



# Classification & Compensation Analysis & Recommendation

February 14, 2023  
Korn Ferry Presentation



# Agenda

1. Executive Summary
2. Job Evaluation and Internal Equity
3. Next Steps



# Executive Summary



# Project Overview

**Washoe County engaged Korn Ferry (formerly Hay Group) to restructure and streamline its broad-based classification and compensation program to be more in alignment from a market competitive standpoint and with best practices. A full-scope classification and compensation study has not been completed since 1999. Incremental and maintenance changes were made over the years.**

## **Specifically, our work addressed the following needs:**

- Job evaluation and equalization
- Review of market competitiveness
- Development of a compensation philosophy
- Compression of the current clerical and administrative positions
- Development of consistent pay structures and administrative guidelines



# Why Now?

- To be competitive, recruitment and retention (internal and external), addressing the critical labor shortage, reclassing of employees who are topped out in their current pay.
- Departments were reaching out to Human Resources for isolated Korn Ferry reviews creating incremental and internal inequities within the county and within the department.
- Current statistics show 1.7 - 2.0 jobs for every seeker.
- Top performers being recruited by other agencies.
- Pay of subordinates reaching the supervisor/manager pay level (compression).
- Leadership pay falling relative to market, however more emphasis is being placed on supervisory competencies.
- Market competition losing candidates and employees to other agencies.
- The Labor Market composition demands higher pay and new expectations.

**Washoe County's goal is to be an Employer of Choice.**



# Project Approach and Restructuring Process

## Organizational Understanding

- Collected data (e.g., organization charts, job descriptions, compensation arrangements)
- Conducted interviews with County Manager and department heads to gain an understanding of their positions, identified benchmark positions as well as Washoe County's business, culture, strategic objectives, and gathered feedback around the current pay program

## Job Evaluation

- Evaluated 160+ benchmark classifications (which equates to 1,300 employees, 70% of employees who were covered in the study) using the Korn Ferry Method of Job Evaluation® - taking into account differentiating characteristics of job "size" – knowledge depth/breadth, problem-solving responsibilities and accountabilities across the entire organization
- Reviewed non-benchmark roles and adjusted based on relationship of benchmark roles and appropriate fit

## Market Analysis

- Conducted market competitiveness assessment using multiple compensation surveys for benchmark positions spanning all staff job levels

## Structure Design

- Proposed compensation philosophy based on feedback, market analysis and desired level of competitiveness and performance
- Designed compensation structure(s) based on internal equity, market analysis, and compensation philosophy

## Impact Analysis

- Prepared cost impact analysis utilizing new compensation structures, detailing where all employees' salaries fall relative to the midpoints of the new salary structure(s) to identify any potential implementation issues and any costs associated with implementation and market adjustments



# Detailed Descriptions of Market Survey Sources

## **Public Sector Composite**

Reno, Nevada Data effective 11/1/2022

Carson City, Nevada Data effective 7/1/2022

Sparks, Nevada Data effective 8/15/2022

El Paso County, Colorado Data effective 10/1/2022

Solano County, California Data Effective 11/13/2022

Lane County, Oregon Data effective 10/31/2022

Truckee Meadows Water Authority Data effective 7/1/2021

## **KF Pay – General Industry**

US general industry cut of Korn Ferry's overall compensation database for all participating companies. Over 2,600 companies are included in the general industry database. Data effective 5/1/2022. All organizations. Revenue of included organizations is \$50M - \$2B.

## **KF Pay – Public Sector**

US public sector and not for profit industry cut of Korn Ferry's overall compensation database for all participating organizations. Data effective 5/1/2022. All data. Revenue of included organizations is \$25M - \$2B.



# Job Evaluation and Internal Equity





# Job Evaluation Results

- The results of the job leveling review are summarized with jobs identified based on a hierarchical basis, as well across organizational units.
- Jobs were assigned a grade level based on know-how, problem-solving and accountability (according to best-practices).
- Full job evaluations were completed for the benchmark group of 160 classifications (1,300 employees), and slotting/validation was completed for the remainder of the jobs.

