

# That's Gonna Leave a Mark!

Learning from the pitfalls and missteps  
made during classification and  
compensation studies

May 7, 2025/ TL Cox/Mike Verdoorn

**2026 TMHRA Annual Conference**

# Introductions



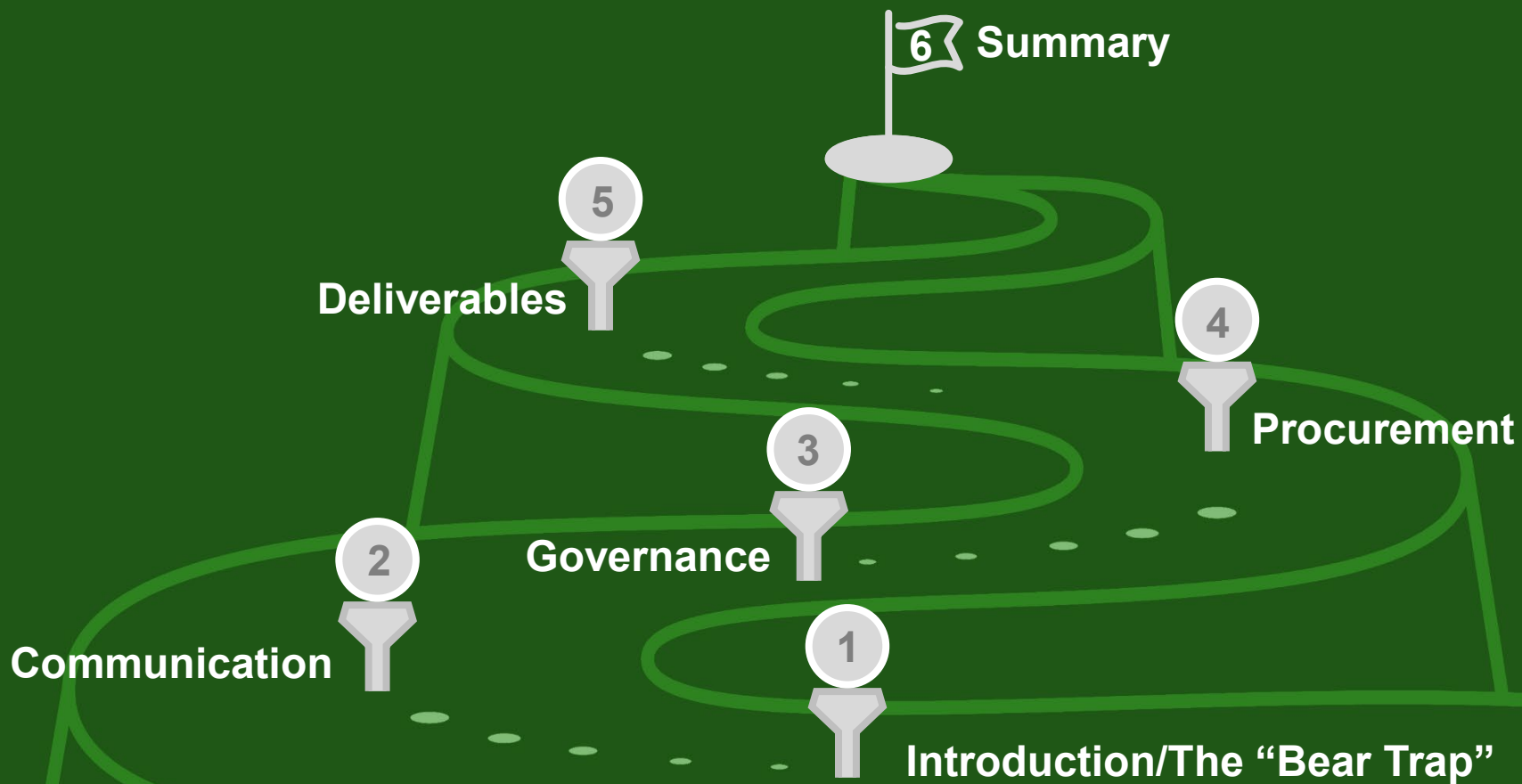
