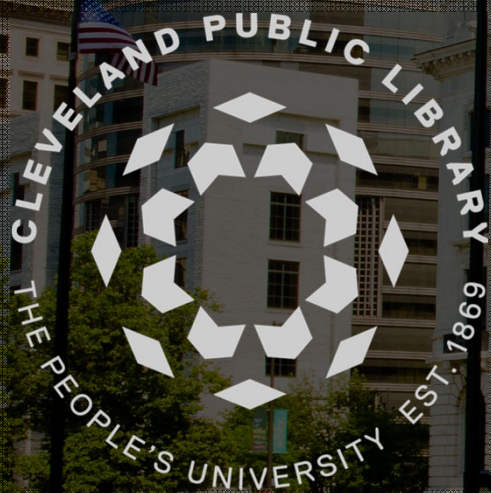




Updating CPL's Employee Compensation Program

JUNE 2021



Updating CPL's Compensation Program

LAST COMPREHENSIVE REVIEW OF PROGRAM - 2007.

- HAVE UPDATED WAGE SCALES AS NECESSARY.

CURRENT PROGRAM HAS 15 PAY GRADES, AND EACH PAY GRADE HAS STEPS

- CPL'S NON-BARGAINING COMPENSATION PROGRAM HAS BEEN SIMILAR TO ITS BARGAINING UNIT PROGRAM.
- TODAY IT IS UNCOMMON TO HAVE STEPS FOR NON-BARGAINING EMPLOYEES; PAY GRADES WITH RANGES IS MORE COMMON.

PROPOSED PROGRAM REVISION IS BASED ON CURRENT BEST PRACTICES.
FORMAL RECOMMENDATION TO THE BOARD SCHEDULED FOR JULY 2021.

REMINDER – NEGOTIATED NEW MARKET-BASED WAGE SCALES FOR 2020-2022 SEIU CONTRACT

Compensation Program

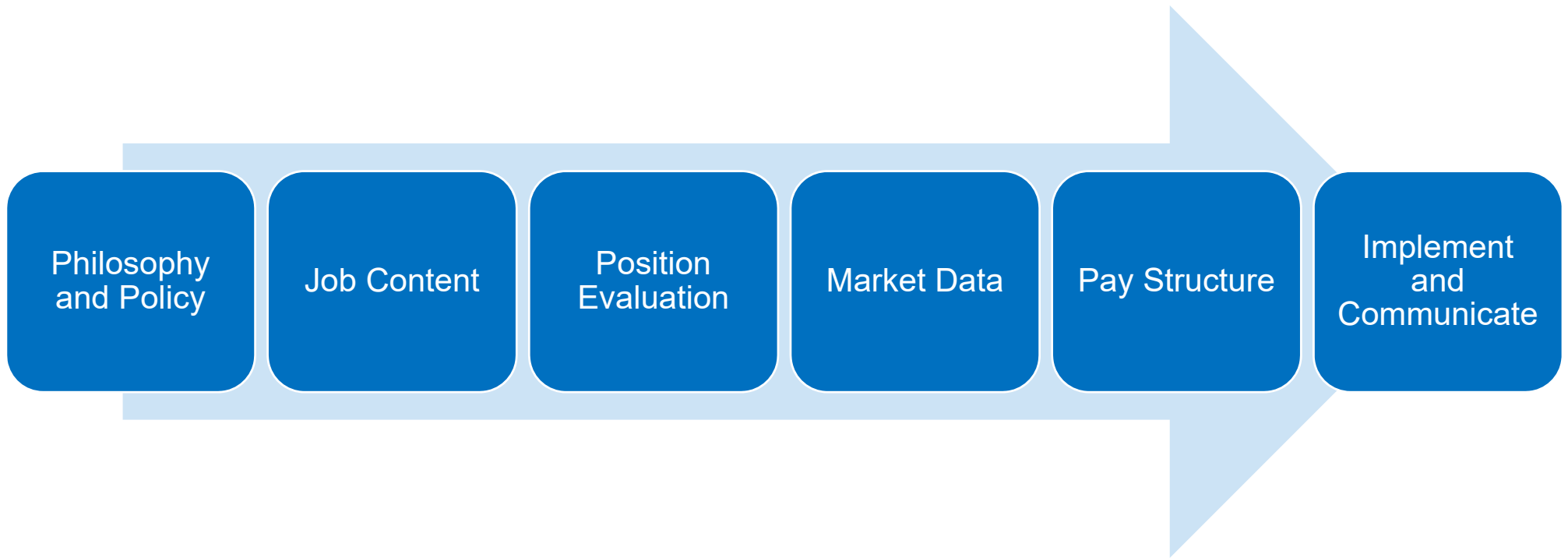
IN ITS MOST SIMPLISTIC FORM, A COMPENSATION PROGRAM MUST BE:

