



**Montgomery County  
Office of Human Resources  
Wage Equity Review  
Instruction Manual**

Created on March 2014

Wage Equity Review is the County salary analysis process for MCGEO represented employees. The goal of this program is to maintain wage equity among union employees by comparing a candidate's proposed salary offer to the current salaries of union employees (incumbents) who work in the same job class. In addition to reviewing salaries, we also compare the candidate's education, training, certification, and work experience to similarly situated incumbents. **A wage equity sheet must be completed every time<sup>1</sup> you hire a candidate into a union designated job class.**

### **Key Terms and Definitions**

**Area of consideration**– must be an established department, division, section, or work unit, depending on the nature of the work and the requirement for specialized skill or training which may be different from others in the same class; explains which incumbents are being compared to the candidate(s); should remain the same for each salary review except in cases where there is a formal reorganization.

**Pay inequity** – when similarly situated employees with the same relevant experience, education, training and skills are performing the same job at different salary levels, and there is no reasonable explanation for the disparity in their salaries. For wage equity review purposes, when a candidate has less than or equal relevant experience, education, training, and skills but is being offered a salary that is greater or equal to a similarly situated incumbent with more relevant experience, education, training, and skills.

**Relevant education** – a degree that is required for the job and the major area of study is related to the job.

**Relevant experience** –having previous work experience that is related to the job opening; pertinent, applicable, appropriate, or related experience. For professional level positions, ONLY professional level relevant experience may be credited. For wage equity purposes, the years and months of relevant experience required for an applicant to be considered for the position.

**Relevant training and skills** – training and skills directly related to the duties of the position.


**Similarly situated** – employees in the same occupational class in the appropriate area of consideration (e.g., all Permitting and Code Enforcement Inspector I employees who are under filling the Permitting and Code Enforcement Inspector III job class- exclude Code Enforcement Inspector II and III).

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<sup>1</sup> There are a limited number of exceptions. For a list of the exceptions, see the first step under the “Hiring and Wage Equity Review Process”.

## Explanation of what belongs in the fields of the wage equity sheet

This is a sample wage equity sheet:



MONTGOMERY COUNTY WAGE EQUITY SHEET											
<b>Department and Division Names:</b>		Community Engagement Cluster / Wheaton Urban District									
<b>Class Title, Grade:</b>		Urban District Public Service Aide, 10				<b>Candidate's Name(s):</b>		Zackariah Smith			
<b>Minimum Education Required:</b>		High School									
<b>Minimum Relevant Experience Required:</b>		None									
<b>Licenses Required:</b>		None									
<b>Certifications Required:</b>		None									
<b>Date of Analysis:</b>		5/6/2014				<b>Relevant Time Credited Through:</b>		April 2014			
<b>Area of Consideration:</b>		All Urban District Public Service Aide employees who work at the Community Engagement Cluster's Wheaton Urban District (WUD)									
<b>HR Specialist:</b>		Melissa Davis				<b>Prepared by HR Liaison:</b>		George Ruth			
<b>OHR Final Decision:</b>		Based on the information provided, there is no evidence of wage disparity between candidate Zackariah Smith and the incumbents at the \$38,017 salary offer. Salary offer is approved. Alessandra Payne 5/14/2014									
Employee Name	Employee Date of Hire	Salary	FTE Salary	Maximum Salary of Grade	Degree	Date of Degree	Field of Study	Relevant Experience		Total Relevant Experience When Hired	Notes/Comments
								Years	Months		
Johnson, Terrence	10/07/2012	\$ 31,387.41		\$48,081.00	BA	May 2011	Science	2	0	0 yrs 6 mos credited at time of hire	Hired as a temporary
Bayley, Karen	10/10/2012	\$ 34,387.41		\$48,081.00	AA	May 2010	Hospitality	4	6	3 yrs 1 mo credited at time of hire	Hired as a temporary
Sanchez, Maria	11/23/2008	\$ 37,900.25		\$48,081.00	HS Diploma	June 2003	None	10	2	4 years 9 mos credited at time of hire	Hired as a temporary
Smith, Zackariah		\$ 38,017.00		\$48,081.00	AA	May 2002	Security Management	10	10	10 yrs 10 mos credited at time of hire	Competitive hire
Braighton, Donovan	09/06/2006	\$ 40,021.55		\$48,081.00	HS Diploma	June 2000	None	12	7	5 yrs 0 mos credited at time of hire	Competitive hire
Cliff, Shawn	03/02/2008	\$ 41,124.55		\$48,081.00	BA	June 1995	Political Science	1	9	No relevant experience at time of hire	Transferred from OMS Placement/ Ride On, started w/ WUD 7/2012, Ride On time was not credited as relevant experience
Russell, Michael	08/30/2009	\$ 42,011.93		\$48,081.00	HS Diploma	May 1999	None	17	2	12 yrs 6 mos credited at time of hire	Competitive hire
Williams, Joseph	11/19/2001	\$ 48,080.43		\$48,081.00	BA	June 1997	History	15	8	12 yrs 5 mos at time of hire	Rif from REC, started w/WUD Jan 2011
Storms, Cynthia	04/23/1999	\$48,081.00		\$48,081.00							employee's salary is at the maximum of the pay grade

