



WICHITA STATE
UNIVERSITY

Faculty Senate HR Update

February 2023

In FY23, WSU implemented the first pay adjustments using the new market-based compensation (MBC) model adopted by the university in 2020.

The MBC model is a cornerstone strategy of the University's DEI Plan to ensure equity in our pay practices.

The purpose of this update is to share the following:

- The goals and outcomes achieved in FY23
- Our FY24 compensation goals, based on stakeholder feedback
- Next steps

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



- **Benefit Eligible** – Employees who accrue sick leave.
- **Equity** – internal review comparing employees in same job code or rank & discipline using the pay analysis variables.
- **Market** – external review comparing salary data collected from annual surveys* taking into consideration strength of job match, university size, industry, geographic location, and university type, as appropriate.
- **Pay Analysis Variables** – the data used to review equity.

*Salary surveys WSU uses: College & University Professional Association
“CUPA” (faculty & staff), TowersWatson (staff only), and Payfactors (staff only)

Roles & Responsibilities

	Responsible (Decision Maker)	Accountable (Implementer)	Consulted (Provides Input)	Informed (Those Impacted)
Determines pay variables used in equity analysis	Divisional Leaders	Human Resources	Human Resources, Leaders of People	Employees in compensation plan
Conducts annual equity & market reviews	Human Resources	Human Resources	Pay Survey Data, Divisional Leaders, Leaders of People	Employees in compensation plan
Determines FY compensation priorities	Divisional Leaders	Human Resources	Human Resources, Budget Office, Leaders of People	Budget Review Officers, Leaders of People, Employees in compensation plan
Determines FY compensation budget	Divisional Leaders	Budget Office	State of Kansas, KBOR, Budget Office, Human Resources	Human Resources, Budget Review Officers, Leaders of People, Employees in compensation plan

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



Compensation Goals FY23

Our long-term goal at the university is to pay at the middle of the market (on average) within each respective job (staff) or rank & discipline (faculty); not leading and not lagging. We establish goals for each fiscal year to make progress year over year.

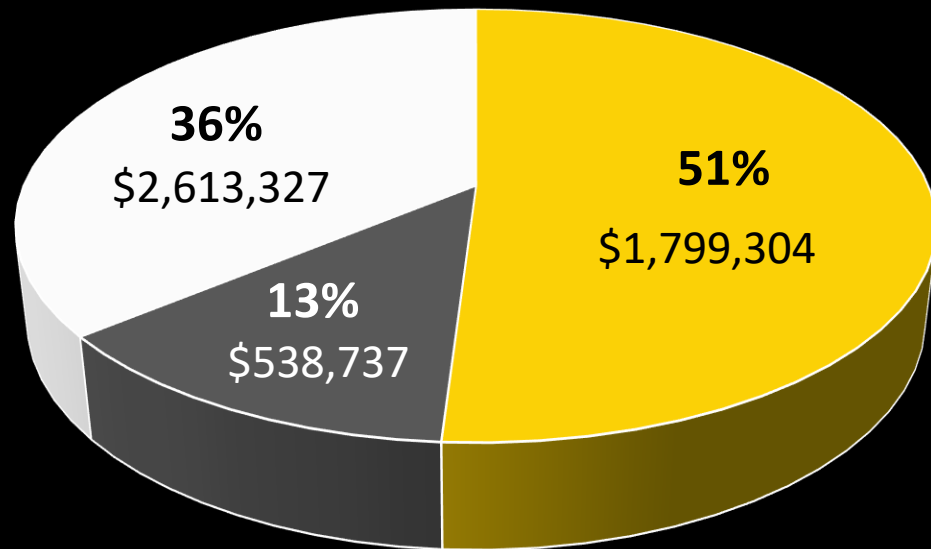
FY23 Goals:

1. Identify pay inequities based on gender or race/ethnicity within the same job or rank & discipline.
2. Identify pay inequities within the same job or rank & discipline*.
3. Move individual Benefit Eligible employee pay closer to 80% of the midpoint for their respective pay range or rank & discipline*.

*Some employees were impacted by both Equity and Market.