**TL Cox**  
Vice President



**Michael Verdoorn**  
Vice President



# Agenda





# Introduction / The “Bear Trap”

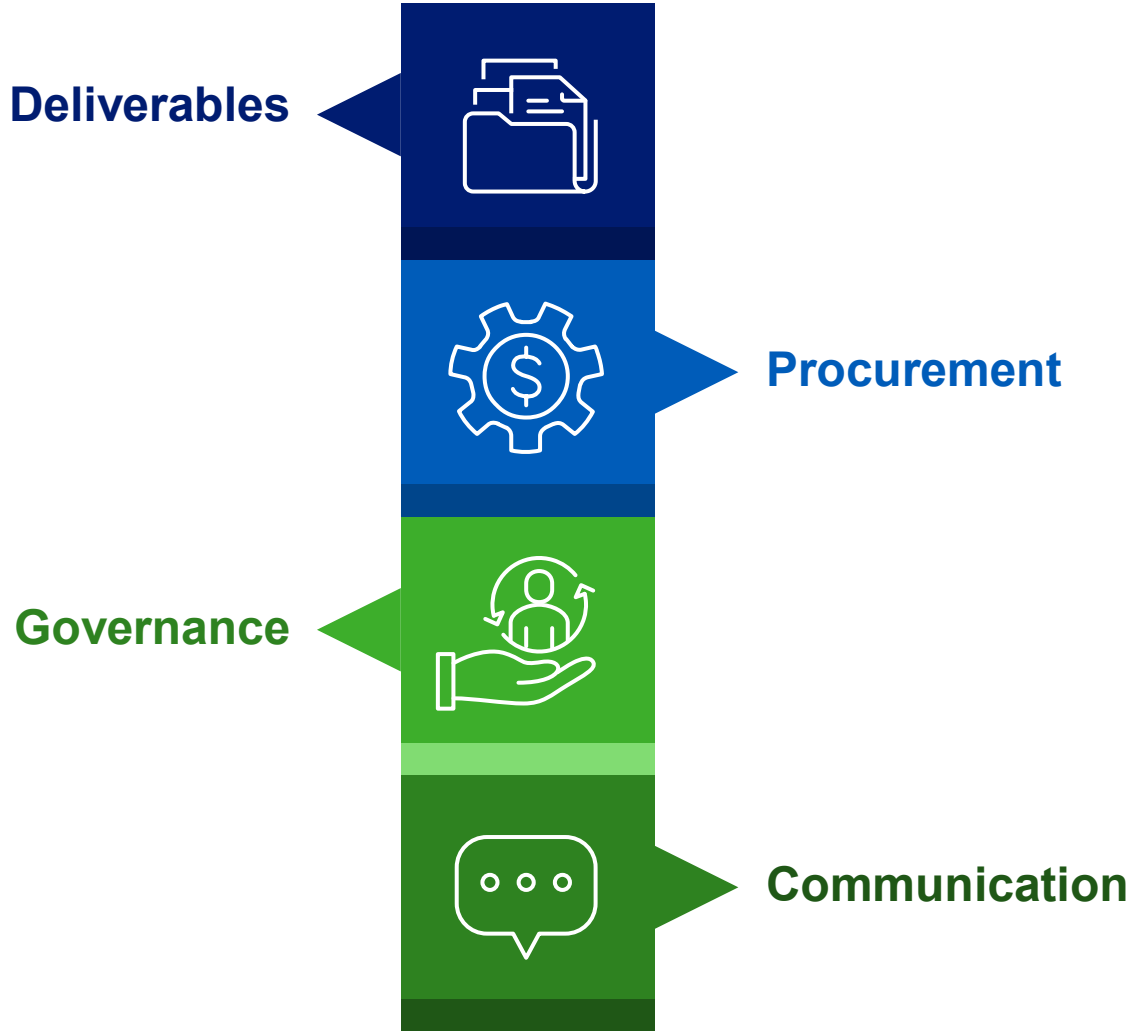
# Introduction



How frequently will your agency conduct a comprehensive classification and compensation study?



