



Classification and Compensation Reform Project Newsletter

June 2013

Issue #2



Cornerstone for the future
Labor-Management Task Force on Classification and Compensation Reform

The Labor-Management Task Force (LMTF) formed subcommittees to focus on reviewing specific topics/issues identified by the LMTF. The subcommittees are tasked with making recommendations to the LMTF for decision making on actions related to the Classification and Compensation Reform Project.

- **Compensation Subcommittee:** Focuses on issues and changes related to the development of the new compensation system. It is tasked with making recommendations for the new compensation system on environmental differential pay, hazard pay, additional income allowances, and several other compensated related areas and assisting the LMTF in their decision-making process. The subcommittee also may draft important changes to the current compensation system.
- **Communications Subcommittee:** Reviews and develops project communications designed to educate and inform employees about the new classification and compensation system. The subcommittee creates newsletters, webinars, vignettes, and uses social media to promote the project. It also makes recommendations to the LMTF on communications strategies.
- **Information Technology Subcommittee:** Works with the District's Office of the Chief Technology Officer and Deloitte Consulting to facilitate the integration of the new system into PeopleSoft. This includes the design, development, testing and employee conversion into PeopleSoft. In addition, the subcommittee discusses and recommends changes to system requirements for LMTF approval.
- **Policy Subcommittee:** Reviews all existing policies, to include laws and regulations, and determines the impact that the new job evaluation and compensation system will have on existing policy. This subcommittee serves as a support to the LMTF, specifically with regard to the drafting of new or amended policy language in the D.C. Personnel Regulations, and provides policy recommendations to the LMTF for consideration and approval.

The purpose of the Classification and Compensation Reform Project (Project) is to replace the District government's current job classification and compensation system with a new and modern system that supports the District's strategic goal to recruit, manage and retain a well-qualified and diverse workforce. The Classification and Compensation Reform Project is composed of five major work streams: Classification, Compensation; Information Technology; Policy; and Training.

The new system will:

- Be independent of the federal classification system
- Be easier and more flexible to administer
- Link to PeopleSoft
- Better reflect the work performed by District employees
- Provide a common platform for assigning jobs throughout District government
- Identify [career paths](#) within agencies and throughout the District government
- Ensure District compensation is competitive, equitable and fiscally sound

Employee involvement with the Project began in 2009, when employees were asked to complete [job analysis questionnaires \(JAQ\)](#). The purpose of the JAQ was to have employees state the duties and responsibilities of their jobs to ensure that new job classification system appropriately reflects the work being performed. Since then, the [Labor Management Task Force \(LMTF\)](#), which is tasked with leading the reform efforts, has held [job specification review sessions](#) and focus groups.

Key Accomplishments to Date

Classification

One of the key objectives of the classification reform effort is to replace the current classification system with a new and modern system that supports the work that District employees perform as well as provide employees with clear opportunities for career growth. With participation from both labor and management, new [job specifications](#) (formerly known as [position descriptions](#)) have been created. Draft job specifications were reviewed by the [subject matter experts](#) designated by each agency and labor union, and we are now happy to announce that we have completed the review of over 1,300 job specifications. Considerable effort went into all of these reviews and we thank all employees, specifically the subject matter experts, who participated in the process. Final job specifications are the key activity from which the foundation of the new classification system will be built. In addition to this effort, a new evaluation method, known as the [Job Equivalency Model \(JEM\)](#) has been selected as the new job evaluation tool.

Compensation

Compensation is another key aspect of the reform effort. Since the last newsletter, we have gathered and analyzed best practices for modern compensation systems and have [benchmarked](#) over 300 jobs. The District has reviewed base salaries, [salary structures](#), and incentives in an effort to guide the design and development of the new compensation program. In addition, a Compensation Philosophy has been developed for the District. This

philosophy will provide the foundation for the design and administration of the District's compensation program and support the government's ability to: 1) deliver high quality services and maintain efficiency of government operations; 2) recruit, motivate and retain a talented and diverse workforce; and 3) promote fiscal responsibility.

Information Technology

One of the District's objectives in the reform efforts is to integrate the new classification and compensation system into PeopleSoft, the Human Resource Information System. PeopleSoft is the online database where all employee and position data is stored. Integrating our new classification and compensation system within PeopleSoft will result in greater access to data accuracy, integrity and efficiency for all users. To date, the design and development of the new classification methodology known as JEM is completed and is being tested. The JEM applies consistent rules for determining the value of jobs to assist with streamlining the new job creation process.

Policy

Currently, the existing District policies, laws and regulations are being reviewed and revised to ensure that the new classification and compensation system is properly administered and maintained before we move forward with the implementation of the new system.

What Is Happening Now?

Classification

Now that the job specifications have been reviewed and approved by the LMTF, the job specifications have been delivered back to Deloitte Consulting where the changes made during the review process will be finalized. Additionally, the JEM evaluation tool will be the process used to establish [internal equity](#) among positions and develop a foundation for establishing the job value. The [benchmark jobs](#) are being processed through the JEM model first, followed by the non-benchmark jobs.

Compensation

The LMTF has created a compensation subcommittee comprised of labor, management and experts in compensation to continue the discussion on the compensation program and design, particularly the structure of the [salary ranges](#). The subcommittee is also looking at the hazardous duty/environmental differentials and comparing what the leading practice is among government entities that are similar to the District.

What Happens Next?

Classification

The next steps for classification reform are to continue to assign the quantitative value for all [non-benchmark jobs](#). This process assists in the preparation of determining [grade](#) levels with a link to the [market based compensation range](#). The next step will be to discuss how [career ladder](#) and [career path](#) opportunities will be available for the new [job progressions](#). These discussions assist in laying the groundwork for the mapping of employees to the new job specifications.

Compensation

The next steps for the compensation phase is to build the new salary structures for all of the jobs identified and assign the appropriate [grade](#) and range to each job classification.

Policy

The subcommittee will continue to review the relevant parts of the District Personnel Manual as well as the DC Code that pertain to the administration of the Compensation and Classification

Information Technology

The IT subcommittee made up of LMTF members, Deloitte Consulting and the District's Office of the Chief Technology Officer are working to facilitate the smooth integration of the new system. Now that the design and build stage of the new system JEM has been completed, the system has now moved to the testing phase to certify system reliability and compatibility with existing workflows.

Policy

The LMTF has created a policy subcommittee made up of labor, management and policy advisors to assist in the discussion and review of the policies. Policy review is a continuous process and includes the review of all relevant chapters, particularly Chapters 11A (Classification) and 11B (Compensation) of the District Personnel Manual.

system. Once the policies have been reviewed in full, the policy subcommittee will provide the LMTF a walkthrough of all of the policies developed or modified so that the proper guidelines are in place for the implementation and maintenance of the new system.

Information Technology

Now that the JEM is built and will have gone through testing, the next steps will be to program/configure PeopleSoft to integrate to the new compensation system.

Questions?

Please contact us at classificationreform.dchr@dc.gov with questions regarding the project.

Check out the project's [FAQ document](#) and [glossary](#) for more information.

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