

**Market-Based Compensation Program**  
**Frequently Asked Questions**  
**Updated June 2023**

**About FY24 University Goals**

**Q1: What were the compensation goals for FY24?**

**A1:** The FY24 Compensation Goals were:

- Bring all employees below the minimum of their pay range to the minimum of their respective FY24 range.
- Re-run the FY23 pay analysis for faculty who had earned one or more Professor Incentive Reviews (PIR). Pay adjustments will apply, as needed, based on the results of the analysis.
- Apply a 2.5% across-the-board pay increase for all employees eligible for Market Based Compensation.

**Q2: If my base pay rate is below the pay range minimum, will I receive a base pay increase?**

**A2:** For FY24, one of the compensation goals is to bring all employees below the minimum of their pay range to the minimum of their respective FY24 pay range. Leaders of 100% externally funded RU departments have the autonomy to not fund pay range minimum increases based on grants, contracts or other budget restrictions.

**Q3: If my base pay rate is nearing or exceeds the pay range maximum, will I receive future base pay increases?**

**A3:** An employee whose base pay rate is nearing the pay range maximum, and exceeds the pay range maximum after receiving a base pay increase, will receive the portion of the increase that raises the base pay rate to the pay range maximum. The remainder of the increase will be paid in a lump sum payment that is not added to the base pay rate. Future increases would be in the form of a lump sum payment.

Employees who receive a base pay increase when their base pay rate exceeds the pay range maximum will receive the value of the increase in a lump sum payment.

**Q4: Who is eligible for the across the board pay increase?**

**A4:** State employees who have started employment with the University on or before May 25, 2023 and have funding available for that purpose (see question #2 for additional information)

**Q5: Will every employee receive a pay increase?**

**A5:** Maybe not. Areas that are funded by state dollars (GU funds) will receive the increase. Areas that are funded by external sources (RU funds), such as contracts, grants, fees, etc. may be handled differently as determined by the leader.

**Q6: Why can some RU leaders opt not to fund pay adjustments?**

**A6:** Because they may have limitations to how their money is spent based on the terms of the grant or contract.

**Q7: Why was my performance not factored into the increase this year?**

**A7:** Performance was not a goal or focus for FY24.

**Q8: If I received multiple reasons for a change in pay for the new FY, in what order were the increases applied?**

**A8:**

1. FY23 Pay/Position changes effective on or before June 10, 2023
2. Pay Range Minimum or FY23 Faculty PIR Increase
3. 2.5% Across the Board Increase
4. FY24 Pay/Position changes effective on or after June 11, 2023 (promotion including faculty promotion or PIR, increase in duties pay, etc.)

**Q9: I'm a GU funded employee who was employed by May 25th, why didn't I receive a 2.5% increase?**

**A9:** If you did not receive the 2.5% increase and believe you should have, please speak with your leader. All FY23 pay adjustments submitted and fully approved by May 19th to take effect on or before June 10th were included in the communications to leaders and employees in June. As communicated by the Budget Office on May 10, all FY23 pay adjustments submitted between May 10<sup>th</sup> and May 19<sup>th</sup> should have been submitted to HR by taking into account the 2.5% across-the-board increase.

### **About the Market-Based Compensation Program**

**Q1: Why did the University implement a market-based compensation program?**

**A1: Market-based compensation was implemented in July 2021** in support of the strategic plan. The University initially identified as a goal in 2013 "Goal 7: Assessments, Rewards and Incentives" and then again as a 2019-2020 Priority to "develop and implement a market-based compensation structure for faculty and staff." A market-based compensation program is key to attracting and retaining an engaged and high performing workforce to support the mission and values of the University.

67% of organizations, which includes higher education institutions, currently utilize market-based compensation programs. Kansas State University is currently on a journey to transition to market-based compensation. The end result will guide us toward making our compensation competitive with other educational institutions and industry we compete with in the labor market.