# The “Bear Trap”





# Communication

# Project Pitfalls: Communication



Example 1	Example 2	Example 3	Example 4
<p data-bbox="242 446 667 604"><b>Inaccurate or confusion project scope, initiative was advertised as a “Pay Equity Study”</b></p> <ul data-bbox="242 629 667 889" style="list-style-type: none"><li data-bbox="242 629 667 746">• Based on that, proposal was a standard study with multiple objectives</li><li data-bbox="242 772 667 889">• Organization was left with limited viable proposal options</li></ul>	<p data-bbox="726 446 1126 682"><b>Two parallel projects, an “ideal” future state (new job alignment and pay ranges) and one maintaining the status quo</b></p> <ul data-bbox="726 708 1126 1153" style="list-style-type: none"><li data-bbox="726 708 1126 868">• Different job descriptions (due to inaccuracies in the existing specifications)</li><li data-bbox="726 893 1126 968">• Variations in market definition</li><li data-bbox="726 993 1126 1153">• Created confusion, added cost, and pits recommendations against one another</li></ul>	<p data-bbox="1210 446 1635 564"><b>Lack of understanding of what a “classification analysis” really means</b></p> <ul data-bbox="1210 589 1635 1072" style="list-style-type: none"><li data-bbox="1210 589 1635 782">• RFP included questionnaires, employee involvement, job evaluation system, etc.</li><li data-bbox="1210 808 1635 925">• Inaccurate employee and management expectations</li><li data-bbox="1210 951 1635 1072">• Calls into question the accuracy of market data collected</li></ul>	<p data-bbox="1694 446 2094 604"><b>Civilian and fire union(s) invited to provide feedback, but police union excluded</b></p> <ul data-bbox="1694 629 2094 1135" style="list-style-type: none"><li data-bbox="1694 629 2094 746">• Worked through the organization to schedule meetings</li><li data-bbox="1694 772 2094 846">• Led to believe police union declined meeting</li><li data-bbox="1694 872 2094 1032">• Didn’t discover until public comments that they had been intentionally excluded</li><li data-bbox="1694 1058 2094 1135">• Creates a lack of trust in the process</li></ul>

# What went wrong?

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## Miscommunication

Compensation is both an art and a science, and certain elements can mean different things to different people. It's essential to ensure alignment of goals (and, for that matter, deliverables), so you can properly manage expectations internally, and convey to your consulting partners what you need to achieve.