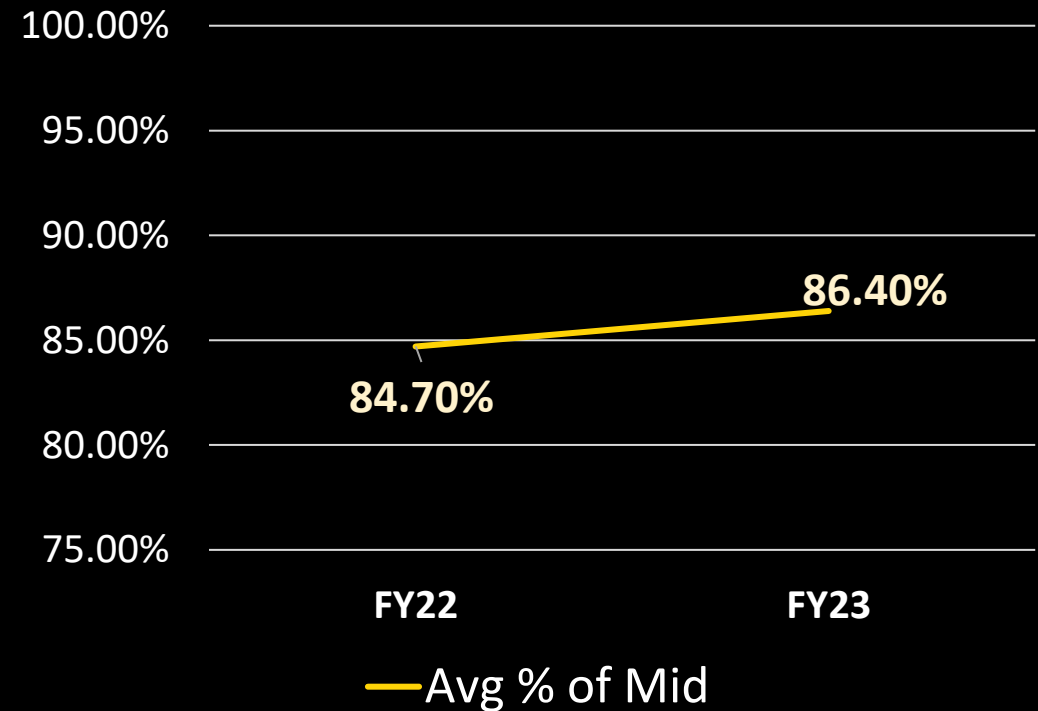
FY23 Outcomes - Overall

Dollar Allocation by % of Employees Who Received Adjustments in FY23



■ Equity Only ■ Market Only ■ Equity & Market

Movement towards Middle of Market



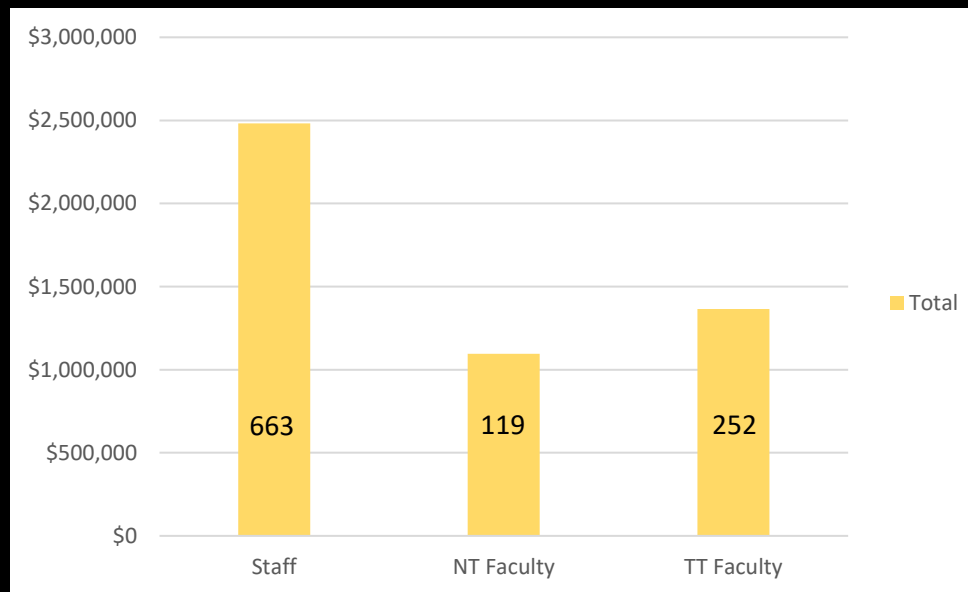
We budgeted \$6.0 million* for pay & benefit adjustments (\$4.6m of GU and \$1.4m of RU).

*\$6m amount includes the increased benefits cost (20%). \$4.9m was the actual amount of pay increases (total GU and RU).

