Interloop®

KNOWLEDGE LETTER

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TOTAL REWARDS: INTERNAL EQUITY EDITION

INSIGHTS

Internal Equity means the comparison of jobs within an organization to ensure that every individual is gets **paid fairly**. This could be in terms of the job being done as well as in comparison to the jobs of coworkers.

It helps in **creating structures** within the organization and equitable pay systems. Job evaluation gives us the quantified values for each job in relevance to other jobs. An internal process where the jobs are evaluated based on their **job descriptions** and ranked based on their worth compared to other jobs. It's a **role-based evaluation** of the job.

Articulating and evaluating the expectations from the job roles is crucial to coming down with a **grade pay** for various jobs.

KNOWLEDGE LETTER

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RESOURCES POOL TO GET YOU STARTED!

1. WHAT IS INTERNAL EQUITY AND WHY DOES IT MATTER?

When considering compensation for an employee, the focus is on **pay equality** within and across the organization. **External equity**, on the other hand, is benchmarking the job to the wider external market and paying similarly. Building your internal pay structure is based on your **business structure**. Internal equity is important as it helps in the retention of top talent. It mitigates the risk of discrimination lawsuits. It also helps in fighting any gender and race pay gap to create a fair pay structure.

2. BACK TO THE FUTURE FOR BASE PAY AND INTERNAL EQUITY?

As the demand for employers to be more transparent about how they reward their employees continues to increase, more focus is laid on internal pay equity. There has been a focus on pay audits and analytics, budgeting for extra pays at the end of the year to compensate for any pay inequity, increased governance around hiring salaries and promotions as well. It is important to know that internal equity, market competitiveness and individual performance will continue driving compensation.

LINKS FOR FURTHER READING

Link 1
Link 2
Link 3

3. INTERNAL EQUITY AS HR ROLE

An organization without internal equity loses its competitive advantage. The role of HR in reaching internal equity:

- Designing, developing and maintaining the job description policy.
- Defining the workforce management policy
- Setting the compensation policy
- Designing the performance management and goal setting process
- Designing the appeal and grievance process

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BUZZ AROUND THE MEDIA

Reminders in the HR Space for the month

AMAZON LAUNCHES 'VIRTUAL RECRUITER', AN ALEXA SKILL TO ENHANCE CANDIDATE EXPERIENCE

Virtual Recruiter, an Alexa skill that will enable interested candidates to access relevant information about Amazon. To make it easy for candidates who aspire to join Amazon, this AI-skill was launched to get information about the company's interview process, policies, and also custom guides and training resources that will prepare them better for their selection process. **Read More Here**

FORD INDIA ANNOUNCES LEADERSHIP REJIG, MD TO STEP DOWN BY MONTH-END

Anurag Mehrotra, currently President and Managing Director of Ford India, is set to leave the company by the end of the month. Weeks after declaring stoppage of vehicle production in India, the company decides for a leadership change in operations by appointing Balasundaram Radhakrishnan (Bala) as the transformation officer of the company. **Read More Here**

ZOHO TO HIRE UP TO 2,000 PEOPLE FOR RURAL OFFICES

As the software-as-a-service (SaaS) unicorn continues to grow and build its rural network, it comes with hiring 2000 people for the rural offices. 85% of the new hires will be from India. With the hybrid model of working coming into the picture for offices in urban areas, the move to strengthen the rural network takes precedence with a dedicated hiring pipeline. **Read More Here**

MEESHO'S INTRODUCES 30-WEEK GENDER-NEUTRAL PARENTAL LEAVE

In an effort to move away from gender-based differentiation to focus on parental leaves, social commerce platform Meesho introduces a new parental leave policy covering childbirth, adoption, and surrogacy offering equal benefits to men, women, heterogenous or same-sex couples, LGBTQA+ and live-in partners that are employees of the company. **Read More Here**

SNAPDEAL ANNOUNCES 6 MONTHS OF WFH FOR NEW MOMS BEYOND MATERNITY LEAVE, TWO-WEEK PATERNITY LEAVE

Snapdeal has announced that they would be offering new mothers the option to work from home for six months, in addition to six months of maternity leave. In another wellness measure for the team, Snapdeal also introduced a one-day period leave every month for all its women employees, which will be in addition to the entitled sick/ casual leaves that they are entitled to.

