



Gallagher

Insurance | Risk Management | Consulting

Reclassification – How to Diminish Misuse for Pay Purposes

BRUCE LAWSON | IPMA 2018

Agenda

Topics



1. Your Reclaim Experience – By the Numbers
2. Causes of Reclassification Requests
3. Uncontained Reclassification Processes – Why Not?
4. Reclaim Policies - Your Current State
5. Strategies for Avoiding Misuse

Your Reclass Experience – By the Numbers

What Are You Experiencing?

1. On average, how many reclass requests do you receive over the course of a year?
2. What percent of reclass requests are deemed qualified for formal review?
3. On average, much time is devoted to each review (HR, the employee, supervisor/manager, executive reviewer)?
4. What percent of requests reviewed are approved?





CAUSES OF RECLASS REQUESTS

Money Money Money

Insufficient Pay Raises

- Reclassification Used to Obtain Additional Pay
 - Serves as “work-around” when merit/other pay is not available or limited

Delayed Pay Increases

- Recognition of Economic Conditions
- Reflection of Budget Issues

Changes to Pay for Performance Philosophies

- Reduction of Pay Increases for Longevity
- Greater pay Increases Linked to “Exceeds Satisfactory” Performance



Promotion

Culture of Using Reclass to Obtain Promotion

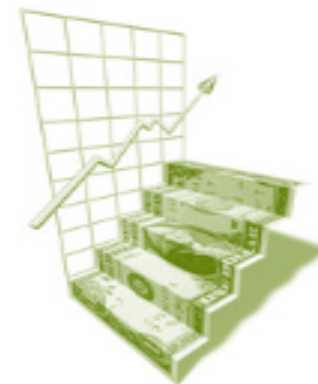
- Focus on Employee-Specific Achievement
 - Serves in place of performance management
 - Over-rides budget-determined need for limitations on number of jobs at the higher level

Circumvents Competitive Promotion

- Provides Alternative to Contract or Cultural Reliance on Seniority-Based Promotions
- Provides Method for Supervisors/Managers to “Pre-Select” Favored Candidate

Barriers for External Candidates

- Diminishes External Interest for Experienced Candidates with Openings Largely at Lower Levels
- Prevents “Outsiders” from “Infiltrating”



Changes In Work

Additional Work Assigned

- Reclassification Used to Recognize Increases in Work
 - May represent more of the “same” work
 - May serve “in lieu” of additional staffing needs

Additional or Changed Assignments

- May Represent Changes Associated with Same Essential Duties
- May Represent Temporary Assignments

Narrow Classifications

- Minimal Differences in Class Series Levels
- Classification Levels Designed for “Auto-Progression”





UNCONTAINED RECLASS PROCESS WHY NOT?

“Opportunity” Costs of Ongoing Reclasses

Redirects HR Resources from Consulting to Processing

- Supporting Ongoing Desk Audits takes More and More of Limited HR Staff Time
- Talent Management Related to Recruiting, Professional Development, Performance Management, etc. Suffers as Resources are Redirected



“Opportunity” Costs of Ongoing Reclasses

Diminished Flexibility

- Inhibits Changes in Assignments within a Class of Work that May Address:
 - Cross-training opportunities
 - Access to more challenging project work
 - Access to learning opportunities in preparation for future promotion bids

Redirects Supervisory & Management Time

- Consumes Disproportionate Amount of Leadership Time to Participate in Reclass Reviews



Circumvents Organizational Controls

Budgets

- Budgets May Not Anticipate Additional Higher-Level Salaries
 - Financial and performance budgets are generally based on the number of incumbents needed at each class level of work

Contracts

- Representation and Other Staff Contracts May be in Place
- Organization Policy Manuals May Identify Rules for Class Level Progression



Circumvents Organizational Controls

Competitive Opportunity

- Merit Systems Generally Prescribe Competitive and Fair Competition for Class Progression
- Appeals/Audits May Increase if Competitive Hiring is Replaced with Reclasses



Classes Focus on Work

Essential Duties

- Class Levels Based on Essential Duties – Not Individual Assignments
 - Well-written Classifications Provide the Flexibility to Accommodate Additional Assignments within the Same Level of Work

Classes Intended to Define Work – Not Persons

- Incumbents Assigned to Class of Work
- Historic Use of Auto-Progression Classifications Less Popular Today



Classes Focus on Work

Sustainable Classifications

- Well-written Flexible Classifications that Diminish Reclassifications Provide for Efficient Management
- Transparency, Simplification, and Standardization of the Class System Suffers with Uncontrolled Ongoing Reclassification



External Experienced Needs

“Outside” Applicants

- Barriers
 - Ongoing Reclassifications May Prevent the Application of Experienced Outsiders to Higher Level Classes
 - New Technology and Regulatory Changes May Benefit from Participation of Experienced Outsiders
 - Experienced “Outsiders” May Provide Greater Learning Opportunities for Incumbents

“New Blood”

- Work Group Stagnation
 - Opportunity to Revitalize Work Groups with Outside Experience May be Sacrificed
 - New Ideas from Other Work Units, Governments, and/or Private Sector Infusion



Reclass Policies – Your Current State

Your Current State Reclass “Rules”

1. What qualifies as an initiating change requiring reclass?
2. Who is required to approve requests to move forward? To final approve/deny?
3. What time frames are specified related to request submittals and processing?
4. What role, if any, does budget play in reclass determinations?





STRATEGIES FOR AVOIDING MISUSE

Moving from Narrow to Broad Classes

Broad Class Attributes

- Modern Public Sector Trend
 - Generalized classes based on the type and level of work
 - Increases simplification, flexibility, and standardization

Narrow Classes

- Encourages Reclass Requests
- Minimal Class Level Differentiation



Moving from Narrow to Broad Classes

Broad Class Impacts

- Flexibility
 - To vary assignment within a class of work
 - Promotes cross-training
 - Accommodates changing work requirements
- Promotes Development of Multi-skilled Generalists
- Sustainable
 - Promotes maintenance and understanding of the class system
- Reclassifications Reduced
 - Promotes career growth within the class as skills & knowledge increase



Reclassification Policies

When Reclass is Appropriate

- Significant Changes in Essential Duties
 - Changes in essential duties (not assignments)
 - At least 30% change experienced
 - Change is other than temporary and incorporates essential duties assigned to higher level class
 - Supervisor/Manager/Director approve the need for reclass study
 - Specified minimum time in assigned classification has lapsed
 - Budget approval is obtained for additional incumbents at level in question



Reclassification Policies

Reclass Prohibitions

- Should Not be Used for Primary Purpose of increased pay
- Should Not be Used to Circumvent Competitive Promotion
 - Advancement of favored employee
 - Prevention of consideration of other business unit internal candidates
 - Prevention of consideration of external candidates
 - Prevention of seniority-based promotion





Questions & Discussion

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