



INTRODUCING HUMAN RESOURCES SERVICES, INC. CLASSIFICATION & COMPENSATION STUDY FOR THE CITY OF HOLYOKE, MASSACHUSETTS

Presentation to the City of Holyoke, MA
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|| About Human Resources Services, Inc. (HRS)

- Classification and Compensation Studies
- Custom Salary, Benefits Analytics
- Job Audits and Job Descriptions
- Workforce Analysis
- Design of Performance Systems
- Personnel Ordinances and Bylaws
- Organizational Design of Personnel Dept.
- Personnel Policies, Procedures, Handbooks
- HR Audits and Assessments
- Assistance with Recruitment
- Training and Development
- Staffing and Utilization Studies
- Municipal Management Studies
- Labor Relations Technical Support
- Web-based Solutions

Experience

Local Government

Proven Methodology

New England Focus



**WELCOME TO OUR PRESENTATION
THANK YOU FOR JOINING US TODAY**

Project Goal

The major goal of this project is to develop, support, and maintain a fair, equitable, and contemporary Pay and Classification System for the City of Holyoke's organization wide positions; in a variety of departments and divisions throughout the City. Implement appropriate Training and Procedures for the maintenance of the System now and into the future. Update job descriptions in a uniform and legally compliant manner.



Project Objectives

Compensation and Classification review of positions.

Provide internal and external equity based on these criteria:

- Knowledge, Ability, Skills,
- Education, Training, and Experience
- Market Analysis:
- Job Duties and Responsibilities

Consider the compensation of all City positions and position groups when developing pay/class system.

Job Analysis including update of classification job descriptions, and FLSA review



What is a Pay and Classification Study?

- Evaluates how the City compares to the appropriate recruitment markets for competitive pay rates (i.e. other similar organizations)
- Reviews positions to ensure they are accurately classified
- Provides opportunity to prepare accurate and up-to-date class job descriptions
- Assists with salary schedule analysis and budget plans



What is a Classification Plan

First, it determines and describes the duties, responsibilities, and qualifications of positions, regardless of the individuals who may occupy those positions.

Second, it groups together those positions which are *sufficiently* alike to warrant equal treatment in recruitment and other personnel practices.

PURPOSE OF CLASS/GRADE PLAN

Substantially similar positions are treated similarly with regard to personnel administration, and



The personnel of the City are effectively and efficiently organized and utilized to achieve the City's goals and objectives.



|| Compensation Defined

The package of quantifiable rewards an employee receives for his/her labors. There are four components.

Base Compensation

Other Compensation/Stipends

Indirect Compensation/Benefits

Pay Incentives/Merit

The Consultants Approach

Distinctiveness

- Human Resource Specialists
- Specialty in Pay and Class
- Tap on our deep understanding of municipal government .

Innovation

- Create new tools to assist client.
- Relying on proprietary databases and flexible research methods.
- Provide various compensation models to choose from.

Values

- Providing fact base analyses
- Delivering the best to clients
- Seasoned experts to maximize quality of delivery

Consulting
Philosophy

Client Participation

Proprietary
Database

Information
Analysis

• Dynamics of our analysis

- Involvement of municipal officials and employees.
- Accessibility to client.
- Technical Training of client.
- Consensus building.

• Client Opportunity in study

- Position Analysis Questionnaires.
- Interviews.
- Review of documents.
- Presentations.

• Proprietary database as toolkit

- Apply HRS proprietary database to provide best practice solutions to clients
- Products, such as, Rating System, Compensation Tools, Financial Costing, Job Descriptions.

• Information analysis

- Detailed analysis with realistic choices.
- Structured methodology.
- Extensive reviews.