FAIR

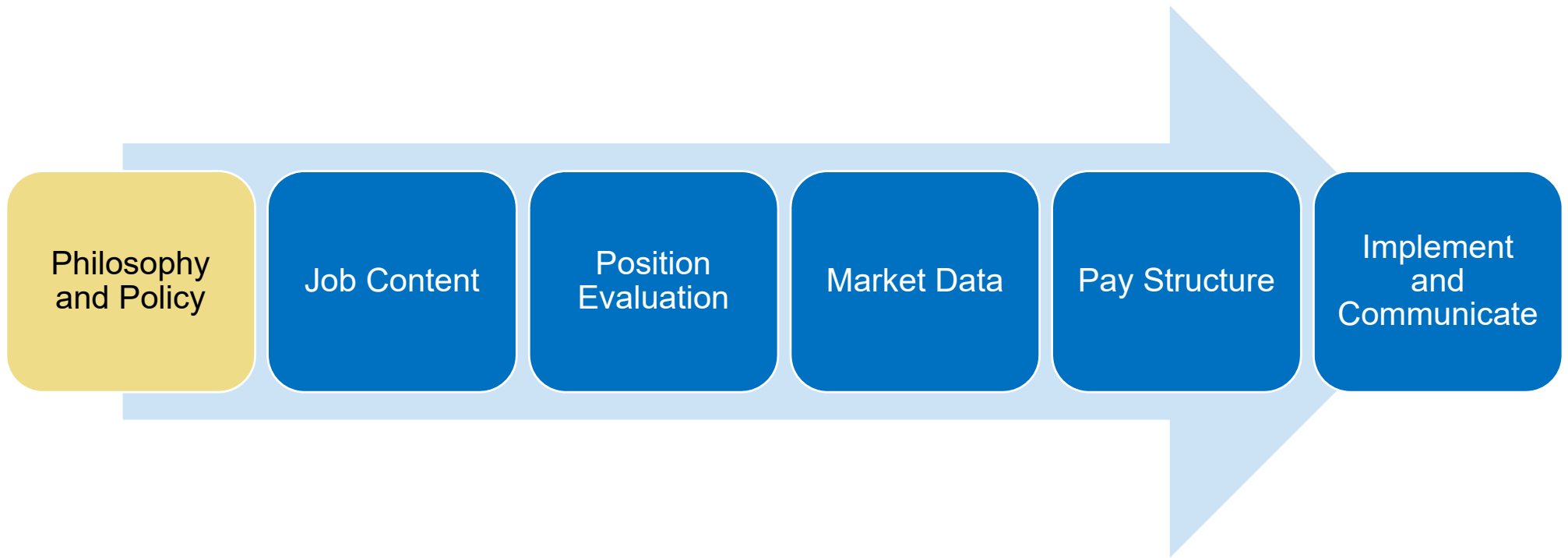
UNDERSTANDABLE

MANAGEABLE

Updating CPL's Compensation Program



Philosophy and Policy



Philosophy and Policy - #351

OBJECTIVES FOR COMPENSATION PROGRAM

- EXTERNALLY COMPETITIVE
- INTERNALLY EQUITABLE
- RECOGNIZE AND REWARD PERFORMANCE
- COMPLY WITH LEGAL REQUIREMENTS

STRATEGY

- ATTRACT AND RETAIN PERSONNEL FROM VARIOUS MARKETS
- LINK INDIVIDUAL MERIT TO COMPENSATION

COMPETITIVE MARKETS

- EXECUTIVE LEADERSHIP, MANAGEMENT, AND SPECIALIZED PROFESSIONAL STAFF – IN LIMITED SUPPLY
- ADMINISTRATIVE AND TECHNICAL – TRANSFERABLE SKILL SETS

