

Global Reward Policy

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HERIOT-WATT UNIVERSITY GLOBAL REWARD POLICY

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1. Introduction

Heriot-Watt is a global university and is recognised throughout the world for the quality of its teaching and applied research capability. Central to that success is the ability to recruit and retain colleagues to deliver excellence and achieve the University's strategic goals by having a competitive, widely understood and transparent pay and reward policy (and supporting procedures) that attracts talented and skilled professionals, motivates them to stay and rewards them fairly and consistently.

2. Scope

This policy (and supporting procedures) underpins decisions relating to pay and reward for all Colleagues.

3. Reward Principles

The University is committed to ensuring that everyone is treated, as a valued and respected member of the Heriot-Watt team. This policy promotes equality and fairness, embeds Athena SWAN principles and is in keeping with the values of Heriot-Watt University:

Inspire
Collaborate
Belong
Celebrate

Transparency and clear governance processes (Appendix 1) underpin the University's approach to pay and reward along with the following underlying principles:

Reward needs to be sustainable over time and clearly linked to the ongoing success of the University.

- Reward packages will take account of where the role is being performed (location) and will take account of market trends in that location.
- Reward packages will adhere to the laws of the location. Reward packages will be consistent with the University's Values.

Valued

Heriot-Watt University values and rewards the contribution of colleagues and we want colleagues to understand and value their reward package. We aim to ensure that pay and reward packages are attractive and competitive. The University:

- Regularly benchmarks our reward packages against external market practice (including public/charities and private sector with similar turnover) to ensure that they remain competitive and attractive to both existing and potential new colleagues.
- Provides opportunities through Staff Employee Surveys and other University recognised forums for colleagues to feedback their views on the University's reward provision.

Open and Fair

Heriot-Watt University's rewards are transparent and are applied fairly and consistently.

- Pay ranges are based on the local market but the underlying Grading Structure and career pathways and job titles (e.g. Associate Professor, Assistant Professor) will be the same regardless of location.
- In “local benefits” the University takes into account matters such as the level of social provision at a given location, as well as local market trends.
- Information on current pay and reward policies will be available to all colleagues.
- Line managers will be responsible in the first instance for responding to any pay and reward queries, and will be supported by the HR function with specialist advice provided by the Reward and Employee Engagement Team.

Motivating

The University aims to use pay and reward as one of the drivers to enhance the University's performance and success. University and individual performance will determine the level of reward available.

- Individual performance against agreed objectives (as per the PDR process) will be used to support the award level of any potential bonus/contribution/personal progression payment.

Sustainable

The University recognises the need to maintain pay and reward systems that are sustainable in the long term. Affordability of pay and benefits will hence play a necessary part in the University's considerations and annual decision making processes.

4. Annual Pay Review

The University recognises the need to operate appropriate reward and progression practices aligned with each of our locations.

In the UK the University is a member of the Universities and Colleges Employers Association (UCEA). UCEA conducts collective consultation on our behalf, with the recognised Trade Unions across the Higher Education sector, regarding the annual negotiated pay award. The outcome is a negotiated and agreed decision on each salary spine point, effective from 1 August each year.

An annual review of pay levels is similarly conducted for the Malaysia and Dubai campuses, taking local market conditions in to consideration. The additional principles that apply at the University's Dubai and Malaysia Campuses are set out in Appendix 2

5. Heriot-Watt University's Pay, Reward and Promotion Processes

The University has agreed pay, reward and promotion policies. The Global Director of Human Resources is responsible for the effective operation, application and review of these policies. Reviews are conducted on an annual basis.

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|---|------------------------------|
| • Global Reward Policy | All Grades |
| • Senior staff pay & reward procedures | Grade 10 only |
| • Senior Promotions (Academic) procedures | Grade 8 to 9 / Grade 9 to 10 |
| • Academic Advancement procedures | Grade 6 to 7 / Grade 7 to 8 |
| • Career Progression (Professional Services) procedures | All Grades |
| • Contribution Pay procedures | Grades 1 - 9 |

Professional Services (including technical services) Pay and Reward Processes

The Pay and Reward Processes apply to all Professional Services staff at the University other than those based in Malaysia.

