritten. No such judicial guidance exists, yet and, once the appeal process on the UK/EU points is over, there would still need to be a further hearing or hearings to decide those substantive, practical points.

Of course, whilst the appeal in *Lock* is trying to distinguish it from *Bear Scotland*, it is possible that the Court of Appeal, as a senior court of legal principle, could review the whole issue of whether UK law should be rewritten for the overall purposes of holiday pay and come to a different decision on overtime cases to that reached already by the EAT in *Bear Scotland* and could overrule it (the judge did give leave to appeal, remember).

Meanwhile, also, in June 2015, there was a decision in the Northern Ireland Court of Appeal, *Patterson v Castlereagh Borough Council*, which concluded that there is no reason, in principle, why purely voluntary overtime should not be included in holiday pay, going further than *Bear Scotland*.

This was not as powerful a decision as it sounds because the parties agreed that the Tribunal, therefore the main point of appeal, had misinterpreted *Bear Scotland*, with the effect that the detailed legal arguments were not aired before the court (because the main point was conceded before the hearing). Also, that court does not bind the English and Scottish courts, although it is bound to be persuasive. The reality is that this decision is not unexpected and, at some point, it was always likely that purely voluntary overtime would be included in holiday pay, if it is regular or frequent. (It might be arguable that if it is that regular or frequent then it has become an implied term of the employment contract – but that is for another day!).

### Not one system

Even more meanwhile, the practice of the tribunals in Scotland and England varies in relation to the progress of holiday pay cases lodged and pending. In Scotland, all cases are stayed (sisted). In England, there are regional variations but many cases are stayed. However, it is now becoming a regular practice to require the parties to get on with it but against the background of certain orders being made for the parties to clarify the issues and value of their cases.

In general, claimants are being required to provide further information about their claim (e.g. which holidays are being claimed for, when they were taken, what elements of pay are missing). A schedule of alleged loss has to be drawn up, with supporting evidence, such as payslips, and sent to the Respondent which then has to reply on issues like time (are the claims out of time) or that they contend that there is no loss, with arguments and supporting documents.

Whilst this may seem premature, given the state of flux of the cases, there is some value in a process which may help to identify cases which clearly have no reasonable prospects of success, or which are of a size where they really should be settling or which seem to have merit and substance. Of course, in a lot of cases, there is likely to be very little evidence but at least that, too, will be brought out.

Trying to progress or filter out claims in this way would be consistent with the "overriding principle" against which tribunals are required to manage their caseload. The English tribunals are then fixing preliminary hearings, possibly in Autumn 2015, to review where they are after this sorting process has been completed, to decide next steps. By that time, we might know when the *Lock* appeal will be heard. It is likely that, once this sifting

process has run its course, those cases remaining will be stayed again, pending the outcome of Court of Appeal's decision.

There could still be a number of issues on which there may be further preliminary hearings, such as **reference periods** (it is reasonably arguable, certainly in relation to commission and bonuses, that there can be more than one reference period), **proof of loss** and **backdated damages** (where there will be differences between the statutory and contractual periods of holiday pay).

When you pull all this together, it is clear that all is not clear!

### So, what should employers now be doing?

As we approach the end of the UK's main holiday season companies will have been dealing with making holiday pay transfers in line with the new legislation.

Just because British Gas has appealed its particular case does not mean that employers should ignore the various tribunal findings. Waiting for the results of an appeal which may or may not find in their favour should not be an option and merely stores up possible problems

THP/TFC suggests that there are compelling reasons to engage because this is about risk management, which, essentially, involves:

- Identifying if there is a risk; and
- Considering ways to remove, reduce or contain it.

We recognise that the law has changed in the various cases, affecting many but not necessarily all, employers.

There may be implications in different ways for different employers:

- Sometimes, for one employer, in different ways for different employees;
- Sometimes, for one employee, in different ways for different roles or tasks.

And there are different risks arising out of different cases so there really is a need to understand the implications of **all** of the cases on your own business, including the possibility of no impact. On proper analysis, for many businesses this might not have to be a major issue.

You may decide, as some have, that you are content with the way you deliver pay to your various categories of staff and you will bear any additional costs that may apply. You may also take a pragmatic approach to pay compensation going back two years and, effectively, take the high ground and buy out any potential unrest and legal challenge.

### Understand the influences being brought to bear

- UK and EU law
- Unions/"no win, no fee" lawyers
- Employees, individually or collectively
- Budgeting process/profitability
- Recruiting
- Business restructuring
- Employee relations (not just doing the minimum)

Look at the positive PR, internally and externally, which John Lewis attracted by taking a strong stance immediately. Whilst John Lewis Partnership's ownership structure makes it different from most companies, it has reported a payment of £20 million in respect of holiday pay in the light of recent employment tribunal cases. This is on top of £40 million identified in their 2014 accounts and a forecast of an annual cost of £12 million going forward, in pay and pension contributions (an increase of about 1% of payroll).

JLP's director of personnel, Tracey Killen, said on 16 January 2015:

*"The John Lewis Partnership has acted promptly to change its pay practices in response to the Employment Appeal Tribunal ruling. We believe our approach is a fair and practical outcome for our partners [employees] in light of this decision."*

Forecast UK pay adjustments for 2015 have been 2% to 3%, so taking an estimated 1% out of the equation does not leave much wriggle room for regular increases.

We believe that all companies should be, at least, identifying their liability to pay and potential cost whilst investigating potential savings through restructuring pay arrangements to control costs in the future.

For instance, businesses could do well to create spreadsheets of potential liabilities and costs, as well as legal risks and possible solutions.

Those which operate commission and/or bonus schemes (*Lock v British Gas*) could include an analysis of which elements of commission and bonus are likely to be caught by the *Lock* case and, going forward, identify an appropriate reference period(s) against which to judge the risk.

Those operating different types of overtime arrangements could review reference periods, the likely impact of the *Bear Scotland* and *Patterson* cases and analyse what changes could be made to non-contractual arrangements.

In respect of both sets of cases, analyse the timing of holidays and payments of commission/bonus against the new Regulations, as well as the potential impact of and reactions to contractual changes, particularly in a unionised environment.