Field Names – This section provides information on the Hiring Department and OHR Reviewers	
<b>Department and Division Names:</b>	Department and the Division hiring the candidate
<b>Class Title, Grade:</b>	Official Class Title as stated on the County Class Specification; if applicable, type the informal Position Title in parentheses “( )” followed by a comma “,” and then the Class Grade
<b>Candidate's Name(s):</b>	Name(s) of the candidates
<b>Minimum Education Required:</b>	Minimum educational degree requirements that were specified on the County Class Specification and job posting
<b>Minimum Relevant Experience:</b>	Minimum years of relevant experience required for an applicant to be considered for the position
<b>Licenses Required:</b>	Required licenses a candidate must possess to perform in this position
<b>Certifications Required:</b>	Required certifications a candidate must possess to perform in this position
<b>Date of Analysis:</b>	Date the candidate's data was added to the wage equity sheet
<b>Relevant Time Credited Through:</b>	Month and year the “Relevant Experience” for the incumbents was last calculated in the wage equity sheet
<b>Area of Consideration:</b>	Explains which incumbents are being compared to the candidate(s). Type in a phrase explaining the Class Title that the incumbents belong to and whether these incumbents work within the same department, division, section, or work unit.
<b>Prepared by HR Liaison:</b>	Name of the HR Liaison who prepared the wage equity sheet
<b>HR Specialist:</b>	Name of the Recruitment and Selection HR Specialist
<b>OHR Final Decision:</b>	Leave blank. This section will be completed by the HR Specialist in Classification and Compensation who will review and approve the wage equity sheet.

Column Name – This section lists the incumbents (by row) who are similarly situated to the candidate	
<b>Employee Name</b>	Name of the incumbent employee
<b>Salary</b>	Employee's current base salary
<b>FTE Salary</b>	This column only applies to departments who hire part-time employees. Type in the Full-Time Equivalent (FTE) salary for employees listed on the wage equity sheet. If your department does not hire part-time employees, do not complete.
<b>Maximum Salary of Grade</b>	Maximum salary for the position's grade
<b>Employee Date of Hire</b>	"Original Hire Date," unless there is information documenting that it is not relevant, in which case, "Recent Hire Date" may be used.
<b>Degree*</b>	Relevant degree earned by the employee (None, High School, Associates, Bachelors, Masters, or PhD). Enter "N/A" if degree is not known.
<b>Date of Degree*</b>	Year the degree was completed
<b>Field of Study*</b>	Degree major
<b>Relevant Experience (Years)*</b>	Total number of years of relevant experience. This column works in conjunction with the "Relevant Experience (Months)" column.
<b>Relevant Professional Experience (Months)*</b>	Total number of months of relevant professional experience. This column works in conjunction with the "Relevant Professional Experience (Years)" column.
<b>Total Relevant Experience When Hired*</b>	Total relevant experience (in years and months) credited to the employee at his/her time of hire. For this information, please refer to the wage equity sheet used when the employee was selected for the position. For incumbents hired prior to August 2014, HR Liaisons have the option of noting the years and months of total relevant experience as of a date certain. Please use the following template language "# years and # months credited on (date of analysis)." <u>There is no need to request an updated resume from the incumbent.</u>
<b>Notes/Comments</b>	Information explaining how incumbents were selected for the position. Document nuances of incumbents' salary information (i.e. longevity increases); any omitted experience subtracted from the total relevant experience calculations; any years of education substituted for relevant experience and vice versa; any relevant training and skills; and professional experience discovered during the background check.

