Robert M. Williamson, Strategic Work Systems, Inc. Having trouble retaining top-skilled maintenance technicians? Motivating your technicians to master new skills a problem? Is recruiting promising maintenance employees difficult? Are most of your maintenance employees topped out in pay? Is your maintenance compensation program keeping highly skilled prospects from applying for job openings?

If you answered "yes" to any of these questions plaguing many maintenance organizations today, you should seriously consider a "pay for applied skills" compensation plan. In such a pay plan, employees' pay is based on the skills and knowledge they apply on the job rather than the pay rate of the job classification they hold. The difference? You are paying for what the maintenance employee actually accomplishes on the job. Higher-skilled employees earn more per hour than those employees who perform at the minimal expected levels.

In a recent manufacturing plant example many of the 165 maintenance employees were "high seniority" and at top pay in their traditional pay plan. They had been topped out for years. Regardless of the skills or the job classification, most maintenance employees were paid the same hourly rate; lubricators and truck mechanics were paid the same as instrumentation and control technicians and journeyman-level millwrights thanks to a four-year time-in grade pay plan. In this plant the I&C technicians and millwrights clearly added more value to equipment reliability and plant performance than truck mechanics and lubricators. Truck mechanics and lubricators were essential to the operation, too, but were in plentiful supply and easily trained. I&C mechanics and millwrights were a scarce resource and it took years to develop the skills.

A second problem in this case was one of "motivation." How could you possibly encourage people to learn and apply new skills for improving reliability if they felt that there was "nothing in it for me." New employers in the area were recruiting those top-skilled technicians and millwrights by higher pay and opportunities for advancement.

A third problem in this case was the difficulty of recruiting new, higher-skilled maintenance technicians. They struggled with minimal chances for advancement, and no provisions for starting out at a higher than entry-level pay.

So, how was the "pay for applied skills" program developed in this case? It began with a comprehensive definition of the skills and knowledge required to perform the maintenance jobs in the plant. This listing of "job-performance requirements" was developed using a duty/task analysis process. (Beware not to take a short cut with this step as it is prescribed in the "Federal Uniform Guidelines for Employee Selection Programs.") The duty/task analysis also provided a valid and fair way to assess employees' skills and knowledge, structure on-job and classroom training programs, and assess the skills and knowledge of prospective employees.

The next step determined the advancement requirements, or criteria, and dollar value of each pay level in the new plan.

Another important consideration here was not to develop a "general skills advancement plan" where everybody had to have the same skills and knowledge to advance. Here was an opportunity to structure the new pay plan to emphasize the skills and knowledge necessary to improve and sustain new levels of equipment performance and reliability for today and into the future. Here was the chance to develop a "multi-skilled" maintenance work force. This was a true "win-win" situation; the business wins through training and qualification of maintenance employees to perform the tasks that truly make a difference and the employees win by learning to do what they are interested in doing.

What about maintenance employees who did not want to learn and apply new skills (and you will always have some)? If they are good employees, performing needed tasks on the job, they can fit into the plan at a level that matches either their current pay or the skills and knowledge they have.

The downside of a pay for applied skills plan, and probably the biggest barrier to this effective compensation system is two-fold: it is different and it takes a bit more time to administer than the old time-in grade job classification systems.

A maintenance pay for applied skills plan may be just what your organization needs to breathe

new life into a pay and progression process based on skills and knowledge of the last century.
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