



NJDOT Compensation Scan and Retention Study FINAL REPORT

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Submitted by

Danena Gaines
Principal Investigator
Cambridge Systematics, Inc

NJDOT Research Project Manager
Kamal Patel

In cooperation with

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16. Abstract With noticeable staff turnover in certain employment classifications, NJDOT engaged Cambridge Systematics (CS) to conduct the Compensation Scan and Retention Study. This scope of work is focused on researching and collecting information on compensation and retention of employees utilized by municipalities and county transportation agencies, private transportation agencies and state DOTs to identify current and best practices related to employee compensation for the NJDOT employment series: Automotive Mechanic, Highway Operations Technician, and Electrical Mechanic. The study findings aim to ensure that the Department's practices and procedures for compensation and general employment practices are aligned and competitive with nearby agencies, as well as nationally. The objective of this research is primarily to better understand compensation for the positions of interest in order to support and provide proper justification for internal adjustments.			
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EXECUTIVE SUMMARY

The New Jersey Department of Transportation (NJDOT) engaged Cambridge Systematics (CS) (herein the 'research team') to review compensation and employment practices within local New Jersey municipalities and county transportation agencies. This ultimately expanded to include private transportation agencies and state DOTs given an initial lack of data within the original focus area. This review focused on three key areas: salary and compensation data, hiring and retention strategies, and promotional and advancement opportunities.

NJDOT has established itself as a well-recognized organization and employer. NJDOT aims to improve the experiences of users of the New Jersey transportation system and also to ensure that the establishment remains prudent and prepared for future transportation-related challenges. The Bureau of Research, Innovation & Information Transfer supports this goal because it not only seeks to enhance the quality of New Jersey's transportation infrastructure, but also is focused on improving the lives of the people who maintain, build, and design that infrastructure. NJDOT has a long history of employing individuals in the **Automotive Mechanic, Highway Operation Technician, and Electrical Mechanic series**. However, recent labor market and global shifts have caused an accelerated downturn in the hiring and retention of individuals within these job classifications.

NJDOT believes compensation is the primary driving factor and seeks to better understand compensation for the positions of interest across New Jersey, as well as nationally, in order to support and provide proper justification for internal adjustments. The DOT understands setting competitive compensation rates is a key component of retaining and meeting the satisfaction of employees, especially those who provide invaluable experience working at NJDOT.

This research effort spans three memorandums. The first titled, ***Desk Scan and Survey for Transportation Agency Compensation and Retention Practices***, was comprised of a compensation desk scan, focused on federal and national research organizations like the Bureau of Labor Statistics and American Association of State Highway and Transportation Officials, secondary news and employment sites like Glassdoor and Indeed, as well as primary sources including the Civil Service Commission of New Jersey, multiple state DOTs, New Jersey transit agencies, and all 21 New Jersey county agencies. Accompanying the desk scan was a 45-question survey (15 questions per employment series) which was developed and distributed to over fifty invitees. Following the collection and analysis of survey data, the second phase, ***Agency Interviews***, involved six peer agency interviews, conducted to complement the quantitative data collected in the earlier task. An interview was also held with NJDOT Division of Human Resources to explain the interview findings and seek clarification on NJDOT current practices to best tailor recommendations.

The research team then synthesized the desk scan, survey data, and stakeholder findings of this research effort into the final report, ***Compensation Study Memorandum and***

Final Research Report, which serves to enhance the baseline of understanding around compensation and employment practices in relation to these employment series while also providing examples and recommendations to NJDOT. In total, this research contains twenty-nine recommendations related to the following:

Recommendations to Compensation and Series Structure

- This set of fourteen recommendations address augmenting salaries for all three employment classifications to make them more competitive in the current, tight labor market. Using survey data, these recommendations analyze salaries for each classification and demonstrate where NJDOT falls on the compensation spectrum.
- There is an additional set of recommendations that highlight best stakeholder practices in relation to promotions and advancement opportunities that accompany compensation increases.
- These recommendations also discuss alternative compensation adjustments such as cost of living adjustments and geographic pay differentials.

Hiring and Retention Recommendations

- This set of six recommendations focus on strategies to improve the hiring process via partnership with outside organizations and approaches to retain valuable employees through professional development and supplementary employee benefits.
- There is a set of recommendations focused on furthering relationships with the New Jersey Department of Labor and Workforce Development's apprenticeship program as well as with trade associations and education institutions.
- This section also includes recommendations on training and professional development opportunities for employees like leadership and civility training or opportunities for employees to gain other certifications.
- There are also recommendations on additional employee benefits such as equipment allowances and flexible work schedules.