**\* This information does not need to be entered for incumbents who are earning salaries equal to the maximum salary of the grade.**

### **Wage Equity Responsibilities by Position Title**

**Department HR Liaison** – creates a spreadsheet listing all employees in the class and includes information regarding their education, experience, training, skills, hire date and salary and forwards it by email to the OHR Recruitment and Selection specialist.

**OHR Recruitment and Selection Specialist** - Conducts the initial review of the information on the spreadsheet to check for accuracy.

**OHR Compensation Specialist**- reviews the spreadsheet to determine if the requested salary will create any salary inequity.

**Business Operations and Performance Manager/ OHR Compensation Manager** – reviews the spreadsheet and approves if in agreement with recommendation.

**Management and Budget Manager** – reviews the potential budget impact of required salary adjustments with the department. Approves or denies the salary adjustment for employees who are affected by the new hire's salary offer. Please note that the OMB review is only needed when the total cost of the wage equity salary adjustment is greater than or equal to \$10,000.

**Hiring and Wage Equity Review Process:**

Stage of Hiring Process	Stage of Wage Equity Process
<p><b>Determining whether you need to create a wage equity sheet</b></p>	<p>Wage equity sheets must be prepared for all employees except for the following:</p> <ul style="list-style-type: none"> <li>• non-union employees</li> <li>• temporary employees (including those appointed to term or permanent positions)</li> <li>• employees who are being hired into job classes for which you will offer the minimum salary for the grade</li> <li>• employees who are being hired into job classes where there are no similarly situated incumbents</li> <li>• employees who are noncompetitively transferred or promoted into a job class</li> </ul>
<p><b>Hiring prospective candidate(s)/Editing your master wage equity sheet</b></p>	<p>The best time to review and update the master copies of your wage equity sheets is no later than the point at which the candidate is selected.</p> <ul style="list-style-type: none"> <li>• Each incumbent’s total years and months of relevant experience should be researched and calculated by adding the time between the hire date and the last completed month to the credited time when the employee was first hired into the position.</li> <li>• Run a BI Tool Report to confirm that all incumbents are entered on the wage equity sheet. Exclude employees who are under filling the position in a different job class.</li> <li>• Ensure that all incumbents’ salaries are accurate on the wage equity sheet.</li> <li>• Consult prior wage equity sheets to ensure that the “Area of Consideration” field is accurate.</li> <li>• Update the notes section to include additional information and to explain how relevant incumbent data was calculated. Also include any credited experience discovered during the candidate’s background check/interview that was not documented on the resume.</li> <li>• Update the years and months of relevant experience columns for all incumbents using approved OHR wage equity sheets. (There is no need to update the years and months for incumbents who are at the grade maximum salary).</li> <li>• Highlight all incumbent data rows and sort these rows by salary/FTE salary<sup>2</sup> in ascending order, then by years of relevant experience, and then by months of relevant experience.</li> <li>• If you discover a mistake in relevant experience calculations, please refer to page 6, item 2.</li> </ul>

<sup>2</sup> Sort by the “Salary” column when you have a job class containing either full-time or part-time employees. Sort by the “FTE Salary” column when you have a job class containing both full-time and part-time employees.

