## HR-070 Manage Compensation

<table>
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<tr>
<th>Code</th>
<th>Activity</th>
<th>Description</th>
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| HR-070 | Manage Compensation                           | The process by which the State effectively manages:  
- Compensation strategies and tools  
- Market pricing  
- Modeling and budgeting  
- Administration of compensation programs including non-variable compensation programs, off-cycle promotions, pay changes, recognition, and award programs. |
| HR-070-005 | Conduct and Maintain Salary Surveys       | The Compensation Management Market Survey is an analysis tool that lets you compare agency various key positions with the prevailing marketplace compensation for the same or similar jobs and/or positions. The survey provides automated method for the state to collect and submit employee compensation data to market survey providers needed for analysis. |
| HR-070-010 | Conduct Compensation Analysis / Comparisons | Activities required for conducting compensation analysis / comparisons using market data from salary surveys. The State works with an external vendor to determine salary benchmarks and industry standards. The State then uses the results to determine if the internal salary structure is in line with market value. |
| HR-070-020 | Manage Job Requirements and Factoring     | Activities required to manage job evaluations and pricing. Once the Manager or HR Business identifies the need to update or create a job, they provide the job details to the State to use when determining the salary for the position. The State then provides their recommendation to the Manager and HR business. |
| HR-070-030 | Plan and Process Salary Structure Adjustments | Activities used to manage salary structures. |
| HR-070-040 | **Change in Employee Compensation (CEC)** | Activities used to prepare for kicking off the compensation planning process. The State develops and communicates guidelines and budget parameters, and coordinates with HR business to prepare for compensation planning launch. |
| HR-070-060 | **Manage AdHoc Compensation Adjustment** | Managers partner with HR to determine off-cycle pay adjustments. |
| HR-070-070 | **Communicate with Employee of Compensation Update** | Activities used to manage communication of salary changes to the employee. |
| HR-070-080 | **Monitor Internal Compliance** | Activities used to monitor internal compliance and determine remedial action, if necessary. |
HR-070-005 Conduct and Maintain Salary Surveys

1. Start
2. HR-070-005-010 Define / Create Survey Provider(s)
3. HR-070-005-020 Define / Create Jobs Provider
4. HR-070-005-030 Match Jobs and/or Positions
5. HR-070-005-040 Generate Report(s)
6. HR-070-005-050 Manually Enter Survey Results into System
7. HR-070-005-060 Prepare Compensation Update Recommendations
8. HR-070-005-070 Manual Receipt of Survey Submission
9. HR-070-005-080 Aggregate Results and Send Aggregated Market Rates
10. HR-070-005-090 Plan and Process Salary Structure Adjustments
HR-070-010 Conduct Compensation Analysis / Comparisons

- Request Market Analysis/Comparison
- Validate Jobs to be Benchmarked
- Confirm Survey Sources & Gather Relevant Data
- Review Market Data
- Perform Compensation Analysis
- Prepare Market Data Analysis Data for Agency
- Manage AdHoc Compensation Adjustment
- Conduct and Maintain Salary Surveys
- Approve, Return, Reject?
- Approve
- Reject
- Notify DHR / Agency of Rejection
- End
HR-070-020 Manage Job Requirements and Factoring

Start

- Need Identified to Update Job
- Consult with Appropriate Stakeholders to Validate Request

Job Evaluation Required?

Yes

- Consult with DHR / Agency
- Contact DHR Compensation Specialist of Request
- Gather Job Details from Agency Leadership and Appropriate Stakeholders
- Submit Request with Required Documentation

No

- Additional Info Needed?
- Any Factoring Changes Needed?
- Job Updates Needed?

End

- Create and Update Jobs

Yes

- Display Recommendation to HR
- Review Recommendation with HR

No

- Notify Impacted Agencies
- Develop Action Plan and Review with Impacted Agencies
- Receive Action Plan & Determine Timing
- Develop/ Update Job and Salary Level Recommendation
- MTM Review

End

Claim Impacted Agencies

- The process has impacts on pay, ensuring appropriate consultation and verification of changes.