HRS/MRI-Method

Job Analysis
and Job
Descriptions

Municipal
Salaries Market
Review

Job Ranking
and Rating

Develop/update
Plan

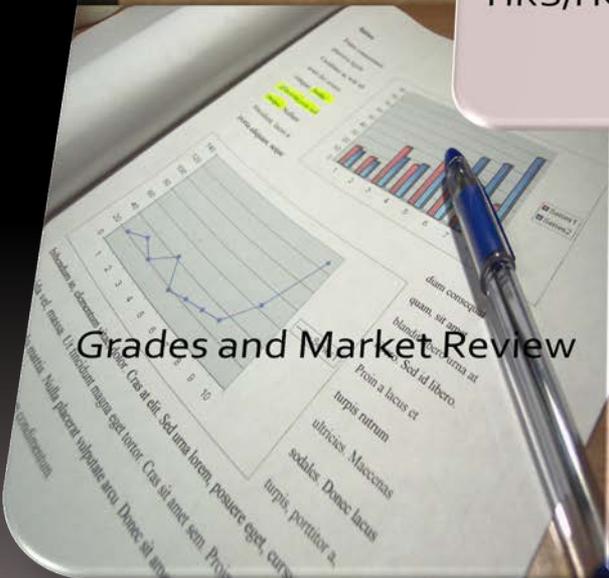
A woman in a dark dress is handing a document to a man in a blue shirt sitting in a chair. Other people are seated in the background, some looking at the document.

Orientation

A woman in a red blazer is sitting at a desk, looking towards the camera. A person's silhouette is visible in the foreground, looking at her.

Interviews

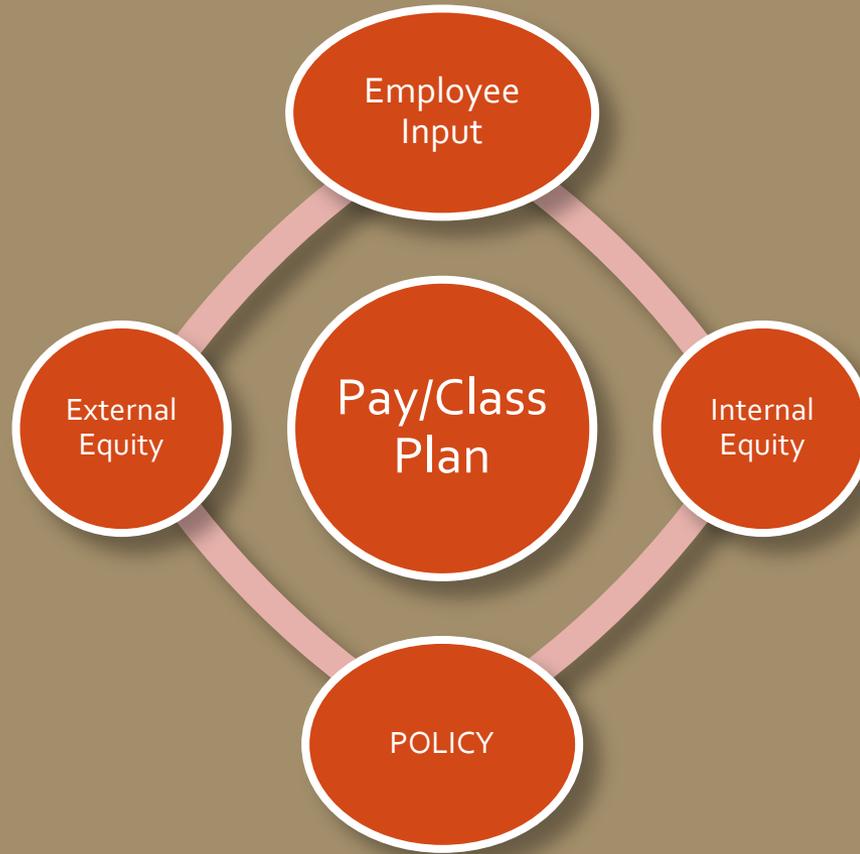
HRS/HOLYOKE

A close-up of a document with a line graph and a bar chart. A blue pen is resting on the document. The text on the document is partially legible, including "From a lacus et", "ultricies rutrum", "sodales. Maecenas", and "turpis, peritior a".

Grades and Market Review

A man in a dark suit is standing and presenting to a group of people seated around a table. He is pointing towards a screen displaying a chart.

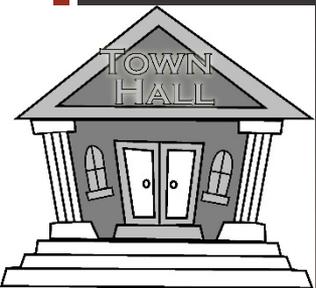
Presentations



THE HRS/MRI PAY AND CLASSIFICATION SYSTEM

Industry Trends in Municipal Class/Comp and Personnel Mgmt.

