

**Market-Based Compensation Program
Frequently Asked Questions
Updated September 2021**

Q1: Why is the University implementing a market-based compensation program?

A1: 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: When can we expect the transition to market-based compensation take place, meaning when would we actually learn if our compensation is up to market?

A2: Our transition will be complete the end of July, 2021 when we complete the annual production of appointment notices. Prior to that time (late June), leaders will receive a compensation statement for each employee who reports to them that they will provide to the employee. The statement outlines the title of their job, the working title (if applicable), the FLSA exemption classification, assigned pay range and base pay rate.

Q3: How will having a market-based compensation program help the University address low pay?

A3: We hear from many employees, as recently as the 2019 UP/USS survey, 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 will enable us to do a comprehensive market review study to identify areas of opportunity. Until we can do the market review study, we are unable to confidently identify those areas of opportunity.

Q4: What are the steps that the University will complete to implement a market-based compensation program?

A4: 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 “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)

Q5: Which of the seven steps to implement a market-based compensation program are complete or nearly complete?

A5: The following steps are complete or nearly complete:

- The job catalog: Although the job catalog will continue to evolve, we have completed the process of identifying all jobs needed at the university as they exist today. We know that no organization stays the same and there will be situations in which we will have to create new jobs that meet the needs of the organization as they develop. For every job identified at the University, we have created a job description with uniform and consistent language.
- Mapping of existing positions: We have mapped all existing positions to a job description in the job catalog based on the job duties the employee is performing. The job descriptions in the catalog capture the duties a job performs, not where or how the duties are performed. An optional Position Responsibilities template has been developed for use by the leader and employee and can be found in the [HR Forms Index](#). It will capture more detailed information about where or how duties are performed.
- Compensation software: Software for the administration of the program has been implemented and will assist greatly in the administration of the plan, in conducting the market review, modeling compensation structures and analyzing base pay data.
- Development of Compensation Administration Guidelines. This is a comprehensive document that will be used to guide decisions about base pay. When it is finalized, the document will be posted on the HR web site.

Q6: Who is impacted by the market-based compensation program?

A6: All faculty and staff except for student employees, temporary employees, lecturers and employees in the Division of Industry and Defense Programs (IDP).

Q7: How are teaching positions impacted by the market-based compensation program?

A7: In 2018 and 2019, Human Resources and a committee comprised of tenure and tenure-track faculty and the Provost, collaborated to transition tenure and 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.

As we complete the current phase of the implementation, tenure and tenure-track faculty, non-tenure track faculty and all other benefit-eligible positions will all be transitioned to the market-based compensation program.

Q8: How does this differ from the work that CBIZ did for the University in 2015?

A8: For those 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 have created 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.

Q9: Why has the University created uniform and consistent job descriptions?

A9: 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

Q10: Will the job catalog be available for viewing by the University community?

A10: Yes, we will publish the job catalog as we get closer to the transition. We anticipate that this will be near the end of June. We will provide information about how to access the catalog at that time in our routine campus updates.

Q11: Why does my job description no longer contain all the duties that I perform?

A11: 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. An optional 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.

Q12: Would I earn more if all the tasks and duties I perform are included in my job description?

A12: No. When jobs are compared to the external job market, the major job functions and minimum requirements are the primary comparisons.

Q13: If my job description is changing, will my tasks and duties change?

A13: The transition to uniform and consistent job descriptions will not change the tasks and duties that you currently perform. An optional Position Responsibilities template has been developed for use by the leader and employee and is available on the [HR Forms Index](#). It can capture more detailed information about where or how duties are performed. You are encouraged to discuss any questions about this with your direct supervisor.

Q14: Will we be able to keep our current title or have to change our title?

A14: Today there is a wide variation of titles used at the University. Through the establishment of the job architecture, the University has adopted a uniform and consistent construct of titles and for this reason, the vast majority of titles will change. Today, the University uses position and directory titles, going forward, the job description title will be utilized. A process has been developed to allow the limited, 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.

Q15: Why is the University creating uniform and consistent job titles?

A15: A current job title may not accurately reflect the work being done or match a title used for similar work at the University or in the external job market.

Q16: What if my leader wants to have a different title for me?

A16: The University is adopting 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 submitted and approved prior to utilization.

Q17: If major job functions and minimum requirements are primarily compared to the external market, why is it important that uniform and consistent job titles are created?

