CompTIA

Guide to Creating a Salary Administration Plan

Member Education

Table of Contents

<u>Gu</u>	ide to Creating A Salary Administration Plan	
	Guide to Creating A Salary Administration Plan	3
	Job Evaluations/Grading	5
	Total Compensation	6
	Job Analysis Questionnaire	8
	Job Description	22
	Positions By Grade	24
	Salary Ranges By Grade	25
	Salary Ranges by Thirds (includes hourly)	26
	Salary Ranges by Thirds	26
	Merit Increase Matrix	27
	Payroll Adjustment Form	28
	Employee Self-Appraisal Form	29
	Employee Performance Appraisal Form (for salaried employees)	32
	Hourly Employee Performance Appraisal Form	37
	Employee Recognition	40
	Total Rewards	42

Guide to Creating a Salary Administration Plan (SAP)

You're a small business owner and you feel a bit overwhelmed by the whole HR arena. It almost feels like you decided to take a cross country driving trip and you forgot your map at home. It could be a little difficult to get to your destination without any map to help you get there. Unless you are ready to hit the road and just see where you end up, it is wise to have a plan to get there.

Obviously, if you are in business, you will have people working for you. In order to keep people working for you, you have to pay them. How much you pay them, how you motivate them, and how you retain them are all part of a well designed Salary Administration Plan. Developing a SAP takes some work up front, but generally does not need to be changed once it is established. You will need to review your salary ranges periodically to make sure your salaries are competitive with the market. It is also wise to periodically review the Job Descriptions, and to re-evaluate the placement of jobs in the salary grades. The following is a step-by-step process of developing your Salary Administration Plan.

Create a plan for developing your program

Establish an objective for your program, and set a target date for completion and implementation.

Identify the person in your organization who will be responsible for the development and design of the program

Determine if this person will be handling this project internally or enlisting the assistance of an outside consultant for this project.

Establish your compensation philosophy

Decide what, if any, differences there will be between executive, professional, sales, or hourly employees. Decide if you will want your salary ranges to be at, above, or below market. Determine how benefits will factor into the cash portions of compensation, if at all.

Complete an analysis of all positions in the organization.

Have each employee complete a JAQ. See attached. The JAQ should be reviewed between the manager and employee. It should be given final approval by Senior Management.

After information is reviewed and agreed upon, use the JAQ to create a Job Description.

Evaluate the Jobs

Review and rank the jobs within a department, and then between departments. You are looking to determine what positions require similar skill levels, education levels, etc., in order to be able to establish positions within salary grades.

Compare your assessment with industry market data on these positions to determine what your final analysis is.

Select grades

Determine the number of levels for each position and then assign a grade to each level. (Ex. Junior Admin. Asst., Senior Admin. Asst., Exec. Asst.)

Determine the number of pay grades or monetary ranges for a position at a particular level.

Determine grade pricing and salary ranges

Identify key jobs and do a survey of these jobs in the industry. Establish where you want your salaries to be based on the salary ranges in the industry.

• Establish your salary structure

Decide what the difference will be between the salary steps.

Decide on a minimum and a maximum percent spread.

Slot all of the other jobs into the grades.

Develop your salary administration policy

Create and document the company policy.

You may also want to create and document specific policies for specific job groups.

Create your merit increase matrix and other pay increases, if applicable, such as COLA, bonus, annual reviews and promotions.

Create and document the procedures for issuing a salary adjustment/increase.

Finalize approval of SAP

Present cost of SAP to senior management and obtain approval, particularly if there will be costs associated with bumping up current staff to newly proposed levels/salary.

Communicate the SAP to all staff

Develop a plan to communicate the newly created SAP to your management staff. Encourage feedback to identify any issues with implementing the program. Make any necessary changes before any additional communication to all staff.

Conduct group meetings to educate all staff on the newly established SAP.

Develop and distribute all necessary forms that would need to be completed as part of this program.

Follow up and monitor the plan.

Have a plan in place to ensure the plan is being executed in the manner it was intended. In other words, salary increases fall appropriately into the matrix, new positions are evaluated into the appropriate grade, etc. And, most of all, salary increases follow the stated schedule of when they are to occur.

Job Evaluations/Grading

An important step in the development of a compensation plan is the evaluation of the positions in the organization. This is important because this will determine the grade and the salary that the organization feels it is appropriate to pay for each job. Evaluating jobs can be simple and can also be quite complex. Generally speaking, the more jobs in a company, the more complex you may want your process to be. Also, if your company is fairly flat, versus having multiple layers, then you may be able to simplify the process.

Since the majority of the companies utilizing this information will fall into the small business category, this guide will be a simple approach to addressing job evaluation. Create a committee of team members who will be responsible for objectively evaluating the jobs in the company. The process of ranking jobs by their value to the company is the simplest and easiest. It is also wise to include in the thought process the difficulty of performing this job and the importance of the job to the company. Other considerations to keep in mind are the following: 1) Job scope, i.e., the number or tasks or work assignments that constitute the job; 2) Impact on the organization, i.e., how does the work performed affect the organization; 3) Level of autonomy, i.e., how much supervision is required in order for the individual to perform the job; 4) Complexity of the tasks, i.e., how difficult are the tasks performed; and 5) Knowledge and skills required, i.e., how much education or training is required in order for someone to effectively perform the duties of the job. Once you have ranked the positions from top to bottom, it is probable that positions in different departments may be close in terms of difficulty, importance and value to the organization. Therefore, these positions would most likely fall into the same job grade.

