

# Senior Salary Review Procedures

PROCEDURES

Procedures relating to:	(Global Reward Policy )
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Responsible Executive:	Secretary of the University
Responsible Office:	Human Resource Development

**HERIOT-WATT UNIVERSITY  
SENIOR SALARY REVIEW PROCEDURES**

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## 1. INTRODUCTION

The Remuneration Committee of Court has the overall responsibility for the governance and management of the remuneration of all senior (grade 10) staff, including;

- The Principal and Vice Chancellor
- The Secretary of the University
- Professorial & other Academic
- Professional Services

## 2. THE REMUNERATION COMMITTEE OF COURT

The Committee:

- Chair of Court (ex officio)
- Deputy Chair of Court (ex officio) Chair
- Chair of the Finance Committee (ex officio)
- Chair of the Staff Committee (ex officio)
- A co-opted independent lay member

In attendance:

- The Principal & Vice Chancellor (\*)
- The Secretary of the University (\*)
- Director of Human Resources Development (\*)

*(\*) withdraws from proceedings when his/her salary and employment conditions are being considered*

## 3. KEY PRINCIPLES/CRITERIA<sup>1</sup>

The University is committed to applying the following principles when determining senior remuneration:

- a. All variable reward (bonuses and remuneration increases) should be linked to University and individual performance, and awarded to recognise the highest levels of performance.
- b. Levels of remuneration should be sufficiently flexible to attract, retain and motivate senior post holders of the quality required to lead within the University.
- c. Remuneration will be appropriate to performance level and may include a one off (non-consolidated) bonus element.
- d. Objectives for the Principal, aligned to the University strategy, will be agreed by the Principal and Chair of Court for cascading from the Principal to the other senior members of the University. A summary of the agreed objectives will be reported to the Remuneration Committee and to Court (by the Chair of the of the Remuneration Committee).
- e. A clear and transparent framework for senior staff pay awards will be agreed on an annual basis by the Remuneration Committee of Court following discussion between the Chair of Court and the Principal. This will be cascaded from the Principal to the other senior members of the University, and may include the expected aggregate annual pay award.

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<sup>1</sup> Malaysia principles are the same but the procedure is different

- f. Annual pay reviews for senior staff (in post for more than 9 months) will have regard to the following:
- The agreed annual framework cascaded as above (point e.);
  - Affordability for the institution;
  - General pay and employment conditions in the Higher Education sector including national benchmarking data and specific market conditions for the post/role;
  - Performance indicators and assessment in the relevant PDR year and sustained, enhanced or exceptional performance against expected level of performance for the post and any changes/expansion in the substantive post/role; and
  - Degree of support (or not) from line managers.

## **4. REVIEW PROCESS**

### **4.1 Start of Review**

Around mid June, the Principal will normally issue an informal communication (by email) to all Grade 10 post holders indicating that the review process is about to commence and provide the context of the review for that year.

Around late June, HR will email all Grade 10 post holders to advise them that the review process has now started and indicate key dates and actions.

### **4.2 Direct Reports to the Principal and Secretary**

It is normal for the Principal and the Secretary to consider the performance of their direct reports with the support of tools such as PDR evidence, School performance indicators, Professional Services satisfaction indicators, external survey/satisfaction evidence as well as informal performance measures.

### **4.3 Professorial Staff**

It is normal for the Heads of School/Institute to measure individuals' performance with the support of individual "traffic light indicators" (also known as "scorecards"). These documents are prepared by the Director of Planning's office and issued to each Professor in each School/Institute.

The "scorecard form" contains specific information from the University's academic performance framework which Heads of School/Institute are expected to take into account when forming a recommendation.

Although individual Professors may contact the Director of Planning's office with any queries that s/he has regarding their "scorecard" performance information, they are encouraged to consult their Head of School/Institute in the first instance.

Each Head of School/Institute is expected to indicate to his/her Professorial staff if s/he is making a favourable recommendation or not to the Principal. If a favourable recommendation is being made, the individual may not submit a Personal Case

### **4.4 Personal Case/Self Nomination**

Senior Academic and Professional Services staff may enquire of their Head of School/Institute or Director of Professional Service whether or not they have been put forward for a remuneration award. Only if a favourable case is not being made by the relevant senior manager can individuals submit a personal case to the Principal or Secretary.