**Q2: How does having a market-based compensation program help the University address low pay?**

**A2:** We hear from many employees that our compensation is low. Uniform and consistent job descriptions are critical for us to be able to compare our jobs to comparable jobs in the external market. It enables us to do a comprehensive market review study to identify areas of opportunity and set priorities as funding is available.

**Q3: What were the steps that the University completed to implement the market-based compensation program?**

**A3:** There were seven steps to complete the implementation:

1. Define the jobs that are needed at the University
2. Create uniform and consistent job descriptions and place those newly created job descriptions into a catalog (referred to as “job catalog”)
3. Map the existing positions to an appropriate job in the newly created job catalog based on the job duties of the existing position
4. Compare each of the jobs in the job catalog to comparable jobs in the external market, develop new compensation structure and assign a pay range and exempt/non-exempt classification
5. Review the experience, education and skill-set of each employee to assess placement within the pay range
6. Implement compensation administration guidelines to ensure consistent application of compensation practices on an on-going basis
7. Implement base pay changes based on the market review study as funding becomes available (multi-year plan to implement base pay changes)

**Q4: Who is impacted by the market-based compensation program?**

**A4:** All faculty and staff except for coaches, student employees, temporary employees, lecturers and employees in the Division of Industry and Defense Programs (IDP).

**Q5: Does the term “market-based compensation” have any relevance to how “market” is referenced in economics?**

**A5:** Market-based compensation is very much like the economic law of supply and demand. There is a rate that an employee is paid which is based on what the employee is willing and able to accept, but is also based on what the organization is willing and able to pay. Those individual base pay rates are reported for salary survey purposes which are then compiled to calculate the market value percentiles for each survey job. Organizations establish a compensation philosophy which determines how they want to position themselves in the market (i.e., lead, lag or at market) which determines the appropriate market value percentiles that are used to establish the salary structure. If an organization finds that employees aren’t willing and able to accept the rate offered based on the established philosophy or if there is a job that is very difficult to fill, the organization may need to adjust the philosophy for that job in order to fill the job.

**Q6: Does this program affect the annual performance evaluation process?**

**A6:** This program does not affect the annual performance evaluation process.

### **About the Annual Market Review Cycle and Funding**

**Q1: How often is the University going to complete a market review?**

**A1:** The University is committed to completing a market review on an annual basis.

**Q2: After the annual market review is complete, will I receive a base pay increase each year?**

**A2:** Base pay increases will remain subject to the goals the university establishes each fiscal year and the funds available for this purpose.

**Q3: If we may not have funding for base pay increases each year, why do all this work?**

**A3:** Creating a compensation program with the elements we have included allows administration of a compensation program in a consistent manner. The market review allows us to prioritize base pay changes. We can be more strategic by creating multi-year plans to prioritize limited resources in order to administer our compensation program in a consistent manner. This will allow the university to make progress toward our goal of paying employees, in aggregate, at the mid-point or median of the market.

**Q4: If the Kansas Legislature provides pay increases for all State of Kansas employees, will I still receive a base pay increase?**

**A4:** Yes, if the Kansas Legislature mandates pay increases for all State of Kansas employees, all eligible employees will receive the legislated base pay increase. However, if the Kansas Legislature approves a pool of funding for pay increases, the University may choose to fund specific market-based goals and priorities.

**Q5: Why does the University have an “annual cycle” for base pay increases?**

**A5:** An annual cycle creates consistency as well as allows us to be much more strategic with the use of limited funds available for base pay changes. It ensures that we are applying a consistent methodology so we are effectuating changes in those situations where it is most needed based on University fiscal year compensation priorities.

**Q6: With the “annual cycle”, will there be any situations for base pay increases at other times of the year?**

**A6:** We recognize there will be situations that require an employee’s base pay to be reviewed other than on the annual cycle. The University, as executed by Human Resources, reviews pay for the annual cycle. Leaders make decisions using our established Compensation Administration Guidelines [Establishing Individual Employee Base Pay Rates](#) for pay increases that occur outside of the annual cycle.