Recommendations to Agency Practices

- This set of nine recommendations are intended to enhance NJDOT current practices in relation to these three employment classifications. These recommendations focus on soft hiring and retention strategies that better advocate for the current experiences of employees while seeking new talent. Some recommendations focus on implementing new, and revamping current, survey practices including exit surveys, new hire surveys, and employee satisfaction surveys.
- This section also touches on employee betterment programs and strategies to integrate employees more effectively into the DOT structure. This includes employee recognition programs and succession planning.
- The last set of recommendations are externally focused and advise NJDOT

to explore external advocacy tools for increased compensation of these classifications. As well, investigating the creation of a workforce program targeting underrepresented talent from diverse backgrounds.

BACKGROUND

NJDOT has established itself as a well-recognized organization and employer. NJDOT aims to improve the experiences of users of the New Jersey transportation system and also ensure that the establishment remains prudent and prepared for future transportation-related challenges. The Bureau of Research, Innovation & Information Transfer supports this goal because it not only seeks to enhance the quality of New Jersey's transportation infrastructure, but also is focused on improving the lives of the people who maintain, build, and design that infrastructure. NJDOT has a long history of employing individuals in the **Automotive Mechanic, Highway Operation Technician, and Electrical Mechanic series**. However, recent labor market and global shifts have caused an accelerated downturn in the hiring and retention of individuals within these employment classifications.

This research was spurred by noticeable increased turnover at NJDOT, especially post-pandemic. Despite robust State employee benefits and access to overtime, the increased compensation of parallel positions among private and public transportation agencies is believed to be a major contributor. NJDOT understands setting competitive compensation rates is a key component of retaining and meeting the satisfaction of employees, especially those with invaluable experience gained working at NJDOT. But without evidence of low, or noncompetitive compensation, NJDOT cannot justify internal compensation adjustments despite believing compensation is the primary driving factor. Thus, NJDOT seeks to better understand compensation for the positions of interest across New Jersey, as well as nationally, to support and provide proper justification for internal adjustments.

OBJECTIVES

As scoped, the objectives of this research are three pronged, with each prong representing a memorandum. The scope of this research included a desk scan, or literature review, of current practices in relation to transportation agency compensation for the three employment classifications: the development and dissemination of a survey, *NJDOT Compensation Scan and Retention Survey*, and a memorandum discussing the findings from the desk scan and the survey. The survey and the desk scan were conducted simultaneously and used as tools to contextualize the information from the desk scan while also grounding the findings from the survey.

Following the compensation practices research and survey, the second phase was dedicated to conducting interviews on additional details related to compensation and retention from survey respondents. Six peer agency interviews were completed, focused on learning more about the survey data, but also raising questions about organizational structure and how that impacts determining effective compensation rates, questions

about staffing issues and strategies to combat said issues (if applicable), as well as discussions of advancement opportunities, work culture, and overall trends seen in these trade positions over time. These interviews greatly benefitted the research by being able to compare and contrast practices heard firsthand from agencies across the country.

The final phase involved compiling the findings and research into a final set of recommendations for NJDOT. The intention was to provide internal, data-driven justification for increasing compensation, as well as a collection of best practices related to compensation and hiring and retention practices for NJDOT to consider. These recommendations are designed to enhance the Division of Human Resources' and the Department's ability to increase hiring and improve retention while better aligning itself with compensation and employment practices across the State and country.

INTRODUCTION

As discussed in the "Background" and "Objectives", the research team was engaged to review existing NJDOT practices, compare those practices with agencies within New Jersey and across the U.S., while also conducting research to better understand the global trends impacting these employment classifications, and how trends are influencing staffing at the agency level. This effort included a desk scan of primary and secondary sourced information, the development of an online survey aimed at local and national transportation agencies, six peer agency interviews, and thorough data analysis of survey data along with employment data from supplementary sources. Post-interview, additional DOT resources were shared with the research team and have been shared with NJDOT for their review in the last deliverable.

LITERATURE REVIEW

The first task of this research was to conduct a desk scan of current practices for transportation agency compensation for similar positions. An extensive desk scan comprised of materials from federal and national research organizations like the Bureau of Labor Statistics and American Association of State Highway and Transportation Officials, secondary news sources and employment sites like Glassdoor and Indeed, as well as primary sources including the Civil Service Commission of New Jersey, multiple state DOTs, New Jersey transit agencies, and all 21 New Jersey county agencies was completed. The variety of primary and secondary sources at various levels of reporting helped to bolster the current context of the research, while allowing for the exploration of historic trends and the impacts of the COVID-19 pandemic on the labor market. Additionally, many primary sources such as county agency websites or statewide transportation agency websites were searched iteratively for current job postings related to the three classifications, in hopes to see current compensation figures and compulsory job qualifications. The following subheadings provide lists of resources reviewed.

