

# **City of Isle of Palms, SC**

## **Wage and Compensation Analysis Update**

### **and**

## **Developing a Compensation Philosophy**



**Presented by:**



Evergreen Solutions, LLC

**March 25, 2021**

# *Agenda*

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- Study Process/Status Update
- Compensation Philosophy

# *Study Process*

## **Completed or In-process Tasks:**

- ✓ Conducted employee outreach.
- ✓ Assessed conditions of the current pay system.
- ✓ Administered the Job Assessment Tool (JAT) – reviewing the input for internal equity analysis.
- ✓ Conducting external equity analysis by surveying the market to determine competitive salary ranges and benefits offerings.

## **Remaining Tasks:**

- ❑ Develop new or revised pay plan(s) to be at desired market position.
- ❑ Individually assign classifications to a pay grade/range.
- ❑ Develop the most appropriate methods for implementing the new or revised plan/pay ranges.
- ❑ Estimate annualized salary costs for implementing the proposed plan.

# *Study Process* (Continued)

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## **Remaining Tasks:**

- Prepare/provide Draft Report.
- Provide training in study methodology to HR.
- Prepare/provide revised draft job descriptions.

# *Compensation Philosophy*

*Key factors are considered when developing the philosophy:*

- **Market Position** – where does the City want to be in relation to peer employers in the market?
- **Total Compensation** – how does the City want to balance salary and benefit cost?
- **Structure Design** – what type(s) of pay plan does the City want to administer?
- **Reward Strategy** – what does the City want to reward - how should salaries progress (career and through range) over time?

# *Compensation Philosophy*

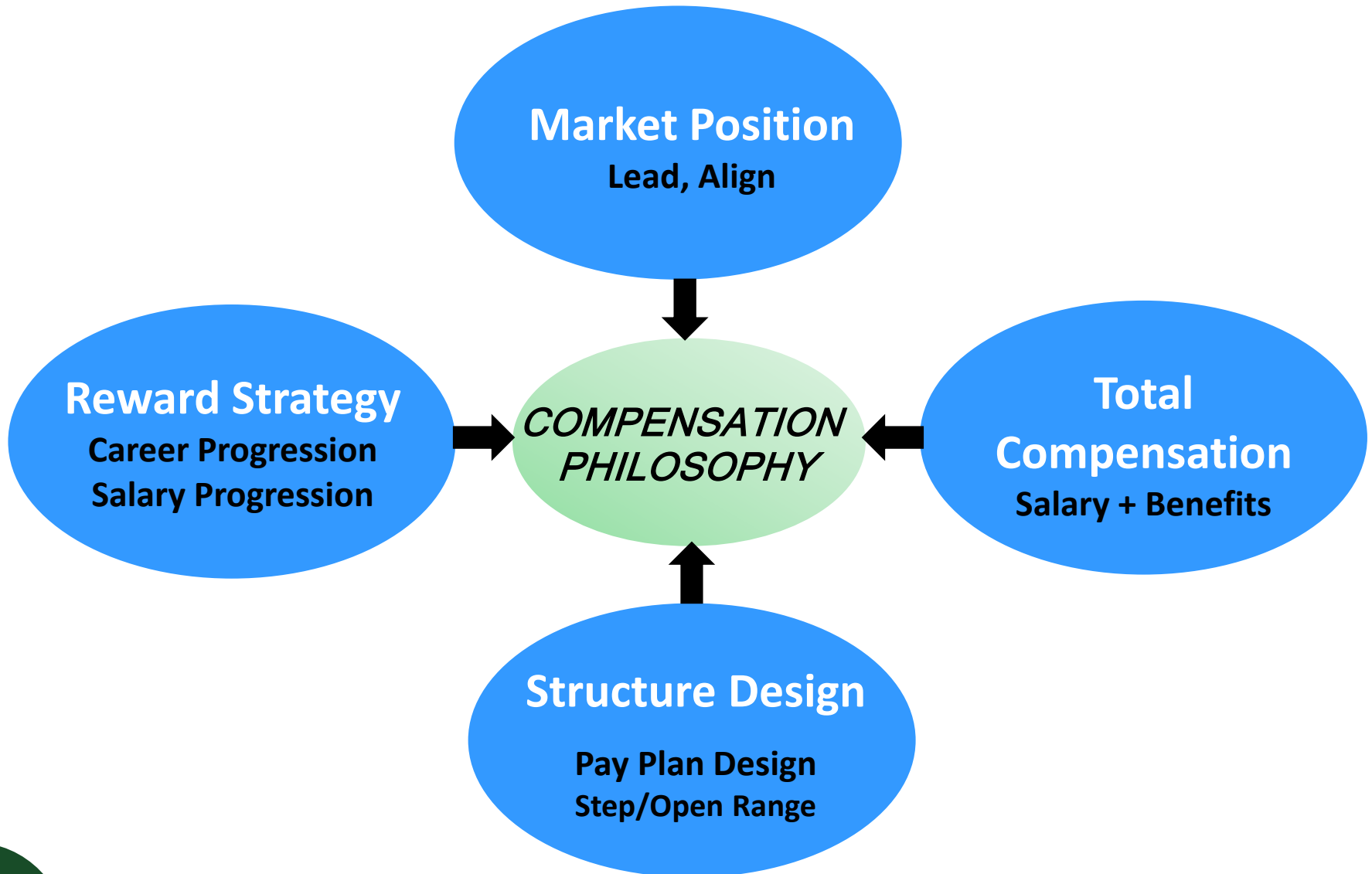
## **Advantages of a Compensation Philosophy:**

