

# **CITY OF URBANDALE, IA: CLASSIFICATION & COMPENSATION STUDY**

## **EMPLOYEE PROJECT OVERVIEW**

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## **Matters for Discussion**

- **Overview of Process**
- **Review Job Documentation**
- **Discuss Questions/Concerns**
- **Policy/Implementation Issues**
- **Next Steps**

## The World of Public Sector Compensation

- **Multiple Pay Plans, Often Misaligned**
  - Multiple plans, varying levels, differing rules
  - Some positions have never been looked at side-by-side from an internal equity standpoint
- **Shifting Market**
  - Numerous public sector compensation plans have been completed/updated
  - “Hot jobs” are becoming increasingly difficult to recruit/retain
- **Aging Workforce**
  - Future recruitment needs requires competitive compensation plan
  - “Silver Tsunami”
- **Younger Workforce**
  - Newer generations of employees have different expectations.
  - “Stay a career” mentality is eroding ... More mobile with shorter (and more) “careers”
- **Compensation Decision-Making Has Shifted**
  - Boards/Councils continue wrestle with the responsibilities that come with managing compensation from a strategic perspective
- **Funds Are Limited**
  - Departments are stretched to the limit
  - Discretionary services are increasingly under the microscope
  - Automatic (across-the-board) increases are no longer a given

## PROJECT OVERVIEW

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## Scope of Work

### Measure

- Job Responsibilities
- Internal Relationships
- External Marketplace

### Review

- Wage & Hour Status
- Duties vs. Titles
- Employee Benefits (High-Level)

### Recommend

- Structure(s) / Schedule(s)
- Titles / Levels (NOT a Staffing Study)
- Policies (i.e. Maintenance, Progression)

## Elements of a Successful Project

### Internal Equity

- Job Documentation
- Management Interviews
- Organizational Structure
- Job Evaluation

### External Competitiveness

- Reliable Market Data
- Proper Mix of Surveys
- Matching to the Duties of the Job

### Consistent Methodology

- Industry-Accepted Standards
- Uniformity from Project-to-Project
- Exceptions Based on Data

### Transparency

- Project Communication (Board, Employees, etc.)
- Process vs. Full Transparency
- Post-Project Communication

### 4 Essential Policy Questions/Concerns

- Define Market Comparisons
- Determine Market Placement
- Design Structure (i.e. Plan Type)
- Develop Implementation Plan

### Project Process Overview



# POLICY QUESTION #1: MARKET COMPARISONS

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## Market Comparisons: Anatomy of a Benchmark

- **Reflective of “Marketplace”**
  - Review Data / Statistics
  - Aligns with recruiting strategy/challenges
    - Local, Regional, Statewide, etc.
- **Sufficient Set of Benchmark Jobs**
  - Jobs having likely matches in the market
  - Fairly stable in job content
  - Representative of different pay and responsibility levels
- **Sufficient Number of Comparable Employers**
  - At least 10 employers, but typically more (+/-20)
  - No single employer should be able to influence the results
- **Data From Relevant Sectors**
  - Public-Sector (CDC Database)
  - Private-Sector matches where private-sector data is relevant
    - Data from reliable, valid sources

## Proposed Comparable Employers

- Altoona
- Ames
- Ankeny
- Bettendorf
- Cedar Falls
- Cedar Rapids
- Clive
- Coralville
- Council Bluffs
- Dallas County
- Des Moines
- Dubuque
- Grimes
- Indianola
- Iowa City
- Johnston
- Marion
- Norwalk
- Pleasant Hill
- Polk County
- Waterloo
- Waukee
- West Des Moines
- Windsor Heights

**Subject To Review/Approval**

**INTERNAL CONSISTENCY**

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## Job Documentation

- **Different Types of Documentation**
  - Job Description, Job Questionnaire, Procedures/Protocols, Job Profiles, Classification Specifications, etc.
- **Key Source of Information**
  - Collect critical information on job responsibilities
  - Provided by employees and management
- **Job Description (or JDQ) is NOT the Only Source of Information**
  - Management interviews; org charts; statutes; job descriptions (if necessary); independent observation
- **Balance Between Thorough & Brief**
  - Sufficient information to rate the job
  - Should focus on what is being done rather than how it's done
  - Focus on actual duties, NOT anticipated duties
- **Documentation Needs Frequent Review**
  - Not uncommon to only update with vacancies
  - Best practice is to have employee & supervisor review with each evaluation cycle

