

Total Compensation Study Presentation

Pierce County, Washington

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Presented By:

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KEY OBJECTIVES

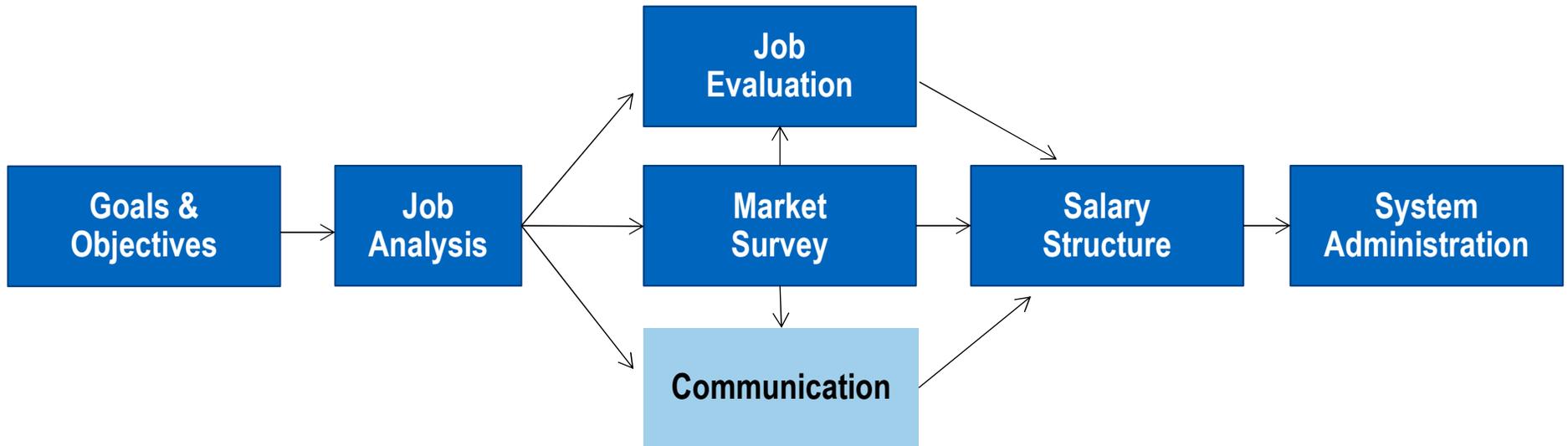
An effective compensation system must be...

- Consistent with organizational structure
- Complimentary to the management style and objectives
- Internally equitable
- Externally competitive
- Easily understood
- Flexible to meet the changing needs of the County
- Financially sound
- Effectively and efficiently administered

PROJECT DELIVERABLES

- Develop Classification Structure and Job Evaluation (internal equity) and Career Ladders
- Conduct Market Survey – Competitiveness of Pay, Benefits, and Pay Practices with comparable employers (external equity)
- Create Pay Structures to ensure market competitiveness
- Recommend grade placement for each title
- Develop implementation plan
- Perform Cost Impact Analysis
- Develop Job Descriptions

PROJECT OVERVIEW



JOB ANALYSIS

A thorough review of job classifications was completed

- Conducted on-site employee briefings for three days and two days of follow-up interviews
- Analyzed one thousand two hundred eight-six (1,286) Job Questionnaires with three days of targeted follow-up interviews
- Identified key characteristics to understand internal relationships of jobs such as supervisory responsibilities, education, experience, technical skills, etc.
- Consolidated/created jobs to reflect work being performed
 - ❑ Consolidated titles in several career families
 - ❑ Clarity between levels within career ladders
- Developed titling protocols to provide consistency in use of titles
- Recommended approximately four hundred forty-two (442) job titles
- Updated/developed job descriptions

JOB ANALYSIS FOCUS

- Used titling protocols to ensure consistent use of titles: supervisor, manager, analyst, etc.
- Developed clear distinctions between levels within a career family.
- Collapsed jobs with similar work and duplication of duties.
- Identified individuals working out of class that need a new classification.
- Eliminated titles no longer in use.

