



**ROBERT GORDON
UNIVERSITY ABERDEEN**

Senior Manager Pay Policy



Approved by	Remuneration Committee		
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Policy Owner	Director of Human Resources	Impact assessed	Yes
Version	3	Date of next review	August 2025

Version Number	Purpose/Change	Date
1	Creation of Policy	
2	Updates to Policy	November 2016
3	Updates to Policy	August 2022

SENIOR MANAGER PAY

1. Policy Objective

- 1.1 To ensure there is a fair, appropriate and justifiable level of remuneration which maximises retention and motivates senior leaders to achieve their strategic goals and contribute to the University's success.

2. Policy Scope

- 2.1 This Policy applies to all positions designated as 'senior managers' which includes those currently titled as such and which are confirmed as continuing at that level by virtue of the Hay job evaluation process and score:
 - 2.1.1 Principal & Vice Chancellor
 - 2.1.2 Vice-Principals
 - 2.1.3 Directors of Functions, Deans of School and Heads of Department
 - 2.1.4 Equivalent positions designated as senior managers
 - 2.1.5 Equivalent positions on personal contracts
- 2.2 By using Hay job evaluation to determine grades, the University can demonstrate there is fair and equitable pay for all staff as a recognised job evaluation scheme is used for grading all other University roles.

3. Underpinning Principles

3.1 In addition to the University's overall approach to pay and reward, there are some additional principles that underpin this Policy and are especially relevant to senior roles:

3.1.1 Our senior leaders and managers are role models for the current and future generation of University leaders. In this context, how a leadership role is performed is as important as what is delivered. The performance of our senior leaders and managers will therefore be judged and rewarded on both dimensions.

3.1.2 Achievement of our goals over the period of the business plan calls for successful outcomes in the short term that contribute, in a focused way, to longer term outcomes. Reward for senior managers will reflect both short and long term goals and achievements.

3.1.3 All senior managers shall have agreed personal objectives and targets that align with the University strategy. Performance against these targets and performance more generally will be appraised annually with at least one mid-year review of progress against plan. In addition, personal development plans shall align with University strategy and the objectives/targets to be achieved

3.1.4 It will be important to ensure optimum transparency and accountability within the bounds of public interest, commercial interest, confidentiality and data protection requirements. The governance arrangements agreed by the Board, in respect of (i) the operation of Remuneration Committee and the Board and (ii) publication of senior pay arrangements, are the fundamental components in ensuring an appropriate level of independent scrutiny and proper approval of policy, pay practice & individual pay/awards.

4. Senior Management Reward

- 4.1 It is our policy to reward our senior staff for performance in their role, through a combination of base pay and benefits that are competitive. Additionally, we will recognise performance that delivers the University's goals through a mix of short and long term performance based rewards. The reward system shall comprise:
- 4.1.1 A competitive base pay band and benefits for the role.
 - 4.1.2 Reward for University performance ('gain-share').
 - 4.1.3 Reward for performance by pay position that takes account of both the level of assessed performance and existing position within the market for that role. The performance element being initially non-consolidated.
 - 4.1.4 Reward for consistent and sustained longer term performance through consolidation of all or part of the non-consolidated element after three years.

5. Reward Policy in Practice

- 5.1 University policy is that senior roles will be positioned within a pay band, according to the size of the role using the Hay methodology.
- 5.2 The pay range (max. and min.) for each pay band will be determined by reference to the 80-110 percentile of the median for I&SS (Industry and Service Sector*) pay data excluding London. I&SS pay data is updated and then reviewed by the Director of HR annually. [*The validity of the I&SS data will be benchmarked annually against the UCEA senior staff survey data and available 'Aberdeen' data to ensure that it is appropriate for the range of roles we have or expect to have and provides sufficient headroom. In addition to the UCEA data, the Principal's remuneration will be benchmarked using the annual CUC – Committee of University Chairs – survey.

- 5.3 On the advice of the Principal, the Remuneration Committee will consider annually the appropriateness of the pay bands by reference to (i) institutional affordability (ii) inflationary indicators (iii) pay awards for staff in other pay grades (iv) movement in the I&SS base data.
- 5.4 In the event that a whole pay band is adjusted upwards in value, the pay position of all staff in that band shall be adjusted upwards by the same value.
- 5.5 *New appointments* will be to the pay band for that role, with pay positioning determined following consideration of a range of factors including:
- 5.5.1 market value for the role
 - 5.5.2 role holders 'fit' – knowledge, skills, experience and attitude etc.
 - 5.5.3 performance in a previous role, if relevant
 - 5.5.4 present salary
 - 5.5.5 relativities between the role and other roles in the same band
- 5.6 After initial pay positioning, within a pay band, progression shall be by reference to evidence of personal performance, assessed against an agreed performance/pay matrix, having regard also to the market for the role.
- 5.7 Pay increases which reflect personal performance shall be non-consolidated for three years. Provided that annual performance review, at the end of year three, confirms that the level of performance - which that level of pay reflects - has been sustained, it will then be consolidated.
- 5.8 In the event that the relevant level of performance is not sustained, the pay element that has previously reflected performance may be varied downwards, in whole or in part.

- 5.9 Exceptionally, non-consolidated performance awards may be made for one-off performance/achievement, 'above and beyond the call of duty'. This will include role holders who have reached the top of the pay band and have delivered particular impact and outcomes relevant to their strategic goals and agreed priorities.
- 5.10 Where the market for a job is such that it cannot fit into the pay range set by reference to its Hay points, a market addition may be separately applied (called 'attraction and retention premia'). Similarly, from time to time, the same arrangements may be made for retention purposes. Such premia will be reviewed and re-validated every two years which is consistent with the process for G1-G10 staff.
- 5.11 Performance reviews/outcomes shall be reported through Remuneration Committee with pay recommendations annually, in accordance with the governance arrangements agreed by the Board. Individual pay increases, endorsed by the Committee, shall be reported to the Board for approval.
- 5.12 The Principal (or any other senior manager in attendance at Remuneration Committee) will not be involved in any decisions that relate to their own remuneration.
- 5.13 The continuing appropriateness of the pay policy and practice will be reviewed annually by Remuneration Committee and the outcome shall be reported to the Board. In addition a formal and full review of senior manager pay arrangements shall be undertaken not less frequently than every five years.
- 5.14 The Director of Human Resources has responsibility for advising on arrangements to ensure, so far as is possible, consistency of application and appropriate moderation where unexplained variances arise.

6. Review

- 6.1 This policy will be reviewed every three years or as required.



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