# Compensation Compression Analysis

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## Executive Overview

This study was conducted based on the stated desire of the County to explore the possible causes of and solutions for pay compression for all county jobs except School System accredited teachers.

Titan reviewed and analyzed all the provided information to determine what compression issues exist, where they are most profound, and what causes and solutions emerge. Titan has prepared this written final report which includes our recommendations.

**Summary Conclusions**

The County does have a compression problem. Employee labels for compression often are heard as “unfairness”. The data supports that perception and the conclusion that there really is a problem.

- Examination of County overall and departments with larger staff counts shows that the compression problem is not uniform, but differs in which jobs/are affected. Compression is caused by:
  - No apparent or reliable relationship between years of service and pay.
  - Hiring patterns that are problematic. The lack of pay competitiveness with relevant employment markets means new hires either cannot be hired because pay is too low relative to the market. New hires may be paid more than some existing employees, without the communicated rationale for paying them more (experience, skills). There are policies and procedures that attempt to ameliorate this. Expressed frustration with inability to hire the best talent or anger over new hires paid more than existing employees is evidence of this issue.
  - Overlap of the salary ranges. This causes people paid higher in the range (e.g. midpoint or above), when promoted, to find that they are already well into the next range with limited salary growth opportunity and current incumbents in the higher graded job may be paid less than the newly promoted person. This does not completely go away with most, not all, pay structure designs, but the phenomenon is rather extreme with the current structure.
  - The “equity ceiling” means compression occurs when (a) someone paid $9.90 an hour gets promoted. The tenured person(s) in the next job earns no more than $10 an hour. Their promotion raise is $0.10, or (b) the

promoted person earns $12 an hour. The tenured person(s) in the next job earns $10 an hour. There is no raise and there is a "reversal" of pay for the new versus tenured people in the job.

- Lack of meaningful merit budgets means managers do not have the budget to meaningfully differentiate high, "meets", and modest performers. The merit matrix shows this. Perceived compression occurs because people do not understand why doing a good job has no pay impact (differentiation).
- Frozen salary structures mean that whatever increases in individual pay that do occur, lead to a "bunching up" of pay at the top. The pay distribution data largely supports this.
- Differences between pay ranges are so small, and ranges so wide, that the normal differences in tenure, experience, job related skills lead to lower graded job incumbents being paid more than people in jobs multiple grades higher.

- Compression's other impacts
  - Morale is a complicated issue. Pay freezes, benefits cuts, and perceived unfairness (compression in this case) are going to be dispiriting. Add in a public discourse, often supported by politicians, belittling public service and its worth and those in the line of fire for this criticism are bound to be quite unhappy.
  - Performance and employee engagement is as much driven by discretionary effort as direct rewards. Combine a lack of sufficient funds for meaningful rewards with a morale lowering environment, partially tied to perceived inequities, and the performance of the County as a provider of top flight services is bound to suffer.
  - Employer of choice status is undermined when pay, morale, equity are low. This impacts the quality of the candidate pool when jobs are posted.

## Key Findings

Despite a script and a set of questions, interviews and focus group sessions often raised ancillary issues. This report does not discuss those issues except as they related to compression, perceived compression, or other rewards related topics deemed relevant and/or important in the context of this study.

### A High Level Summary

There is no presumption that a simple table, like Table 1, below, captures all the nuances of what was heard, but it is a way of quickly getting a sense of the messages from employees at all levels about pay compression. This is a table that summarizes what the Titan consultants heard as impressions and perceptions. Titan conducted individual interviews with County Leadership and 2 employee focus groups. We heard directly from approximately 76 employees. However, the Local Government focus group brought comments from other employees in their department, so the numbers are actually larger. Self-selection and/or sampling bias may mean that comments received are not fully representative of the entire employee population.