Federal and National Resources

- American Association of State Highway and Transportation Officials (AASHTO)

Salary Survey 2018 and 2020

- Bureau of Labor Statistics (BLS) *Civilian Labor Force Participation Rates, Occupational Employment and Wage Statistics, Occupational Outlook Handbooks for Electricians and Automotive Service Technicians and Mechanics*
- St. Louis Federal Reserve Bank Data (FRED) *Civilian Labor Force Level, Labor Force Participation Rate - High School Graduates, No College, 25 Yrs. & over, Inflation- consumer prices for the United States*

Primary Sources

- NJ Transit
- New Jersey Turnpike Authority
- Port Authority of New York and New Jersey (PANYNJ)
- South Jersey Transportation Authority
- All New Jersey Counties: Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Sussex, Union, and Warren
- Civil Service Commission of New Jersey Compendium (CSC)

Secondary News Sources

- Business Insider [The Forever Labor Shortage](#)
- CNBC [Didn't get a big raise this year? It could come in early 2023](#)
- Forbes [Inflation Slows Again In November](#)
- New York Times [Retirees Are One Reason the Fed Has Given Up on a Big Worker Rebound](#)
- Pew Research [Millennial life: How young adulthood today compares with prior generations](#)
- TechForce Foundation [Technician Supply & Demand Report](#),
- Wall Street Journal [U.S. Faces Electrician Shortage as It Tries to Go Green, Add Declining Immigration to Problems Weighing on the Labor Market, Pandemic Accelerates Retirements Threatening Economic Growth, Why It's Impossible to Get Your Car Repaired This Summer](#),
- Glassdoor
- Indeed

Approach Takeaways

The literature review and its findings impacted the research by aiding in the refinement of interview and survey questions that engaged with the labor trends seen nationally; and how those trends could potentially impact an individual agency, like NJDOT. For example, recognizing that there is a less interest in trades positions enabled questions about succession planning (e.g., a potential strategy to mitigate knowledge loss when someone retires or leaves an organization) or if agencies conduct trainings or provide leadership development. Similarly, understanding the threat of the private sector enabled the research team to ensure questions were asked about external compensation competitors

and organizational retention strategies.

TASKS PERFORMED

Desk Scan

The first task, ***Desk Scan and Survey for Transportation Agency Compensation and Retention Practices***, included the review of NJDOT's employment series descriptions and compensation (sourced from the 2018 and 2020 AASHTO Salary Survey) and NJDOT exit survey data. This was done to set a baseline of NJDOT's current compensation practices. Then, a desk scan of current practices for transportation agency compensation was completed (see "Summary of Literature Review") simultaneously with the development and dissemination of the NJDOT Compensation Scan and Retention Survey (see **Figure 1**).

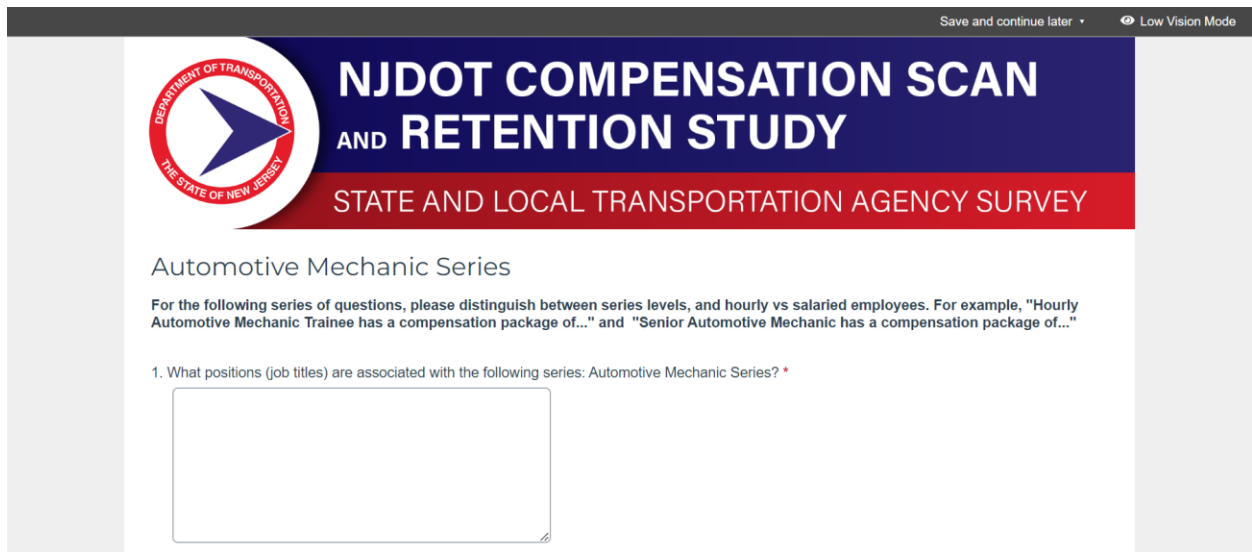
The image is a screenshot of a web-based survey titled "NJDOT COMPENSATION SCAN AND RETENTION STUDY". At the top left is the NJDOT logo, which is a circular seal with a blue arrow pointing right, surrounded by the text "DEPARTMENT OF TRANSPORTATION" and "THE STATE OF NEW JERSEY". To the right of the logo, the title "NJDOT COMPENSATION SCAN AND RETENTION STUDY" is displayed in large, bold, white letters on a dark blue background. Below the title, a red banner contains the text "STATE AND LOCAL TRANSPORTATION AGENCY SURVEY" in white. The main content area has a light gray background. It starts with the heading "Automotive Mechanic Series" in blue. Below this, a paragraph of instructions reads: "For the following series of questions, please distinguish between series levels, and hourly vs salaried employees. For example, 'Hourly Automotive Mechanic Trainee has a compensation package of...' and 'Senior Automotive Mechanic has a compensation package of...'". This is followed by a numbered question: "1. What positions (job titles) are associated with the following series: Automotive Mechanic Series? *". Below the question is a large, empty rectangular text input box with a thin gray border.