<p><b>Adding candidate(s) to the wage equity sheet</b></p>	<p>After your department has selected a candidate to hire, you must add the candidate’s data to the wage equity sheet.</p> <ul style="list-style-type: none"> <li>• Review the candidate’s resume and other relevant documents for relevant experience, education, training, and skills</li> <li>• Add the years and months of relevant experience to calculate the total amount in years and months to the wage equity sheet.</li> <li>• Find the incumbents who have the next higher and the next lower total relevant experience than the candidate.</li> <li>• Insert a new row in between these incumbents.</li> <li>• Enter the candidate’s data (except salary column) into the newly inserted row then highlight or bold the candidate’s row.</li> <li>• Enter the candidate’s starting salary. It must be an amount between the two incumbents’ salaries.</li> </ul>
<p><b>Send wage equity sheet to your assigned OHR Recruitment and Selection Specialist</b></p>	<p>When sending the wage equity sheet for a candidate, please remember to provide OHR Recruitment and Selection with:</p> <ul style="list-style-type: none"> <li>• copy of updated wage equity sheet</li> <li>• copy of candidate’s resume</li> </ul> <p>OHR Recruitment and Selection reviews the top section of the wage equity sheet for completion to ensure the candidate’s information is accurate.</p>
<p><b>OHR Recruitment and Selection sends the wage equity sheet to OHR Classification and Compensation to review</b></p>	<p>OHR Classification and Compensation reviews and confirms data contained in the wage equity sheet.</p> <ul style="list-style-type: none"> <li>• Reviews the wage equity sheet for missing information.</li> <li>• Runs a BI tool position dashboard report to confirm that all incumbents are listed on the wage equity sheet.</li> <li>• Confirms candidate’s relevant experience using documents provided by the hiring department and OHR Recruitment and Selection.</li> </ul>
<p><b>OHR Classification and Compensation final decision</b></p>	<ul style="list-style-type: none"> <li>• If there is a discrepancy with the wage equity sheet, OHR Classification and Compensation will notify the HR Liaison and OHR Recruitment and Selection of the discrepancy. OHR and the HR Liaison will collaborate to resolve the discrepancy and finalize the wage equity sheet.</li> <li>• If there is wage disparity between the candidate and an incumbent on the wage equity sheet, OHR Classification and Compensation will notify via email the HR Liaison and copy the Recruitment and Selection HR Specialist. OHR will present the options on how to restore wage equity. The department HR Liaison will explain how the department intends to restore wage equity.</li> <li>• If there are no discrepancies or after a resolution has been explained, OHR Classification and Compensation will issue a final decision to the Recruitment and Selection HR Specialist and to the hiring HR Liaison.</li> </ul>

## Wage Equity Best Practices

1. **Keep copies of all wage equity sheets with approved OHR final decisions.** Each wage equity sheet contains a candidate's total years and months of relevant experience. This information is a great back up document to use when calculating an incumbent's total years of professional experience. By keeping these documents, you can use the credited years of experience as a base and add to it the time that has elapsed between the employee's start date and the last completed month.
2. **Use the wage equity sheets when correcting human errors with crediting experience.** Sometimes, an error can cause an incumbent's relevant experience to be under- or overvalued. The wage equity sheet for each employee explains what experience was credited and approved when the employee was hired. When the employee was hired, there was a consensus between the hiring department's HR Liaison and OHR HR Specialists on the employee's total relevant experience calculations. These values are historical and should not be changed without the consent of the OHR HR Specialists and department HR Liaisons. In addition, wage equity sheets are shared with the union and so it is important to ensure that all time calculations are credited consistently and accurately over time. If there is missing data or data you suspect is inaccurate:
  - a) **First, you should refer to the earliest approved wage equity sheet where the incumbent's name first appeared.** The relevant experience credited to the incumbent on that sheet should be entered in the "Total Relevant Experience When Hired" column on the new wage equity sheet (and "credited through the date noted") and the HR Liaison should calculate the incumbent's current relevant experience.
  - b) **Second, if there is no wage equity sheet available that documents the incumbent's information,** then you should calculate the incumbent's relevant experience using the incumbent's resume.
  - c) **Third, if you do not have a copy of the incumbent's resume or if the incumbent's resume does not document information needed for the wage equity sheet,** then you should email the OHR Compensation Specialist to research the incumbent's missing information.
3. **It is important to use the same area of consideration when conducting a wage equity review.** The area of consideration ensures that all candidates are compared using the same parameters. The area of consideration should remain the same when comparing candidates to incumbents to ensure uniformity and consistency. If your hiring department would like to change the area of consideration, then you should email Lori O'Brien for approval. The area of consideration can be changed only if there is a formal reorganization of the hiring department.
4. **It is best to slot the candidate in between the two incumbents with higher and lower total years of relevant experience.** OHR recommends that you slot the candidate into the correct row that is located between the two incumbents with the next highest and lowest salaries and relevant time. After adding the candidate to the correct row, bold and highlight the candidate's row in a different color. Slotting the candidate into the correct row as opposed to placing the candidate in the first or last row will reduce time spent editing future wage equity sheets.
5. **OHR recommends that you encourage the candidate to provide start and end dates (in month/year format) for previous work experience.** This information will ensure that the candidate's relevant experience is calculated accurately. The County does not credit overlapping time of relevant experience so whenever you see a candidate's resume contains vague employment dates, make sure you request a revised copy of the candidate's resume that uses the month/year format. Also, you should ask the employee to disclose relevant part-time work experience because this work experience should be prorated on the wage equity sheet (e.g., 1 yr part-time work at 20 hours/week should be credited on the wage compression sheet as 6 months of relevant experience).