**Table 1**
**Summary of Perceptions about Compression and Rewards**

| | Group Perspectives based on Data and Interviews/Focus Groups | | |
|---|---|---|---|
| **Topics** | **Employees** | **Managers** | **Leadership** |
| Compression | Significant – discourages taking the next higher job. | Significant – makes it hard to hire good talent – discourages taking the next higher job | Moderate – Pops up occasionally, but not pervasive |
| Pay Competitiveness | Not competitive with the local market | Competitive with other Counties in VA for "County" jobs, but not competitive in local market | Leadership jobs are competitive with other Counties, but Albemarle is expensive and pay should better reflect his. |
| Opportunity | Opportunities are limited. Retirements help create some opportunities, but pay differences very small for promotions so little reward for taking on the extra work and responsibility | Opportunities are limited. Retirements help create some opportunities, but pay differences very small for promotions so little reward for taking on the extra work and responsibility | Pay does not move much once in a senior job. For some jobs there is no real promotion headroom (e.g. Principals at schools). Sometimes leaving is best way to get ahead, But County is a good place to be. |
| Performance | The public cares about performance and individuals do, too, but this is not a performance "driven" culture. "Meets" is OK. There are no/few rewards for doing | The public cares about performance and individuals do, too, but the County is not a performance | Many performance pressures, but it does not tie to pay. |

| | Group Perspectives based on Data and Interviews/Focus Groups | | |
|---|---|---|---|
| **Topics** | **Employees** | **Managers** | **Leadership** |
| | more than meets level work. | "driven" culture. "Meets" is OK. | |
| Rewards | Doing a good job has to be its own reward. | Doing a good job has to be its own reward | Making the County better is the reward |
| Morale | Many like their jobs and sense of public service. Probably have some not engaged and not providing the "discretionary effort" that comes from a high morale workforce. Employees do not feel well informed about what is going on and why. Employees do not feel valued. Some have a very negative morale, especially when the rewards (pay and benefits) are seen as marginal (true or not) and the job demands high. | Most are fully engaged in doing their jobs well. Many like their jobs and sense of public service. Do not feel well informed and not valued, but less of a problem than line employees. | Fully engaged in doing their jobs and doing well for the County. There is passion here. |

**Market Positioning and Compression**

Illustrative employee commentary:

<u>Do you think there is compression in pay among employees in the same job</u>?

- *"Yes", "Absolutely", "Very much so", "…who really wants to welcome someone (a new employee) to their agency, when you know that that person already makes more than you?"*
- *"I believe it started when raises stopped/froze for veteran/all employees. Then the salaries were not meeting market pay scales any longer. Then, seeking to hire new personnel, the county/department had to make it appealing to be employed by the county; thus enticement with a higher pay scale. So, now new hires make as much or close to the salary of veteran employees."*
- *"Examples from Fire Rescue:*
    1. *A firefighter teaching the new recruits making the same base salary, or in some cases lower, than those he is teaching.*
    2. *Captains that have been here longer than other captains are making less money.*
    3. *Firefighters that have base salaries higher than captains.*
    4. *Firefighters assigned to office divisions that make more than captains, fire marshals, etc.*
    5. *Office Associate making the same as the public safety assistants that have been here for longer than 14 years".*

Is pay competitive with other organizations in the "outside" world? How do you know?

- *"Only with peer jurisdictions that are not where our employees are leaving to go to work. Why study localities that don't impact our retention. Compare us to localities we aspire to be like."*
- *"Pay is not competitive with the outside world beyond local government. I have looked. I have considered leaving multiple times. .I have interviewed other places and seen their starting pay."*
- *"Yes it is. Actually, we do quite well. If employees actually saw how we stack up they would be less concerned about being competitive. I know because in my job I see the data."*

What do you think are the root causes of compression among county or school system jobs?

- *It seems to me compression happens because the 'hiring ranges' are so narrow and the opportunities for pay increases based on merit are few…and even then, the increase based on merit is tiny.*

What do you think the impact of compression is having on retention?

> *"It's having an impact in more than one way. There isn't much incentive to move into a position of more responsibility or supervision of other employees when the increase in salary doesn't provide adequate compensation to make it worthwhile."*

Titan reviewed the salaries of Albemarle County employees against the current structure. The following figures are based on this analysis:

- Overall comparison of salaries compared to salary range Midpoint (Compa-ratio) = 95.7%
- Percent of employees who fall at or above 105% of Midpoint = 24.9%
- Of those who fall at or above 105% of Midpoint, the average tenure is 15 years.

When the County is viewed as a whole, it appears to be in an enviable state. We generally consider that an average compa-ratio (salary/midpoint) in the range between +/- 5% from midpoint is market competitive with the assumption that midpoints are aligned with the market median for jobs in each salary range. But when we look closer, we see that there is evidence that there is compression in salaries. The compression exerts itself in hiring from the outside and promotions within the County.  The County has a well- developed hiring guide based on experience an individual possesses for the job.  However, the guide was abandoned due to the suspension of salary increases beginning in 2008.

