

Retention Salary Adjustment

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Purpose

The purpose of a retention salary adjustment is to provide a pay mechanism to retain key employees who have received a similar job offer outside the government structure. Its purpose is not to reduce the employee turnover ratio of the employer in any appreciable sense. Key employees may exist at any hierarchical level in the organization and may represent most occupational families. They typically occupy one-of-a-kind jobs or jobs that are mission critical and extremely hard to fill.

Policy

Retention Salary Adjustments are pay increases not otherwise covered by other salary administration policies that may be necessary in cases of key employee retention issues related to critical and unusual labor market conditions.

Retention salary adjustments are not permissible where the intent or result would violate or circumvent the provisions of other salary administration policies or any provision of law in effect at the time.

Adjustments under this provision are subject to the availability of salary reserve funds and are subject to approval of the State Human Resources Director and the State Budget Director.

Written justification, addressing the criteria listed below, must accompany requests for retention salary adjustments.

Retention Salary Adjustments (continued)

Advisory Note: The policy is not intended to resolve all retention issues. Funds are available only from limited salary reserves of an agency or program and these funds must be managed to serve a variety of program necessities. Therefore, the implementation of retention salary adjustments shall be limited to the classifications with the most critical retention issues.

Criteria

The following conditions must be met prior to requesting a retention increase:

- (1) There is a bona fide written job offer from an employer outside the government structure which provides greater compensation without increased responsibility;
 - (2) There is no current employee with substantially equal qualifications for promotion to the potential vacancy;
 - (3) Serious salary inequities would not be created;
 - (4) The position duties are key to agency or program mission accomplishment; and the knowledge, skills and abilities required of an incumbent are clearly identified as difficult to recruit or the occupational group is acknowledged by the Office of State Human Resources as having a critical labor market shortage;
 - (5) Assurance that the use of established human resources policies/actions are not feasible alternatives to a retention salary adjustment (promotion, position reallocation, salary range revision, performance increase);
 - (6) Assurance that other management alternatives are not feasible (realignment of duties; allocation of additional staff, equipment, or other resources; commitment to personal development needs or future job opportunity; or other actions meeting mutually perceived needs that are not currently available, but are perceived by the employee as being better satisfied by the external job offer); and
 - (7) performance level at meets or exceeds expectations.
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