At this point, it would be important to do a market analysis of key positions in your company against industry data so you can determine what grade and salary is typical for this position. Remember, when you developed your Salary Administration Plan, you decided whether you wanted to price your jobs at, above, or below market.

You've evaluated all the jobs, and have determined what positions are similar enough to group in the same job grade. You also did a market analysis of what certain jobs are paying. Now it is time to determine the salary range for your job grades. Even if you decided to price your jobs below market range, the question becomes, how below. Remember, as an employer, you want to be competitive in your ability to attract the best talent. Sometimes this can be complemented with other types of compensation and/or benefits such as shorter work hours, flexible scheduling, more paid vacation days, etc.

There are several approaches to developing your compensation plan. As we discussed, you can do this simply in-house, you can hire an independent consultant, purchase a consultant firm's package plan, or hire a consultant firm to design a specific plan for your company.

Total Compensation

Your company provides compensation for the people who work for you. For the most part, employees are paid an agreed upon base salary. The employee can be paid on an hourly basis, or a salaried basis. Some positions, usually sales, might be paid on a commission basis. In this type of arrangement there is generally a draw (or minimum salary) that is paid out and deducted from the total sum of the sales commission. For example, the salesperson would receive a weekly draw, which is when you pay all other employees, and when commissions are calculated, let's say, monthly, the total draw is deducted from the total commissions. Another scenario is a minimum base plus commissions (with a lower percentage applied to the total sales).

Many employers believe that it is important to provide additional ways to create a total compensation package. The objective is to increase loyalty and productivity, while improving the company's performance. Company bonus plans offer the employer the opportunity to incent the employee to work harder and be more creative, as a means to increase their earnings opportunity. While bonus programs have so many advantages, it is important to decide if your company can afford to do them. But bonus programs come in all shapes and sizes, so don't rule it out completely. You don't have to break the bank to have a bonus program. And, one size does not fit all! If you decide to include bonus as part of your compensation plan, don't just talk the talk. Talk is cheap, so be prepared to put your money where your mouth is. That is, don't tell current and prospective employees that you have a bonus program, and then make it impossible to achieve, so nobody gets one! This is a recipe for disaster.

Let's consider the various types of bonus plans.

Profit Sharing

Profit sharing bonuses are a result of the company achieving a pre-determined level of profitability during a fiscal year. These bonuses can be given to all employees and may be given in larger percentages to employees earning more. A plan such as this is better suited for a company whose profits have been stable and trending upward.

Spot Bonus

This is a spontaneous bonus that is usually given to an employee for a special achievement. This type of bonus is usually given by the immediate supervisor or any supervisor or management person who wants to recognize an employee for their special efforts. This reward can be for an amount of \$50 or higher. It can also be combined with an Employee of the Month program, which allows for the other elements of recognition to be included. Generally speaking, Employee of the Month programs are conducted in a group setting which provides the other element, recognition.

Referral Bonus

Many companies have learned that their own employees' networks can be an ideal source of bringing new talent into the company. And, it can often cost a lot less to pay a bonus to the employee, than to pay for outside resources to do the same. After all, who wouldn't want to earn a couple hundred dollars or more to refer a friend, relative, former co-worker, or neighbor? The amount paid for a referral bonus doesn't have to break the bank, but it should be generous enough to have your employees interested in helping out. This type of bonus can be paid in a lump sum, or paid out over a period of time to make sure the newly hired employee remains employed for a certain period of time.

Idea Bonuses

Employees can be rewarded for making a recommendation to reduce the company costs by improving efficiencies. Or, maybe an employee suggests an idea that is approved and results in higher sales? Again, the amount of bonus is decided by the company, but can go a long way because it encourages and motivates your employees to keep their thinking caps on.

Holiday Bonus

While turkeys have become popular to provide to employees during the holidays, there are some issues with this practice. Certain cultures don't eat meat; others will eat only kosher meats, etc. Perhaps if you are inclined to think about providing food for your employees' holiday tables, a gift card to a local grocery chain makes this gesture one that everyone will appreciate. But at the holidays, money is a big incentive. Some companies give the holiday monetary bonus based on job title, length of service, or both. This is really more of a gift than a bonus, because it is not tied to performance.

The decision to offer additional compensation above the base pay is a decision that will need to be made with regard to finances, as well as the resources to administer. It is just as important for the program to be managed effectively, as it is to have the finances to support it. If both of those factors are covered, one or a combination of these can support employee motivation, loyalty, and dedication. Sometimes, a little bit goes a long way!

Job Analysis Questionnaire

Purpose and Instructions

The purpose of this analysis is to obtain current information about what your job is based on and to review your job duties and responsibilities.

Because you know your duties and responsibilities better than anyone else, we need *your* help to get an accurate description of your job.

Job descriptions are important because:

- They are used to evaluate and classify jobs to determine appropriate internal position relationships
- They provide job information that can be used to determine competitive pay relationships in the job market
- They provide job information that can be used to determine appropriate career paths of job families.
- They provide job information which can be used in the recruitment & selection process.
- They provide job information which can be used in performance review, and employee identification of training and development needs.
- They define essential job functions for compliance with the Americans with Disabilities Act (ADA).

We are asking that you complete this questionnaire to help us develop a job description for your position.

Please complete this questionnaire as honestly, completely and accurately as you can. Base your answers on what is normal to your current job, not special projects or temporary assignments. This questionnaire needs to cover many jobs, so the questions are not specifically about your job. However, you should be able to compare your job duties to the examples given. If two answers seem to fit your situation, just check the one that works best. When answering the questions, pretend that you are describing your position to your friend or to a new hire. A list of action verbs is included to assist you in developing your job analysis.