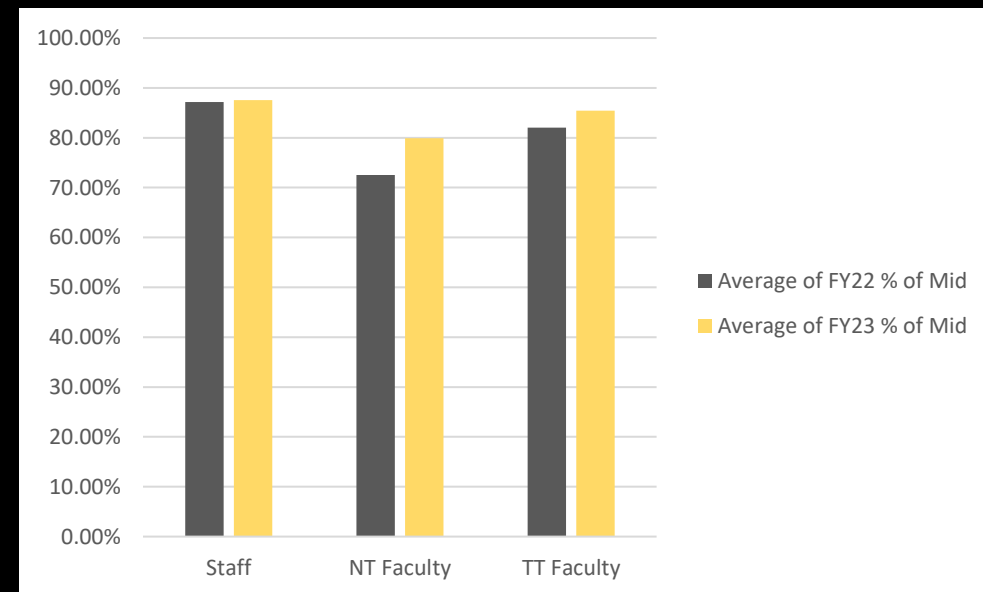
FY23 Outcomes - Overall

Our long-term goal at the University is to pay at the middle of the market (on average) within each respective job or rank & discipline; not leading or not lagging the market. We establish goals for each fiscal year to make progress year over year.

\$ Allocation by Employee Type



Movement towards Middle of the Market



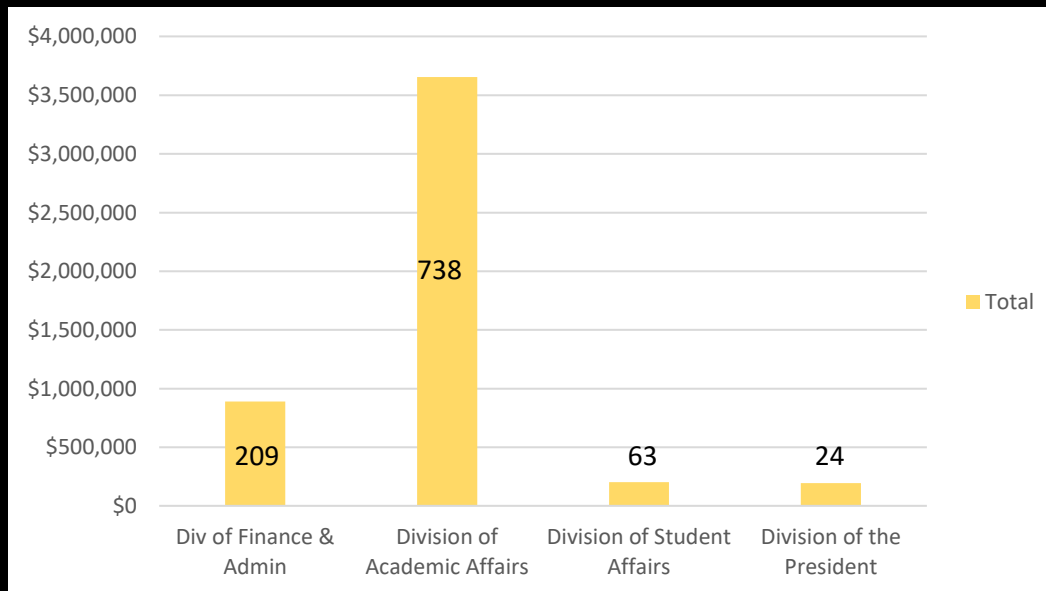
We budgeted \$6.0 million* for pay & benefit adjustments (\$4.6m of GU and \$1.4m of RU).