Personal cases must include a completed Senior Remuneration Review form and no more than 2 supporting A4 pages of information. This should be submitted to HR.

#### **4.5 Principal's Recommendations to Remuneration Committee**

All Professorial recommendations from Heads of School/Institute are considered, in the first instance, by a joint meeting of the Principal, all Heads of School/Institute, the Director of HR and the Head of Reward & Employee Relations.

The merits of each individual case are discussed one by one, School by School, prior to the Principal making his final recommendation

This meeting assists the Principal in his overall recommendations to the Remuneration Committee of Court and importantly aims to ensure consistency and fairness. This is particularly important where personal submissions are received from individuals, which are not supported by a Head of School / Institute.

#### **4.6 Secretary's Recommendations to Remuneration Committee**

All Professional Services recommendations are discussed by the Secretary with the Head of Reward & Employee Relations.

#### **4.7 Benchmarking Information**

The Head of Reward & Employee Engagement arranges the provision of benchmark information from UCEA and CUC of relative salary information for a range of subject specific Professorial staff and Professional Services staff. This information is shared with each Head of School, the Secretary of the University and the Principal.

### **5. REMUNERATION COMMITTEE OF COURT MEETING**

At its meeting in September the Remuneration Committee will receive the following information to inform their discussions:

- A list from Human Resources detailing all current senior staff remuneration and the proposals from:
  - The Principal for all direct reports;
  - The Principal for all Professorial staff;
  - The Secretary of the University for all direct reports;
  - The Secretary of the University for all other Professional Services;
- The most recent benchmark data provided for Heriot-Watt University from UCEA;
- A report from the Chairman of Court for the Vice-Chancellor.

### **6. RATIFICATION OF REWARD**

Following consideration of all the submitted paperwork the Remuneration Committee will provide the Court with a summary report of the meeting. If requested full details of the deliberations of the Committee will be available to the independent lay members of Court

### **7. FEEDBACK TO INDIVIDUALS**

The Principal and the Secretary of the University will write to each nominated and self-nominated individual around early October.

Professorial letters will be issued via Heads of School, who will act as the points of contact for any feedback requests.

Professional Services letters will be issued direct from the Secretary of the University, who will act as the point of contact for any feedback requests.

All feedback will include both a decision and a rationale for the decision.

**8. EFFECTIVE DATE**

All salary awards will be effective from 1 August. Back-dated payments will normally be made in the October payroll run.

**9. APPEALS PROCESS**

Any individual may appeal via the Principal or Secretary of the University only on the ground of a defect in procedure. Appeals against the nature of the award will not be permitted.

**10. EXCEPTIONAL AWARDS**

In exceptional circumstances, *(such as retention of high performers, immediate recognition of added value to the University)* it may be necessary for the Principal or Secretary of the University to make a remuneration award outwith these procedures. Any such awards will be notified to the Chair of Remuneration Committee at the next available opportunity

**11. EQUALITY OF OPPORTUNITY**

We value and encourage each unique and positive contribution, acknowledging that our diversity enriches us. The University accepts recommendations for senior remuneration review from all members of the senior University Community.

To help us to ensure that our processes are fair, accessible and free from discrimination we will collect and use equality data for monitoring and evaluation purposes. This information will be held in accordance with Data Protection requirements.

A separate Equality report will be included in the September meeting of Remuneration Committee

**12. FURTHER HELP AND ADVICE**

Head of Reward and Employee Engagement, HRD, Ext. 3725, k.a.nicol@hw.ac.uk  
**The Reward and Employee Engagement Team, HRD, Employee-Reward.Engagment@hw.ac.uk**

**14. POLICY VERSION AND HISTORY**

Version No	Date of Approval	Approving Authority	Brief Description of Amendment
V.1	June 2016	University Court	

APPENDIX 1 – Senior Remuneration Committee Flowchart