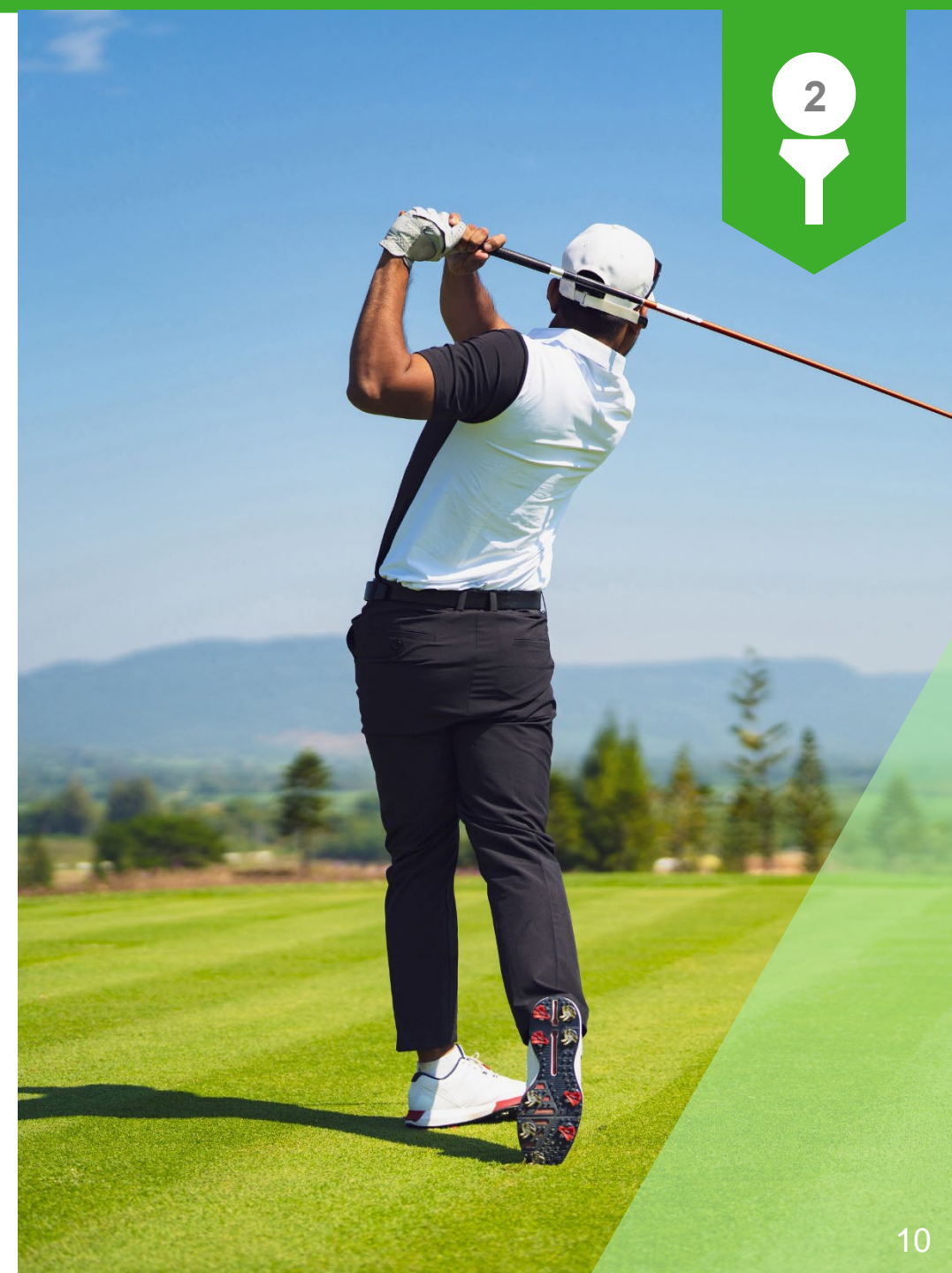
## Lessons learned

- Develop an understanding of what the components of classification and compensation really mean (“speak the same language”)
- Verify alignment between those components and the scope of services you’re asking for
- Identify and involve stakeholders who can influence a study’s implementation
- Prioritize internal, pre-communication with HR

# Drivers of Success

## Tactics

- Who is responsible for what
- Engage leaders and stakeholders
- Ensure understanding and alignment, but be flexible — you may need to pivot





# Governance

# Project Pitfalls: Governance

Example 1	Example 2	Example 3	Example 4
<p><b>Project team consisted of almost exclusively HR</b></p> <ul style="list-style-type: none"><li>• Worked with partial information, unaware of financials</li><li>• Avoided opinions of union representatives and operating departments</li><li>• Recommendations were not implemented</li></ul>	<p><b>Elected officials encouraged to play an active, “hands-on” role</b></p> <ul style="list-style-type: none"><li>• Analysis was used to try to “paint a picture” for use in political rhetoric</li><li>• Pressure for data to support policy decisions that had already been made</li><li>• Always “personalized” information – couldn’t separate the person from the job</li></ul>	<p><b>Project conducted in the middle of a change to the form of government (from council-manager to strong mayor)</b></p> <ul style="list-style-type: none"><li>• Because of the change, little to no top executive buy-in</li><li>• Entirely new suite of decision-makers</li><li>• Variability in goals, objectives, and perceptions of the current system</li></ul>	<p><b>HR agreed to perform a study much too quickly for a thorough, complete analysis</b></p> <ul style="list-style-type: none"><li>• No time for questionnaires (even though there were apparent job classification issues)</li><li>• Everyone, from the top executive to department heads and employees, felt like quality was being sacrificed for timeliness</li><li>• Created unnecessary stress in internal project team members</li><li>• Impacted study credibility (and cost additional time to prepare for implementation)</li></ul>