*\$6m amount includes the increased benefits cost (20%). \$4.9m was the actual amount of pay increases (total GU and RU).

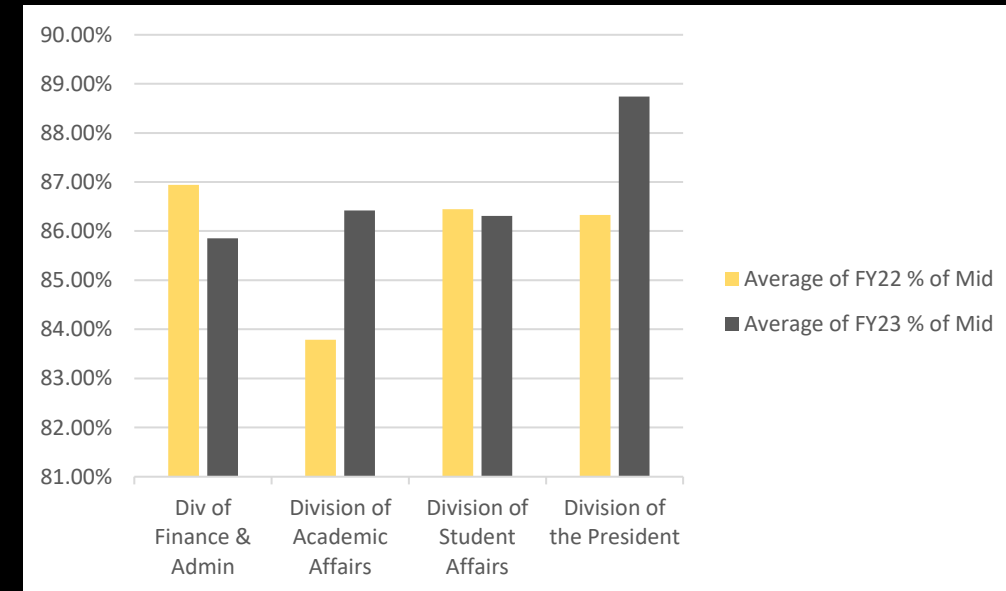
FY23 Outcomes - Overall

Our long-term goal at the University is to pay at the middle of the market (on average) within each respective job or rank & discipline; not leading or not lagging the market. We establish goals for each fiscal year to make progress year over year.

\$ Allocation by Division



Movement towards Middle of the Market



We budgeted \$6.0 million* for pay & benefit adjustments (\$4.6m of GU and \$1.4m of RU).

*\$6m amount includes the increased benefits cost (20%). \$4.9m was the actual amount of pay increases (total GU and RU).

FY23 – Outcomes by Goal

FY23 Goals

1. Identify pay inequities based on gender or race/ethnicity within the same job or rank & discipline.
2. Identify pay inequities within the same job or rank & discipline.

FY23 Outcomes

1. No inequities were identified based on gender or race/ethnicity within the same job or rank & discipline.
2. \$1,799,304 was used to address pay inequities within the same job or rank & discipline.
 - 51% of employees who received a pay increase received an equity increase only.
 - The average equity increase was 6.6% or \$3,427.

FY23 – Outcomes by Goal

FY23 Goal

3. Move individual Benefit Eligible employee pay closer to 80% of the midpoint for their respective pay range or rank & discipline.

FY23 Outcome

3. \$538,737 was used to move employee's pay closer to 80% of the midpoint for their respective pay range or rank & discipline.
 - 13% of employees who received a pay increase received a market increase only.
 - The average market increase was 6.2% or \$3,848.

% of Midpoint After Equity Adjustments, if applicable	Increased to % of Mid/Median	# of Employees Adjusted
49% - 69%	73%	107
70% - 72%	75%	81
73% - 74%	77%	69
75%	78%	43
76% - 77%	79%	104
78% - 79%	80%	103

FY23 – Outcomes by Goal

FY23 Goals

1. Identify pay inequities based on gender or race/ethnicity within the same job or rank & discipline.
2. Identify pay inequities within the same job or rank & discipline.
3. Move individual Benefit Eligible employee pay closer to 80% of the midpoint for their respective pay range or discipline.

FY23 Outcomes

- 1-3 \$2,613,327 was used to address pay inequities within the same job or rank & discipline and to move employee's pay closer to 80% of the midpoint for their respective pay range or rank & discipline.
- 36% of employees who received a pay increase received an equity and market increase.
 - The average market and equity increase was 14% or \$7,063.
 - 5% of employees remained under their pay range minimum, after adjustments were applied.
 - 701 employees did not receive a pay increase.

