

Imperial College
London

Pay Review Framework

Guidance for Managers

Overview

The annual **Equity and Achievement Pay Review** processes allows managers to address equal pay and internal benchmarking disparities in their area and to reward staff for exceptional contribution and achievement. The process is applicable to all staff on College terms and conditions, with the exception of individuals with a live Employee Relations sanction.

Both processes commence annually each May and awards are implemented in the **October payroll**. Please note: recommendations as part of this process must not be discussed with employees until these are formally agreed.

The Strategic HR Partner for each area will be on hand to guide managers through the process and recommendations for pay awards should be made alongside support from them.

An **FAQ document** on the Pay Review processes is available on the [Pay Review webpages](#).

Department pay review recommendations will be subject to an **Equality Impact Assessment**, prior to review by **Local Decision-Making Boards** (at Faculty/Business School/Support Service area level) to ensure recommendations meet the criteria and that sufficient evidence to support recommendations has been provided. This is in line with the College's commitment to reducing its gender and ethnicity pay gaps and, ensuring equity and a consistent application of achievement pay review awards.

This guide sets out key definitions around equal and internal market pay, as well as key considerations for managers to ensure consistency in the application of pay awards. The timeline for the exercise is available on the [Pay Review webpages](#).

Note: The Pay Review processes are separate from the **Establishment Review** process for Professional, Technical and Operational staff. The latter is a result of significant changes to roles and job descriptions/structure of a team and require a grade review. The Strategic HR Partner for your area will be able to advise on the appropriate process to use.

Equity Pay Review

The Equity Pay Review is the process through which we ensure what we pay is consistent, fair, and balanced across roles so that staff receive equal pay for work of equal value.

The process is designed to objectively review each member of staff's salary in line with relevant internal benchmark information. This is in order to ensure parity between colleagues undertaking similar roles across College.

Equal pay is different from the gender pay gap, which measures the difference between the average earnings of male and female employees, irrespective of job role or seniority. By law, employers must also not pay an employee less because of their disability, race, religion, sexual orientation, or another 'protected characteristic'.

INTERNAL BENCHMARKING

Pay benchmarking is a comparison between the employee's salary and the midpoint (median) and mean (average) of their grade. When reviewed from an equity perspective, managers should consider if the differential in pay is fair, equitable and justified. Within the Power BI dashboards, managers have access to a number of resources to determine current pay equity issues within their department or team.

- **Mean, Med, Min, Max:** this sets out the minimum, median, mean (average) and maximum salaries for each grade (by team/department).
- **Gender analysis:** this sets out pay analysis by grade by team/department. You are able to see number of male and female employees in each grade along with median and mean salaries and the % differentials that exist by gender. The largest gaps are highlighted red (i.e., those furthest from zero) and the smallest gaps are highlighted in green. Gaps in favour of women will be presented as a minus (negative) figure, while gaps in favour of men will show as a positive figure.
- **Ethnic group analysis:** this sets out pay analysis by grade by team/department. You are able to see number of Black, Asian and minority ethnic (BAME) and white employees in each grade along with median and mean salaries and the percentage differentials that exist by ethnicity. The largest gaps are highlighted red (i.e., those furthest from zero) and the smallest gaps are highlighted in green. Gaps in favour of BAME employees will be presented as a minus (negative) figure, while gaps in favour of white employees will show as a positive figure.

Together these resources enable managers to see where current pay equity issues exist and will help to determine where pay awards should be focussed to alleviate them. These resources will also assist with determining an average level of increase or payment to make that will help to reduce equity differentials.

All of the tables mentioned above are interactive and can be drilled down according to grade, gender, and ethnicity. The columns within each of the tables can be sorted to allow you to see percentage differentials grouped into red and green, and greatest to smallest.

EXAMPLE: GENDER ANALYSIS

The table below shows an example (using dummy data) of a table in the Gender analysis resource of Power BI. This table has been sorted to show the median percentage differential by gender greatest to smallest. In this example, we can see that the largest gaps for median salaries by gender occur at levels 4 and 6.

