

## Client Stories

### A remuneration policy for a new business model

#### Situation

In 2002, a public utilities company, anticipating that Swiss voters would accept a new law liberalizing the electricity market, decided to change its business model. Company management developed new values focusing on employee entrepreneurship and organizational performance. To accompany the new business model, the Human Resources (HR) function had to redefine its programs and services.

#### Solution

The CRH consultant, working for a professional services firm, received the mandate to transform the company's HR function. With the management team, he prepared the scope for the complete redesign of all HR programs and services and then managed the "HR Transformation" project.

To focus on organizational performance, the company's job structure had to be streamlined. 160 standard positions were established, covering 600 employees. The consultant designed a job ranking system to classify standard positions. They were classified with the works council.

Existing remuneration practices were antagonistic with the company's new values. The consultant developed a new remuneration policy. It consisted of base salary and a bonus scheme. Bonus targets were aligned with the job ranking system to reward employee entrepreneurship. To make the new remuneration policy more attractive, bonus payouts became pensionable.

A comprehensive educational program was deployed to communicate the job ranking system and new remuneration policy to all employees.

#### Result

In 8 months, the company had transformed its Human Resources function. The main benefits were:

1. HR programs and services aligned with the company's new business model
2. A new job structure with clear criteria to classify standard positions
3. A competitive remuneration policy rewarding entrepreneurship