You are going to be asked to provide information about the physical nature of your position and the working conditions that relate to the essential functions of your job. For the purpose of compliance with the ADA, it is important that your job description contains accurate details and language about the physical requirements of your job.

You and your supervisor should discuss the JAQ upon completion to ensure that there is a mutual agreement about the contents. However, supervisors are not to make significant material changes to the contents. Upon completion of the questionnaire, use the sample Job Description to develop one for your position.

Upon completion, give this questionnaire to your supervisor.

A. EMPLOYEE DATA (Please Print)

Name:		
Job Title:		
Department:		
Division:		
Length of time in Current Position:	_years	_months
Supervisor's Name:		
Supervisor's Title:		
B. GENERAL PURPOSE OF POSITION		
Please provide a brief summary of the general pusummary of the responsibilities listed in the next		ıld be a

C. SUMMARY OF RESPONSIBILITIES/DUTIES

Please describe your specific job responsibilities/duties. List them in order with the most important first. Provide a statement for each responsibility. Most positions can be described using 6-8 major areas of responsibility. If possible, try to combine minor duties into one statement. Give a best estimate of the average amount of time devoted to each responsibility. A list of action verbs has been provided for you to assist you in developing these statements. The action verb should begin each statement. See the example below:

	Example	Percent (%)
	Administrative Assistant	Of Time
1.	Create a variety of documents utilizing Microsoft Office programs.	35%
2.	Takes and transcribes dictation. Compose letters and memos as directed.	25%
3.	Maintains department files; ensures that records are kept updated.	10%
4.	Answer incoming calls to the department and directs the calls appropriately; greet visitors.	10%
5.	Make travel arrangements.	10%
6	Schedule meetings and create agendas and notes for all meetings.	10%
		100%

	LIST MOST IMPORTANT DUTIES FIRST	Percent (%) Of Time
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.	Performs other duties as assigned.	
10.	Maintains good customer service standards	
		100%

appropriate answer of list information. Directions for completing this information are as follows:					
1) Read each definition carefully before responding					
2) Answer about the position, not you personally					
3) Answer based on the job as it exists and					
4) Select the most appropriate answer.					
D. EDUCATION: Check the box that best indica requirements of this job. (Not your education, but the second secon					
High School Education	Bachelor's Degree				
Vocational/Technical School	Master's Degree				
Some college/Associate's Degree	Doctorate Degree				
E. EXPERIENCE					
Type of experience needed. Please identify the specific accounting experience in an education environment indicate what education is actually needed, not what is	vs. "accounting experience". Be sure to				
Check the box which identifies the minimum amount of years of experience, but the requirements for the job.)					
Less than 6 months	3 years, less than 5years				
6 months but less than 1 year	5 years, less than 7 years				
1 year but less than 3 years	7 plus years				

For the remainder of the questionnaire, the questions will require that you check the

F. TYPE OF SKILLS AND/OR LICENSING/CERTIFICATION REQUIRED:

Please indicate all specific skills and/or licensing/certification required (not preferred) to do this job. Ex.: use of excel spreadsheet proficiency may be a requirement for an analyst position; a Series 7 license is required for a Financial Advisor who sells stocks.			
G. SUPERVISORY RESPONSIBILITIES			
SUPERVISORY NATURE: What is the nature of the direct supervisory responsibility your job has? Check one answer.			
No supervisory responsibility.			
Working Lead of one or more employees.			
Supervisor over a section of a department.			
Assistant Manager over supervisors or a small department.			
Manager of one department.			
Manager of more than one department.			
Director of Managers, of one department.			
Director of Managers, of multiple departments.			
How many positions report directly to you?			
None □ 2-3 □ 4-6 □ 7 or more			
List the title(s) of the employees(s) whom you directly supervise:			
Title Number of Positions			

Indicate the total num managers:	ber of employees you	indirectly supervis	se through	supervisors or	
None	1 – 5 6 -10	11 – 20	21- 50	51 – 100	
100 +					
Does this position rec	quire functional supervi No	sion of positions t	that do not i	report to you?	
If yes, provide details					
	MANDO AND WORK	UNA CANDITIO			
	MANDS AND WORK			a = 211	
Responsibilities.	e following physical de	mands are require	ed to perfor	m the Essential J	ob
C = Constantly	F= Frequently	O = Occa	asionally	R = Rarely	
(5-8 hrs/day) part of job)	(2 – 5 hrs/day)	(Up to 2 hrs/day)) (Does	s not exist as a re	gular
Physical Demands	5	Environ	mental Co	onditions	
Standing	_	Extreme	cold		
Walking	_	Extreme	heat		
Sitting		Tempera	ture change	es	
Lifting					
Carrying	_	Humid _			
Pushing	_	Noise			
Pulling		Vibration			
Climbing	_	Hazards			
Balancing		Atmosph	eric conditio	ons	
Stooping		Other (De	efine)		
Kneeling					
Reaching					

	Vision			
Handling	Close			
Grasping	Distance			
Talking	Ability to see color			
Hearing	Lifting Requirements			
Repetitive Motions	Consistently			
Eye/Hand/Foot Coord	Frequently			
	Occasionally			
	# of Pounds			
Please provide an explanation of any specific physrequired to perform the essential duties of the job.	ical or environmental demands that are			
I. GENERAL EMPLOYEE COMMENTS In the area below, please provide any specific information that may not have been covered in				
In the area below, please provide any specific info				
In the area below, please provide any specific info				
In the area below, please provide any specific info				
In the area below, please provide any specific info				
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In the area below, please provide any specific info				