Simple grade	Female Count	Male Count	Female Mean Basic Salary	Male Mean Basic Salary	Gender Mean Diff	Gender % Mean Diff	Female Median Basic Salary	Male Median Basic Salary	Gender Median Diff	Gender % Median Diff
Level 6	68	60	£87,112	£93,696	£6,584	7.0%	£83,173	£88,241	£5,068	5.7%
Level 4	441	380	£56,017	£56,970	£953	1.7%	£55,001	£58,005	£3,004	5.2%
Level 3b	608	423	£44,572	£45,189	£617	1.4%	£44,624	£45,796	£1,172	2.6%
Level 3a	556	267	£36,988	£37,173	£185	0.5%	£37,380	£38,360	£980	2.6%
Level 2b	228	102	£32,101	£32,368	£266	0.8%	£32,404	£33,180	£776	2.3%
Level 1b	32	40	£25,304	£25,694	£389	1.5%	£25,061	£25,588	£527	2.1%
Level 1a	72	107	£22,574	£22,666	£92	0.4%	£22,610	£22,909	£299	1.3%
Lecturer	59	121	£64,115	£64,599	£484	0.7%	£63,392	£63,392	£0	0.0%
Level 5	142	160	£66,570	£68,060	£1,490	2.2%	£68,210	£68,210	£0	0.0%
Senior Teaching Fellow	72	58	£59,120	£59,401	£281	0.5%	£58,252	£58,252	£0	0.0%
Total	2278	1718	£46,330	£49,599	£3,269	6.6%	£43,516	£48,226	£4,710	9.8%

DIFFERENCES IN PAY FOR SIMILAR ROLES

Everyone brings unique skills and abilities to a job and not all job roles will be exactly the same, even if they share the same job title.

Jobs with similar duties can be paid differently and jobs involving more complex tasks or greater responsibility may attract higher salaries. There may be various circumstances which may have led to variations in pay, which might include the employee's previous salary, their previous experience, and previous contribution and achievement awards whilst at the College (and within the same grade).

When reviewing the internal pay benchmark information provided, managers are asked to proactively question if the difference in pay is as a result of the above. If this not the case they should consider, including discussing with their Strategic HR Partner, if a case should be submitted against one of the two criteria below.

CRITERIA FOR EQUITY PAY REVIEW AWARDS

1. To address a significant misalignment of a salary when compared to others within the organisation who have a similar role size and profile
2. To address equal pay differentials

Managers will be expected to submit a supporting statement as part of the recommendation process, with specific and detailed evidence demonstrating how the employee's salary differs from others and what remedied action is required. Please ensure your statement is easy to understand without needing prior or additional knowledge of your area.

Achievement Pay Review

The Achievement Pay Review is designed to objectively review staff across all College job families who have made an exceptional contribution to the College.

CRITERIA FOR ACHIEVEMENT PAY REVIEW AWARDS

1. To recognise substantial and sustained exceptional ongoing individual achievement beyond the usual expectations of the role
2. To recognise substantial and exceptional one-off individual achievement beyond the usual expectations of the role

EXCEPTIONAL CONTRIBUTION AND ACHIEVEMENT

Exceptional contribution and achievement should be in addition to the usual expectations and contributions of the role as outlined in the job description.

Managers will be expected to submit a supporting statement as part of the recommendation process, with specific and detailed evidence of how the employee has demonstrated exceptional contribution and achievement, in line with the College values and remit for the grade.

Please ensure your statement is easy to understand without needing prior or additional knowledge of your area.

COLLEGE VALUES

Assessments of exceptional contribution and achievement must be made in line with the College Values.

More details on our College Values are available online at: <https://www.imperial.ac.uk/about/values/>

INTERNAL BENCHMARKING DATA

Achievement Pay Review award recommendations should be based on an employee's contribution and achievement, but considerations on the employee's current internal benchmarking position is also important.

Pay benchmarking is a comparison between the employee's salary and the midpoint (median) and/or upper quartile of their grade. This enables a manager to aid pay progression by awarding higher pay increases to those who are on a lower salary, and restricting the increases awarded to those who are on higher salaries or near the top of pay scales.

However, it is also important to recognise when it may be appropriate for an employee to be positioned at the start of the grade—for example, if they have been recently promoted to a new grade. Managers should review the internal salaries and benchmarking data for their area to assess where employees are against the internal market.

The Power BI Dashboards (Pay Review tables tab and Pay Review tables for Extract tab) should be used when determining this. For example:



If a staff member in the above example earns a basic salary of £68,000, their salary is above the median and very close to the maximum for other employees on the same grade. Consideration must be made on whether there is sufficient justification demonstrated through the employee's exceptional achievement to apply a consolidated pay review award (a permanent increase in the employee's base salary).

Within the Power BI dashboards, salaries can be sorted highest to lowest, and the highest salaries will be coloured dark blue. Salaries closest to the average are coloured pink/purple and the lowest salaries are coloured orange. The colour coding changes depending on the filters applied (i.e., staff group, grade, position, gender, ethnic group).