Figure 1. NJDOT Compensation Survey Title Page

The survey and desk scan worked hand in hand. For example, the survey was used as a comparative tool to gauge NJDOT's place on the compensation range, while similarly, the desk scan was helpful in contextualizing key findings from the survey. The survey was written to gather data points primarily on compensation, but also to learn about qualitative factors such as work culture or employee tenure. This first phase culminated in the:

- Compensation Desk Scan Memorandum and Survey Summary Matrix
- Draft and Final Survey Questions for DOTs
- 18 Survey Responses
- Draft Interview Questions

Summary of the NJDOT Compensation Survey

Accompanying the desk scan was a 45-question survey (15 questions per employment series) which was developed and distributed to over 50 invitees. This survey helped to

understand compensation practices across two agencies in New Jersey and 16 state DOTs across the U.S. The survey also included specific questions about number of current employees, historical employment data, minimum and maximum/actual low and high compensation, in addition to more open-ended questions about employee experiences and if the agencies are facing hiring and retention issues. The robust collection of data points and survey responses enabled the research team to conduct a comparative analysis of not only compensation and salary, but pinpoint greater trends like growth and wellness opportunities for staff or determining the decline in the number of employees over time. For example, it became clear that certain agencies experienced heavy declines in automotive mechanics, whereas electrical mechanic positions have remained stable over time. These agencies helped improve the breadth of understanding and provide additional qualitative and quantitative data necessary to understand national trends with respect to these three classifications.

Peer Agency Interviews

The second phase, **Agency Interviews**, focused on interviewing six stakeholders (see **Table 1**) who completed the survey. These stakeholders helped illuminate greater hiring and retention trends, survey data gaps, and lessons learned from their agencies. Using the interview data, the research team was able to learn about agency practices in greater detail and create a set of best practices, building upon work already reviewed in the desk scan, as well as the survey data. This second task culminated in the:

- Agency Interview Memorandum and Agency Interview Summary Table
- Final Follow-up Interview Questions
- Interview Minutes

Table 1. List of Peer Agency Interviewees

Peer Agency	Interviewees
New Jersey Turnpike Authority	Leticia Maldonado (Human Resources Manager)
Michigan DOT	Kelsea Cole (Human Resources Associate), Theresa De Luca (Staffing and Compensation Manager)
Minnesota DOT	Robin Jordan (Human Resource Supervisor), Trent Weber (Human Capital Analytics Manager)
Kansas DOT	Chelsea Smith (Management Analyst), Tiffany Reed (Assistant Bureau Chief of Human Resources), Teresa Prochaska (Bureau Chief of Human Resources)
Utah DOT	Linda Beus (Human Resources Field Office Director), April Nicholls (Human Resources Analyst) Kamal Patel (NJDOT)
Iowa DOT	Jenny Veale (Deputy Director of Human Resources)

Peer Agency Questions

The six interviews were guided by a template of interview questions, which can be found in the second memorandum. However, the questions for each interview changed depending on the survey data provided by each agency, and if time was spent on additional topics or explanations that the interviewee felt needed more attention. As the research team began to learn more about labor and compensation practices across the country, more detailed questions emerged that often spoke to the larger experiences of individuals in these job classifications. For example, topics such as tool reimbursement programs and geographic pay differentials arose during conversations. With new pieces of information such as this, the research team would continuously modify questions, in hopes that NJDOT could be provided with additional context and recommendations.