The result is that artificial ceilings have been created within salary ranges.  Hiring and promotional salaries are lower than would be expected because existing employees did not receive salary increases for a number of years.  Meanwhile, private industry employees did continue to receive small salary increases which in turn creates a “competitive pay disconnect” when trying to hire from that sector.

Repeatedly employees and managers spoke of how hard it is to find talent with Albemarle’s pay scales. The issue was particularly focused on talent outside the “purely government” jobs. In examining the “Adopted Competitive Market” list used for benchmarking pay for key jobs the lack of some local employers is noted. This may be contributing to a mis-alignment of pay with the market. Many large and complex employers with many lines of service and job types find it necessary to have multiple markets identified and referenced when establishing competitive levels of pay.

**Table 2**

| **Albemarle County Adopted Competitive Market** | |
|---|---|
| Buckingham County | Hanover County |
| Chesterfield County | James City County |
| City of Charlottesville | Loudoun County |
| City of Chesapeake | Louisa County |
| City of Danville | Madison County |
| City of Harrisonburg | Montgomery County |
| City of Lynchburg | Nelson County |
| City of Roanoke | Orange County |
| City of Staunton | Prince William County |
| City of Virginia Beach | Roanoke County |
| City of Williamsburg | Rockingham County |
| Fauquier County | Spotsylvania County |
| Fluvanna County | Albemarle County Service Authority |
| Greene County | Martha Jefferson Hospital |
| | UVA Health Systems |

## Compression Analysis for Specified Departments:

Chart 1, below, represents a typical pay distribution or bell curve among employees in an organization. Long tenured environments may skew slight higher.

**Chart 1**

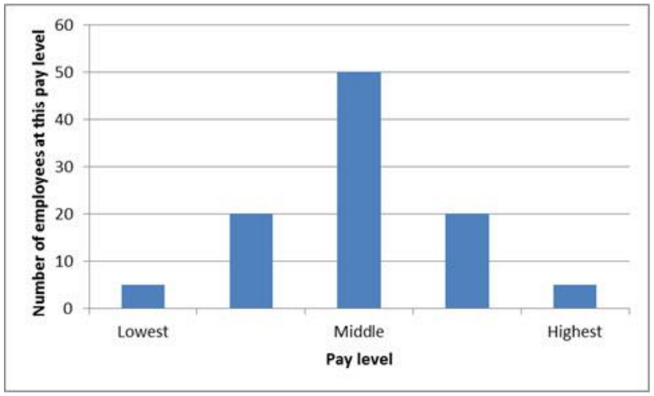
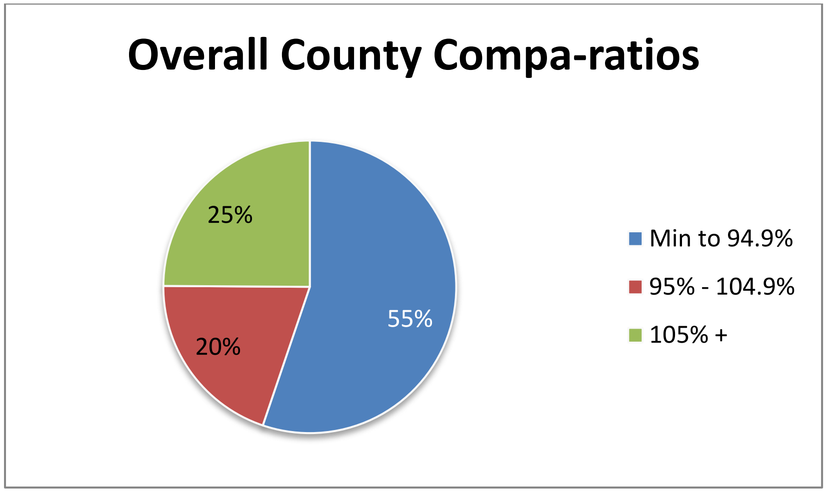



Chart 2, below, shows the percentage of Albemarle County employees in each section of the range.

**Chart 2**




We use these cutoffs (min to 94.9%, 95% to 104.9%, and > 105%) for each section to demonstrate where an employee would typically fall within a range based on experience in the role with acceptable performance. The lower third represents someone who is new into the role and still learning the job. The middle third represents someone who is fully functioning in their job and corresponds with a "midpoint zone". The upper third represents those who are high performers who have long tenure in the job.  The pie chart shows that the majority of employees are in the lower third of the range.  This would make sense if the majority of employees have been in their current job for less than 5 years.  The average tenure within the job is approximately 7 years, so it appears that salaries are skewed towards the lower end of the range.