KF RL	Alternate Public Defender	Alternative Sentencing	Animal Services	Assessor's Office	Child Protective Services	Clerk's Office	Community Services Department
16				Appraiser III Lead Department Programmer Analyst Assessment Services Coordinator Paternal Property Coordinator	Senior Human Services Care Worker	Chief Deputy County Clerk Marriage and Business Division Operations Manager	Building Inspection Supervisor Planner Civil Engineer II
15	Investigator II (PD)	Alternative Sentencing Officer		GIS Mapping Supervisor Appraiser II Sr Department Programmer Analyst	Human Services Care Worker III Management Analyst		Facility Technician Supervisor Senior Building Inspector Building Operations Project Manager Building System Control Specialist Business Development - OSD Facility Support Services Supervisor Permit Planner
14	Legal Secretary Supervisor	DAS Care Manager Grant Coordinator	Animal Services Field Supervisor	GIS Specialist	Eligibility Care Compliance Reviewer Grant Coordinator Human Services Support Specialist		Facility Technician Civil Examiner
13	Investigator I (PD)		Veterinary Technician	Appraiser II GIS Specialist	Human Services Support Specialist Screening Specialist		Code Enforcement Officer II Facilities Contract Services Coordinator Permit Services Coordinator Geomatics Technician Plan Examiner Trainee
12	Legal Secretary		Animal Services Field Supervisor		Human Services Support Specialist II		Carpenter Senior Building Permit Technician
11			Animal Control Officer Animal Services Lead Caretaker			Deputy Clerk - Board Records and Minutes	Building Permit Technician Painter
10			Animal Services Dispatcher				Equipment Services Worker II Sign Fabricator
9			Animal Services Assistant Animal Services Caretaker				

A snapshot of Washoe County jobs



# Internal Equity Review

**To assess the current internal pay practices across Washoe County, Korn Ferry conducted an analysis of current actual base pay in relationship to the assigned job evaluation level**

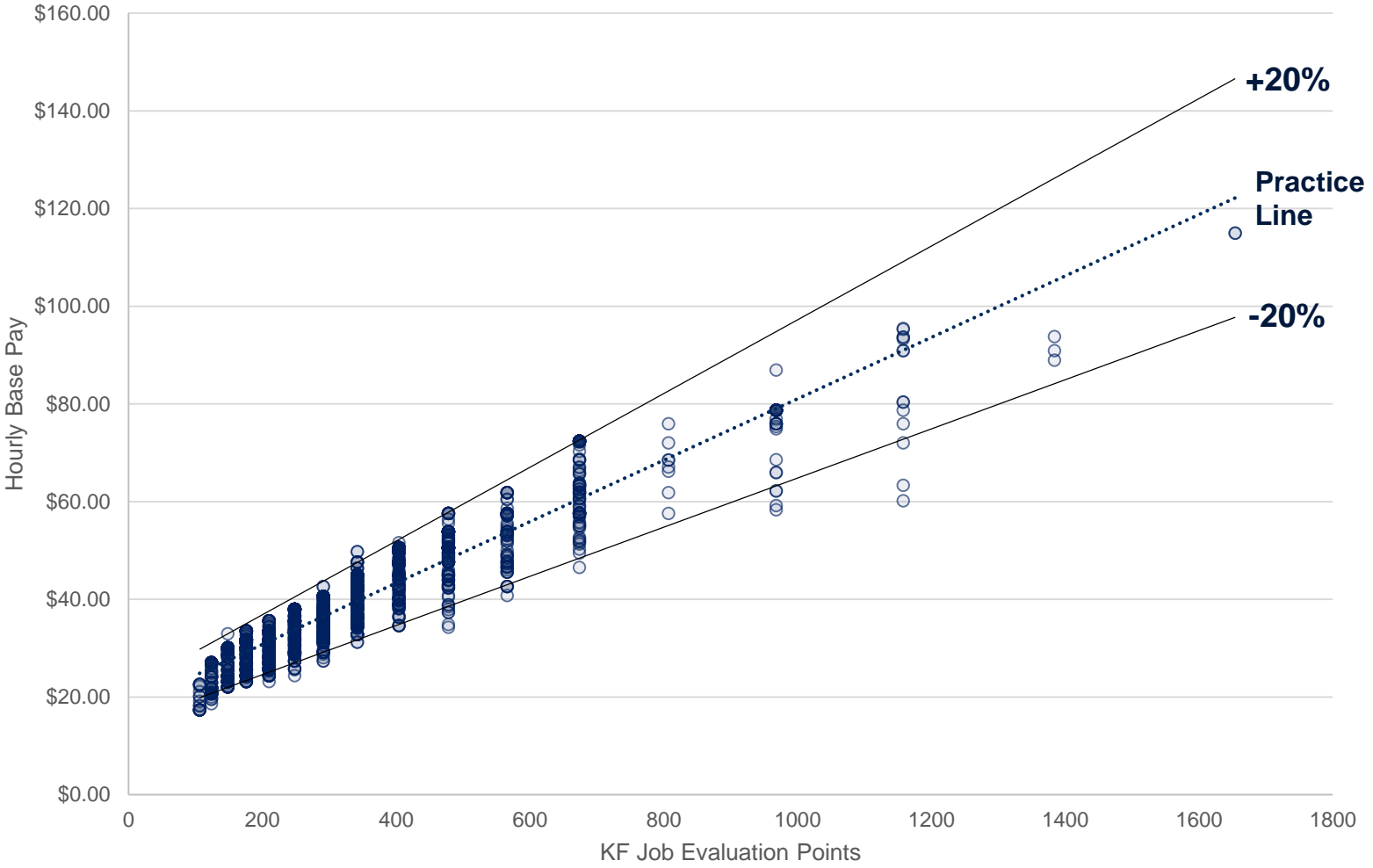
- An internal equity analysis looks at consistency and fairness of pay for individuals in similar jobs and grade levels.
- The internal equity analysis also helps inform how salary structures should be designed to accommodate the various groups of jobs.