- Employees for whom the benchmarking suggests they are paid at upper quartile or higher levels should typically be awarded a one-off (non-consolidated) payment.
- If employees are meeting expectations of the role, pay is within the market median or upper quartile or higher, and no pay gaps exist with their peers, it is appropriate to keep pay where it is (i.e., employee should not be considered for a pay award).

ARCs AND REGULAR FEEDBACK

Managers are encouraged to use the Annual Review Conversation process (ARC) to support informed decisions about contribution pay and the achievements of staff should be evidenced in supporting managers' achievement pay review submissions.

Outcomes of ARCs are one element used to inform decisions on pay review award recommendations. Outside of the ARC process, other conversations and feedback including regular one-to-ones with employees should be considered as part of the overall review of an employee's achievement.

Responsibility of managers

As a manager, you are actively encouraged to review and consider the contribution of all your team members across the previous 12 months. The criteria as set out in the Pay Review Framework can be used to identify individuals who have demonstrated exceptional and sustained contribution outside the requirements of the role over a continuous period.

Line managers need to make evidence-based and fair judgments on employees' achievement. All managers are expected to apply equal treatment and fairness when making pay decisions. Decisions must be free from bias in relation to age, ethnic origin, gender, gender identity, gender reassignment, disability, religious belief, sexual orientation, marriage and civil partnership and pregnancy or bias on any other grounds. Part-time staff, staff on family-friendly leave, and staff on fixed-term contracts should be treated fairly and given equal consideration.

Where managers are not as familiar with the contribution or achievement of individuals or groups of staff themselves, they should proactively seek feedback from other managers and supervisors to ensure everyone in their area has been fairly considered. *(For any staff who also hold the role of Global Institute Co-Director, the Vice-Provost (Research and Enterprise) will provide input to the Department to provide extra context for the individual's annual review. Any recommendations should be discussed with the VPRE).*

For team achievement awards where individuals being recommended for one-off payments may have different line managers, it is important that managers discuss and agree on recommendations and how the awards will be funded (which budget/cost centre this will be paid from). For example, if awards are being recommended for a whole project team, there needs to be consideration for which individuals have performed exceptionally above the normal achievements of their role.

Pay awards should not be discussed with employees until these are formally agreed.

Funding for Equity and Achievement Pay awards

When considering awards for members of your team/department, please note that this will be charged back to the applicable budget/cost centre for your team/department. It is imperative to ensure that there are sufficient funds available to cover these awards.

For staff members funded by Research Grants - under the terms and conditions of the UK Research and Innovation body (UKRI), salary increase and one-off payments as part of the Pay Review process are not eligible to be charged to research council awards and other externally funded research projects/grants. These increases/payments are also an ineligible cost for the College's other core funders including:

- European Commission
- CRUK
- Royal Society
- Wellcome Trust

Therefore, departments must make certain that the relevant budgets/cost centres can feasibly cover these payments for externally funded Research staff, as they are unable to be charged back to the external grant/funds.

Types of awards

For substantial and sustained ongoing exceptional contribution and achievement, individuals can be awarded a consolidated increase in pay.

For one-off exceptional achievement, employees will receive a one-off payment (non- consolidated and non-pensionable payment). Team awards can only be awarded one-off payments. Both consolidated increases to pay and one-off payments will be pro-rated accordingly for part-time staff.

Individual pay data/employee information can be viewed on the 'Pay Review Table' and 'Pay Review Table for Extract' pages on the Power BI dashboard. The 'Progression status' column demonstrates where an employee currently sits within their grade as of 1 October (i.e., after the expected October spine point has been applied.)

Progression status	Type of award that can be recommended
Automatic	The employee is within the automatic spine points for their grade – therefore they can be awarded an additional increment within this same grade
Contribution (non-automatic)	The employee is within the contribution spine points for their grade – therefore they can be awarded an additional increment within this contribution section of the grade
Top of automatic	The employee has reached the top spine point for the automatic range of their grade – therefore, if there are contribution points available, they can be awarded an additional increment to take them into the contribution range for the grade
Reached max	The employee has reached the maximum spine point for their grade and/or contribution range (if it applies to their grade) and is unable to proceed any further. In this instance they can be awarded a one-off payment only

Employees on fixed salaries can be awarded either a consolidated pay award or a one-off payment.

The following grades have no salary cap and employees progress to fixed salaries above the value of the top spine point for the grade:

- **Lecturer**
- **Senior Lecturer**
- **Senior Teaching Fellow**
- **Principal Teaching Fellow**

For more information, please see our [salary webpages](#).