

Columbus Metropolitan Library

Compensation Study

Report of Findings & Recommendations

November 18, 2021 / Paula Singer / Arnoluck Prachith

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Introduction

Background

- In Summer 2021, Columbus Metropolitan Library (“CML” or “the Library”) re-engaged Segal to perform a competitive market assessment and salary structure update.
- Segal worked collaboratively with representatives from the CML Project Team – Randi Quinn and Connie Kuns, on decision-making and deliverables.
- In this engagement, Segal completed the following activities:

Project Initiation (Spring 2020)	Compensation Assessment (Summer/Fall 2021)	Recommendations (Fall 2021)
<ul style="list-style-type: none"> ✓ Leadership interviews ✓ Collection and review of data items and documents 	<ul style="list-style-type: none"> ✓ Identification of custom survey peers and published survey sources ✓ Development, distribution and analysis of survey ✓ Collection and review of survey data ✓ Salary structure review and update ✓ Developed draft compensation philosophy 	<ul style="list-style-type: none"> ✓ Prepare report of findings and recommendations ☐ Presentation to Executive Leadership Team and Finance Committee of Board of Trustees

Report

- The following report provides the findings from the compensation assessment and Segal’s overall recommendations

Introduction

Executive Summary

Key Findings	Implications
Competitive Market Assessment & Salary Structure Update	
<ul style="list-style-type: none"> • Generally, the Library is competitive against the market at 99% of the market midpoint, which is within a competitive range of 90 – 110% • Salary range minimums are competitive at 101% of market. The Library has maintained market competitiveness by: <ul style="list-style-type: none"> • Annually adjusting all salary structures (typically 1%) to minimize compression and to stay competitive in the market • Adjusting the Non-Exempt salary structure cumulatively by 10% in 2016 and 2017 in consideration of general market movement • Performing ongoing ad-hoc market pricing assessments for select jobs with revisions made to the salary structures as needed • Incorporating individual performance and market factors into annual salary increases • Implementing in 2020 and maintaining a commitment to offering a livable wage • 67 out of 75 jobs (covering 74% of the Library’s employee population) were benchmarked via a custom survey of peer organizations and/or published survey data 	<ul style="list-style-type: none"> • Based on Segal’s assessment and findings, the Library plans to adopt an amended set of initial recommendations • In conjunction with Segal, the Library will modify all salary structures by a consistent percentage greater than the annual adjustment that is typically applied • Evaluate the continued need for multiple salary structures broken out by specific employee type • The salary structure should continue to be adjusted annually to account for market movement • Periodic review of the salary structure should occur to ensure continued market alignment

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Competitive Market Assessment

Market Data Collection Methodology

Segal utilized the following methodology to gather and analyze market data for this study:

- **Custom Survey.** Segal conducted a custom survey to gather information on base pay and select pay policies
 - The survey and all components were reviewed and approved by the CML Project Team
 - Segal completed a quality review of all survey data, including contacting respondents for data clarification and applying appropriate adjustments if there were significant differences between the CML job and the survey job
 - Geographic adjustments to Columbus, Ohio were applied to custom survey pay data reported
- **Published Survey.** Segal utilized 3 reputable published surveys (CompAnalyst, ERI and PayFactors) to gather information on pay components
 - Following market best practices, the CML jobs were matched based on the content of the job
 - Segal completed a quality review of all survey data, including applying appropriate adjustments if there were significant differences between the CML job and the survey job
- **Data Aging.** All data were aged to a common point in time, January 1, 2022, using an annual aging percentage of 3.0%¹

Using these data sources, Segal benchmarked a total of 67 out of 75 CML jobs, which represents 74% of the overall employee population covered in this study.