### A word of caution

Any restructuring, re-design and calculation methodologies should be done:

1. In the context of a process still in flux.

Recent changes in the law by regulation don't necessarily resolve the situation:

- The two year backdated limitation may be unlawful under European law.
- Declaring that Reg 16(1) of the Working Time Regulations does not confer a contractual right to holiday/holiday pay does not alter the fact that most employment contracts already do provide that contractual right.
- The fact that the government felt the need to specifically try to achieve these ends indicates a concern that, left unchecked, there could be a longer backdated period, including the six year contract limitation period; if the attempts to tighten things up have not achieved what was intended – and it is arguable that they have not – the situation is still uncertain and potentially expensive.

2. Taking account of unintended consequences, such as creating a pensionable payment out of previously exempt pay.

3. Developing a communication programme with good industrial relations at its core.

4. This is as much as business issue as a legal one.

Any strategy which would involve changing terms of employment should be approached with caution and careful planning. A unilateral variation of contract is usually a breach of contract and could give rise to a range of responses from employees, both individual and collective.

A number of published pieces of advice from law firms involve such recommended steps as changing employment contracts to limit the risks going forward; unless handled very carefully, that approach could cause more problems than it solves.

### General conclusions

- The legal position is unlikely to be finally resolved for another year or two.
- The underlying problem won't go away and is likely to worsen rather than improve. Meanwhile, there are potential costs arising out of *Lock v British Gas* and *Bear Scotland* both backdated and going forward.
- Even if the backdating is relatively contained, it could still be significant and there continues to be risks going forward – in both financial and employee relations terms – if the underlying issues are not addressed.
- There is also a potential reputational risk of not appearing to be willing to deal with a high-profile employee relations problem.
- Therefore, a positive approach to address and contain identified risks may be preferable to doing nothing at the moment because that latter stance is likely to be just putting off the inevitable, meanwhile possibly making matters worse.

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## Two superb Excel courses tailor made for UK reward professionals

Dianne Auld has worked with E-reward and WorldatWork to carefully devise a study programme to assist UK reward professionals with their day-to-day tasks in Excel. These Excel for reward classroom courses – Intermediate and Advanced – include sleek visual and audio demonstrations of tasks reward professionals need to perform in their job function. During these demonstrations, students follow the instructions being highlighted by Dianne, and immediately afterwards undertake a parallel exercise on their own, with teacher guidance, to cement the learning.

### > Excel Skills for Reward Professionals: Intermediate Level

Two-day course for those using Excel on a day-to-day basis in their reward work but who want to gain a deeper understanding of the more sophisticated facilities offered in the compensation data area: 16th & 17th November | London

### > Excel Skills for Reward Professionals: Advanced Level

Two-day course for those who would like to learn advanced Excel techniques and apply these to create powerful interactive Excel dashboards for viewing and analysing reward data: 19th & 20th November | London

## Driving Sales Force Engagement and Motivation

If you're involved in sales incentives, you need analytical tools, data-driven information, and hands-on solutions to drive sales return-on-investment and take your program to the next level. Attend WorldatWork's European Sales Effectiveness & Rewards Summit to learn from industry leaders and expert practitioners in sales rewards.

Speakers will discuss:

- Evaluating and building sales compensation programs
- Programs for large, global and complex organizations
- The role culture, systems, reporting, risk, compliance and communication play
- Much more!

### Session Spotlight

#### “Sales Compensation Strategy - Ensuring Alignment with Your Business Priorities”

##### Presenter



Ronald G. Burke,  
EMEA Leader, Sales  
Effectiveness and Rewards,  
Towers Watson

How do you ensure sales incentives are aligned with strategic priorities? Using a combination of best practices, market data and client case examples, this session will address the best ways to create alignment.

Register here: [www.worldatwork.org/rewards2015](http://www.worldatwork.org/rewards2015)

# EDUCATION

## The world's greatest Excel for reward expert is coming to London!

Based in South Africa, **Dianne Auld** is without doubt the most highly regarded and popular Excel for reward expert in the world. She travels worldwide demonstrating to reward professionals how to save hours and hours (even days) by harnessing all the power of Excel.

E-reward.co.uk has teamed up with WorldatWork to offer its training classes in Excel skill building in the UK. Dianne has been asked to develop and teach two classroom courses focused and tailored to cover all of the essential Excel skills that are relevant to the needs of UK reward professionals.

**Over the summer she took time out from her busy teaching schedule to answer some of our questions.**



**How did you start off your career, Dianne?**

My first job was as a Maths teacher in Malawi. I then moved with my husband to Richards Bay in South Africa, and joined Richards Bay Minerals as a Remuneration Officer. I was fortunate as I really knew nothing about remuneration! My degree was in psychology, but I had no practical experience.

One day I went to the company's head office to enquire about jobs in HR and, as it happens, the Remuneration Officer had just resigned, so they offered me a temp job as a stop gap. I loved the job, they offered me a permanent position, and that started my passion for reward management!

After RBM I joined Unilever in Durban as Remuneration Manager for South Africa, and gained fantastic experience managing remuneration for, at that time, 11 different companies in the group. Unilever is a wonderful organisation to work for, and I learnt so much in my seven years with them.

**When did you start your own consulting business?**

After Unilever. I moved with my family to Cape Town, and I have been consulting in the reward field ever since. I started my own consulting company 16 years ago and have loved every minute of it!

Now I spend about half my time consulting and half training, working in many countries around the world. My job has given me fantastic opportunities to combine my two great loves, work and travel.

**What do you think the biggest challenge faced by the reward profession is when they are working with Excel?**

What I often hear from participants in my classes is that they are continually under pressure and needing to produce Excel documents in a hurry. They know that they are not using the best or fastest method, but they don't have time to look for

a better way to produce the data.

What I do in my classes is to teach all those better, faster methods to crunch the numbers, analyse the data and produce superior looking tables and charts. I don't expect everyone in the class to remember everything they learnt, but what I hope they will remember is: "There is a faster and smarter way to do this work and it's in the manual – I can quickly brush up on it and save myself hours/days of time!"