## Job Description Questionnaire (JDQ)

- **Employee Completion**
  - For jobs that have more than one incumbent, a coordinated/group JDQ will be developed
  - There will be a responsible person in each area ... Employees with input should contact this individual
- **Other Resources**
  - Do NOT simply cut-n-paste from your current job description
  - Same applies with prior job documentation
- **JDQ Review**
  - Supervisor and department director must review the questionnaire and provide required information
  - Administration provides "quality control" oversight

# EMPLOYEE SECTIONS

Completing the JDQ

## Section 1: Demographic Information

- **Basic, But Important, Information**
  - Allows us to reconcile key information
    - Job Titles
      - Is there a difference between the “system title” and the “working title”?
    - Supervisor Titles
    - Other Employment Info



## Section 2: Essential Duties & Responsibilities

- **Most Important Aspects of the Job**
  - Sort the list with most important duties at the top
  - Most important is more than just time spent or frequency
  - Sorting entire list is, admittedly, a difficult task
    - Try to capture at least the top five in ranked-order
- **Clear Wording**
  - Avoid “inside terminology”
  - Limit use of acronyms (spell out the 1st time through)
- **Frequency**
  - Provides overall context to the duties
- **Estimated Percentage of Total Annual Time**
  - Rule of Thumb: 10% = +/-200 hours
  - Get as close to 100% as possible.
  - Be careful of catch-all categories
  - Be clear about those duties which are supervisory (executive) or managerial (administrative) in nature

## Essential Duties & Responsibilities: Level of Detail

- **Do NOT Focus On The How (Tasks/Task Elements):**
  - Task Elements: The smallest step into which it is practical to subdivide any work activity without analyzing separate motions, movements or mental processes.
    - Executive Secretary: “*Using the [specific] template, create a new document*”
    - Street Laborer: “*Start truck by turning key in ignition.*”
  - Tasks: One or more task elements making up a distinct activity that constitute logical and necessary steps in the performance of work by an employee.
    - Executive Secretary: “*Type the minutes of [specific] meeting*”
    - Street Laborer: “*Pre-check truck before beginning route including tires, battery, gasoline level and engine oil.*”

## Essential Duties & Responsibilities: Level of Detail

- **DO Focus On the What (Duties/Responsibilities):**
  - Duties: A group of tasks that constitutes one of the distinct and major activities involved in the work performed.
    - Executive Secretary: *“Maintain a record of minutes from a series of meetings”*
    - Street Laborer: *“Operate vehicles, trucks and other equipment for maintenance and construction activities of streets.”*
  - Responsibilities: One or more duties that identify and describe the major purpose or reason for the existence of the job.
    - Executive Secretary: *“Accountability for the recording, typing, dissemination and maintenance of business records”*
    - Street Laborer: *“Performs work related to the maintenance and construction of streets and other public works facilities.”*

## Section 3: Tools & Technology

- **Software/Technology**
  - How specific is too specific?
    - Microsoft Word vs. “word processing software”; ArcView vs. “mapping/GIS software”
  - Examples of Technology: mobile devices, imaging systems, diagnostic readers, GPS stations, etc.
- **Equipment/Machinery**
  - May include technology from above
  - “Tools of the trade”, specialized protective equipment, etc.
  - Office Examples: copiers/printers, scanners, cash registers, etc.
  - Other Examples: tri-axle trucks, forklift, production line, HVAC equipment, asphalt paver, etc.

## Section 4: Judgments/Decision-Making

- **Typical Problems/Challenges**
  - Throughout the course of a year, what are some of the issues and/or matters that require resolution?
- **Possible Solution(s) to Problem/Challenge**
  - Is it clear cut ("If this, then that"), or are there multiple approaches?
- **Resources**
  - Examples: statutes, procedures manuals, precedents, etc.
  - Sometimes, resources are relied upon less with more experience BUT are still important to the job analysis
- **Who Reviews**
  - Does it depend on severity/intensity of the problem?
  - Does it depend on experience of the employee?

## Section 5: Working Relationships

- **Title of Individuals With Whom You Typically Interact**
  - Typical interactions, not every interaction
    - Most frequent and/or most important
  - Some interactions aren't with individuals with formal "titles"
    - General description of clients/customers if included
- **Describe the Interaction**
  - What is taking place?
- **Why Was It Necessary?**
  - What was the overall purpose/goal of the interaction?

