

# FIA

# SOLUTIONS

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Volume 6, Number 2

## Workforce Strategy: Changing the Paradigm of Work

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It is government employees who patrol its streets, maintain its roads, fight its fires, deliver recreational and social services to its neighborhoods, and interact daily with taxpayers in providing a broad range of critical services. Employee wages and benefits are one of government's largest expenditures, representing roughly one to two dollars for every three dollars spent. No single facet of government operations has a larger impact on either the government's bottom line or its quality of services than does the management of its workforce.

Unfortunately, few have tried to make significant changes in the work environment or use its workforce as a strategic advantage. Perhaps this is because changing the culture and systems of the workforce is a multi-year process. Few elected officials have the desire to engage in long-term solutions, or start to make changes that may not be obvious to citizens in the short term.

The critical systems that provide a foundation for developing a workforce strategy are obvious. They include systems that affect a person's career such as career development, training and employment security. They include the compensation and benefits programs. The work itself is a key component in terms of the variety, challenge, meaningfulness and the manner in which feedback is received.

These critical systems provide the foundation for an organization's overall human resources management, including: recruitment and selection of employees, pay, performance management and incentives, and employee development and succession. All are primarily Human Resources Department issues, but they require a strong commitment at the top if they are to change.

One way to make the change is through the compensation system. If compensation can be changed, there is a better chance that other components of the human resources systems will change as well. Money works because it is so tangible. It is a currency that everyone understands. It is true that you get what you pay for, and in compensation circles, you get what you measure.

As the contemporary workplace has changed, however, an organization's classification and compensation systems have not kept pace with contemporary needs. The following are among some of the issues that we believe are the key indicators that a new workforce strategy is needed.

Many organizations are committed to holding employees accountable, but don't have the right systems in place to enforce it or encourage it. Instead, they flounder with performance evaluation forms and processes that employees and managers have no faith in, yield questionable information and/or are not linked to personnel changes such as pay and promotion.

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Also evident; most organizations have cumbersome classification systems that encourage manipulations of job descriptions, the creation of numerous and unnecessary job descriptions which generates needless reclassification requests, and burdensome, time consuming paperwork that ties managers hands, limits employee growth, and forces Human Resources departments into roles that are poorly suited for a positive work environment.

For those organizations with unions or collective bargaining agreements, the work rules often hamstring governments from utilizing the work force effectively while at the same time, limiting employees' ability to grow and develop.

Finally, if the organization recognizes these issues and attempts to work at them, they do so in an uncoordinated fashion so that when new systems are developed, none of them work in harmony with the other.

These are tough, organization changing issues. We believe that organizations are finally coming to terms with the fact that in order to become more effective at delivering services, some basic human resource systems must change.

In the last year, we have seen a greater frequency of larger organizations questioning if the human resources systems they have in place should continue, or if a radical change is necessary.

But how do you go about making the change? In our opinion, it starts with consensus.

We have found that it is essential for the key decision makers to develop a consensus on the problems that affect the current program and what needs to be resolved. They need to fully understand why the problems arose and the anticipated reactions of stakeholders if the problems are addressed.

The foundation for building consensus starts with an agreement that a problem exists. That should not be hard to obtain--just talk to the department managers or the employees.

But once an agreement exists that change is necessary, it is helpful to establish future targets. For example, you may want to state that in 2005 you will have a classification system that is so easy to use that managers who are unskilled in the nuances of classification theory, can classify a job correctly. This goal is far enough into the future that you can actually visualize this taking affect without it negatively affecting any employee. Thus, it becomes possible.

Next you might identify a goal that states that an employee's pay will be based on their competency to do the job; that promotions will be based on additional skills and capabilities. Perhaps this is a bit harder to accomplish, but now you begin to see that the classification system needs to be based on those capabilities that affect pay.

Next, you would like employees and managers to be accountable for achieving objectives that are important to the City. This requires a feedback system, and suggests that promotions and pay increases will need to be linked to such accountabilities.

As you look out into the future, you can imagine the possibilities of significant change. You can begin to see how each system forms part of a whole and each must support the other.

Once the future targets are identified, you work backward to identify the steps you need to get there. The process falls into place. Each step towards change becomes feasible.

Each step is linked.

It becomes a workforce strategy for change.