Philosophy and Policy - #351

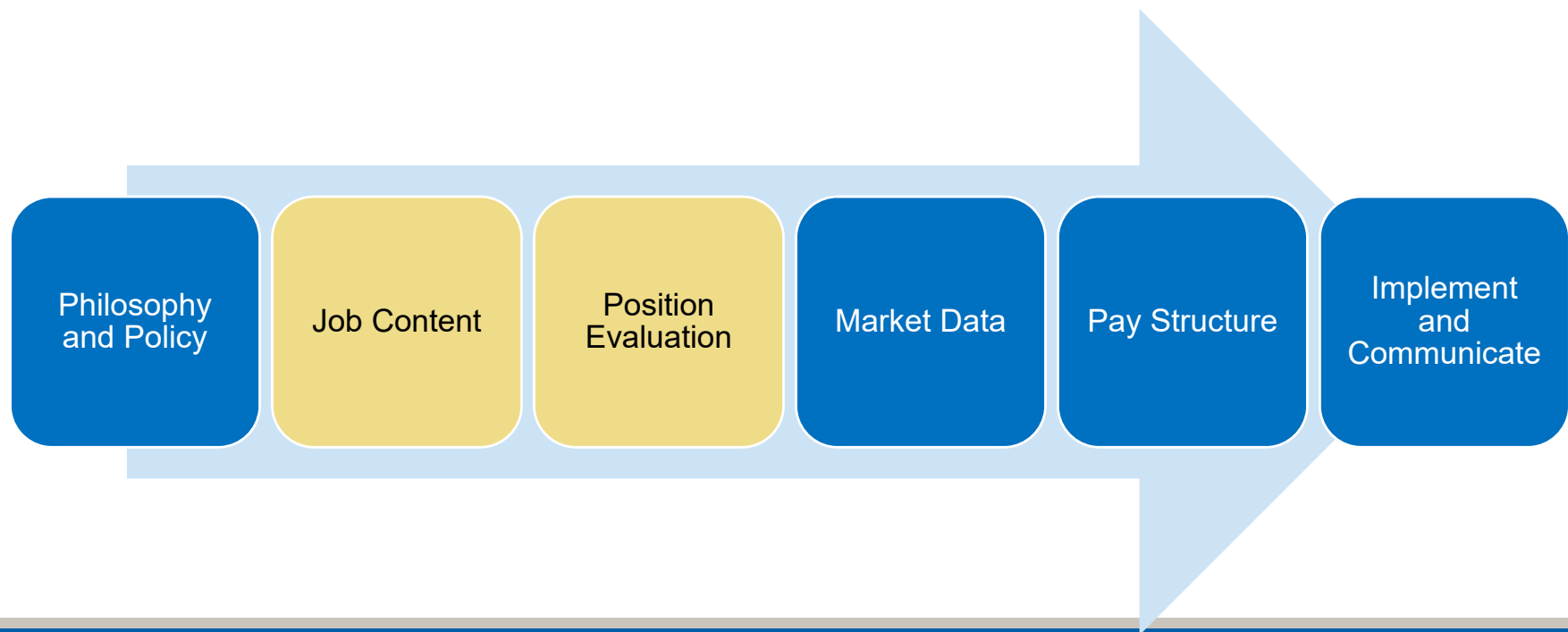
TOTAL COMPENSATION COMPONENTS

- BASE PAY
- EMPLOYEE BENEFITS (AVERAGE 33% OF SALARY)

ADMINISTRATION

- BOARD APPROVES POLICY
- HR COMMITTEE WILL MAKE RECOMMENDATIONS FOR BOARD ACTION
- ADMINISTERED BY CHIEF TALENT AND CHIEF FINANCIAL OFFICERS

Job Content and Position Evaluation



Position Evaluation

INTERNAL EQUITY – THE VALUE OF THE JOB TO THE LIBRARY. TYPICALLY DETERMINED BY LOOKING AT JOB CONTENT AND ITS RELATIVE VALUE BASED ON SKILLS, DUTIES AND RESPONSIBILITIES.

