



DEPARTMENT OF HUMAN RESOURCES
Kenneth Drayden
Compensation Manager

201 W. Sheridan Street • San Antonio, TX 78204 • 210/208-8000

ACCD Compensation Study

Hello fellow ACCD'ers. We are glad to provide you with this Comp Study update and give some information regarding its status.

We have been busy on the compensation study since the PDQ meetings we held with Dr. Fox at various ACCD sites. We've been working on processing PDQ's and responding to questions posed by employees on PDQ issues as well as other day-to-day compensation matters. Our goal has been to get the Study phases accomplished to move the Study forward to completion, as we are committed to do.

I'm glad to say that we are now moving to the next phase and I'll speak more about that later. But first, I'd like to review some basics about compensation studies.

Compensation Studies are done to explore and compare current pay plans to similar organizations in the marketplace. You may ask why we should move from our current system and pay grades. Our compensation methodology is based on a point factor method and not tied to market as closely as Fox Lawson's (FLA) methodology. Also, the Alamo Community /College District's (ACCD) structure had not been compared in the past several years with similar institutions.

Market Pricing, along with banding, is a way for organizations to be aware of prevailing wage rates in the external marketplace, which is important to an organization's success. For our purposes, a salary that falls within the range of the new grading system coming out of this study will be considered to be within the market range.

Employers need to have an idea of how their salaries compare in the same markets, to keep an eye on fluctuating pay rates, and market price their jobs to maintain competitiveness. Market Pricing a common method of valuing jobs in order to achieve this end.

When Compensation Studies are undertaken, it is most important for Employees to keep in mind that, even though expectations may be high, readiness for Market Pricing results (validation of pay for others in jobs in similar market institutions) usually reveals that not all current salaries will fall below the market range. This means that not all employees necessarily get adjustments to their salaries.

We have had tremendous employee involvement by receiving over 1375 PDQ's into our office. We are appreciative that our employees provided this level of participation. The higher the level of participation, ultimately the better our salary hierarchy will reflect the value of our jobs.

This FLA study contains several important steps are needed to implement its methodology. The FLA methodology Phases are:

- Phase 1 – Study Initiation and Administration
- Phase 2 – Classification Study
- Phase 3 – Job Evaluation
- Phase 4 – Labor Market Analysis
- Phase 5 – Final Report

The elements of each of the five phases are critical to a satisfactory outcome. Below is a Compensation Pay Study Status Report prepared by FLA that incorporates the methodology.

ALAMO COMMUNITY COLLEGE DISTRICT
Classification & Pay Study Status

Phase I: Study Initiation and Administration	<u>Status</u>
1. FLA reviews project/work plan and schedules with HR Department.	Completed
2. FLA confirms classification and compensation philosophy and strategies with H R Department.	Completed
3. FLA holds with administration to explain study and work plan.	Completed
4. ACCD sends intro letter to employees and invites them to one of 8 information sessions.	Completed
5. FLA and ACCD conduct eight employee orientation sessions and distribute Position Description Questionnaire (PDQ) to employees.	Completed
<i>Phase II: Classification Study</i>	<u>Status</u>
1. ACCD Employees complete Pads. Supervisors/Directors review. Completed P.Q.'s sent to HR office.	Completed
2. ACCD HR Dept receives and sorts Pads and ships to FLA.	Completed
3. FLA conducts on-site position analysis interviews.	Completed
3. FLA develops model classification structure.	Completed
4. ACCD approves model classification structure.	In Process
5. FLA develops new/re-write classification descriptions.	Pending
6. ACCD reviews all new/re-written classification descriptions and makes recommendations for changes.	Pending
7. FLA finalizes classification descriptions	Pending
8. FLA allocates employees to classification.	Pending