POINT FACTOR JOB EVALUATION TOOL

- Segal Waters' Job Evaluation tool aligns external and internal pay equity
- The tool contains the following compensable job factors:
 - Formal Education
 - Job Experience
 - Management/Supervision
 - Human Collaboration Skills
 - Freedom to Act
 - Technical Skill
 - Fiscal Responsibility
 - Working Conditions
- Provides an objective quantitative approach to align jobs
- A system that will complement and co-exist with a market approach to structure development

MARKET ASSESSMENT

Benchmark Job Feedback by Departments

Criteria for selection of benchmark jobs:

- Sufficient number of benchmark jobs to statistically represent all jobs
- Represents all bargaining units and all departments
- Represents all levels of the County
- Reflects the workforce composition
- Represents occupational groups and job series

Resulted in:

- 112 benchmark job titles representing all County Departments
- Benchmark job titles and job titles associated with the job series represented 84% of incumbents

MARKET COMPARISON

Criteria for Peer Employer Selection

- Commonality of positions
- Competition for jobs/talent
- Location/proximity
- Services provided
- Comparable in size and operating budget to ensure strong matches
- Other criteria as determined

PEER COMPARATORS

Surveyed Public Employers

- City of Seattle, WA
- City of Tacoma, WA
- Clark County, WA*
- King County, WA
- Kitsap County, WA
- Multnomah County, OR
- Snohomish County, WA
- Spokane County, WA*
- State of Washington
- Thurston County, WA
- Washington County, OR

*Segal completed the pay and benefits portion of the survey

PUBLISHED DATA SOURCES

Published Survey Data

Published Private Sector Survey Data* included:

- ✓ ERI – Economic Research Institute
- ✓ CompAnalyst – IBM Kenexa
- ✓ Multiple Milliman Salary Surveys were referenced with varying effective dates

*Data from the three published data sources above were aged to the data effective date of December 1, 2018.

COMPENSATION: METHODOLOGY

- Collected pay range information, pay practices, paid leave, health benefits, and retirement
 - Peers received a custom survey with job summaries and minimum qualifications describing each benchmark
 - Published data matches were complete by Segal Waters staff
 - All data reviewed by County project team members
- Data Included in Total Compensation Analysis
 - Base Pay Midpoint
 - Weighted Market Average of Employer Contribution Towards Health Benefits
 - Market Average of Employer Contribution Towards Retirement Benefits
 - Defined Benefit (normal cost only)
 - Defined Contribution
 - Deferred Compensation
 - Social Security

MARKET METHODOLOGY: DATA ADJUSTMENTS

Peer Employer	Comparator Location	Geographic Adjustment
City of Seattle, WA	Seattle, Washington	-5.7%
City of Tacoma, WA	Tacoma, Washington	0.0%
Clark County, WA	Vancouver, Washington	2.8%
King County, WA	Seattle, Washington	-5.7%
Kitsap County, WA	Port Orchard, Washington	-0.5%
Multnomah County, OR	Portland, Oregon	3.1%
Snohomish County, WA	Everett, Washington	-5.5%
Spokane County, WA	Spokane, Washington	9.5%
State of Washington	Washington - State Average	0.7%
Thurston County, WA	Olympia, Washington	6.2%
Washington County, OR	Hillsboro, Oregon	2.9%

Adjustments were also made to ensure “apples to apples” comparison of salaries based on number of work hours and work weeks

COMPENSATION: SUMMARY OF FINDINGS

- The County's market position for base pay varies by benchmark job
- Pay range midpoints were used to determine if individual benchmark jobs were at, above, or below market
 - **Thirty-four (34)** benchmark jobs have ranges that are **at market**
 - **Eight (8)** benchmark jobs have range midpoints that are **below market**
 - **Forty-seven (47)** benchmark jobs have range midpoints that are **above market**
 - **Twenty-three (23)** benchmark jobs had insufficient data for analysis (less than five matches)