Given the breadth of interviewees and practices, a diversity of topics were covered:

- Employee satisfaction and work culture,
- Agency promotion and compensation schemes,
- Organizational retention strategies,
- External compensation competitors, and
- General staffing issues.

After the interviews were completed, each interview was summarized into “Interview Minutes” and sent to NJDOT in November 2023. The research team met with NJDOT to discuss the findings and compare them to the DOT’s current practices. This was not only to apprise NJDOT of the interview outcomes, but to ensure the final recommendations would be of benefit to NJDOT.

Peer Agency Findings

Despite the variety of organizations and geographies interviewed, there were a set of common themes and challenges interwoven throughout the six agencies that helped to craft a baseline of understanding for the identified employment classifications. Many of the challenges NJDOT is facing are mirrored throughout the country, which may provide further justification to the DOT that these macro level problems need to be approached with uncharted and creative solutions. For example, some DOTs have been experimenting with solutions like educational programming and training while also looking into alternative compensation schemes like performance bonuses or pay increases based on urbanization (given those positions may face higher risks and higher throughput than rural areas).

To summarize, compensation is the central driver of premature staff departures at these agencies. All six describe “insufficient pay” as the most commonly cited exit reason, some learning that prematurity via exit survey data while others described it anecdotally. The main competition these agencies face is from local city and county agencies, who as one interviewee described, “change their compensation structures faster than the state [can],” indicating more agility and speed in a transitional “workers’ market.”

Close behind compensation is a lack of staff advancement opportunities, causing employees to leave these agencies in search of better promotions and thus, higher pay. Four of the six interviewees have begun developing curricula that not only develops technical and leadership skills, but also provides compensation bonuses for individuals to pursue development within the DOT, while also augmenting pay. For example, Utah DOT has a continuing education program that recognizes and rewards technical skills, academic competence, and longevity at UDOT. This program includes a bimonthly pay bonus and promotional opportunities as long as employees complete the training requirements to advance.

Retirement (and sometimes the subsequent hardship related to hiring lost senior positions) was repeated by a few interviewees. Oftentimes, more junior positions are promoted to make up for the loss of senior staff, but losing knowledgeable, senior employees, and the critical institutional knowledge and skills they behold, can place an agency far behind in its work. Thus, Kansas DOT has begun investigations into succession planning to improve knowledge sharing and learning.

Another noticeable trend discussed throughout the interviews was the general understanding that many of these trades positions are not as popular with younger generations, and the lifestyles that many have become accustomed to today, e.g., working from home. There is also the notion that younger generations have greater and diversified job opportunities that take away from the labor pool that could be in these positions and may be better suited for the lifestyles that may suit greater work-life balance. Every agency is dealing with this macro level dilemma to some extent, with many agencies looking for fresh solutions, pools of talent through continuous recruiting, and lowering the barriers for entry e.g. training and paying for commercial driver's licenses (CDL), as examples.

Documentation of Findings

The third phase was the development of the *Compensation Study Memorandum*. This document summarized the best practices compiled from the research along with high level takeaways regarding compensation, promotions, hiring and retention strategies, employee integration, surveying, and organizational practices. This final task culminated in the:

- Compensation Research Findings Memorandum
- Final Research Report and Technical Brief

The memorandum centers on providing NJDOT with sufficient examples of peer state best practices to not only increase compensation for these employment classifications, but also to develop novel ways of integrating field employees into the DOT structure, working creatively to reward employees for going above and beyond, and implement better surveying practices to be more proactive when it comes to staffing, rather than reactionarily reviewing exit survey data.

Additionally, the memorandum highlights how NJDOT should keep conversations flowing with peer intrastate and DOT agencies to ensure clarity is achieved with new programming that may be modeled from a peer DOT, working with one another to co-create staffing solutions, or in case another DOT wants to complete a similar compensation study akin to what NJDOT is trying to achieve. This memorandum aims to highlight the issues and provide evidence, in efforts to improve the hiring and retention issues NJDOT is facing.

The final memorandum outline is as follows. Each emboldened heading is the primary section, followed by the subheadings that hold sets of various recommendations. The full list of recommendations can be seen in “Conclusions and Recommendations.”

