

Subject: **COMPENSATION PLAN MAINTENANCE**
Date: November 9, 2022
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Replaces Policy Dated: **April 19, 2017**

PURPOSE: To establish guidelines for the ongoing maintenance of the Pinal County Compensation Plan.

STATEMENT OF POLICY: To promote and adhere to a compensation strategy that enhances external competitiveness; promotes internal equity; reflects the values of the County; and aligns compensation with the County’s strategic goals and priorities.

SCOPE: This policy applies to all non-elected Pinal County positions. Elected Officials and salaried positions determined by statute are excluded from this policy.

POLICY:

A. Global Schedule.

The Human Resources Department (HR) will annually evaluate positions for proper grade placement based upon priorities established by the Board of Supervisors, Elected Officials, County Manager, and County Department Directors during the budget development process. Positions deemed essential to the delivery of County programs and services will also be evaluated when required to address documented recruitment and retention challenges.

Classifications that are not identified for priority review during the budget development process or based upon documented recruitment and retention challenges will be evaluated every two to three years based on salary survey data in order to help maintain the County’s overall competitiveness.

B. Grade and Salary Establishment.

1. Determining Comparators and Salary Structure.

Comparators used to establish a pay grade for a position classification may vary based upon the County’s ability to recruit and retain the qualified workforce needed to fill vacancies in a specific position or classification. Factors considered in determining comparator agencies will include the labor market (job market) applicable to the position, public sector jurisdictions in competition with the County for potential candidates, as well as, those jurisdictions the County is in competition with for retaining its qualified, experienced employees.

HR will work with the County Manager’s Office, Elected Officials, and appointing authorities to establish the appropriate comparator agencies based upon the position’s characteristics and information gleaned from County applicant data, retention data, exit interviews, and industry insights.

Generally, pay grade determinations will be based upon data collected from those counties in closest proximity to Pinal County (for example Maricopa and Pima) or most comparable in terms of characteristics (for example Yavapai) and the largest cities in incorporated areas within Pinal County (for example Queen Creek, Casa Grande, Apache Junction, and Maricopa) as well as cities in adjacent counties which the County competes with for employees (for example, Gilbert, Chandler, Tempe, Mesa, and Tucson).

Data from these comparators will be collected and applied using different strategies:

- i. **Lead the Market:** In a “lead the market” strategy, employees are paid higher wages than offered comparator agencies for similar work in order to: 1) successfully recruit for difficult to fill positions; and 2) prevent the loss of qualified, experienced employees at risk of turnover due to non-competitive pay, especially those employees critical to the County’s mission and difficult and costly to replace due to specialized training, skills, or the lack of qualified candidates available in the labor market. When a “lead the market” strategy is required, the comparator list and salary analysis used to establish pay ranges may be further modified, at the recommendation of HR and approval of the County Manager, to be aligned with our primary competitor(s), i.e., Maricopa County.
- ii. **Match the Market:** Pay grades for positions are established consistent with salaries offered by our comparators for similar work.
- iii. **Lag the Market:** Lower wages than those offered by comparator agencies. A “lag the market” strategy may be effective for recruitment and retention when considered in the context of the total compensation package offered by the County.

When establishing comparators for use in assigning pay grades to a classification or group of classifications, the HR Department will make best efforts to ensure consistency in comparator usage for positions having similar functions, minimum qualifications, scope, responsibility, and recruitment and retention challenges.

In all cases of market grade review, HR will consider internal equity within the County when establishing grades and ranges.

2. When there are no or an insufficient number of “comparable” jobs within market comparators, HR will utilize the following method to determine grade placement:

- i. Review the position assignment with the job code category;
- ii. Compare non-benchmark jobs to benchmark jobs within the same job code category based on factors important to that job family (i.e., skill requirements, management responsibilities; educational requirements, decision-making responsibilities, etc.);
- iii. Review the position placement within internal departments; and
- iv. Place the job into the appropriate salary grade and position within the range relative to other positions within that job code category and for the specific department.

C. Use of Pay Grades and Salary Ranges.

A pay grade represents a level of compensation assigned to a group of similar jobs and is based upon the average midpoint of salary ranges used by comparator agencies. The County’s pay grades set the limits for pay able to be assigned to a particular classification and include a minimum and maximum salary. The established pay grades are adjusted as needed with lower ranges eliminated when the minimum wage changes and upper grades added as salary requirements increase.

In order to be competitive in the market, the application of the established pay grade assigned to a specific job, within the group of similar jobs or position classifications, may be adjusted at the discretion of the County Manager such that the minimum salary offered for purposes of recruitment is more than the established pay grade minimum. This flexibility affords the County the option to adjust salary ranges used for recruitment consistent with the job market without the need to adjust pay grades up or down when not fully supported by market data or when the market conditions are considered unstable.