- Massachusetts Municipal Personnel Association
- Society for Human Resource Management (SHRM)
- Economic Research Institute (ERI)
- IPMA – HR (*International Personnel Management Association*)
- BLR Resources (*Bureau of Business and Legal Services*)
- U.S. Department of Labor and Statistics
- Commonwealth of Massachusetts
- Municipal State-wide Associations (i.e. assessors, town clerks, library association, etc.)



WHAT IS THE PROCESS?

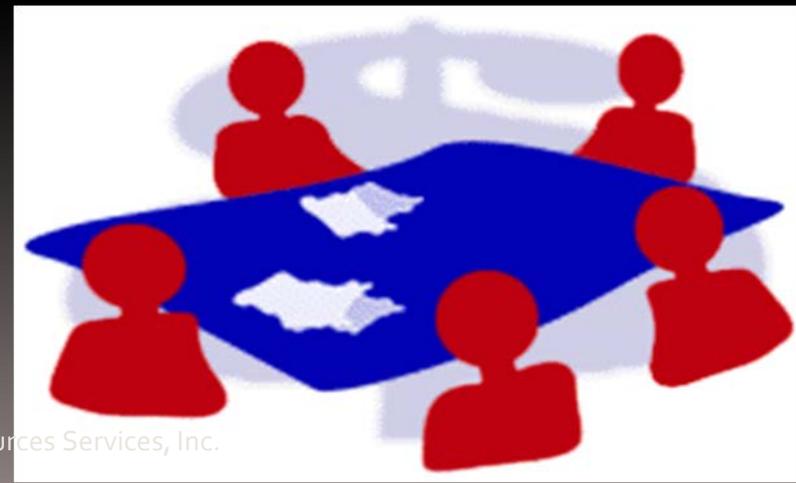
- 1. THOROUGH INTERNAL ANALYSIS OF EACH POSITION (JOB ANALYSIS)**
- 2. GROUPING TOGETHER POSITIONS WITH SIMILAR RESPONSIBILITIES. (SECRETARIAL MATRIX)**
- 3. EVALUATING CLASSES /POSITIONS (POINT FACTOR RATING SYSTEM); JOB EVALUATION**
- 4. ASSIGNING EACH POSITION TO A CLASSIFICATION GRADE MATRIX.**

WHAT IT IS NOT:

- 1. NOT CONCERNED WITH INDIVIDUAL PERFORMANCE (LOOKING AT POSITIONS, NOT PEOPLE)**
- 2. NOT AN ORGANIZATIONAL OR STAFFING UTILIZATION STUDY**
- 3. NOT GOING TO REDUCE EMPLOYEE'S PAY OR BENEFITS**

THE CLASS/GRADE SYSTEM HELPS TO ASSURE:

- **EQUITY OF EMPLOYMENT**
- **PROFESSIONAL PERSONNEL
SYSTEM**



EQUITY CONSIDERATIONS

Internal Equity

gender – Are women and men employees being paid comparably for similar work?

ethnicity – Are minority employees being paid comparably to other employees for similar work?

External Equity

market – Are employees being paid comparably to employees in other municipal sectors?



MARKET SALARY ANALYSIS

- Are employees being paid comparably to employees at other municipalities?
- We need to know
 - what are employees paid?
 - what do we want to compare?
 - who do we compare to? (benchmark)

BENEFITS TO BOTH MANAGEMENT AND EMPLOYEES

- Establishes standards for recruitment and selection.
- Provides a means for reviewing work distribution, areas of responsibility, lines of authority, and other relationships between positions.
- Provides a system for reduced subjectivity in pay determination.
- Results in fewer pay inequities and fewer organization-wide morale problems.
- Helps identify career ladders and lines of promotion.
- Assists in the preparation of personnel budgets.
- Provides a basis for developing standards of work performance.

