

Remuneration Review 2024 – Leader Guide

Endeavour Foundation is committed to ensuring our people's performance and contribution to the organisation is recognised in a range of ways, including the annual review of remuneration.

Endeavour Foundation's Annual Remuneration Review Process takes place in September- October each year. The review process includes employees engaged through an Individual Employment Contracts (IEC).

The process is administered using the eCompensation module in PeopleSoft. Leaders are to carefully review the provided recommendations within the "Allocate Compensation" tile of the system.

Employees covered by Agreement or on Award rates had their remuneration reviewed in July, in line with Fair Work requirements. However, there are some cohorts of employees on an Above Award pay rate, that will be reviewed at this time - this will be done outside of PeopleSoft.

This information is relevant to all Leaders with accountability for employees engaged through an Individual Employment Contracts (IEC) and contains the following key information:

1. Cycle Overview
2. Leader responsibilities
4. Key Dates and Actions required
5. Cycle Guidelines and Eligibility criteria
6. Performance and Market competitiveness
7. Resources and FAQs

Overview Cycle - 2024

An **overall company** budget has been approved for this cycle.

This budget is to be allocated across eligible employees and recommended **increases will vary** based on a combination of market data and individual performance as well as divisional budgets. Please do not communicate the budget figure as increases will vary for everyone who is eligible.

All eligible IEC employees will be allocated a % increase based on their eligibility, and category according to a Performance and Market Matrix (see below guidelines).

Leaders can make recommendations aligned to Guidelines and overall budget. Executive leaders are responsible for balancing the budget at a divisional level.

Following CEO approval, remuneration will be adjusted **effective the pay period commencing 12 October 2024** and will be processed in the pay run on 31 October 2024.

Leaders will have the support of their P&W Business Partner and Remuneration & Benefits Lead to verify and amend recommendations as needed.

All recommendations are based on employee data as at the start of the cycle; and the structure reflects current state structure as the review is based on FY23/24.

Leader responsibilities

All Leaders

- **Review and validate** (or recommend changes per Cycle Guidelines) for your direct reports into the Allocate Compensation tile in Manager Self-Service (MSS) within PeopleSoft.
- Leaders proposing recommendations outside of guidelines must consult with their divisional ELT member and provide **justification in the Notes section** within PeopleSoft.
- **Submit** recommendations on time to ensure your employees are included in the cycle, and so your leader can review and submit approvals for their entire team.
- Following approvals and advice from P&W; communicate remuneration review outcomes to your direct reports in 1:1 meetings. This includes advice to employees not receiving an increase, you will need to explain why. Refer to Cycle Guidelines, Eligibility Criteria and Key Messages.

Leaders of leaders/Senior Leaders:

- In addition to the above, at commencement of the cycle, ensure you set clear expectations with your Leadership teams to submit their recommendations on time and allow you to review their recommendations. It's suggested they complete and submit for their direct reports in the first week 19 – 25 September to provide Senior Leaders time to review.

Key Dates and Actions



Note: In the period of 19 Sept to 2 Oct, it's important to understand the various leadership layers your division has to ensure you meet the timeline. Leaders of leaders should review timeframes and work backwards to ensure adherence to deadlines.

Cycle Guidelines & Eligibility Criteria

Employees captured in cycle

Employees engaged through an Individual Employment Contract (IEC) or on an Above Award pay rate. Employees covered by Agreement or on Award rates have their remuneration reviewed in July, in line with Fair Work requirements.

Ineligible employees

1. New hires or employees who received recent salary increase

- Employees who commenced at Endeavour Foundation Group within the last six months, that is, **on or after 12 April 2024**
- Employees who received a remuneration increase or were promoted into a new position, which resulted in a remuneration increase in the last 6 months, that is, **on or after 12 April 2024**

2. Temporary or fixed term employees

- Employees on a fixed-term contract that have been engaged for less than 12 months

3. Employees under performance management or disciplinary action

- Aligned to performance matrix, underperforming employees, or employees not demonstrating the values will not be entitled to receive increase.

Leaders wishing to make recommendations outside of guidelines, will need to discuss with their divisional Executive Leader early in the cycle and consult with P&W before submitting recommendation for approval.

