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Non-Academic Staff Compensation Program

my TOTAL REWARDS

Employee Presentation 2013

What is this project?

An evaluation of each **non-academic** job to ensure the university offers an **externally competitive** and **internally equitable** salary package at all university locations.

- ➢ Piloted in 2010
- ➢ Kicked off full project in 2011
- ➢ Implemented beginning in 2012
- ➢ Expanding to all campuses throughout 2013

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Global Groups*

The evaluation process has been completed for each Global Group of positions across the organization:

- – Administrative and Support Services
- – Advancement
- – Business Administration
- – Communications
- – Craft Service Maintenance
- – Executive
- – Information Technology
- – Student Support Services
- – Research and Engineering

This list is not in order of evaluation.

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Why is the project important?

This compensation project allows the university to **Recruit**, **Retain** and **Reward** valuable employees, like you!

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What is the compensation project philosophy?

UM's compensation philosophy is…

- Supportive of the university's mission and objectives

- Fairly and consistently administered

- Internally equitable

- Externally competitive within the appropriate labor market and the higher education industry (comparison organizations to which we gain or lose employees)

- Performance-based

- Structured system-wide but flexible to fit campus/hospital strategic priorities

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What was the goal of the project?

The goals of the project were to:

- Evaluate each position
- Potentially change position titles
- Place evaluated positions within salary grades
- Create updated position documentation
- Create internal equity for salaries
- Create a basis for comparing salaries
- Create external competitiveness for similar positions
- Create a platform for comparing our jobs to those in competitor organizations

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What will this project NOT do?
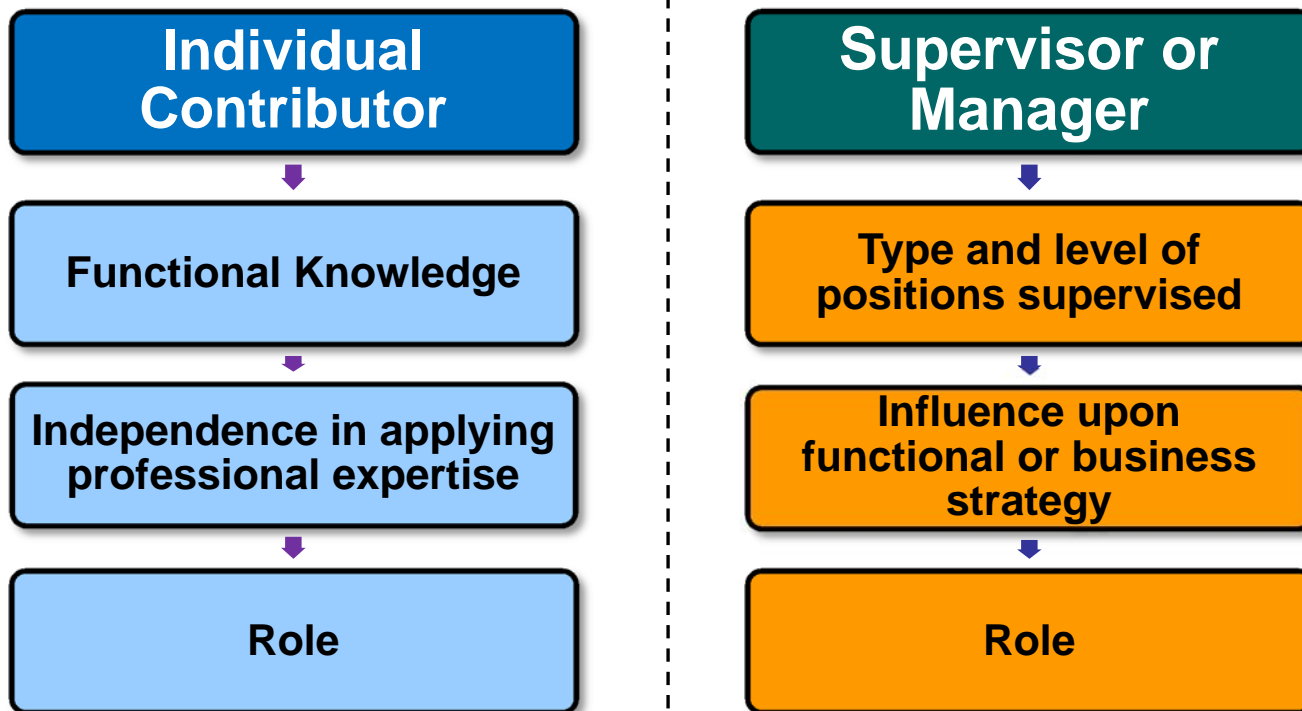
This project will not:

- Reduce employee pay
- Change position duties
- Change the organizational structure
- Eliminate positions or cause layoffs
- Evaluate employee performance

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How am I impacted?

