

## **SECTION 3.70 PAY GRADE STUDIES**

**Last Update: 11/15**

### **General**

When an agency is experiencing severe difficulties in recruiting/retaining employees for a specific job class, and other possible problem areas (e.g., geographic location, organizational culture, work environment, etc.) have been ruled out, the problem may be the result of pay inequities. Document the issue, including the reasons, such as:

- Potential applicants decline interviews or job offers
- Employees voluntarily leave the organization for more pay, as documented in exit interviews

Submit professional publications or other documented information about pay or salary surveys for specific job class (or classes). Discuss issues with the personnel officer assigned to the agency. Completion of a [Request for Classification, Compensation and Selection Changes Form](#) with a [Pay Grade Study Questionnaire](#) may be required as the first step in the pay grade review process. The Department of Administrative Services – Human Resources Enterprise (DAS-HRE) will analyze the information and determine if a salary market study is warranted. Factors that impact this decision may include the following:

- Pay information/surveys the agency has submitted
- Collective bargaining status of the job class
- Ability to fund pay grade changes
- Whether the job class is used only by the agency or several agencies
- Ability to attract applicants and retain employees.

### **Recruitment**

Often, the rate of pay for the class is not the problem. It may be that qualified individuals are not aware of the position. Work with the assigned Personnel Officer and/or the DAS-HRE Recruitment Coordinator to determine the best ways to recruit for the position(s).

### **Salary Surveys**

If a study is warranted, DAS-HRE will examine existing salary information for similar classes. Typically, salary surveys are conducted annually from various sources, including the National Compensation Association of State Governments' survey. DAS-HRE may also initiate ad-hoc, focused surveys of surrounding states or other public employers, as they generally provide the best job matches.

### **Class and Pay Plan**

Once surveying is complete, data is compiled and compared against the salary of the class or classes being reviewed. Before a recommendation is issued, the data is compared to the Class and Pay Plan to ensure the proposed salary is consistent with the plan and that it does not distort other similar classes or series of classes.

### **Pay Grade Recommendation**

DAS-HRE makes a pay grade recommendation, subject to DOM and/or Governor's Office approval, as required.

DAS-HRE uses a “business necessity” approach to recommendations for pay grade changes. Effectively, this means that regardless of salary market conditions, a job classification’s assigned pay grade is ordinarily only changed due to the presence of some type of business necessity, such as:

- Documented recruitment or retention concerns, as supported by data;
- A significant, fundamental change in the core work found in the job class, impacting the class’ overall job evaluation; or
- Pay compaction concerns between a job class and others within the same supervisory chain of command.

If the class is covered by collective bargaining, any pay grade changes for the class must be negotiated with the union representing the class (as required by Iowa Code chapter 20).