## Section 6: Supervision/Management

- **Area of Action / Responsibility**
  - Includes both supervisory and quasi-supervisory duties
- **Yes / No / Provides Input**
  - Yes/No responses are typically obvious
  - “Provides Input” requires additional analysis
    - Levels/layers of management
    - Recommendations vs. comments
- **Direct Supervision**
  - Has the employer indicated that this position is supervisory?
    - Legal Definition: “ ... authority to hire or fire other employees, or the ... suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.”

## Section 7: Work Environment

- **Physical Requirements**
  - Again, look at this through the course of a year
- **Work Environment**
  - Exposure to hazards (or hazardous environment)
- **Definition (aka The Bookend Approach)**
  - N/A: not required as part of the job duties
  - Rarely: includes once a year or less, more than once a year
  - Occasionally: includes more than once a month, more than once a week
  - Frequently: includes daily, several times a day, hourly or more

## Section 8: Additional Comments

- **What, If Anything, Hasn't Been Identified**
  - Relevant to the job
  - Matters that weren't addressed in other areas of the JDQ

# SUPERVISOR SECTIONS

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Completing the JDQ

## Section 9: Identifying Information

- **Who's Reviewing the JDQ**
  - Is it different than the supervisor listed in Section 1?

## Section 10: Education Required

- **Level of Education**
  - What is required to enter the job?
  - NOT necessarily what the employees' possess
  - Consistency with job description, but evolution occurs
- **Field of Study**
  - Specific degree vs. general degree
- **Additional Information**
  - Preferred education (as opposed to that which is required)
  - Coursework required (or helpful) for the job

## Section 11: Experience Required

- **Years of Experience**
  - What is required to enter the job?
  - NOT necessarily what the employees' possess
  - Consistency with job description, but evolution occurs
    - Should be consistent with the nature of the work
- **Type of Experience**
  - Job-related vs. general work experience
  - Progressive experience

## Section 12: Certifications & Licensure

- **List Required Certification/Licensure/Training**
  - Required vs. Nice-to-Have
- **How Attained/Provided**
  - Examples: formal schooling, certification/licensing exam, attendance at seminar/training, etc.
- **Required Upon Hire vs. May Obtain After Hire**
  - Does the employee need to be in the job to receive the training?
  - Hard-to-find (but necessary) certifications
    - Employer may provide for competitive reasons
- **Current Practices**
  - Important to reviewing the total compensation/total rewards

## Section 13: Comments / Corrections / Additions

- **No Changes**
  - Do NOT delete, add to, or otherwise change the employees' responses
- **Comments**
  - Identify the section, then provide the necessary commentary
- **NO SUPERVISOR SHOULD TELL AN EMPLOYEE WHAT TO WRITE**
  - There's a place for comments
  - Can issues be resolved prior to JDQ submission?

## Suggestions

- **Use Electronic Form (Word Document)**
  - Tab in last cell of table to add a row (or "insert row")
  - Cells expand as you type
- **Don't Wait**
  - Week 1 – Accumulate Information
    - Calendars, Job Description, Contact Lists, etc.
  - Week 2 – Write a Draft
  - Week 3 – Write a Final
- **One (1) JDQ Per Job**
  - It's acceptable to collaborate
- **Save a Copy**



## JDQ Completion Dates

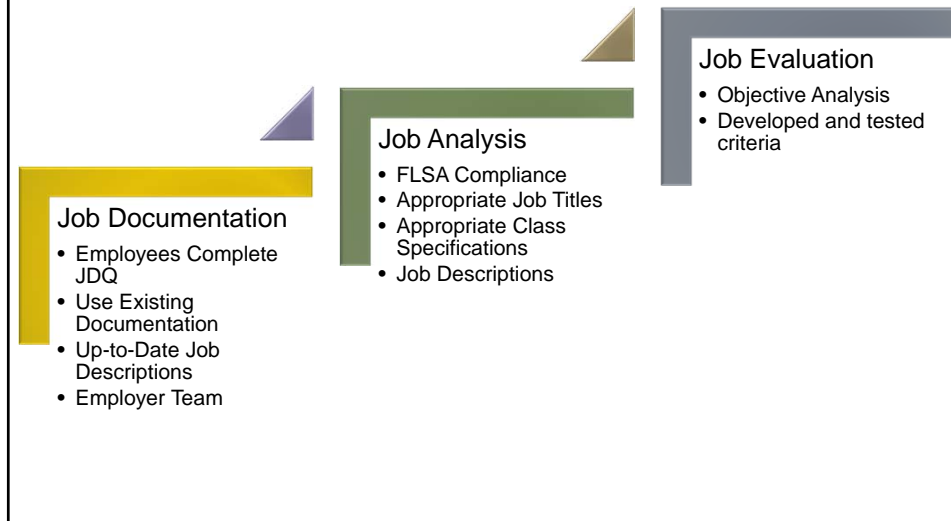
- **February 28**
  - Overview/JDQ's Officially Distributed
- **March 23**
  - Employee JDQ's Due to Supervisor and/or Department Director
  - Supervisor/Dept. Director Verifies Accuracy and Completeness
- **April 6**
  - JDQ's Due from Supervisor/Department Director to HR
- **April 13**
  - JDQ's Due from HR to Carlson Dettmann