¹ Source: Segal's *Annual Compensation Planning Survey* analyzing salary increase budgets by industry and job classification

Competitive Market Assessment

Peer Comparators

- The following peer comparators were identified in conjunction with the project team and Library leadership based on organizational type (e.g. library, nonprofit organization, and government), geography, and characteristics of the organization's governance structure

Peer Comparator	Survey Participation
Broward County Library	✓
Cincinnati and Hamilton County Public Library ²	✓
Cleveland Public Library	✓
Columbus Zoo and Aquarium	✓
Cuyahoga County Public Library ²	✓
Dayton Metro Library ¹	✓
King County Library System	✓
Las Vegas-Clark County Library District	✓
Multnomah County Library	✓
Palm Beach County Library System ¹	✓
Franklin County, OH ¹	✓
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The Library had 100% survey participation

¹ Segal completed the survey based on publicly available information.

² Segal completed the survey based information available to Segal and was able to further validate with the peer organization.

Competitive Market Assessment

Summary Results

- The Library's pay ranges are market competitive overall at the minimum, midpoints, and maximum
- Market competitiveness is defined as 90% - 110%
- While overall the Library's minimums, midpoints, and maximums were market competitive, individual job competitiveness varied

Library Level of Competitiveness

	Minimum	Midpoint	Maximum
Custom Survey	103%	103%	104%
Published Survey	100%	96%	90%
Overall	101%	99%	95%

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Competitive Market Assessment

Salary Structure Development

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Salary Structure Development

Methodology

Purpose

- A salary structure defines ranges of pay for jobs within an organization and helps to manage:
 - The minimum and maximum of pay for jobs
 - The progression of jobs within an organization
 - The desired relationship to market
 - The appropriate individual pay positioning reflective to skill, experience, and performance

Salary Structure Evaluation Methodology

- Market data minimums were used as a reference to identify where updates to the salary ranges in each salary structure could occur
- Jobs were tentatively assigned to the salary range with the minimum closest to the market minimum for the job to ensure competitiveness; assignments were also reviewed and modified as needed to ensure internal equity
- Non-benchmark jobs remained in their current assignments

Recommended Implementation Methodology

- In consideration of the proposed job movement within each salary structure and potential modifications to the individual salary ranges themselves, Segal and the Library determined that a consistent percentage increase greater than the typical annual adjustment for market movement to the salary structures will also achieve the desired objectives

Salary Structure Development

Two Key Decisions

In the simplest terms, salary program design must address two broad issues:



Paying for the Job

Salary Band

Considerations:

- Comparison markets
- Pay position relative to market
- Balance of external versus internal focus



Paying for the Individual

Pay Guidelines/Policies

Considerations:

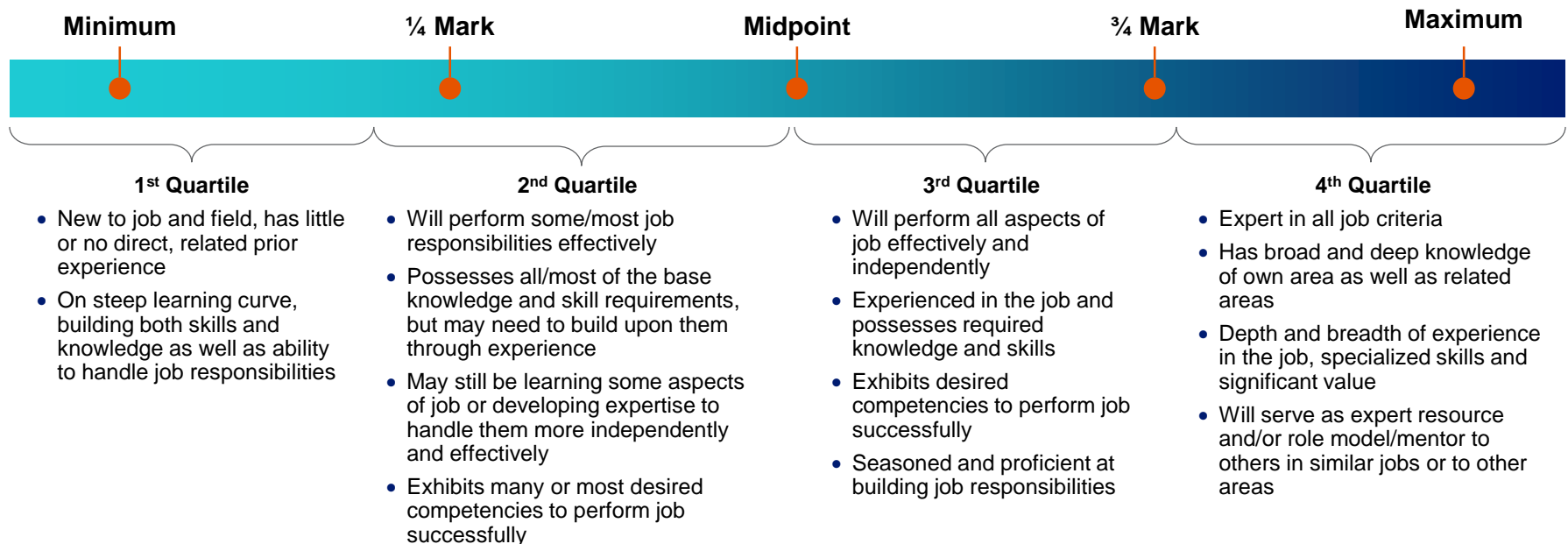
- Skills, knowledge and experience
- Performance
- Service
- Internal equity
- Pay equity