Read More Here

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Ideas that work !

INTERNAL EQUITY DERIVATIVES

After the creation of job descriptions, to arrive at a job grade structure for all jobs in an organization, a job evaluation is carried out.

HOW TO GO ABOUT BUILDING JOB DESCRIPTIONS?

To pinpoint the scope of the job and set clear expectations from the job holder, it's crucial to follow an approach for building job descriptions.

1

Building the right team and identifying the jobs

Assigning the capable team members their responsibilities and including all the key stakeholders. Identifying the jobs with unique roles across the organization.

2

Referencing a Job description template and choosing the right method

Pick out a base JD, to begin with, and add all the necessary factors that cover all the job roles. Use the sources or ways to curate all the information about the job role.

3

Constructing the job descriptions

After interviewing or using other methods to obtain the necessary information, curate the most relevant Job description.

4

Level based approvals and final review

Reviewing details taken from the job holders and verifying with other stakeholders concerned will give a complete image of the job description.

When should you carry out Job Evaluation?

To keep the Job Evaluations relevant

- Making sure that the latest job evaluation carried out has all the components of relevance and rigour included.
- Checking if any pay grade gap is prevalent due to inflation

New jobs and incoming business

- To accommodate the addition of new jobs or businesses to the existing grading systems

Organizational or team restructuring

- To align the existing hierarchies developed after previous job evaluations with that of the restructured organization or team.
- To review the new scope of job roles due to employees taking on additional responsibilities, downsizing and layoffs etc. causing restructuring of job classification

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VARIOUS METHODS FOR CONDUCTING JOB EVALUATION

MARKET BENCHMARKING

To create internal pay grades, the job roles are benchmarked against their worth in the market. This helps in creating the job grades for all levels.

JOB BREAKDOWN APPROACH

Using broad descriptions of the job level, individual jobs are ascertained and then broken down into different grades of jobs.

FACTOR COMPARISION

Jobs are broken down into various factors that are compensable and then each factor is ranked relative to other positions.

POINT FACTOR

Jobs are broken down into various series of factors, each being compensable. The series each have factors with different degrees. The cumulative score is taken into account.

What factors are used to evaluate jobs?

Jobs are broken down into various series of factors covering the scope of a job. Using the below template you can mark the weightage of an individual job based on different parameters and henceforth carry out the job evaluation by accumulating the points.

DATA ANALYTICS ANALYST

FACTORS	1 10%-20%	2 30%-40%	3 50%-60%	4 70%-80%	5 90%-100%
Problem Solving Ability				✓	
Technical Knowledge					✓
Functional Knowlege				✓	
Key Stakeholder's Management			✓		
Interactions Required		✓			
Accountability		✓			
Impact creation			✓		

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de facto INFOTECH

Zoho Recruit Implementation
De Facto Infotech is an IT firm that offers PMO consulting, managed services, CRM, ERP, and implementation services.

OXANE PARTNERS

Zoho Recruit and Zoho CRM Implementation
Oxane Partners is an independent solutions provider empowering alternative investors across the investment lifecycle

CloudFirst™ Digital Technology Services

Zoho Recruit Implementation
CloudFirst Technology is empowering its client base by leveraging the information technology resources.

powerhouse91

Zoho Recruit Implementation
Powerhouse91 was founded with a single mission: to help ecommerce brands achieve their true potential by creating delight in the lives of millions of customers.

Brands that started their digital transformation journey with us this month

Techment
Agility. Simplicity. Innovation

Zoho Recruit Implementation
Techment is a digital development company that enables global organizations to solve business challenges with the help of technology.

THRIVE GLOBAL

Zoho Expense Implementation
Thrive Global is an American company that provides behavior change technology.

COZENTUS

Zoho Recruit Implementation
Cozentus is a complete lifecycle IT solution provider transforming the efficiency of Logistics and Supply Chain business.

Fluke Infotech

Zoho People Implementation
Fluke Infotech is a federate between business needs and the world of IT solutions.

STAY HERE
for social distancing.

TALK TO US

REACH OUT TO US:

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We'll be glad to assist you with any queries!

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