A17: In addition to uniform and consistent job descriptions, it is imperative that we also create consistency in job levels and titles which define career paths and enable employees to see where they are currently positioned and advancement opportunities within the University.

Q18: I have heard that some titles and/or jobs that exist today are not in the job catalog, is this true?

A18: There are some job levels that exist today that will not exist in the job catalog as they are simply not needed for administration of market-based compensation. The more levels that exist, the harder it is to make a distinction in what the jobs do and they can't be matched to the market data. In some situations, these may be deemed appropriate for [working titles](#).

Q19: How was my job mapped to a job in the job catalog?

A19: Current position descriptions and/or job analysis questionnaires were utilized, as well as discussions with department leaders. An update of the job mapping is being distributed to leaders in late April 2021. Leaders are to share the job mapping with their direct reports.

Q20: What should I do if I feel that my job was not appropriately mapped?

A20: You should have a discussion with your direct supervisor to address your concerns and learn more about how your job was mapped. If the mapping of the position needs to be reviewed, your supervisor can work with their assigned HR Business Partner to address any questions or concerns.

Q21: What will happen if I don't meet the minimum requirements for the job that my current job was mapped to in the job catalog?

A21: In most situations, current employees will be grandfathered and will not be required to meet the minimum requirements. Current employees will be required to meet any minimum requirements based on a regulatory or compliance requirement. If a current employee has a position change in the future, the employee must meet the minimum requirements of the new job.

Q22: 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?

A22: 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.

Q23: If my title is changing, will it affect my base pay rate?

A23: A 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.

Q24: How does the University determine the pay range for my job?

A24: The University 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.

Q25: What salary survey sources does the University use?

A25: The University will primarily utilize two salary survey sources for the majority of our 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.
- 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.

Q26: Why does the University utilize salary surveys?

A26: 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.

Q27: How is the salary survey data used to determine the pay range for my job?

A27: 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.

Q28: I have heard references to FLSA. What does that mean?

A28: 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.

Q29: How is the FLSA exemption classification (i.e., non-exempt or exempt) determined for my job?

A29: 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.

Q30: Will my FLSA exemption change as a result of this work?

A30: As the market review study is complete, the FLSA exemption status will be reviewed for all jobs and will be updated in adherence to the federally required salary and duties guidelines, as necessary. If the review results in a change of the exemption classification for a job, both the direct supervisor and employee will be notified.

Q31: 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.)?

A31: 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.

Q32: When will I learn how my job was mapped to the job catalog and the pay range assigned to my job?

A32: After the market review study is complete, your leader will meet with you individually to review your compensation statement which includes such things as your job title, pay range, FLSA exemption classification, and base pay. Compensation statements will be distributed to leaders in late June 2021.

Q33: Will the pay range assigned be different for a job in which the employees have a home base outside of Wichita?

A33: 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.

Q34: After the market review study is complete, will I receive a base pay increase?

A34: Base pay increases will remain subject to funds available for this purpose.

Q35: If we won't have funding for base pay increases, why do all this work?

A35: Creating a compensation program with the elements we have included allows administration of a compensation program in a consistent manner. The market review study will allow 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.

Q36: How often is the University going to complete a market review study?

A36: The University is committed to completing a market review study on an annual basis.

Q37: When market reviews are conducted in the future, will I receive a base pay increase?

A37: Any future base pay changes which are driven by a market review study will be based on available funding and communicated at that time.

Q38: If the Kansas Legislature mandates across-the-board base pay increases for all State of Kansas employees, will I still receive a base pay increase?

A38: Yes, if the Kansas Legislature mandates across-the-board base pay increases for all State of Kansas employees, all eligible employees will receive the legislated base pay increase.

Q39: Is my supervisor aware of this work?

A39: Forums were hosted during October and November 2019 for those who have direct reports with the expectation that they would share this information with the employees that report to them. Many leaders were also involved in the process of mapping existing positions to the newly created job catalog. As this work continues, we are providing additional briefings to provide a current status update for leaders and employees.

Q40: If my base pay rate is below the pay range minimum, will I receive a base pay increase?

A40: At the conclusion of the market review study, the University's Compensation Administrative Guidelines will be utilized to prioritize and establish a multi-year plan to implement base pay changes as funding is available.

Q41: If my base pay rate is nearing or exceeds the pay range maximum, will I receive future base pay increases?

A41: 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.

Q42: Why is the University moving to an "annual cycle" for base pay increases?

