

Contents

About the authors	xi
Acknowledgements	xvii
Foreword Tom Lupton	xix

Introduction	1
Richard Thorpe and Gill Homan	

Part I · STRATEGIC REWARD – THE CONTEXT OF REWARD

1 Debates in reward management	11
Stephen Taylor	
Fundamental choices · The reward management debate · Best practice versus best fit · Expectancy theory and performance-related pay · Competing definitions of equity · References	
2 Reward strategy	30
Richard Thorpe	
Introduction · Key trends in remuneration and reward · Motivation Authority and control · Business objectives · Conclusion · Note · References · Further reading · Learning activities	
3 Labour economics, competition and compensation	45
Phil Beaumont and Laurie Hunter	
Introduction · The ‘standard’ competitive approach · Critics, defence and development · Rational behaviour and human capital · Departures from the competitive model · Current debates · A part of the story, but not the full story Two exceptional cases: the way forward? · Conclusion · Notes · References Further reading · Learning activities	
4 Economic policy, the labour market and reward	63
Catherine Kavanagh and Robert Elliott	
Introduction · Why supply-side policies? · How were the supply-side policies promoted? · The impact of the reforms on organisations ·	

Conclusion · Notes · References · Further reading · Learning activities	
5 Motivation and reward	81
Angela Bowey and Richard Thorpe	
Introduction · Payment system developments – the historical context · Alternative motivation practices · The continued importance of pay in management · Conclusion · References · Further reading · Learning activities	
6 Authority and control – the carrot or the stick?	101
Emma Bell	
Introduction · Phases in payment theory · ‘Compensation’ and ‘reward’: a cultural dualism · The ‘carrot’ and the ‘stick’ as forms of control within the British chemical industry · Conclusions · Note · References · Learning activities	
7 Designing and implementation of remuneration systems	115
Richard Thorpe	
Introduction · Types of pay system process · Managing change – schools of thought · Applications of the emergent change management approach to pay system design · Conclusion · Notes · References · Further reading · Learning activities	
 Part II · REWARD AS A SYSTEMS COMPONENT	
8 Strategic reward systems – pay systems and structures	137
Colin Massey	
Introduction · Pay design and re-design · Bridging the gap · Design choices · Purpose of job evaluation · Converting job evaluation results to grades · Progression choices · Summary · References · Further reading · Learning activities	
9 Strategic rewards systems – flexible pay	160
Colin Massey	
Introduction · Historical constraints · Decline in national and centralised bargaining · The search for the flexible organisation · The role of job evaluation · Job descriptions · Flexible patterns of work and flexible pay · Skill and knowledge-based pay · Competency-based pay · Variable pay · Broad-band pay Flexible benefits · Where will flexible pay work? · Summary · References · Further reading · Learning activities	

10 Trade unions and reward	179
Hamish Mathieson	
Introduction · The importance of pay for trade unions · The economic, political and legal context · Management strategies, pay and trade unions · Union initiatives in the 1990s · Conclusion · References · Further reading · Learning activities	
11 Women, pay and equal opportunities	199
Sue Shaw and Mary Clark	
Introduction · The nature of reward inequality · Explanations of the differences between male and female earnings · The legal framework of equal pay · Improving women's pay position · References · Further reading · Learning activities	
12 Job evaluation	217
Peter Smith	
Introduction · Job evaluation defined · Purpose · Job evaluation methodology · Job evaluation process · Equal value · Developments in recent decades · References and further reading · Learning activities	
13 Inter-firm comparisons	232
Steve Flather	
Introduction · Why make inter-firm comparisons? · Who makes these comparisons? · What is compared? · How is the comparison carried out? · Conclusion · Further reading · Learning activities	
 Part III · STRATEGIC REWARD	
14 Auditing a remuneration system	274
Richard Thorpe, Angela Bowey and Mark Goodridge	
Introduction · The process of degeneration and decay · Establishing the health of the current system and testing the state of the pay system · To maintain the system, or to allow it to decay? · Problems associated with degeneration · A new approach to remuneration and reward · Conclusions · References · Learning activities	
15 Time-based pay	274
Philip Lynch	
Introduction · A stable income plan · The importance of overtime elimination · Costs and benefits · Other initiatives · Conclusion · References · Further reading · Learning activities	

16 Skills- and competency-based pay	287
Gill Homan	
Introduction · Defining the terms · The context for skills- and competency-based pay · The objectives of skills- and competency-based pay · Skills- and competency-based reward systems – issues in development and design · The problems and issues in introduction · The extent to which competency- and skills-based pay has been adopted · The future for skills- and competency-based pay · References · Further reading · Learning activities	
17 Performance-related pay	302
Peter Lawson	
Introduction · Performance-related pay defined · Performance-related pay described · Performance-related pay: the theory · Performance-related pay: the outcomes · Performance-related pay: good practice · Performance-related pay: the future · References · Further reading · Learning activities	
18 Team-based pay	318
Jim Harrington	
Introduction – a means to organisational success · The nature of teams · Behaviours and outcomes to be reinforced · Selecting a team-based pay option · Critique of the options · The way forward · References · Further reading · Learning activities	
19 Gainsharing	330
Angela Bowey	
Introduction · Types of gainsharing · Success criteria for gainsharing · Designing the gainsharing process · Results of gainsharing · Conclusions and recommendations · References and further reading · Learning activities	
20 Profit sharing and employee share ownership	341
Andrew Pendleton	
Introduction · Profit-sharing and share-ownership schemes in the UK · The reasons for using profit-sharing and employee share ownership · Outcomes · Summary · References · Further reading · Learning activities	
21 Occupational pensions	356
Stephen Taylor	
Introduction · Forms of occupational pension scheme · Additional benefits · The regulatory revolution · Objectives of occupational pension funds · Future trends · References · Further reading · Learning activities	

22 Flexible plans for pay and benefits	373
Ian Smith	
Introduction · Flexible plans · Determining the mix · User–chooser issues · Overseas experience · For Uncle Sam but not for Britannia · Reward management and all that · Simple but glamorous origins · Difficulties and complexity · A strategic perspective · Fitting a flexible approach into the organisation · Overcoming obstacles and resistance · Conclusion · Notes · References · Further reading · Learning activities	
Index	388