CTION
bb as it exists today, please review the information your own comments in the space provided below. Do d by the employee.
o analyze the position as it exists today and not how it can nd, this is not a performance appraisal, so the individual's not to be considered.
Comments

Supervisor's Name:	
Supervisor's Title:	
Supervisor's Signature:	
Date:	
K. SENIOR MANAGEMENT REV	IEW SECTION
	ob as it exists today, please review the information e your own comments in the space provided below. Do ed by the employee.
	to analyze the position as it exists today and not how it can ind, this is not a performance appraisal, so the individual's not to be considered.
Section	Comments
Reviewer's Name:	
Title:	
Signature:	
Date:	

Action Verbs Attachment

The following is a list of action verbs which should assist you in developing the Summary of Responsibilities section. These verbs should be used to describe your job functions. While you are probably familiar with these words, it is sometimes helpful to have the definition available to help you determine the selection of the words you believe describe the job most appropriately.

<u>Administer</u> – Manage or direct the execution of affairs.

Adopt - Take up and practice as one's own.

<u>Advise</u> – Recommend a course of action; offer an informed opinion based on specialized knowledge.

<u>Analyze</u> – Separate into elements and critically examine.

Anticipate - Foresee and deal with in advance.

Appraise – Give an expert judgment of worth or merit.

<u>Approve</u> – Accept as satisfactory; exercise final authority with regard to commitment of resources.

<u>Arrange</u> – Make preparation for an event; put in proper order.

Assemble - Collect or gather together in a predetermined order from various sources.

<u>Assign</u> – Specify or designate tasks or duties to be performed by others.

<u>Assume</u> – Undertake; take for granted.

Assure - Give confidence; make certain of.

<u>Authorize</u> – Approve; empower through vested authority.

Calculate - Make a mathematical calculation.

<u>Circulate</u> – Pass from person to person or place to place.

Clean – To remove dirt or make tidy.

Clear – Gain approval of others.

<u>Collaborate</u> – Work jointly with; cooperate with others.

Collect - Gather.

<u>Compile – Put together information; collect from other documents.</u>

<u>Concur</u> – Agree with a position, statement, action, or opinion.

Conduct - Carry on; direct the execution of.

Confer - Consult with others to compare views.

Consolidate - Bring together.

Construct - Build, mold, or modify.

Consult - Seek the advice of others.

<u>Control</u> – Measure, interpret, and evaluate actions for conformance with plans or desired results.

Coordinate - Regulate, adjust, or combine actions of others to attain harmony.

Correlate – Establish a reciprocal relationship.

Correspond - Communicate with.

Debug – To detect, locate and remove mistakes from a routine of malfunctions from a computer.

<u>Delegate</u> – Commission another to perform tasks or duties that may carry specific degrees of accountability.

<u>Deliver</u> – Carry to intended destination.

<u>Design</u> – Conceive, create, and execute according to plan.

<u>Determine</u> – Resolve; fix conclusively.

<u>Develop</u> – Disclose, discover, perfect, or unfold a plan or idea.

<u>Devise</u> Come up with something new, perhaps by combining or applying known ideas or principles.

<u>Direct</u> – Guide work operations through the establishment of objectives, policies, rules, practices, methods, and standards.

<u>Discuss</u> – Exchange views for the purpose of arriving at a conclusion.

Dispose - Get rid of.

<u>Disseminate – Spread or disperse information.</u>

<u>Distribute</u> – Deliver to proper destinations.

<u>Draft</u> – Prepare papers or documents in preliminary form.

<u>Endorse</u> – Support or recommend.

Establish - Bring into existence.

Estimate - Forecast future requirements.

Evaluate - Determine or fix the value of.

Execute - Put into effect or carry out.

Exercise - Exert.

Expedite - Accelerate the process or progress of.

Formulate - Develop or devise.

<u>Furnish</u> – Provide with what is needed; supply.

<u>Implement – Carry out; execute a plan or program.</u>

Improve - Make something better.

<u>Initiate</u> – Start or introduce.

<u>Inspect – Critically examine for suitability.</u>

<u>Install</u> – To set up or use.

<u>Interpret</u> – Explain something to others.

Investigate – Study through close examination and systematic inquiry.

<u>Issue</u> – Put forth or to distribute officially.

<u>Maintain</u> – Keep in existing state.

Monitor – Watch, observe, or check with an eye to reach agreement.

<u>Notify</u> – Make known to.

<u>Operate</u> – Perform an activity or series of activities.

Participate - Take part in.

<u>Perform</u> – Fulfill or carry out some action.

<u>Place</u> – Locate and choose position for.

<u>Plan – Devise or project the realization of a course of action.</u>

<u>Practice</u> – Perform work repeatedly in order to gain proficiency.

<u>Prepare</u> – Make ready for a particular purpose.

<u>Proceed</u> – Begin to carry out an action.

Process - Subject something to special treatment; handle in accordance with prescribed procedure.

Promote - Advance to a higher level or position.

Propose - Declare a plan or intention.

<u>Provide</u> – Supply what is needed; furnish.

<u>Recommend – Advise or counsel a course of action; offer or suggest for adoption.</u>

Repair - Fix or make usable.

Represent - Act in the place of or for.

Report – Give an account of; furnish information or data.

<u>Research</u> – Inquire into a specific matter from several sources.

Review - Examine or re-examine.

<u>Revise</u> – Rework in order to correct or improve.

Schedule - Plan a timetable.

Secure - Gain possession of; make safe.

Select - Choose the best suited.

<u>Sign</u> – Formally approve a document by affixing a signature.