Pay, Reward or Promotion Procedure Decisions for:	Decisions made by:	Recommendations made by:
Senior Staff pay & reward (G10)	Remuneration Committee of Court	Principal/ Vice-Chancellor and University Secretary
Senior Promotions (Academic)	Principal and Vice-Chancellor	Vice Principal, Heads of School and Campus Provosts
Professional Services Promotions	University Secretary	Directors of Professional Services and Heads of School
Contribution Pay	University Secretary	Directors of Professional Services and Heads of School
Academic Advancement	Vice Principal	Heads of School

6. Related Policies and Procedures***Key Policies***

- Equality and Diversity Policy

Key Procedures linked to Global Reward Policy:

- Senior Salary Review Procedure
- Academic Promotions Board (Senior Promotions) - procedures
- Academic Advancement Procedure
- Academic Probation and Promotion Board Appeals procedure
- Professional Services: Career Progression Procedures
- Contribution Pay procedures (UK and Dubai)

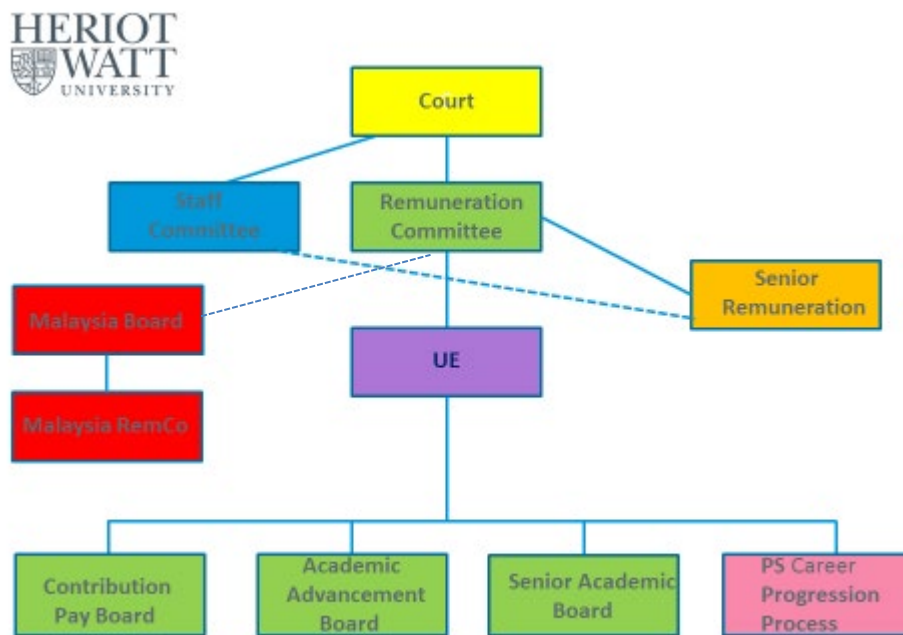
Additional Guidance:

- Academic Criteria for Assessment
- Senior Academic Criteria for Assessment
- Professional and Management Promotions - Criteria for Assessment
- Job Overview Form - Completion Guidance Notes
- The University's Equality Outcomes
- The University's Athena SWAN Action Plans

7. Role of Human Resource Development

HRD will advise colleagues and managers on the operation and application of these policies and procedures, ensuring consistency of application across the University.

APPENDIX 1 - Governance Structure



APPENDIX 2: Reward Principles for International Campuses

<p>Reward:</p> <p>The reward structure (and progression within the structure) should be fair and transparent to ensure equality of treatment and opportunity. Colleagues doing similar jobs may be paid different rates, but if so the University will be able to provide a justifiable reason for the difference, e.g. for a given discipline in a given market</p>
<p>The University recognises that its operations in international markets may require reward packages to be adapted to the needs of the local market.</p>
<p>Pay structures:</p> <p>The University operates two 10 pay band structures across all international locations. International bands will be transparently mapped to the 10-band HERA evaluated band structure.</p>
<p>Each band to be matched to the appropriate market benchmark which enables the University to conduct annual benchmarking.</p>
<p>Separate pay band structures operate for academic, and for professional services / technical services. (Additional allowances are available to make the overall package more attractive to be able to recruit the right staff to deliver our strategy.)</p>
<p>The bands used at international campuses may be broader than UK bands to allow for local pay practices, and may have different progression paths</p>
<p>Bands may have “bar points” clearly identified. These bar points indicate key milestones which must be achieved in order to advance beyond them e.g. colleagues need to be engaged in research or have a PhD.</p>
<p>The top of the band is normally a cap; progression to next band can only be achieved by promotion (see policy).</p>
<p>Salary points within bands may increase each year. Benchmark data will be used to inform any decision for an increase, rather than indicating that an increase is required to be awarded.</p>