## **About Job Catalog and Job Descriptions**

**Q1: Why has the University created uniform and consistent job descriptions?**

**A1:** Uniform and consistent job descriptions clearly show the work that is done at the University and help to:

- Accurately reflect job duties and responsibilities
- Identify similarities across jobs
- Ensure alignment of our jobs to the external job market as well as to other jobs at the University
- Create consistency in job levels and titles to define career paths and enable employees to see where they are currently positioned and the advancement opportunities within the University

**Q2: Is the job catalog available for viewing by the University community?**

**A2:** Yes, instructions for accessing the job catalog are available [here](#).

**Q3: Why does my job description not contain all the duties that I perform?**

**A3:** Job descriptions should reflect the major job functions and minimum requirements for the job, but should not detail every task and how the task is completed. A [Position Responsibilities template](#) has been developed for use by the leader and employee. It can capture more detailed information about where or how duties are performed.

**Q4: Would I earn more if all the tasks and duties I perform are included in my job description?**

**A4:** No. When jobs are compared to the external job market, the major job functions and minimum requirements are the primary comparisons.

**Q5: What should I do if I feel that my job description is inaccurate?**

**A5:** You should have a discussion with your direct supervisor to address your concerns and learn more about how your job is defined. If the position needs to be reviewed, your supervisor can work with their assigned HR Business Partner to address any questions or concerns.

**Q6: I'm concerned that using the job catalog job description to post my position will not allow me to effectively recruit for the position. How will HR ensure that this doesn't happen?**

**A6:** The HR Talent Acquisition Consultant will assist you in drafting or will draft for you a position posting summary. The position posting summary will be more descriptive of the position being recruited.

**Q7: Where can I find information about my job description and pay range?**

**A7:** For staff, you may find your job description in the Job Catalog. Instructions for accessing the job catalog are [here](#). For faculty, please talk with your leader on how the responsibilities were set for your job.

### **About Job Titles**

**Q1: How are job titles determined?**

**A1:** Through the establishment of the job architecture, the University has adopted a uniform and consistent construct of titles. A process has been developed to allow the approved use of [working titles](#) if the job description title does not provide sufficient clarity about the position, either internal or external to the University.

**Q2: What if I want to have a different title?**

**A2:** The University has adopted the use of [working titles](#). There will be some situations in which titles other than the uniform and consistent title in the job catalog will be allowed. For example, a “working title” may be used to describe the function of the position in even greater detail or more easily recognized terms in both internal and external communications. All requests for use of working titles need to be requested through your leader. Your leader can then submit the request to [marketbasedcomp@wichita.edu](mailto:marketbasedcomp@wichita.edu) for review prior to utilization.

**Q3: If my title is changed as a result of a working title approval, will it affect my base pay rate?**

**A3:** A working title change will not generally have any effect on employee base pay rate. When jobs are compared to the external job market, the major job functions and minimum requirements are the primary comparisons.

**Q4: Is my working title displayed on my timesheet or leave report?**

**A4:** No, only the job description title is displayed on your timesheet or leave report. The working title is displayed in the directory and the annual appointment notice, if applicable.

### **About Pay Ranges and Market Salary Data**

**Q1: How does the University determine the pay range for jobs?**

**A1:** The University annually purchases third-party, independent salary surveys which collect salary information from organizations and provides aggregate salary data for jobs. The University utilizes the salary survey data to compare our jobs to survey jobs in the same geographical, industry, or other specific scope in which the University competes for labor.

