TODAY'S SPEAKERS

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Reward Consultant
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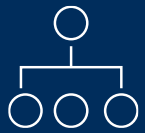**CLEMENCE DEFUSTER**
Account Manager
Korn Ferry Digital Belgium

Introduction

The synchronization of strategy and talent

| Organizational strategy | Rewards & benefits | Assessment & succession | Talent acquisition | Leadership development |

OUR PAY DATABASE IS AVAILABLE IN *150+ COUNTRIES*

GLOBAL
150+ countries
26,000 companies
25,000,000 employees

NORTH & CENTRAL AMERICA
15 countries
3100 companies
7,356,000 employees

SOUTH AMERICA
10 countries
1,900 companies
3,257,000 employees

EUROPE
45 countries
12,000 companies
9,295,000 employees

AFRICA
39 countries
1700 companies
672,000 employees

ASIA
28 countries
4,200 companies
2,884,000 employees

MIDDLE EAST
12 countries
2,200 companies
1,129,000 employees

PACIFIC
8 countries
920 companies
472,000 employees

5
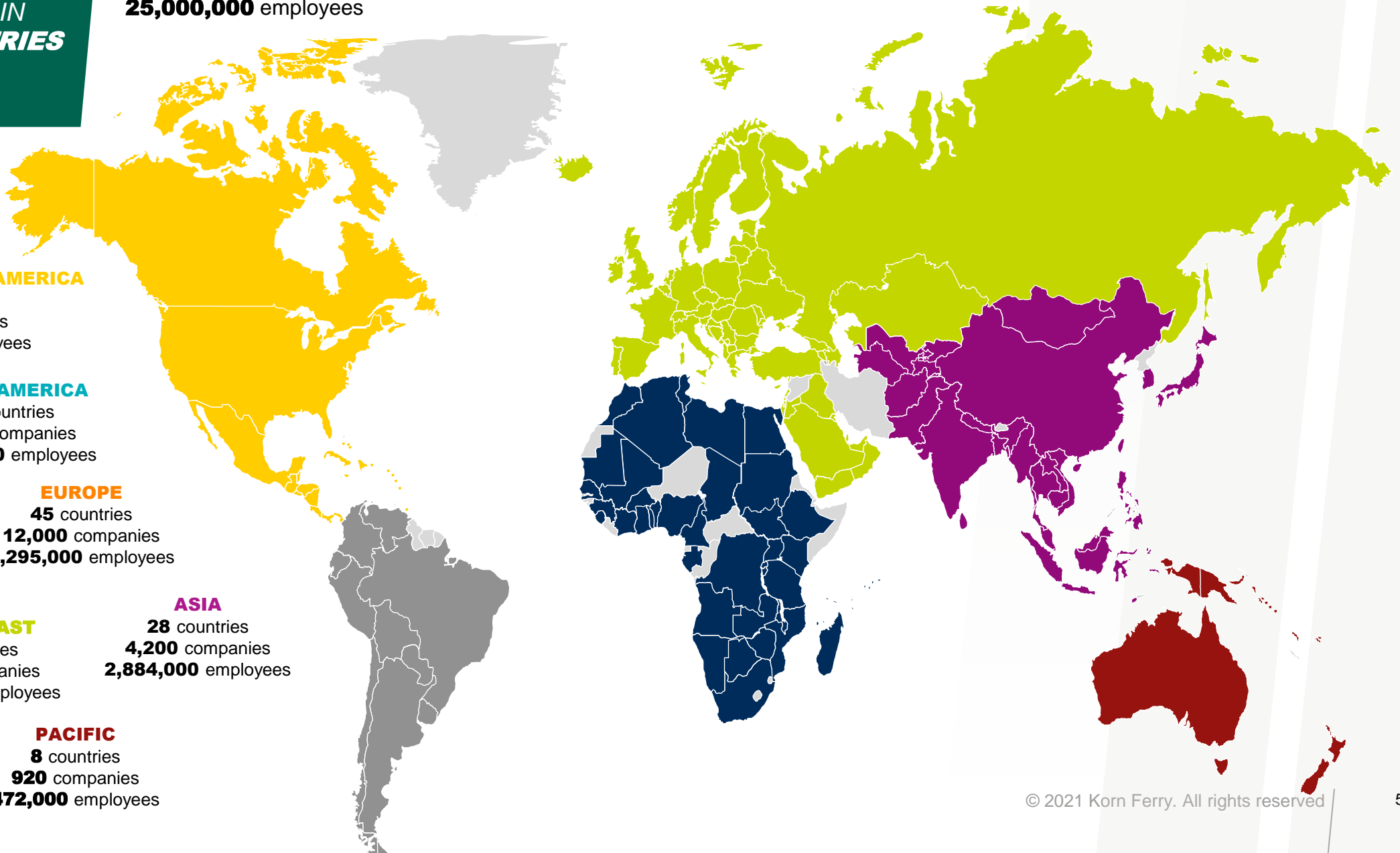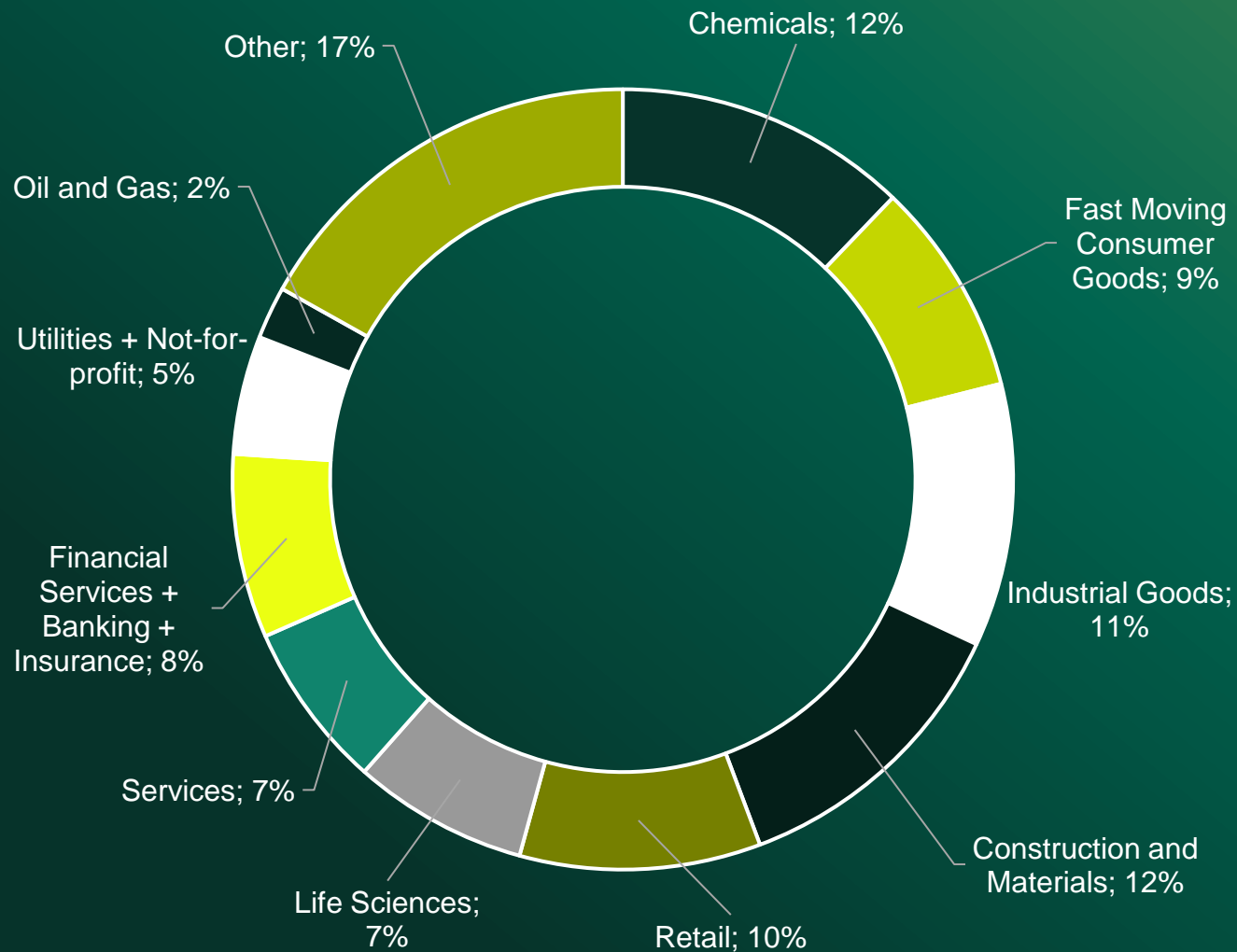
Our Belgian database consists of

around 233.000 employees
From
551 organizations

- ✓ Wide sector coverage
- ✓ All employee categories represented
- ✓ Wide variety of jobs
- ✓ Mix of small and large organizations
- ✓ All regions represented

Chemicals; 12%

Other; 17%

Oil and Gas; 2%

Fast Moving Consumer Goods; 9%

Utilities + Not-for-profit; 5%

Industrial Goods; 11%

Financial Services + Banking + Insurance; 8%

Services; 7%

Construction and Materials; 12%

Life Sciences; 7%

Retail; 10%

Context

ADEB-VBA has asked Korn Ferry to re-organize the Salary Survey with the goal to provide **insights** into the competitiveness of the remuneration practice and policies of the companies in the construction sector.