<u>Sort</u> – To separate or arrange according to a plan.

<u>Specify</u> – State precisely in detail or name explicitly.

Stimulate - Excite to activity; urge.

<u>Submit – Yield or present for the discretion or judgment of others.</u>

<u>Supervise</u> – Personally oversee, direct, inspect, or guide the work of others with responsibility for meeting standards of performance.

Train – Teach or guide others in order to bring up to a predetermined standard.

<u>Transcribe</u> – Transfer data from one form of record to another or from one method of preparation to another, without changing the nature of the data.

Verify - Confirm or establish authenticity; substantiate.

Write – To compose or draft.

SAMPLE

JOB DESCRIPTION

PURCHASING MANAGER

EXEMPT: (Y/N) DIVISION: Finance

GRADE LEVEL: DATED:

SUPERVISOR: Director of Finance REVISED:

APPROVED BY:

SUMMARY

Under the supervision of the Director of Finance, the Purchasing Manager is responsible for managing and coordinating the activities of the Purchasing Department; researching new products, equipment and services for the company with a focus on obtaining the best possible pricing.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Develops policies, procedures, goals and cost savings initiatives in regards to the Purchasing Department.

Utilizes the in-house Materials Management system as a tool for record keeping of all supplies and contract services.

Establishes and maintains par level of stock for all departments.

Continually researches alternate products and services with assistance of appropriate departments to ensure quality and cost control.

Responsible for ordering supplies and services, and requesting quotes and consumer information for products and services.

Reviews and renews or recommends the purchase maintenance agreements and service contracts with appropriate departments in the best interests of the company.

Establishes and maintains a process to tag capital equipment.

Maintain good customer service and delivery standards.

Performs other duties as assigned.

Job Description Template

Job Title:	Administrative Assistant		Job Category:		
Department/Group:			Job Code/ Req#:		
Location:			Travel Required:		
Level/Salary Range:			Position Type:	[i.e.: full-time, part-time, job share, contract, intern]	
HR Contact:			Date posted:		
Will Train Applicant(s):			Posting Expires:		
URL: Once you have edited you Monster.com.			b description, <u>cli</u>	ck here to post the job on	
Internal posting URL:					
Applications Accepte	Applications Accepted By:				
Fax or E-mail:		Mail:			
(425) 555-0123 or someone@example.com Subject Line: Attention: [Recruiting or HR Department RE: Job Code/Req# and Title]		[Recruiting Contact or Hiring Manager] [Department, Company Name] [P.O. Box] [Street or Mailing Address with ZIP Code]			

Job Description

Job Purpose:

Provides office services by implementing administrative systems, procedures, and policies, and monitoring administrative projects.

Duties:

- Maintains workflow by studying methods; implementing cost reductions; and developing reporting procedures.
- Creates and revises systems and procedures by analyzing operating practices, recordkeeping systems, forms control, office layout, and budgetary and personnel requirements; implementing changes.
- Develops administrative staff by providing information, educational opportunities, and experiential growth opportunities.
- Resolves administrative problems by coordinating preparation of reports, analyzing data, and identifying solutions.

- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs; maintaining equipment inventories; evaluating new equipment and techniques.
- Provides information by answering questions and requests.
- Maintains supplies inventory by checking stock to determine inventory level; anticipating needed supplies; placing and expediting orders for supplies; verifying receipt of supplies.
- Completes operational requirements by scheduling and assigning administrative projects; expediting work results.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies.
- Contributes to team effort by accomplishing related results as needed.

Skills/qualifications:

 Reporting Skills, Administrative Writing Skills, Microsoft Office Skills, Managing Processes, Organization, Analyzing Information, Professionalism, Problem Solving, Supply Management, Inventory Control, Verbal Communication

Reviewed By:	Date:	
Approved By:	Date:	
Last Updated By:	Date/Time:	

GRADE	POSITIONS
Grade 1	Shipping /Receiving Clerk
Grade 2	Receptionist
Grade 3	Customer Service Representative, Administrative Assistant
Grade 4	Accounting Clerk
Grade 5	Facilities Coordinator, Purchasing Agent
Grade 6	Computer Technician, Sales Rep
Grade 7	Supervisor, Accountant
Grade 8	Manager
Grade 9	Director
Grade 10	Executive

Salary Ranges by Grade

GRADE	MINIMUM	MIDPOINT	MAXIMUM	
1	19,448	22,880	26,312	
2	23,337	27,456	31,574	
3	28,004	32,947	37,889	
4	33,605	39,536	45,466	
5	40,326	47,443	54,559	
6	48,392	56,932	65,471	
7	58,701	68,319	78,566	
8	69,685	81,983	94,280	
9	83,622	98,379	113,135	
10	100,346	118,055 135,763		

Salary Ranges by Thirds (includes hourly)

GRADE	LOWER	MIDDLE	UPPER
	9.35 – 10.45	10.46 – 11.55	11.56 – 12.65
1	19,448- 21,733	21,734 – 24,018	24,019 – 26,312
	11.22 – 12.54	12.55 – 13.86	13.87 – 15.18
2	23,337 – 26,080	26,081 – 28,824	28,825 – 31,574
	13.46 – 15.05	15.06 – 16.63	16.64 – 18.22
3	28,004 – 31,299	21,300 – 34,595	34,596 – 37,889
	16.15 – 18.06	18.07 – 19.96	19.97 – 21.86
4	33,605 – 37,558	37,559 – 41,511	41,512 – 45,466
5	40,326 – 45,065	45,066 – 49,805	49,806 – 54,559
6	48,392 – 54,079	54,080 – 59,767	59,768 – 65,471
7	58,701 – 65,322	65,323 – 71,944	71,945 – 78,566
8	69,685 – 77,875	77,876 – 86,066	86,067 - 94,280
9	83,622 – 93,450	93,451 – 103,278	103,279 -113,135
10	100,346 – 112,150	112,151 – 123,955	123,956 - 135,763

