



## Case Study

# Transforming Municipal Compensation Strategies in the City of Plano

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## Situation

When the City of Plano approached CPS HR Consulting, they faced a challenge familiar to many municipalities: how to maintain a competitive compensation system that attracts top talent while ensuring fiscal responsibility. With a longstanding philosophy of positioning pay at median +5% of market competitors, the City needed expert guidance to evaluate whether this approach was still serving their workforce and taxpayers effectively. They selected CPS HR Consulting for our proven track record in public sector compensation and our reputation for delivering practical, implementable solutions that address both immediate and long-term needs.

## Challenge

Like many growing municipalities, Plano was experiencing several compensation-related challenges that threatened their ability to attract and retain quality talent:

- ◆ **Pay Compression:** Over time, compression had developed between new and tenured employees, creating potential morale and retention issues.
- ◆ **Internal Equity Concerns:** Employees had raised concerns about "hometown discounts" for internal promotions and inconsistent job family alignments, making career advancement less attractive.
- ◆ **Communication Gaps:** Managers lacked effective tools to explain compensation decisions, creating transparency issues and employee dissatisfaction.
- ◆ **Market Position Maintenance:** The City needed a systematic approach to maintain its desired market position without creating unsustainable fiscal commitments

*"Our goal was to ensure our compensation structure remained equitable, competitive, and aligned with best practices, while also addressing employee concerns and improving transparency."*

## Solution

CPS HR Consulting delivered a comprehensive solution designed to address both immediate concerns and establish sustainable practices for the future:

- **Data-Driven Analysis:** We conducted a thorough assessment of existing pay structures and practices, providing objective insights into areas requiring adjustment.
- **Tailored Market Benchmarking:** By carefully selecting and analyzing 14 peer organizations, we created a relevant market comparison that aligned with Plano's unique position and needs.
- **Strategic Structural Recommendations:** Rather than one-size-fits-all approaches, we developed customized solutions that addressed specific issues like pay compression and job family alignment.
- **Practical Communication Framework:** We equipped managers with easy-to-implement tools for transparent compensation discussions, enhancing employee understanding and satisfaction.

Our approach emphasized practical implementation, ensuring recommendations could be readily adopted without disrupting operations or requiring extensive additional resources.



Photo courtesy of City of Plano

## Results

Throughout this process, the City's dedicated HR team proved instrumental, providing crucial institutional knowledge and collaborative partnership that significantly enhanced the effectiveness of our solutions. The partnership with CPS HR Consulting delivered tangible outcomes including:

- ◆ **Equitable Pay Framework:**
  - Implemented a consistent yet flexible approach to salary determinations for new hires, eliminating subjectivity and guesswork.
  - Created a practical tool for evaluating current employee compensation, allowing for adjustments that improved internal pay equity.
- ◆ **Optimized Salary Structure:** Created market competitive salary structures with consistent bandwidth and clear pay grade separation, eliminating structural and market inconsistency.
- ◆ **Enhanced Manager Capabilities:** Supervisors now have clear guidelines, increasing confidence with compensation-related discussions and decisions.
- ◆ **Sustainable Long-Term Strategy:** The City gained a maintainable framework for ongoing compensation management that balances competitiveness with fiscal responsibility.

*"CPS HR's expertise provided us with a clear framework that ensures our employees feel valued and our pay practices remain competitive."*