Contra Costa Community College District

Classification and Compensation Study – Results and Market Analysis

February, 2007

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Agenda

- Classification and Categorization
  - Job Evaluation basics
- Internal equity analysis
- Market survey results
Compensation Management

- Compensation Management supports the achievement of the organization's strategy by:
  - Managing the cost - one of the biggest costs for an organization
  - Getting value from the investment - probably the biggest recurring annual investment
  - Delivering the right messages - major communication to employees about what the organization values

Compensation is a strategic issue crucial to the success of an organization
Four Goals of Compensation Management

- Internal equity
  - Attract, motivate and retain the “right” employees
  - Be able to determine how to pay employees, fairly and equitably, for the work they do

- Market competitiveness
  - Have the ability to assess the market competitiveness of employee salaries

- Compensation strategy
  - Develop an overall compensation strategy that supports and furthers organization objectives

- Performance management
  - Be able to assess and pay for individual performance
Job Evaluation: A Definition

- Determining the value of work to the organization using measurement scales of common compensable factors
- A process to measure the size of jobs against appropriate and consistent criteria
- Focuses on the content of the job as currently designed
- Factors **not** considered in the process:
  - Individual qualifications, performance and longevity
    - Job evaluation is about jobs, not people
  - Existing pay
  - External market (e.g., supply and demand)
The Basic Premise

- We must first believe that all jobs exist to contribute in some way to the organization
- Job evaluation allows us to measure the contributions of jobs in terms of internal value
- Measure three key aspects of a job:
  - Knowledge required (input)
  - Problem solving involved (throughput)
  - Results expected (output)
- The Hay Group Guide Chart®-Profile Method of Job Evaluation is the most widely used process for the measurement of management, professional, and clerical jobs in the world
  - More than 4,000 organizations in nearly 40 countries
The Know-How Factor

- To achieve results, jobs must require a certain level of knowledge, skills, and experience.
- *Know-How* is the factor we use to measure the sum total of knowledge required of a job, however gained:
  - Formal education - engineering, finance, law, medicine, etc.
  - Education and experience - programming, skilled trades, etc.
  - Experience - sales, supervision, etc.

- Know-How has three dimensions:
  - Technical and Specialized Knowledge
  - Management Integration
  - Human Relations Skills

The Knowledge Required of a Job or "Input"
The Problem Solving Factor

- Using Know-How to achieve results, jobs are designed to analyze and resolve problems

- *Problem Solving* is the factor we use to measure the nature and complexity of the problems and challenges that jobs must face
  - The original "self-starting" thinking required by the job for analyzing, evaluating, creating, reasoning, arriving at and making conclusions

- Problem Solving has two dimensions:
  - Thinking Environment
  - Thinking Challenge

The Thinking, Processing, Analyzing or “Throughput” of a Job
The Accountability Factor

- Based on the premise that all jobs exist to achieve results
- **Accountability** is the factor we use to measure the output of jobs
  - Decision-making authority
  - The answerability for an action and its consequences
  - The measured effect the position has on end results
  - Assume expected outcomes - not “worst case scenario”

- Accountability has three dimensions:
  - Freedom to Act
  - Impact
  - Magnitude

The Accountability or “Output” of a Job
Categorization of Roles at 4CD

- Examined core job duties
  - Why does the job exist?
  - Re-categorization may lead to job title changes
  - Consider consistency across the District

- Confidential
  - “…means any employee who is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information contributing significantly to the development of management positions.”
  - Using judgment on what to share and with whom

Source: California Government Code, §3513
Categorization of Roles (cont'd)

- Supervisory
  - "...means any individual, regardless of the job description or title, having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend this action, if, in connection with the foregoing, the exercise of this authority is not of a merely routine or clerical nature, but requires the use of independent judgment. Employees whose duties are substantially similar to those of their subordinates shall not be considered to be supervisory employees."

