

Employee Classification and Compensation Study for Blount County Highway Department

SUMMARY OF RESULTS AND RECOMMENDATIONS



Evergreen Solutions, LLC

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Summary of Results and Recommendations

Evergreen Solutions performed an Employee Classification and Compensation study for Blount County, TN (County) which concluded in August 2015. The County's Highway Department (Department) decided not to participate in the study at that time. In July 2016, however, Evergreen Solutions was requested to conduct a similar study for the Department.

Utilizing the same methodology that was utilized for the County study, Evergreen Solutions analyzed the work performed by Department employees and conducted a salary survey with peers competing in the market for the similar skills. Utilizing the results of both analyses, Evergreen consultants made recommendations for the Department that could be integrated with the County-wide classification and compensation structure. This report provides a summary of the findings and recommendations as a result of this study.

STUDY METHODOLOGY

Evergreen Solutions used a combination of quantitative and qualitative methods to conduct the study for the Department and included the following tasks:

- conducting a study kick-off meeting;
- conducting outreach with employees via Skype;
- conducting a job assessment for each Department classification utilizing the Job Assessment Tool (JAT) process;
- conducting a market salary survey;
- developing classification and compensation recommendations;
- developing a method for implementation consistent with that which was utilized for the County;
- updating job descriptions to accurately reflect work performed; and
- creating draft and final reports.

Kick-off Meeting

The kick-off meeting allowed members of the study team from the County and Evergreen Solutions to discuss different aspects of the study. During the meeting, information about the Department's compensation and classification structure were shared and the work plan for the study was finalized. The meeting also provided an opportunity for Evergreen Solutions to review the types of data needed from the County to begin the study.



Employee Outreach

Employee outreach was conducted via Skype. During this meeting, an Evergreen Solutions consultant provided employees and supervisors an overview of the purpose of the study, and provided specific information related to their participation in the study process and completion of a JAT. Then, a focus group session provided employees an opportunity to identify areas of opportunity for improvement with regard to the Department's existing classification and compensation structure.

Classification Review

To perform the internal equity analysis of the Department's classifications, employees were asked to complete a JAT to describe the work they perform in their own words. Supervisors then reviewed the employees' JATs and provided additional information as needed about the classifications. The information in the completed JATs was then utilized by Evergreen Solutions in the classification analysis in two ways. First, the work described was reviewed to ensure that classifications were titled appropriately. Second, the JATs were evaluated to quantify, by a scoring method, each classification's relative value within the Department and County. Each classification's score was based on the employee's and supervisor's responses to the JAT, and allowed for a comparison of classifications within the Department and across the County.

Market Analysis

The external market was defined as identified peers that had similar characteristics, demographics, and service offerings as the Department. A survey document was prepared listing all classifications with a brief description of the respective job duties and minimum qualifications. Peers were asked to provide pay range information for the jobs that matched those in their organizations. When the results were received, the data were analyzed and aggregate findings were produced. This produced the external (market) equity analysis required for the study.

Recommendations

Using the results of the analyses of both internal and external equity, a classification and compensation structure was created for the Department that can be integrated with the County-wide system. Next, utilizing the same method as was implemented following the initial study, calculations were performed to determine if adjustments were needed to transition employees' salaries into the new structure. Additionally, the associated costs of adjusting employees' salaries were estimated.

EMPLOYEE OUTREACH SUMMARY

Overall, employees participating in the focus group meeting conducted via Skype stated that they enjoyed working for the Department. They enjoyed working with their co-workers, the work they performed, and the benefits provided to them. They explained that there was some overlap in duties between classifications, and that some improvements to this structure could



be made. Their comments were positive, and they were appreciative of the opportunity to participate in the study.

CLASSIFICATION SUMMARY

For the internal analysis of the Department's classification system, Evergreen Solutions collected classification data through the JAT process. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed by employees in each of the Department's classifications. Evergreen Solutions consultants reviewed and utilized the data provided in the JATs as a basis for making recommendations to the existing classification structure. As well, a composite point factor score was assigned to each classification that quantified five compensatory factors. The level for each factor was determined based on responses to the JATs, and an understanding of the work performed.

MARKET SUMMARY

The compensation analysis consisted of an external market assessment. Evergreen Solutions conducted a market salary survey for the Department which included seven market peers and 20 job classifications. **Exhibit A** provides the list of market peers from which data were collected. All data collected were adjusted for cost of living using a national cost of living index factor which allowed salary dollars from organizations outside of the immediate recruiting area to be adjusted for the cost of living relative to the County.

