

What is our comparator market?

As determined nearly 15 years ago in the comprehensive pay study by the Hay Group, the market information upon which compensation determinations are made for the State of Kansas workforce is comprised of private and other public employers within Kansas, as well as information from eight surrounding states. The states included in that group are as follows: Arkansas, Colorado, Iowa, Missouri, Nebraska, New Mexico, Oklahoma and Wyoming.

How is the information compiled?

The Office of Personnel Services (OPS) within the Department of Administration is responsible for compiling this information on an annual basis. For the information from other states, OPS uses information from the National Compensation Association of State Governments (NCASG), which conducts an annual survey of nearly all states.

For the in-state employers, OPS conducts an annual salary survey representing roughly one-half of the State's workforce. The State of Kansas has just under 350 job classifications, along with nearly double that number of unclassified job titles. A survey of that size would simply not be completed by many employers, so only surveying half every year reduces the size of the survey to increase participation while still providing for timely data.

In addition, the survey does not include every level of a job, but instead includes key benchmarks that provide OPS with an overall understanding of the market position of the entire job family. For example, the State of Kansas has five levels of accountant, so rather than including all five of those as benchmarks, only the Accountant III level is included, which then allows OPS to map the market position of the other levels off of that information.

Rather than asking respondents to match titles, OPS provides a description of the duties for each benchmark and asks the employers to provide information for the job in their organization that matches with those duties. Staff from OPS then follow up with respondents to make sure that the comparisons are accurate.

The pay information that is requested is the average pay of all employees performing the duties of a particular benchmark job. While some salary surveys compare salary structures or starting rates, the State of Kansas prefers to use the actual average of employees performing the work, as it captures the full spectrum of employees, from recent hires to very experienced workers.

The data from both of these surveys is then combined, with data from in-state employers being weighted at 75% and data from other states weighted at 25%. This weighting recognizes the fact that in general, the State is far more likely to be competing for jobs with in-state employers as opposed to with other states. For those benchmarks where in-state data is not available, either due to a lack of responses or because the job is one performed only at the state-level, the NCASG data is utilized to determine market rate exclusively.

How are the results of the survey presented?

OPS prepares a summary of the survey every year, with the exact timing depending on when the data from the NCASG is made available. In looking at that document, the column on the far left lists the job classes and titles that were used as benchmarks in the survey, in alphabetical order.

The next three columns of the document show the information for State of Kansas positions. The first of those columns shows the number of employees in the listed benchmark, which is pretty self-explanatory. The second column shows the average hourly rate of those employees. This is base pay only and does not include overtime or any premium pays such as differentials.

The last of those three columns shows the market position of that particular benchmark. That is determined by comparing the average pay to the market rate column and showing the difference as a percentage. A negative number shows that the benchmark is below the market average while a positive number shows that a benchmark is above the market average.

The market rate column shows the average hourly rate for the benchmark, based on the data from the eight columns to the right, the first four of which are from in-state employers and the last four of which are from other State governments. In those columns, the number of employees is a total of the number of employees from respondents that match each particular benchmark. The number of organizations column shows the number of individual respondents from each group that provided matches, and the hourly rate is the combined average hourly rate of all employers for that particular benchmark. Finally, the effective date column shows the month and date when the data was collected. NA indicates that there were no matches with other employers on that particular benchmark.

How would this information be used to adjust State employee pay if market-based adjustments are recommended and approved?

The information from the summary would be the basis for all market-based adjustments, with the percentage comparison to market being the determining factor. So, if the average rate of pay of a benchmark is shown as being 20% below market, employees in that benchmark job would receive a pay increase of whatever percentage was approved to reach the target. For example, if the approved target was to move the benchmark to within 10% of market, employees in the benchmark shown as being 20% below market would receive an increase of approximately 10% in order to bring the average pay for that benchmark to within 10% of market.

To what percentage within the market target each particular benchmark is moved depends on multiple factors and will not be uniform for all benchmarks. For example, a benchmark that includes any classified employees must be adjusted in approximately 2.5% increments in order to align with the classified pay matrix, whereas a benchmark of entirely unclassified employees would not be impacted by that limitation.

As stated above, if a single level of a job classification series was used as a benchmark and is due to receive a market adjustment in accordance with the approved plan, the remaining levels of the series will be adjusted accordingly, as would job classifications and job titles performing substantially similar work. In general, the same adjustment will be applied to all positions within a particular benchmark in order to avoid further compression.

There may be some variation to this in situations where individual employees within a particular benchmark are already significantly over market or where the starting pay for the benchmark remains significantly below market, even after adjustments are made. These exceptions will be recommended by OPS and the Division of the Budget (DOB), with final approval by the Governor's Office.

It is also important to note that certain types of jobs, particularly many Executive-level and management positions, as well as positions in more general job classifications or job titles that do not align with other private and public sector benchmarks or cannot be accurately aligned with benchmarks from other states, do not typically have market data available as they cannot be included in market surveys. Examples of these types of jobs include such job classifications as Director and Manager/Administrator.