

Title:	Hiring Rates	
Purpose:	To establish a hiring rate policy and to provide recruitment incentives for critical-to-fill and labor shortage positions.	
Issued by:	Classification and Pay Employment and Personnel Services	Date: February 15, 2005
References:	Hawaii Revised Statutes §76-23.5; Civil Service Rules §3-11 and §6-3	

I. POLICY

All initial appointments shall be made at the minimum rate of the appropriate salary range. The Director of Human Resources (Director) may, however, authorize a recruitment incentive to enhance the recruitment of persons employed or appointed to critical-to-fill or labor shortage positions or positions where recruitment difficulty has been substantiated. The authorized recruitment incentive must be consistent with the merit principle and organizational and operational goals and objectives of the City and department/agency. Once authorized, recruitment incentives are subject to annual review, and may be terminated at any time.

II. DEFINITIONS

"Critical-to-fill" means

1. Positions so vital to the organization's mission such that the work cannot be assigned or assumed by other positions, and the inability to fill would significantly and adversely affect the organization's ability to accomplish its goals and objectives; or
2. Positions providing direct services that must be performed because the health, safety and welfare of the general public are involved.

"Department" means any department, board, commission or agency of the city.

"Labor shortage" means there are an insufficient number of qualified individuals in a particular occupation to meet the demand for workers.

"Recruitment incentive" means the payment of all or a portion of travel and transportation expenses and/or special compensation to enhance the filling of critical-to-fill or labor shortage positions or positions where recruitment difficulty has been substantiated.

"Special compensation" means any compensation over and above the first step or minimum rate of the appropriate pay range, and encompasses monetary incentives provided as a pay differential or an appointment above the minimum rate.

"Travel and transportation expenses" means costs such as airfare, ground transportation, and lodging.

"Unique qualifications" means knowledge, skills and abilities which are exceptional, highly specialized or at a high level of expertise in relation to the job market. Persons are more than minimally qualified and considered capable of independently making a

positive and immediate contribution to the accomplishment of the City's and department's mission.

III. **GENERAL PROVISIONS**

- A. Recruitment incentives may be used to attract, hire and retain qualified employees
 - 1. In critical-to-fill positions,
 - 2. In positions where there is a documented labor shortage and recruitment or retention difficulty jeopardizes the department's mission, or
 - 3. Who possess unique qualifications in relation to the job market, provided those particular qualifications are critical and essential to the department's successful accomplishment of their mission.
- B. The recruitment incentives may be provided as:
 - 1. Travel and transportation expenses – All or a portion of the travel and transportation expenses may be paid or reimbursed.
 - a) The amount of payment or reimbursement shall be reasonable in relation to the position recruited for, the duration of time required for the examination, selection and hiring process, and shall be pre-determined prior to making any arrangements.
 - b) Departments should, to the best of their ability, ascertain the extent of an applicant's qualifications, intent and interest, prior to offering this incentive.
 - c) Applicants must be provided all pertinent information, outlining the scope of payment or reimbursement prior to any payment or reimbursement.
 - 2. Special Compensation
 - a) Monetary Incentives – Monetary incentives, in the form of pay differentials, may be made either as monthly payments or lump sum payments paid in one or several payments. All pay differentials are not added to the base pay (non-base building). Employees may be required to sign an agreement to fulfill a period of service to the department.
 - b) Appointment above the minimum step or rate of the appropriate salary range – The amount shall not exceed the maximum step/rate of the appropriate pay range. Employees may be required to sign an agreement to fulfill a period of service to the department. Employees who subsequently move to another civil service position in the City that has not been approved for special compensation, shall have their compensation adjustment made based on the salary step and rate the employee would have been assigned had the special compensation not been authorized.
- C. The amount of the recruitment incentive shall be set at the minimum level that is sufficient to alleviate the staffing problem involved in a particular situation. The amount shall be reasonable, based on the person's qualifications that are specific

and pertinent to the position being filled, operational and organizational need and existing staffing and organization levels.

1. Travel and transportation expenses are not intended to provide a vacation or other perquisite for the applicant.
 2. Special compensation is not authorized for the sole purpose of giving employees a raise, solely to match private sector or federal government rates of pay, or to equalize the pay rates with that of other employees.
- D. Recruitment incentives shall be funded within existing departmental budgets.
- E. Recruitment incentives are temporary in duration. The recruitment incentive may be extended if the department has provided adequate documentation that it should be retained.
- F. Recruitment incentives must be approved by the Director prior to recruitment. They are not guaranteed, and if authorized, are subject to annual review, and may be adjusted or terminated at any time.
- G. In addition to the review and approval by the Director, approval by the Mayor may also be required. If deemed appropriate, the Director shall obtain written approval from the Mayor.
- H. No aspect of any recruitment incentive is grievable, appealable, or subject to the internal complaint process, except as provided by law.