We also reviewed the data by breaking it down into 2 categories.  The first group is in Grades 2 through 13 (Chart 3) and is primarily Non-exempt jobs.  The second group (Chart 4) is in Grades 14 through 28 and is primarily exempt jobs.

**Chart 3**

Overall Compa-ratio = 94.46%

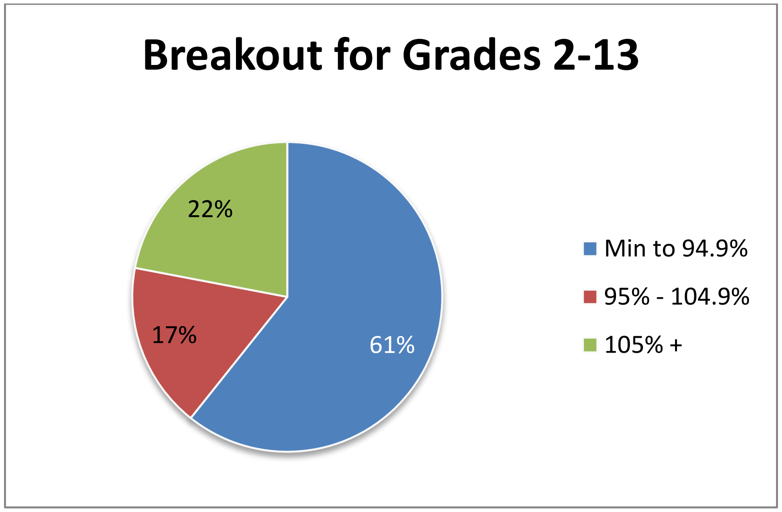
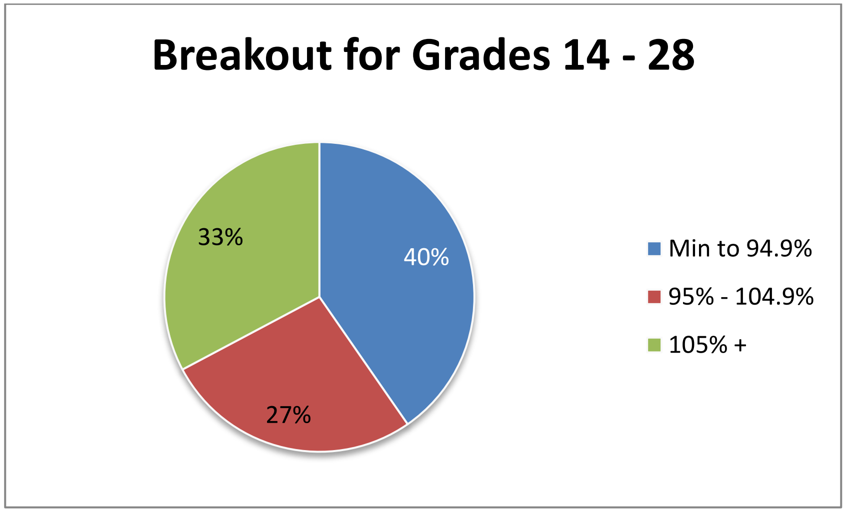



**Chart 4**

Overall Compa-ratio = 98.79%




The picture that emerges is that the distributions are “flat” for higher grades, that is, relatively equal proportions for each part of the expected distribution. It is still a bit “bottom” heavy and over-weighted slightly at the top. But the lower grade cuts are not as expected, with far more employees at the lower end of the pay range. This suggests that the majority of employees are not competitively paid when compared to market.  The links to tenure and pay level are not as apparent as we would expect.  The data shows that tenure is an inconsistent predictor for placement in the job. Those paid at the top of the range are well paid if the range is competitive.  In general, the employee perception is that pay is not competitive. The distributions show that this is likely true for many, even the majority of employees. Because there is rather inconsistent relationships between tenure and pay, employees see the higher paid employees as “unfairly” paid.

