


City of Alexandria, Virginia

MEMORANDUM

Revised as of 3/22/10 (see page 2 in bold)

DATE: MARCH 18, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF STAFF REPORT ON CITY EMPLOYEE PAY AND CLASSIFICATION STUDY

ISSUE: Implementation of a new City Employee Classification and Compensation System (Competency Based Classification System) developed by Watson Wyatt.

RECOMMENDATION: That City Council receive this summary of the new Competency Based Classification System developed by Watson Wyatt (now Towers Watson).

BACKGROUND: The City retained the services of Watson Wyatt (Towers Watson) in 2008, to conduct several audits, studies, reviews and make recommendations among other things, regarding best practices related to the City's Job Classification and Compensation System for employees. The City's goal was to determine which Classification processes needed improvements and alignment with the market in order to allow flexibility for job positioning in the City to meet future workforce needs. These improvements will result in a system which is transparent to employees. Through the Watson Wyatt study, several areas of opportunity were identified in their *Report of Finding: Pay for Performance, Position Classification and Compensation, Benefits and Compensation Philosophy for City Human Resources Department (Formerly Personnel Services Department), May 2009* submitted to Council in May 2009.

DISCUSSION: After Council received the Watson Wyatt Report of findings last May, in consultation with Watson Wyatt, we determined that the next steps would be to design a new classification system for the City. This system would be based on a Whole Job Concept which is non-quantitative. The Whole Job Ranking of jobs is based on competencies, job comparisons, ordering jobs from highest to lowest based on complexity and contribution of jobs and placing jobs in classifications which best

describe the jobs. The process used to develop the Competency Based Classification System is outlined in Attachment 1.

Classification System: Watson Wyatt recommended that the City update the current classification system with one that will allow greater alignment with the benchmarking efforts of the City, allow for flexibility in classifying City positions to meet business operational needs, be simpler and more transparent. It was recommended that the system use a competency based approach which is a variation of a classification system in which all City jobs are compared to descriptions of competencies divided into seven Job Families and six Levels. Any new Classification System requires the updating of all the City's classification specifications (job descriptions). In June 2009, the City contracted with Watson Wyatt to develop a Competency Based Classification System which encompassed the above referred components. The system design has been completed and all City jobs have been placed on the system, in one of the Job Families and one of six levels. The completed system was delivered to the City in February 2010. Of 2,642 total City employees, Watson Wyatt identified 206 City positions across 28 Departments, which required grade changes (moving the position's upward grade on the pay scale). This represents 7.8% of all full and part time employees. Most of the positions that were changed are on the general salary (GS) scale. The system was designed by placing all City jobs across the Families and Levels and creating internal equity among the jobs. In order to finalize the system, after they receive the job classification information in April employees will be able to appeal their assigned classifications by Watson Wyatt. This appeals/reconsideration process will occur with a third party reviewer determining if employee's request for a different classification has merit. All appeal/reconsideration decisions by the third party reviewer are final. Once all appeals/reconsiderations have been processed, the Competency Based Classification System will be implemented (July 1 is the planned implementation date). See Attachment 2 for a Power Point presentation on the new Classification System.

Implementation: In FY 2009 and FY 2010, the Council budgeted a total of ~~\$77,552~~ **\$778,522** in the Contingent Reserves Account to fund future employee pay changes as part of the implementation of any recommendations of the Watson Wyatt report. One of the areas identified for funding was the implementation of the new Competency Based Classification System. The initial funding required for implementation is \$263,508. The reconsideration/appeals process described above is scheduled to occur from April 20, 2010, to May 21, 2010. Once the appeals process has been concluded, there will be some additional costs that may result from the appeal decisions. We will identify for Council the total costs for implementing the new classification system later this spring. See Attachment 3 for the Competency Based Classification System implementation timeline.

