

# MANAGER CLASSIFICATION AND COMPENSATION

## A Piece of the Oregon Management Project

### Purpose

It's been nearly two decades since Oregon took a thorough look at the state's classification and compensation system for state management. Consequently, the current system is outdated and creates problems such as compression and compensation that's out of alignment with market. This project offers an opportunity to evaluate and recommend a new compensation philosophy incorporating components of internal and external equity and balance it with the State's ability to compensate managers appropriately.

This project was developed at the request of the Enterprise Leadership Team based on challenges recruiting and retaining managers, as well as compression issues between the compensation of managers and the employees they manage. The ELT and project team are aware of the number of factors that may cause difficulty in implementing a new classification structure and that a project of this nature can be viewed as contentious by the many stakeholders involved in the process.

View the project timeline at <http://www.oregon.gov/COO/ELT/Pages/projects/emsrp.aspx> for high level milestones and target dates.

### Outcomes

This project will propose several recommendations which may:

- Move from multi-tiered job classifications to a system of similar professional categories and groupings, to align specialties, educational qualifications and professional expectations.
- Utilize market data to establish compensation targets, which align with agency strategy and culture as well as provide a consistent price point for like positions within the public and private sectors.
- Establish processes to fix situations in which managers are paid less than some of the employees they supervise.
- Define compensation philosophies (or methodologies) that incorporate components of internal and external equity.

### Cost of Doing Business

At this point, it's too soon to determine the effects any recommendations may have on agency customers. A full position market match and view of costing, soon to be completed, will likely identify financial impact to agencies. We also know there will not be a dollar-to-dollar increase for every agency. This project may result in an increase of costs for some agencies, but there is no guarantee that all agencies will experience an increase. We are committed to work with agency's existing rate setting schedules to ease transitions of any increases.

The Classification and Compensation sub-project is part of the Enterprise Management Solutions Reform Project. More information of the overall package can be found at: <http://www.oregon.gov/COO/ELT/Pages/projects/emsrp.aspx>

