

# STATE CLASSIFIED EMPLOYEE COMPENSATION STUDY GROUP

SCS HR Community Meeting 6.16.2016

# Recap Objective NO. 1

## Review of the Current Pay Structure

**Takeaway:** Pay schedule midpoints for classified benchmark jobs lag public sector medians by 6.5% to 16.1% and lag private sector medians by 14.7% to 28.1%. The structure has not been adjusted since 2008.

# Recap Objective NO. 2

Review of the Current Classified Compensation Practices

**Takeaway:** Amend and/or reduce current flexible pay mechanisms. Current system places emphasis on discretionary pay options targeted to individuals, not all employees as a whole.

# Objective NO. 3

Review of the Current Classified Performance  
Adjustment

# Performance Adjustments

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- SCS Rule 6.14 Performance Adjustments allows for a 4% base payment for eligible employees
- In 2010 agencies began suspending performance adjustments due to budget

# Performance Adjustment Issues

- Everyone gets the same 4% regardless of Exceptional vs. Successful
- They are the main source of employees progressing through pay ranges
- Some agencies can afford to give them and some cannot
- Freezing of performance adjustments has led to stress on the classification system and pressure to promote employees that may not be ready for supervisory and managerial roles
- Span of Control

# What Does the Research Show?

- **Develop a compensation philosophy**
- **Develop occupational based pay ranges**
- Pay aligned with market trends
- Pay structures revised on a yearly basis to reflect changes in the market
- Have performance as just one of the components of pay delivery
- Give more cost effective, more frequent increases in the early stages of a career

# Where do we go from here?

- Develop a base building pay structure that aligns with the market that promotes the following:
  - ▣ Continuity of services to Louisiana citizens
  - ▣ Recruitment and Retention of qualified and competent career civil service employees
  - ▣ Fiscal responsibility
  - ▣ Promotion of best supervisor and management candidates



# Pay Rules to Keep

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- Pay Above the Minimum
- Compression Pay
- Lump Sum Optional Pay Adjustments for Additional Duties
- Retention for Job Offers
- Premium Pay
- Promotional Pay