Watson Wyatt also worked with City staff and employee representatives (Project Team) to propose revisions to the City's Compensation Philosophy. We will bring the revisions recommended to the City Compensation Philosophy to Council for adoption in June, 2010. Once the new job classification is implemented on July 1, 2010, Human Resources will conduct an extensive benchmark study on a significant number of General employee

jobs and all Public Safety positions. The benchmark study will determine where the City of Alexandria's jobs lie in relation to our four comparator jurisdictions (external market). The benchmark study will be conducted during summer of 2010 and results will be available in the fall of 2010 for consideration in the FY 2012 Budget.

FISCAL IMPACT: There are two funding components needed to implement the Competency Based Classification System. The initial component is the cost of implementing the new job classification recommended by Watson Wyatt (\$263,508). The second component is a result of employee appeals/reconsiderations of classifications as a final step in the implementation process. That cost will be determined later this spring.

ATTACHMENTS:

Attachment 1. Process for Design and Development of Competency Based Classification System

Attachment 2. PowerPoint presentation on the new Competency Based Classification System

Attachment 3. Competency Based Classification System Implementation Timeline

STAFF: Cheryl D. Orr, Director of Human Resources

Process for Design and Development of Competency Based Classification System

All City employees were asked to complete an online Job Analysis Questionnaire (JAQ). This was prepared by employees in a two month period of time. Watson Wyatt received all the JAQs and began to “level jobs” – placing them in job families and in one of six levels.

The initial leveling (placing of all City Jobs in a Job Family and in one of six Levels) of all City jobs was delivered to Human Resources Department in October 2009. HR spent several weeks, meeting with Senior Staff, all Department Heads and their representatives and Constitutional Offices to prepare the result. Departments were asked to provide detailed feedback, which was forwarded to Watson Wyatt for changes in the initial leveling of jobs.

Watson Wyatt returned the revised leveling of all City Jobs in February of 2010. A detailed report on job families, levels, grade dispersion across levels, jobs which were recommended for upgrades and costs were provided to Human Resources. HR prepared a detailed packet of classification and salary scale information and forwarded the information to each Department Head and Constitutional Office asking for final feedback in March. HR has received feedback and will conduct a final review of the job families, levels and grades in consultation with Watson Wyatt.

Human Resources has developed a detailed timeline in which to roll out the Classification System for Citywide use. The timeline includes employee training, notifying each employee of his/her classification, job family, level and grade and a reconsideration/appeals process conducted by a third party reviewer, where employees will be able to submit a request to the reviewers to determine if their current positions are accurately represented in the classification determined by Watson Wyatt.

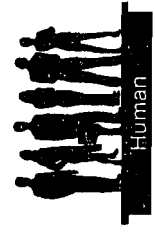
Classification Specifications are being developed by Watson Wyatt from all the City JAQs submitted in July-August 2009, and will be returned to the City by March 31, 2010.

Implementation of the system will occur July 1, 2010 and will include a moratorium on any general employee classification changes for six months. Departments who are working on reorganizing are exempt from the moratorium



City of Alexandria Competency Based Classification System Overview

March 2, 2010



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Components of New System



- **Job Families (Defined)**
- **Six Levels (Leveling of Classifications)**
- **Core Competencies**



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Job Families



- Technical & Administrative Support Operations Professions
- Public Safety and Enforcement Professions
- Medical/Scientific/Engineering/Technology Professions
- 7 • Business Operations Professions
- Social Sciences Operations Professions
- Legal Professions
- Strategic Management Leadership Professions



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6 Levels –

Each level reflects a different type
of contribution to the organization (complexity)



- **Level 1** – Contributes through Performance of Routine or Repetitive Activities and Tasks
- **Level 2** – Contributes through Support
- **Level 3** – Contributes through Experience/ Collaboration/ Problem Resolution
- **Level 4** – Contributes through Advanced Knowledge/Skill/ Expertise
- **Level 5** – Implements Departmental Strategic Direction or Contributes through Highly Complex Expertise
- **Level 6** – Establishes City's Strategic Direction



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Job Families and Levels: The Classification Matrix