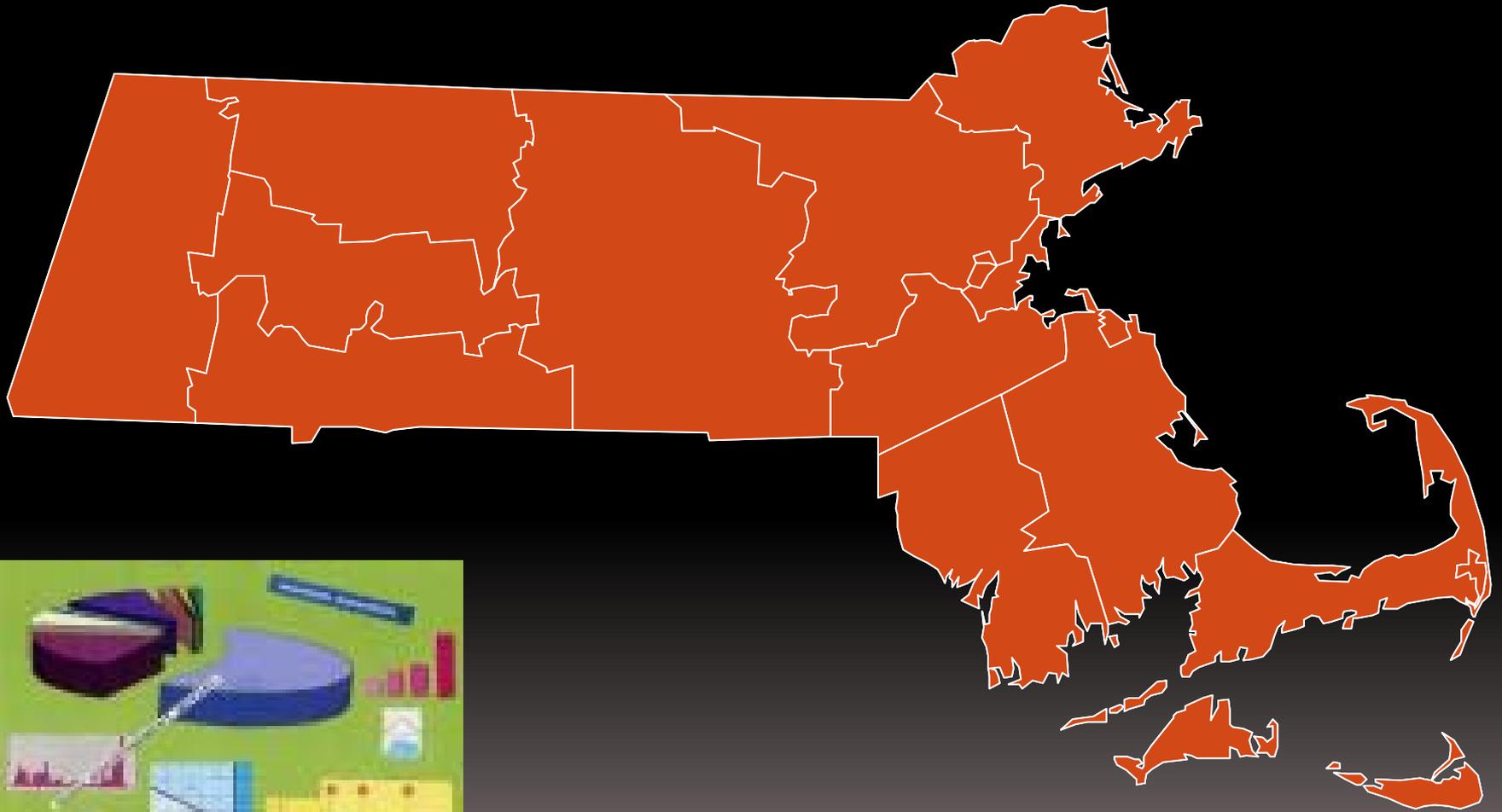


Compliance with Federal/State Requirements:

- PAY EQUITY
- GENDER EQUITY
- EQUAL EMPLOYMENT OPPORTUNITY
- AFFIRMATIVE ACTION
- AMERICANS WITH DISABILITIES ACT
- FAIR LABOR STANDARDS ACT