Recommendations to Compensation and Series Structure (14 recommendations)

- Salary Adjustments for all three employment classifications
- Career Ladder and Promotional Adjustments
- Alternative Compensation Adjustments

Hiring and Retention Recommendations (6 Recommendations)

- Recruitment
- Training and Professional Development
- Employee Programming and Benefits

Recommendations to Agency Practices (9 Recommendations)

- Surveys and Exit Interviews
- Employee Integration and Betterment
- External Programming

CONCLUSIONS AND RECOMMENDATIONS

The research team developed a comprehensive set of deliverables which incorporated findings from the literature review, peer agency interviews, and NJDOT discussions to produce a set of **29 recommendations and considerations** across three phases of research. These are summarized below.

Recommendations to Compensation and Series Structure (16 Recommendations)

Salary Adjustments

Recommendation (1): NJDOT should leverage the survey data from the other state DOTs and New Jersey agencies to increase the compensation range and individual salaries of the Highway Operations Technician series. This would better align NJDOT to compete with local agencies as well as mirror what other DOTs are paying across the country.

Recommendation (2): Given the large discrepancies in compensation shown in the

HOT data, NJDOT should consider conducting follow-up conversations and/or informational interviews with the state DOTs or transportation agencies that offer higher salary schemes. Additionally, further research by NJDOT could be justified for the HOT series given the large pay discrepancies with their counterparts.

Recommendation (3): NJDOT should leverage the survey data from the other state DOTs and New Jersey agencies to increase the compensation range and individual salaries of the Automotive Mechanic series. This would better align NJDOT to compete with local agencies as well as mirror what other DOTs are paying across the country. Augmented salary ranges would allow NJDOT to offer more salary advancements.

Recommendation (4): NJDOT should leverage the survey data from the other state DOTs and New Jersey agencies to increase the compensation range and individual salaries of the Electrical Mechanic series. This would better align NJDOT to compete with local agencies as well as mirror what other DOTs are paying across the country.

Recommendation (5): NJDOT should continue their inquiries and peer-sharing opportunities with other local, intrastate agencies about their compensation practices to gather more local, county, and regional evidence and justification. Inquiring with nearby DOTs like MassDOT may be beneficial for NJDOT as well.

Recommendation (6): For all three series, NJDOT should begin discussions with the New Jersey Civil Service Commission (CSC) and other involved parties to emphasize that salary adjustments are necessary to compete with local agencies and better align with national DOT compensation practices to remain competitive. One discussion point could be to demonstrate to the CSC that talent is harder to find and retain and job requirements have also changed (**see Recommendation 7 Employee Advancement Programs and Recommendation 12 Urban Pay Differentials**). Connecting Recommendation 6 to Recommendations 7 and 12 can demonstrate that the job criterion and necessary qualifications may have matured and will continue to mature as the DOT grows. Another discussion point could be to elongate the minimum and maximum salary ranges as many of these state DOTs do, offering more room for the DOT to set their hiring rates.

Career Ladder and Promotional Adjustments

Recommendation (7): NJDOT should review and update the promotional and progression opportunities available to NJDOT staff. NJDOT should consider advancement programs as retention and employee investment tools that are available to various levels of staff (e.g. junior, senior) and all three job classifications. Creating a more transparent career ladder allows employees to feel empowered within their own career paths to go after these options more easily. NJDOT should look to peers like Utah DOT, Kansas DOT, and Iowa DOT to develop their programs. Topics that should be included are:

- The creation of an internal Peer Review Board which can ensure NJDOT is creating the training materials, continuing education topics, and skillsets most

needed in New Jersey.

- Curriculum and applicable continuing education options
- Program Guidelines
- Roles and Responsibilities
- Defined Purpose and Policy
- Clearly Defined Career Pathway(s)
- Timelines associated with each Pathway
- Evaluation of program success

Recommendation (8): NJDOT should accompany the development of the promotional and progression programs with step and salary increases. This will help mitigate compensation issues while investing in the organization. This may be modelled after Utah DOT's clear policies including timelines, career ladders, and step and salary increases.

Recommendation (9): NJDOT should conduct outreach to DOTs of interest to ensure understanding and program evaluation of the programs used as examples.

Recommendation (10): NJDOT should explore the development of similar programming for the Electrical Mechanic series given the lack of established programming by other state DOTs.

Alternative Compensation Adjustments

Recommendation (11): NJDOT should implement a compensation adjustment such as a geographic pay differential that offsets the costs of living in more affluent areas of New Jersey in order to recruit and/or retain talent in certain markets. This geographic pay differential should resemble a cost-of-living adjustment (COLA), but be an additional compensation adjustment for those who live in affluent areas. For example, if offering the same salary structure statewide, NJDOT could have a challenging time attracting candidates in North Jersey. Instead, a geographic pay differential can be implemented to reflect the differences in the cost of living between the regions of the state. This also could incentivize employees to move to certain, tight markets where the DOT needs staff. NJDOT should explore if they would implement a fixed pay differential i.e., offer a higher base salary in one region and a lower base in another, or a percentage-based differential i.e., use the cost of living as a proxy. The adjustment should entail an evaluation period (if piloting), clear guidelines on eligibility and additional details that may be necessary.

