

Leader Talking Points

Transition to market-based compensation program

What is changing?

The University is transitioning to a market-based compensation program.

Why is the University transitioning to a market-based compensation program?

In support of the strategic plan, the University identified 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. The end result will guide us toward making our compensation competitive with other educational institutions and industry we compete with in the labor market.

Do other organizations, particularly higher education institutions, utilize a market-based compensation program?

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.

What are the steps that the University will complete to implement a market-based compensation program?

There are 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 a “job catalog”)
3. Map the existing positions to an appropriate job in the newly created job catalog based on job duties of the existing position
4. Compare each of the jobs in the job catalog to comparable jobs in the external market and assign a pay range and FLSA exemption status
5. Review the experience, education and skill-set of each employee to assess placement within the pay range
6. Implement compensation administrative guidelines to ensure fair and equitable compensation practices on an on-going basis
7. Budget dollars in FY21 and annually thereafter (multi-year plan to implement pay changes)

Who is impacted by the market-based compensation program?

All faculty and staff except for student employees and lecturers.

How are faculty impacted by the market-based compensation program?

In 2018 and 2019, Human Resources and committee comprised of faculty and the Provost, collaborated to transition tenure-track faculty to market-based compensation. The program was implemented at the beginning of FY20 with a multi-year plan to align base pay rates with external market and internal compensation philosophy.

Non-tenure track faculty are transitioning to the market-based compensation program as we complete the current phase of the implementation.

How does this differ from the work that CBIZ did for the University in 2015?

For areas of the University that participated, CBIZ had each employee complete a job analysis questionnaire (JAQ), but did not create uniform and consistent job descriptions. We are continuing the work that CBIZ began and are creating uniform and consistent job descriptions essential in conducting an external market review study for comparable jobs and developing a new salary structure reflecting the market value of the jobs at the University. This effort provides us the ability to place our jobs within the salary structure pay ranges based on external market data. This is referred to as market-based compensation. The resulting process will allow us to conduct a market review study and confidently analyze employee compensation.

When is this transition going to occur?

Planning and work is currently underway. It is anticipated that the transition will occur in Spring 2020.

How will leaders be involved in the process?

There are several points in the process in which leaders will be involved.

- Some leaders may have already been engaged in the process of defining the jobs needed in their division/department
- During the process of mapping current positions to the newly created job catalog, some leaders will be engaged to validate the mapping
- All leaders with direct reports are expected to meet with them to them to share this information
- After the market review study is complete, leaders will be provided information and will be expected to meet individually with those that report to them to review the job mapping, assigned pay range, and FLSA exemption status

When we have the analysis, how and when will we make pay changes?

At the conclusion of the market review study, the University's Compensation Administrative Guidelines will be utilized to establish a multi-year plan to implement pay changes beginning in FY21. Just like today, funding must be available for pay changes.

How is this better than what we have today?

Leaders will no longer need to create or update a job description each time that they create a job posting or process a position change. The leader will select a job description from the job catalog based on the job duties of the position. The position level, pay range, and FLSA exemption status will already be determined.

The leader will utilize the compensation administrative guidelines to make pay decisions within the assigned pay grade. The Human Resources Business Partner (HRBP) will be available to assist with compression and/or equity issues.

What if I want to have a different title for an employee that reports to me?

Situations in which titles other than the uniform and consistent title in the job catalog will be allowed on a limited basis. For example, situations in which a different “business card title” is required in order for the employee in the job to effectively interact with the public. All exceptions need to be submitted and approved prior to utilization.

How does this account for employees who do unique or uncommon jobs?

We have done our best to ascertain when a job is unique or uncommon from other jobs at the University. As the mapping process is validated with leaders, the HRBP will collaborate with the leader and the HR Compensation team to ensure that jobs which are unique or uncommon from other jobs at the University are appropriately defined.

This sounds like a “one size fits all”?

Creating uniform and consistent job descriptions will allow us to clearly show the work being done at the University. Uniform and consistent job descriptions 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 which define career paths and enable employees to see where they are currently positioned and the advancement opportunities within the University.

What will change from how we make pay decisions today?

There are no formal guidelines for leaders to utilize in making pay decisions and historically, (and still to a large extent today) pay decisions have primarily been based on budget dollars available. The compensation administrative guidelines will guide leaders in making pay decisions based on factors such as the market value of the job; the employee’s knowledge, skills, abilities, and certifications; and internal equity.

Who will make employee compensation decisions in the future?

The leader will make compensation decisions utilizing the compensation administrative guidelines within the assigned pay grade. The HRBP will be available to assist the leader if they have concerns with compression and/or equity issues.

How will leaders make compensation decisions in the future?

The leader will utilize the compensation administrative guidelines to make pay decisions within the assigned pay grade. The HRBP will be available to assist with compression and/or equity issues. The compensation administrative guidelines will ensure that the compensation program for the University is administered in a fair and equitable manner.

How can I support those who report to me during this transition?

- Recognize that this is a significant change for the organization and that for some, change may be difficult.
- Recognize that those who report to you want to hear about significant organizational change from you.
- Meet with your team initially to share this information, and then individually with staff as decisions are made regarding where their job is mapped within the job catalog. Please engage your HRBP if you need assistance.
- Use the tools designed to assist you in leading this organizational change, specifically with those who report to you.

What is expected of me as a leader in this transition?

- All leaders who have employees reporting to them are expected to meet with them to share this information.
- After the market review study is complete, leaders will meet individually with those that report to them to review the employee's job mapping, pay range, and FLSA exemption status.

What resources are available to me to assist those who report to me?

There will be a dedicated Human Resources web page with information, such as FAQ's; Leader talking points, the WSU Transition to Market-Based Compensation Program presentation and a list of HRBP assignments.

If I or one of my direct reports have a question that is not answered in any of the resources listed above, who do we contact?

If you have read the Human Resources web page information including the FAQ's and cannot find an answer, then you should contact your HRBP as they may be able to help answer your question. If your HRBP is not able to answer your question, they will reach out to the HR Total

Rewards team for a response. Employees may also send questions to marketbasedcomp@wichita.edu.