- TYPICALLY, WHAT EMPLOYEES FOCUS ON.

POSITION EVALUATION:

- SYSTEMATIC METHOD OF DETERMINING THE RELATIONSHIP OF POSITIONS WITHIN THE LIBRARY.
- FOCUSES ON THE POSITION; NOT THE INCUMBENT
- CONSISTENTLY APPLIED
- DESIGNED TO ACCOMMODATE POSITIONS AT ALL LEVELS
- USES FACTORS

Position Evaluation Factors

KNOWLEDGE AND SKILL – EXTENT TO WHICH KNOWLEDGE, EXPERIENCE AND SKILLS ARE REQUIRED.

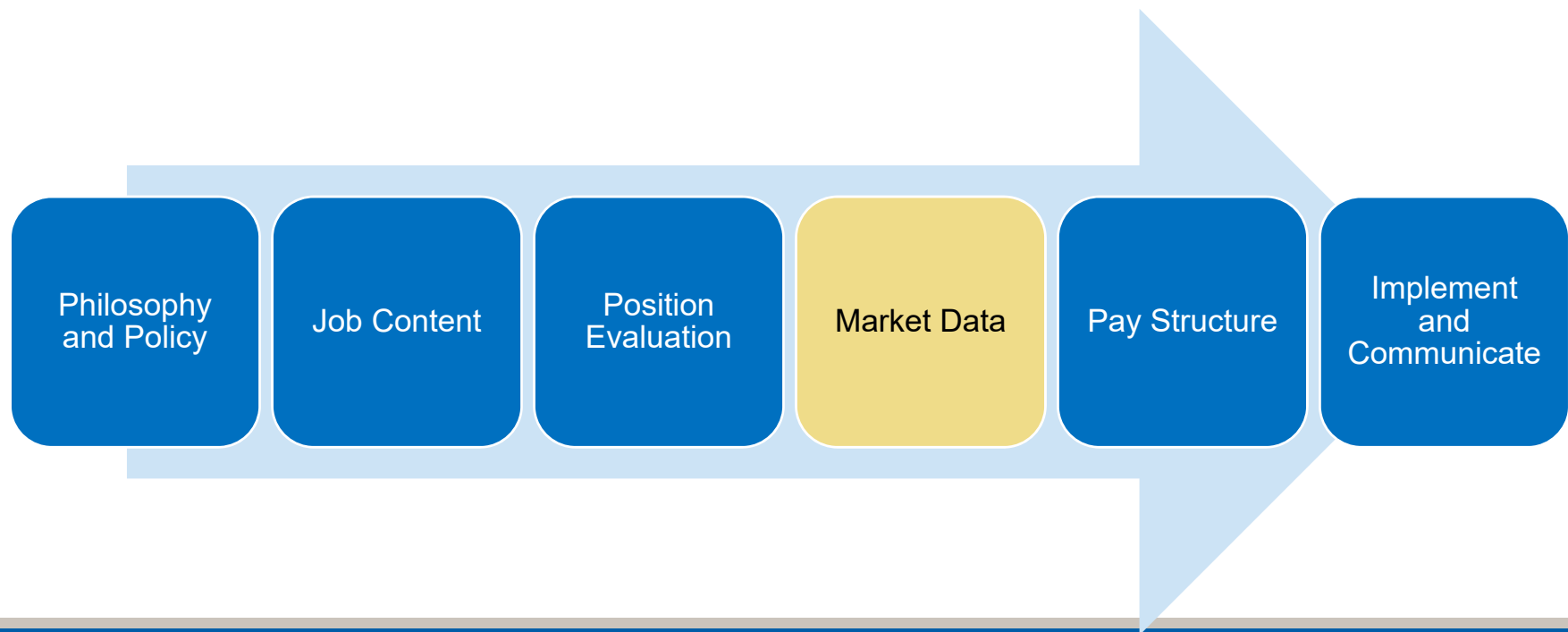
PROBLEM SOLVING AND DECISION MAKING – DEPTH OF PROBLEM SOLVING, COMPLEXITY AND JUDGMENT REQUIRED.