Recommendation (12): NJDOT should implement an urban pay differential based on the premise of MetroPay from Kansas DOT (KDOT). An urban pay differential shifts compensation for metropolitan/ urbanized areas where employees face higher risks to personal safety including increasing workplace hazards, heavier trafficked areas, higher

speed roadways and accelerated throughput of vehicles, roadway equipment, and general equipment. This adjustment intends to offset for the differences in daily job duties that urban employees may face compared to rural/suburban employees. The program should entail an evaluation period (if piloting), clear guidelines on eligibility (e.g. a clear definition of an “urbanized” area) and additional details that may be necessary to each job classification.

Recommendation (13): NJDOT should implement an annual performance-based bonus like programs at IowaDOT, CalTrans and Arkansas DOT. This program should be co-created within the DOT by the Peer Review Board (see **Recommendation 7**) and staff within these positions to ensure specific needs are met. The program should entail an evaluation period (if piloting), clear guidelines on eligibility and metrics (e.g., tied to yearly goals), and additional details that may be necessary to each job classification. NJDOT should also look into non-monetary bonus programs.

Recommendation (14): NJDOT should establish an annual review schedule across all NJDOT districts to ensure the compensation alternative adjustments are effective strategies to retain and/or recruit employees. The DOT can use NJDOT survey data to determine if employees are citing compensation as a departure reason and modify the survey to include a question about the value of these alternative compensation adjustments (see **Recommendations 21 and 22**).

Hiring and Retention Recommendations (6 Recommendations)

Recruitment

Recommendation (15): Partner with the New Jersey Department of Labor and Workforce Development and their Office of Apprenticeship to develop an apprenticeship program for relevant job series. The DOT should investigate developing an apprenticeship program for the automotive mechanics and electrical mechanic series especially since these job series require a special skill set. This program can connect NJDOT as an employer with more employees and with educational and training institutions (see **Recommendation 16**).

Recommendation (16): Develop or strengthen relationships with trade associations or education institutions to connect mechanics with NJDOT for employment. NJDOT can consider strengthening or developing connections with education institutions such as community colleges across the state or with trade associations. Such partnerships can ensure that a steadier stream of applications are available to the agency whenever more employees are needed.

Training and Professional Development

Recommendation (17): Implement leadership and civility training programs to improve managerial skills of supervisors and foster a positive and respectful organizational culture for all employees. Knowing that the culture of an organization usually originates from higher-level positions that set the precedent for more junior

employees, it is important that managers and supervisors receive training to be effective, communicative, and respectful leaders. It is also important to ensure that those in leadership positions are familiar with Diversity, Equity, and Inclusion (DEI) principles because this further ensures that civic culture advances across these job series.

Recommendation (18): Continue to provide opportunities for employees to gain certifications during their employment. NJDOT, like many other agencies, currently supports employees in pursuit of obtaining a CDL, which removes barriers during the hiring process for many employees. If there is evidence in the future that employees are pursuing positions with NJDOT to receive a CDL and then depart shortly after, then some type of disincentive can be considered, but such a disincentive is not recommended at this time due to the lack of evidence of this incidence.

Supplementary Employee Benefits

Recommendation (19): Expand tool and clothing allowance to all relevant job series and refine the policy if necessary. Since NJDOT already provides a tool and clothing allowance annually for the automotive mechanics, this policy should extend to the highway operations technicians and electrical mechanics as well. NJDOT may also consider refining the scope for the coverage to include equipment and tools that are the most pertinent and cost-prohibitive for these roles.

Recommendation (20): Consider piloting flexible work schedules for employees in these job series to both aid recruitment efforts and increase employee satisfaction and reduce employee turnover. Employees may feel like they can spend less time commuting and find more time to meet their nonwork needs with a flexible working schedule. A four-day workweek has demonstrated to reduce stress levels, help prevent burnout, and support work-life balance. This can simultaneously reduce the turnover of current employees in these job series and make open positions more attractive to more potential candidates.

Recommendations to Agency Practices (9 Recommendations)

Surveys and Exit Interviews

Recommendation (21): Following Iowa DOT and Kansas DOT's example, NJDOT should implement employee satisfaction surveys and new hire surveys. These surveys should have outlined time frames, ensure accessibility and ease of use, and questions should be open-ended and specific, as well as updated annually. NJDOT should decide the medium for these surveys as well as anonymity guidelines.