Merit Increase Matrix

	LOWER THIRD	MIDDLE THIRD	UPPER THIRD
OUTSTANDING	6-7%	5-6%	4-5%
EXCEEDS EXPECTATIONS	5-6%	4-5%	3-4%
MEETS EXPECTATIONS	4-5%	3-4%	2-3%

This matrix represents the rate of increases for merit increases associated with the Performance Appraisal process. The left column represents the overall rating of the Performance Appraisal. The other three columns identify the percentage of increase available based on where the employee's current salary is in the salary range prior to their increase. An increase can only take the employee to the maximum. Salary ranges should not be compromised.

Promotional increases should not exceed 10% and should not maximize the employee's salary in their range. If the promotion puts the employee in a higher grade, they must be paid at least the minimum for that grade.

Payroll Adjustment Form

NAME:	DEPT:	
DATE OF HIRE:	SUPERVISOR:	
DATE OF INCREASE:	REASON FOR CHANGE:	
REASON CODES:		
01—Merit	04- Out of schedule	
02- Promotion	05— Bonus	
03—Salary Grade adjustment		
BENEFITS DEDUCTIONS	CHANGES	
EFFECTIVE DATE OF CHANGES	:	
MEDICAL:	DENTAL:	
VISION:	FSA:	
HSA:	VOLUNTARY LIFE:	
401k:	COLLEGE 529:	
EMPLOYEE SIGNATURE:	DATE:	
SUPERVISOR SIGNATURE:	DATE:	
HUMAN RESOURCES APPROVA	AL: DATE:	
CURRENT SALARY:	NEW SALARY:	
INCREASE PERCENTAGE:		

NAME:	DATE:	
JOB TITLE:	DEPARTMENT:	

PERFORMANCE ACHIEVEMENTS

Please list the objectives set at your last performance appraisal and your assessment of your accomplishment of those objectives.

OBJECTIVES	ACCOMPLISHMENTS

ADDITIONAL NOTES:

STRENGTHS:	
OPPORTUNITIES:	
IDEAS FOR FURTHER DEVELOPMENT:	
SUMMARY/HIGHLIGHTS OF THIS APPRAISAL PERIOD:	
EMPLOYEE SIGNATURE: Employee Performance Appraisal Form (for salaried employe	DATE:

I. Employee Information

Name:	Date of Appraisal:	
Job Title:	Department:	
Appraiser Name:	Date of last Appraisal:	

II. Performance Achievement

Complete this section using the established objectives from the previous appraisal. Identify the weight this objective has of total performance and indicate the employee's accomplished results.

#	OBJECTIVE	WEIGHT	RESULTS

III. Competencies

Evaluate the competencies for the position based on the following ratings scale:

- 1. **Exceptional** (clearly outstanding performance). Performance is consistently performed at the highest level; without flaw.
- 2. **Strong** (excellent performance). Performance is consistently performed at high level; few flaws.
- 3. Fully Competent (solid performance). Performance consistently meets expectations.
- 4. **Needs Improvement** (development required). Performance is somewhat lower than expected for current position.
- 5. **Poor** (unsatisfactory performance). Performance is consistently below expectations for current position.
- 6. **New to position.** Employee has been in position less than 6 months and it is too soon to rate.

Provide comments/examples to support the ratings.

Competencies 1	1	2	3	4	5	6
						l

Communication Skills (written and oral)					
Comments:					
Problem Solving Skills					
Comments:					
Quality of Work					
Comments:					
Overetire of Wards					
Quantity of Work					
Comments:					
Teamwork					
Comments:					
Organizational Skills					
Comments:					
Accountability					
Comments:					
	1	1	i	i	

Takes the Initiative			
Comments:			
Comments.			
Masta Dandiiyaa			
Meets Deadlines			
Comments:			
Open to Accepting and Giving Feedback:			
Comments			
Comments			
Technical Skills			
Comments:			
Meets Attendance Requirements			
Comments:			

IV. Discussions

1. Strengths (examples of when individual excelled).

2. Opportunities (areas that ı	need developing, additional experience, exposure).	
∨. Overall Rating		
VI. Employee Comments:		
VII. Signatures: Employee Signature:	Date:	
	Performance discussion was conducted on the date ssarily indicate agreement with the content of the discussion	_ ℩.
Manager Signature:	Date:	
Distribution: 1) copy to Personnel fil	e 2) copy to employee 3) copy to appraiser	
Hourly Employee Performance	e Appraisal Form	

Employee Information

Name:	Date:	
Job Title:	Department:	
Appraiser Name:	Date of last Appraisal:	

Competencies

Evaluate the competencies for the position based on the following ratings scale:

EE – Exceeds Expectations. Consistently performs at the highest level and without flaw.

ME – Meets Expectations. Consistently meets the performance expectations for the position.

NI – Needs Improvement. Performs below the expected requirements for the position.