## Recommendations and Next Steps/Implementation

1. Conduct a competitive compensation study using a multi-market approach whereby different recruiting and retention markets are examined. An example of a multi-market approach, shown in Table 3, would be:

**Table 3**
**Illustrative Multi-Market Approach to Competitive Pay Evaluation**

| Job Family | Competitive Talent Market |
|---|---|
| Senior Administrators | National data from cities and counties |
| Police and Fire | Virginia Cities and Counties surrounding Albemarle and in key talent markets across the state |
| Engineers | Public and private sector, especially contractors to the cities and counties |
| Trades and Support Staff | General local public and private sector market |

2. Conduct a classification study as part of the compensation study to ensure jobs are in the “right” grades. BUT, Titan recommends a change in the pay structure. See next recommendation, below. If that change is adopted the classification study would use the new structure. (Titan was told that while as needed there have been piecemeal classification studies, it has been seven years since the last classification study. Professional best practice is to study all jobs no less than every three years. This can be done on a 1/3 per year rolling basis or some other strategy that works for the County.)
3. Address the alignment of pay with presumed appropriate position in the pay range. To do this, Titan recommends the County:
    a. Implement one of the proposed pay structures, described in the four options, below.
        i. Confirm placement of benchmark jobs into the new pay structure (EVB) by looking at:
        ii. Jobs by department
        iii. Types of jobs that are similar
        iv. Jobs across the organization
        v. Consider changes if necessary for internal consistency
        vi. Determine placement of any non-benchmark jobs.

b. After the jobs are placed in their new pay grades, incumbent compensation should be reviewed to ensure employees are paid at or above the range minimum except in those cases where performance may not warrant any adjustment.
c. Adjust salaries of employees to at least the minimum of the new ranges in 2016.
d. Adjust salaries of employees to reflect the position in the range that tenure is the job would suggest is appropriate. This is a “catch-up” exercise that may require a multi-year implementation approach.

Core to the recommendations to align pay with markets, classify jobs, and ensure equity (based on tenure) is the salary structure. Four options are described, below.

### Option 1:

Option 1 uses the current salary structure and hiring guide to determine where employees should be in their existing range. We used each job’s current salary grade and an employee’s time within their current job to determine where they should be placed within the salary range. The calculation below is based on the difference in hourly rate multiplied by the number of hours scheduled for the year.

The cost for moving employees to the correct place in the range based on time in job is approximately $446,112.73 which affects 334 employees.

In this scenario, it would likely take approximately 10 years to move to the midpoint of the range from the minimum of the range. If ranges are adjusted each year to keep up with the market place, it would likely take longer than 10 years to pay an employee competitively for the job.

### Option 2:

Option 2 uses the current salary structure, however uses the minimum hourly rate of $10.98 for the lowest grade. Research from the Bureau of Labor Statistics (BLS) showed that the “true” (operationally realistic) minimum wage for Albemarle County is $10.98. Both the University of Virginia and City of Charlottesville (key competitors for talent) have minimum hiring rates higher than this BLS minimum wage. The University of Virginia uses $11.76 and the City of Charlottesville uses $13.00 as the minimum hiring rate. Table 4 shows these wage values.

**Table 4**
**Competitive Minimum Hiring Wage Table**

| Source | Minimum Hourly Rate |
|---|---|
| **BLS –true minimum wage** | $10.98 |
| **University of VA** | $11.76 |
| **City of Charlottesville** | $13.00 |

Our recommendation is to use the BLS established wage value to better align with key competitors. Using this methodology, grades 1-5 were folded into grade 5 with a minimum hourly rate of $10.98. All other salary grades remained the same. We again used the existing guidelines to determine the minimum hourly rate that employees should have within the range. The calculation below is based on the difference in hourly rate multiplied by the number of hours scheduled for the year.

The cost for moving employees to the correct place in the range based on time in job is approximately $525,721.58 which affects 432 employees.

In this scenario, it would again take approximately 10 years for an employee to move their pay to the midpoint of the range from the minimum of the range. This is a considerable amount of time to attain the "competitive" rate for the job.

### Option 3:

Option 3 uses a new salary structure. The salary structure has the minimum hourly rate of $10.98 for the lowest grade (A) and has differences between midpoints of 10%. Current grades were folded into the new structure based on the best fit of the existing midpoint to the new range midpoints. The structure has a 50% range width instead of the current range width of approximately 63%. This means that there is a smaller difference between the minimum and midpoint of the range, as well as the midpoint and maximum of the range. It is common that a pay range around the market rate (the minimum to maximum of the grade) is +/- 20% of the midpoint. This range represents the lowest amount of pay for some who is likely brand new to the work. The range also identifies the most the County is willing to pay for the work, even when done with sustained excellence.