Below market is defined as less than 95% of the market average

Within the market range is defined as 95% to 105% of the market average

Above market is defined as more than 105% of the market average

BENCHMARK RESULTS BY JOB FAMILY

PIERCE COUNTY'S MARKET POSITION BY JOB FAMILY GROUP – BASE PAY ONLY

Job Family	Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
Administrative Support			
Administrative Support Average	109%	106%	104%
Engineering & Related Fields			
Engineering & Related Fields Average	117%	110%	108%
Finance			
Finance Average	114%	112%	110%
Health Care Services			
Health Care Services Average	98%	97%	92%
Information Technology			
Information Technology Average	107%	104%	101%
Maintenance and Operations			
Maintenance and Operations Average	120%	110%	104%
Officials and Administrators			
Officials and Administrators Average	106%	104%	102%

BENCHMARK RESULTS BY JOB FAMILY

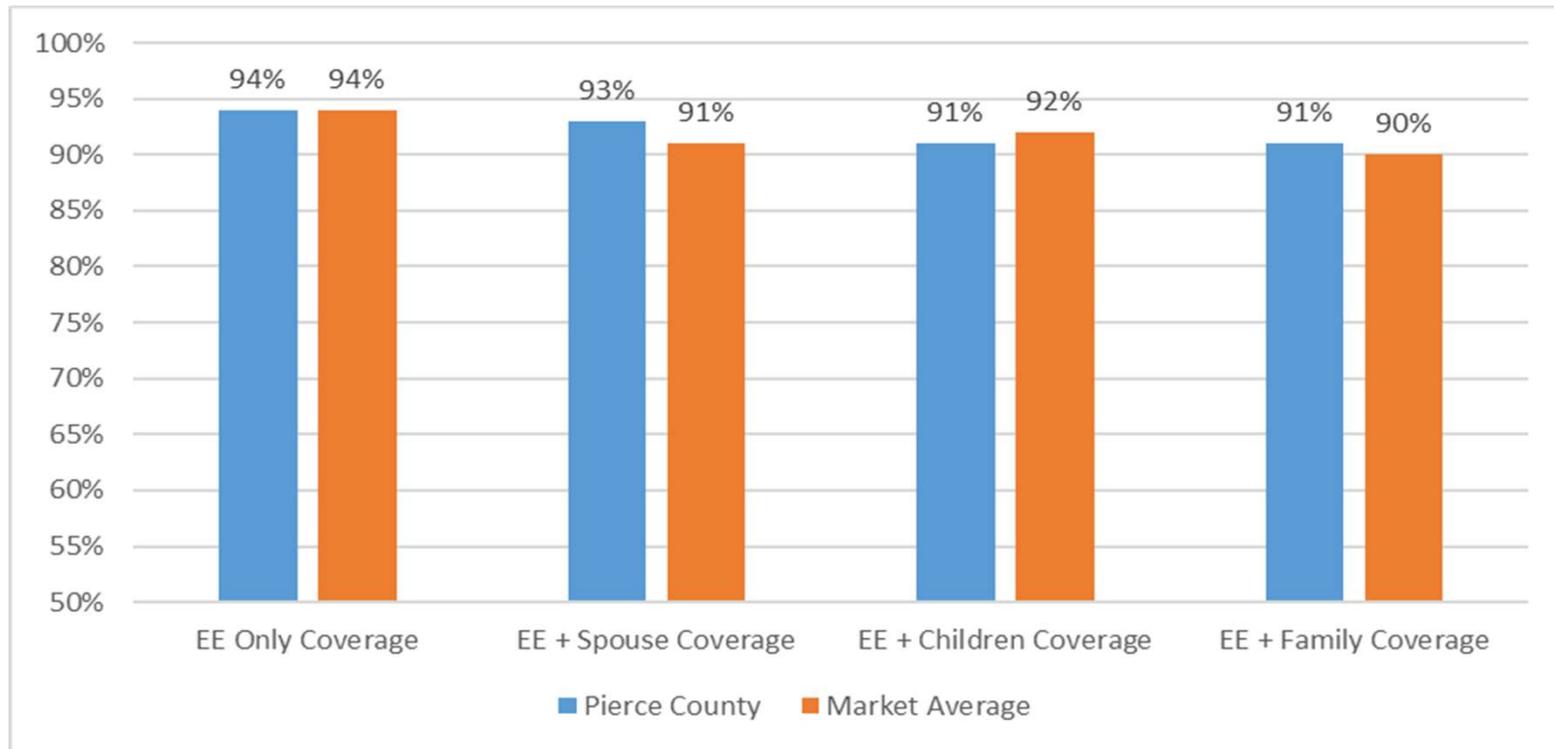
PIERCE COUNTY'S MARKET POSITION BY JOB FAMILY GROUP – BASE PAY ONLY

Job Family	Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
