



LOCAL GOVERNMENT
PERSONNEL SERVICES

Your Resource for Labor Relations and HR Assistance

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LGPS Point Factor facts

LGPS is a government-consulting firm specializing in assisting local government entities with specific projects related to Human Resources and Labor Relations. Classification and compensation analysis is one of LGPS's primary HR services. The first step in the process is the updating of job descriptions. LGPS can assist with this and/or help agencies determine whether or not certain positions are exempt versus non-exempt based on the criteria laid out in the Fair Labor Standards Act, or agencies can complete this phase of the process in-house.

Point Factoring is the second phase of LGPS's classification and compensation process. This method is used by LGPS because it is a consistent approach to evaluation based upon objective criteria. Jobs are not evaluated against one another, but against pre-set criteria within the Point Factor system (experience, education/training, complexity, errors, contacts with others, supervision, etc.). The data is provided to LGPS in the form of a Position Analysis Questionnaire (PAQ) completed by incumbents and supervisors, combined with a current job description. The LGPS Point Factor system does not evaluate individual credentials, but instead the requirements and responsibilities of a job. If an Administrative Assistant has a master's degree, but the job requires a high school diploma plus some post-secondary education, the Point Factor system does not take the individual's master's degree into account. Point Factoring does not evaluate people, only positions. By the same token, if a city requires a higher degree or certification for a position, then those required credentials would be taken into account within the Point Factor system.

Point Factoring is only one step in a multi-stage process to determine whether a job is being compensated fairly and accurately. Point Factoring provides a general hierarchy of positions within an organization and enables the identification of benchmark positions. These benchmarks are then compared with similarly situated positions within the market to determine how the current compensation level compares to the market. If requested, LGPS will provide recommendations about compensation practices and how individual jobs compare with the market. The data gathered in the process is provided to Management, who will then ultimately determine how the information will be used.