

Maximize the Effectiveness of Your Salary Budget

Designing a Job Classification and Wage Scale System

by Mary Ann Anthony

As the American economy continues to grow, creating unprecedented low unemployment across the country, child care center directors are challenged with recruiting and retaining qualified staff in a shrinking labor market. At the same time, the demand for quality child care has never been higher. In this pressured environment, wage rates are often arbitrary, depending upon how desperate the director is to hire or retain or which staff member yells loudest for an increase. Staff morale and loyalty always suffer in this atmosphere of grab what you can, and turnover increases as staff seek higher wages or fairer treatment elsewhere. So what is the solution?

The answer is to assess the state of your program's current practices and apply rational thought to your job descriptions, wage scale, and salary increment policies to maximize the effectiveness of your salary budget.

What Are the Characteristics of a Good Salary Plan?

- Establishes wages in a systematic way that everyone can understand
- Reflects levels of pay in the community

- Reflects relative worth of jobs in the center
- Fair and consistent in treatment of employees
- Built on classification of jobs that recognizes degree of difficulty and responsibility
- Recognizes education and experience of employees

Why Have a Job Classification and Wage Scale System?

Staff retention. When a clear and definitive career ladder is established, staff can see what it will take to advance professionally and what the rewards will be as they do.

Staff motivation. Staff will have clear incentives to improve their professional qualifications.

Fairness. Because a rational and consistent pay scale related to clearly defined qualifications and job responsibilities is made visible to each staff member in a center, the perception of deals and favoritism is eliminated. Though it takes a period of time to fully implement, ultimately staff in the center doing the same job with the same qualifications and longevity will receive equitable compensation.

Improved quality of staff. Staff see the benefit of their own professional

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development in terms of monetary reward and career advancement. Directors can allocate their precious compensation dollars to get the biggest bang for the buck in terms of staff qualifications.

Enhanced ability to analyze compensation issues. Budgeting becomes easier because wage rates are more predictable. The exercise of comparative wage studies is simplified.

Once you accept the value of having a job classification and wage scale system, there are steps to follow to develop one that reflects the reality of your center. As director, the easy way is to go through these steps in splendid isolation and finish the job in a day or two. However, the staff will accept the plan more readily if the process is participatory. A representative committee of staff members will lend credibility and a sense of openness to the project.

Steps to Getting Started

Do a task analysis and identify the positions and classifications your program needs. This should be done as objectively as possible, without regard for the personalities currently in any of the positions.

Develop job descriptions. These should summarize the information gathered in the task analysis and should consider the following factors:

- Nature of the work itself
- Degree of responsibility
- Responsibility of supervision of others
- Nature of supervision received
- Degree of contact with the public
- Knowledge, skill, or ability required
- Training and experience required

Set minimum qualifications for each position.

- Education
- Experience
- State certification

Classify each position in relation to the others. Develop your ideal functional organizational model and develop a chart which displays your classifications visually.

Survey competitive wages in your community. Consider the relative value of your benefit options when comparing your wages to others.

Establish a wage range for each identified job classification. This is often best expressed as Low – Mid – High. Chart this on your classification grid.

Analyze your current employees. Make a list showing their educational level, experience, certification, and current rate of pay. At this point (to protect confidentiality), you will not include your committee.

Determine where your employees fall on your new job classification grid by virtue of their qualifications, NOT by their current job title.

Analyze whether their current wage falls within or outside the new ranges established for their qualification level.

Adjust the pay range for the classification wherever necessary.

Develop a plan to make any necessary adjustments to individual pay rates to conform to the new scale. This could mean phased in incremental increases for staff who fall significantly below the range and position they're in, or it could mean freezing wages for staff who are compensated above their qualification and responsibility level. All new hires will conform to the system from date of hire.

Develop increment policies, considering the following common reasons for granting increases or exceptions:

- Qualifications
- Merit
- Length of service
- Cost of living
- Available resources

Finally, plan to revisit your wage scale periodically to be sure that it still meets your program's needs. Once your plan is established, revision should be a simple process.

It will take some time and a thoughtful plan to eliminate the inequities in your center. Ultimately it should enhance your ability to recruit and retain qualified people. This article has deliberately not addressed the issue of how to pay for an enhanced wage scale. In my experience, an analysis of the competitive wage market and a rationally worked out job classification and wage scale are important tools to use in approaching parents, boards, and other funders for additional salary dollars.

Resources

The following resources are helpful in developing job descriptions or gaining insights on the subject of fair and equitable wage systems:

Bloom, P. J. (1993). But I'm worth more than that! Implementing a comprehensive compensation system. *Young Children*, May, 67-72.

Center for the Child Care Workforce. (1998). *Creating better child care jobs: Model work standards for teaching staff in center-based child care*. Washington, DC: Center for the Child Care Workforce.