<i>Phase III: Job Evaluation</i>	<u>Status</u>
1. FLA applies job evaluation tool to all classifications.	Pending
2. FLA meets with department heads and Presidents to explain the results before they review the jobs in their area.	Pending
3. ACCD reviews job evaluation results with department heads and Presidents as needed on individual concerns.	Pending
4. FLA makes necessary changes.	Pending
<i>Phase IV: Labor Market Analysis</i>	<u>Status</u>
1. ACCD selects benchmark jobs.	In progress
2. ACCD reviews and selects survey sources	In progress
3. FLA collects and verifies survey data.	Pending
5. FLA analyzes compensation data.	Pending
6. FLA develops new salary structure of grades and ranges.	Pending
7. FLA develops implementation cost and analysis of pay compression solution	Pending
<i>Phase V: Final Report</i>	<u>Status</u>
FLA draft final report.	Pending
FLA review draft final report with Administration.	Pending
FLA finalizes and presents final report to Board.	Pending

I'd like to take this opportunity to introduce the new Compensation Team. I am Kenneth Drayden (new Compensation Manager) and I come from Valero Energy Corporation and have extensive experience with developing Compensation Plans and managing compensation programs.

Annette Sanchez (new Compensation Analyst) is from the City of San Antonio and served with the San Antonio Housing Authority. Her experience is in Compensation and in Human Relations

Both of us have joined the HR Team the past few months and were hired, among other things, to "GET THE COMPENSATION STUDY DONE".

Please congratulate Elisa Hernandez and Bonnie Sellers on their prior involvement and commitment in the PDQ and work in other Compensation matters. Elisa will continue to assist the Compensation efforts throughout the completion of the Compensation Study.

The following Frequently Asked Questions (FAQ's) section relates to questions that were generally discussed or deal with our compensation study:

1. What is meant by "similar Markets"?
Similar markets are markets appropriate for positions to be evaluated—generally where one would go to recruit for that position. Example: for a housekeeper – local private and public sector labor market would appropriate; accountant & staff positions - blend of regional and national markets). ACCD has chosen to use survey data we annually collect from community colleges and third party reputable Compensation Companies.
2. What types of institutions will the surveys include?
It would include public institutions such as the City of San Antonio, San Antonio Housing Authority, Bexar County, and San Antonio Independent School District. Other Staff positions would be compared to other national community colleges and from national market data. All data would be adjusted to regional and Public Economic conditions.
3. When do we anticipate the study being finalized?
The study is anticipated to be delivered to the Chancellor to present to the Board of Trustees by the end 2006.
4. Will our job titles remain the same? The PDQ's were prepared to assist Fox Lawson & Associates to match jobs to criteria. The jobs will be moved to a job

title that aligns itself to a Benchmark job position. Fox Lawson & Associates and ACCD personnel will review to help clarify and resolve questions concerning job matches. After the overall differences are reviewed and adjustments completed, job titles will be assigned. Some titles will change and some will remain the same. But, it is anticipated that there will be fewer job titles.

5. How will the study be implemented? In the final report, FLA will outline recommendations, associated costs, and an implementation process. ACCD determines if it will be implemented and how, so after the completion of FLA work, ACCD will present the Compensation Study to the Board of Trustees for approval.
6. Why this methodology? The ACCD decided that to stay competitive a salary structure that was flexible was necessary to keep an eye on fluctuating pay rates and market place and how similar salaries compare in the same markets. The ACCD, with Board of Trustees approval, determined that FLA's Decision Band methodology would be more appropriate for the District. The Decision Band method is a highly effective method of OBJECTIVELY evaluating the worth of a job, based on a SOUND theoretical framework, and provides a CONSISTENT AND VALID approach to comparing and contrasting jobs. The Decision Band method involves three basic steps. First, jobs are classified into the characteristics and responsibility of the job within the organization. Second, involves classification the jobs based on the supervisory difficulty and effort required of the job. And last, the Decision Band involves weighing the jobs in reference to the complexity, difficulty, and skills required of the job in relation to other jobs.

As mentioned during our presentations, our consultant in the Compensation Study, Fox Lawson and Associates, has the following e-web address for you to contact them if you have questions regarding PDQ processing: ACCDCompStudy@foxlawson.com.

If you have any questions please contact Ken Drayden at kdrayden@accd.edu or Annette Sanchez at ansanche@accd.edu.

We will be sending updates in the future as needed.

Good-day!