You can develop along one of two career paths:

– Individual Contributor

– Management

Individual Contributor	Supervisor or Manager
Functional Knowledge	Type and level of positions supervised
Independence in applying professional expertise	Influence upon functional or business strategy
Role	Role

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How is the job level decided?

7 specific job factors are assessed to determine the *level* of the job within each *role*:

- **Functional knowledge**
- **Business expertise**
- **Leadership**
- **Problem solving**
- **Nature of impact**
- **Area of impact**
- **Interpersonal skills**

- The *knowledge* required to perform the work
- The *expertise* in the job, the related areas affecting the job, and areas which the job affects
- The *leadership* required to perform job
- The *independence* with which the job operates
- The *influence* of the job on other entities within the department, division and campus
- The *impact* of the job – both the type of impact and the scope of impact on the work team, department, division and campus
- The *interpersonal* and *communication skills* required for the job

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Summary of the process

- The project uses an internationally known evaluation tool called the Global Grading System (GGS)

- HR staff across all campuses have been trained in the use of GGS

- Positions are evaluated by a cross-campus group of GGS trained evaluators

- Once a global group is evaluated, it is then validated by a larger group of cross-campus HR staff

- Once evaluated, leadership reviews and validates salary grade assignments

- Following evaluation, placement of a global group into the salary structure and titling, the global group is validated with managers who have employees in that group

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How do jobs fit in the structure?

After establishing a career path and determining the role within that path, A **grade** is assigned for salary administration purposes based on the job level within that role.
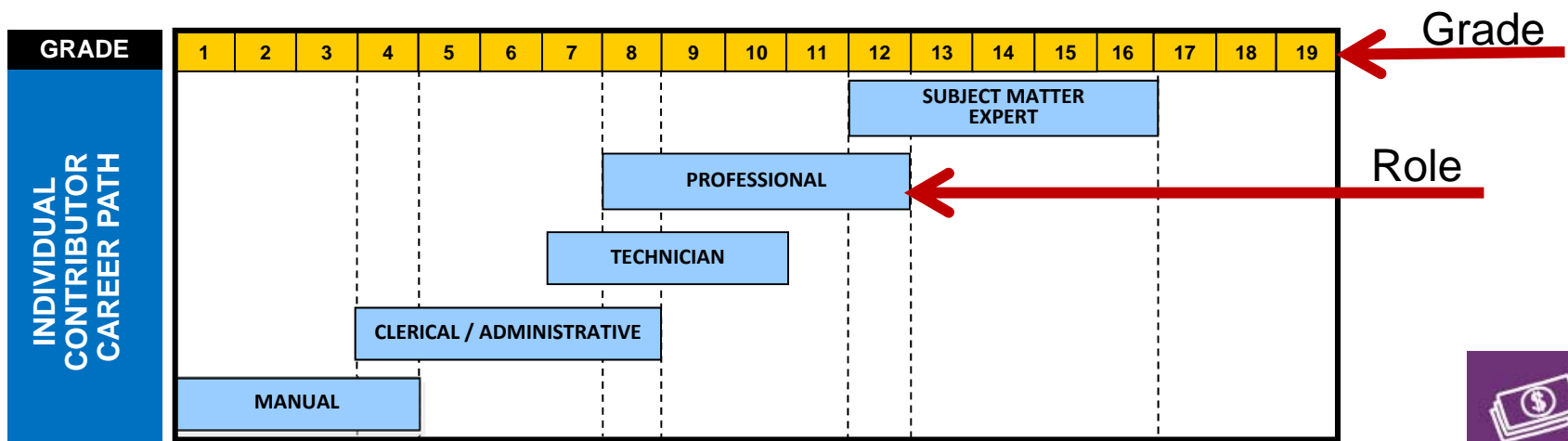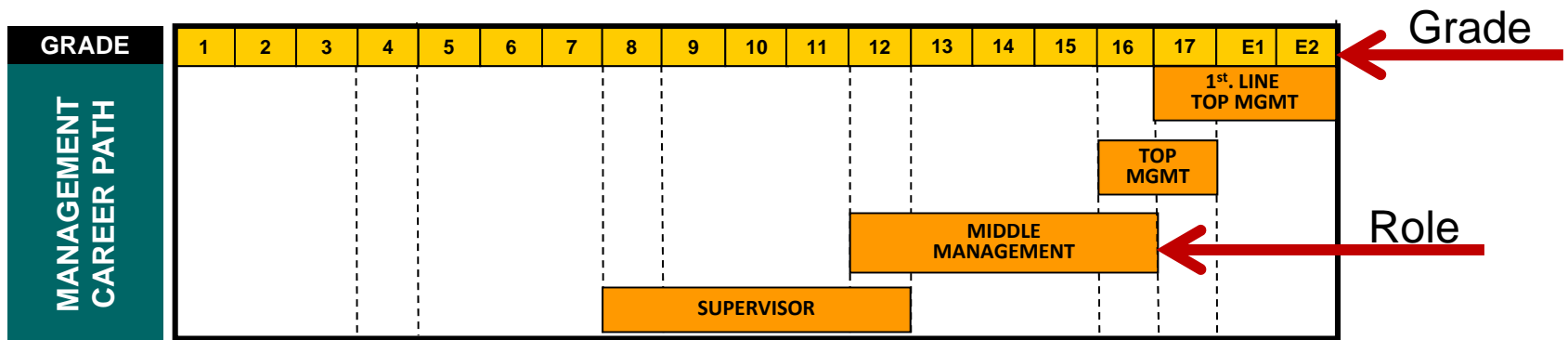
What if I disagree with the evaluation?

