

COMMON COUNCIL REPORT

M&C No.	2021-211
Report Date	July 21, 2021
Meeting Date	July 26, 2021
Service Area	Human Resources

Her Worship Mayor Donna Noade Reardon and Members of Common Council

SUBJECT: Management Job Evaluation***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
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RECOMMENDATION

It is recommended that:

1. The City of Saint John engage Korn Ferry (CA) Ltd to conduct a Job Evaluation and Compensation Review of all Management/Professional positions as outlined in the Letter of Engagement attached to M&C 2021-211; and
2. That Mayor and City Clerk be authorized to execute the necessary documents.

EXECUTIVE SUMMARY

As per the council resolution dated June 1, 2015 to establish an ongoing process to maintain job evaluation and job grading going forward, the City's Human Resources Department engaged Korn Ferry (previously Hay Group) to conduct a full review of the Management Job Evaluation and Compensation review. This review included updates to all management job descriptions, review of current pay grouping and recommendation on the appropriate grouping if adjustment required, and a review of the overall management salary grid and recommendations for adjustments as needed. Korn Ferry provided the initial structure and review process in 2014/2015 for all management positions, and since that time has reviewed new positions to determine salary grouping.

It is recommended that a full compensation review of all positions be completed following a significant organization restructure, reduction in overall establishment and implementation of shared services agreements with Transit and Police. This review will also include a benchmarking exercise with relevant organizations to ensure the salary remains competitive and appropriately positioned in the market.

PREVIOUS RESOLUTION

December 9, 2013

RESOLVED that the Committee of the Whole recommends that Common Council direct the City Manager to;

- a) Retain qualified external advisory services through a competitive Request for Proposals (RFP) process to conduct an independent **Job Evaluation** for all Management/Professional staff at the City of Saint John, with the option of including majority-funded City Agencies, Boards and Commissions.
- b) Retain qualified external advisory services through a competitive RFP process to conduct an independent **Compensation Review** for all Management/Professional Staff at the City of Saint John, with the option of including majority funded City Agencies, Boards and Commissions.
- c) Based on the outcome of the Job Evaluation and Compensation Review process, the City Manager be directed to make recommendations to Common Council regarding (i) the **Terms and Conditions of Employment for Management/Professional Personnel**, (ii) possible changes in human resource management policies for Management/Professional Personnel, and (iii) a supporting implementation strategy recognizing key internal and external operational, financial and human resource-related considerations.

Note: (a) and (b) may be separated into two RFP's if deemed operationally and financially prudent and beneficial for the City of Saint John.

June 1, 2015

1.9 Employment Matter 10.2(4)0) - Job Evaluation and Compensation Review (Management/Professional Staff)

RESOLVED that the Committee of the Whole recommends Common Council approve the recommendation in the submitted report entitled Job Evaluation and Compensation Review (Management/Professional Staff) as follows:

1. That Council approves a 1% economic increase for all Management/Professional Staff retroactive to January 1, 2015.
2. That Council adopts the Hay recommendations, and replace the existing City of Saint John Management/Professional job classification system, salary grid and salary administration procedures with:
 - a) A new salary ladder chart (as referenced in Slide 7, Attachment C);
 - b) A new salary grid that reflects both the external market as well as internal changes in the job ranking system (as referenced in Slide 10, Attachment C); and,
 - c) New City of Saint John Management/Professional salary administration guidelines (as referenced in Attachment B).
3. That Council directs the City Manager, in cooperation with the Human Resources Department and Senior Management, to:
 - a) Advise each Management/Professional employee of his or her placement within the new salary administration structure;

- b) Move each employee whose salary is between steps in the recommended Hay salary structure to the next highest step in the new salary grid, effective July 1, 2015;
 - c) Implement the appropriate salary administration guidelines and procedures required to introduce and maintain the new Hay Job Classification and Salary Administration systems for all City of Saint John Management and Professional Staff.
 - d) Establish an ongoing process to maintain job evaluation and job grading going forward; and;
 - e) Re-assess overall salary competitiveness on an annual basis.
4. As per the original December 9, 2013 resolution, Council requests the City Manager to return with any recommended changes to the Terms and Conditions of Employment for Management/Professional Personnel and related human resource management policies.

REPORT

The purposes of this compensation review are threefold: first, to ensure internal equity in light of the considerable external pressures our organization is facing due to COVID among other reasons, as well as of the organizational restructure recently completed; secondly, to ensure external equity relative to the employment market generally; and thirdly, to provide a compensation structure, including salary ranges and processes, which ensure that value is received commensurate with remuneration provided for every job as incumbents progress through the employment system.

The City of Saint John conducted a full job evaluation and compensation review in 2014/2015 for all Management/Professional positions. Through an RFP process the Hay Group (now known as Korn Ferry), an international leader in job evaluation, was selected to conduct the evaluation. Based on the recommendations from the review, a new salary structure was implemented and all roles assigned to the appropriate grouping. A clear salary administration process was incorporated into the Management/Professional Terms of Reference and has been followed since 2015. In addition, any new roles or roles that changed have been reviewed and evaluated by Korn Ferry to ensure consistent application.

The recommendation in June 2015 included an annual review of the salary administration process and overall salary competitiveness which has not been done on the full scale since that time. The consulting work to be completed in 2021 will include a full evaluation and analysis of sixty (60) positions within the Management/Professional establishment, list report, and job levelling matrix with description and rationale for every position.

Phase Two includes job pricing and salary structure analysis to be completed in 2021. Key drivers of these dynamics are ever-changing internal capacity/demand relationships, the developing needs of our community, the effects of legislation

and senior levels of government and technological advancement. All these factors are well represented in the 2020 corporate organizational restructure.

It should be noted that the importance of using highly credible third-party consulting resources for the compensation review cannot be overstated. This approach eliminates various forms of bias inherent in other methodologies, resulting in higher levels of staff engagement with the process, higher quality inputs and information yield and an enhanced acceptance of the results by all stakeholders.

The results of the comprehensive review will help inform future compensation considerations but will not, in and of themselves, require or demand changes to compensation. Changes to salaries will always be considered within the broader context of affordability and sustainability; while offering compensation that is aligned as best as possible with market conditions.

STRATEGIC ALIGNMENT

Evaluation of all current Management/Professional roles, in combination with an overall compensation review to ensure market positioning aligns with the council priority to ensure fiscal responsibility.

SERVICE AND FINANCIAL OUTCOMES

Completion of the compensation review and job evaluation for all Management/Professional positions within the City of Saint John is \$49,695. This includes the evaluation of up to 60 individual roles. This project is expected to be completed in 2021 and has been fully budgeted for in the Human Resources budget for 2021.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Review of the contract has been completed by the General Counsel Department and Procurement. Input also received from the Finance Department and City Manager's office.

ATTACHMENTS

Appendix A Letter of Engagement Korn Ferry dated July 12, 2021