CITY OF HARRISONBURG
HUMAN RESOURCES

ANNUAL COMPENSATION MARKET ASSESSMENT



November 24, 2026

ANNUAL COMPENSATION Market STUDY

What is an annual compensation market study?

An annual compensation market study (often called a salary or compensation survey) is a structured, data-driven report that collects and analyzes external pay practices across specific roles, industries, and geographic regions.

Why now? Background:

- Implementation of a comprehensive classification and compensation study in FY 2023
- HR moved its strategic focus to Benefits in FY 2024-FY2026
- Budgeted for a multi-year contract

Why Conduct a Study?

External Competitiveness

Benchmarking with comparable peer organizations and aspirational communities; check similar positions in the private sector

Internal Pay Equity

Utilizing statistical tools like a regression analysis and a pay compression analysis to ensure positions (and employees within those positions) are appropriately placed

Pay Transparency

Builds trust and fairness in the organization and community

Data-Driven Budgeting

Informs Administration what the cost of labor is, how much salary schedules should move annually, and where employees are in relation to the market and each other

Scope of Project

Market Review

- Reaffirm selection of peer organizations
- Analyze private sector data sets
- Survey ⅓ of City positions (per year)
  - Selection of positions in every grade
- Apply geographic cost of labor differential

Pay Strategy Design

- Complete a regression analysis to compare internal and external results
- Complete a compression analysis
- Evaluate and recommend pay structure adjustment (if necessary)
- Evaluate and recommend recalibration of grade assignments (if necessary)

Implementation & Administration

- Complete cost modeling pertaining to implementation (if pay structure and/or grade assignment adjustments are recommended)
- Present and communicate final recommendations

Timeline - 3-Year, 4 -6 Month Study Process



THANK YOU!

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