

**The RWHRA
Compensation &
Benefits Forum**

**“Job
Documentation &
Benchmark Jobs”**

March 2, 2005


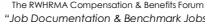

Presented By:



**Presented by:
D. Andee Treinis, CCP
Mary Lou Drake, SPHR**

Forum Objectives

- Agree that development begins with a well-articulated compensation philosophy
- Discuss job documentation, evaluation and analysis – distinctly different yet connected
- Why is job documentation (and the rest) important?
- How is the connected information used in compensation management?
- Provide formats, templates and skill practice
- How to use benchmark and non-benchmark jobs in market pricing
- Creating a job worth hierarchy
- Using market-based job evaluation
- Assess the level of knowledge in the room




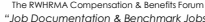

Changing Compensation Philosophy

The principles that guide design, implementation and administration of a compensation program have changed over the years.

Remember the good old days, when annual increases of 4% to 7% were standard for stellar employees?



Today, to remain competitive – must do more...
Motto is: Need to attract, retain, and inspire the kind of people who can sustain a growing organization!

Why is this important? What changes are required to bring your company's compensation program into the 21st century?




Compensation


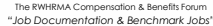

Presented By:




Reasons for Change



1. How we do business has changed - global economy, the Internet, downsizing, flexible workforces – need to maximize the effectiveness of the contributions of the staff
2. Staff today are loyal to their profession first – gone are the days of working for life at the same company
3. Connecting corporate values to performance leads to a more strategic compensation plan
4. Teams – employees work in teams and no longer in top down command and control structures
5. Need to reward working smarter and being more productive at less cost


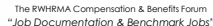



New Models vs Traditional Ones




New model incorporates new principles:

- Link comp to corporate strategy
- Tailor to corporate culture and values
- Affirm the contributions of employees and empower them to be more even more productive
- Recognize and reward outstanding performance and behaviors that drive results
- Focus on customer
- Communicated well to and understood by the staff similar to a marketing campaign to sell employees on the benefits of their comp plan and working for the company
- Includes a well constructed and communicated performance management process
- Total comp mindset vs. base pay
- Reinforce company profitability vs. automatically increasing fixed expenses
- **Include HR as a strategic partner in the process**


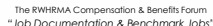



New Models vs Traditional Ones



Old Models:

- See pay as a hygiene factor – something that HR does to keep people. Not seen as a positive impact on the bottom line nor as a strategic activity that impacts the organization at all levels.
- Pay for time and when you pay for time, that is what you get.






Job Descriptions

Presented By:
DRAKE & ASSOCIATES, P.A.
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Where do we Start?



At the Beginning with Descriptions of Work-

- Why do we use descriptions of work?
- Distinguish between classification descriptions and individual position descriptions.

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Why Do Job Descriptions?


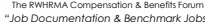




- Provide a powerful managerial tool which leads to establishing performance requirements and standards
- Assist with establishing recruitment requirements and competitive pay
- Help with organizational development
 - career development, succession planning
- Give employees an **exact** understanding of what their jobs require
- Establish solid foundation for managers to manage within legal requirements
- Create a foundation for a total comp system

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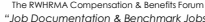


What is Job Evaluation?

- A formal process to determine the relative value of a job to the organization vis-à-vis other jobs
- Allows similar jobs to be paid on a similar basis
- Requires management support and involvement
- Aids in building internal job hierarchy and internal pay equity




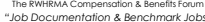

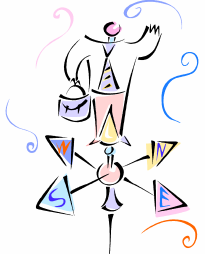

Why do Job Evaluation?

- Creates order
- Employees can perceive their pay is determined using a systematic approach – eliminates the sense of whimsy
- Pay practices can become more competitive with the labor market– not too high and not too low
- Helps to comply with federal and state employment laws
 - Uniformed Guidelines of Employee Selection Procedures
 - Title VII of the Civil Rights Act of 1964
 - ADA
 - Equal Pay Act
 - FLSA




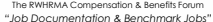

Job Descriptions Amidst Change

- Are not designed to be restrictive
- Need enough content and scope to
 - collect data and understand the duties
 - communicate the main duties so employees can do the "right" thing the "right" way
- Job descriptions are not a substitution for performance management
- Can be used for jobs that change "constantly" by:
 - focusing on the type of work for which the person is most often responsible




