

# Classification and Compensation Project Overview

Leadership Team Presentation  
June 21, 2016

# Agenda

- ▶ HRCC's History and Experience
- ▶ Project Overview
- ▶ Goals of Classification and Compensation Plan
- ▶ Employee Input
- ▶ Job Evaluation – An Overview
- ▶ Classification Methodology
- ▶ Compensation Philosophy
- ▶ Pay Structure Evaluation
- ▶ Implementing the New Plan
- ▶ Going Forward

# HRCC's History and Experience

- ▶ Formed in 2003
- ▶ Officially became an LLC in April 2007
- ▶ Certified by the state of Florida as a Minority Business Enterprise
- ▶ Principal has over 20 years of progressive compensation experience, starting career in governmental consulting
- ▶ Consultants have over 15 years HR and compensation experience working with private-sector, university, non-profit and public-sector clients

# Project Overview

- ▶ Implement a compensation program that balances internal and external equity
- ▶ Steps in the Project:
  - Gathered job information by having employees complete and supervisors review Position Questionnaires (PQ's)
  - Conducted a classification study to align jobs based on job function
  - Conducted a compensation survey to create a new pay plan
  - Identified the best implementation plan for Cooper City
  - Created Compensation Administration Guidelines

# Goals of a Classification and Compensation Plan

- ▶ Ability to attract, retain, and motivate the right employees in the right jobs
- ▶ A classification and compensation plan should be:
  - Internally equitable
  - Externally competitive
  - Align with the organization's mission and values
  - Fiscally responsible

# Common Terms

- ▶ Internal equity
  - Relative worth for different jobs within an organization
- ▶ External equity
  - Positioning of pay ranges to market rates as determined by market pricing
  - Measure of Cooper City's pay compared to organizations with similar jobs



# Employee Input on Position Questionnaires (PQs)

- ▶ General employee information
- ▶ Job summary – general purpose
- ▶ Functions of the job with percentage of time
- ▶ Supervisory responsibilities
- ▶ Budget responsibilities of the job
- ▶ Decision making authority
- ▶ Interactions with others
- ▶ Education and Experience – Required and Preferred
- ▶ Knowledge, Skills, and Abilities
- ▶ Physical, Environmental, and Sensory requirements

# Job Evaluation – An Overview

- ▶ Job evaluation measures the following job factors:
  - ❑ Education & Experience
  - ❑ Scope of duties
  - ❑ People Management
  - ❑ Supervision received
  - ❑ Impact of position on the department
  - ❑ Reporting relationships
  - ❑ Empowerment Level
  - ❑ Creativity and innovation
  - ❑ Level of responsibility
  - ❑ Knowledge and skill required to perform the duties
  - ❑ Work-Related Challenges
  - ❑ Complexity of work
  - ❑ Nature or type of work performed
  - ❑ Supervision exercised
  
- ▶ Intended to measure significant and permanent elements of a job's function, focusing on evaluating the job itself.
- ▶ **Not designed to measure personal attributes or qualifications of an employee, performance, seniority, confidentiality or volume of work.**