**Quality of documentation may affect the timelines of this process.**

## PRE-POLICY WORKLOAD

Laying The Groundwork for the Remaining Questions

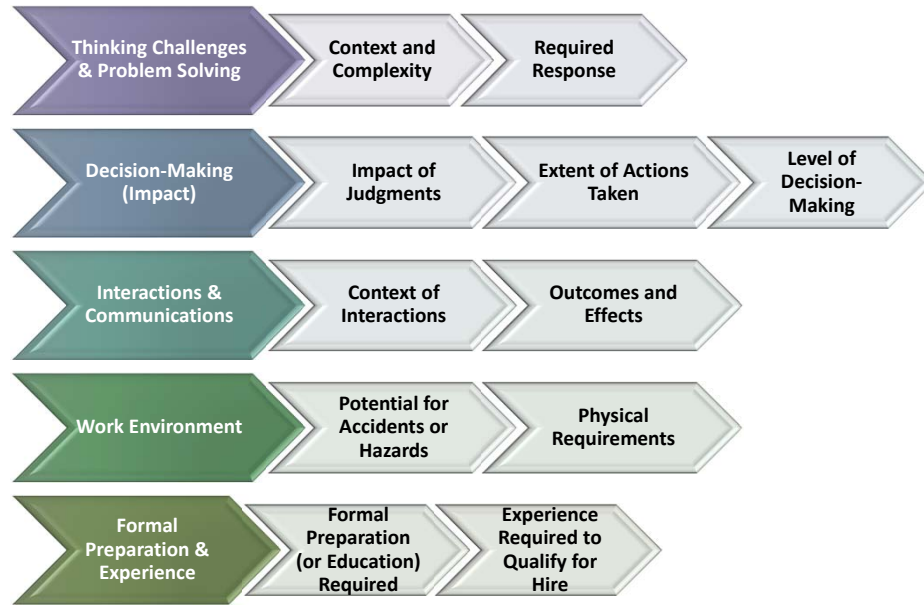
## Steps to Internal Consistency



## Job Evaluation → Internal Consistency

- **Definition**
  - Formal, systematic process for ordering a set of an employer's jobs, *independent of individual performance*, into a hierarchy based on the value or worth of jobs in the organization. Said procedure is designed to aid in establishing pay differentials among the organization's jobs.
- **Evaluations Based on Documentation**
  - Quality of documentation is important
    - Cannot evaluate jobs—or describe jobs—without quality documentation
- **Objective Analysis and Application**
  - Internal review and adjustments
- **Point-Factor vs. Other Methods**
  - Point Factor (Our preferred method)
  - Other: Whole Job Comparison, Ranking, Classification, Market Rating, etc.
- **Goal**
  - Equity both across the organization (similar and dissimilar positions) and within the departments (e.g. levels)