Competency	EE	ME	NI	Comments
Accountability/Dependability: Accepts responsibility for decisions, actions, and results. Acts in the best interest of the client. Puts the success of the organization ahead of personal gain. Is proactive in making decisions and taking action to achieve results.				
Quality of work: Is conscientious and diligent about ensuring the accuracy and appearance of the work produced. Committed to producing a quality product and takes appropriate action to reduce errors.				
Quantity of work: Effectively handles the workload and maintains the integrity of the established deadlines.				
Initiative:				

Takes action without needing direction.		
Demonstrates a sense of urgency. Is quick to		
identify errors. Will request assistance when needed and in a timely manner. Calmly handles		
unexpected situations to minimize problems.		
Problem Solving:		
Gathers necessary information and		
demonstrates the ability to evaluate options. Is		
ability to identify cause of the problem and offer viable solutions.		
Communication:		
Effectively uses both verbal and written formats		
to express ideas and share information.		
Communicates with others in an organized, accurate, and respectful manner.		
Teamwork:		
Understands the importance of building trust and respect with co-workers. Shows interest and		
encourages the ideas and contributions of others		
Contributes to the spirit and positive morale of the team.		
Adherence to Policies & Procedures:		
Acts in a professional manner and conducts business in an ethical manner. Demonstrates		
integrity by adhering to the stated policies and		
procedures of the company.		
Attendance:		
Attends work according to schedule with few		

exceptions. Arrives at work and is at the workstation when scheduled.		
Employee Comments:		
Employee Signature:	Date:	
My signature above indicates that a Performance indicated above, but does not necessarily discussion.		te
Manager Comments:		
Manager Signature:	Date:	

Employee Recognition

From the day we are born, we wanted to be noticed. We cried and did other things to get our parents' attention. When we went to school, we worked hard and we did so to get the

recognition, be it a good grade, a diploma, a scholarship, etc. So, why do employers not take advantage of getting the most from their employees by recognizing the things they do well? That is a question for which there is no answer.

Now more than ever, it is important to provide recognition to your employees. Chances are, with these tougher economic times, your employees are working harder for you than ever. And many are happy to be working, and understand that businesses are spending less on the frills, and even on merit increases. This is all the more reason to recognize the efforts of those who are working hard for you.

Employee recognition does not have to break the bank. The act of recognition can be achieved at a no cost level, at a minimum cost, or at a significant cost. Obviously, the level of recognition should match the achievement. Encourage management to make this a regular part of their "managing responsibilities".

Let's take a look at some of the possibilities starting at the low cost end:

Positive Feedback/Attention

- Acknowledge positive performance regularly. Don't just put it on a list to recognize on the employee's performance appraisal.
- Provide recognition at an employee meeting.
- Take the employee to lunch.
- Establish an "Employee of the Month" program where the employee is recognized at an employee meeting, and receives a certificate of achievement, perhaps a special parking space, and maybe a small monetary award.

Written Words

- Write a Thank You note to your employee letting them know you appreciate something they recently accomplished.
- Send an e-mail to the employee to thank them for a job well done and copy to whoever handles the employee personnel files, asking them to put in the employee's file.
- Use your intranet (if you have one) to recognize special occasions monthly, such as birthdays and company anniversaries.

Gifts

Performing "random acts of appreciation" also goes a long way. Try to utilize this in your organization as a small way of recognizing a job well done or above and beyond. Ask the employees to fill out a form to let you know what they would want, should they have the opportunity to receive one of the following:

- Two tickets to a movie theater
- Gift card for movie rentals
- Gift cards/certificates to restaurants/local stores

There is another gift program that encourages continuous high performance. Employees receive points for certain levels of achievement. They can save or spend their points on items/ awards decided by the company. For example, if an employee saves (banks) enough of their points, they can turn them in for an extra vacation day. An established set of "gifts" needs to be created before rolling out such a program. This type of program requires more administrative work, and requires that managers continue to reward positive accomplishments continuously or this program loses its impact.

You will be amazed by how so little goes such a long way. When your employees are happy and motivated, they can achieve so much for the company. They will more likely treat your customers better. Customers will appreciate the service and will buy more. Your employee will be more productive and will be more dedicated and loyal. This reduces your turnover, and the costs associated with hiring and training. Your employees will think like owners and will take pride in the product and the company.

So, what are you waiting for? Put pen to paper and create a plan to recognize your employees. Discuss with your managers and get everyone onboard. Follow up with managers to see who they have recognized, and when and why. New programs take work to establish the practice, but when it does, it will have positive impact on all. Make this part of your company culture!

Today the greatest challenge that companies face is the need to attract, motivate, and retain talented individuals to their organization. As your company grows, and the need to attract talent increases, you will want to consider developing a model for your Total Rewards program. Over the years, companies have adopted and implemented various ways to attract talent without developing a formal model. The benefit for the company in developing such a model, is the level of commitment to the whole plan and not bits and pieces of it. Regular planned review of the model will solidify the commitment and ensure that the execution of all components.

As you can see from this World at Work model, the company, based on its own culture, business strategies, and HR strategies, develops a total rewards strategy. The goal is to first attract, motivate, and retain employees in the company. The utilization of the various components of the Total Rewards program is meant to increase employee satisfaction and engagement. This is turn should result in higher performance levels, and increased business results.



In theory, this all makes a lot of sense. In practice, this will all fall into place or fall apart. Meaning, if you have a solid plan to all the components of Total Rewards, then the opportunity to succeed is high. Remember the saying, 'If you fail to plan, you plan to fail."

It probably is a good idea to bring together your management team to develop your strategy. Collectively, the experience from other companies and the knowledge of best practices can be your "think tank" of what is going to work best in your company.