## **Key findings**

- When assessing internal equity, there are likely differences in pay practice due to tenure, performance, hiring timeframes and functional area.
- Overall dispersion fits within the accepted norms of +/- 20% and outliers are due to position movements during the job evaluation process.
- The organization's balanced dispersion (rare outliers) is a result of adherence to established administrative practices.



# Internal Equity



**This graph represents the relationship between job size and actual current pay across the organization.**

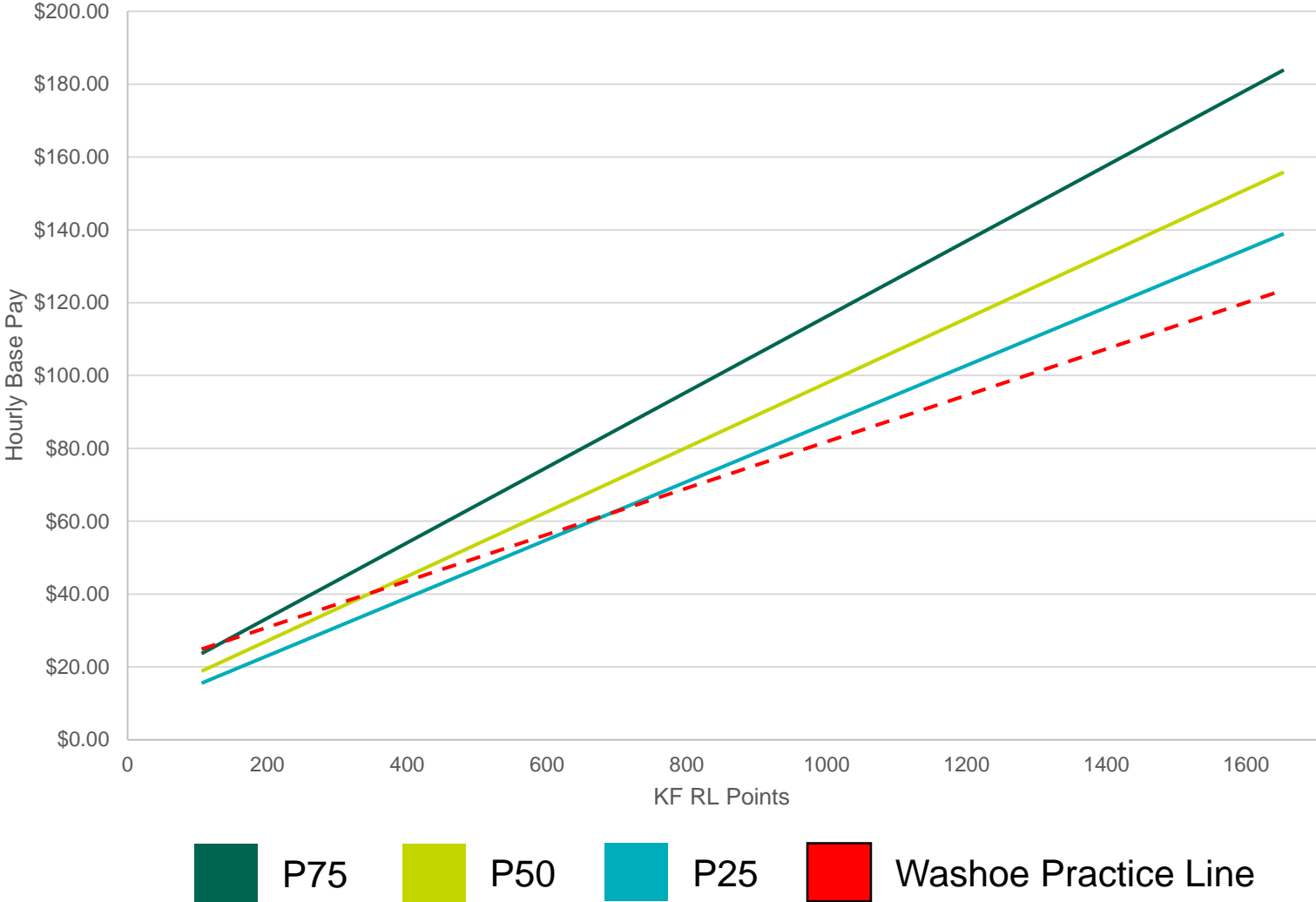
The “practice line” represents the linear relationship between Washoe County’s current pay practice for all jobs and their corresponding level.

