



HSVPOA Employees – Our Greatest Asset

Description

Understanding the People Side of the Equation

Up to this point, articles from FRATF have focused on the physical assets of Hot Springs Village including roads, facilities, amenities, and services. Now we need to look at our human assets: the employees that provide those services and maintain our roads, facilities, and amenities. Currently, there are approximately 453 POA employees. Just over half (55.4%) are full-time and the remainder is part-time.

It is a challenge to stay fully staffed, especially in today's very tight job market. Right now, there are 26 job openings to be filled. Being understaffed impacts the quality and level of service we receive here in HSV. If there are manpower shortages in a specific department, hours may have to be shortened at facilities, or services stopped. Sometimes staff can be moved from one department to another to provide coverage but that has consequences too. Work doesn't get done when and where it needs to be done. The current overall turnover rate is 12.6% (10-12% is considered healthy). However, the "new hire" turnover rate for those who quit within the first year is higher than average (30.2% versus average of 20-25%).

Why Do People Quit?

When someone quits, they are encouraged to participate in an exit survey, although not everyone does. We would like to understand why they want to quit and perhaps remedy the situation. The two top reasons why people quit are:

1. They found a job that pays better.
2. They don't have the tools or equipment they need to do their job.

Let's address item #2 first. In previous articles, the FRATF discussed the issue of an aging infrastructure. Hot Springs Village is 50 years old. Much of the equipment is aging too, including machines, vehicles, and other essential tools and equipment that employees use daily. It's hard to do your job when you don't have the right tools for the job or if the equipment constantly needs repair. This impacts productivity and effectiveness and could potentially

become a safety concern in some cases. For so many years, we haven't spent money in this area for budgetary reasons, and this has an impact on employees' ability to perform their work.

Minimum Wage versus Livable Wage

Now let's talk about item #1- Employees leaving for a better paying job. In 2021, the Arkansas State minimum wage increased from \$10.00 to \$11.00. From a full-time employee's perspective, that's an additional \$40/week in their paycheck. But sadly, minimum wage doesn't cover life's essential needs anymore. A newer term, "livable wage" is used to describe the wage required to cover minimum essential needs for housing, clothing and food. Currently, according to the Massachusetts Institute of Technology Living Wage Calculator, the minimum livable wage in Arkansas is \$13.29/hour for a single adult without children. If someone works full-time at minimum wage and receives benefits such as health insurance and paid time off, this can compensate for some of the difference between minimum and livable wage.

A little more than one-third of POA employees (38.4%) receive minimum wage. The majority (85%) of the minimum wage employees work part-time and are not eligible for benefits. This becomes an employee retention challenge when there are other local employers willing to pay more than minimum wage. McDonald's, right outside of the West Gate, is currently offering \$14.00 starting pay. But increasing the minimum wage within Hot Springs Village would have a significant impact on the POA budget. For every \$1 we could increase pay, it would require an additional \$1.5 M/year.

Why So Much?

An increase in the minimum wage impacts more than just one pay grade (see end of article for the definition of "pay grade"). It has a cascade effect. When there is an increase in the first pay grade, that could force an increase in the next pay grade. There are more than 20 pay grades in the POA, and each has an established range (minimum salary – maximum salary). The difference between one pay grade and the next is only 3-5% as established by POA policy. In 2020, four pay grades were impacted by the minimum wage increase and in 2021, five pay grades were impacted by the increase in minimum wage to \$11/hour. To put that in terms of staffing, roughly 75% of POA employees would be impacted if the minimum wage were increased by \$1.

Staying Competitive

Salaries for some POA job positions have been questioned through the years. In the past couple of years cuts to upper management positions have led to \$954K in savings. Moving forward it is the goal of the POA to offer fair and competitive salaries. A recent in-depth analysis was conducted comparing POA job positions with other similar positions within the State of Arkansas and across the United States using databases from the Bureau of Labor Statistics and job search websites. Job positions in all paygrades were surveyed including maintenance workers, greenskeepers, technicians, public safety (fire and police), electricians, managers, supervisors, directors, and others.

The analysis found that there are 101 job positions at pay grade levels ranging from 1-18 that were paid approximately 19.7% less than the average for their positions. Just 39 job positions

at pay grade levels ranging from 2-18 were paid on average 11% more than the average for their positions. Reasons why they are above the average include their education, 5+ years experience, added certifications, and tenure. The analysis confirmed which job positions are not competitive in their pay, and to retain those employees, compensation recommendations will be made during the budget build process.

In Summary

The POA staff have served the membership well over the years. Through the budget struggles, they have been making do and cutting back. Our employees are Hot Springs Village's greatest asset. We need to invest in them just as much as we do in the other aspects of the Village. FRATF analysis shows that cutting staff or staffing budgets to solve the financial issues will not achieve the desired goal. The data suggests a focus on maintaining our staffing is required to address our infrastructure and equipment needs. Staffing is needed to operate and maintain the Village. Employees who have what they need to do their work are more productive, especially when they feel they are compensated fairly.

Note: "Pay grade" – A pay grade is a step within a compensation system that defines the amount of pay an employee will receive. The pay grade is generally defined by the level of the responsibilities performed within the job description of the position, the authority exercised by the position, and the length of time the employee has performed the job.

Hot Springs Village FRATF Human Resource Statistics

[POA-Human-Resource-Statistics](#)

[Click here to visit the FRATF page on the HSVPOA website for FAQ's, Articles, Infographics, and More!](#)

Note from Cheryl: The above article from the Future Revenue Analysis Task Force (FRATF) was emailed to Hot Springs Village Property Owners on July 27, 2021.

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