The information available in the outputs of the salary survey supports companies in:

- **Optimizing** and **objectify** the remuneration strategy

- **Attracting** employees

- **Retaining** employees

- **Motivating** employees

The survey does not only focus on sector specific functions but includes in-depth analysis of **all functions** in the participating companies such as: Calculators, Site Leaders, Project Leaders, Engineers, HR, IT, Marketing, Sales, …

Project steps

Invitation to participate

- Email invitation was sent out to organizations in the sector.
- Follow-up (call meeting, Q&A, etc)

Job Mapping Sessions

- Job Mapping sessions were organized for new participants and for participants that were in need of updating the Hay Levels.

Data Collection

- Data of each participant was collected.

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Data processing & reporting

- Elaborate quality checks and calculations of the market.
- Writing of the report.
- Output available since end October

Job Mapping

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Approach

Job Mapping Session

In order to link each function within the organization with our Korn Ferry Hay Reference Levels, we organize Job Mapping workshops of ½ day.

The approach we apply during these workshops is globally standardized and based upon a solid methodology.

Benchmarking with KF Hay levels

KF Hay levels

A KF Hay level is a logical clustering of jobs with a **similar job weight**. Jobs within the same level might be completely different in terms of job content, expertise,… but in terms of relative importance to the organization they are similar.

Similar does not mean the same. There can be a difference in terms of importance but the difference is not big enough to make a difference in KF Hay level.

Jobs within the same KF Hay level could be **treated and rewarded, in terms of Base Salary, in a similar way**. This is true for an **internal** comparison but also for a comparison with other organizations (**external**).

There can be differences in terms of reward between individuals on the same KF Hay level but when differences become too large, **frustration** might be created and the **feeling of unfairness** can start to grow amongst individuals.

The same reasoning can be used for individuals on different KF Hay levels. **Individuals on different levels also expect to be rewarded in a different way.**
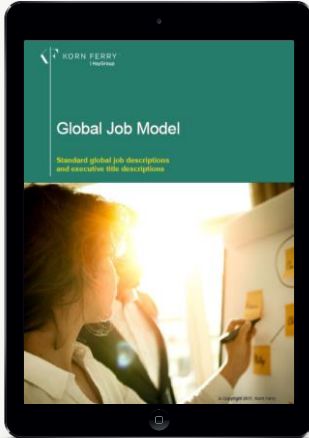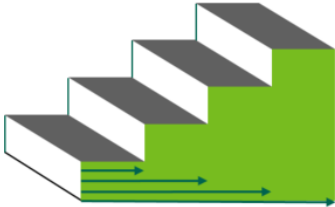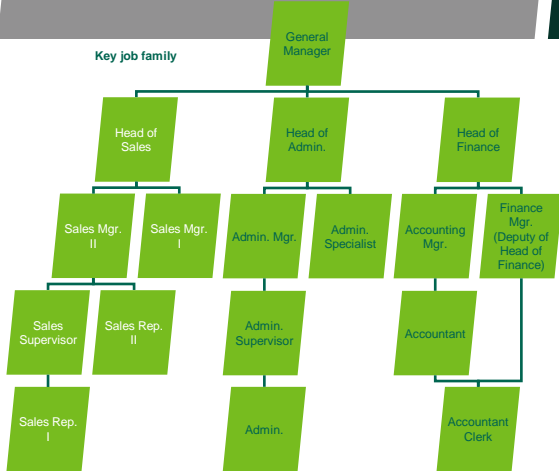
The Job Mapping process

The overall process consists of four steps:

1 Build the backbone structure from the first job – create a vertical set of jobs within your core job family.

2 Identify internal relativities between job families – start to create your map.

3 Korn Ferry assigns job size.

4 Quality assurance thanks to our job models and matrix.

ACCOUNTABILITY

PROBLEM-SOLVING

KNOW-HOW

Key job family

General Manager

Head of Sales

Head of Admin.

Head of Finance

Sales Mgr. II

Sales Mgr. I

Admin. Mgr.

Admin. Specialist

Accounting Mgr.

Finance Mgr. (Deputy of Head of Finance)

Sales Supervisor

Sales Rep. II

Admin. Supervisor

Accountant

Sales Rep. I

Admin.