National Child Care Association. (1992). *Sample job descriptions to assist in complying with the Americans With Disabilities Act of 1990*. Atlanta, GA: National Child Care Association.

Southern Regional Education Board. (1979). *Day care personnel management*. Atlanta, GA: Southern Regional Education Board.

Whitebook, M., & Bellm, D. (1999). *Taking on turnover: An action guide for child care center teachers and directors*. Washington, DC: Center for the Child Care Workforce.

Proposed Staff Qualifications/Responsibilities/Wage Scales

POSITION AND MINIMUM QUALIFICATIONS	SALARY RANGES			RESPONSIBILITIES
	LOW (Starting)	MID (2 ¹ / ₂ Years)	HIGH (5 Years)	
Assistant Teacher, Level I • 16 years old, no experience, no course • Full or part time	\$7.00/hour	\$7.65/hour	\$8.25/hour	Staff/child interaction, staff/staff interaction, implementing curriculum
Assistant Teacher, Level II • High School Diploma/GED • OCCS Teacher Certified • CPR Certified • 1 year experience	\$8.00/hour	\$8.65/hour with additional course	\$9.25/hour with 3 courses	Above, plus staff/parent interaction
Teacher, Level I • Assistant Level II plus 1 additional course or • CDA with 1 year experience • Literate	\$10.00/hour (\$19,500/year)	\$10.80/hour (\$21,060/year)	\$11.60/hour (\$22,600/year)	Above, plus lesson plans, health and safety, child assessment, behavior management, classroom environment
Teacher, Level II • CDA with 2 years experience or • Associate with 1 year experience or • BA with 6 months experience (OCCS Lead Teacher or higher)	\$10.75/hour (\$21,000)	\$11.60/hour (\$22,600)	\$12.45/hour (\$24,200)	Above, plus responsible in absence of lead teacher
Lead Teacher • CDA with additional courses toward degree and 3 years experience or • Associate with 3 years experience or • BA with 18 months experience	\$12.00/hour (\$23,400)	\$12.95/hour (\$25,252)	\$13.90/hour (\$27,100)	Above, plus progress reports, parent confences, responsible for overall program planning
Mentor Teacher (ECE Specialist) • BA and 6-10 years experinece or • MA and 4-8 years experinece (minimum 3 years in one center, internal candidates only)	\$14.00/hour (\$27,300)	\$15.10/hour (\$29,445)	\$16.25/hour (\$31,600)	Above, plus specialized education duties, mentor less experienced staff, provide training
Assistant Director • Same as Mentor Teacher, but OCCS Director I or II qualified	\$14.00/hour (\$27,300)	\$15.10/hour (\$29,445)	\$16.25/hour (\$31,600)	Supervise lead teachers and teachers, assist director with administrative duties, assume responsibilities in director's absence
Program Director (Center Based) • OCCS Director I or II, 3-5 years experience (center specific) • BA in ECE or related field	\$16.40/hour (\$32,000)	\$17.70/hour (\$34,515)	\$19.00/hour (\$37,118)	Overall responsibilities for program leadership, quality, health and safety, fiscal management
Program Director (Family Child Care) • BA in ECE or social work, 3-5 years supervisory experience				
Provider Coordinator • BA in social work or ECE	\$12.30/hour (\$23,985)	\$13.25/hour (\$25,838)	\$14.25/hour (\$27,800)	Coordinate all activities related to assigned family child care providers
Case Manager • BA in social work or related field				Coordinate and manage all activities relating to assigned clients of family child care program
Director of Child Care Services • MA in ECE, administration, social work, or related field or • BA with MA in progress (additional experience may substitute for MA) • 5-7 years progressively responsible experience in child care, human services • 3-5 years supervisory, administration, community organization	\$40,000	\$47,500	\$55,000	Responsible for carrying out agency's mission and for overall operation of all assigned programs, provide leadership and vision to all program staff

Competitive Wage Analysis

Center _____ Competitor Name _____

Date _____ Location _____

Licensed Capacity _____

Employer Sponsored/Subsidized Yes No

Single Site _____ Multi Site _____

POSITION	WAGE RATE			HOURLY/ SALARY	# EMPLOYEES IN POSITION	BONUS Y/N AVG \$	BENEFITS							
	LOW	AVERAGE	HIGH				VACATION	SICK	HOLIDAY	PROF DEV	MEDICAL (\$)	DENTAL (\$)	OTHER	
ASSISTANT TEACHER														
TEACHER														
LEAD TEACHER														
TEAM LEADER														
ASSISTANT DIRECTOR														
DIRECTOR														
COOK														
SUBSTITUTE														
OTHER (define)														

Please provide other information you learn about this center that may be helpful in determining wage scales.