**If you could pass on one Excel piece of advice what would it be?**

Master Vlookup formulas and pivot tables. These are the two most powerful and time-saving techniques in Excel.

And OK, I know I'm only supposed to give one piece of advice, but one more! When you have to do that work in a hurry, don't tell yourself you don't have time to look for a better way to do this. Stop, google it, look in my course manual or Excel Tips book, ask a colleague – I promise you the one hour you spend finding a solution will save you countless hours at the time and the next time you have to do that work.

People often say to me, how did you learn so much about Excel? Well, partly because I hate boring, repetitive work. So every time something's taking too long in Excel, I think there must be a quicker way to do this, and 90% of the time I find one!

**How many different countries have you trained reward professionals in?**

I've trained in 16 different countries



in Africa, the Middle East, the Far East, Europe and North America. I've trained in 12 different cities in the US and got to spend a lot of time in each city, sightseeing between the training.

**What is your favourite thing to do in London?**

Ooh, hard to choose – I love London! I've visited most of the major tourist attractions and done tour bus and

Thames cruise to Greenwich. I loved the Tower of London, St Paul's and the river cruise. But I would say my favourite thing is just walking through the city, along the river, through the parks, soaking up the history, the beautiful architecture, the people and the eclectic vibe that is London.

**If you could swap your Excel talent for a talent in something else, what would it be?**

This is such a hard question, because I love Excel and wouldn't want to swap it for anything else! But, OK, if I had to, I'd like to be able to write really great novels. I'm an avid reader, and would love to be able to write as well as my favourite authors.

**Thank you, Dianne. We look forward to seeing you again in November for the Excel classes.**

## Reward Rap

The GRP reward qualification combines the technical training necessary to design and administer pay programmes with essential business acumen skills, helping you become a well-rounded compensation professional.

E-reward.co.uk offers Global Remuneration Professional (GRP®) classroom courses in London to prepare reward professionals for certification through the WorldatWork Society for Certified Professionals.

You will need to participate in 10 two-day courses (modules), followed by successfully passing the associated exam. Once the required 10 modules have been completed you will have earned the prestigious Global Remuneration Professional (GRP®) designation.

This highly-respected designation communicates to employers and colleagues that you have the knowledge, skills and training needed to design, manage and deliver reward programmes that align with organisational goals and attract, motivate and retain top talent.

The first person in the UK to complete and gain the certification via the E-reward hosted classroom courses was Sarah Coleman (GRP). Sarah is the Reward Manager at ICBC Standard Bank plc.



We asked her some questions . . .

**Sarah, congratulations on being the first person in the UK to complete all the modules with E-reward and gain your GRP designation. What motivated you to start studying again?**

The opportunity to become a valuable asset in the reward sector was the biggest motivator.

**What has been the most enjoyable part of the courses for you?**

Attending the two days of reward classes in a group, I got to meet some interesting characters and great tutors.

**What has been the hardest part?**

Going back to studying after a big gap, the exams were definitely the hardest part.

**What advice would you give to anyone else taking the GRP designation?**

Get the course books in advance. Review the material prior to the courses.

**Career plan B if you hadn't chosen reward?**

I would have most likely taken a different path in HR.

**What are you planning to do with all the extra spare time you have now?**

Back to looking up what holidays to go on next!

**The worst job you've ever had?**

Fortunately, I've never had a bad job – all of my jobs have been of value.

**What would be your secret superpower?**

Mind reader! Imagine the fun you could have knowing what people didn't want you to know.

**Most influential person in your life?**

My dad. He's the most determined person I know!

# THE WORLD'S MOST RECOGNISED REWARD QUALIFICATION

Course guide 2015/16



## Global Remuneration Professional<sup>®</sup>

10 two-day courses, each one followed by an exam, leading to the prestigious GRP reward qualification.

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**SETTING A KNOWLEDGE BASE FOR A STRONGER,  
MORE EFFICIENT YOU**

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email: [paul@e-reward.co.uk](mailto:paul@e-reward.co.uk)

# e-reward news

Not much sunbathing has taken place in the E-reward office this summer. We have been determined to offer our best ever autumn of conference, courses and events for reward professionals.

Look inside the magazine for more information on:

- Our latest Global Remuneration Professional (GRP) course information.
- Details of the Excel courses run by the world's leading Excel for reward expert.
- Our reward *Showcase* events.
- Our executive pay courses.

## WEB SITE RELAUNCH

Take five minutes to sit down with a cup of coffee and check out the fantastic new [E-reward.co.uk](http://E-reward.co.uk) web site.

We've divided up the new site into five main sections:

- **Education** – training courses for reward professionals.
- **Events** – our reward conferences and new *Showcase* seminars.
- **Executive Pay** – new subscription, research and bespoke data services.
- **Resources** – reward magazine, e-newsletter, factsheets, top tips, all free of charge.
- **Research** – the newly-relaunched *Reward Blueprints* is our paid-for subscription service: case studies, surveys and toolkits.

We've been testing the new site for months but if you spot anything, let us know. And we would really appreciate any feedback.

PS To access the **Resources** section you will need to re-register, but it's absolutely free of charge. And we don't share your details with anyone.

## NEW EXECUTIVE PAY DATABASE

Our new database is an unrivalled resource for pay consultants, remuneration committee members, reward & HR specialists and anyone involved in the executive remuneration field.

We collect, aggregate and analyse vast amounts of board-level remuneration data sourced from company reports to inform your decision-making. Our subscription, research and bespoke services are built upon this data, expertise and independence.

As of 31st August 2015, our database contains:

- Around 500 companies with year ends since 31 December 2014
- Nearly 300 FTSE 350 UK companies with year ends since 31st December 2014
- Over 175 companies of the top 200 largest organisations from the FT Global 500

Among the global businesses are:

- 85 US and Canadian companies
- 28 BRICs
- 40 Western Europe excluding the UK
- 25 Far East

These reports will be available for purchase in autumn/winter 2015:

- FTSE 350 Directors
- FTSE 350 non-executives
- FT Global 200
- SmallCap executives/non-executives
- Aim executives/non-executives.