(Continued)			
Parks and Recreation			
Parks and Recreation Average	114%	112%	109%
Planning and Economic Development			
Planning and Economic Development Average	98%	100%	104%
Professionals			
Professionals Average	105%	104%	102%
Program Series			
Program Series Average	94%	95%	96%
Protective Service Workers			
Protective Service Workers Average	106%	107%	108%
Public Safety			
Public Safety Average	106%	105%	105%
Service-Maintenance			
Service-Maintenance Average	109%	111%	112%
Skilled Craft Workers			
Skilled Craft Workers Average	94%	91%	89%
Technicians			
Technicians Average	107%	104%	102%

HEALTH BENEFITS: SUMMARY OF FINDINGS

- Overall, we found that the County’s contributions for PPO health benefits is competitive with the market average for EE only and EE+Family tiers of coverage, slightly above market for EE+Spouse and slightly below market at EE+Children coverage as shown below.

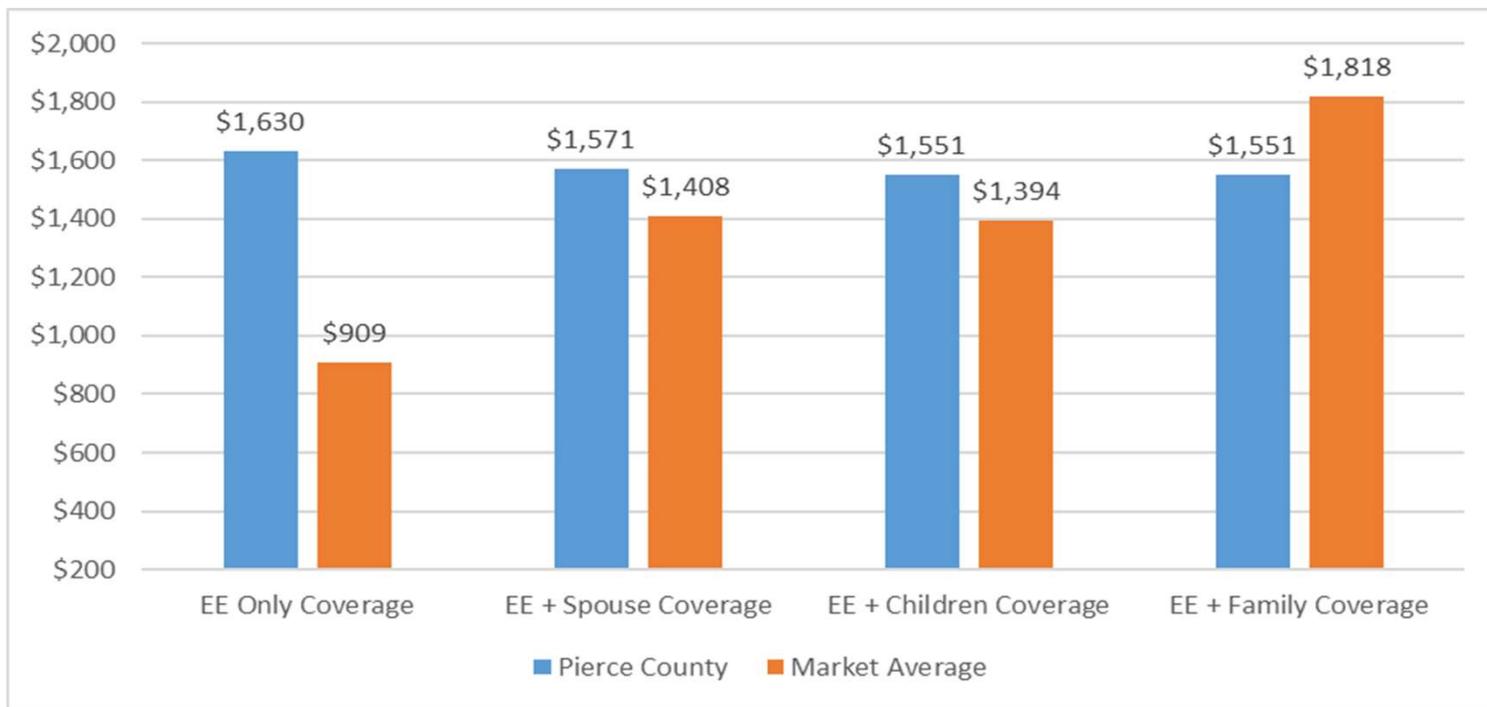
EMPLOYER COST SHARING FOR MEDICAL (PPO), DENTAL, AND VISION PLANS COMBINED-PERCENTAGE