## CDC Job Evaluation Factors

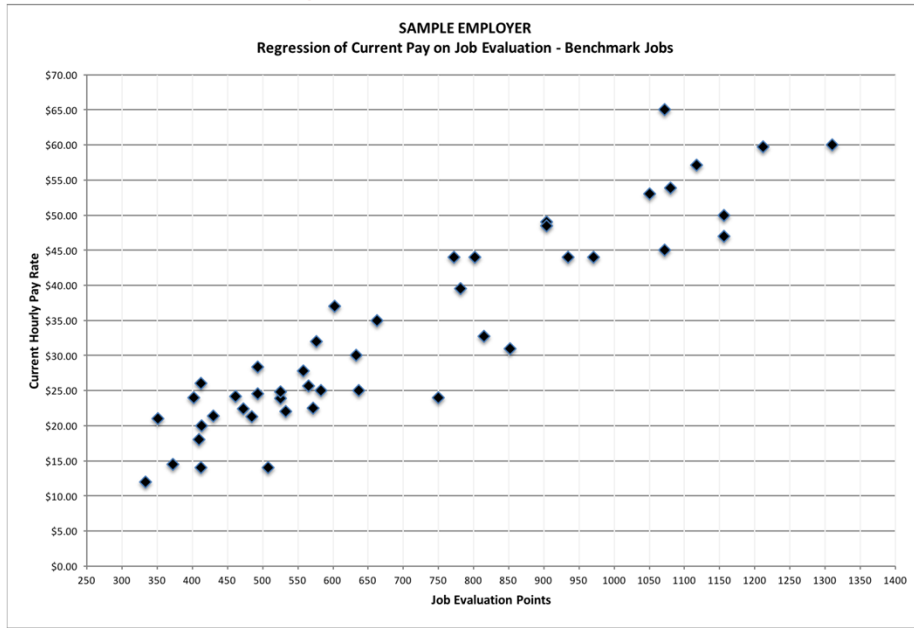


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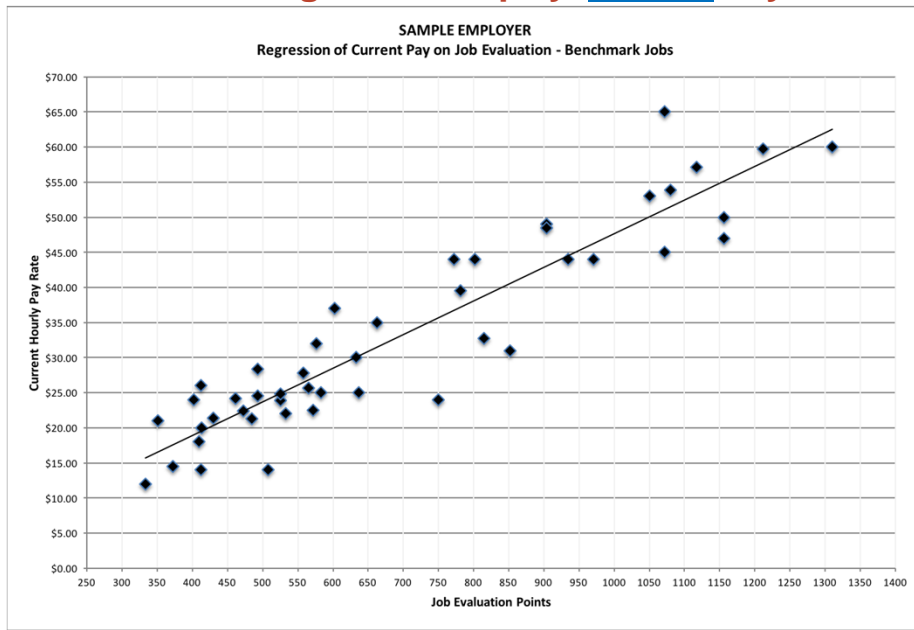
## Job Evaluation: Conclusions

- **Useful Results, If Practiced with Due Care**
- **When Done Right, Removes Unwanted Bias and Subjectivity from the Process**
- **Valid & Reliable Results**
- **Provides a Measure of Legal Defensibility**
- **Provides an Efficient Method of Pay Determination**
- **Results Can Be Used (When Combined with Market Practices) to Design a Workable Pay Structure**

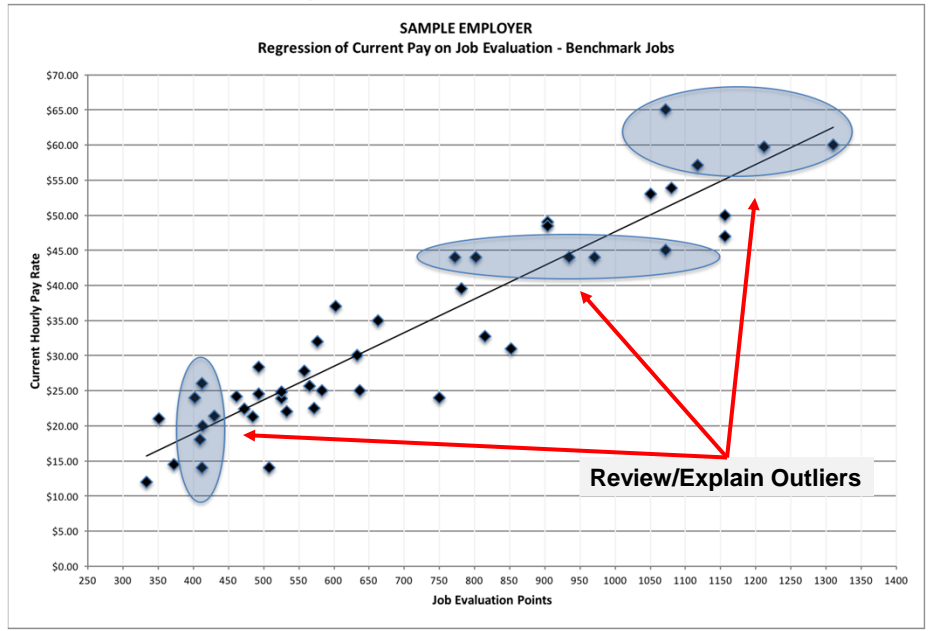
## Measuring Internal Equity: Current Pay