Within the new range we identified new placements in range to move employees faster towards the midpoint. Table 5, below, illustrates the criteria we used for placement in range. This represents moving into the "market range" – 95% to 105% of range midpoint – within 5 years. Because we do not know the experience each individual has brought to their job (typically an outside hire) we are using the time an employee has been in the job at the County to determine where they should be placed in the range.

**Table 5**

| Years in Job (Experience) | Placement in Range |
|---|---|
| 1-2 years | 80% - 85% |
| 2-3 years | 85% - 90% |
| 3-4 years | 90% - 95% |
| 5 years + | 95% - 105% |

The tables, below, (6 and 7) illustrate the recommended salary structure for Option 3. It is a conceptual model to illustrate wider differences between levels and narrower grades. We did not check at the individual job level for inconsistencies in leveling (such as 2 levels of a job within the same grade). We also did not perform any market pricing for jobs. Instead we made the best fit from the existing midpoints. The existing differentials currently in place between the VRS Eligible and Non VRS Eligible salary structures were used to create the 2 structures.

## Table 6

### VRS Eligible Salary Grade Structure:

| New Grade | Minimum (80%) | Midpoint | Maximum (120%) | Old Grade |
|---|---|---|---|---|
| A | $10.9800 | $13.7250 | $16.4700 | 5 |
| B | $12.0780 | $15.0975 | $18.1170 | 6 |
| C | $13.2858 | $16.6073 | $19.9287 | 7 |
| D | $14.6144 | $18.2680 | $21.9216 | 8,9 |
| E | $16.0758 | $20.0948 | $24.1137 | 10 |
| F | $17.6834 | $22.1042 | $26.5251 | 11,12 |
| G | $19.4517 | $24.3147 | $29.1776 | 13 |
| H | $21.3969 | $26.7461 | $32.0954 | 14 |
| I | $23.5366 | $29.4208 | $35.3049 | 15,16 |
| J | $25.8903 | $32.3628 | $38.8354 | 17 |
| K | $28.4793 | $35.5991 | $42.7189 | 18,19 |
| L | $31.3272 | $39.1590 | $46.9908 | 20 |
| M | $34.4599 | $43.0749 | $51.6899 | 21 |
| N | $37.9059 | $47.3824 | $56.8589 | 22,23 |
| O | $41.6965 | $52.1207 | $62.5448 | 24 |
| P | $45.8662 | $57.3327 | $68.7993 | 25 |
| Q | $50.4528 | $63.0660 | $75.6792 | 26 |
| R | $55.4981 | $69.3726 | $83.2471 | 27 |
| S | $61.0479 | $76.3099 | $91.5718 | 28 |

**Table 7**

**Non VRS Eligible Salary Structure:**

| New Grade | Minimum (80%) | Midpoint | Maximum (120%) | Old Grade |
|---|---|---|---|---|
| A | $10.8713 | $13.5891 | $16.3069 | 5 |
| B | $11.9584 | $14.9480 | $17.9376 | 6 |
| C | $13.1543 | $16.4428 | $19.7314 | 7 |
| D | $14.4697 | $18.0871 | $21.7045 | 8,9 |
| E | $15.9167 | $19.8958 | $23.8750 | 10 |
| F | $17.5083 | $21.8854 | $26.2625 | 11,12 |
| G | $19.2591 | $24.0739 | $28.8887 | 13 |
| H | $21.1851 | $26.4813 | $31.7776 | 14 |
| I | $23.3036 | $29.1295 | $34.9554 | 15,16 |
| J | $25.6339 | $32.0424 | $38.4509 | 17 |
| K | $28.1973 | $35.2466 | $42.2960 | 18,19 |
| L | $31.0171 | $38.7713 | $46.5256 | 20 |
| M | $34.1188 | $42.6484 | $51.1781 | 21 |
| N | $37.5306 | $46.9133 | $56.2959 | 22,23 |
| O | $41.2837 | $51.6046 | $61.9255 | 24 |
| P | $45.4121 | $56.7651 | $68.1181 | 25 |
| Q | $49.9533 | $62.4416 | $74.9299 | 26 |
| R | $54.9486 | $68.6857 | $82.4229 | 27 |
| S | $60.4435 | $75.5543 | $90.6652 | 28 |

The cost for moving employees to the correct place in the range based on time in job is approximately $1,472,358.12 which affects 686 employees. This is the option Titan highly recommends for 2016-2017 because it does the most to (1) address current compression and pay inequity, (2) sets up a structure that will have somewhat less propensity for future compression, aligns the pay for the lowest pay grades with the "minimum market wage" concept in practice at key competitors, and is not so transformational as to present particularly insurmountable barriers to implementation.