Source: California Government Code, §3513
Categorization of Roles (cont'd)

- Managerial
  - "...means any employee having significant responsibilities for formulating or administering agency or departmental policies and programs or administering an agency or department."
  - Also:
    - Plan
    - Lead
    - Organize
    - Control
    - Motivate
    - Innovate

1Source: California Government Code, §3513
Internal Equity Analysis

- The chart on the following page displays 4CD's current base salary practice
  - X-axis is evaluation points (job level)
  - Y-axis is current base salary (including longevity)
  - Regression line of best fit through data array
    - Line equation with correlation coefficient ($R^2$) shown
District-wide Scattergram

$y = 89.406x + 48546$

$R^2 = 0.7829$

Contra Costa Community College District
Base Salary Diagnostic Scattergram

All Jobs Excluding College Presidents and Chancellor
INCLUDING LONGEVITY PAY
January, 2007
External Analysis - Custom Survey

- **Methodology**
  - Chose comparator organizations relevant to 4CD on the following criteria
    - Similar positions, organization mission, funding sources, challenges, size, scope, etc.
    - To/from whom does 4CD hire or lose employees
    - Data readily available on an ongoing basis
    - The selected comparator group of organizations needs to be “saleable” and credible to all key stakeholders
      - Board
      - District Office/Colleges
      - Management Council
      - The public
- The following 19 organizations were invited to participate
  - **BOLD** indicates 13 participants in custom survey (including all of the Bay 10)

California State East Bay  
Chabot-Las Positas  
Contra Costa County Office of Ed  
Chevron  
EBMUD  
Foothill-De Anza CCD  
Kaiser  
Los Rios CCD  
Marin CCD  
North Orange  

Ohlone CCD  
Peralta CCD  
San Diego CCD  
San Francisco CCD  
San Jose-Evergreen  
San Mateo CCD  
State Center CCD  
West Valley Mission CCD  
UC Berkeley
Custom Survey Methodology (cont'd)

- Data collected
  - We asked for the following organization data
    - Dimension information
      - Operating budget, number of employees, number of FTEs
  - We asked for the following incumbent data
    - Job title
    - Actual base salary (including longevity)
    - Salary range
    - Additives (vehicle allowances, stipends, etc.)
- Jobs were described and surveyed by content, not by title
- All data as of September, 2006
Custom Survey Methodology (cont'd)

- 22 Positions surveyed

Head of Finance (District)  
Head of Information Systems (District)  
Head of Facilities (District)  
Head of Human Resources (District)  
Head of Student Services (College)  
Head of Purchasing (District)  
Head of Business Services (College)  
Instructional Dean I  
Controller  
Head of Marketing (College)  
Internal Auditor  
Head of Payroll (District)  
Head of Admissions and Records (College)  
Head of Financial Aid (College)  
Academic or Student Services Program Mgr  
Computer and Network Supervisor  
Human Resources Generalist  
Principal Accountant  
Custodial Manager  
Police Sergeant  
Administrative Assistant to a College President-level Administrator
Custom Survey Analysis - 4CD vs. Market

Contra Costa Community College District
Base Salary Practice (Survey Jobs) v. Custom Survey Market Data
INCLUDING LONGEVITY PAY
Data as of September, 2006
Custom Survey Analysis - 4CD Max vs. Market Max

Contra Costa Community College District
Base Salary Range Maximum (Survey Jobs)
V.
Custom Survey Market Salary Range Maximum

INCLUDING LONGEVITY PAY
Data as of September, 2006
The table below excerpts market data results for two survey positions:
- Instructional Dean
- Administrative Assistant to a College President-level Administrator

<table>
<thead>
<tr>
<th>Survey Position</th>
<th>Number of Orgs</th>
<th>Number of Incumbents</th>
<th>P25</th>
<th>P50</th>
<th>P75</th>
<th>Average</th>
<th>4CD Base (Avg)</th>
<th>4CD vs. P50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Dean</td>
<td>9</td>
<td>67</td>
<td>110,828</td>
<td>123,368</td>
<td>127,837</td>
<td>119,192</td>
<td>110,648</td>
<td>90%</td>
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<tr>
<td>Administrative Assistant to a College President-level Administrator</td>
<td>8</td>
<td>22</td>
<td>62,507</td>
<td>65,662</td>
<td>74,230</td>
<td>66,013</td>
<td>66,294</td>
<td>101%</td>
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</tbody>
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Questions