

State of Vermont Classification and Compensation Study Redesign of Classification and Compensation Plan

March 2021



What are the issues with the current plan identified?

Issues identified in both documentation provided and interviews included (in no particular order):

- Job Evaluation system is dated, rigid, cumbersome and is limited in its effectiveness
- The Job Evaluation system the State is using was introduced in the 1980's and is no longer consultant supported
- Lack of understanding of the job evaluation "grids" – its become too technical
- Application of the system is too subjective
- Bargaining Units don't like it, HR doesn't like it, the Legislature doesn't like it
- Requirements related to use of the system that are typically in HR policies and procedures are in statute and/or CBA's
- RFR form is cumbersome
- RFR process is cumbersome and lengthy
- Classification is defacto compensation plan
- Way too many classifications

What are the issues with the current plan identified?

Issues identified in both documentation provided and interviews included (in no particular order):

- The system is not reflective of the nature of work in today's world
- No clear definition of the market and use of salary surveys.

What were the key findings from Kenning Consulting interviews and analysis?

- Need to define the market and more effectively use market data
- Need to address issues in the appropriate box of the component model (as set out on page 3 of this presentation) to take the pressure off the RFR and job evaluation process
- Need to get plan administration out of the CBAs, where appropriate
- Need to review and redesign the RFR outcome grievance process
- Need to be less formulaic in pay decisions (e.g. 5% and 8% increases for a reclassification)
- Need to consider multiple pay structures
- Need a compensation philosophy statement
- Need to simplify the RFR form and process
- Need to reduce the number of Job Evaluation Committees
- Need to more effectively use merit increases/pay-for-performance
- Need better salary budgeting processes and timing
- Need career Occupational Group, Job Family career progression- based classification structure, with less classifications.

What are the Enablers for Success?

- Involvement of key stakeholders in the redesign initiative
- Utilization of the successful experience from other States
- Utilization of Subject Matter Experts (SME's) to validate the new Classification Structure
- Selection of a modern work measurement system and process
- Appropriate changes to CBA's and legislation
- Buy-in by key stakeholders to the appropriate definition of the external market
- Acquisition and utilization of valid and current market data
- Buy-in of key stakeholders to agreed pay delivery factors
- Development of updated HR policies and procedures
- Identification of project sponsors and champions
- A clear and understandable project plan and change management plan
- An effective training and education plan
- Commitment to employees of no reduction in pay

What are the Potential Barriers to Success?

- Lack of participation of key stakeholders
- Disagreement on how to memorialize the Compensation Philosophy
- Availability of resources for SME panels
- Unwillingness to place moratorium on reclassifications requests while new classification structure is built
- Resistance to change of CBA language and statutory language
- Lack of funding for project
- Lack of project sponsor/champion
- Resistance to potential reduction in number of classifications
- Desire to keep status quo by employees of tenure-based increases
- Lack of funding to implement redesign changes

Appendix

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