Contributes through Performance of Routine or Repetitive Activities and Tasks Level 1	Contributes through Support Level 2	Contributes through Experience/ Collaboration/ Problem Resolution Level 3	Contributes through Advanced Knowledge/ Skill/ Expertise Level 4	Implements Departmental Strategic Direction or Contributes Through Highly Complex Expertise Level 5	Establishes City's Strategic Direction Level 6
Technical and Administrative Support Operations Professions					
Public Safety and Enforcement Professions					
		Medical/Scientific/Engineering/Technology Professions			
		Business Operations Professions			
		Social and Human Services Professions			
		Legal Professions			
				Strategic Management Leadership Professions	

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Level Descriptors



Level 1: Contributes through Performance of Routine or Repetitive Activities and Tasks

- Performs specific/detailed tasks that are well defined and highly structured.
- Follows direction and established procedures requiring basic knowledge of activities and procedures in own work area.
- Impacts mission through quality of own work performed.
- Requires limited training or prior experience to perform job duties.
- Works under direct supervision and may provide on-the-job training to others.
- Work involves common courtesy, tact, and cooperation with others within and outside own work environment.

Level 2: Contributes through Support

- Uses understanding of common/general processes, methods, and systems in performing job duties.
- Has basic knowledge and understanding of departmental/unit policies and procedures.
- Impacts mission through shared responsibility for productivity and quality for self and others.
- Uses judgment based on practice and precedence with supervision.
- Work involves common courtesy, tact, and cooperation with others within and outside own work environment and may negotiate internally regarding own job or functional area.
- Makes decisions about own work after gaining input from supervisor.
- May provide ongoing guidance to more junior team members.
- May set or contribute to strategy for own team or function.

Level 3: Contributes through Experience/Collaboration/Problem Resolution

- Uses knowledge and skill gained through years of work experience or specialized instruction/training in the line of work.
- Work is characterized by a focus on processes, procedures, and problem resolution.
- Work entails collaboration and coordination within and outside one's own immediate work environment and may require developed communication to exchange complex information, or in potentially volatile situations and may negotiate regarding own job or functional area.
- Impacts mission through responsibility for end results.
- Interprets, assesses, and recommends department/unit policy, procedure, and/or solutions related to day-to-day operations.
- Works under minimal supervision relying on experience and judgment to plan and accomplish tasks and goals.
- Allocates work as a team leader, checks on completion and quality of work by others.
- Work may involve a broad range of skills and proficiency.
- May set or contribute to strategy of own division.
- Selects appropriate alternative sources of information and utilizes them to evaluate situations, with little supervision.

Level 4: Contributes through Advanced Knowledge/Skill/Expertise

- Applies the principles, theories, concepts, and skill in a particular field, discipline, or profession to provide interpretation, analysis, recommendations, and consultation. Delivers a service requiring specialized and concentrated training or education.
- Assignments are broad in nature, requiring originality, ingenuity, and planning.
- Develops, implements, and manages work plans.
- Understands the "big picture" together with breadth and understanding of departmental/organizational goals and direction.
- Contributes through applying individual expertise and/or has responsibility for supervising or managing staff.
- Requires high level of sensitivity to audiences to modify beliefs or opinions; negotiate with great latitude on outcomes.
- Impacts mission by contributing to the professional/technical direction and strategy.
- May set or contribute to strategy across divisions, but restricted to own department.
- Applies analytical thought to resolve issues in a variety of complex situations, without supervision.

Level 5: Implements Departmental Strategic Direction and/or Contributes Through Highly Complex Expertise

- Provides policy and strategic input.
- Understands strategic objectives and direction.
- Work is characterized by significant focus on identifying solutions, planning and managing resources, and negotiations to achieve strategic goals across multiple functional areas.
- Requires communication skills to shape and influence the image of a department and negotiates internally and externally at high levels.
- Impacts mission by setting professional direction and strategy.
- Takes managerial or leadership responsibility.
- Manages change and defines excellence for functions and/or departments.
- Applies in-depth knowledge of field or specialization for the successful implementation of complex programs and services.
- Regularly requires conceptual and innovative thinking to identify solutions to everyday problems.
- Sets strategy for department or across multiple departments.