Accountant Clerk

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Global Job Mapping Matrix

Explore your position in the market

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Global Job Model

Standard global job descriptions and executive title descriptions

The final outcome of Job Mapping

4 The final result – a standardized, comparable job

| Hay levels	Marketing			Commercial			Finance	Human resources
	Brand	**Market research**	**Development**	**Trade marketing**	**Sales**	**Sales development**	**Finance**	**Human resources**
19							Financial controller	
18	Regional brand manager			Senior trade marketing manager			Corporate risk manager	HR head
17			Business DVPMT manager	Trade marketing manager				
16	Brand manager 2	Consumer market manager	Product DVPMT manager					
15	Brand manager 1				Sales operations manager		Financial account manager	Recruitment & Learning manager Communication manager
14		Assistant DVPMT		Category manager		Sales development manager	Information systems manager	Personnel administration manager
13	Assistant brand manager		Assistant product DVPMT manager	Category assistant				
12								HR assistant
11								

Step Principle – The Concept

Korn Ferry Hay Group's Job Mapping approach is based on the concept of a 'just noticeable difference'.

The Job Mapping method observes the career progressions:

1 Korn Ferry Hay Step = A natural step.

2 Korn Ferry Hay Step = A real and clear step.

3 Korn Ferry Hay Step = A risky promotion.

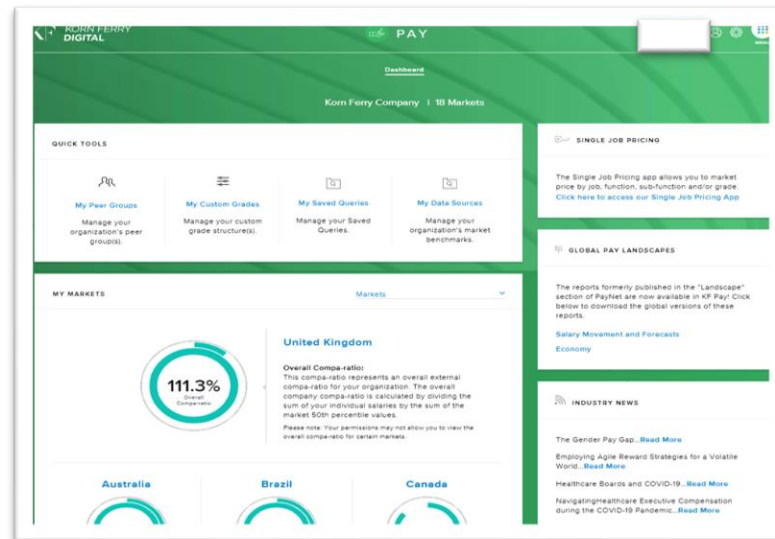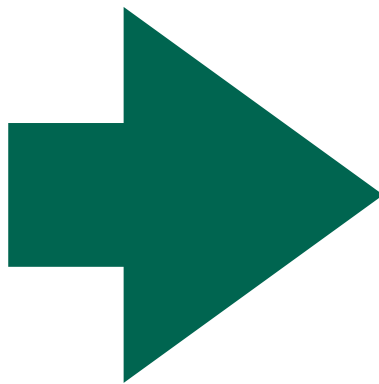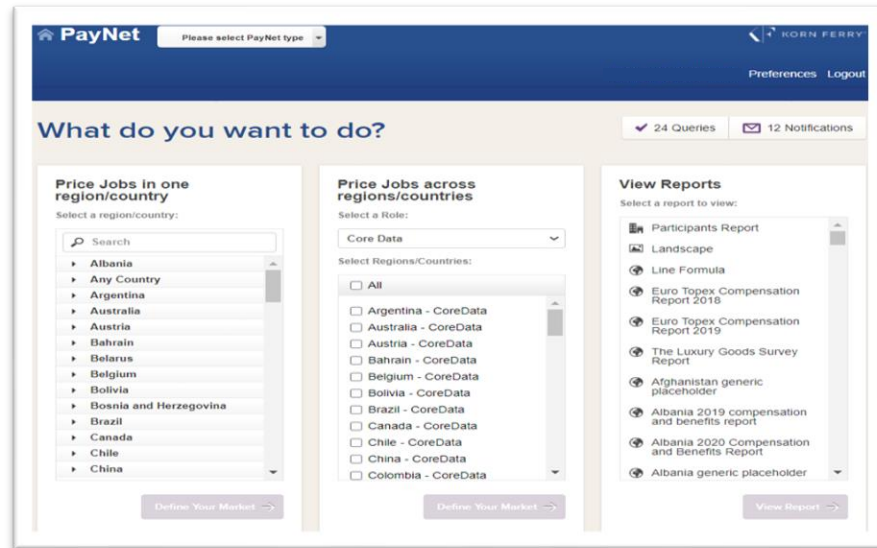**4 Korn Ferry Hay Step** = An "impossible" promotion.

