

# 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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