Salary Structure Development

Determining Individual Salary Levels

- While the structure will provide some guidance for compensation in the form of defined ranges, individuals may be paid at various points within the range based on criteria such as:
 - Experience
 - Expertise and content knowledge
 - Years of Service/Time in Position
 - Performance
 - Internal equity
- Shown below is an illustrative example of guidelines for compensation within the range
- For the purposes of forecasting cost estimates to implement the initial modifications to the salary structures, pay range minimums were used

Illustrative Quartile Definitions



Salary Structure Development

Ongoing Maintenance

The maintenance of a salary structure should be an ongoing process that can include:

- **Communication.** Provide total compensation statements to employees on an annual basis so they understand the value of what they receive from CML (including benefits)
- **Attraction and Retention.** Pay attention to CML's ability to recruit and retain staff. If there are difficulties for specific positions, it may be time to review the position's salary grade and consider adjustments
- **Job Descriptions.** Review job descriptions annually during performance reviews to ensure accuracy. Accurate up-to-date job descriptions will help CML to ensure pay positioning is appropriate based on the position responsibilities and knowledge, skill, and ability required to perform those responsibilities
- **Annual Adjustments.** Consistent with past practice, CML should continue to adjust the salary structure annually (if possible) using an amount reflective of market movement.
- **Market Assessments.** Assesses the competitiveness of the salary structure, via a competitive compensation assessment, compared to the market periodically (every 3 – 4 years) to ensure alignment

| Appendix

- A. CML Compensation and Salary Administration Policy**
- B. CML Performance Assessment Policy**

Appendix A: CML Compensation and Salary Administration Policy

Board Policy

The Library Board is responsible for establishing a salary range schedule, and periodically reviews administrative recommendations and considers changes to reflect market conditions. Further, the Library Board grants the following authority to the Chief Executive Officer (CEO):

- To determine annual salaries for all CML employees, up to the maximum allowable increase established during the Library Board's budget approval process.
- To approve individual salaries as long as the salary does not exceed the Board approved salary ranges.
- To establish the organizational structure and approve the authorized position schedule in order to meet the service needs of the Library and its customers.
- To determine job title placements within the Salary Ranges Schedule Policy.

The Library Board conducts an annual performance evaluation of the CEO in the course of establishing the annual salary of the CEO.