## Commissioned research and bespoke data

Purchase bespoke data from [E-reward.co.uk](http://E-reward.co.uk) at competitive prices.

Drill down to the specific data you require.

Our staff and associates have decades of experience of collecting and analysing executive remuneration for both UK and overseas companies. Over this time our specialists have regularly supplied data to many well-known client-facing remuneration consultants and companies who benefit from consultant-quality bespoke data at non-consultant prices.

## Executive pay team

Our experienced team of reward professionals have spent decades working with executive remuneration data. Steve Glenn, who leads the team, has extensive experience of sourcing and analysing pay information from published annual reports from various countries. We also call on other E-reward associates in the UK and overseas as and when necessary.

Steve joined [E-reward.co.uk](http://E-reward.co.uk) as Head of Executive Remuneration Research in 2014. He is an acknowledged expert in the executive remuneration field, with over 20 years' experience as a researcher, writer and analyst. Steve has written, researched and edited numerous publications including the *IDS Directors' Pay Report*, *IDS FTSE 350 Incentives Report*, *IDS AIM, SmallCap and Fledgling Remuneration Report* and the *IDS NHS Boardroom Report* for much of that time as assistant editor of the *IDS Executive Compensation Review*.

He has been invited for comment on executive pay on The Today programme, Radio 5 Live and in the national press.



To find out more about our executive pay services, please visit [www.e-reward.co.uk/executive-pay](http://www.e-reward.co.uk/executive-pay)

## REWARD BLUEPRINTS – CASE STUDIES, SURVEYS AND TOOLKITS

We've given the research reports a new name, given them a revamp and taken on an additional researcher.

*Reward Blueprints* is our paid-for subscription service. The findings from our research programme are published in a series of reports – a collection of case studies, surveys and toolkits on contemporary reward issues.

As part of your paid-for subscription (the next 10 issues we publish), you will also receive free access to our digital archive. E-reward's digital archive contains every research report from e-reward right back to the first issue in June 2002 – more than 100 reports in total. This extensive body of work comprises an impressive collection of case studies, surveys and toolkits on contemporary reward issues.



The full list of research reports is here: [www.e-reward.co.uk/research](http://www.e-reward.co.uk/research)

## DATES FOR YOUR DIARY

Helping reward professional reach the top. A portfolio of specialist comp & ben training classes from E-reward.co.uk and some of the brightest names from today's reward scene.



Check out our programme of courses: [www.e-reward.co.uk/education](http://www.e-reward.co.uk/education)

### An Introduction to Executive Pay

**Date:** 3rd November 2015.

**Location:** London.

**Duration:** One-day, 10am to 4pm.

**Format:** Classroom course, maximum of 16 attendees.

**Price:** £445 + VAT per delegate, if you book before 30th September, £545 + VAT thereafter.

An excellent introduction for reward and HR managers who are having to deal with pay structures and processes for their senior executive team for the first time, or who are simply interested in building their knowledge of this key area of reward management. The programme is also relevant for corporate governance professionals who want to develop their understanding of typical executive pay design.

E-reward.co.uk has teamed up with Andrew Menhennet, a Director at reward and training consultancy **Yellow Hat**, to develop a focussed one-day seminar that will offer you the perfect introduction to executive remuneration in the UK.

### The Directors Remuneration Reporting Regulations

**Date:** 4th November 2015.

**Location:** London.

**Duration:** One-day, 10am to 4pm.

**Format:** Classroom course, maximum of 16 attendees.

**Price:** £445 + VAT per delegate, if you book before 30th September, £545 + VAT thereafter.

A step-by-step guide to how listed companies in the UK must report executive pay, this one-day seminar is an excellent introduction for reward, HR and corporate governance professionals getting to grips for the first time with the complex Directors Remuneration Reporting Regulations, as well as a refresher for more experienced professionals.

E-reward.co.uk has teamed up with Andrew Menhennet, a Director at reward and training consultancy **Yellow Hat**, to develop a focused one-day seminar that will tell you all you need to know about the new reporting regime.

### Two superb Excel courses tailor made for UK reward professionals

E-reward.co.uk has teamed up with WorldatWork to offer its training classes in Excel skill building in the UK. We have commissioned Dianne Auld, a world-leading Excel for reward expert, to design, develop and deliver two classroom courses focused and tailored so that we cover all of the essential Excel skills that are relevant to the needs of UK reward professionals – offering you the opportunity to enhance your learning as you progress from our Excel Intermediate level to Excel Advanced level.

#### Excel Skills for Reward Professionals: Intermediate Level

**Date:** 16th & 17th November 2015.

**Location:** London.

**Duration:** Two days, 9am to 5pm.

**Format:** Classroom course, maximum of 16 attendees.

**Fees:** £995 + VAT per delegate, if you book before 30th September 2015; £1,055 + VAT per delegate thereafter.

Designed for reward professionals who are using Excel on a day-to-day basis in their reward work but who want to gain a deeper understanding of the more sophisticated facilities offered in the compensation data area.

#### Excel Skills for Reward Professionals: Advanced Level

**Date:** 19th & 20th November 2015.

**Location:** London.

**Duration:** Two days, 9am to 5pm.

**Format:** Classroom course, maximum of 16 attendees.

**Fees:** £995 + VAT per delegate, if you book before 30th September 2015; £1,055 + VAT per delegate thereafter.

Reward professionals enrolling in this two-day course should already have strong Excel skills. It is designed for students who would like to learn advanced Excel techniques, and how to apply these to create powerful interactive Excel dashboards for viewing and analysing reward data. Excel dashboards have enormous application in HR and compensation work.

# Global Remuneration Professional®

## CERTIFICATION PREPARATION COURSES AND EXAMS

**E-reward.co.uk** and **WorldatWork** have joined together to offer WorldatWork Society of Certified Professionals' internationally recognised GRP qualification for reward professionals in the UK. GRP designation is earned by passing a series of required examinations. Each module (preparation course plus certification exam) takes 2.5 days to complete.

