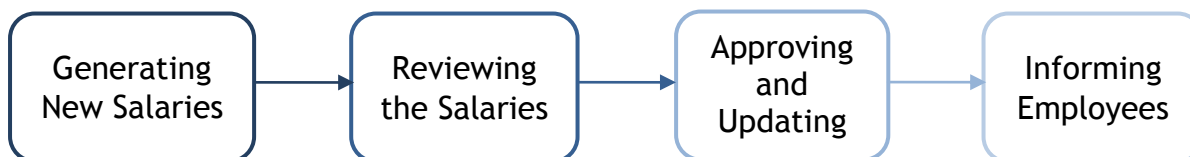# Pay Review Process

The People Inc. system enables users to record historical details of employees' salaries (and other information about their remuneration). This information needs to be updated during the pay review process. The pay review process normally comprises **four** steps.

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┌─────────────┐      ┌─────────────┐      ┌─────────────┐      ┌─────────────┐
│ Generating  │  →   │ Reviewing   │  →   │ Approving   │  →   │ Informing   │
│ New Salaries│      │ the Salaries│      │ and         │      │ Employees   │
│             │      │             │      │ Updating    │      │             │
└─────────────┘      └─────────────┘      └─────────────┘      └─────────────┘
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1. Generating New Salary Entries

A Wizard is freely available that enables users to generate new salary records for employees. These normally have a common start date (at some point in the future) and can be based on a fixed percentage increase (for example, it may be decided that most employees will be given a 2% pay rise). Having run the Wizard, the system will have a current and a future salary entry for each employee. These records are used as the basis for the pay review.

Salary History + Pay Review wizard

2. Reviewing the Proposed Figures

Line-managers often have a say over individual salary increases. This may be because some employees have performed particularly well or because a particular employee is thought to be underpaid. There are two ways that the proposed salary figures can be made available to line-managers for review:

A. Line managers can be given access to the proposed salary figures via the Employee Self-Service module. They can then make changes to the figures (the system retains both the original and the updated figures for comparison). Note that the ESS also enables line-managers to extract the information into Excel if required.

B. Line managers can be sent a spreadsheet that details the proposed salary figures for their department. This will need to be extracted by a People Inc. user and sent via e-mail. Once reviewed, the manager can return the spreadsheet to HR.

Note that it is often the case that additional information is required by managers in order that they can review proposed salary information effectively. This might include historical pay review information (including figures from a number of previous years), performance and appraisal details, and attendance (and absence) information. This additional information can also be provided either via the ESS or via exported spreadsheets.

3. Approval

Once line managers have reviewed all of the proposed salary figures, the People Inc. system will need to be updated. This will be done in one of two ways (depending on the approach taken to distribute proposed salary figures to line managers):

A. If line managers used the Employee Self-Service module to review the proposed figures, HR users can check to see that all proposed salary figures have been reviewed before they are finally approved. Only when the HR team are happy with the new figures are they marked as 'approved'.

B. If the proposed figures were reviewed in a spreadsheet, these will need to be checked (to ensure the HR team are happy with them) and then imported back into the People Inc. system (updating the original records). The status of these records will normally be changed to 'approved' at the same time (during the import).

Once updated, the new salary information can be made available via reports (or in MS Excel format if required). A number of standard report templates are available for this purpose.

4. Informing Employees

Standard letter templates enable users to generate pay review letters to send to employees. These templates will normally need to have the standard text adjusted to include pay information. Note that it is also possible to send pay review information via e-mail.

Copies of letters generated via People Inc. can be saved as individual file attachments (one per employee) if required. These attachments can be made available (to employees) via the Employee Self-Service module.

Implementation

Most of the functionality described in this document is provided as standard in the People Inc. system. There are however a few minor enhancements including new fields and a new wizard which can all be added to your system in a few moments.

If you would like to know more, arrange a demonstration, or simply add this to your system please contact P&A Software on 01908 265111 (or via e-mail on enquiries@pasoftware.co.uk).

Note: Some additional customisation may be required where an organisation wishes to review more than just employee salaries i.e. there may be a performance related annual bonus reviewed at the same time as the salary for example.