Custom Survey in Massachusetts



CRITERIA FOR COMPARABLES

- **LOCATION #1– IMMEDIATE LABOR MARKET**
- **LOCATION #2– OUTSIDE LABOR MARKET WITH SIMILAR SOCIO-ECONOMICS, DIVERSITY, COST-OF-LIVING, CITY OPERATIONS**
- **MUNICIPAL POPULATION**
- **INCOME PER CAPITA**
- **FORM OF GOVERNMENT**
- **BUDGET SIZE**
- **EQUALIZED VALUATION PER CAPITA (EQV)**
- **OTHER ORGANIZATIONS WITH LIKE POSITIONS IN IMMEDIATE LABOR MARKET AREA**

COMMUNITIES SURVEYED FOR HOLYOKE

Attleborough

Chicopee

Easthampton

Fitchburg

Gardner

Greenfield

Leominster

New Bedford

North Adams

Northampton

Pittsfield

Springfield

Taunton

West Springfield

Westfield

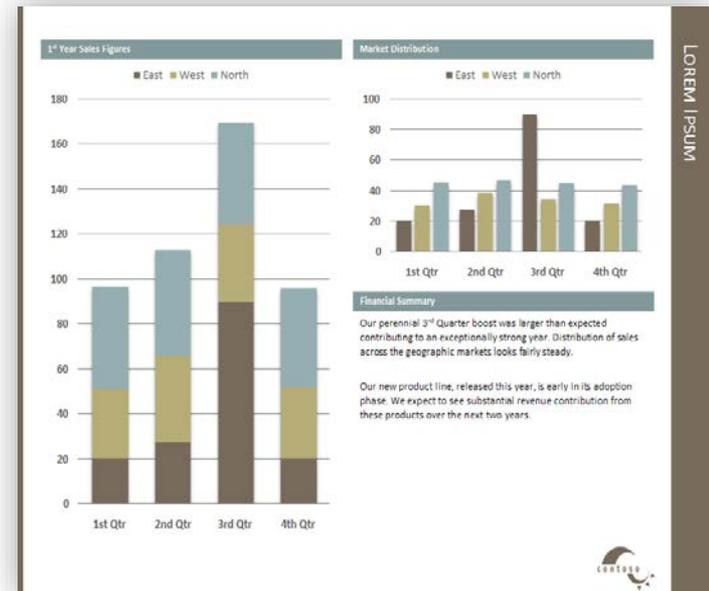
The Compensation Benchmark Review

Salary range for each position surveyed

Information on the market averages, ranges, medians, 75th percentile, and 90th percentile.

Information on the number of work hours per week/per year for each position surveyed

Trends in compensation programs offered



What it will include:



- Salary Range for Each Position Surveyed
- Actual Salaries as needed
- Other types of compensation information such as Longevity, Bonus, or Merit Pay
- Information on the number of work hours and work weeks
- Pertinent information that may impact the salary ranges
- Organizational charts when possible

Elements of Job Description

- Job identification
- Job summary
- Essential functions
- Accountabilities
- Job specifications





Job Evaluation establishes the relative value of jobs within an organization.

- To provide Internal Equity
- To establish the correct rank order or groupings of jobs,
- To establish the relative distance between jobs within the ranking,
- To provide an objective measurement of job size for comparison with other jobs and enable salary comparisons to be made.