Internal mobility or external recruitment is strongly recommended instead of the 4 hay step promotion.

Output

KORN FERRY
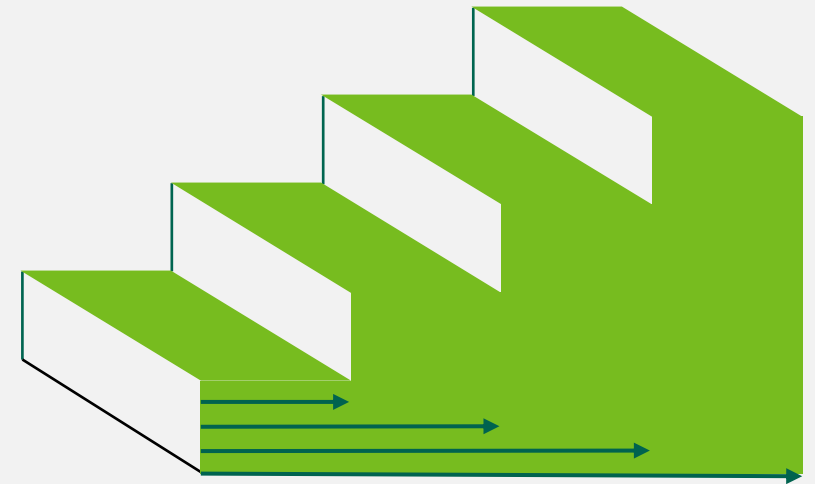
From PayNet to KF Pay!

KF Pay is not just a replacement of Paynet.

It is totally new interactive platform that enables users to optimize and build reward programs, analyze external competitiveness as well as internal equity of remuneration, drive multiple insights and model data to create predictions

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Korn Ferry Pay Basic
Our Digital Solution
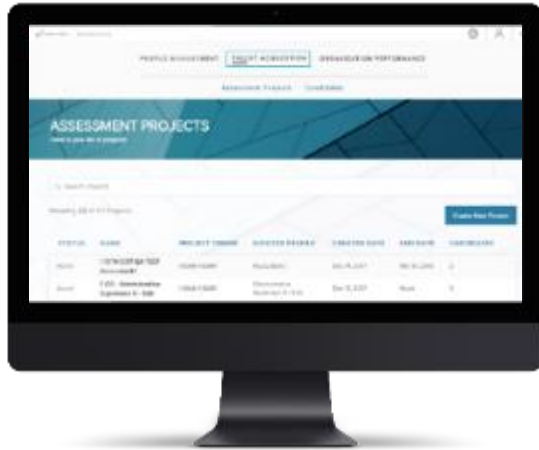
- **Reward Benchmarking** – external competitiveness by your industry
- **Reward Health Check** – focuses on key internal areas of reward
- **Custom Grades** – create, manage and see results aligned to your internal salary grades
- **My Modelling** - simulate planned reward policy and practice updates and test the impact prior to implementation
- **Korn Ferry Compensation & Benefits Report** – download compensation and benefit prevalence and practice information
- Online secured **automated Organization Data Submission**
- **Market Insights** – Key trends and market insights by country

We turn data into business relevant insights that drive positive change in how organizations effectively manage reward programs.

*Add-on charged separately

Reward Benchmarking

MARKET DATA REPORT - BY LEVEL

Compensation Element	KF Grade	Market Identifier	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile	Average	Target Market Compensation	Number of Incumbents	Number of Organizations
Base Salary	20	Level	101.599	108.250	119.545	127.936	140.261	119.804	119.545	109	23
Base Salary	19	Level	88.946	98.727	107.184	116.537	134.458	110.415	107.184	173	23
Base Salary	18	Level	69.681	80.082	91.231	107.068	120.628	93.541	91.231	346	31
Base Salary	17	Level	65.666	74.291	84.754	93.038	99.995	83.156	84.754	719	39
Base Salary	16	Level	49.574	58.729	68.502	77.268	86.233	68.360	68.502	1.080	41
Base Salary	15	Level	44.815	53.211	60.908	69.916	79.344	61.843	60.908	1.320	43
Base Salary	14	Level	40.925	46.084	51.457	60.119	66.893	53.409	51.457	1.481	40
Base Salary	13	Level	36.001	40.159	44.877	50.808	57.669	46.276	44.877	921	42
Base Salary	12	Level	34.124	39.627	44.709	51.207	57.861	45.639	44.709	582	41

