

# What is New and Cutting Edge in Employee Pay

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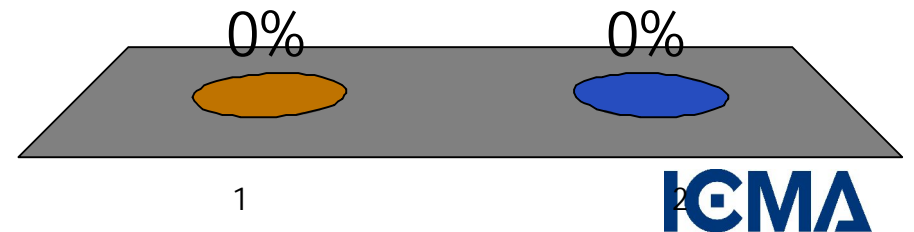


# My Role in the Discussion

- Former City and County Manager, as well as more than 30 years of public sector compensation consulting experience.
- What are key current and emerging issues that we see?
- How can problems be minimized?
- What you may want to do to address compensation related issues within your organization.

# Have you changed your compensation system in the last two (2) years?

1. Yes
2. No



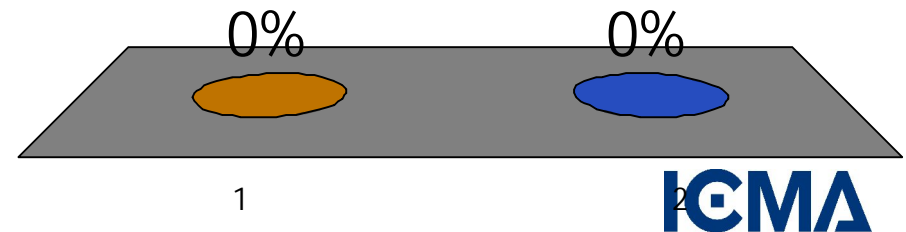
# Are you having trouble keeping your best/top performers?

1. Yes
2. No



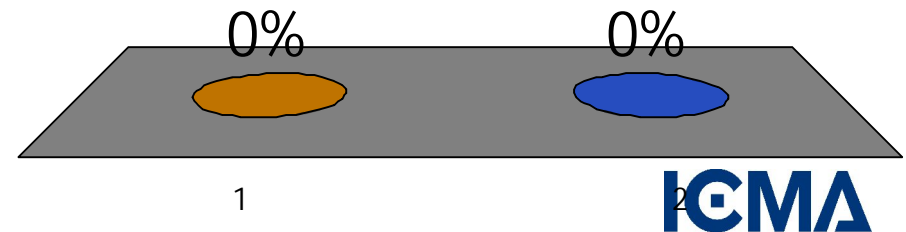
# Are most of your employees nearing or at the top of their established salary range or grade?

1. Yes
2. No



# Is your agency trying to reduce compensation costs?

1. Yes
2. No



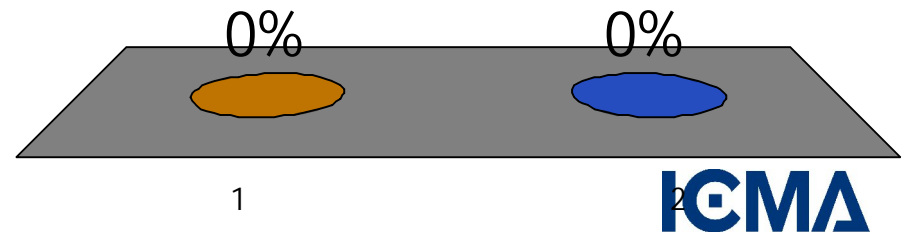
# Do you get requests for reclassification from 10% or more of your employees each year?

1. Yes
2. No



# Has your agency considered replacing standard COLA and step increases with a “profit sharing” model?

1. Yes
2. No





# Philosophy and Strategy Issues

- What are you paying people for?
- What is your management philosophy?
  - Flexibility or structure
  - What outcomes do you want to use incentives to achieve?
- How broad or narrow is your job classification system and what problems are you experiencing?
  - Reclassification requests
  - Recruitment issues
- Ability to accommodate change - how entrenched is past practice in the way the system works?

# Operational Issues

- Is your pay system “Out of Whack?”
  - Number of job classes vs. Employees (lower than 1:10)
  - Number of reclassification requests
  - Number of pay/salary grades
  - Turnover and recruitment
- Are you experiencing “brain drain?”
- Has an entitlement culture developed that is less attractive to new generations?
- What is the ration between the lowest and highest paid employee?

# The New Normal

- Flatter pay structures – fewer pay levels and fewer job classes
- Fewer employees to do the work more efficiently
- Broader pay ranges with defined criteria regarding placement within a range (skill or competency based pay, performance based pay)
- More market focused
- Greater emphasis on results and less on longevity/seat-time
- Emphasis on total compensation (including health care, alternative work schedules/locations, and retirement)

# Questions/Comments?

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