EXHIBIT A MARKET PEERS

Peer Data Collected
City of Alcoa, TN
City of Chattanooga, TN
City of Johnson City, TN
City of Knoxville, TN
City of Maryville, TN
City of Oak Ridge, TN
TN Department of Transportation

Evergreen Solutions analyzed salary range data for the benchmark classifications at the 60th percentile of peer data collected. The 60th percentile was consistent with the County's desired market position. Using this percentile for analysis and to provide subsequent recommendations targeted the placement of the Department's positions consistent with the County's. **Exhibit B** provides a summary of the results of the salary survey (external equity analysis) for the Department's classifications and is composed of the following information:

- Each classification that was benchmarked.



- The market salary range information for each classification. This provides the 60th percentile of peers' responses for the salary range minimum, midpoint, and maximum for each benchmarked classification.
- The survey average range provides the average range width for each classification surveyed, which is determined by the average minimum and average maximum salaries of the respondents. The average range spread for all of the classifications is provided in the final row of the exhibit.
- The number of responses collected for each classification is provided in the final column and the average number of responses for all of the classifications is provided in the final row.

EXHIBIT B MARKET DATA

Classification	Survey Minimum 60th Percentile	Survey Midpoint 60th Percentile	Survey Maximum 60th Percentile	Survey Avg Range	# Resp.
Assistant Superintendent	\$54,902.60	\$75,955.53	\$97,008.45	63.4%	4.0
Drainage/Grading Supervisor	\$40,762.26	\$52,478.08	\$64,111.02	60.4%	5.0
Engineering Supervisor	\$47,608.93	\$60,853.74	\$74,098.55	59.9%	5.0
Equipment Maintenance Foreman	\$38,950.00	\$51,502.53	\$64,055.05	67.0%	5.0
Equipment Operator 1	\$25,597.10	\$33,736.41	\$41,514.23	59.8%	6.0
Equipment Operator 2	\$26,637.21	\$33,736.41	\$41,514.23	61.0%	6.0
Equipment Operator 3	\$28,756.19	\$36,642.04	\$44,046.57	62.8%	6.0
Equipment Operator 4	\$29,723.32	\$39,164.16	\$49,939.19	69.9%	4.0
Fleet Maintenance Technician	\$30,247.27	\$38,242.87	\$46,238.47	62.3%	6.0
Maintenance Technician	\$29,898.10	\$39,947.79	\$51,707.48	75.6%	5.0
Operations Manager	\$44,572.19	\$60,836.29	\$75,586.31	65.4%	3.0
Parts Technician	\$26,637.21	\$37,408.31	\$48,179.40	70.4%	6.0
Paving Supervisor	\$33,284.40	\$45,327.11	\$57,825.22	62.5%	4.0
Roadway Maintenance Technician Assistant	\$24,447.66	\$29,931.18	\$36,218.39	60.2%	6.0
Roadway Maintenance Technician	\$26,931.09	\$38,434.83	\$50,618.49	72.8%	6.0
Shop Supervisor	\$41,142.91	\$51,745.02	\$63,281.85	64.3%	6.0
Sign Shop Foreman	\$37,084.56	\$47,195.42	\$57,306.27	58.7%	4.0
Sign Technician	\$27,371.65	\$37,408.31	\$48,179.40	70.1%	6.0
Vegetation Control Supervisor	\$39,612.98	\$52,681.36	\$64,325.87	65.6%	5.0
Welder	\$32,880.51	\$42,953.51	\$52,684.98	61.9%	3.0
Overall Average				64.7%	5.1

Information gained from the market analysis was used in conjunction with the internal equity analysis, i.e., the results of the classification analysis to develop recommendations that would place the Department's classification's salary ranges in a strong position to remain slightly ahead of the market. Review of the County's pay plan, and all study findings and recommendations are discussed in the next section.



RECOMMENDATIONS

The analysis of the Department's existing classification and compensation system revealed several areas of opportunities for improvement. Evergreen Solutions worked to build on areas of strength within the existing system. Focus was placed on developing a clear classification structure and more competitive pay ranges to be integrated with the County's previously implemented pay plan. These recommendations, as well as the findings that led to each, are discussed below.

FINDING

The Department had some classifications (titles) that accurately described the work being performed by employees. There were multiple instances, however, of titles that could be modified to better reflect the tasks assigned to the position. It was clear there was an opportunity to improve the Department's classification structure as well as integrate it with the County's.