**Q2: What salary survey sources does the University use?**

**A2:** The University primarily utilizes three salary survey sources for the majority of jobs.

- College and University Professional Association (CUPA) produces four salary survey modules (Faculty, Administrators, Professional and Staff) that encompass many of the jobs that would typically be found in a university setting. For non-teaching jobs, the scope that is utilized is public universities in the Midwest with expenses in the 4<sup>th</sup> quartile. For teaching jobs, the scope that is utilized is 4-year, public universities with expenses in the 4<sup>th</sup> quartile.
- Towers Watson General Industry Middle Management, Professional and Support survey which produces eleven salary survey modules will be used to supplement for jobs which aren't typically found in higher education institutions and/or which we recruit from general industry, the scopes utilized are all organizations, Kansas with revenue less than \$500 million.
- Payfactors Market Data provides access to survey data for jobs which may include those found in a university setting (non-teaching) as well as a variety of jobs which we recruit from general industry, the scopes utilized are all organizations, Kansas with revenue \$200 - \$500 million.

**Q3: Why does the University utilize salary surveys?**

**A3:** Third-party, independent salary surveys adhere strictly to safe harbor guidelines in order to avoid antitrust violations that may be viewed as price fixing. They are a great source of data for us to understand how the market values jobs so we can compete for candidates in a tight labor market.

**Q4: How is the salary survey data used to determine the pay range for my job?**

**A4:** The University matches our jobs to survey jobs utilizing the most appropriate geographic, industry or other specific scope which allows us to calculate the "median" or "market value" for the job. The pay range is assigned based on the pay range midpoint which most closely approximates the market value.

**Q5: Why does the pay range assigned to my job differ from the information that I am able to find through my own research on the internet for similar jobs (i.e., Indeed, Salary.com, Glassdoor, etc.)?**

**A5:** Utilizing third-party independent surveys allows the University to ensure that the external salary data is collected and provided in a consistent and reliable manner. The salary data reported on internet sites is typically self-reported, not collected in a consistent manner and does not require adherence to the safe harbor guidelines. Self-reported data may unintentionally include other forms of salary data which should not be reported as base pay, such as overtime and shift differentials.

**Q6: Is pay reviewed differently for a job in which the employees have a home base outside of Wichita?**

**A6:** The University does have a few jobs that require a home base outside of Wichita. We will review those jobs which must exist outside of Wichita to ensure that we acknowledge any geographic differentials, if applicable. This does not apply for approved flexible or remote work agreements.

**Q7: How do hiring leaders have access to market data for teaching positions when determining offers for new hires?**

**A7:** We do not currently have an automated way to provide market data to hiring leaders. The hiring leader can request information from [marketbasedcomp@wichita.edu](mailto:marketbasedcomp@wichita.edu).

**Q8. How should the base pay rate for a new hire be determined?**

**A8:** The Compensation Administration Guidelines provide guidance to assist leaders in [Establishing Individual Employee Base Pay Rates](#) which includes new hire offers.

**Q9: Is there a minimum salary established for teaching positions?**

**A9:** Teaching positions are not assigned to a pay range so there is not a pay range minimum. Teaching positions are analyzed based on the percentile of the market data (25<sup>th</sup> %ile 50<sup>th</sup> %ile, 75<sup>th</sup> %ile). Currently, the University has not established guidelines for teaching positions which guide base pay decisions.

### **About Exemption Classification (i.e., non-exempt / exempt)**

**Q1: I have heard references to FLSA. What does that mean?**

**A1:** The Fair Labor Standards Act (FLSA) is a federal law that is intended to protect workers against certain unfair pay practices of work regulations. FLSA establishes exemption status, minimum wage, overtime pay, recordkeeping, and child labor laws.

**Q2: How is the FLSA exemption classification (i.e., non-exempt or exempt) determined for my job?**

**A2:** The Department of Labor (DOL) has established exemptions (i.e., exempt from overtime) for employees who meet certain tests regarding their job duties, being paid on a salary basis and minimum salary threshold.

### **Other Questions**

**Q: If I have a question not covered in this FAQ document, who do I contact?**

**A:** You should first contact your leader as they may be able to help answer your question. If your leader is not able to answer your question, you can send your question to [marketbasedcomp@wichita.edu](mailto:marketbasedcomp@wichita.edu).