HEALTH BENEFITS: SUMMARY OF FINDINGS

- Overall, we found that the County’s monthly premium contribution for health benefits (**PPO, dental, and vision plan**) is above the market average at all tiers of coverage except for EE+Family coverage as shown below.

PIERCE COUNTY TOTAL HEALTH PLAN EMPLOYER MONTHLY PREMIUM CONTRIBUTIONS



Unlike the market average, Pierce County’s contribution to health premiums does not vary significantly by tier of coverage

RETIREMENT: SUMMARY OF FINDINGS

- Overall, we found that the County’s contribution to the retirement plan is competitive with the market average, as shown below.

Total Employer Retirement Contributions	Pierce County (% of pay)	Market Average (% of pay)
Annual Employer Retirement Contributions (as a % of pay)	20.48%	20.46%

*The total annual retirement contribution is the sum of employer contribution towards defined benefit (normal cost), defined contribution, deferred compensation plans and Social Security.

Defined Benefit Plan Contributions	Pierce County	Market Average
Annual Employer Normal Cost Contributions (as a % of pay)	12.83%	12.08%
Annual Required Employee Contributions (as a % of pay)	7.41%	7.60%

COMPENSATION: SUMMARY OF FINDINGS

- When Total Compensation is calculated we found that Pierce County's level of competitiveness leads at the minimum and midpoint, and is competitive at the maximum, as shown below.

PIERCE COUNTY'S MARKET POSITION – TOTAL COMPENSATION

	Pierce County's Pay Range Minimum to Average Market Minimum	Pierce County's Pay Range Midpoint to Average Market Midpoint	Pierce County's Pay Range Maximum to Average Market Maximum
Overall Average	109%	106%	104%

Figures shown in **red** are below market (less than 95% of the market average)

Figures shown in **black** within the market range (95% to 105% of the market average)

Figures shown in **blue** are above market (more than 105% of the market average)

RECOMMENDED STRUCTURES

- Recommend use of four pay structures:
 - Management Grid
 - General Hourly
 - General Salaried
 - Legal
- Continue step increases within ranges.
- Implement new market competitive pay structures for all employees.
- Pierce County should continue to review pay structure competitiveness every two years.

NEXT STEPS

- Segal Waters Final Report and presentation will be available for review on the intranet by end of the day on Friday, August 9.
- Questions regarding the study can be submitted to Human Resources at totalcomp@piercecounitywa.gov
- Labor Negotiations
- Job Descriptions

FURTHER QUESTIONS