RECOMMENDATION 1: Revise the titles of some Department classifications and establish a hierarchy of titles for some classifications that could be utilized easily to distinguish different levels of essential tasks and required qualifications. Additionally, as appropriate utilize County job classifications (titles) so as to integrate the structures.

Exhibit C provides a list of the Department's current job titles and those proposed by Evergreen Solutions. The foundation for these recommendations was the work performed by employees as described in their JATs, as well as best practices in the human resources field.



EXHIBIT C PROPOSED CLASSIFICATIONS

Current Class Title	Recommended Class Title
Accounting/Production Control Specialist	Office Administrator
Assistant Superintendent/Engineer	Assistant Superintendent
Drainage/Grading Supervisor	Drainage/Grading Supervisor
Engineering Supervisor	Engineering Supervisor
Flagman	Equipment Operator 1
Fuel & Oil Tech	Fleet Maintenance Technician
Heavy Equipment Operator	Equipment Operator 2
Heavy Equipment Operator	Equipment Operator 3
Light Equipment Operator	Equipment Operator 1
Light Equipment Operator	Equipment Operator 2
Light Equipment Operator	Equipment Operator 3
Loader / Truck Driver	Equipment Operator 3
Mechanic	Fleet Maintenance Technician
Parts Tech	Parts Technician
Parts Tech & Machinist	Maintenance Technician
Paving Maintenance Operator	Equipment Operator 3
Paving Supervisor	Paving Supervisor
Purchasing and Inventory Control Manager	Operations Manager
Shop Supervisor	Shop Supervisor
Sign Shop Foreman	Sign Shop Foreman
Sign Tech	Sign Technician
Tires & Oil Tech	Fleet Maintenance Technician
Truck Driver	Equipment Operator 2
Truck Driver	Equipment Operator 3
Vacant	Equipment Operator 4
Vegetation Control Operator	Equipment Operator 1
Vegetation Control Supervisor	Vegetation Control Supervisor
Welder	Welder
Welder / Shop Lead Man	Equipment Maintenance Foreman

FINDING

When comparing the Department's current job descriptions to the work described by employees in the JATs, Evergreen Solutions noticed some tasks that were either missing from the job descriptions or were no longer being performed by the employee. It is common for the tasks outlined in job descriptions to be reassigned to different classifications over time. As such, it is necessary for an organization to update its job descriptions regularly to ensure each job description accurately reflects the work performed.



RECOMMENDATION 2: Revise Department job descriptions to include updated classification information provided in the JAT, FLSA status determinations, and review job descriptions annually for accuracy.

Evergreen Solutions is in the process of updating the Department's job descriptions based on data from the JATs. The revised job descriptions will reflect each classification's proper FLSA status and be in the same format as the County's descriptions. When these are completed, they will be provided to the County under separate cover. Going forward, if possible, job descriptions and job titles should be reviewed annually to properly maintain the classification system in the future. The annual performance evaluation process can provide an opportunity to assess the accuracy of the duties and responsibilities listed in the descriptions through a discussion between the employee and his or her supervisors. If it is determined that duties have changed, it may be necessary to update the description, title, and pay grade assignment, depending on the significance of the changes.

FINDING

The Department did not have a clearly defined competitive pay structure where ranges were utilized for determining salaries for employees as they entered the department or progressed in their career. Employees did not have a clear basis for which to understand salary progression, or to understand if their salaries were competitive.

RECOMMENDATION 3: Utilizing the County's established pay plan; slot all Department classifications into pay grades (ranges) based on external and internal equity; and transition employees' salaries into the structure.

Exhibit D illustrates the (previously recommended and implemented) pay plan for County.