Appendix A: CML Compensation and Salary Administration Policy *Continued*

Administrative Procedure

When an employee's position in the Library changes, the salary or hourly wage will be adjusted according to the following guidelines:

- A. Promotions:** A move from a job in one pay range to a job in a higher pay range is considered a promotion. Promoted employees will receive an increase of 10% for the 1st pay range and 5% per additional pay range up to a maximum of 25% total or the minimum of the new pay range, whichever is higher. All pay adjustments are subject to the Library's available funding and budget.
- B. Demotions:** In the event of performance related or an employee requested demotion, the employee's rate of pay will be reduced at a rate of 10% for the 1st pay range and 5% per additional pay range up to a maximum of 25% (or at the amount not less than the employee received as a pay raise when they were promoted into the current position from which they are demoting). At no point will the employee's rate of pay exceed the maximum amount set for the pay range. Further salary reductions may be required to keep the employee within the range of the new classification.
- C. Transfers:** Employees who are transferred from one position to another in the same pay range will not receive additional compensation.

Appendix A: CML Compensation and Salary Administration Policy *Continued*

- D. Reorganizations:** The Library reserves the right to reorganize staffing due to organizational needs or restructuring of one or more positions or departments. Employees impacted by staffing restructure will not lose hours, rate of pay, or current benefit allowances. Every effort will be made to transfer employees into the same pay range.
- If a reorganizational change results in an employee moving from a job in one pay range to a job in a lower pay range, the pay will remain the same if the current salary is within the lower range. If rate of pay exceeds the maximum pay range, rate of pay will be frozen and all future performance-based salary increases will be paid in lump sum until the rate of pay falls within the new range.
 - In the event a reorganizational change results in an employee moving from a job in one pay range to a job in a higher pay range, the employee may receive a pay increase as described in Section A above. These procedures are subject to change based on the Library's available funding and budget.
- E. Acting Appointment:** Employees temporarily assigned to fulfill the duties and responsibilities of a higher level position, or requested to temporarily take on added duties beyond their regular duties that would normally be fulfilled by another employee, may receive a temporary increase. Employees remaining in their original position who temporarily take on additional responsibilities may be given an increase of up to 10% in pay as approved by the CEO. Employees who are placed in a temporary position of a higher pay range level may receive a pay increase in accordance with Section A, above, during the temporary assignment (subject to available funding and budget).

Appendix A: CML Compensation and Salary Administration Policy *Continued*

- F. Compensation increases are not automatic; they are based on annual performance evaluations and budget consideration. Merit increases may result in a lump sum if employees are at the top of their salary range.
- G. With the approval of the CEO, the Library may make salary adjustments at any time throughout the year when dictated by market or other relevant factors.

Employees who are terminated, resign or retire will be paid in full for all hours worked through their last day of work.

Related Policies/Forms:

- Administrative Transfers
- Performance Assessment
- Recruitment, Postings and Selection
- Salary Ranges Schedule
- Separation of Employment

Appendix B: CML Performance Assessment Policy

Board Policy

The Library provides employees with timely and/or ongoing feedback about their job performance. This feedback is summarized annually, in the first quarter of the year, using approved performance assessment procedures. Assessments become part of an employee's personnel record; subject to the record retention schedule.

Appendix B: CML Performance Assessment Policy

Continued

Administrative Procedure

- A. The Library conducts employee Performance Assessments during the introductory employment period and on an annual basis.
- B. Compensation increases are not automatic; they are based on annual performance evaluations and budget consideration. Merit increases may result in a lump sum if employees are at the top of their salary range.
- C. The structure of market, merit increases, and bonuses are subject to change based on budgetary considerations.
- D. In addition to providing ongoing feedback, supervisors are encouraged to complete follow-ups to the annual assessment to review action plans and performance deficiencies. Managers should regularly engage in job counseling and coaching sessions with their employees to provide performance feedback. The Library uses a Performance Improvement Plan (PIP) to formally communicate deficiencies in performance and/or behaviors as well as expectations for improvement.

Appendix B: CML Performance Assessment Policy

Continued

- E. Employees may not dispute a Performance Assessment, but may add an addendum summarizing their concerns/response to the Performance Assessment. The employee must sign the Performance Assessment as an acknowledgement of receipt.
- F. Additional information about the Performance Assessment process is available on the Library's intranet, MyCML.

Related Policies/Forms:

- Introductory Employment Period
- Corrective Counseling
- Employee Conduct
- Performance Assessment Form
- Corrective Counseling Form
- Performance Improvement Plan Form