For more details visit [www.e-reward.co.uk/education](http://www.e-reward.co.uk/education)

### ● LONDON 2015

15-17 Sept	Strategic Communication in Total Rewards (GR9)
6-8 Oct	Job Analysis, Documentation and Evaluation (GR3)
6-8 Oct	Base Pay Administration and Pay for Performance (GR4)
10-12 Nov	Total Rewards Management (GR1)
10-12 Nov	Business Acumen for Compensation Professionals (C8)
1-3 Dec	Market Pricing (GR17)
1-3 Dec	International Remuneration (GR7)

### ● LONDON 2016

20-22 Jan	Variable Pay (GR6)
24-26 Feb	Quantitative Methods (GR2)
16-18 Mar	Strategic Communication in Total Rewards (GR9)
16-18 Mar	International Financial Reporting Standards for Compensation Professionals (T7)
20-22 Apr	Job Analysis, Documentation and Evaluation (GR3)
20-22 Apr	Base Pay Administration and Pay for Performance (GR4)
18-20 May	Total Rewards Management (GR1)
18-20 May	Business Acumen for Compensation Professionals (C8)
15-17 Jun	Market Pricing (GR17)
15-17 Jun	International Remuneration (GR7)
13-15 Jul	Variable Pay (GR6)
13-15 Jul	Quantitative Methods (GR2)
14-16 Sept	Strategic Communication in Total Rewards (GR9)
14-16 Sept	International Financial Reporting Standards for Compensation Professionals (T7)
19-21 Oct	Job Analysis, Documentation and Evaluation (GR3)
19-21 Oct	Base Pay Administration and Pay for Performance (GR4)
9-11 Nov	Total Rewards Management (GR1)
9-11 Nov	Business Acumen for Compensation Professionals (C8)
30 Nov-2 Dec	Market Pricing (GR17)
30 Nov-2 Dec	International Remuneration (GR7)

# case studies

In each issue of *The Reward Quarter* we'll look at our recent case-study research. These case histories are printed in full in the monthly research reports, *Reward Blueprints*. Our case studies are written to give you an over the shoulder view and enable you to see how named organisations plan out their own reward practices. We'll show you precisely how leading professionals are putting all the theory into practice and making it work.

## The sky's the limit at CNH Industrial

An ambitious project undertaken by CNH Industrial to introduce a cloud-based compensation solution makes a fascinating story. The newly merged global manufacturer introduced the system to help its HR business partners around the world manage short-term incentive payments. It worked so well they are now looking to use the tool in broader reward planning – including the company's annual pay review cycle.

### Bye, Bye Excel

Within 12 months CNH moved from a reliance on Excel to a position where the companies HR people worldwide can manage new bonus arrangements in real time. The tailor made solution was provided by **beqom**.

Company restructuring was a significant reason behind the move to automate the management of the bonus system. In late 2012, CNH was about to start a major merger exercise, bringing together a number of companies previously part owned by Fiat to form CNH Industrial.

Continuing to rely purely on Excel was no longer an option as "one small error would likely produce a world of pain".

As the merger progressed, the company started to explore different technology tools that would stand up to the rigours of the predicted compensation challenge: "In particular, we were looking for something that would work well in

an international organisation with a large European footprint, as this is what we were becoming".

Any compensation planning tool would need to do what the HR team was already doing within Excel, but crucially, take the company to the next level of compensation management. For example, a new solution provided under a "software as a service" (SaaS) contract would need to be capable of producing on-demand reports that could be submitted to the board-level compensation committee swiftly and in a standard format. They decided that a third-party tool, using cloud-based technology, would bring new efficiencies.

### Lessons learned

CNH shared some of the key learning points with E-reward.

#### Do:

- Ensure you as the purchaser of third-party services are able to articulate your organisation's processes, including the technicalities of how compensation is managed currently.
- Be patient and recognise that aspects of the implementation will take longer than you think – for example, on data interfaces, it takes time to satisfy security credentials if moving to a cloud-based or SaaS solution.
- Get IT involved at a very early stage and allow plenty of time for

testing the new system.

- Think up a jazzy name for the tool.
- Stay positive and put on a positive face in front of your colleagues: it is all too easy to get pulled into a negative vibe which is quickly picked up by others, including the potential users.
- Always be clear with the goals you are seeking to achieve – emphasise this with the provider.

#### Don't:

- Ignore the wishes of particular user groups or delay in engaging them.
- Ignore your processes – often slight tweaks to the process can improve a tool's functionality/the delivered solution.
- Expect it to work perfectly from day one; what you start with will be good but expect to spend time once you have the working product to refine the solution further.
- Ignore feedback once implemented – things can always be changed.

Read the full story and interview in *Reward Blueprints* 105, August 2015. To subscribe and have a constant source of ideas and comment, please visit

[www.e-reward.co.uk/research](http://www.e-reward.co.uk/research)

# case studies

## Two case studies highlighting today's company car story in the

### AXA's blended approach to company cars

Our first case study, featured in *Reward Blueprints* no. 104, focuses on AXA, a financial services company specialising in wealth management, insurance and healthcare with 35 offices in the UK.

Axa offers company cars to all of its UK employees – although how the cars are funded varies according to grade and role. Perk and business need drivers receive a car entitlement from the company, which they can spend on a car of their choice. These vehicles are acquired by the company through either a contract hire arrangement or an employee car ownership scheme. All other employees may opt to purchase a car through a salary sacrifice

Perk cars are reserved for senior managers and above, while business need cars are provided to employees according to their annual mileage.

All AXA employees – except those who qualify for a business need vehicle – are able to purchase a car through the company's salary sacrifice scheme. The scheme provides employees with a comprehensive package that includes servicing, maintenance, breakdown cover, replacement tyres and glass repair or replacement within the fixed monthly price. Employees have complete freedom of choice over the car they take, provided it comes in below the company's specified CO2 emissions cap – which is currently 140g/km.

### Lessons learnt

Nadeen Jackson-Barker, AXA's UK Benefits Manager, told E-reward that she is proud of how the firm's approach to company cars has evolved over the past few years.