SCOPE, IMPACT AND ACCOUNTABILITY – SUPERVISORY, ORGANIZATIONAL AND FINANCIAL

LATITUDE OF ACTION – FREEDOM TO EXERCISE JUDGEMENT, MAKE DECISION, AND AUTHORITY TO TAKE ACTION

COMMUNICATION AND INFLUENCE – INTERACTIONS WITH OTHERS INSIDE AND OUTSIDE THE LIBRARY.

Market Data



Market Data

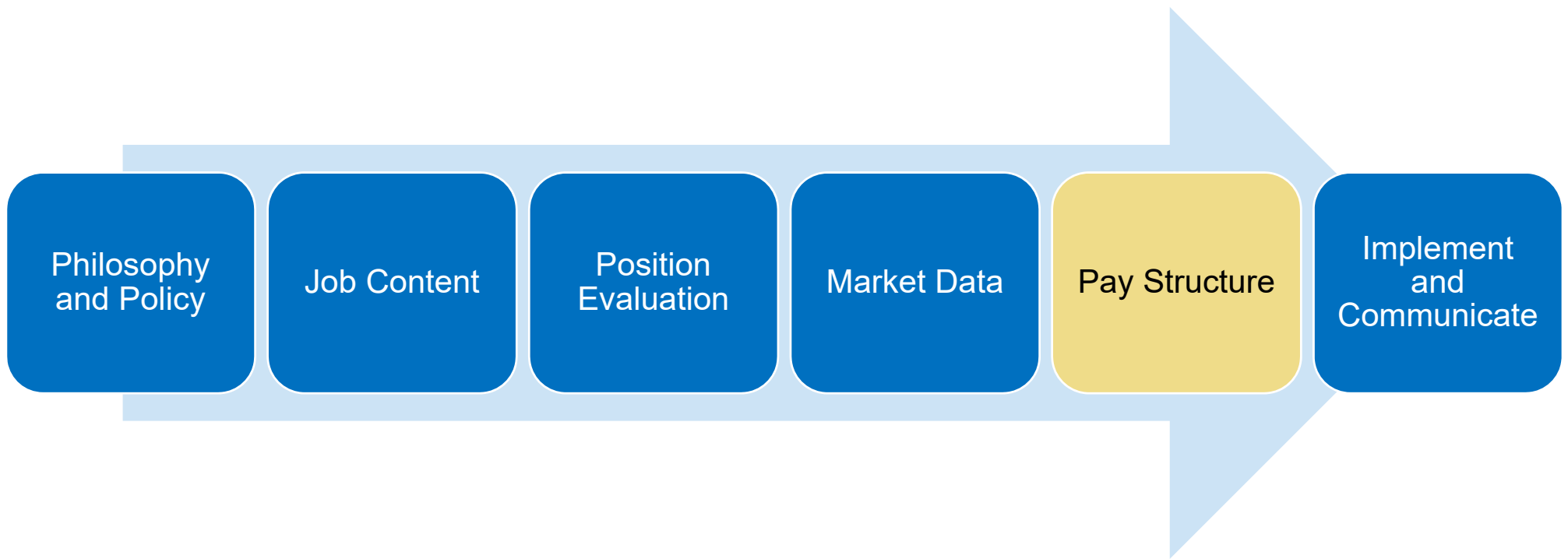
THE VALUE OF THE JOB IN THE MARKETPLACE.

- TYPICALLY, WHAT EMPLOYERS FOCUS ON.
- COMPETITIVE MARKETS – COMPARABLE ORGANIZATIONS

COMPILE AND ANALYZE DATA FOR BENCHMARK POSITIONS TO IDENTIFY COMPETITIVE RATES IN THE VARIOUS (LOCAL, REGIONAL, ETC.) LABOR MARKETS WHERE THE LIBRARY COMPETES FOR AND RECRUITS EMPLOYEES.