Level 6: Establishes City's Strategic Direction

- Guides organization by thinking strategically about the future.
- Sets strategy for the City and allocates resources to support strategy.
- Provides leadership and vision, fostering a culture of teamwork and a sense of mission.
- Requires communication skills to shape and influence the image of the City.
- Regularly requires conceptual or innovative thinking in completely new, complex situations.

Job Family Definitions



- **Technical Operations and Administrative Support Professions:** Provide administrative medical or legal support to staff; May formally supervise however primary value comes from applying individual expertise as a sole contributor or part of a team; Typically gains skills through on-the-job experience, vocational training, and/or 2-year degree courses Provide technical or operational support to staff; May formally supervise however primary value comes from applying individual expertise as a sole contributor or part of a team; Technical operations includes positions in the arena of equipment, facilities, and operational support e. g., skilled trades, which require on-the-job-experience, vocational training, technical certifications, and, or 2-year degree. (Level 1-3)
- **Public Safety and Enforcement Professions:** Provide investigative, emergency response, inspection or enforcement work primarily concerned with alleged or suspected violations, emergency incidents, and/or ensuring compliance with the City Code or State Law. This would include sworn and non-sworn classes, e.g. fire marshals, emergency communications technicians, police, fire or sheriff and non-sworn positions, e.g. code and zoning enforcement, health inspectors positions. Gains specialized skills through specialized, formal training and through on-the-job training and/or 2 year degree. (Level 1-5).
- **Medical/Scientific/Engineering/Technological Professions:** Provide individual expertise in a medical, scientific, engineering or information technology field; May formally supervise, however; primary value comes from applying individual expertise as a sole contributor or part of a team; Requires use and application of principles, theories, concepts; Knowledge gained through formal education (4-year degree or more) or extensive on-the-job experience. (Level 3-5)
- **Business Operations Professions:** Provide professional services through the application of individual expertise; May formally supervise, however; primary value comes from applying individual expertise as a sole contributor or part of a team; Requires use and application of principles, theories, concepts; Knowledge gained through formal education (4-year degree or more) or extensive on-the-job experience. Business Professions include, human resources, budget, accountants, public relations, real estate appraisers, finance, OSHA and safety, auditors, forensic accounting, etc. (Level 3-5)
- **Social Science Operations Professions:** Provide professional services through the application of individual expertise; May formally supervise, however; primary value comes from applying individual expertise as a sole contributor or part of a team; Requires use and application of principles, theories, concepts; Knowledge gained through formal education (4-year degree or more) or extensive on-the-job experience. Social Science Operations Professions include, social science, library and information science, recreation, and museum studies. (Level 3-5).
- **Legal Professions:** Provide professional services through the application of individual expertise in the legal field; May formally supervise, however; primary value comes from applying individual expertise as a sole contributor or part of a team; Requires a law degree, licensed in at least one jurisdiction and the use and application of legal principles, theories, concepts (Level 3-5)
- **Strategic Management Leadership Professions:** Provide leadership and professional expertise or services by leveraging the knowledge and skills of others; Requires formal supervision of others; May require the application of the highest levels of leadership and executive knowledge (Level 5-6)

Core Competencies



Applies to all job levels -

- Interpersonal Skills
- Communication Skills
- Accountability and Excellence
- Mission/Service Orientation
- Teaming Skills
- Flexibility
- Judgment and Decision Making

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QES – Current Classification System



- **Quantitative Evaluation System (QES) – Point Factor system**
 - Use of a set of factors
 - Job is evaluated based on how much each factor the job requires
 - Total pts determine the jobs grade in the current system
- **10 Occupational Groups (Families)**
- **600 + Classifications**

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Whole Job Evaluation



- **Whole Job Evaluation is non-quantitative**
- **Whole Job Ranking**
 - Competency Based
 - Role based (within the org)
 - Job to job comparison
 - Order of jobs – highest to lowest
 - Jobs are slotted into grades
 - Job placed in “class” which best describes job