Employees on Secondments

Employees currently on secondment must have both their substantive and secondment role reviewed. The specific circumstances of an individual's secondment, including length, must be considered when recommending increases. Substantive role increases will be captured separately (outside of PeopleSoft). Your P&W Business Partner will consult with you regarding these employees.

Casual Employees

Casual employees can have their hourly rate reviewed through this process, aligned to cycle guidelines. Eligible employees will show up in the Allocate Compensate tile.

Employees on long term leave

IEC or Above Award who are on long term leave (e.g. Parental Leave) are still to be reviewed and have remuneration adjusted aligned to cycle guidelines. In addition to providing a positive people experience to support retention, it is important to consider specific circumstances of leave, be aware of an unconscious bias and potential discrimination risks. No employee should be disadvantaged or treated differently on the basis of long-term leave. Consult with your P&W Business Partner for support in reviewing this group.

Performance and Market competitiveness

Market Position

Employees current remuneration has been reviewed against external market data based on role requirements and assigned category ranging from Below to Above market. Endeavour Foundation considers Services and Not-for Profit Sectors as the basis for market comparison. All employees will show in the system where they sit in terms of their compa-ratio.

Performance

In addition to market competitiveness, the performance rating you included in CultureAmp has also been assigned to each employee to inform their remuneration recommendation.

Performance and Market Matrix

The eCompensation cycle has been pre-populated with a % increase based on an employee's performance rating and their compa ratio and market positioning for them within that role. Whilst Leaders can deviate from specific figures and enter different recommendations they must provide detailed rationale in the Notes section of the system. Now that we have the ratings available in the system and the market data positioning, the guide will deliver the fairest outcome for your employees, based on the criteria.

The matrix which is applied, is used as a guide as the divisional ELT need to consider market position of the employees within the division and the budget availability.

- Eligible employees considered under market, are recommended to receive higher increases
- Employees considered above market, may receive a one-off payment or lower % increase
- Employees considered to be building performance - may receive a lower % increase
- Employees considered to be under performing are not eligible to receive an increase

One-off Payments

A small cohort of employees considered 'Significantly Above Market' will have a 0% recommendation prepopulated (noting that any employee considered ineligible will also have 0% against their record). If you wish to provide a Performance Based increase to this cohort, it is recommended that a *One -off- Payment* be provided to avoid inflating their base salary, pushing them further above market. You will still be able to enter this recommendation into the eCompensation cycle as a recommendation. However, you must specify in the Notes section that it is to be paid as one-off payment, see below:

Subject – One off Payment

Notes – Employee's name has a compa-ratio above the 120th and I am recommending this percentage amount to be paid as a one-off payment based on.....

Please consult with your P&W Business Partner for any proposed one-off-payments.

Resources and Support

- Resources available on Intranet:
- eCompensation User Guide
- 2024 Annual Remuneration Review Guidelines – Leaders
- Attendance at a Remuneration briefing session 12 and 19 September
- Raise a ticket through [support hub](#)
- Your People & Wellbeing Business Partner
- Remuneration & Benefits Lead

FAQS

How do I access the eCompensation module?

If you have eligible employees, the Allocate Compensation tile will automatically appear on your Manager Self Service Home Page in PeopleSoft, once the cycle has opened. There is an eCompensation User guide available.

When will I be able to review remuneration for my direct reports?

The cycle will open on Thursday 19 September 2024, and you will receive an email notifying you when it is available. At this point the first line of leaders can review and submit their direct reports and should do this at their earliest convenience. The data and position structure is as at 16 September.

All other leaders can review and save the increase but cannot submit until their direct reports (who are frontline/middle leaders) have submitted their employee recommendations. The eCompensation User Guide provides more information.

When do leaders need to have submitted their reviews?

Leaders need to have their recommended increases submitted **by COB 2 October** to allow time for ELT approval. Leaders should have their submissions input before this time, as your leader cannot approve their direct reports until you have completed and submitted your teams. All increases need to be approved by the divisional Executive Leader by COB 4 October 2024 in time for CEO approval.

How will my team be communicated to about their remuneration review?