This option could be implemented using a multi-phased approach. Given the distribution of employees is somewhat "bottom heavy", and this is not a competitive position, it might be best to address, in a hypothetical Phase 1, just those who are min to 94.9% of market.. Table 8, below, shows how this phase-in approach might work in the extreme (lots of phases). Implementation designs with less than this are more common. The covered groups are all those employees whose pay for their job puts them currently in the stated compa-ratio to the market. Some are properly placed, but those not properly placed would be adjusted to their correct place. If this is too costly to do, adjustments could be limited to no more than 10% per year with additional adjustments each year. No one gets a pay cut, and would be "grandfathered" at current pay if they really should be lower. Over time, limited pay increases, freezes, or lump sums instead of pay increases are all ways to bring pay, markets, and years of experience into line.

**Table 8**

**Illustrative Multi-Phase-in Strategy for Implementation**

| Timeline | Covered Group |
|---|---|
| Year 1 | 80-87% of market |
| Year 2 | 87.1% to 94.9% |
| Year 3 | 94.9% to 104.9% |
| Year 4 | 104 to maximum |

## Option 4

Apply Option 3, but instead of +20% above the range midpoint, set +5% as the above midpoint range maximum. Sometimes the upside is +10%, but this is a design option discussion appropriate if this option is pursued. All compensation above the + 5% range maximum would be delivered as a lump sum, not as base pay. This both controls costs and provides a funding source for performance based awards. Here is an illustration, below in Table 9.

**Table 9**
**Illustrative Pay Ranges -20% of Market/Midpoint to +5% of Midpoint**

| New Grade | Minimum (80%) | Midpoint | Maximum (105%) |
|---|---|---|---|
| G | $19.2591 | $24.0739 | $25.0278 |
| H | $21.1851 | $26.4813 | $27.8054 |
| I | $23.3036 | $29.1295 | $30.5860 |
| J | $25.6339 | $32.0424 | $33.6445 |

Calculating all employees who, today, are paid more than 105% of market, there are $24,001,535.06 in funds that could, hypothetically, be spent on significant performance-based cash awards instead of base pay. This money is not immediately available, but, over time, an updated version of this would become available as the program is implemented. While these dollars seem high relative to a payroll of $71 million, refer back to the pie charts and the bimodal distribution found puts more than the expected proportion of county employees high in the range.

One design idea might be that when someone reaches the range maximum they become eligible for lump sum performance based bonuses. Another design option is that anyone paid 95% or more of the midpoint would be eligible. Clearly, there are many design and administration variables to be worked out for implementation of Option 4.

Application of this option would take time because there would have to be some transitional grandfathering of pay for those already above the new maximum and a new emphasis on what performance appraisal and management means for County employees. While the transformation would require significant effort and planning, the result will be a system for recognizing and rewarding high performers. Titan thinks this option has much to recommend it, but it is a long term option that needs considerable planning and preparation for implementation.

4. Use “other” reward tools more fully and champion their use. Simply having a noncash rewards or recognition program does not automatically mean that the program will be effective. If the plan and its rewards are not meaningful to and valued by employees, it is likely to fizzle out due to lack of interest. Instead, the program and its rewards should have top-down support, clear criteria and eligibility for nominations, and rewards that are both innovative and relevant to employees. It also helps to tie the program closely to the organization’s values, such as excellent customer service or cost efficiency. Because base pay increases have been relatively small these programs are a way to go above and beyond that to recognize achievement and reinforce that performance – many kinds of performance - matters.

   The County and the School system have programs. But, as our interviews taught us, the program is underfunded, underutilized, and sometimes not even known – the most notable exception is the School System’s “golden apple” recognition award which includes a ceremony, recognition and a check. This seems to be a good, robust system, but applies only to teachers. The classified staff would like to have a similar recognition. And, variations or different approaches should be explored and/or revitalized for other County staff. This is not new, but the County program seems to be languishing in some quarters.

