

Global Reward Policy

Policy

We have [global guiding principles](#) which define the approach we take when dealing with pay and reward. These principles determine reward policies, processes and practices across our global network.

While the reward principles apply to all of us there will be some variations in the pay policies, systems and processes covering colleagues. Where there are differences this will be because of one or more of the following factors: local employment legislation, the type of work you are employed to do and the specific skills and expertise you bring to the job.

Where existing pay policies do not align with the global pay principles we will review whether changes might be necessary. Where this is the case we are committed to consulting with affected colleagues on proposals before any changes to an existing pay system are introduced.

Reviewing Pay and Benefits

Reviews of pay and benefits will be managed through a regional pay review process underpinned by our global reward principles. The date of a pay award will differ across the globe and you should refer to your terms and conditions of service for the pay review date which applies to you.

The Regional Director agrees pay increases for country appointed staff and those working in the teaching centres across their region. For UK appointed members of staff, including those on overseas postings, pay increases are agreed by the Executive Board.

Our aim is for the employment offer to be sufficiently attractive so that we can successfully recruit, retain and engage colleagues to deliver our objectives. We therefore review our offer on an annual basis.

We use the following indicators to assist us in determining increases to salaries and levels of performance bonuses:

1. The funding available for that year and issues of sustainability over the longer term.
2. How well the business has performed against plan
3. Difficulties in attracting and then retaining people with the right skills and expertise.
4. How our salaries compare the general market.

To find out about the pay system which applies to you please refer to your terms and conditions of service.

Market Position

To remain an attractive employer and maintain an appropriate level of competitiveness, we compare our pay and benefits with those being offered by other employers. Our stance is that we should neither lead nor lag behind the market, and so we aim to align our package to the median of the market.

It may be necessary for us to benchmark our salaries differently for some jobs. A decision to do this will be supported through a combination of up to date and objective market data and recruitment and retention data. Where the British Council pays less than the market median then the action needed to reduce the gap will be considered as part of the annual pay review process, taking account of affordability and recruitment and retention issues.

We access market data from a range of sources. These are:

- Management Consultant Databases typically those managed by Hay Group (Paynet) Mercer,

Towers Watson or Birches

- Commissioning a bespoke pay survey using a management consultancy firm
- An internally managed survey of a group of in-country employers viewed as suitable comparators for benchmarking

Performance Related Pay

Our approach is to ensure that there is a clear link between the performance of the business, individual contribution and reward. There are a number of pay systems in operation but our most common approach is for staff to progress through an open pay range according to their personal performance, determined by their performance rating. You should refer to your terms and conditions for the details of the pay system which applies to you.

Bonuses are an important part of our reward philosophy. We use bonuses to:

- Acknowledge and reward your achievements
- Differentiate reward in favour of those who have performed particularly well over the year and have been awarded one of the top two performance ratings
- Help you focus on key business priorities, and
- Incentivise you to meet specific targets and objectives

Additionally we use non-consolidated payments, (increases which are not added to salary), to reward you if you have reached the maximum of the pay scale and are no longer eligible for a consolidated salary increase.

Consultation and Communication

We are committed to ensuring that you have access to information about your employment package. This will include how your pay is reviewed and the mechanism used for increasing your pay, how bonus payments are calculated, and the full range of benefits and provisions you are eligible for.

If we propose to make changes to the pay policy and system or to the benefits and provisions which apply to you we will consult you, through staff associations and recognised unions, about these changes.

Global Reward Principles

Purpose

The guiding principles define the strategy the British Council takes to pay and reward. They provide the basis on which reward policies and practices are developed across our global network.

Reward Protocols

How our pay and reward policies and practices are developed and managed is important. We believe that pay and reward policies should be influenced by core values about consistency, fairness and transparency.

Consistency

- Decisions on pay and reward will not be made arbitrarily and deviate away from what is regarded as fair and equitable
- The criteria for decisions on pay will be applied consistently

Fairness

- The views of colleagues on the development of pay and reward policies will be sought through agreed consultation processes
- An equal pay agenda is promoted so that unjustified gender pay gaps are actively addressed

Transparency

- Colleagues should understand how pay and reward operates and the implications for them personally

Reward Principles

The intention is that these principles and standards will apply to all British Council staff, whilst recognising that pay policies and processes may vary across groups of staff due to differences in local employment legislation, business requirements, the work engaged in and the skills required.

Principle 1

Reward strategy supports organisational strategy

- An organisational direction on pay will reflect internal and external contexts, challenges and priorities
- Increases to reward costs must take account of short term affordability and longer-term sustainability
- Reward is flexible and can be adapted to changes in business performance
- Reward is benchmarked to ensure that we are sufficiently competitive to recruit, retain and engage staff
- Employment packages are tailored to reflect the differences in business drivers, the type of work carried out, the skills required and location where the work is based, against underlying reward principles

Principle 2

Performance is rewarded

- Our aim is to provide a clear link between the performance of the business, an individual's personal contribution and reward
- Performance, contribution and skills acquisition will determine increases to salary
- Bonus schemes are designed to support colleagues to focus on business priorities and to reward them for specific achievements in a given period of time usually one year

Principle 3

Total Reward

- Pay is not the only motivator and we recognise that less tangible elements of the work experience are important - these include organisational culture and working environment, work-life balance and flexible working, a commitment to equal opportunity and diversity and learning and development opportunities
- All aspects of the work experience, both tangible less tangible, will be actively managed
- Where it is practicable British Council will make voluntary benefits (benefits which staff can opt in for or pay for personally on a cost effective basis) available to colleagues
- Formal and informal recognition schemes are encouraged to enhance engagement
- Colleagues will understand each aspect of their employment offer through accessible and clearly written terms and conditions of service documents (TACOS)

Principle 4

Facing the Market

- We use a consistent methodology for comparing British Council grades and roles to the external market
- Market data will be used to inform decisions on pay but not as the sole criterion and will be used in conjunction with data on skills availability, affordability and organisational and individual performance
- Pay for staff fully competent in their jobs will be set within the region of the median of agreed market benchmarks, unless there is a business imperative to align with a different market position
- Specific benchmarked comparators will be used to objectively set offers for specialist roles and to align roles to the sectors we work within e.g. Arts, English Language, when this is necessary
- All aspects of the employee package should be considered when making comparisons with the external market