"Adopting the blended approach with three different funding mechanisms has helped us deliver cost savings without depreciating the value of the benefit in any way," she says.

"So we've achieved a good balance – a scheme that is cost effective while being valued by employees. It is also flexible, which is very important for us as an organisation. We have five generations working within the workforce, all over the country, with various travel needs. Our blended scheme helps to ensure we can cater for all of them."

In particular, Jackson-Barker feels the salary sacrifice scheme is a great benefit for employees: "As a large employer we are able to secure discounts with manufacturers that our employees couldn't secure on their own, and the insurance we provide is also great value."

"And because everything is included in the fixed monthly price, there are no extras to worry about. They literally just need to put the fuel in it and drive."

She does admit that operating several schemes with different funding methods has introduced an added level of complexity, however.

To find out more about AXA's successful approach, take a look at E-reward's *Reward Blueprints* 104 where the whole case study is published. Please visit [www.e-reward.co.uk/research](http://www.e-reward.co.uk/research)

REWARD BLUEPRINTS

104

Published:  
August 2015

### A green fleet strategy at the University of Birmingham

Our second case study examines the fleet strategy at the University of Birmingham. The fleet strategy has one overriding goal – to drive sustainable travel by staff at every opportunity. The university has been at the forefront of new vehicle technology over the past decade: it was one of the first fleets to purchase electric vehicles for commercial use and it has taken part in pioneering trials of hydrogen fuel cell vehicles. Most recently, it has introduced a new salary sacrifice scheme to allow staff to acquire their own low CO2 emission cars.

The university has a fleet of 98 vehicles with a huge diversity of uses. It includes refrigerated catering vehicles delivering food to and from campus, 7.5-tonne pickup vehicles for general haulage, minibuses that shuttle students to and from sporting and guild events across the country, and small commercial vans that support maintenance work across the campus. University staff also hire 2,000 vehicles a year all across the world.

### A move from outright purchase to a leasing model

The university owns the majority of its vehicles. "Until two years ago, we purchased all our vehicles outright," says Monica Guise, Post, Portering, Transport and Interim Sustainable Travel Manager. "But following a review of our vehicle strategy in 2013 we moved to a leasing model."

Guise and her team have complete management control over the fleet. "We act almost as an internal leasing company," she explains.

"It's unusual for a university to have its own transport management department, particularly as it brings added expense," she says.

"But without it, you would have individual departments acquiring and managing their own vehicles and being responsible for ensuring they are roadworthy and adequately insured, which would bring a lot of risk. And it brings some financial rewards to the university too, as we are able to benefit from buying in

bulk and ensuring departments use fuel and tax efficient vehicles."

### A green strategy

In 2005, the Higher Education Funding Council for England (HEFCE) asked all higher education institutions in the UK to implement their own Carbon Management Plans with targets for reducing their carbon footprint: the University of Birmingham targeted a 20% reduction in its CO2 emissions by 2020.

The university is not only required to report the CO2 emissions of its fleet and buildings to HEFCE – it also has to account for any CO2 emitted by staff commuting to and from the campus.

Cutting these emissions has been a key focus for the university over the last two years, and in 2014 it launched a salary sacrifice scheme to encourage employees to buy their own low-emission cars.

Having gained the agreement of the trade unions, the scheme was

launched in October 2014. The launch event included a presentation by sgfleet – complete with a Fiat 500 on stage – as well as posters, emails and information pages on the staff intranet.

In the six months since the scheme launched, 32 staff have bought a new car through the salary sacrifice arrangement.

"We are really pleased with the results and we expect it to really spiral as word of mouth spreads and as more people reach the point where they need to replace their old car," says Guise.

REWARD BLUEPRINTS

104

Published:  
August 2015

To find out more about the University of Birmingham's award winning approach, take a look at E-reward's *Reward Blueprints* 104 where the whole case study is published. Please visit [www.e-reward.co.uk/research](http://www.e-reward.co.uk/research)



E-REWARD PRESENTS

# SHOWCASE

## COMPENSATION MANAGEMENT SOFTWARE

LONDON 19TH NOVEMBER 2015

A unique event showcasing the best compensation software systems.  
We spotlight advice, solutions and what's available today.

Come and see the best compensation planning software systems in the market.

Review, in one day, the key aspects of each one including cost indications.

Learn during the seminar:

- How to develop a business case for introducing or changing compensation software
- How to determine what is needed from your compensation software system and what needs to be customised
  - How to choose your provider
  - How to negotiate the best deal
- How to overcome any issues that may crop up