5. Develop, articulate and campaign an employment value proposition: Tandehill ("The Employment Value Proposition." Workspan Magazine 10/06 2006) urges all organizations to develop a statement of why the total work experience at their organization is superior to that at other organizations. The value proposition should identify the unique people policies, processes and programs that demonstrate the organization’s commitment to i.e., employee growth, management development, ongoing employee recognition, community service, etc. Contained within the value proposition are the central reasons that people will choose to commit themselves to an organization. The EVP should be actively communicated in all recruitment efforts, and in letters offering employment, the EVP should take the focus

off of compensation as the primary "value." Employees in the focus groups spoke of “service” as paramount or they would not be in government. Titan recommends that the County articulate a full statement of the EVP and use it to help attract and retain quality talent at public sector prices. This should be:

a. Part of any recruitment effort
b. The core of a campaign to create/enhance the employment image of the County for current employees
c. Part of a campaign to create a great image of the County’s employees and services in the eyes of the public they serve

Key components of an EVP might include:

- Compensation - salary, incentives, cash recognition, pay process
- Benefits – healthcare, retirement, insurances, recognition programs
- Affiliation – work environment, trust, transparency, organizational commitment
- Career – advancement opportunities, personal growth and development, training, job security
- Work Content – challenge, autonomy, meaningfulness, variety

An EVP certainly contributes to the employer brand and draws from it, but they are not the same thing. Developing the right EVP requires an understanding of the company’s current and future talent needs in the context of the business strategy.” (Robin Erickson, Ph.D., Bersin by Deloitte, 2009)

6. Provide Annual Total Reward Statements to all employees. One particularly articulate and passionate focus group member said it well – their job included knowing what others paid for jobs. They said, “The County is better off than the “rumor mill” would have people believe.” When there is a vacuum, it often is filled with more doom and gloom than reality. Here World@Work’s way of looking at the value of a Total Rewards Statement.

> "In the competitive business world, an effective comprehensive Total Rewards Statement is a critical tool to attract, motivate and retain talent. Communication of your organization's complete compensation package and a clear understanding by employees of the employer-employee value proposition is a must. Today, leading organizations are strengthening their Total Rewards Statements as they reveal all elements of their organization's total rewards portfolio, including base pay, incentives, recognition, medical and other insurance benefits, retirement plans, work-life programs, career opportunities, and any other employment-related programs." (World@Work, 2015)

Added to the total rewards statement should be a statement of methodology for establishing the competitive market value of County jobs, and the overall pay structure. The goal is to provide confidence that people are paid both competitively, and fairly.

7. Improve Morale. "Compared to employees who are motivated, disengaged workers are less efficient, miss more workdays and cost their employers thousands of dollars in lost productivity. Keeping employee morale high is one of the best things you can do to instill loyalty and maintain a productive workplace." (2015, go2 Tourism HR Society).

   Developing and maintaining good morale starts with hiring the right people in the first place. Thereafter, your employees' morale affects how motivated they will be to work for the County. Morale influences how much people will do while on shift, and influences how long they will stay with the County organization. Here are some thoughts. You will notice these may overlap with some of the other recommendations.

   a. Albemarle employees need to be tied to the something "bigger" than themselves – public service is just that, but do they know it and believe it? From the first interview, potential candidates need to understand and share in the vision of what you are doing as an organization. That vision alone will motivate and inspire your team, down to its junior members, which comes back full circle in effectively facilitating service, productivity, and quality.
   b. Show that managers and senior management cares. When people feel valued, they will give more than you can imagine they could.
   c. Recognize the good. When someone is doing something awesome, tell them. Recognize the individuals who receive good feedback from your citizens and internal clients. It's important for employees to feel their efforts

are being recognized, and the recognition further perpetuates their desire to go above and beyond for your citizens, which of course, sets you apart as an organization as well.

d. Promote from within. When employees see that there is room to advance their career within your organization, it speaks volumes. Find out what skills and talents the different members possess and find ways to develop those skills for future use. When there is a stellar team member, help invest in the training they need to advance.
e. Bring on the fun. An organization that plays together stays together. The “play” can actually be a service project. One of Titan’s county clients has employees fix up kids play yards, clean and trim park trails, and other service activities where good is done and the only reward is lunch and making a difference together.

These efforts can and should be at the County, Department, or unit level. Right now, the focus group evidence and the emails suggests morale in some key areas (e.g. police, social services) seems is so low Titan is concerned that it threatens to undermine the mission and function of the organization.