

Contents

About This Document	1
Overview	1
Assumptions	2
Supporting Documents	2
Who Does What?	3
Guidelines & Steps	3
Step 1. Analyze External Market Data & Internal Salary Structure.....	3
Step 2. Review Company Budget for Employee Salaries.....	4
Step 3. Propose & Finalize Internal Salary Structure	4
Step 4. Update Reference Tables in Annual Salary Review Spreadsheet	4
Step 5. Gather & Update Departmental Data	5
Step 6. Finalize & Obtain Approval for Employee Salary Increases	5

About This Document

owner	HR
access & use	Restricted to HR
what it is	<p>A guide that:</p> <ul style="list-style-type: none"> ◆ Outlines the step-by-step process for conducting annual salary reviews. ◆ Clarifies who is responsible for each step. ◆ Provides point-and-click access to the documents needed for each step, along with instructions and examples.

Overview

- ◆ What factors do we need to consider when conducting an annual salary review?
- ◆ Who determines the recommended % increases? How are they calculated?

- ◆ What happens when the salary of a ‘must keep’ employee is already in the highest percentile of our salary range?
- ◆ Who’s responsible for what? And who makes the final decision?

This Process Guide outlines variables to consider in deciding how to award salary increases and a step-by-step process to follow each year.

Assumptions




This guide assumes the following:

- ◆ You have gathered market data from one or more external salary surveys available from employer associations or survey vendors.
- ◆ Survey data is often time sensitive and may become out-of-date quickly. Because of the time sensitive information, surveys are often identified by the year or quarter in which the data was collected.
- ◆ Managers have conducted annual performance reviews, and have given their direct reports a summary rating for individual performance.
- ◆ Finance has determined next year’s annual budget for employee salaries.



Supporting Documents

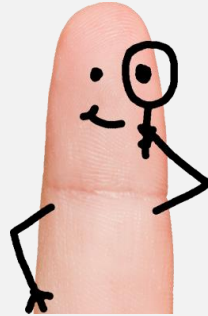
The following table lists the spreadsheets and documents available to support you through the annual salary review process. The steps detailed in this Guide describe when and how to use these resources.

Click on an icon in the table below to open that document.

- ◆ Click  to open the template or guide
- ◆ Click  to open instructions on how to use the template, spreadsheet or form
- ◆ Click  to open a completed example of the template or form

Note: The **Doc ID** column contains a unique identifier for all our HR documents. Think of it like a bar code you don’t have to pay attention to, unless you want to double-check you have the right document.

Doc ID	Document Name	Description	Doc	Help	Ex.
CP-HR-3540-M.	Annual Salary Review Spreadsheet	Spreadsheet used by HR to review base salaries and determine increases or adjustments			



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Step 2. Review Company Budget for Employee Salaries

Employee salaries make up the Company's largest expense. When reviewing employee salaries, and considering salary increases, we must adhere to our pre-determined budget.

➤ HR

- ◆ Meet with Finance to review next year's total budget for employee salaries.
- ◆ Determine the overall percentage increase from the current year.
- ◆ Factor in whether next year's budget includes expansion or reduction of headcount.

Step 3. Propose & Finalize Internal Salary Structure

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1. Based on your findings from **Steps 1 and 2** above, draft a revised salary structure for next year.

Include details of the following:

- Specific positions, job families, or job levels where we need to lead the market in employee compensation.
 - Job families or job levels where we should at a minimum meet the market.
 - Specific positions requiring a salary change to maintain internal equity.
2. Schedule a meeting with the CUSTOMIZER: Executive Team/Senior management team.

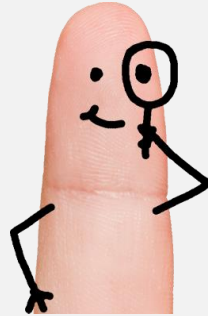
During the meeting:

- a. Summarize the external market data and how it compares to our internal salary structure.
- b. Summarize your recommendations based on the above, and on the annual budget. Be prepared to provide more detail if required.
- c. Determine the preferred overall compensation strategy and salary structure for next year, based on annual budget.

Step 4. Update Reference Tables in Annual Salary Review Spreadsheet

➤ HR

1. Make a copy of the [Annual Salary Review Spreadsheet](#). Include the year of the salary review in the new filename (e.g., CP-HR-3540-M. Annual Salary Review Spreadsheet-2017)



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- i. Obtain CUSTOMIZER: Executive Team/Senior management team approval for employee salary increases.
 - ii. Modify *Annual Salary Review Spreadsheet* accordingly.
2. Provide the following departments with the new employee salary information:
 - Payroll - for processing of salary increases
 - Finance - for audit purposes

PREVIEW