Data Selection
- ● Market
- ○ Client Vs. Market

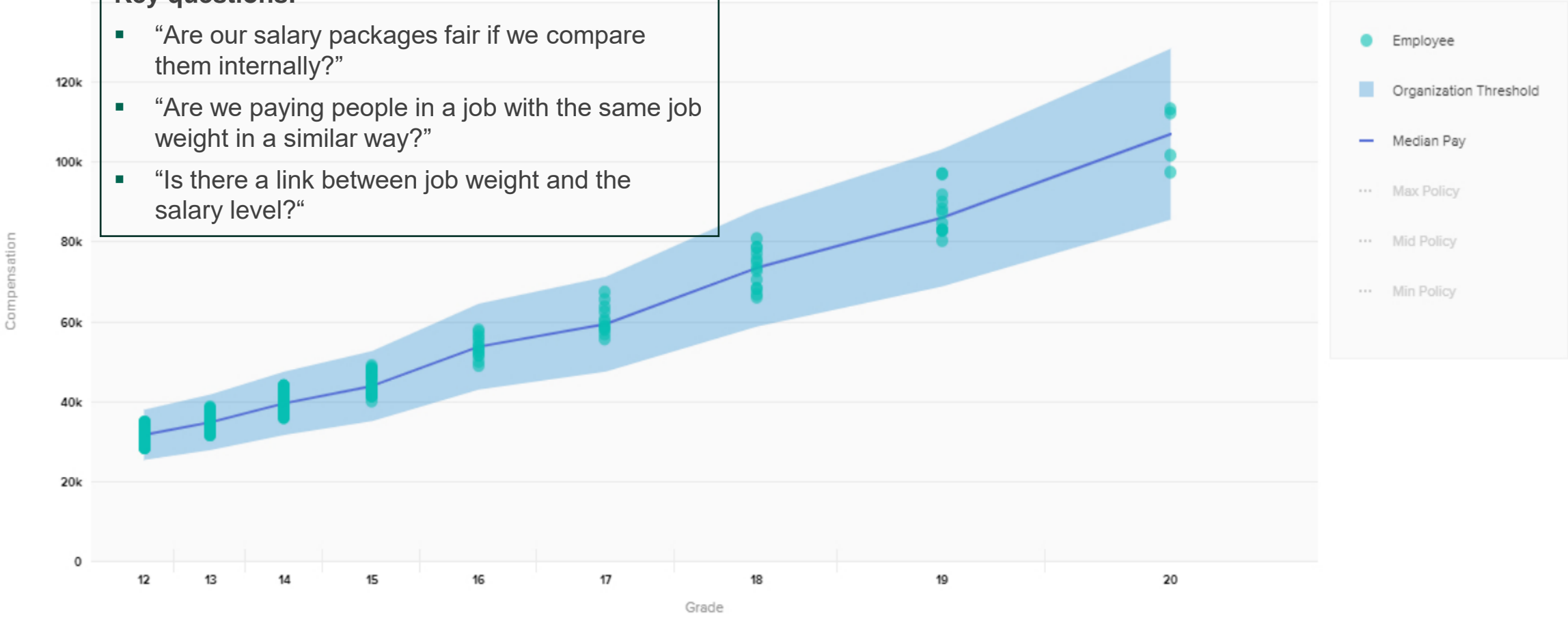| KF Job Family	KF Job Subfamily	Compensation	Your Median	Internal Compa-ratio	Benchmark	50th Percentile	50th Percentile - Compa-ratio
Executive Management	Corporate Executives / C-suite	10,429,680	10,429,680	100.00%	No Benchmark		
Executive Management	Corporate Executives / C-suite	8,400,000	8,400,000	100.00%	Level	16,577,160	50.67%
Executive Management	Corporate Executives / C-suite	8,400,000	8,400,000	100.00%	Level	16,577,160	50.67%
Finance and Accounting	Finance and Accounting - Family Responsibility	6,883,008	6,883,008	100.00%	Level and Family	12,144,000	56.68%
Human Resources	Human Resources - Family Responsibility	5,992,956	5,992,956	100.00%	Level	12,144,000	49.35%
Sales	Sales - Family Responsibility	6,170,952	6,170,952	100.00%	Level	12,144,000	50.81%
Finance and Accounting	Finance and Accounting - Family Responsibility	8,331,504	8,331,504	100.00%	Level and Family	11,414,160	72.99%
Logistics/Supply Chain	Logistics/Supply Chain - Family Responsibility	5,066,808	5,066,808	100.00%	Level	11,414,160	44.39%
Production	Production - Family Responsibility	8,516,640	8,516,640	100.00%	Level	11,414,160	74.61%
Finance and Accounting	Finance and Accounting - Family Responsibility	7,342,620	7,342,620	100.00%	Level and Family	8,221,164	89.31%
Logistics/Supply Chain	Logistics/Supply Chain - Family Responsibility	7,632,012	7,632,012	100.00%	Level	8,221,164	92.83%
Marketing	Marketing - Family Responsibility	9,554,184	9,554,184	100.00%	Level	8,221,164	116.21%
Sales	Sales - Family Responsibility	8,863,584	8,863,584	100.00%	Level	8,221,164	107.81%
Corporate Affairs	Corporate Affairs - Family Responsibility	5,146,788	5,146,788	100.00%	Level	6,282,324	81.92%
Human Resources	Human Resources - Family Responsibility	7,304,172	7,304,172	100.00%	Level	6,282,324	116.27%
Information Technology	Cyber Security	6,468,000	6,156,000	105.068%	Level	6,282,324	102.96%