- BENCHMARKED MORE THAN:
 - 20 NON-BARGAINING UNIT AND CLEVNET POSITIONS
 - 15 SEIU POSITIONS

Pay Structure



Pay Structure

IDEALLY A BLEND OF BOTH INTERNAL EQUITY AND EXTERNAL COMPETITIVENESS.

CORRELATION OF THE INTERNAL POSITION EVALUATION RESULTS WITH THE EXTERNAL MARKET DATA.

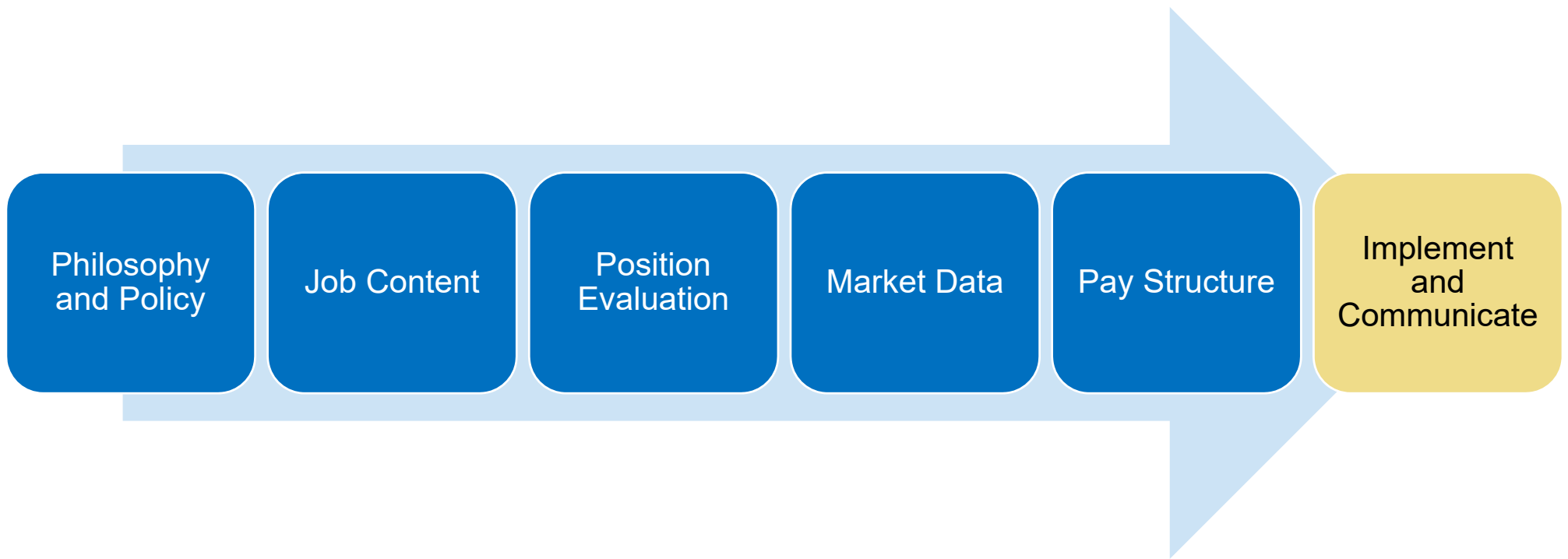
CONSISTS OF A SERIES OF GRADES AND RANGES THAT ARE INTERNALLY EQUITABLE AND EXTERNALLY COMPETITIVE.