- Notify Impacted Agencies

- Develop Action Plan and Review with Impacted Agencies

- Review Action Plan & Determine Timing

- Create and Update Jobs

- Manage AdHoc Compensation Adjustment

- Plan and Process Salary Structure Adjustments

- Create and Update Jobs
**HR-070-030 Plan and Process Salary Structure Adjustments**

1. **Conduct and Maintain Salary Surveys**
   - HR-070-005

2. **Review Market Analysis Data**
   - HR-070-030-010

3. **Consult with DFM**
   - HR-070-030-020

4. **Determine Salary Structure Adjustment Based on Modeling**
   - MTM
   - HR-070-030-040

5. **Wait for legislative decision or governor recommendation**
   - HR-070-030-050

6. **Determine Salary Structure Adjustment Based on Modeling**
   - MTM
   - HR-070-030-060

7. **Approve or remove pending salary structure adjustment employee actions**
   - HR-070-030-130

8. **Were there Impacted Employees?**
   - XOR

9. **Approve or remove pending salary structure adjustment employee actions**
   - End

10. **Were there Impacted Employees?**
    - Yes
    - MTM
    - HR-070-030-080
    - Process Salary Structure Adjustment in System
    - XOR

11. **Was Salary Structure Adjustment Approved?**
    - Yes
    - MTM
    - HR-070-030-080
    - Process Salary Structure Adjustment in System
    - XOR

12. **Notification of Approved Salary Structure Adjustment Details Sent to Impacted Employees**
    - End

13. **Communicate with Employee of Compensation Update**
    - End

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**Notes:**
- XOR indicates a decision point where yes or no outcomes lead to different paths.
- MTM refers to a model or tool used for specific calculations or analyses.
HR-070-040 Change in Employee Compensation (CEC)

Start

HR-070-040-010 Develop Guidelines/ Timeline for Merit Cycle
HR-070-040-020 Define and Develop Communication Strategy
HR-070-040-030 Submit Case with DHR and DFM Guidelines

Yes

No

XOR

Approve Plan?

HR-070-040-040 Configure Comp Allocation and Make Recommendations

XOR

Yes

No

Is there an Alternative Plan to Draft?

HR-070-040-050 Initiate Merit Process
HR-070-040-060 Define and Develop Communication Strategy
HR-070-040-070 Calculate and Review Budgets Based on Recommendations

XOR

Yes

No

HR-070-040-080 Validate Changes in EE Compensation

XOR

Yes

No

Approve Distributions?

HR-070-040-090 MTM

XOR

Yes

No

Errors?

HR-070-040-100 Submit to DHR and DFM for approval

XOR

Yes

No

Approve Distributions?

HR-070-040-110 Close Case

XOR

Yes

No

Is there an Alternative Plan to Draft?

HR-070-040-120 Communicate Approval and Finalize Changes

HR-070-040-130 Collaborate with DHR to Create CEC Plan
HR-070-040-140 Collaborate with Appropriate Stakeholders on Guidelines & Worksheet

XOR

Approve Plan?

XOR

Yes

No

Approve Plan?

Yes

No

XOR

Is there an Alternative Plan to Draft?
HR-070-080 Monitor Internal Compliance

Start

HR-070-080-010
Request Internal Compliance Audit

Gather Requirements Required for Internal Compliance Audit

Prep IC Guidelines, Process, and Scope

Facilitate Review with Leadership

Communicate Audit Guidelines / Process to Agencies

Generate IC related reports

Review Prelim data and consult w/ Compliance/Legal

Prepare Final Report and Identify Compliance issues

Compliance issue identified?

Yes

Approve Guidelines, Process, Scope?

XOR

No

Work w/ DHR / DFM / SCO / Agency to Determine Appropriate Steps

Update Downstream Systems, as necessary

End

HR-070-080-100

XOR

No

Approve Guidelines, Process, Scope?

Start

Yes

Work w/ DHR / DFM / SCO / Agency to Determine Appropriate Steps

Update Downstream Systems, as necessary

End

HR-070-080-110

XOR

No