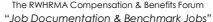

Job Description Development: The Basis for Job Evaluation

- **Who Writes the Individual Job Description?**
 - Incumbent
 - Supervisor or manager
 - Compensation Analyst/HR
- **When?**
 - Following a reorganization
 - Significant change (i.e. growth of the duties; new technology)
 - Periodically on a schedule to keep the descriptions current and up to date
 - At any time the description is out of date




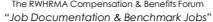

Elements of a Job Description

- ✓ Job title
- ✓ Contact information for employee (if filled) and supervisor
- ✓ Hours of work
- ✓ Company overview and mission/goals
- ✓ Departmental overview and goals to meet the company mission
- ✓ Job summary
- ✓ Essential (primary) functions
- ✓ Supervisory responsibilities
- ✓ Additional (secondary) duties and responsibilities
- ✓ Job specifications (knowledge, special skills and abilities)
- ✓ Behaviors for success in the job – helps in hiring process & Performance Management
- ✓ Working environment and job conditions
- ✓ Physical and mental requirements for the job
- ✓ Disclaimer
- ✓ Dates and approvals
- ✓ Organizational chart
- ✓ FLSA designation (optional)



General Writing Tips


- Be brief and to the point
 - Avoid unnecessary words; keep it simple
- Be accurate and specific
 - Avoid ambiguous or vague words or words with varying interpretations (no internal jargon)
- Align the duties with the organization's goals and mission
- Group like duties/accountabilities
 - include duties performed frequently
- Describe the job, not the person
- Begin statements with present tense action verbs and avoid non-descriptive verbs


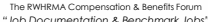



Use Action Verbs

(separate list provided)


- Administer
- Advise
- Analyze
- Approve
- Check
- Collaborate
- Compile
- Conduct
- Control
- Convey
- Decide
- Deliver
- Design
- Develop
- Direct
- Establish


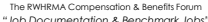



Determining Essential and Non-Essential Functions...


- Essential Functions
 - Primary duties and why the job exists
 - Align with the corporate goals and mission
- Non-Essential Functions
 - Job function is not essential but is considered part of the job
- Arrange the duties and responsibilities in some logical order of importance


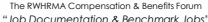




Job Summary

- Provides a general overview of the job in three or four sentences
- Aligns with the overall mission of the company
- States the purpose of the job
- Differentiates the job from other jobs
- May choose to write the Job Summary last


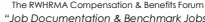




Knowledge, Skills, Abilities, Characteristics for Success




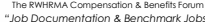


- Identify the minimum knowledge, skills and abilities to perform the job competently
- List specific (not arbitrary) educational background and/or credentials required that can be validated
- List any BFOQs (Bona fide occupational qualifications)
 - Race can never be a BFOQ
 - Must meet legal and regulatory requirements
- Include characteristics/ behaviors for success to prevent "hiring for skill and firing for fit"
 - Team player
 - Attention to detail
 - Flexibility




Job Conditions



- If applicable, describe the physical environment in which work is performed
 - Adverse
 - Unpleasant
 - Hazardous
- Describe any requirements for travel
- If normal office conditions, state that it is a normal office environment


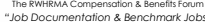



Disclaimer Statement for Classification Descriptions




"The above statements are intended to describe the general nature and level of work being performed by an employee assigned to this job. They are not intended to be an exhaustive list of all responsibilities, duties and skills required of the employee so classified."


WorldatWork




Disclaimer Statement for Individual Position Descriptions



This position description is subject to change with the evolving needs of the Company and will be revised accordingly from time to time as changes are deemed necessary.




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Job Description Review



- Exercise – 10 minutes
- With your neighbors, look at the job description and interpret the duty statement assigned to you.
- Is the current description adequate for the myriad uses for which we have job descriptions?
- What changes, if any, would you make?




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What is Job Evaluation?



- A formal process to determine the relative value of a job to the organization vis-à-vis other jobs
- Allows similar jobs to be paid on a similar basis
- Requires management support and involvement
- May also be called "job measurement"
- Aids in building internal job hierarchy and internal pay equity



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Benchmarking and Salary Surveys

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Characteristics of a Good Survey

- Large enough sample sizes for the job being surveyed
 - If a custom survey: assure participants that they will receive composite data for their use
 - If purchasing a survey, verify the source of the data
- Need job descriptions to match survey data
 - "Match" is 75% or better with surveyed position

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Market-based Job Evaluation

- One of several methods of job evaluation
- Benchmark jobs are identified
- About 50% of jobs should be benchmarked
- Non-benchmark jobs can be slotted against surveyed jobs based on job content
- Analysis of market data leads to hierarchy of benchmark jobs


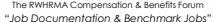


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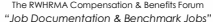