APPENDIX 3: Reward Package at each Campus (to be reviewed every three years; last reviewed June 2021)

Reward	UK	Dubai pre-November 2019 - exceptions	Dubai from November 2019 - exceptions	Malaysia - exceptions
Basic Salaries Annual pay award Increments	UK pay scales as agreed as part of National Framework agreement Annual nationally negotiated pay award applied Access to automatic annual increments until the top of scale is reached	UK pay scales with conversion to AED. Professional Services G3-7 paid 75% of UK scales to fit market rates Cost of Living increase in line with UK until August 2021. Beyond that based on market rates Access to automatic annual increments until the top of scale is reached For a promoted or regraded role the individual will move to the revised terms and conditions. This group will therefore reduce in number over time.	Adopted revised PS pay scales and Academic pay scales Cost of Living increase based on market rates No incremental progression	Local pay ranges mapped to UK pay scales Annual pay award earned through performance to reflect inflationary increases and increases up the salary scale (akin to increment)
Performance related pay	Contribution Pay Procedures – Grades 1-9 eligible Grade 10 covered by Senior Remuneration Committee	Contribution Pay Procedures – Grades 1-9 on original HWU terms and conditions are eligible Grade 10 covered by Senior Remuneration Committee	Performance related pay increases to be implemented from 2021 Grade 10 covered by Senior Remuneration Committee	Local process Access to an annual bonus paid in December based on performance
Promotion	Promotion procedures – accessible to all staff	Promotion procedures – accessible to all staff	Promotion procedures – accessible to all staff	Local promotion procedures for Professional Services staff Academic progression beyond grade 6 follow UK policies and procedures
Contractual Benefits Pension Healthcare End of Service	Pension - USS or LGPS Aviva is offered for Oriam and a NEST scheme is available to staff who do not meet the qualifying	No pension and in accordance with legislation HWU provide an end of service payment based on basic pay which increases with length of service	No pension and in accordance with legislation HWU provide an end of service payment based on basic pay which increases with length of service	Statutory Employee Provident Fund pension contributions Medical insurance and Personal Accident Insurance Plans. This includes cover for immediate family where

Maternity/ Paternity/ Parental Leave Sick leave and pay	criteria for enrolment into LGPS or USS Enhanced 'Supporting Family Life' benefits Enhanced sick leave and pay	Medical insurance for employee plus 50% contribution towards family members' medical insurance Statutory maternity leave and pay Statutory sick leave and pay	Medical insurance for employee plus 50% contribution towards family members' medical insurance Statutory maternity leave and pay Statutory sick leave and pay	applicable, i.e. children under age 18 (or 23 if in full-time education) and non- working spouse. Statutory maternity leave and pay Statutory sick leave and pay
Allowances Accommodation Travel Visa Education	No additional allowances paid	Accommodation allowance for G6-10 Academic staff and G8-10 Professional Services staff. only A return economy flight home per annum for employee, spouse and any children aged under 18 Employee Visa paid Education Allowance depending on grade	Accommodation allowance (for all new/promoted employees from November 2019) A return economy flight home per annum for employee, spouse and any children aged under 18 Employee Visa paid Education Allowance depending on grade	A monthly travel allowance of RM 500 per month will be available to cover fuel and toll costs, etc., incurred in travelling between home and place of work
Holidays including public holidays	28 or 33 days' annual leave plus 9 or 10 buildings closed days (public holidays)	43 days leave inclusive of annual leave and public holidays	43 days leave inclusive of annual leave and public holidays	43 days leave inclusive of annual leave and public holidays