# What went wrong?

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## Miscommunication

- Limited participation from necessary stakeholders
- Minimal cooperation with or exposure to influential decision makers
- Results lose credibility if secretive or if they fail to solve known problems of the current system
- Quality was sacrificed for speed



## Lessons learned

- Appropriate involvement of key stakeholders is often essential to success
- Don't let outside political pressures dictate how you conduct your study
- Always look at JOBS and not PEOPLE
- Vacancies in influential positions (top executive, HR leadership, etc.) have a meaningful impact on overall acceptance
- Studies aren't funded often...when they are, don't sacrifice quality for speed

# Hole-in-one Strategies

## Governance



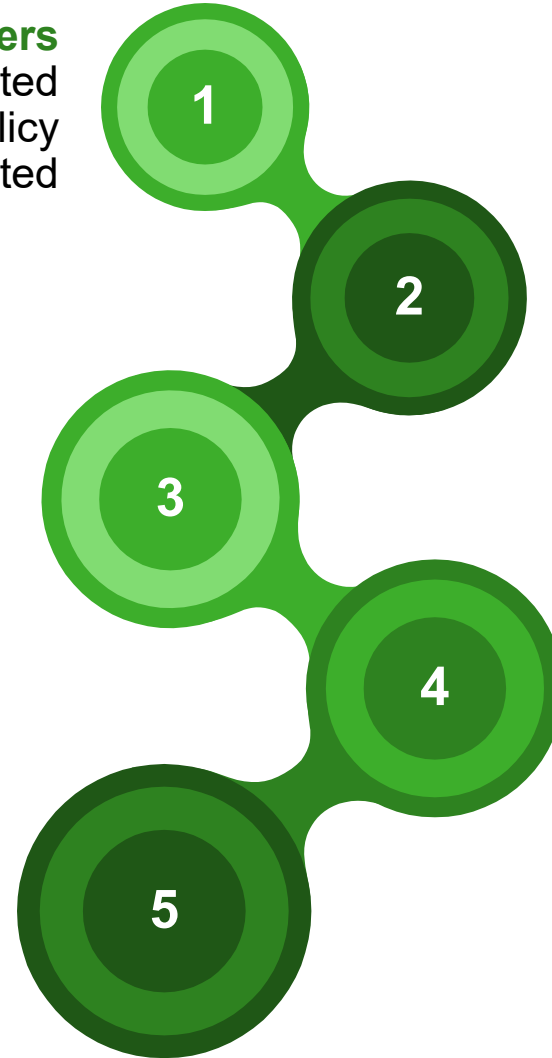
**Decision makers**  
Should be updated regularly, with policy decisions documented

**Timelines**

- Weekly reporting
- Delays (and impacts) clearly communicated

**Project teams**

- Internal point person (may vary based on workstream)
- Cross section of involvement (different levels)



### Stakeholders

- Steering committees
- Advisory groups
- Labor-management committees

### Established responsibilities

- Individual and team-based accountability
- Evaluate competency (it's not an emeritus assignment or something meant to justify a promotion)



# Procurement

# Project Pitfalls: Procurement

## Example 1

### Accepted proposal for a 12-month engagement, organization delayed 8 months

- Still tried to finish the project within the original schedule
- Led to an increase in project price and took a toll on the internal project team

## Example 2

### Adherence to rigid procurement approaches

- Inability to engage with experts in the field (“you don’t know what you don’t know”)
- Cost weighted disproportionately high in evaluation factors
- Lack of creativity in doing RFI or RFQ solicitations
- Unreasonable timelines (Q&A, proposal, the study itself, etc.)
- Sole-source justification, when appropriate
- Bid bonds

# What went wrong?

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## **Procurement of a classification and compensation study is a critically important step.**

It's important to ensure you're getting the best value for the project, which may not necessarily be a quantitative exercise. The credibility of the consulting partner, the consistency, objectivity, and defensibility of their analysis (and any tools provided at the conclusion of the project), and the fit with your project team and stakeholders may not be evident during rigid procurement (RFP) processes.