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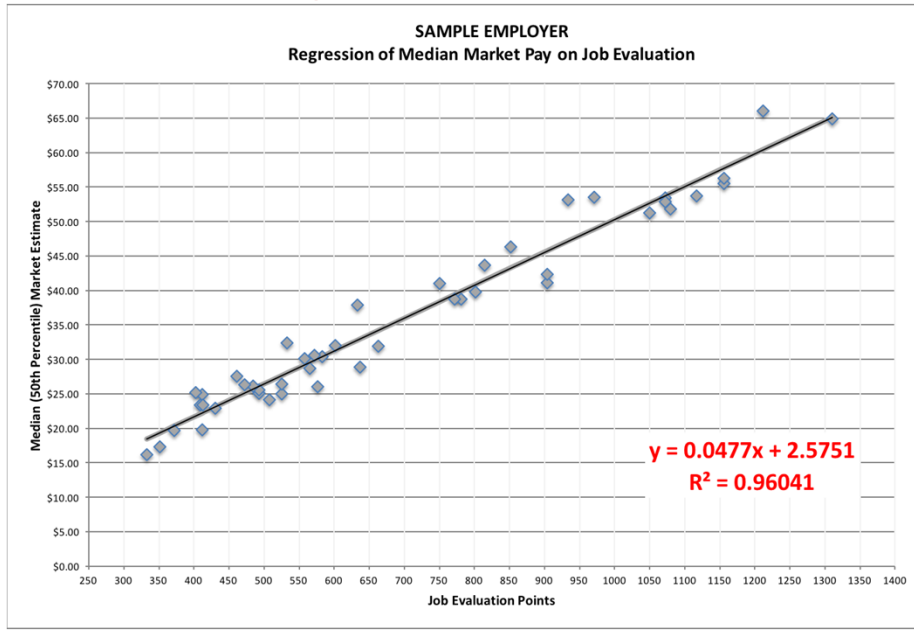