■ The Job Evaluation/Classification System

POINT FACTOR SYSTEM

WEIGHTED CRITERIA

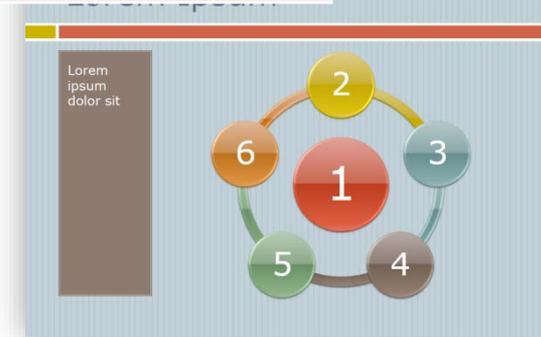
DEVELOPED FOR MUNICIPALITIES

UTILIZED IN HUNDREDS OF
COMMUNITIES

OBJECTIVE SYSTEM

TRAINED RATERS

1	2	3
1	2	3
1	2	3



SAMPLE RATING FACTORS

Physical Environment

Basic Knowledge, Training and Education

Problem Solving Skills and Effort

Physical Skills and Effort

Experience

Interactions with Others/Customer Service

Confidentiality

Occupational Risks

Complexity

Supervision Received

Supervision Given

Supervision Scope

Judgment and Initiative

Accountability

Employee Feedback

Improved System

Relevant Factors, Ratings

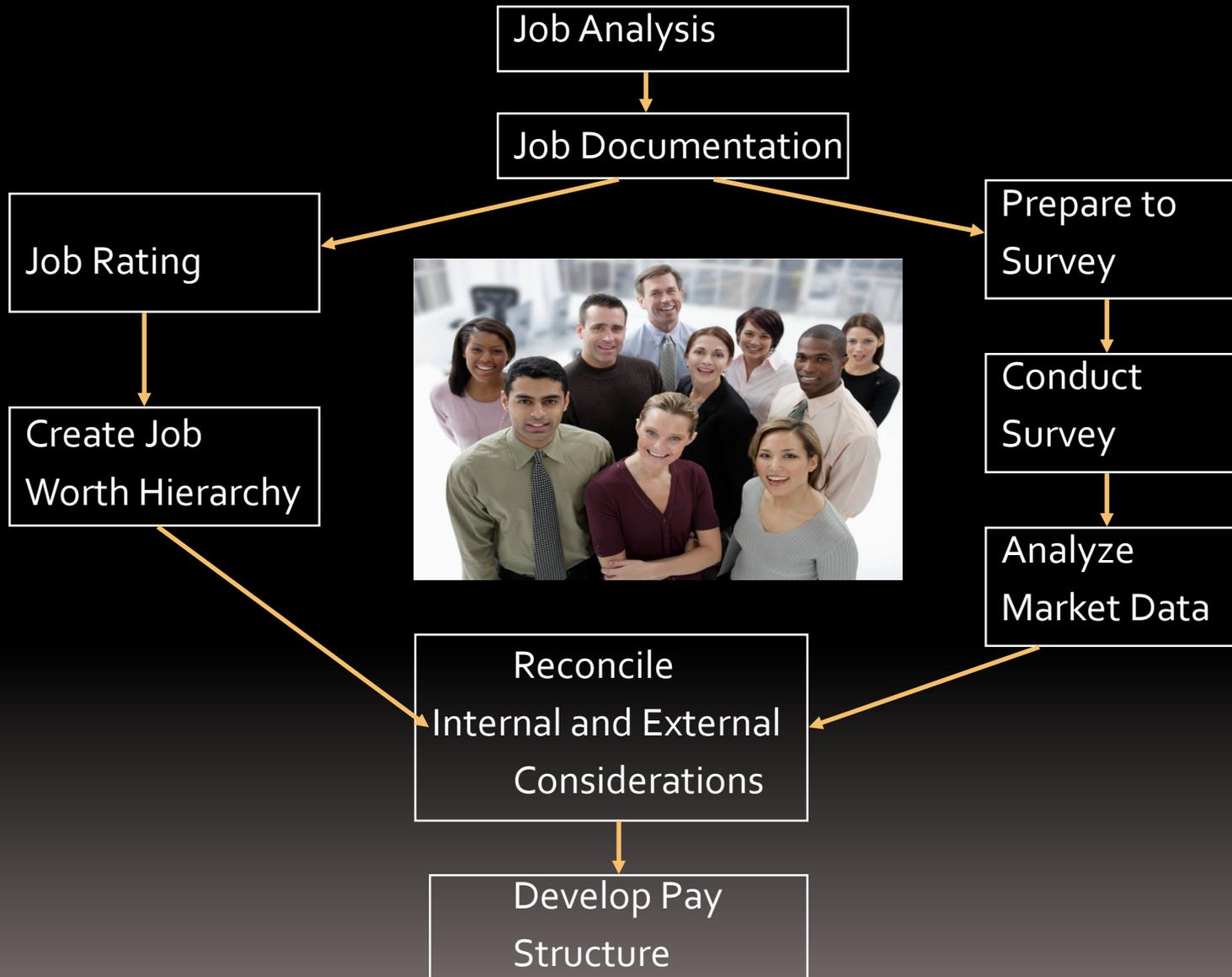
Market Analysis

Training on New System
Critical

Provide Feedback



A SNAPSHOT on Pay and Class



Traditional Approach to Pay and Class

- Objective of traditional approaches to compensation is to achieve both internal & external equity
- Internal equity is accomplished through job evaluation
 - Systematic process of assessing the value of each job in relation to other jobs in the organization
 - Results in a hierarchy of jobs ranked in order of their relative worth
- External equity through market analysis