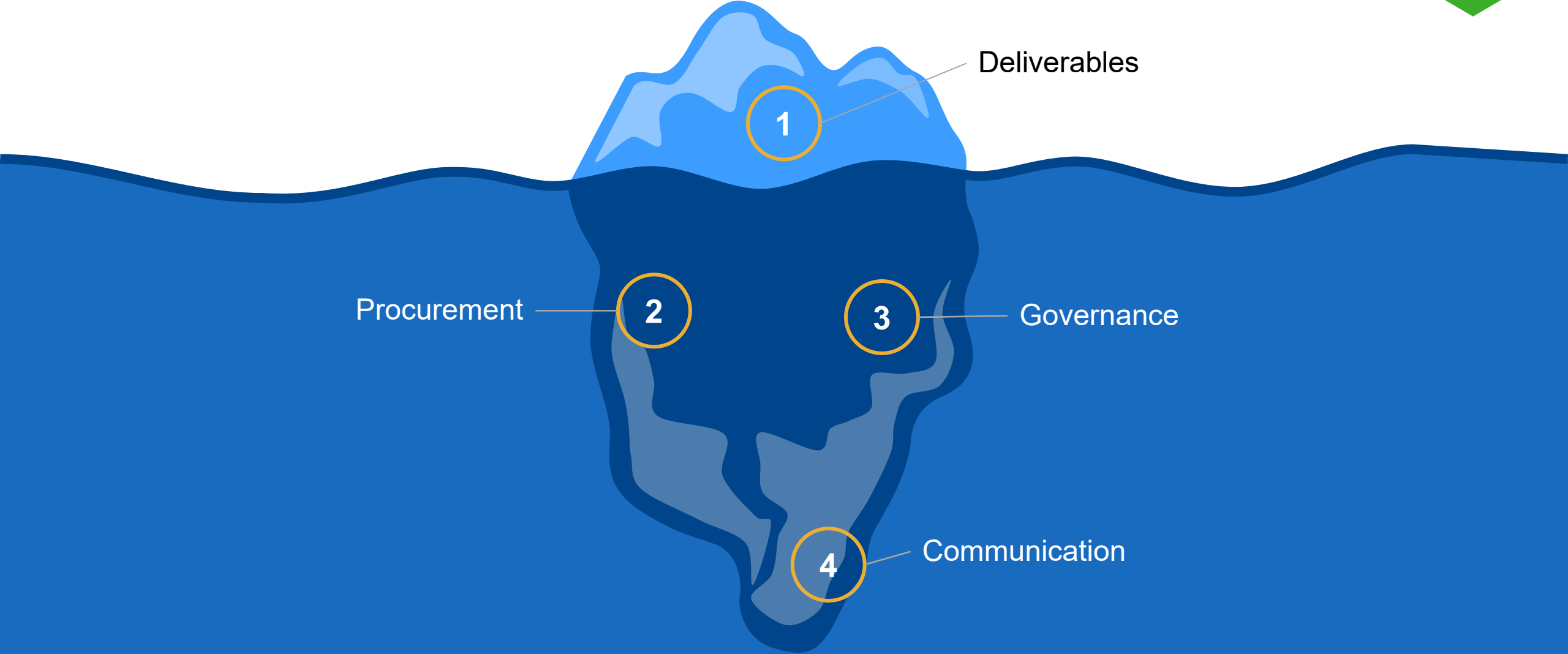
## **Lessons learned**

- There are procurement approaches (RFI, RFQ, etc.) more effective at evaluating professional services than traditional RFPs
- Placing too high a value on cost may render the most qualified firms unable (or unwilling) to compete
- Most advisory firms have consultants involved in the proposal process (which means timelines for questions and responses, and the submittal itself should be reasonable)
- Consultants ask the questions they do for a reason – canned, vague, or contradictory responses may dissuade some firms from bidding or create misalignment on scope
- Bid bonds aren't appropriate in HR consulting contracts



# Deliverables

# Iceberg Above Below



# Project Pitfalls: Deliverables

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## Example 1

### Final Deliverable Presentation to Decision Makers and Staff

- Employees were under the impression everyone would receive a pay increase
- Town Hall style – moderation was not effective; team was unable to keep up with employee questions