Reward Health Check: Internal Equity

Key questions:

- "Are our salary packages fair if we compare them internally?"
- "Are we paying people in a job with the same job weight in a similar way?"
- "Is there a link between job weight and the salary level?"

Legend:
- Employee
- Organization Threshold
- Median Pay
- Max Policy
- Mid Policy
- Min Policy

Y-axis: Compensation (0, 20k, 40k, 60k, 80k, 100k, 120k)
X-axis: Grade (12, 13, 14, 15, 16, 17, 18, 19, 20)

Reward Health Check: External Competitiveness

Key question:

- "Are we competitive compared to the Reference Market[1]?"

Reward components most commonly used for analysis:

- **Base Salary**
- **Total Cash**
- **Total Remuneration**

Legend:
- Employee
- Competitiveness Threshold
- Market
- Max Policy
- Mid Policy
- Min Policy

Y-axis: Compensation (0, 20k, 40k, 60k, 80k, 100k, 120k)
X-axis: Grade (12, 13, 14, 15, 16, 17, 18, 19, 20)
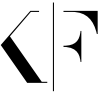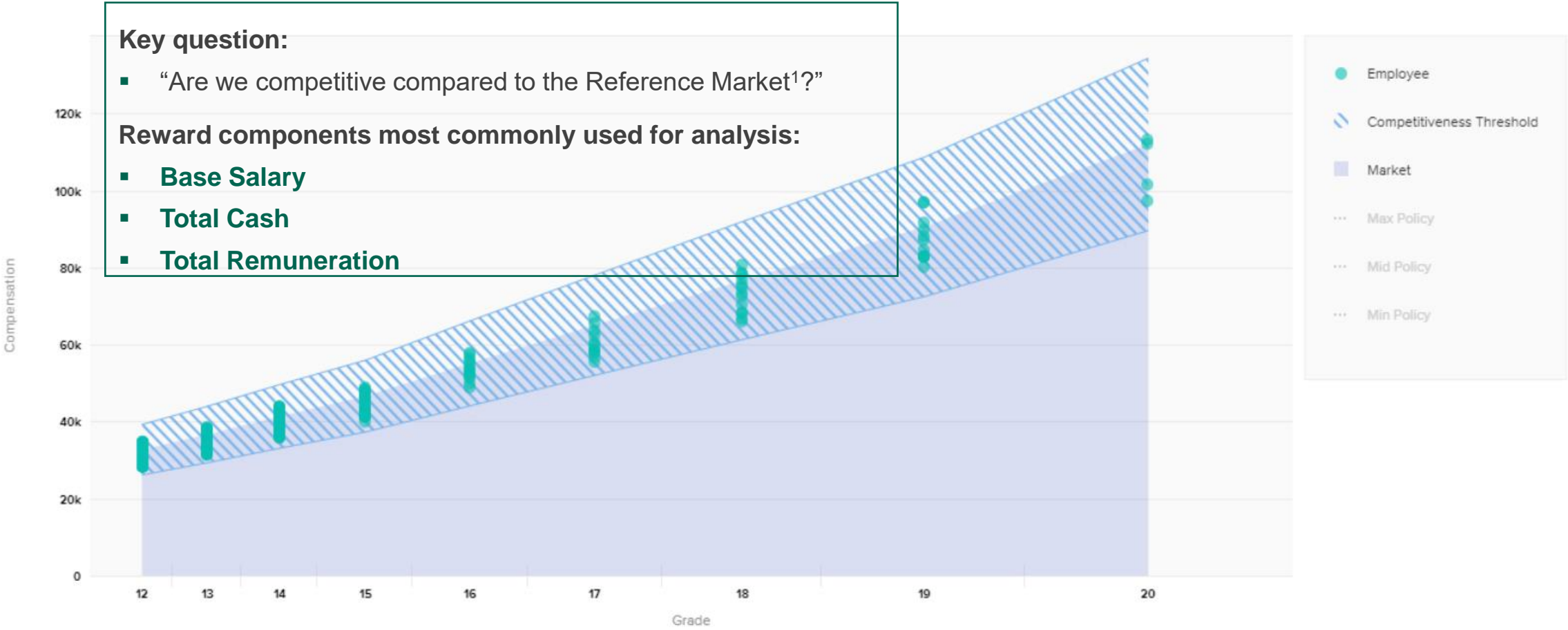
KF Pay Basic Webinars

