

# The City of Gainesville's Compensation Philosophy

## Philosophy

The City of Gainesville's Compensation Philosophy has been established to provide City-wide guiding principles for the establishment and implementation of all aspects of compensation. The compensation philosophy is expected to assist the City's Charter Officers to appropriately balance external market competitiveness with internal equity, strategically manage pay to reinforce desired behavior, reward outstanding performance, and provide employees with an understanding of the process used to determine pay. Policies will be approved by the City Commission to implement the compensation objectives and to attract and retain highly qualified individuals and motivate employees to achieve short-term and long-term organizational objectives.

## Compensation Objectives

### Total Compensation:

- Total Compensation is a combination of base pay, other forms of compensation, and benefits.
- Total compensation will be at or above market, within budgetary constraints.

### Base Pay:

- The base pay plan is established through an analysis of both the external market and a review of internal equity, targeting the 50<sup>th</sup> percentile of the market median using compensation of actual incumbents.
- External equity is evaluated using market data developed with commonly accepted compensation practices to compare City salaries to the external labor market, taking into account geographic indexing or cost of labor differentials, industry type and organization size, as applicable.
- Internal equity is evaluated using whole-job slotting methodologies.
- The labor market area is defined as the reasonable recruitment area for each classification and is defined as local, regional, or national. Different classifications may have different labor markets.
- An outside consultant will be engaged at least every three years to conduct a market analysis, review internal equity and recommend changes to the pay structure. In each of the intervening years, a market analysis of a smaller sample of positions, selected in a systematic fashion (e.g. one-third of all benchmark CWA and management, professional or administrative jobs, new jobs added to the occupational index, or jobs with demonstrated recruitment or retention problems, etc.), shall be reviewed to catch dramatic market fluctuations and allow for pay plan adjustments where appropriate.
- The external labor market and internal equity are critical to establishing the base pay plan hierarchy. Internal equity is the primary consideration for represented

classifications; market is the primary consideration for management and professional classifications.

- Depending upon the type of job, an employee may receive merit increases, incentives, performance bonus pay or other periodic adjustments based upon previously established performance criteria. Examples of performance criteria may include established goals and objectives, balanced scorecard objectives, acquisition of skills, progression-through-training, productivity, or demonstrated competencies, such as the ability to work effectively as a team member, demonstrated leadership, or excellent customer service. In some cases, time in grade may be a factor.
- Based upon performance and other factors, under normal circumstances, administration of the base pay plan enables employees to reach, but not exceed, the top of their pay range.

### **Other Pay Adjustments:**

- Based upon market pressures and under unusual circumstances, additional efforts may be required to attract or retain key skills or critical employees. Such circumstances may be handled through adjustments to base pay, or one-time, non-recurring, lump-sum payments. These adjustments will be based on documented market conditions.

### **Benefits:**

- Benefits will be targeted to be at or above market.

### **Performance Management:**

- The goal of performance management is to develop a performance culture and support the strategy of the organization and its vision, mission and values.
- Provides a link between individual pay to performance through setting and achieving personal objectives and organizational goals relative to the strategy, goals and objectives and/or business plan and cycle for the appropriate group.

### **Administration:**

- **Communication:** The compensation system will be clearly communicated to all employees.
- **Accountability:** Charter Officers will have the appropriate responsibility and accountability for the reward program processes.
- **Flexibility:** Procedures will be developed and maintained to support the philosophy and the pay policies to provide the flexibility necessary to attract and retain high quality employees and meet the demands of the changing employment environment.
- **Employee Development:** The City will support an environment of learning, development and job growth for employees.
- **Equal Opportunity:** The compensation program will be designed to ensure equal opportunity for all employees, without regard to race, religion, color, sex, national origin, age, sexual orientation, disability, veteran status or status as an alien (as required) eligible to work in the United States.

