

# ORGANIZATIONAL & COMPENSATION ANALYSIS OVERVIEW

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Personnel matters are of central importance to the operation of today's municipal government. Indeed, the efficiency and effectiveness of a municipal government sits squarely on the shoulders of its personnel system. These systems marked by arbitrary compensation levels, capricious decisions regarding promotion and termination, or wildly disparate management styles can cripple a municipality's operation and lead to poor service delivery. In the past, many municipal governments have operated with only rudimentary personnel systems, or in some cases, without a personnel system of any type. As increased citizen expectations related to the volume and quality of municipal service delivery increase the need for fair and equitable personnel systems increases as well.

As part of its legislatively funded mission to supply targeted technical research and assistance to local governments, the Stennis Institute actively conducts personnel and compensation analysis for Mississippi municipalities and counties. In general, the objectives of these efforts are to develop:

- An analysis of current wage and salary levels in terms of the external labor market. This analysis often includes conducting a wage and salary survey of other counties and municipalities within the local labor market.
- Design of a compensation plan for possible implementation by the governing authorities of the organization. This plan will include local labor market conditions that may impact turnover rate and any other factors associated with the local labor force.
- Design of a plan for implementing wage and salary levels for newly created positions within the city or county's organizational structure.
- The development of a set of cost estimates for implementing the compensation plan, if adopted by local governing authorities.

The Institute actively uses the national O\*NET job analysis and classification system, not only to inform the analysis of the knowledge, skills and abilities necessary to perform each occupational position within the organization, but to also provide comparable, real-time salary data (updated every three months) as provided by state departments of labor (or equivalent organizations) to the United States Department of Labor, and various state and national statistical entities, including the Bureau of the Census, the Bureau of Labor Statistics (BLS), and the Bureau of Economic Analysis (BEA). O\*NET data, since it provides comparable specific wage and salary data from jurisdictions throughout the country keyed to job classifications throughout the spectrum of both public and private employment, is an invaluable tool in assessing and designing compensation plans.

Services provided by the Institute are always targeted toward the needs of the municipality and are generally conducted through a contractual arrangement between the Institute and the municipality. In most cases, the contracting party supports the Institute's work by providing funds to cover the incremental costs associated with the successful performance of tasks outlined in a "scope of work" document, a jointly-developed appendix to a standard contract outlining the deliverables and respective responsibilities of both parties throughout the course of the agreement.