

**Part 2-3:**

**The Merit System and the State Workforce**



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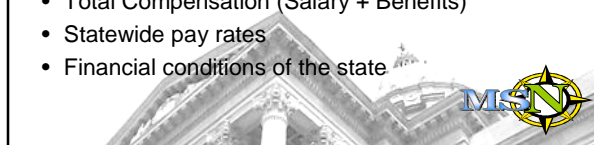
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**Factors in Determining Rates**

- Internal Equity
  - With other agency employees in similar jobs
  - Between and among job classes
- External Competitiveness (with other employers)
- Cost of Living
- Performance
- Total Compensation (Salary + Benefits)
- Statewide pay rates
- Financial conditions of the state



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**Internal equity with other employees**

- Performance
- Time in the job
- Qualifications



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## Internal equity between jobs

- Skill
- Effort
- Duties and Responsibility
- Working Conditions




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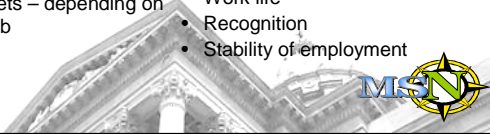
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## External Competitiveness

### Employer View (Objective)    Employee View (Subjective)

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Total Compensation</li> <li>• Compensation should attract, retain and motivate employees</li> <li>• Responsive to market competition</li> <li>• State operates in many markets – depending on the job</li> </ul> | <ul style="list-style-type: none"> <li>• Total Compensation</li> <li>• Performance</li> <li>• Seniority</li> <li>• Labor market</li> <li>• Organization and Supervision</li> <li>• Development and Career Opportunities</li> <li>• Work life</li> <li>• Recognition</li> <li>• Stability of employment</li> </ul> |
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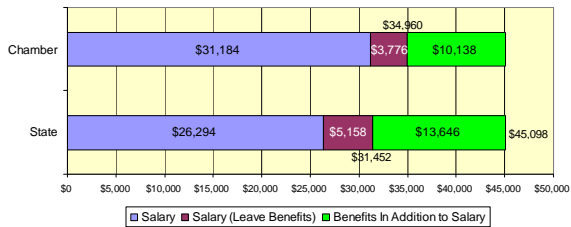
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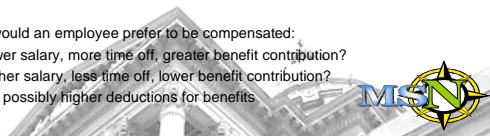
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State Compared to Private Salary and Benefits



- How would an employee prefer to be compensated:
- Lower salary, more time off, greater benefit contribution?
  - Higher salary, less time off, lower benefit contribution?
    - possibly higher deductions for benefits




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