6. **How the County credits relevant time for incumbents and candidates.**

All incumbents' and candidates' resumes should be analyzed by the HR Liaison to determine what work experience for each position is relevant. After identifying relevant positions, the HR liaison needs to review the time worked in these positions and exclude any overlapping full-time work experience and prorate all part-time work experience. Overlapping part-time experience can be calculated as full-time experience during the overlapping time period if the total weekly hours equal 40.

- a) **Crediting full-time relevant work experience.** For example, if today's date is May 6, 2014, and candidate worked in a relevant position from February 2005 to present, credit the applicant time worked from February 2005 to May 2014. Calculate the relevant years by subtracting February 2005 from February 2014 to get 9 years of relevant experience. Then, calculate the relevant months of experience by subtracting five (May) from two (February) to get 3 months of relevant experience. The candidate should be credited for working 9 years and 3 months in that position.
- b) **Crediting part-time relevant work experience.** In calculating part-time work experience, take the number of hours worked per week times 52 weeks. Each 2080 block of hours equates to 1 year of full-time experience. Each 1040 block of hours equates to 6 months. If an applicant worked 20 hours a week for 2 years, they would be credited for 1 year of experience. If you have someone who worked 10 hours a week or 15 hours a week or 30 hours a week, you would calculate the number of hours worked per week multiplied by 52 weeks to come up with the total hours. Then, you divide the total hours by 2080 to get the full-time equivalent hours worked. Lastly, you would multiply the full-time equivalent hours worked by number of years the candidate worked those hours in the position. Roughly 173.33 hours equates to one full-time equivalent month (that is 2080 hours divided by 12 = 173.33/ rounded to 173). If an applicant indicates that they are working part-time, but does not reflect the hours worked, you must confirm part-time hour per week prior to submitting the wage compression worksheet.

**NOTE:**

1. Relevant experience means pertinent, applicable, appropriate, or related experience. It means having previous work experience that is related to the job opening. For professional level positions, ONLY professional level experience may be substituted (refer to Equivalency Information at - <http://www.montgomerycountymd.gov/ohr/staffing/equivalencies.html>).
  2. Relevant volunteer experience may also be credited if enumerated on resume.
  3. Relevant internship experience may be credited if enumerated on the resume. Internships that are part of a degree requirement/curriculum are not credited towards relevant experience. However, summer internships and internships where credit is not received may be considered. Should you have questions on how to credit an internship, please contact your assigned Recruitment and Selection Specialist.
7. **It is OK to offer a candidate with more relevant experience a higher salary than an incumbent's salary who has more relevant experience.** The hiring department can pay a candidate a higher starting salary than an incumbent salary if the hiring department agrees to increase the incumbent's salary to an amount that is \$500 more than the candidate's salary offer. This increase to the incumbent's salary would occur after the candidate completes his/her probationary period. This salary adjustment is retroactive to the new employee's date of hire. OMB needs to be informed of any wage equity review salary adjustment that is greater than or equal to \$10,000.