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Characteristics of Competency Based Classification System



- **Job Class Consolidations**
 - Ex.: Administrative Support I-IV
- **Job Class Standardization of functional purposes across City Depts.**
 - Ex.: ITS, HR, MH, HS, Finance
- **Restructuring Job Titles**
 - Ex.: Dir, Dept. Dir., Asst. Dir., Div. Chief
- **Retitling Classifications Citywide Based on Industry Preferences**
 - Ex.: E- Government, GIS Analysts



Characteristics — Cont'd



New Classification Specifications

- Developed from JAQs
- Reloaded on NEOGOV (City's applicant tracking system)

Added two grades to current GS and Public Safety scales

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Watson Wyatt Implementation Tasks



- Develop Technical Assistance Manual
 - Post on Intranet in progress for employees to review and use to understand classification process
- Benchmarking
 - Conduct every two years
 - Increase the number of benchmark jobs for GS and include all PS jobs
 - Delink positions
 - Align pay scales and jobs to the Market
 - Greater use of published salary surveys
- Pay Scales – Currently out of alignment with the market
 - Results in new hires across the City, paid higher in the pay range (steps/above midpoint)
 - Survey benchmark jobs once new system is implemented - summer 2010
- Established a Class & Comp Employee Advisory Committee
 - Technical Advisory Committee – TAC established 10/20/09
 - Provide feedback to HR Classification and Compensation on issues relevant to the Classification System.



Watson Wyatt Implementation Tasks Cont'd



- **Class and Comp Procedures Manual Developed**
 - Guidance on how to reclassify jobs
 - Conduct Appeals process
 - Implement changes – Titles, Grades
- **Training**
 - Staff (HR staff and HR Liaisons) – Trained 1/28/10 - Watson Wyatt conducted.
 - Employees – Training schedule Mar. 15 thru Mar 31st.

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Data Points



▪ Total # of Regular Full & Part-time employees:

GS:	1963
PS:	679
Total:	<hr/> 2642

▪ Total # of Class Specifications:

Before Watson Wyatt:	631
After Watson Wyatt:	533
Unused or Vacant:	90

▪ Impact of Watson Wyatt Analysis:

206 Employees, 28 Departments

7.8% of all Regular Full & Part-time employees

Average Yearly Cost Per Employee: \$1,279.17



Data Points cont'd



- **Total # of Regular Full & Part-time employees:**

- **GS employees:**

Grade	2-16	Tech Ops:	\$58,028.88	22%
	12-26	Social Sciences:	\$70,039.94	26.6%
	14-26	Bus Ops:	\$56,735.55	21.5%
	15-29	Med/Tech/Eng IT :	\$72,670.06	27.6%
	19-29	Legal:	\$3,390.46	1.3%
	25-32	Strategic Management:	\$0.00	
	5-26	Public Safety:	\$2,643.17	1%