Recommendation (22): NJDOT should revamp their exit surveys and reporting out procedures of survey data to appropriate parties. NJDOT should decide the medium for these surveys as well as anonymity guidelines. Three components for this recommendation include:

- Revamping the exit survey annually with specific and open-ended questions to obtain the most valuable information. The Human Resources department should ensure survey questions are applicable and appropriate for specific divisions.
- An established schedule to review exit survey data with affiliated parties (applicable divisions, managers, supervisors, HR staff, and commissioners).
- An established reporting procedure to commissioners and other affiliated parties to ensure data is actionized and being taken into consideration.

By completing these procedures, NJDOT can have a more dynamic look into employee experiences at NJDOT and use survey data more readily to justify changes to compensation, working conditions etc. Connecting this back to **Recommendations 7, 11-13, and 15-20**, NJDOT can use surveys as ways to gauge employee satisfaction or dissatisfaction with recent programs or initiatives.

Recommendation (23): Given these job classifications rarely work from an office location and have limited computer access in the workplace, **NJDOT should create more accessible pathways to engage employees in these three classifications.** This can include printing the surveys and distributing them at certain work sites across the divisions and utilizing QR coded surveys so employees can participate via mobile devices.

Employee Integration and Betterment

Recommendation (24): NJDOT should communicate the existence of DEI initiatives, DOT initiatives and programs, and additional wellness programs with employees through printed brochures, email blasts, and in-person site visits. Employees who may not sit in DOT offices all day, may not be well informed about the variety of in-work and out-of-work programs available to them. Programming is an integral part of creating positive work culture and connecting people who work together. For example, many DOTs have internal working groups, employee resource groups, and additional initiatives that should be offered to all staff no matter their job title or location. DEI and work culture were topics left undiscussed in this research effort, aside from Iowa DOT. **It is recommended that NJDOT continue to research ways to advance DEI and wellness efforts to all staff.**

Recommendation (25): NJDOT should begin organizing employee listening sessions and townhalls at the DOT HQ in Trenton and on-site at specific worksites across the State. This recommendation includes the following:

- Coordination with frontline employee supervisors and managers to promote listening sessions and townhalls within staff circles.

- Establishing listening session and townhall materials and schedules.
- Providing incentives to participate e.g. employee recognition program (see **Recommendation 26**), catered lunches etc.

This will provide greater awareness of programs, resources, offerings available to staff (**Recommendation 24**), as well as improve communication between frontline staff and supervisors at NJDOT. These sessions should be optional but encouraged by supervisory and management. Also, they should be considered as a way to hear about employee issues at the onset, so NJDOT can be more proactive and responsive to any issues that may arise.

Recommendation (26): NJDOT should develop a quarterly employee recognition program. This can be a strategy to retain employees while positively highlighting those who go above and beyond. This program should have clear merit criteria, guidelines, time frames, and incentives if applicable. **NJDOT Human Resources staff should develop internal and external promotional campaigns for the employee recognition program and incorporate reminders for the employee recognition program into communication procedures for employee supervisors and managers.** This will build greater appreciation for NJDOT employees, bring higher awareness among external stakeholders of the full spectrum of work that NJDOT employees perform, and a greater sense of pride in work among employees.

Recommendation (27): NJDOT should create a succession program to establish knowledge sharing and community building between new employees and senior employees. This succession program could be a pilot program. Three components for this recommendation include:

- Establishing a schedule for phasing in new training to new employees e.g., buddying with more senior employee to pass down knowledge.
- Establishing performance metrics tied to the training program and coordinating with Human Resources team members to compile data on training participation and monitor completion rate.
- Conducting employee surveys on the training program and new guidelines.

External Programming

Recommendation (28): Given the justification and evidence needed for increased compensation, **NJDOT should pilot a program that implements educational ride alongs with commissioners, CSC officials, or other entities that may be involved in the compensation or benefits conversations.** This recommendation includes:

- Coordinating with divisions to identify areas of the operating environment where external stakeholders can observe NJDOT operations and functions without impeding normal operations or posing a safety risk to themselves or employees.
- Coordinating with divisions to build a ride-along schedule and agenda that includes the following:
 - Observation with frontline employees in these job classifications
 - On-site walkthroughs of NJDOT work facilities
 - Interview/focus group discussions with employees
- Conducting outreach to elected officials and CSC members/commissioners to request their participation in ride-alongs.

Recommendation (29): To alleviate staffing issues and seek a more diverse labor force, NJDOT should consider developing a workforce training program to recruit talent from underrepresented groups. Similar to MnDOT's [diversity efforts](#), NJDOT should explore the options of creating a free career training program for those interested. Like MnDOT, NJDOT should externally report workforce results annually.