IV. **RESPONSIBILITIES**

A. Departments and Agencies

The Director is vested full authority to review and approve all requests for recruitment incentives. Thus, requests for recruitment incentives should be submitted in writing and include the reason(s) for the request, proper justification and supporting documentation. In addition, as the Mayor's approval may also be required, requests should be submitted in a timely manner.

1. Travel and transportation expenses.
 - a) Develop parameters regarding the nature and amount of payment or reimbursement, and the conditions for which such incentive will be offered. This shall include a breakdown of travel and transportation expenses and relationship to department's selection and examination process.
 - b) Initiate requests for payment or reimbursement of all or a portion of travel and transportation expenses, taking into consideration the following:
 - i) Rationale and need to recruit off-island, including specific qualifications and attributes sought;
 - ii) Nature of existing local labor market;
 - iii) Rationale and need to offer this type of incentive;
 - iv) Operational and organization program needs;

- v) The importance and effect of not filling the position would have on the organization;
 - vi) If more than one off-island candidate is anticipated, and this incentive would not be offered to all applicants, include the rationale and parameters to be used in determining to whom the incentive would be offered.
2. Special compensation.
- a) Since special compensation is an exception to regular rates of pay, it is not authorized unless fully justified. Before a request is submitted,
 - i) Review staffing conditions to determine if recruitment or retention needs fully justify requests, and
 - ii) Verify and document that the particular staffing difficulty cannot be resolved by other alternative solutions, including conducting an aggressive recruiting program, redesigning or restructuring jobs, establishing training programs, and improving working conditions.
 - b) Initiate requests to the Director for special compensation, taking into consideration the following factors:
 - i) Nature of staffing situation, including
 - (1) Staffing data, including the number of existing employees, their qualifications, and their compensation levels;
 - (2) Vacancy data including the number of existing vacant positions, the length of time they have been vacant, and the number of funded vacancies attempted to fill, the number of hires and offers made, and any anticipated vacancies;
 - (3) Turnover data, including the number of employees who have terminated, their reasons for terminating; a comparison of current and previous voluntary quit rates and reasons for leaving, and the number of employees who are likely to quit and supporting evidence.
 - ii) Nature of the existing labor market, including results of previous recruitment efforts that were conducted at lower or higher pay rates, pay rates at which other employees were hired, and recommended rates utilized within the City.
 - iii) Impact of alternative non-pay solutions such as those described in IV.A.2.a. above.
 - iv) Impact of the staffing problem on the department's mission, goals and objectives.
 - v) Any other pertinent data, including unusual working conditions, unique elements of the job, special license requirements, and number of licensed workers or number of institutions that employ such licensed workers.
 - c) Develop and communicate appropriate criteria for the use of any special compensation, including but not limited to criteria for determining the amount of the pay differential or hiring step/rate. For example:
 - i) A lump sum payment (i.e., bonus) may be conditional upon satisfactory completion of a particular project - The performance standards and criteria for which the employee will be evaluated, the amount of the bonus and when the bonus will be paid must be pre-determined and communicated to the Director.

- ii) A monetary incentive for special job requirements – The specific qualifications, training, skills or work experience must be clearly identified and outlined. The special job requirements must be directly relatable and pertinent to the work assigned. If the special job requirements are for a specific project or limited period of time, the performance standards, evaluation criteria and length of time must be clearly outlined and detailed.
- iii) Appointment above the minimum step or rate of the appropriate pay range – The specific levels of qualifications required for compensation at each step of the pay range must be clearly identified. The qualifications must be directly related and pertinent to the work assigned.
- d) Respond to requests from the Director for staffing and wage data in connection with the requests and the annual review of authorized special compensation.
- e) Upon approval of the special compensation by the Director, develop and execute a service agreement. The service agreement should include the criteria to be met, the criteria for determining the amount, etc. A copy of the executed agreement shall be submitted to the Director.
- f) Prior to making an offer, the recommended monetary incentive and/or pay rate and an analysis of the individual's unique qualifications which warranted granting of the recruitment incentive (e.g., qualifications, skills, knowledge and abilities that are specific and pertinent to the position, applicable education, training, certifications or licenses, etc.) shall be submitted to the Department of Human Resources for review and approval.

The individual should meet or exceed existing qualifications and must be distinguished from other applicants in order to qualify for an above the minimum rate.

B. Department of Human Resources (DHR)

1. Conduct recruitment analyses and wage surveys as applicable, in response to department's request for recruitment incentives.
2. Review, evaluate and approve/disapprove department's request for all recruitment incentives. If approved, specify the nature and amount of the recruitment incentives, program parameters and coverage.
3. Conduct annual reviews of authorized recruitment incentives and adjust or terminate them, as appropriate.