## Measuring Internal Equity: Current Pay

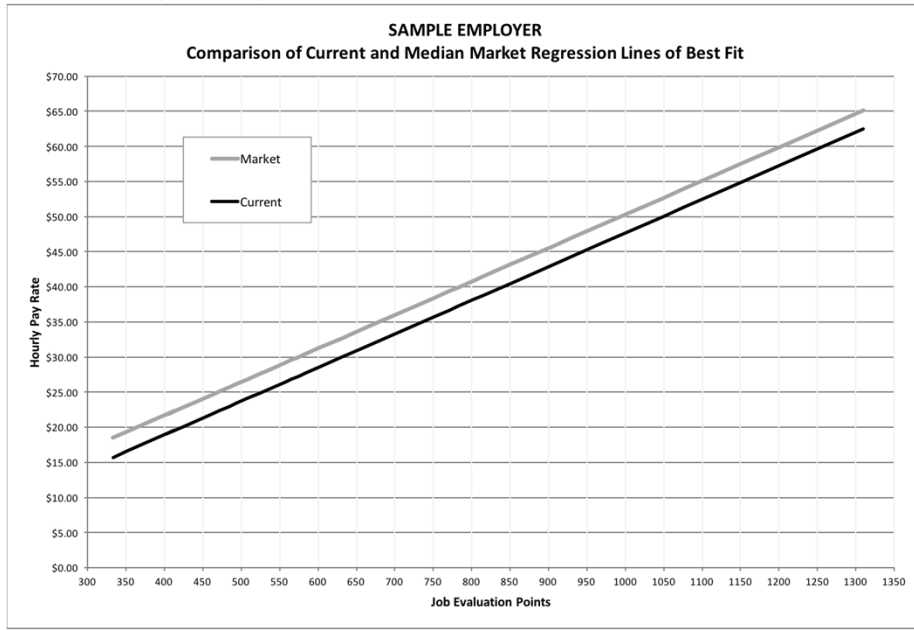


## POLICY QUESTION #2: MARKET PLACEMENT

## Measuring Internal Equity: Market Pay



## Putting It Together: Comparing Current & Market



## Market Placement: Questions to Consider

- **Where does the Employer want to position itself in its labor markets?**
  - What are the organizational priorities?
  - High? Low? Average (or 50<sup>th</sup> Percentile)?
  - Will average/50<sup>th</sup> percentile place the employer in the competitive position it desires to be in?
- **Data Weighting & Comparable Usage**
  - Depends on recruitment/retention experience
- **Benefits**
  - Do benefits matter?
    - Yes; health insurance is key
  - Balance between competitive wages and benefits.

## POLICY QUESTION #3: PAY STRUCTURE & ADMINISTRATION

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## Factors to Consider in Design

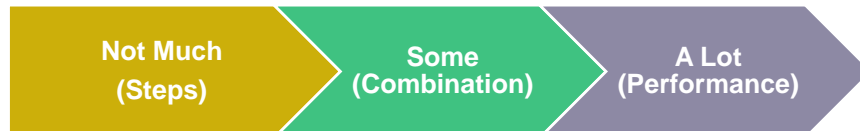
- **From the Employee's Perspective:**
  - "How do I get a raise around here?"
- **Internal Ratings, Market and Internal Practice**
  - Use of objective job evaluation
- **One Plan or Several Plans**
  - e.g. Management/Non-Management; Exempt/Non-Exempt; Work Units
- **Financial Pressures / Limitations**
  - Revenue/Levy Limits; Budget Shortfalls; Recruitment/Retention Concerns; Compression
- **Policy Direction**
  - Organizational Assessment
  - Readiness & Commitment

## Key Policy Concerns

- **Market Objective?**



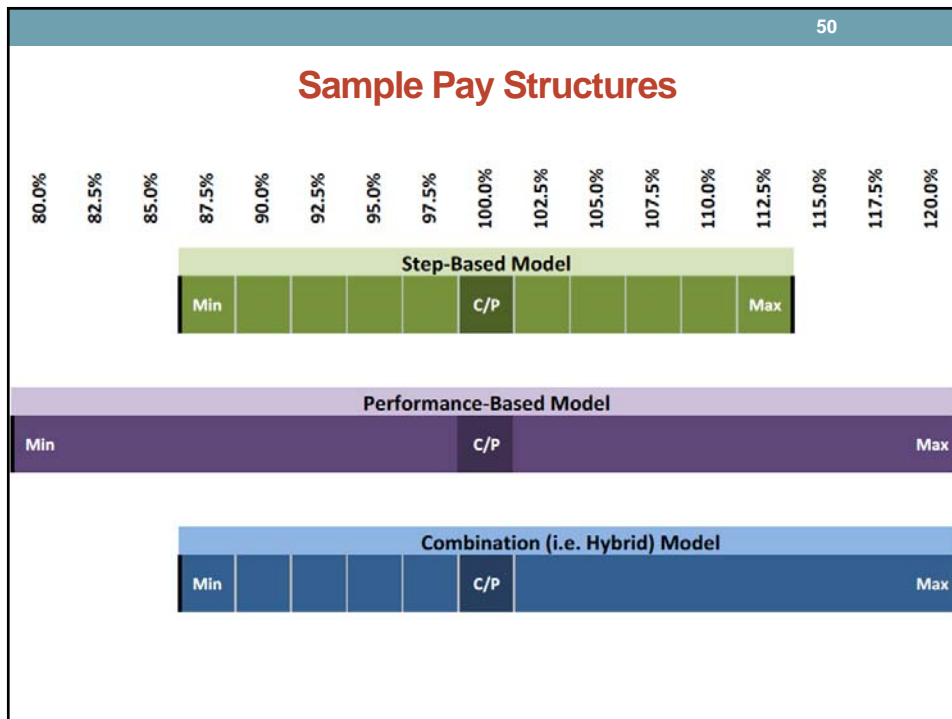
- **Relationship Between Pay and Performance?**