# E-REWARD DATA

## E-REWARD DATA: Preliminary FTSE 350 executive director analysis

FTSE 1-50	Principal directors			Finance directors			Other directors		
	No.	Median £pa	Average £pa	No.	Median £pa	Average £pa	No.	Median £pa	Average £pa
Salary	44	965,000	955,106	33	594,000	603,815	34	582,500	614,848
Benefits £	44	59,600	122,095	33	33,000	49,740	33	46,000	128,265
Total bonus	39	1,274,000	1,363,867	32	727,012	807,117	27	737,000	1,043,725
LTIP gains £	34	1,969,759	2,639,348	22	1,302,098	1,519,204	29	1,305,056	1,526,312
Share options	6	1,552,156	2,621,008	2	299,277	299,277	4	134,154	174,809
<b>Realised pay</b>	<b>44</b>	<b>4,139,745</b>	<b>4,967,642</b>	<b>33</b>	<b>2,354,619</b>	<b>2,551,900</b>	<b>34</b>	<b>2,404,654</b>	<b>2,988,407</b>
<b>FTSE 51-100</b>									
Salary	36	659,000	688,918	29	465,000	455,648	38	360,000	413,689
Benefits £	35	24,000	39,098	28	20,942	27,617	37	19,000	29,117
Total bonus	33	965,000	1,210,267	29	518,000	596,951	37	507,300	779,440
LTIP gains £	18	1,643,324	2,005,101	15	644,290	911,017	19	888,838	1,180,943
Share options	6	793,119	1,424,610	2	618,165	618,165	5	33,057	475,256
<b>Realised pay</b>	<b>36</b>	<b>2,401,661</b>	<b>3,107,238</b>	<b>29</b>	<b>1,351,117</b>	<b>1,602,358</b>	<b>38</b>	<b>1,545,947</b>	<b>1,862,460</b>
<b>FTSE 101-150</b>									
Salary	31	615,000	631,582	29	383,000	400,484	35	350,000	369,835
Benefits £	30	26,000	36,308	29	17,000	18,636	35	20,000	35,383
Total bonus	27	594,000	816,501	28	290,638	374,439	34	295,062	422,480
LTIP gains £	13	1,614,494	2,691,770	13	740,542	943,425	15	1,159,792	1,719,353
Share options	3	346,136	1,803,636	5	346,136	408,231	4	346,136	506,231
<b>Realised pay</b>	<b>31</b>	<b>1,555,571</b>	<b>2,688,205</b>	<b>29</b>	<b>1,031,063</b>	<b>1,277,504</b>	<b>35</b>	<b>809,038</b>	<b>1,612,732</b>
<b>FTSE 151-200</b>									
Salary	30	556,500	544,044	25	382,685	379,132	26	302,500	299,121
Benefits £	30	18,000	29,505	24	20,750	23,837	26	14,000	21,889
Total bonus	30	598,000	624,286	24	335,400	359,817	26	305,000	599,766
LTIP gains £	17	945,798	1,174,824	10	444,680	1,070,648	19	464,360	654,139
Share options	2	172,461	172,461	0			0		
<b>Realised pay</b>	<b>31</b>	<b>1,695,000</b>	<b>1,830,598</b>	<b>24</b>	<b>934,694</b>	<b>1,207,525</b>	<b>26</b>	<b>1,162,238</b>	<b>1,400,640</b>
<b>FTSE 201-250</b>									
Salary	33	465,000	467,348	31	314,000	310,997	16	238,334	262,680
Benefits £	33	23,536	31,105	30	15,084	17,165	15	13,000	13,168
Total bonus	33	412,000	472,640	31	240,000	274,081	16	214,410	191,469
LTIP gains £	12	986,408	1,622,298	14	453,880	770,331	7	494,445	757,673
Share options	3	1,122,772	1,125,543	1	558,000	558,000	3	1,100,246	1,197,934
<b>Realised pay</b>	<b>33</b>	<b>1,355,000</b>	<b>1,665,148</b>	<b>31</b>	<b>707,000</b>	<b>969,472</b>	<b>16</b>	<b>797,058</b>	<b>1,027,731</b>
<b>FTSE 251-300</b>									
Salary	30	481,000	492,214	27	315,000	310,694	14	288,650	284,482
Benefits £	28	19,000	21,257	27	15,804	14,596	14	16,500	15,544
Total bonus	25	419,000	357,421	24	204,690	205,069	14	227,190	242,421
LTIP gains £	7	1,617,368	1,519,595	11	543,544	485,689	9	669,794	612,518
Share options	4	273,505	734,793	3	33,450	87,212	3	44,411	43,491
<b>Realised pay</b>	<b>29</b>	<b>963,000</b>	<b>1,296,016</b>	<b>27</b>	<b>578,000</b>	<b>716,022</b>	<b>14</b>	<b>946,343</b>	<b>953,079</b>
<b>FTSE 301-350</b>									
Salary	25	462,150	479,514	20	275,000	291,804	13	345,000	316,530
Benefits £	24	17,500	24,573	19	14,000	15,931	12	23,000	26,399
Total bonus	23	287,000	485,386	18	129,370	225,363	13	168,000	268,698
LTIP gains £	10	279,719	446,697	11	138,490	375,485	10	201,351	320,367
Share options	2	2,844,554	2,844,554	0			0		
<b>Realised pay</b>	<b>25</b>	<b>955,890</b>	<b>1,358,606</b>	<b>20</b>	<b>542,454</b>	<b>741,910</b>	<b>14</b>	<b>721,772</b>	<b>848,156</b>

## E-REWARD DATA: Selected salary levels for a range of Financial Times Global 200 organisations

Company	Country	Year end date	Position	Salary £pa*	Salary (home currency) pa
ABB	Switzerland	31/12/2014	Chief Executive Officer	1,033,993	CHF 1,600,000
Airbus	France	31/12/2014	Chief Executive Officer	1,087,770	€ 1,400,004
Apple	USA	27/09/2014	Chief Executive Officer	1,283,170	\$2,000,000
AXA	France	31/12/2014	Chairman & Chief Executive Officer	738,128	€ 950,000
BASF	Germany	31/12/2014	Chairman	1,010,070	€ 1,300,000
Berkshire Hathaway	USA	31/12/2014	Chairman and Chief Executive Officer	64,158	\$100,000
BMW	Germany	31/12/2014	Chairman	1,165,465	€ 1,500,000
BNP Paribas	France	31/12/2014	Chief Executive Officer	971,221	€ 1,250,000
BP	UK	31/12/2014	Chief Executive Officer	1,189,499	\$1,854,000
Chevron	USA	31/12/2014	Chairman and Chief Executive Officer	1,177,950	\$1,836,000
China Mobile	China	31/12/2014	Executive Director & Chairman	97,140	HK\$ 1,174,000
Coca-Cola	USA	31/12/2014	Chairman of the Board and Chief Executive Officer	1,026,536	\$1,600,000
Comcast	USA	31/12/2014	President and Chief Executive Officer of Comcast Cable Communications	1,167,685	\$1,820,000
Daimler	Germany	31/12/2014	Chairman of the Board of Management	1,560,169	€ 2,008,000
eBay	USA	31/12/2014	President and Chief Executive Officer -designee, PayPal	577,426	\$900,000
Facebook	USA	31/12/2014	Chairman & Chief Executive Officer	0.64	\$1
General Electric	USA	31/12/2014	Chairman & Chief Executive Officer	2,438,023	\$3,800,000
Google	USA	31/12/2014	Executive Chairman of the Board of Directors	801,981	\$1,250,000
Google	USA	31/12/2014	Chief Executive Officer, Co-Founder, and Director	0.64	\$1
HSBC Holdings	UK	31/12/2014	Executive chairman	1,500,000	1,500,000
Kinder Morgan	USA	31/12/2014	President and Chief Operating Officer	0.64	\$1
Lockheed Martin	USA	31/12/2014	Chairman, President and Chief Executive Officer	1,004,080	\$1,565,000
Nike	USA	31/05/2015	President and Chief Executive Officer	994,457	\$1,550,000
Nordea Bank	Sweden	31/12/2014	President and Group Chief Executive Officer	924,972	SEK 11,252,193
Novartis	Switzerland	31/12/2014	Chief Executive Officer	1,292,491	CHF 2,060,500
Pfizer	USA	31/12/2014	Chairman and Chief Executive Officer	1,199,764	\$1,870,000
Roche	Switzerland	31/12/2014	Chief Executive Officer of the Roche Group	2,584,981	CHF 4,000,000
Royal Dutch Shell	UK/Netherlands	31/12/2014	Chief Executive Officer	1,111,077	€ 1,430,000
UBS	Switzerland	31/12/2014	Chief Executive Officer	1,615,613	CHF 2,500,000
Walmart	USA	31/01/2015	President and Chief Executive Officer	769,902	\$1,200,000
Wells Fargo	USA	31/12/2014	Chairman, President and Chief Executive Officer	1,796,438	\$2,800,000
Zurich Financial Services	Switzerland	31/12/2014	Chief Executive Officer	1,033,993	CHF 1,600,000