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



Requests for information from the Senates

1. How were people categorized into the new job catalog?

In FY20 HR created the job catalog and preliminarily mapped each job description to the catalog. In FY21 & FY22 each college/departments leader(s)* reviewed the preliminary mapping to approve or adjust the mapping.

*Some areas included other leaders within the college/dept, others did not – it was the college/dept leader's discretion who was brought into the mapping review.

2. Where did everyone land in the ranges?

Answered on slides 9 & 10.

3. How were the funds allocated across divisions?

Answered on slide 10.

Requests for information from the Senates

4. **What was the formula used for the distribution of funds?**
Equity first (slide 11) using pay variables (slide 17), then market (slide 12).
5. **Did the people who were the worst off (lowest paid) get the increases?**
Yes, based on equity and market findings (slide 12-14).
6. **How was PIR for Full Professors handled within the ranges?**
PIR was not separated out from the equity and market analysis in FY23.

Equity Predictive Pay Variables

The following pay variables were used to analyze equity for those within the same job or rank/discipline.

Faculty Pay Variable FY23

Rank
Tenure Track Status
Highest Degree Earned
Years in Current Rank (capped at 20 yrs)
College
Department within College

Staff Pay Variables FY23

Pay Grade
FLSA Status
Years in Current Job
Highest Degree Earned
Division
Job Family

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



Recommendations based on feedback

The following themes emerged from the stakeholder feedback sessions conducted Fall 2022:

- Shift Implementation Timeline
- Revise FY Goals
- Refine Pay Equity Methodology
- Improve Communication & Tools

FY24 Implementation Timeline

Stakeholder Feedback:

- Need more time to review various pay adjustment scenarios – all of which are manually configured in Excel.
- No time for leader input on adjustments.
- Not enough time for leaders to communicate changes to employees.

Based on our budgeting process and system,
we are unable to adjust the timing.

However, we are looking at alternative ways
to allow more time for budget owners to plan and for all leaders
to communicate changes to employees.

Revise FY Goals

Stakeholder Feedback:

- 5% of employees still not at minimum of pay range.
- For Faculty, PIR was not accounted for causing compression between those who have earned PIR and those that haven't.
- Employees with more years of service received little to no pay adjustments; provide across-the-board increase in FY24.
- 100% RU funded areas request different rules of engagement regarding funding.

Recommendations for FY24 goals were made to Divisional Leaders based on this feedback.

Decisions on how to address 100% RU funded areas, specifically those that are fully contract/grant based, have been deferred at this time to allow for further input.

Refine Pay Equity Methodology

Stakeholder Feedback:

Consider refining predictive pay variables to better align with methodology used for determining new employee pay and account for PIR and merit in pay analysis.

Made recommendations to Divisional Leaders to better align equity pay analysis variables to new hire pay analysis variables, thus reducing further equity issues over time.

Made recommendations to account for merit in future pay analysis.

Based on our goals for FY24, changes to the pay analysis variables will be deferred at this time to allow for further input and understanding.

Improve Communication & Tools

Stakeholder Feedback:

- Overall process and expectations were not always clear, especially regarding the leaders' role in communicating to employees
- Terminology was very technical and hard to understand
- Need more education on how the process works to include quartile placement
- How do we know we made progress? What metrics can we publish?

Actions being taken by HR:

- Develop easy to understand communications, education and tools.
- Identify metrics to demonstrate progress over time.
- Identify an easier, less manual way to conduct pay analysis.

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



FY24 Compensation Goals

- ✓ Move all employees to at least the minimum of their respective pay range at the beginning of FY24.
- ✓ Re-run FY23 pay analysis for faculty who have earned one or more Professor Incentive Review (PIR) to account for the prior PIR in their analysis. Apply results of that analysis and provide increases, as needed, based on results at the beginning of FY24.
- ✓ Apply an across-the-board pay increase at the beginning of FY24.

Agenda

Definitions & Roles

Goals & FY23 Outcomes

Senate Requests

Feedback & Recommendations

FY24 Compensation Priorities

Next Steps



Next Steps

- Faculty Senate Update – Feb 27
- Leadership Communication – April/May
 - Preliminary impact by GU/RU funds
 - Expected market movement by employee
- Leader Communication to Employees – once FY24 budget is finalized
 - Final impact by GU/RU funds & movement to market by individual
 - Talking points to support employee communication
- Fall '23 – Leadership educational sessions



Questions / Comments?