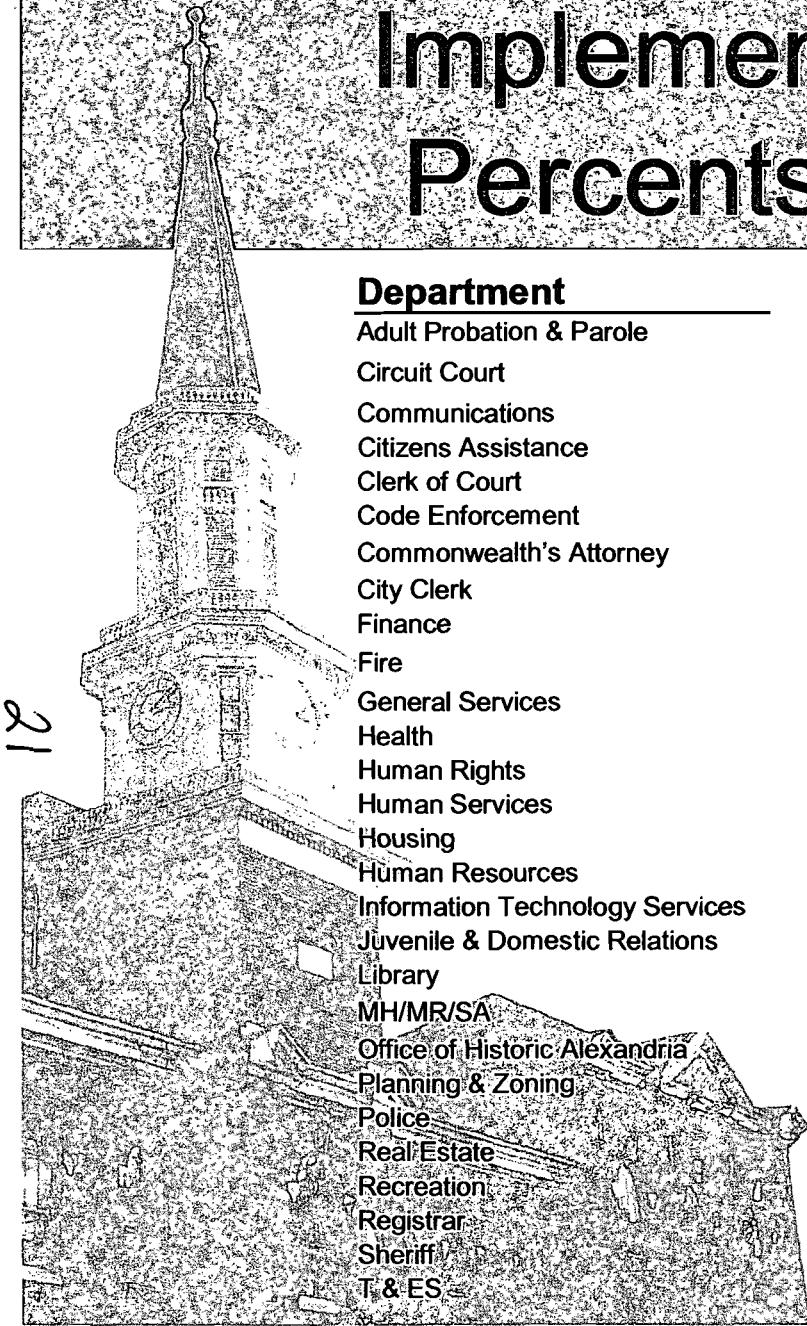
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- **PS employees:**

No increases in Sworn ranks



Implementation Results & Percents by Department



<u>Department</u>	<u>Cost</u>	<u>Percent</u>	<u>Employees</u>	<u>Percent</u>
Adult Probation & Parole	\$676.52	0.26%	1	0.49%
Circuit Court	\$6,769.70	2.57%	3	1.46%
Communications	\$2,337.92	0.89%	1	0.49%
Citizens Assistance	\$5.25	0.00%	1	0.49%
Clerk of Court	\$536.26	0.20%	4	1.94%
Code Enforcement	\$3,123.17	1.19%	4	1.94%
Commonwealth's Attorney	\$269.00	0.10%	1	0.49%
City Clerk	\$2,286.94	0.87%	1	0.49%
Finance	\$27,997.67	10.62%	19	9.22%
Fire	\$2,450.00	0.93%	2	0.97%
General Services	\$3,015.93	1.14%	6	2.91%
Health	\$43,716.11	16.59%	13	6.31%
Human Rights	\$1,903.86	0.72%	2	0.97%
Human Services	\$17,749.93	6.74%	21	10.19%
Housing	\$5,177.63	1.96%	3	1.46%
Human Resources	\$11,036.12	4.19%	5	2.43%
Information Technology Services	\$950.73	0.36%	2	0.97%
Juvenile & Domestic Relations	\$4,956.12	1.88%	4	1.94%
Library	\$28,162.40	10.69%	25	12.14%
MH/MR/SA	\$59,620.13	22.63%	41	19.90%
Office of Historic Alexandria	\$1,515.58	0.58%	6	2.91%
Planning & Zoning	\$3,443.39	1.31%	2	0.97%
Police	\$6,586.27	2.50%	5	2.43%
Real Estate	\$2,623.57	1.00%	4	1.94%
Recreation	\$13,036.82	4.95%	10	4.85%
Registrar	\$1,958.15	0.74%	4	1.94%
Sheriff	\$5,491.09	2.08%	9	4.37%
T & ES	\$6,111.78	2.32%	7	3.40%
	\$263,508.06	100.00%	206	100.00%