- MINIMUM, MIDPOINT (MARKET RATE), MAXIMUM

CLEVELAND PUBLIC LIBRARY PAY STRUCTURE 2021-2022

Grade	Minimum	Midpoint	Maximum	Pay Structure Job Title
1	\$30,800	\$38,475	\$46,175	Clerk
2	\$35,850	\$44,825	\$53,800	Assistant I; Coordinator I; Specialist I
3	\$41,775	\$52,225	\$62,675	Coordinator II; Specialist II; Supervisor I; Writer/Editor
4	\$48,675	\$60,850	\$73,000	Coordinator III; Specialist III; Supervisor II; Assistant Manager I; Paralegal
5	\$56,700	\$70,875	\$85,050	Coordinator IV; Specialist IV; Assistant Manager II; Manager I; Executive Assistant; Legal officer; Lieutenant
6	\$65,775	\$82,225	\$98,675	Manager II; Analyst
7	\$76,300	\$95,375	\$114,450	Manager III; Solutions Architect
8	\$88,500	\$110,650	\$132,775	Senior Manager; Regional Director; Director; Lead Solutions Architect
9	\$106,225	\$132,775	\$159,325	Senior Director
10	\$127,450	\$159,325	\$191,175	Chief

Implement and Communicate



Implement and Communicate

EXPLAIN TO AND TRAIN EMPLOYEES

- EMPLOYEES SHOULD BELIEVE THE PROCESS WAS FAIR AND THE RESULTS ARE VALID.

IMPLEMENT THE NEW PAY STRUCTURE BY ASSURING THAT INDIVIDUAL PAY RATES ARE WITHIN THE ASSIGNED RANGE.

- ASSUMING SATISFACTORY PERFORMANCE, CPL WILL ADJUST PAY RATES OF ALL EMPLOYEES WHOSE CURRENT PAY RATE IS BELOW RANGE MINIMUM TO RANGE MINIMUM.
- XXXXX

Migrate to Pay for Performance

BASING INCREASES ON COST OF LIVING (ACROSS-THE-BOARD) OR PERFORMANCE ALONE IGNORES INTERNAL PAY COMPARISONS.

- HIGHER PAID EMPLOYEES RECEIVE GREATER ABSOLUTE INCREASES, EVEN THOUGH THE PERCENTAGE REWARD IS THE SAME.
- PERPETUATES PAY INEQUITIES THAT MIGHT EXIST; MAY REWARD LONG-TENURED AND/OR HIGHER PAID EMPLOYEES DISPROPORTIONATELY.

Pay for Performance

ALTERNATIVE IS TO REWARD AND CALCULATE INCREASES BASED ON BOTH PERFORMANCE AND POSITION IN PAY GRADE (COMPARATIO).

- OVER TIME, INEQUITIES IN SALARIES OF EMPLOYEES IN THE SAME PAY GRADE WILL BE REDUCED AS LOWER PAID EMPLOYEES ARE ACCELERATED TOWARD MIDPOINT AND HIGHER PAID EMPLOYEES ARE “SLOWED DOWN.”

Pay for Performance

REDUCED TENDENCY TO PERPETUATE TENURE-BASED PAY INEQUITIES.
MORE LIKELY TO BE DEEMED “FAIR” BY EMPLOYEES BECAUSE, OVER TIME, EMPLOYEES WITH SIMILAR PERFORMANCE IN THE SAME PAY GRADE WILL TEND TO BE PAID COMPARABLY.

TOP PERFORMERS RECEIVE BIGGER REWARDS WITH GREATER FREQUENCY, YIELDING SIGNIFICANT INCREASES DUE TO THE COMPOUNDING EFFECT.

DURING TIMES OF TIGHT BUDGETS, LIMITED MERIT \$ CAN BE DISTRIBUTED TO THE HIGHEST PERFORMING EMPLOYEES RATHER THAN “SPREAD” ACROSS ALL PERFORMANCE LEVELS.

Implement and Communicate

ADOPT #351 POLICY

- ASSOCIATED PROCEDURE HAS DETAILS RE HOW TO DETERMINE HIRING RATES, PROMOTIONS, LATERALS, DEMOTIONS, ETC.

BELOW MINIMUM PAY ADJUSTMENTS

BEGIN EMPLOYEE EDUCATION AND TRAINING ON MERIT/PERFORMANCE-BASED COMPENSATION INCREASES.

- RETAIN ACROSS-THE-BOARD INCREASES EFF. 1/1/2022
- IMPLEMENT PERFORMANCE-BASED ADJUSTMENTS EFF. 2023.



QUESTIONS??