\* Converted at the exchange rate on 31 December 2014.

## E-REWARD DATA: Preliminary Financial Times Global 200 from selected regions

	Principal directors			Finance directors			Other directors		
	No.	Median £pa	Average £pa	No.	Median £pa	Average £pa	No.	Median £pa	Average £pa
<b>Germany</b>									
Salary	9	1,059,015	1,097,952	6	698,888	659,653	43	582,730	620,229
Benefits £	9	50,699	145,175	6	109,495	194,357	43	47,382	85,720
Total bonus	9	2,082,289	2,323,075	6	1,096,310	1,477,227	43	888,353	1,171,802
LTIP gains £	6	2,089,670	3,236,638	5	1,473,919	1,822,443	21	1,236,056	1,603,021
Share options	0			0			0		
<b>Realised pay</b>	<b>9</b>	<b>5,421,721</b>	<b>6,318,431</b>	<b>6</b>	<b>3,431,310</b>	<b>4,189,088</b>	<b>43</b>	<b>2,614,019</b>	<b>2,965,988</b>
<b>Japan</b>									
Salary	4	498,206	492,849				12	342,851	384,368
Benefits £	0						0		
Total bonus	4	192,854	464,724				12	310,709	259,370
LTIP gains £	0						0		
Share options	0						0		
<b>Realised pay</b>	<b>4</b>	<b>683,024</b>	<b>957,573</b>				<b>12</b>	<b>653,560</b>	<b>643,739</b>
<b>Scandinavia</b>									
Salary	4	722,481	719,632	2	443,609	443,609	12	415,646	416,816
Benefits £	4	34,891	36,484	2	21,064	21,064	12	31,307	42,272
Total bonus	4	526,340	557,502	2	281,949	281,949	12	204,150	255,409
LTIP gains £	1	1,554,933	1,554,933	1	1,033,143	1,033,143	5	1,033,143	828,602
Share options	0			0			0		
<b>Realised pay</b>	<b>4</b>	<b>1,286,341</b>	<b>1,702,352</b>	<b>2</b>	<b>1,263,194</b>	<b>1,263,194</b>	<b>12</b>	<b>1,019,735</b>	<b>1,059,748</b>
<b>Switzerland</b>									
Salary	9	1,615,595	1,831,211	4	791,644	968,530	20	562,227	655,375
Benefits £	7	39,114	102,646	3	20,667	73,076	18	160,613	175,510
Total bonus	8	2,215,671	2,194,916	4	1,220,264	1,189,248	20	719,514	939,514
LTIP gains £	1	6,121,548	6,121,548	1	1,010,372	1,010,372	6	1,010,372	1,010,372
Share options	2	3,736,765	3,736,765	1	759,460	759,460	0		
<b>Realised pay</b>	<b>9</b>	<b>4,297,482</b>	<b>5,583,384</b>	<b>4</b>	<b>2,889,520</b>	<b>2,909,757</b>	<b>20</b>	<b>1,987,663</b>	<b>2,164,705</b>
<b>USA</b>									
Salary	85	960,896	901,718	80	512,866	510,884	239	504,014	537,647
Benefits £	84	210,894	498,777	79	53,728	218,118	226	77,022	259,561
Total bonus	76	2,309,703	2,810,759	76	835,487	1,151,794	219	834,059	1,117,198
LTIP gains £	60	4,056,315	6,286,014	58	1,056,177	2,026,023	159	1,487,910	2,328,026
Share options	47	8,635,724	11,792,103	36	2,155,978	4,302,964	121	1,565,005	5,028,431
<b>Realised pay</b>	<b>85</b>	<b>9,151,577</b>	<b>14,945,094</b>	<b>80</b>	<b>3,535,648</b>	<b>5,272,510</b>	<b>239</b>	<b>3,652,289</b>	<b>5,984,098</b>
<b>Other Western Europe</b>									
Salary	18	978,987	1,141,368	1	599,823	599,823	24	611,478	836,038
Benefits £	12	10,378	28,429	0			21	10,878	54,655
Total bonus	16	1,467,120	1,555,493	0			23	685,864	975,223
LTIP gains £	5	1,967,534	2,688,628	0			3	506,062	774,101
Share options	4	2,993,164	11,647,915	0			3	93,511	494,639
<b>Realised pay</b>	<b>18</b>	<b>2,905,174</b>	<b>5,940,867</b>	<b>1</b>	<b>599,823</b>	<b>599,823</b>	<b>24</b>	<b>1,322,035</b>	<b>2,053,268</b>

## The reward Quarter

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