- If you believe your position has been placed incorrectly:
  - Review your position description to ensure that it fairly states the primary accountabilities and requirements for your job
  - Schedule an appointment with your manager to review the how your job was evaluated
- Note: any requests for re-evaluation must be made by your manager and local HR

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How does the salary range work?

- **Salary Range:** a market-based compensation range with a minimum, midpoint and maximum salary

MINIMUM
Employees with little or no experience

MIDPOINT
Seasoned, well-performing employees. The midpoint is the "market rate" for the job

MAXIMUM
Top-performing employees; the most we pay for a particular job

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What does a salary structure do?

- There are several objectives for a salary structure
  - External competitiveness – defining the market and aligning the salary ranges with the market
  - Internal equity – aligning positions of common value in the same salary grade
  - Create a <u>hierarchy of jobs</u> in the organization from entry level positions through the President's position
  - Serve as a basis for <u>communicating</u> to employees how salary is determined, a path for career development and a process for increases and promotions
  - Allow employee growth and development to be rewarded

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How is the salary structure maintained?

- Salary structure is assessed about every two years
  - The structure is adjusted according to program objectives and the university's ability to make the market adjustment
- Benchmark positions are used to test the structure vs. the market
  - A benchmark position can be matched to a similar position in the external market
- External market data is used for comparison
  - "The Market" is defined as the areas from which the university competes for employees
- Range adjustment
  - Ranges may be adjusted if there is evidence that the university has fallen behind the external market
  - Range adjustment may or may not impact employee pay

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What happens now?

- ✓ All non-academic, non-union positions have been evaluated by internal HR staff trained in how to use the Global Grading System (GGS)

- ✓ Employees will perform their regular duties and receive their regular pay as usual

- ✓ **You will receive information about your placement in the Global Grading Structure this fall.**

- ✓ Your supervisor will discuss any changes with you prior to any implementation:
  - Your position title may change
  - Your salary could possibly increase if it is below the minimum of the new salary range, but it will NOT decrease

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What happens now?

✓ **Leadership Education – June**

✓ **Share information with VP's – July**

✓ **Employees receive information about Global Grade assignment – August/September**

✓ **All System employees brought within new salary ranges – September**

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A few reminders…

- The Global Grading Project only impacts non-academic positions (not students, faculty or union positions)
- Every position has been evaluated, one global group at a time
- The project creates a basis for communication, visibility and transparency that will help address both employee and organization compensation issues over time
- The project ensures the UM compensation program is administered in a fair and equitable manner
- Position titles may change
- The project is not being done to impact salary; however,
  - It could increase salary for employees below the minimum of the new salary range for their position
  - It will not decrease salary
- Staffing levels and budgets are not a part of the project
- Performance assessment is not a part of the job evaluation process
- Employees will be able to identify and select a career path if they choose

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