payscale

How Sage developed a simplified compensation system and bonus plan, and employees felt happier

sage

Company
Sage Software

Industry
Computer Software

Size
15,000+ employees

Location
Newcastle upon Tyne, England

The challenge

Sage Software is a global market leader for technology that helps small and medium business perform at their best. Sage is trusted by millions of customers worldwide to deliver the best cloud technology and support to manage finances, operations, and people.

In 2019, Sage's reward team was stuck dealing with a complex matrix structure and backward-looking approach to handling their reward programs. From generic pay ranges and inconsistent grading, to a lack of transparency for managers and colleagues about reward calculations, Sage was ready for a transformation.

The solution

In 2020, Sage teamed up with PayScale (formerly CURO) to ensure they put their people first and make it easier for managers and executives to take control of fair pay and bonus decisions based on performance. In doing so, leadership developed a simplified compensation system and bonus plan, and employees felt happier and motivated by understanding how their work progress was reviewed and tracked.

Top five Compensation Planning features used

Configurable incentive compensation calculator
To calculate proration, absence management and bonus slices.

Custom alerts and guidelines
To empower and guide managers in line with corporate governance.

Flexible budget management and constraints
To manage multiple pay, incentives and promotion scenarios easily.

Automated workflows
To simplify submission and approval processes for increased efficiency.

Compensation statement and letter generator
To quickly communicate pay to those who contribute the most to business.

The results

By using Compensation Planning software, Sage was able to:

- Complete 11K+ employee reviews by 1,600 managers in 3 weeks
- Capture pay, bonus, and LTIP recommendations for all employees
- Calculate bonuses using "slices"
- Redistribute £1.5M in bonuses more effectively and fairly
- Realize and reallocate £366K in absence adjustments
- Achieve £1.5M in cost savings

About Payscale

As the industry leader in compensation data and technology, Payscale helps organizations #getpayright. Payscale is the only technology solution for managing compensation that provides multiple streams of fresh, transparently curated and validated salary data. Combined with modeling engines that learn continuously and generate recommendations and insight, Payscale empowers HR to price jobs and adjust compensation to reflect near real-time changes in the market — all on one trusted data platform. With Payscale's Adaptive Compensation Advantage, teams operate with efficiency, focused on outcomes rather than manual data management.

To learn how companies like The Washington Post, Perry Ellis International, United Healthcare and The New York Times rely on Payscale to attract and retain top talent, motivate and engage employees and plan their future workforce, visit **payscale.com**.