Building a Job Worth Hierarchy

- Analyze and document job content
- Collect market data for benchmark jobs
- Develop a structure of midpoints based on data
- Assign surveyed jobs using a market – to –midpoint comparison
- Slot remaining jobs




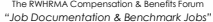


Midpoints Using Market Data

- Place each priced job in the grade with a midpoint closest to the market rate for that job
- Within same family:
 - 7% to 10% for nonexempt jobs
 - 12% to 15% for exempt jobs
- Between supervisor and subordinate jobs
 - 15% to 20%
- Remember: Market inequities may be built into market pricing



Considerations for Market Based Approach

Advantages	Disadvantages
<ul style="list-style-type: none">Relatively easy to administerEasily explained	<ul style="list-style-type: none">Includes market inequitiesMay be difficult to obtain enough data
<ul style="list-style-type: none">Responsive to the market	<ul style="list-style-type: none">Skewed data if matching title vs. job content
<ul style="list-style-type: none">Includes market fluctuations	<ul style="list-style-type: none">May lead to morale issues if one group receives salary increases more often than another group



Salary Structure

Sample Salary Ranges for Non-Broad-banded Positions

Salary Range	Minimum	Mid	Maximum	High	Comments
3	\$22,634	\$27,160	\$31,687	\$34,856	10% Spread between midpoints
4	\$24,807	\$29,876	\$34,856	\$38,341	
8	\$36,452	\$43,742	\$51,032	\$56,136	
11	\$46,012	\$56,365	\$66,718	\$73,390	
12	\$50,613	\$62,002	\$73,390	\$80,728	

Position Score	Min-Max Spread
1-8 Non-exempt	40%
11-15 Exempt	50%

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Placement within the Salary Range

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Management
Tool®**

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Compensate. Inspire.™

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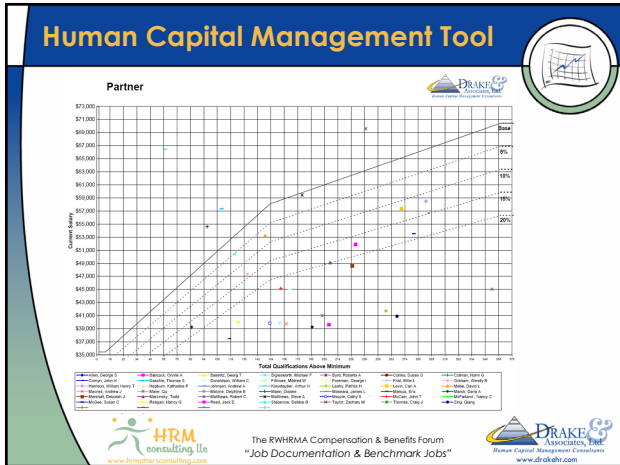
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Key Considerations in Job Evaluation Strategy

- Organizational culture
- Relative emphasis on internal equity versus external competitiveness
- Cost of development
- Communication throughout the organization
- Committee approach with representation across major functional areas

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For more information...

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JOB DESCRIPTION

Job Title: <u>Receptionist</u>	Department: <u>Administration</u>
Reports To: <u>Office Manager</u>	Location: <u>Raleigh, NC</u>
Employee Name: <u>Talksa Lott</u>	Date: <u>April 2004</u>
Work Schedule: <u>8:30 am - 5:00 pm Monday through Friday and other times as required</u>	

Company Mission

Unit/Department Goals

Job Summary

Greet callers at establishment, determine nature of business, demonstrate a professional business image, direct callers to appropriate destination by performing the following duties.

Job Duties and Responsibilities (Listed in Sequential Order () or Order of Importance (X))

A. Essential Job Functions

(85%) 1. *Receptionist*

- Control access to the building.
- Greet all visitors promptly and courteously.
- Issue visitor's pass to all visitors.
- Direct visitors to the proper destination.
- Operate telephone console.
- Take accurate messages.
- Schedule appointments.
- Answer inquiries.

(10%) 2. *Office Supplies*

- Maintain the office supply inventory.

B. Additional Responsibilities

(5%) 1. *Travel Arrangements*

- Make travel arrangements.

Knowledge, Skills and Abilities

A. Minimum Learned Skills and Abilities Required

Ability to deal courteously with visitors when the intended employee is not available.

Ability to listen to and defuse irate customers.

Willingness to work as a committed team member and to encourage the cooperation of other team members.

Ability to use a variety of hardware and database, word processing, spreadsheet, and Internet programs effectively.

Excellent ability to manage multiple, concurrent priorities and easily adapt to constantly changing priorities.