If you have people working for your company, in a sense you have a compensation plan. Earlier in this manual, you read about developing a Salary Administration Plan. One of the other major components of a Total Rewards plan is your Benefits plan. Your Benefits plan along with your Compensation plan, as you will note in the model provided, are the first two components of your model. The next component is Work-Life. What does your company provide that will make it easier to find that balance between work and home? Performance and Recognition speaks to the way you acknowledge and encourage your employees to meet and exceed performance expectations. And finally, you should provide training or opportunities to receive additional training so that you maximize performance and commitment from your employees.

Let's take a detailed look at what compromises each of these components. When you look closely at the details, the concept of Total Rewards will be very clear to you.

Compensation

- Salary
- Bonus
- Short term incentive pay
- Long term incentive pay

Benefits

- Medical including Rx plan
- Dental
- Vision
- FSA/Dependent Care
- Life Insurance (Company provided and Voluntary)
- Accidental Death and Dismemberment
- Disability/Salary Continuation
- 401k
- Savings plans
- College 529

Work - Life

- Paid/Unpaid Time Off
- Workplace Flexibility
- Health and Well Being
- · Caring for Dependents
- Financial Support
- Community Involvement
- Culture Change Initiatives

Performance and Recognition

Performance

- Performance Planning establishing expectations
- Performance demonstration of skills and capacity
- Performance Feedback performance appraisals and immediate feedback

Recognition

- Recognition of performance (and improvement)
- Foster continued improvement
- Formalize process of showing appreciation
- Provide positive and immediate feedback
- Encourage communication of valued behavior/activities

Development & Career Opportunities

Learning Opportunities

- Tuition assistance
- New technology training
- Attendance at outside seminars, conferences, etc.
- On the job training; rotational assignments at a progressively higher level

Coaching/Mentoring

- Leadership training
- Job shadowing; exposure to resident experts
- Mentoring programs internally or externally
- Access to experts/information networks

Advancement Opportunities

- Internships
- Apprenticeships with experts
- Internal job postings
- Promotions

Now that you have a fairly comprehensive list of all of the potential components of a Total Rewards program, it is up to you and your senior team to determine how and what you want to include. For example, your employees all receive a salary for the work they do, but you are limited as to the type, if any, bonus that you are able to offer. But as you read earlier, bonus programs can be implemented for a low cost. Remember the referral bonus for a current employee that refers a candidate that you hire? Or how about the holiday turkey or the set of movie tickets for a job well done? Of course, finances permitting, bonuses can be a percentage of the employee's salary, or a sign on bonus that is used to sway a candidate to join your company. In either scenario, the act of offering a "bonus" goes a long way! Short term and long term incentive plans include offerings such as profit sharing, and stock programs. If you are not ready to provide these to your employees, table them for now, but consider revisiting if, and when, finances will permit. These types of programs will definitely put you in another category in the Talent Acquisition arena.

Again, Benefit offerings are a matter or what is reasonable and affordable for your company. Do you have a Cafeteria (Section 125) Plan established? This is probably the best way to take the edge off the cost of benefits for you and your employees. This plan is a win-win for both the employee and the employer. Section 125 plans allow the employee to use pre-tax dollars to pay for certain medical expenses and child care expenses. Thus, their taxable income is reduced, and this increases the amount of take home pay. At the same time, the employer saves because FICA and workers comp premiums are reduced because of the reduction of taxable income being paid to the employees. Perhaps all of this savings will allow you, the employer, to be able to increase your benefits offerings. Again, the more you offer to the employee, the greater your competitive edge is for acquiring Talent to your company.

Work-life initiatives generally affect your soft costs, and speak more about culture. We have read survey after survey that tells us that employees would sacrifice pay for more opportunity to balance work and their personal life. Providing a generous time off plan, flexible or alternative work arrangements, on-site seminars regarding wellness, health, and financial planning, or tuition assistance can also increase the interest that candidates will have when considering your company as a place they would want to work for. By being able to provide these as part of your benefits package, it shows that your company understands that your employees are more than what they produce for you. It shows that you care about them as a whole person. This in turn will allow them to be more productive for you, if the stress of life is reduced through these benefits. The opportunities for being creative are vast in this area. Here again, the Work-Life initiatives should be in line with your company culture.

Performance and Recognition are key elements of the Total Rewards model. In order for employees to achieve maximum performance, they must first understand what is expected of them. Fairly simple, right? One would think so, yet this basic step is often assumed and never discussed. We are not mind readers, so why would you expect a certain performance from an employee unless you told them? Once the expectations are reviewed with the employee, he/she now has the opportunity to fully demonstrate the skills and capacity to meet and, hopefully exceed expectations. And now it is time for the really important step, feedback. When you give immediate or ongoing feedback to your employees, it is more likely for them to correct things that do not meet your approval, and continue to work hard on things that you do approve of. Your positive feedback is a great motivator. Never underestimate the power a kind word. In addition to the verbal recognition, there are the awards that also bring special attention to the desired performance. The awards, as discussed in Section 6 of this manual, can be simple things like plaques with certificates of achievement, movie tickets, gift cards, etc., which are presented by the manager, or in a group setting such as an all staff meeting. Recognition has the power to reinforce performance, as well as encourage improvement.

Utilizing development and career opportunities to advance employees' career aspirations is an ideal way to retain talent in your company. Recognizing the talented individuals in your organization and encouraging further learning, as well as coaching and mentoring, will allow you to use their talents in ways that will provide the most value to the company. Advancement opportunities are also an excellent way to keep talented employees interested in staying with the company. Be proactive by having discussions with your talented employees to ask them about their future plans. Let them know that you are pleased with their performance and want to encourage them to partake in all of the benefits available to them. No doubt this should be part of the performance appraisal process, but could be part of other conversations outside of that.