- Typical dispersion guidelines for a formal compensation structure allow for +/- 20% above or below the current pay practice line.
- Only 103 (5%) of employees fall outside expected range and this is due to the job level changes that occurred during the job evaluation review phase.

*Note: Each dot represents an employee’s salary and job level. This graph includes all jobs .*



# Current Pay Practice and Market Position



**This graph represents the relationship between job size and actual pay across the organization compared to the market.**

The “practice line” represents the linear relationship between Washoe County’s current pay practice for all jobs and their corresponding level.

- The pay in the lower grades are closer to P75.
- Current pay ranges in grades 13-15 approximate the P50.
- Grades 16 and above are considerably less competitive.



# Next Steps



# Implementation Plan

## Pre-Step

Adjust all hourly rates on **current pay scale** +3.5% for COLA on 7/1/2023

+

Payroll reduction for PERS adjustment of 1.875% (regular) or 3% (early retirement) on 7/17/2023

## Step 1

### Bring to Minimum\*

Bring all employees who are currently below the minimum of the restructured pay range to the minimum of the recommended pay structure (job did not move up)

## Step 2

### Pay Adjustments

For jobs that moved up levels, implement to ensure internal equity and seniority considerations  
  
Maximum of 10%

**Effective date August 14, 2023**



\* Pay will remain unchanged for employees whose current salary falls within the new pay structure.

# Proposed Implementation Plan & Estimated Fiscal Impact

## **Previous action by the Board of County Commissioners:**

- July 1, 2023, 3.5% cost-of-living adjustment (on current salary structure)

## **Nevada PERS Rate Increase:**

- July 17, 2023, employee salary reduction of 1.875% (regular) or 3% (early retirement) [net increase of 1.625% (regular) or 0.5% (early retirement)]

## **Korn Ferry Restructure Implementation:**

- August 14, 2023, effective date (implementation rolled out over several pay periods - retroactive)
- Classify and compensate employees fairly based upon the work they perform
- Employees that fall within the new salary structure, pay will remain unchanged
- Implement to ensure internal equity and seniority considerations

## **Approximate fiscal impact in fiscal year 2024\*:**

- \$7.0 million in the general fund; \$4.5 million in all other funds

\*Estimated fiscal impact does not include cost of internal equity or estimates associated with various pay like shift differentials, over time, holiday worked, etc.

# Continued Maintenance of Compensation and Classification and Policy

## **Continued Maintenance:**

Ongoing review and benchmark every 2-3 years

Apply market adjustment unless job market conditions require more frequent reviews

Ongoing review ensures less dramatic fiscal impact

Ensure employees are classified and compensated according to work performed

Encourage efficient hiring and better retention

## **Board of County Commissioners' Adopted Policy:**

Washoe County continues to maintain salary scale midpoints pay at the 50<sup>th</sup> percentile of the comparable agencies as determined by Korn Ferry.







Thank You

