

Human Resources Department

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Date: October 3, 2017

To: Mahesh Sharma, County Administrator

From: Mary J. Thee, Human Resources Director/Asst. County Administrator

Subject: Comprehensive Salary and Benefits Study

As you're aware, the Board of Supervisors in their goal setting sessions made the completion of a Salary and Benefits Study a top priority. It is not known the last time the County conducted a study of this type. The County's compensation plan is based on the Hay evaluation system. Here is a summary of the Hay system:

Hay Evaluation Method Summary

The Hay Evaluation Method of job evaluation is a form-factor comparison approach to work measurement. It is based on the notion that jobs can be measured based on their relative contribution to the overall objectives of the organization. By considering core aspects of content and context that are common to all jobs, it provides a clear, understandable and systematic process for defining and comparing the requirements of all kinds of jobs at all levels.

The Hay Evaluation is a proprietary developed by The Hay Group in the 1950's and is the most widely-used job evaluation method in the world. The Hay method divides a job into three separate areas and objective measures are applied to each area with the separate scores combined to give an overall score for the job. Having an overall score allows the job to be placed in rank order according to the points. The three separate areas are:

Know-How which is broken down into:

- Practical/technical knowledge
- Planning, organizing and integrating (managerial) knowledge
- Communicating and influencing skills

Problem Solving/Thinking environment which is broken down into:

- Freedom to think
- Thinking challenge

Accountability which is broken down into:

- Freedom to act
- Magnitude/Impact

Myself and Vanessa Wierman, Human Resources Generalist have been formally trained by the Hay Group on the process of analyzing and scoring positions. The Human Resources Department has enlisted a group of employees to assist in reviewing positions that are submitted for review. This team has been trained by HR staff in the Hay evaluation process. Their role is to provide input in the review process to the HR Department. The HR Director makes the final recommendation to the Board of Supervisors.

Annually as part of the budget process the Human Resources Department request that departments submit any positions that they think should be considered for review. Positions change throughout the years in the required skill set needed to complete the tasks. The Hay evaluation system rewards changes in the skill set level need to complete the task, not in the amount of work needed to complete the task, i.e. work load. Work load instead is an FTE level issue that also is addressed during budgetary review.

As the Board has recognized in establishing this goal, periodically it is advisable to review all job classifications to determine changes in duties, internal equity and market factors. The goal of this project is to enlist the assistance of a consultant with experience in the Hay points system to work with HR staff on a global review of the non-represented positions. The consultant would; review job descriptions with staff for any needed updates, review the Hay points assigned to the position, consider internal equity and comparable market factors. Additionally we would ask the consultant to review comparable benefit packages as the combination of salary and benefits are related to hiring and retention. There are 117 unique non-represented classifications.

We are proposing the consultant offer additional alternative pricing proposals so we can determine if the County wants to proceed with a review of represented positions at this time. There are 44 unique classifications that are currently covered by collective bargaining units. These positions also have a Hay point assigned to them, although due to their annual COLAs the points and dollars do not align with non-represented positions.

I have had a discussion with the SECC Director about the study. As a part of the RFP we'll ask for a price to review the positions at SECC. If that part of the contract is awarded, it will be paid for by SECC.

I have benchmarked other public entities in Iowa to determine their experiences and costs. Many communities have not done a study in years and indicated that they are in a similar position to the County in considering an RFP in the future. The following public entities did provide me with some information regarding their recent experiences in doing an RFP for similar services.

Govt Entity	Year	Provider	# Positions reviewed	Appx Costs
Ankeny	2017	Springsted	116	\$45,000
Burlington	2015	GovHR	50	\$30,000
Cedar Falls	2017 (in progress)	Carlson Dettman Consulting	??	??
Dallas County	2014	Condey & Assoc	60	\$35,000
Davenport	2017 (in progress)	Korn Ferry Hay Group	95	\$100,000
Linn County	2017 (in progress)	Fox Larson/Gallagher	65	\$57,000
Story County	2012 2017 update	Springsted	??	\$42,000 \$ 6,000

The recent proposals received by Ankeny ranged from \$35,000 to \$160,000. We would anticipate receiving similar proposals, keeping in mind the differing factors.

It would be HR's intention to send out the RFP this month. The timeline is to have the proposals returned by November 17, 2017; the Board approve the recommended provider by January 11, 2018; have the study completed by September, 2018. Depending on cost impacts the study would be implemented no later than during the FY20 budget process.