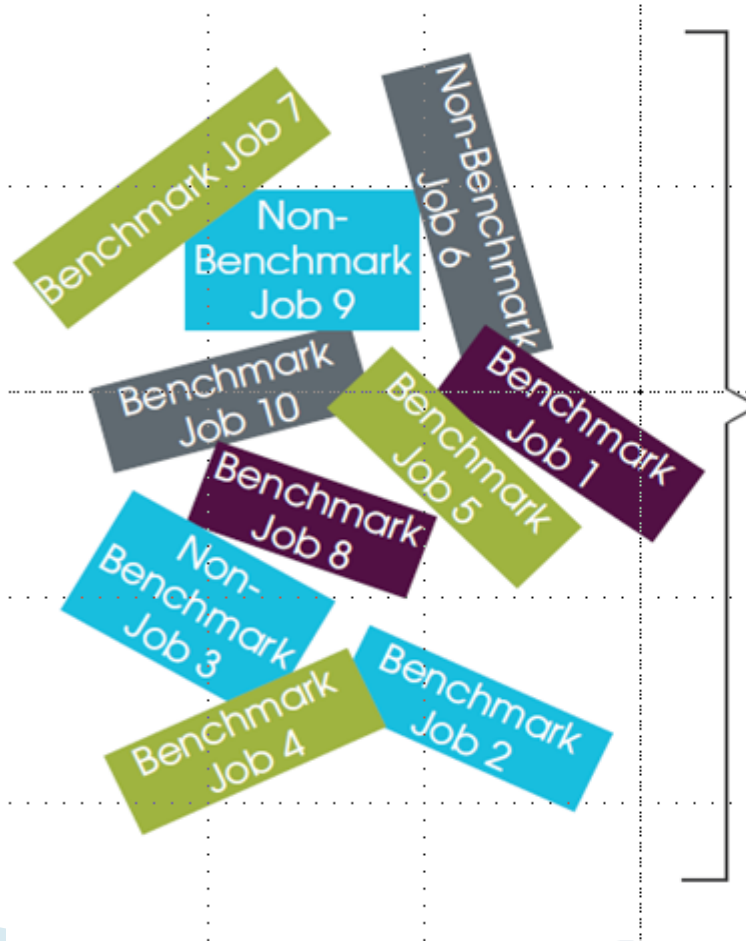
# Classification Method

## ▶ Identify Roles at various levels

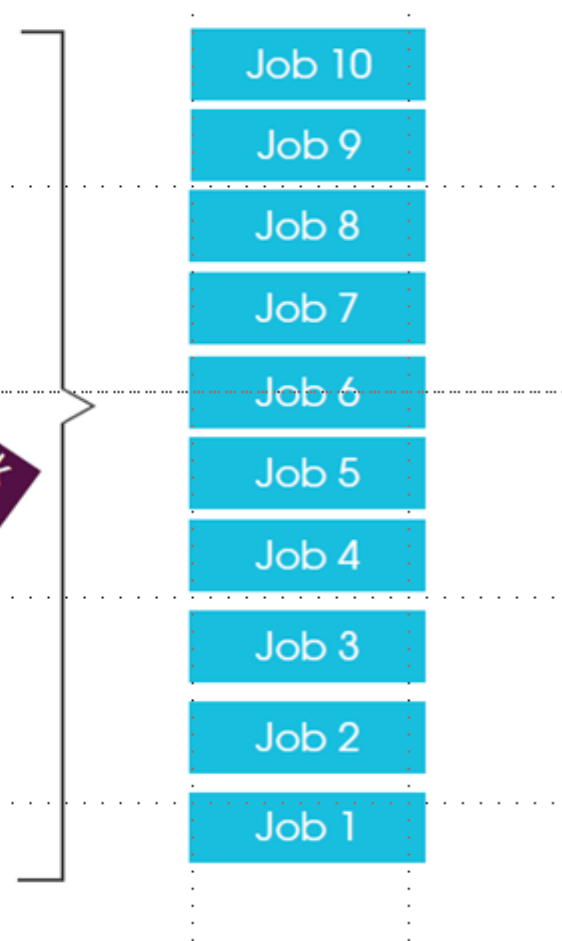
- **Associate** – Service-related work; typically requires minimum skill; previous experience is preferred but may not be required for entry into the role.
- **Technician** – Service-related work that focuses on technical or specialized individual contributor work; requires knowledge gained through technical certification and previous experience.
- **Professional** – Service-related work that focuses on higher level, technical or specialized individual contributor work; requires knowledge gained through formal education.
- **Leader** – Technical or specialized work, usually requires knowledge gained through formal education, primary focus of job is people management (hiring, training, performance management, budgeting); highest levels include accountability for strategic direction of organization.

# Classifying Jobs

Cooper City's Jobs to be Evaluated



Evaluated Jobs Arranged in a Job-Worth Hierarchy



# Compensation Philosophy

- ▶ HRCC collected pay data from the following governmental entities surrounding the City of Cooper City:
  - ✓ Broward County
  - ✓ Davie
  - ✓ Hollywood
  - ✓ Miami Lakes
  - ✓ Miami Springs
  - ✓ Miramar
  - ✓ Oakland Park
  - ✓ Plantation
  - ✓ Wilton Manors
  - ✓ Private sector data points
- ▶ Evaluated if the City's pay ranges needed to be updated

# Common Terms

- ▶ **Benchmark jobs**
  - defined well enough that organizations agree upon the general responsibilities and minimum qualifications
  - representative of various types and levels of work found at Cooper City
  - able to match 70% of duties, skills, education and experience



# Pay Structure Evaluation

- ▶ Currently, City has three (3) separate pay plans
- ▶ HRCC recommends combining them into one (1) new pay structure with fewer pay grades
- ▶ New structure is supported by internal job alignment (role and level)
  - New plan also has 15 steps
  - Steps are 2.5% apart

# Step Plan Versus Open Pay Ranges

- ▶ Pay Plan Design – recommend moving to open ranges
  - Gives more flexibility and control
    - Hiring within range
      - now have more options/control – 4.0% versus 2.5% or 5.0% within range
      - can vary based on experience
    - Can still give COLAs and reward merit for exceptional performers
      - Step plans can limit the organization’s ability to reward variations in performance

# Spend Control & Differentiating Pay based on Performance

	<b>INCREASE AMOUNTS</b>	<b>\$ 1,000,000 Payroll</b>
STEP	2.50%	\$ 25,000
	5.00%	\$ 50,000
<b> </b>		
OPEN RANGES	2.00%	\$ 20,000
	3.00%	\$ 30,000
	4.00%	\$ 40,000
	5.00%	\$ 50,000
	6.00%	\$ 60,000

# Implementing a New Plan

- ▶ Most employee pay fits in between the new range minimums and maximums
- ▶ Some employee pay under minimum
  - ▶ 12 employees
  - ▶ primarily lower level jobs in Public Works, Recreation, and Customer Service
- ▶ Some title changes
  - Mostly to better describe scope or level of work being performed
- ▶ Pay Plan Maintenance recommendations
  - Survey key benchmarks every year to determine **IF** any of the pay grades/ranges need to change
  - Only change those pay ranges where significant changes have occurred in the labor market
  - Percentage shifts to the entire pay structure are not recommended
- ▶ **Timing Discussion**