Final Study Documents:

- Position Descriptions
- Classification/Grade Plan
- Clerical/Administrative Matrix
- Position Rating Manual
- Salary Data and Pay Plan
- Report and Findings
- Methodology
- Classification Documents
- Guidelines for Plan
- Web-based Tools



CONCLUSION

A sound Classification Plan is fundamental to all other phases of personnel management and facilitates effective and fair overall personnel administration.



BASIC PRINCIPLE:

“Equal pay for *substantially* equal work.”



Summary Action Plan for Holyoke!

Study Components

Analyze job responsibilities and requirements for all positions in study through job analysis and job audit. Modernize and update job descriptions.

Conduct a thorough review of the City's existing compensation program.

Complete a comprehensive labor market review by analyzing salary/wage and organizational data from other comparable organizations in MA.

Provide trends in compensation programs offered by comparable Cities and other Massachusetts communities. Benchmark private sector data may be used as required by the City for certain positions.

Summary Action Plan Cont..

Study Components

Develop a competitive non-union classification and compensation plan that reflects the labor market and organizations with similar positions from comparable municipalities.

Provide assistance in various compensation areas including analyzing market data, pricing jobs, position leveling, job ranking and classification.

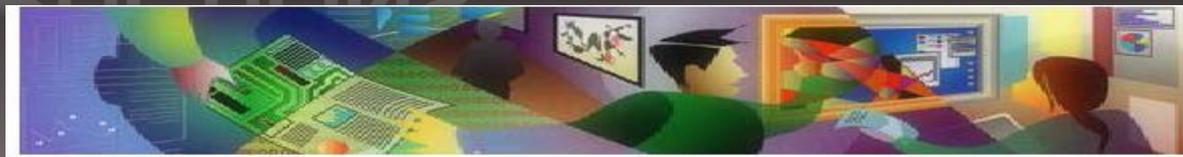
Provide recommendations and/or advice regarding other areas of total compensation program. Prepare fiscal analysis of recommendations.

Develop the City's internal capacity to maintain the system developed for Holyoke.



ANY QUESTIONS?

**LET'S LOOK INSIDE THE MUNICIPAL PAQ
- INSTRUCTIONS**



Step – by-Step - How to Complete the Simple Form

STEPS IN IDENTIFYING ESSENTIAL FUNCTIONS

- 1. OUTCOMES TO BE ACCOMPLISHED INSTEAD OF THE SPECIFIC MANNER IN WHICH FUNCTIONS ARE PERFORMED.**
- 2. LIST PROCESSES OR METHODS USED ONLY WHEN CRITICAL TO SATISFACTORY JOB PERFORMANCE.**
- 3. THE KNOWLEDGE, SKILLS, ABILITIES (KSA's).**
- 4. THE EDUCATION, TRAINING, EXPERIENCE NECESSARY.**

JOB FUNCTIONS WITH THE FOLLOWING IN MIND

- 1. DOES THE POSITION EXIST TO PERFORM THE FUNCTION?**
- 2. WOULD REMOVING THE FUNCTION FUNDAMENTALLY CHANGE THE JOB?**
- 3. IS THE FUNCTION CRITICAL TO OVERALL PERFORMANCE OF THE JOB?**
- 4. IS THERE A LIMITED NUMBER OF OTHER EMPLOYEES AVAILABLE TO PERFORM THE FUNCTION OR AMONG WHOM THE FUNCTION MAY BE DISTRIBUTED?**
- 5. IS THE FUNCTION HIGHLY SPECIALIZED; IS THE POSITION INCUMBENT HIRED FOR SPECIAL EXPERTISE OR ABILITY TO PERFORM FUNCTION?**