8. **It is OK to offer a candidate a higher salary than an incumbent if the candidate has more relevant experience, education, training and/or skills.** A candidate can receive a higher starting salary than an incumbent's salary if that incumbent has less relevant experience, education, training and/or skills than the candidate.
9. **It is OK to pay a candidate the same salary as an incumbent in one circumstance.** If the candidate and the incumbent have the same relevant experience, education, training and/or skills, then the candidate's salary offer can equal the incumbent's current salary.
10. **An applicant's education can be substituted for experience and vice versa.** Please refer to the Montgomery County Careers section on "Equivalencies for Education and Experience" at <http://www.montgomerycountymd.gov/ohr/staffing/equivalencies.html>.
11. **Examples of internship types.**

**Cooperative Education (co-op):** a three-way partnership between a student, an employer, and a college or university. It allows students to integrate work experience into their academic studies for credit. Many colleges endorse cooperative education by partnering with a variety of employers to provide career-related opportunities.

Participating students work in jobs that relate to their majors. For example, if you are studying animal behavior or zoology, you might be able to get a part-time job at your local zoo.

**Field Experience:** an opportunity—most commonly used by students pursuing careers in science or sociology—to develop skills by observing, recording, mapping, and interpreting data. Research may be limited to one subject, like gorilla behavior or business protocol, or may encompass a number of different, limited topics.

Fieldwork is often cited as one of the best ways to put the theories that you learn in the classroom to a practical test. The best fieldwork experiences combine supervision and education (lectures, note-taking, and directed observation) with independent research practica (designing a research methodology, collecting and recording data, and drawing conclusions that result in the acceptance or rejection of an original hypothesis).

**Practicum:** offer students the chance to apply their academic experience to a real-world project. Students work in teams or individually under the joint supervision of an employer and an academic adviser. Practica increase your standing in the job or graduate-school market and facilitate networking with professionals in your field of interest.

A sample practicum might assign a group of MBA students to a semester-long project sponsored by a consulting firm and supervised by a faculty member.

To set up a practicum, you meet with your academic advisor or department head and target sites that are tailored to your personal, educational, and career goals. One senior management consultant says, "There is no substitute for experience. The practicum program assists students in preparing for their transition to the business world. It gives them a valuable edge over their peers in today's competitive marketplace."

Practica offer employers a valuable resource for short-term project needs and inject the refreshing perspective of tomorrow's young professionals." Some popular practicum sites include the American Bar Association, American Civil Liberties Union, KPMG Peat Marwick, AT Kearney, Baxter Healthcare, and Children's Memorial Hospital.

**Service Learning:** allows a student to work in organized service within a community. You might work in an elementary school, secondary school, institution of higher learning, or community service program.

Service learning is usually structured as a three step process in which students outline their proposed service term and objectives, perform the service work, and then present conclusions based on an analysis of their experiences.

Possible service learning projects might include working at a shelter for battered women, preserving native plants, designing a neighborhood playground, or assisting in a reading program at a local elementary school.

**Externship:** are distinguished by their short duration. The student spends a short period of time (usually one to three weeks) observing and often working with professionals in their career field of choice. Students experience a typical day on the job and observe the work environment and demands of the career.

Externships enable you to investigate a career field without making a long-term commitment. They are most common in the legal and medical fields and are unpaid.

For pre-med students, externships usually involve shadowing a medical doctor in the emergency room or in a high-volume clinic. For first-year law students, legal externships are often a brief clerkship in which you handle documents and file petitions.

**Apprenticeship:** offer both practical experience in a highly skilled trade and in-school training. Apprenticeships are paid and wages increase as the apprentice gains experience. Apprenticeships vary in length from one to five years.

Trades offering apprenticeships include horticulture, the culinary arts, electronics technology, graphic art, clothing design, jewelry and goldsmithing, and plumbing technology.