Following CEO approval, Leaders can meet with each of their team members individually about the outcome of the review in the week commencing 18 October 2024 (following confirmation from P&W). Notifications will be automatically emailed to employees from PeopleSoft, from 29 October 2024.

New starters or ineligible employees must also be advised that the cycle is being conducted but they are not eligible this year and will not receive an increase. You can have these conversations anytime once the cycle has opened and they must be completed before 25 October 2024.

Is this process different to last year?

The process is the same as last year, with updated market data to support the recommended increase based on the employee's performance rating, their compa ratio and market positioning.

How has my performance been assessed?

Performance has been assessed and determined by the Leader during the performance review process in CultureAmp. See below the performance rating descriptions.

Improvement needed	Building performance	Strong performance	Leading performance	Sets a new standard
Goals and objectives have not been met in the agreed timeframe. Role responsibilities and/or agreed outcomes have not been delivered.	Objectives are still in progress / some objectives achieved. Building proficiency in role.	Achieved majority of agreed objectives and met deadlines (unless objectives deferred or delayed for business reasons). Met expectations of role.	Accomplished all agreed objectives within agreed timeframes and made additional contributions. Delivered more than expected in some areas.	Work delivered is of an exceptional standard; delivered more than expected and/or faster than expected in most areas. Identified improvements and proactively implemented them.

Can I request more information relating to how my team's market position assessed?

Yes and this is determined using a market leading job evaluation tool, known as the Hay Methodology, which assesses external market data and the details from our Success Profiles to support this process. Reach out to your P&W Business Partner if you want to discuss this further.

Can I make a change once my review has been saved and submitted?

Proposed remuneration increases cannot be edited or changed once you have submitted the increase in system, however, your leader will be able to edit an increase before they submit it. For any changes, please contact your leader.

How do I prepare for a difficult conversation? I'm concerned one of my direct reports won't be happy with outcome of review?

Please reach out to your Leader or P&W Business Partner and read our Leader Guide on Courageous Conversations. You can also review our Key Messages to ensure you are clear on information and reasons you are providing your employee.

When will the increased be effective?

The increases will be effective pay period commencing 12 October to 23 October 2024 and paid on 31 October 2024.

Can I amend the pre-populated percentage which has been allocated?

You can adjust the pre-populated increase in the system, with detailed justification. However, you will need to provide Notes in the system on why you have adjusted the recommended change, so it can be taken into consideration during the approval process. Note that the pre-populated amount is the fairest way to provide an increase, based on the persons market positioning and performance. All recommendations must remain within budget and require ELT approval.

One of my employees is considered significantly below market; can I give them a higher % increase this year?

This will be taken into account through the pre-populated increase. You are encouraged to maximise your available budget aligned to guidelines to address any significant market concerns or retention issues. Recommendations must remain within budget overall. However, a maximum of a 10% increase for an individual this cycle is recommended with leaders to consider additional uplifts in future cycles.

When is the compa-ratio captured?

The compa-ratio is at a point in time which is prior to the increase or adjustment being made.

How do I talk about the compa-ratio to my team?

Because the compa-ratio is an internal tool we use to compare against the market range, please don't share the specific number but rather talk in terms as it relates to the midpoint of the range = 1.

You are "sitting at mid point of the market" sitting "slightly below" or "slightly above" market.

What if I want a direct report recognised for the work they have done, but they are ineligible under the review guidelines?

If you have a direct report you would like to be considered for an increase, consult with your Leader and P&W Business Partner. Executive Leaders can approve a recommendation outside of guidelines but are still required to receive CEO approval and remain within the budget allocated for the division. Detailed justification Notes and approvals will also be required.

Will ineligible employees be on my direct report list?

Employees who are not on individual employment contracts (IEC) or paid above award rates (eg Award or Agreement employees) will not appear in your list. However, employees who are on IEC but are ineligible due to time in current role or being on a fixed-term contract will appear in your team list but will automatically be given a 0% increase.

If I have questions, who do I ask?

Please reach out to your Leader in the first instance and review the resources available. If you still need support you can reach out for support with the system by lodging a request in the #TeamPossible Support Hub [here](#) or contact your P&W Business Partner or Remuneration & Benefits Lead.