EXHIBIT D
COUNTY PAY PLAN

Grade	Minimum Annually	Midpoint Annually	Maximum Annually	Range Spread
101	\$ 21,100.00	\$ 26,903.00	\$ 32,705.00	55.0%
102	\$ 22,894.00	\$ 29,190.00	\$ 35,486.00	55.0%
103	\$ 24,840.00	\$ 31,671.00	\$ 38,502.00	55.0%
104	\$ 26,951.00	\$ 34,363.00	\$ 41,774.00	55.0%
105	\$ 29,242.00	\$ 37,284.00	\$ 45,325.00	55.0%
106	\$ 31,728.00	\$ 40,453.00	\$ 49,178.00	55.0%
107	\$ 34,425.00	\$ 43,892.00	\$ 53,359.00	55.0%
108	\$ 37,351.00	\$ 47,623.00	\$ 57,894.00	55.0%
109	\$ 40,526.00	\$ 51,671.00	\$ 62,815.00	55.0%
110	\$ 43,971.00	\$ 56,063.00	\$ 68,155.00	55.0%
111	\$ 47,709.00	\$ 60,829.00	\$ 73,949.00	55.0%
112	\$ 51,764.00	\$ 65,999.00	\$ 80,234.00	55.0%
113	\$ 55,129.00	\$ 73,046.00	\$ 90,963.00	65.0%
114	\$ 58,712.00	\$ 77,794.00	\$ 96,875.00	65.0%
115	\$ 62,528.00	\$ 82,850.00	\$ 103,171.00	65.0%
116	\$ 66,592.00	\$ 88,235.00	\$ 109,877.00	65.0%
117	\$ 70,920.00	\$ 93,969.00	\$ 117,018.00	65.0%
118	\$ 75,530.00	\$ 100,078.00	\$ 124,625.00	65.0%
119	\$ 80,439.00	\$ 106,582.00	\$ 132,724.00	65.0%
120	\$ 85,668.00	\$ 113,510.00	\$ 141,352.00	65.0%

Evergreen Solutions slotted each Department classification into an appropriate pay grade in the above plan. Both internal and external equity were utilized when slotting the classifications. Assigning pay grades to classifications required a balance of internal equity, desired market position, and consideration for any recruitment and retention concerns. Some classifications' grade assignments varied from their associated market range due to the factors mentioned above. The resulting recommended pay grade for each of the County's classifications are shown in **Exhibit E**. It should be noted that the recommended title changes are reflected in the exhibit.



EXHIBIT E
PROPOSED PAY GRADES (RANGES)

Proposed Classification (Title)	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Equipment Operator 1	103	\$ 24,840.00	\$ 31,671.00	\$ 38,502.00
Equipment Operator 2	104	\$ 26,951.00	\$ 34,363.00	\$ 41,774.00
Equipment Operator 3 Fleet Maintenance Technician Parts Technician Sign Technician	105	\$ 29,242.00	\$ 37,284.00	\$ 45,325.00
Equipment Operator 4 Maintenance Technician	106	\$ 31,728.00	\$ 40,453.00	\$ 49,178.00
Welder	107	\$ 34,425.00	\$ 43,892.00	\$ 53,359.00
Sign Shop Foreman	108	\$ 37,351.00	\$ 47,623.00	\$ 57,894.00
Drainage/Grading Supervisor Equipment Maintenance Foreman Office Administrator Paving Supervisor Shop Supervisor Vegetation Control Supervisor	109	\$ 40,526.00	\$ 51,671.00	\$ 62,815.00
Engineering Supervisor Operations Manager	111	\$ 47,709.00	\$ 60,829.00	\$ 73,949.00
Assistant Superintendent	114	\$ 58,712.00	\$ 77,794.00	\$ 96,875.00

After assigning pay grades to classifications, the next step of implementing the compensation structure was to determine if adjustments to employees' salaries were necessary to transition their new classifications into the pay plan/pay grades (ranges). This was done by utilizing the method previously implemented during the initial County study. This method is described below:

Move Employees' Salaries to Market

In this method, employees' salaries are first brought to the new minimums of the proposed salary ranges if needed. Employees with less than one year in his or her current classification would receive salary adjustments to the new minimums only. Then, employees with salaries below 80.0% of the midpoint would be brought to 80.0% of the midpoint; those with salaries between 80.0% and 86.0% brought to 86.0% of the midpoint; those with salaries between 86.0% and 91.0% to 91.0% of the midpoint; those with salaries between 91.0% and 95.0% percent to 95.0% of the midpoint; those with salaries between 95.0% and 97.0% to 97.0% of the midpoint; those with salaries between 97.0% and 98.5% to 98.5% of the midpoint; and those with salaries between 98.5% and 100.0%, to the midpoint. Employees with salaries at or above the midpoint, would not receive salary adjustments.



Utilizing this approach, salary adjustments are recommended for 14 Department employees, with an approximate combined annualized cost of **\$15,346**. This estimated cost is for salary adjustments only and does not include associated cost for employee benefits.

SUMMARY

The recommendations in this summary report establish a competitive pay plan for the Department with externally and internally equitable classification titles and pay grade assignments. If implemented, these recommendations will provide an integrated County-wide classification and compensation system. While the upkeep of this system will continue to require work, the Department will find that having a competitive, integrated compensation and classification system that encourages strong recruitment and employee retention is well worth the commitment.