Impacted Employees by Grade Range



Grade Range	# of Employees	Percent
GS01 to GS08	42	20.39%
GS09 to GS16	98	47.57%
GS17 to GS24	64	31.07%
GS25 to GS32	2	0.97%
	206	100.00%

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GS Employees by Role & Level



Role	Level	Total # Employees
Strategic Management/Leadership	5	41
Strategic Management/Leadership	6	18
Legal Professions	3	4
Legal Professions	4	12
Legal Professions	5	6
Medical/Scientific/Engineering/Technology Professions	3	118
Medical/Scientific/Engineering/Technology Professions	4	143
Medical/Scientific/Engineering/Technology Professions	5	28
Business Operations Professions	3	87
Business Operations Professions	4	106
Business Operations Professions	5	36
Social Sciences Operations Professions	3	355
Social Sciences Operations Professions	4	218
Social Sciences Operations Professions	5	33
Public Safety and Enforcement Professions	1	42
Public Safety and Enforcement Professions	2	20
Public Safety and Enforcement Professions	3	79
Public Safety and Enforcement Professions	4	21
Public Safety and Enforcement Professions	5	2
Technical Operations & Administrative Support Professions	1	247
Technical Operations & Administrative Support Professions	2	561
Technical Operations & Administrative Support Professions	3	329

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PS Employees by Role & Level



Role	Level	Total # Employees
Public Safety and Enforcement Professions	2	178
Public Safety and Enforcement Professions	3	354
Public Safety and Enforcement Professions	4	130
Public Safety and Enforcement Professions	5	23
Strategic Management/Leadership	5	12
Business Operations Professions	5	1

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Follow-Up Issues



- **Implementation Schedule - Finalized**
- **Appeals Process – Finalized by 3/23**
- **EEO Audit conducted through City Attorney 's Office**
- **Requests for Career Ladders to be discussed with Depts.**
 - Fire Dept, General Services, Several Others - creating list...
- **Request for Career Paths to be discussed with Depts.**
- **Review Compression Issue in Public Safety**
 - Make recommendations
- **Develop Workforce Plan**
- **Implement Workforce Planning Model**

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Competency Based Classification System (CBCS)/Watson Wyatt Implementation Timeline

Action	Date *
CBCS/Watson Wyatt Information to Senior Staff	Feb. 23, 2010
CBCS/Watson Wyatt Information to Department Heads Return Feedback -	Feb. 25, 2010 Mar. 10, 2010
CBCS/Watson Wyatt Information to Employee Technical Advisory Committee (TAC)	Mar. 2, 2010
CBCS/Watson Wyatt Information to City's WW Employee Project Team	Mar. 5, 2010
CBCS/WW Information review with Mayor Euille and with Councilman Smedberg – completed by	Mar. 2 – 12, 2010
Finalize Pay Action Table – review of all Citywide Pay Actions	Mar. 8, 2010
CBCS/Watson Wyatt report to City Council	Mar 23, 2010
Citywide Employee Training on the CBCS	Mar. 15 – 31, 2010
New Class Specifications Posted on NeoGov for employee review	Apr. 16, 2010
Notify all employees in writing of Classification Title, Family, Level and Grade in the new CBCS	Apr. 16 – 20, 2010
Reconsideration/Appeals Process for Employees EEO Audit through City Attorney's office	Apr. 20 – May 21, 2010
Fully Implemented Citywide CBCS	July 1, 2010

* Action Dates are subject to change, regular updates to follow

2/23/10