## Three Basic Pay Models

- **Step-Based Model**
  - Life-time employment unless there is a major infraction
  - Almost all pay raises are step progression, promotion or across-the-board
  - Step advancement should still be based on an annual performance review that “meets expectations”
  - More predictable, compact structure
- **Performance Model**
  - Employees compete for pay, and only best win
  - Lower hiring rates with the tradeoff of potentially higher maximum with continued outstanding performance
- **Combination/Hybrid Model**
  - Continued employment requires meeting rigorous standards
  - Pay consideration for spectacular performance but fair treatment is the standard
  - Clear path to the Control Point (i.e. midpoint), but no promise beyond Control Point unless performance meets employer’s standards



## POLICY QUESTION #4: PLAN IMPLEMENTATION

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### Implementation Strategy

- **Depends on Structure Type**
  - **Step-Based:**
    - More costly due to “fitting” employees on to steps
  - **Hybrid & Open Range Structures:**
    - Typically less implementation cost, BUT greater administrative burden
    - Long-term costs are usually more due to wider ranges
- **Balance Between Fairness, Affordability/Adoptability**
  - Fairness does not always equal happiness (but, it's fair)
- **Implementation Options Exist**
  - Our goal is to arrive at an implementation strategy that's both affordable and fair

# NEXT STEPS & FINAL THOUGHTS

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## Tentative Timeline

- **February/March**
  - Project Kick-off
  - Collect Data / Survey Markets
  - Employee Documentation (TBD)
    - Mutual Agreement of Quality Documentation
- **March/April**
  - Analyze Jobs (Including Management Interviews)
  - Evaluate Job Content
  - Confirm Evaluations
- **May/June**
  - Policy Guidance
  - Presentation And Discussion
  - Appeals Process

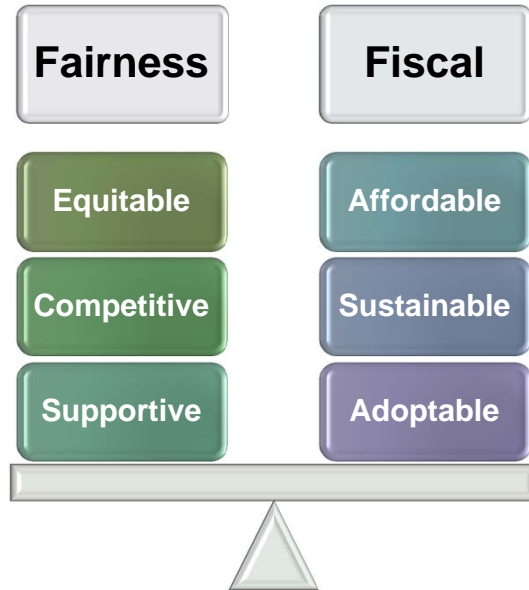
## Appeals Overview

<b>Criteria</b>	<ul style="list-style-type: none"> <li>• Error in Classification/Documentation</li> <li>• Substantial Changes to Job</li> </ul>
<b>Pre-Appeal</b>	<ul style="list-style-type: none"> <li>• Following Adoption</li> <li>• Typically a Two-Week Window</li> </ul>
<b>Information Sharing</b>	<ul style="list-style-type: none"> <li>• Rating Levels Only, Provided Non-Disclosure is On-File</li> <li>• Ratings Only for Classification in Question</li> </ul>
<b>Formal Appeal</b>	<ul style="list-style-type: none"> <li>• Typically Another Two-Week Window</li> <li>• Must Meet the Criteria for an Appeal</li> </ul>
<b>Review</b>	<ul style="list-style-type: none"> <li>• Supervisor &amp; Management Review to Verify Merits of Appeal</li> <li>• Carlson Dettmann Reviews for Content &amp; Meets with Employer</li> </ul>
<b>Recommendation</b>	<ul style="list-style-type: none"> <li>• Recommendations Provided for Action by the Employer</li> </ul>

## An Employee Appeal Does NOT Apply To ...

- **Adopted Pay Structure**
  - Wage schedule
  - Number of steps
- **Established Market Comparisons**
  - Benchmark employers AND jobs
- **Implementation Strategy**
  - Placement in the structure
  - Plan for movement through the structure
- **Any Other Policy Decision**
  - Red circled employees, etc.
  - Weighting of the data (i.e. public/private mix)

## Final Analysis: Delicate Balancing Act



## QUESTIONS

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