We organize on a regular basis 1h webinars to guide you through this platform:

You can register to one of the timings below by sending your request to karen.glorieux@kornferry.com   or clemence.defuster@kornferry.com:

- **November 17th 14h**
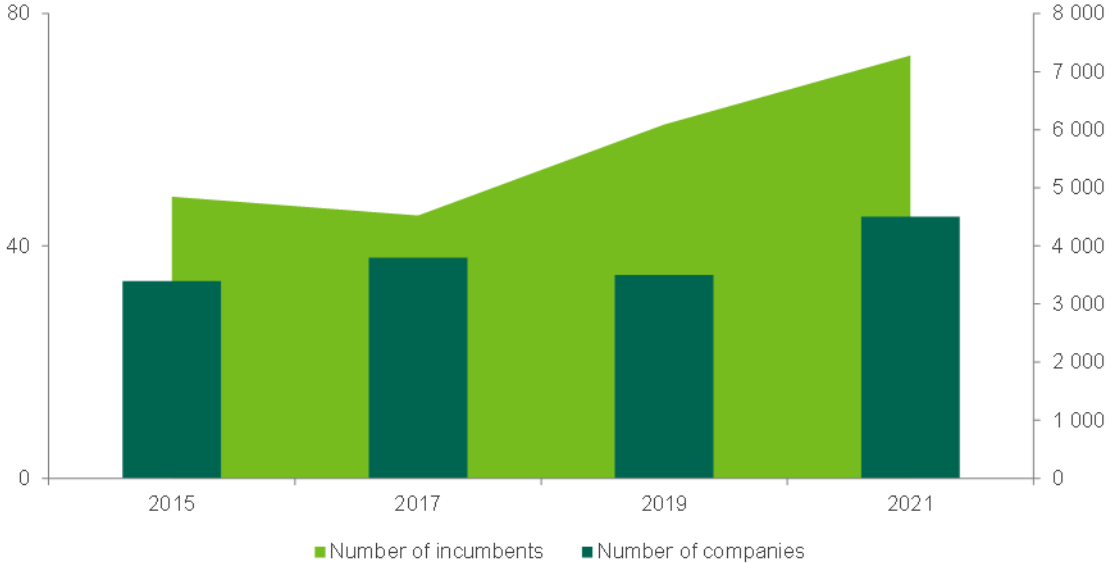- **December 13th 14h**
- **January 11th 10h**

KF PAY BASIC Platform Training

2021
Construction
Database

KORN FERRY

An ever growing database

THANK YOU!

Construction database:

Almost 7.500 employees

from

45 organizations

Chart showing "Number of incumbents" (light green area) and "Number of companies" (dark green bars) from 2015 to 2021. Left axis ranges 0–80, right axis ranges 0–8 000.

Impact on Salary Markets

2021

General Market

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Individual Salary Increases

Base Salary increases for "Same Employee – Same Job"

	Salary increase observed 2019-2020	Salary increase observed 2020-2021
Senior Management (≥ HL21)	1,9%	2,3%
Middle Management/ Seasoned Professionals (HL17 – HL20)	2,3%	2,0%
Supervisory/ Junior Professionals (HL12 – HL16)	2,5%	2,0%
Clerical/ Operational Positions (≤ HL 11)	2.2%	1.7%

Salary increase 2.2%

Salary increase 2.0%

2021
Construction Market
Base Salary

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IMPACT ON BASE PAY

Individual Salary Increases

Base salary increases for 'Same Employee – Same Job'

	Salary increase **observed** 2018-2019	Salary increase **observed** 2020-2021
Senior Management (≥ HL21)	3.2%	3,8%
Middle Management/ Seasoned Professionals (HL17 – HL20)	3.8%	1,6%
Supervisory/ Junior Professionals (HL12 – HL16)	3.7%	1,0%
Clerical/ Operational Positions (≤ HL 11)	3.7%	1,0%

Salary increase 3.6%

Salary increase 1.2%

Thank you