B. Minimum Education Requirements

Completion of high school and one-year secretarial certification course.

C. Minimum Experience or Length of Time Required

Two years of progressively responsible experience successfully operating a multi-line phone system and providing office support in a fast-paced environment; or an equivalent combination of education and experience.

D. Significant Physical and Analytical Requirements for the Job

Ability to sit for long periods of time.

Ability to stand to greet visitors.

Ability to answer incoming telephone calls.

Ability to hear messages over the telephone and to relay information clearly.

Ability to determine reason for calls and to convey accurate and timely messages.

Ability to speak clearly and effectively with customers and/or employees of the organization.

Ability to move around to deliver the mail to other floors.

Ability to stoop and kneel to retrieve and file correspondence.

Ability to occasionally lift packages and supplies weighing 25 pounds.

Ability to type 45 words per minute with no errors.

Ability to read and comprehend operating instructions for standard office equipment such as computers, copiers, Fax machines.

E. Working Environment and Job Conditions

This position works in a normal business office with a climate-controlled environment.

ACTION VERBS

-A-

Accept
Accompany
Achieve
Activate
Act
Adapt
Address
Add
Adjust
Administer
Advise
Affirm
Affix
Aid
Alert
Align
Allocate
Allow
Amend
Analyze
Answer
Apply
Appoint
Appraise
Approve
Arrange
Assemble
Assess
Assign
Assume
Attach
Attend
Audit
Authorize
Award

-B-

Balance
Batch
Build

-C-

Calculate

Calibrate
Call
Cancel
Carry
Catalogue
Center
Change
Chart
Check
Clarify
Classify
Clean
Clear
Close
Code
Collaborate
Collate
Collect
Communicate
Compare
Compile
Compose
Compute
Conceive
Conduct
Confer
Confirm
Consolidate
Construct
Consult
Contact
Contract
Control
Convert
Convey
Cooperate
Copy
Correct
Correlate
Counsel
Count
Create

Cut

-D-

Decide
Define
Delegate
Delete
Deliver
Deposit
Designate
Design
Determine
Develop
Devise
Diagnose
Diagram
Dictate
Direct
Disassemble
Disburse
Discuss
Dispatch
Dispense
Distribute
Divide
Draft
Draw
Drive

-E-

Edit
Enforce
Enroll
Ensure
Enter
Establish
Estimate
Evaluate
Examine
Execute
Expedite
Explain

-F-

Fabricate

Fasten
Fax
Feed
Figure
File
Find
Finish
Flag
Follow up
Formulate
Furnish

-G-

Gather
Generate
Give
Grant
Guide

-H-

Handle
Hoist
Hire

-I-

Identify
Illustrate
Implement
Indicate
Inform
Initiate
Insert
Inspect
Install
Instruct
Integrate
Interpret
Interview
Inventory
Investigate

Issue
Itemize

-K-

Keep
Key

-L-

Lay out
Lead
Lecture
Lift
Listen
List
Load
Locate

-M-

Mail
Maintain
Make
Manage
Mark
Measure
Merge
Modify
Monitor
Motivate
Mount
Move

-N-

Negotiate
Note
Notify

-O-

Observe
Obtain
Offer
Open
Operate
Order
Organize
Originate
Outline
Oversee

-P-

Package
Paint
Participate
Patrol
Perform
Place
Plan
Plot
Position
Post

Prepare
Prescribe
Present
Preside
Press
Print
Prioritize
Process
Procure
Project
Promote
Proofread
Program
Prorate
Provide
Purchase

-Q-

Question
Quote

-R-

Rate
Read
Reassign
Receive
Recommend
Reconcile
Reconstruct
Record
Refer
Register
Regulate
Relay
Remit
Repair
Replace
Report
Represent
Requisition
Request
Reschedule
Research
Resolve
Respond
Restore
Retrieve
Review
Revise
Route

-S-

Schedule
Screen
Search
Secure
Segregate
Select
Sell
Send
Separate
Serve
Service
Set up
Shape
Show
Solicit
Sort
Speak
Specify
Spray
Stack
Standardize
Start
Stimulate
Stock
Stop
Store
Study
Submit
Subtotal
Subtract
Suggest
Summarize
Supervise
Supply
Survey
Switch

-T-

Tab
Tabulate
Talk
Teach
Telephone
Tend
Testify
Test
Total
Trace

Train
Transact
Transcribe
Translate
Transpose
Type

-U-

Underline
Unload
Update
Upgrade
Use
Utilize

-W-

Weigh
Withstand
Withhold
Wrap
Write

-XYZ-

Zip