

Randstad make data-based decisions going into the AGM season



Ronald Kliphuis
Global Head of Rewards at
Randstad

"At Randstad we are looking at the remuneration policy on a continual basis and it's an important topic. Prior to the AGM we want to fully understand how all our stakeholders look at our remuneration policy. "



Randstad N.V. is a leading global HR services company. The company, which is headquartered in Diemen, Netherlands, provides work for more than 670,000 people around the world each day. By finding talent work for which they are best suited, and finding clients the talent that best fit within their organisation, they provide value to society as a whole. It's a sentiment reflected in their corporate mission: "To take the lead in shaping the world of work."

CHALLENGE

Randstad is active in 38 countries around the world, representing over 90 percent of the global HR services market. Designing the reward policy to attract, motivate and retain qualified individuals, while at the same time keeping all stakeholders happy is no easy feat.

With anything less than 80% of approval from shareholders on remuneration policies now deemed as negative by stakeholders (compared to 50% five years ago), and justification requirements increasing (in part due to implementation of the Shareholders' Right Directive II in Europe), companies' remuneration policies are coming under greater scrutiny.

Going into the next proxy season, Randstad wants to know which KPIs are being used by other companies to form their own opinion and they also want to compare executive remuneration against peers' and understand how they will be perceived by proxy advisors like ISS and Glass Lewis.

APPROACH

Mr Kliphuis approached CGLytics for access to their corporate governance data and tools. With remuneration insights at their disposal, and access to peer group modeling, Randstad can compare their executive pay to companies of similar size in terms of both staff and revenue.

Randstad uses CGLytics tooling to form their own opinion and support their decisions on appropriate remuneration design also in light of perhaps challenging views of stakeholders. The insights gained through multiple perspectives and scenarios help to understand which elements may receive more attention and require more consideration and/or explanation. This leads to a thorough approach which provides confidence in discussions with proxy advisors and possibly investors.

As Kliphuis explained, "Going into the next AGM we are ready to talk with data rather than just words. We want to be proactive rather than reactive and explain our choices upfront rather than counter criticisms with assumptions."

SUCCESS

Prior to the annual meeting Mr Kliphuis, the company secretary and head of investor relations are able to conduct more productive discussions about remuneration with the Executive Board and Supervisory Board. They can now focus on the bigger picture - what success looks like for Randstad, if they have been successful over the past three or five years, get answers from the Board and confirm that it lines up with the data.

They are able to compare remuneration mechanisms and levels of other companies (across borders or industries) to help the Supervisory Board decide on the best approach for Randstad and its stakeholders to incorporate these elements into a remuneration policy.

With data behind decisions, Randstad is able to speak with more confidence at the AGM on remuneration matters.



"In the past only consultants had access to the information that CGLytics provide. We can now play with data and information and make fair comparisons. We understand the potential risks and vulnerabilities a lot better."

- Ronald Kliphuis, Global Head of Rewards at Randstad

BENEFITS FOR RANDSTAD BY USING CGLYTICS' EXECUTIVE COMPENSATION & BENCHMARKING:



Greater confidence going into the AGM



Able to make data-based decisions, rather than assumptions



Compare their Board KPIs for remuneration with those of peers



Better explain decisions made to the remuneration policy



Compare executive remuneration against peers' and understand how they will be perceived by proxy advisors ISS and Glass Lewis

Want to know how CGLytics can help you?

Contact CGLytics for a free consultation or demonstration:

Tel New York: +1 646 968 6660
Tel London: +44 (0)20 7660 1530
Tel Amsterdam: +31 (0)20 299 6757
Tel Munich: +49 152 598 440 36
Email: info@cglytics.com
Web: cglytics.com