*A well developed, consistently followed, transparent, communicated philosophy will:*

- Make sense to employees, leaders, and constituents
- Result in a sense of fairness
- Be a strong recruiting tool
- Encourage retention
- Represent career and salary growth potential



# Key Factors





# Market Position

*At what competitive position does the City want to be in the market for salaries and benefits?*

Market Position  
Lead, Align

**Lead** – Why lead? What percentile ahead of peers? Should all positions be ahead of the market or just some positions?

Other considerations:

- does the City provide a high(er) level of service?
- does the City have a lean workforce?
- does the City have challenges in recruitment/retention?

**Align** – Why align with the market? At average of peers, 50<sup>th</sup> percentile of peers, i.e. at market?

# *Total Compensation*

*Considering salary and benefits,  
what are the City's goals?*

**Total  
Compensation  
Salary + Benefits**

**Salary**  
+ **Benefits (discretionary)**  
**Total Compensation**

# Structure Design

*What type of plan(s) does the County want to administer?*

**Structure Design**  
**Pay Plan Design**  
**Step/Open Range/  
Banded**

## Step Pay Plan (Example)

Grade	Step 1	2	3	4	5	6
117	\$ 60,587.39	\$ 61,799.14	\$ 63,035.12	\$ 64,295.82	\$ 65,581.74	\$ 66,893.37
118	\$ 64,222.63	\$ 65,507.08	\$ 66,817.23	\$ 68,153.57	\$ 69,516.64	\$ 70,906.97
119	\$ 68,075.99	\$ 69,437.51	\$ 70,826.26	\$ 72,242.78	\$ 73,687.64	\$ 75,161.39
120	\$ 72,160.55	\$ 73,603.76	\$ 75,075.83	\$ 76,577.35	\$ 78,108.90	\$ 79,671.08

## Open Range Pay Plan (Example)

Grade	Min	Mid	Max
400	\$ 63,000.00	\$ 80,325.00	\$ 97,650.00
401	\$ 69,300.00	\$ 88,357.50	\$ 107,415.00
402	\$ 76,230.00	\$ 97,193.25	\$ 118,156.50
403	\$ 83,853.00	\$ 106,912.58	\$ 129,972.15

# Reward Strategy

## *What does the City want to reward?*

### **Career Progression:**

Promotion to next level based on:

- meeting minimum qualifications
  - and ability to perform essential functions
- ...**both** should be different from level below.

### **Salary Progression:**

Eligibility for increase based on:

- time in classification
- time with organization
- performance
- hybrid.

## Reward Strategy

Career Progression

Salary Progression

# Reward Strategy (Career)

*There are different types of salary progression*

*Each method has value yet VALUES different things...*

## Career Progression: “vertical” through class structure

Promotion (with salary increase) to next level based on:

- meeting minimum qualifications
- and ability to perform essential functions

...**both** should be different from level below.

Progression can be based on number of years in position	or on changes in responsibility, type of work, complexity of work	or combination of years of experience and skills required to do the work
Analyst IV Analyst III Analyst II Analyst I	Senior Analyst  Analyst	Analyst - (A, B, C, or 1, 2, 3)

# *Reward Strategy (Salary)*

*There are different types of salary progression*

*Each method has value yet VALUES different things...*

**Salary Progression:** “horizontal” through the range

Eligibility for salary increase based on:

- time in classification
- time with organization
- performance
- hybrid (e.g., across the board and performance)



# *Thank You!*

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