



## REMUNERATION POLICY

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## REMUNERATION POLICY

### 1 Preamble

Against the background of the dream to be an internationally recognised university in Africa, distinguished for engaged scholarship, social responsiveness and an ethic of care, the council of the North-West University (NWU) has adopted this policy on 20 June 2019 to inform and direct all decisions relating to the reward and recognition practices of the university applicable to permanently appointed employees.

### 2 Interpretation and application

This policy must be interpreted and applied in a manner consistent with all relevant legislation and policies of the university.

### 3 Policy Statement

Keeping in mind that remuneration is but one facet of employee motivation and engagement, it is the policy of the NWU to endeavour to create an environment and a framework within which the university can remain competitive by positioning itself as employer of choice which successfully attracts and retains talented persons permanently employed by the university by conforming to the remuneration directives set out below.

#### 3.1. Primary objective

The primary objectives of the remuneration philosophy of the NWU are to –

- attract, motivate, engage and redeploy high performing talent to enable the university to achieve its strategic goals;
- create an environment that motivates and reinforces superior performance;
- utilise an integrated performance management approach in acknowledging excellent organizational, team, and individual performance;
- create a convincing and inclusive employee value proposition (the balance between the remuneration and benefits in return for the employee's performance at the university) which takes the NWU culture into consideration for the attraction and retention of high calibre talent; and
- ensure that all remuneration costs are effectively managed within the framework of the financial success model contemplated in the NWU Strategy 2015-2025.

#### 3.2. Internal Equity and Parity

3.2.1 Remuneration must strive for internal equity which is free from unfair discrimination based on race, gender, marital status, ethnic status, social status, sexual orientation, age, disability, religion, culture, language or associations not core to the university and any other arbitrary ground.

3.2.2 All posts in the university must be evaluated by means of the Peromnes grading system to determine their relative value and contribution in terms of complexity and required outcomes; and must be managed within the framework of the financial success model referred to in 3.1.

3.2.3 Annual adjustments of individual employees' remuneration may be differentiated in order to achieve consistency in remuneration.

- 3.2.4 An annual cost of living increase will be implemented as agreed to in the negotiating forum and as approved by Management.

### **3.3. External Market Competitiveness**

- 3.3.1 The university must pursue external equity within the constraints of affordability and sustainability and in line with the NWU Strategy 2015-2025.
- 3.3.2 Annual surveys via reputable survey houses must be undertaken by People and Culture to ensure competitiveness of remuneration.

### **3.4. Pay Differentiation**

- 3.4.1 Where scarce competencies need to be attracted, motivated and retained, individual employees may be remunerated in line with the relevant specialist markets preferably by means of non-pensionable allowances.
- 3.4.2 The non-pensionable allowances referred to in 3.4.1 are only applicable to employees who have reached the maximum of their relevant pay ranges and whose scarce competencies have been identified through demonstrable research.
- 3.4.3 The non-pensionable allowances referred to in 3.4.1. must be reviewed annually to determine whether there is a continued need for differentiation.
- 3.4.4 Additional non-pensionable allowances may be paid where the geography of the NWU campuses creates difficulties to attract and retain staff.
- 3.4.5 Considerations of market competitiveness must be based on the total cost to company (guaranteed salary package), taking into account that –
- all employees are entitled to the same range of employee benefits appropriate to their role levels;
  - individuals must have some choice in the benefits mix, and
  - remuneration scales must be reviewed annually.

### **3.5. Recognition and Development**

The university must encourage employees to enhance their skills and competencies in line with the university's needs, operational and strategic objectives and the employee's job profile to ensure that employees develop in line with the NWU success model referred to in 3.1:

- Academics with an open mind-set (nationally and internationally), critical in thinking, respectful of the right to freedom of expression, commitment to and respect for the full scope of diversity, scholarship, commitment to students, active citizenry, good work-ethic, increasing PhD qualification, high-performance individuals (wholeness, results-centred, appropriate conduct, enthusiastic, team-oriented, relationship competent, personal leader, self-developing, effective follower, creative, change mind-set), academic staff productivity (teaching and learning, and research) in top 25% of global benchmark;
- Support staff: critical in thinking, freedom of expression, commitment to and respect for full scope of diversity, commitment to students, active citizenry, high-performance individuals (wholeness, results-centred, appropriate conduct, enthusiastic, team-oriented, relationship competent, personal leader, self-developing, effective follower, creative, change mind-set).

### **3.6. Pay for Performance**

- 3.6.1 Performance that supports the advancement of the university's strategy, goals and objectives contained in its Strategy and Annual Performance Plan must be recognised and acknowledged.
- 3.6.2 Remuneration for performance must be aligned with the university's performance management system, the ultimate goal being to create a high performance culture where superior performance is rewarded.
- 3.6.3 Objectives of the remuneration policy must be to –
- remunerate top performers on the market median;
  - remunerate poor performers below the market median; and

- pay annual performance bonuses in line with performance management principles to promote high performance.

### **3.7. Organisation Culture and living the values**

The NWU's foundational values must be furthered by ensuring that an additional "living the values" metric is included in all remuneration decisions to support and reinforce a culture of belonging and to promote the values of –

- academic integrity
- academic freedom and freedom of scientific research
- responsibility, accountability, fairness and transparency, and
- embracing diversity

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