## Example 2

### Expecting your consulting partner to “rubber stamp” recommendations

- Developing recommendations to justify atypical organizational structure
- Trying to use a compensation study to prompt staffing changes (addition to or removal of headcount)
- Pursuing recommendations that contradict the internal comparative analysis or the market data



# Summary



## **Incorrect initial data**

leads to mistakes and recommendations that are not actionable

## **Budgetary issues**

no means for study implementation (or prioritizing across the board increases first)

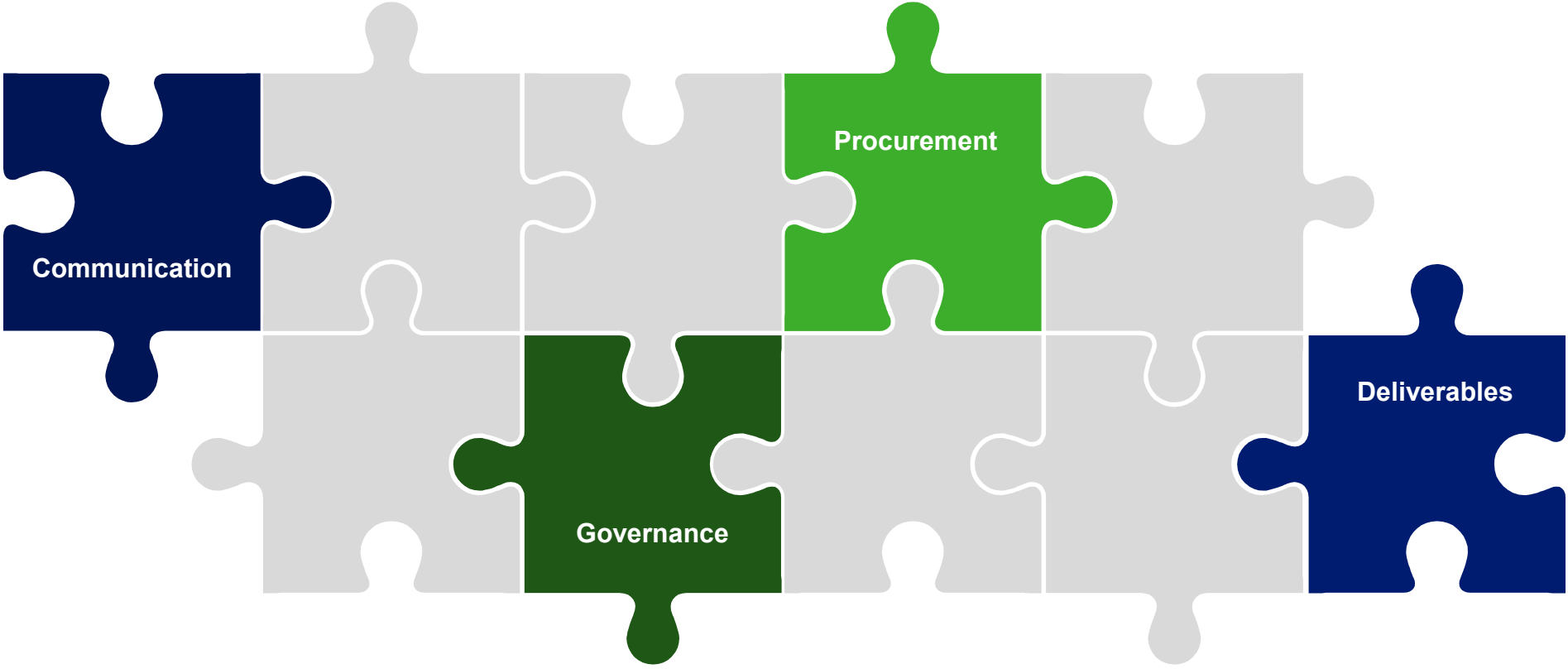
## **Over-sharing of information**

Full classification structure, mechanics of the job evaluation system, individual market matches, etc.

## **Change management and communication**

Implementation plans — communication strategy, townhall video or message

# Putting It All Together (Perfecting Your Swing!)



“Focus on remedies,  
not faults”

– Jack Nicklaus



# Thank You!

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