A42: Moving to an annual cycle will create consistency as well as allow us to be much more strategic with the use of limited funds available for base pay changes. It will ensure that we are applying a consistent methodology so we are effectuating changes in those situations where it is most needed. Doing it on an annual basis allows us to analyze and provide information to our budget colleagues well in advance of when base pay changes occur which is at the start of the new fiscal year.

Q43: After the transition to the "annual cycle", will there be any situations for base pay increases at other times of the year?

A43: We recognize there will be situations that require an employee's base pay to be reviewed other than on the annual cycle. These are referred to as "off cycle". These are exceptions that must be approved and occur infrequently.

Q44: Does the term "market-based compensation" have any relevance to how "market" is referenced in economics?

A44: 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.

Q45: Does this program affect the annual performance evaluation process?

A45: This program does not affect the annual performance evaluation process.

Q46: Will there be any training and support for those performing hiring functions?

A46: As with any large project like this, we will need to provide technical training and support for those who facilitate the processes. Leading up to the go-live in July, 2021, we will communicate and provide technical training for those performing hiring functions that are impacted as a result of the market-based compensation implementation. For example, identifying appropriate job descriptions in the job catalog (non-teaching positions).

Ongoing after the go-live, we will provide support by the human resources talent acquisition team for those performing hiring functions. For example, an intake call to determine hiring manager/department needs; drafting or assisting in the draft of a position posting summary; assistance with sourcing and recruitment strategy; and determining base pay_offer.

Q47: Will my working title be displayed on my timesheet or leave report?

A47: 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.

Q48: Will new hires receive a market-based compensation (MBC) statement?

A48: No, new hires after July 11, 2021 will not receive a MBC statement. The MBC statements were only created once and were intended to show current employees the pay range or external market data for their job after the MBC transition.

Q49: Will new hires be included in the pay analysis that is being conducted in the fall 2021?

A49: Yes, the pay analysis will include all benefit-eligible employees in teaching and non-teaching positions with the following exceptions: temporary employees, lecturers, employees in the IDP division, coaches, student employees, visiting faculty, and Foreign National employees.

Q50: How do leaders have access to market data for teaching positions when determining offers for new hires?

A50: We do not currently have an automated way to provide market data to leaders. If a leader currently has an employee in the same rank and org/department as the position for which they are hiring, they have the market data on the market-based compensation spreadsheet that was sent in July. If that is not the case, the leader can request information from marketbasedcomp@wichita.edu.

Q51: When will those who did not receive a MBC statement receive their statement?

- A51:** The majority of those that did not receive a MBC statement in July have now received their statement. There are a small number of employees for which the job mapping is still being validated. As soon as the mapping is validated, they will receive a statement.
- Q52: If my department has the money, when and how can a leader submit employee base pay increases based on MBC statement information?**
- A52:** Changes in base pay will be done in a unified approach, utilizing the pay analysis data that will be conducted in the Fall.
- Q53: Why is % for essential functions required for teaching positions but not needed for non-teaching positions?**
- A53:** There are two distinct processes for posting positions, one for teaching positions and one for non-teaching positions. No changes were made to the process or the applicant tracking system configuration for posting teaching positions in conjunction with the transition to market-based compensation.
- Q54: Why do we have to enter the physical requirements when posting for teaching positions?**
- A54:** There are two distinct processes for posting positions, one for teaching positions and one for non-teaching positions. No changes were made to the process or the applicant tracking system configuration for posting teaching positions in conjunction with the transition to market-based compensation.
- Q55: How will the pay analysis being conducted in Fall, 2021 be done for teaching positions with no market data?**
- A55:** Although, we will be unable to assess external market competitiveness, we will be able to assess internal competitiveness.
- Q56: As a leader, why did I receive a spreadsheet with MBC information for employees that don't report to me?**
- A56:** Roll-up reports were created for each organization/department's budget officer, budget review officer, and respective vice president and/or divisional officer so the chain of command could see the impact for their areas of responsibility.
- Q57: What is the process for a search (new/replacement), non-search (search waiver/emergency hire), workforce transition (promotion/demotion/transfer) and off-cycle pay change requests for grant and/or externally funded positions?**

- A57:** The Position Action Request (PAR) form is a multi-purpose form that applies to actions for benefit-eligible teaching and non-teaching positions and is used by grant/externally funded and non-grant funded organizations/positions.
- Q58:** **Why does the PAR form process require the form to be sent to marketbasedcomp@wichita.edu before it is sent to department leadership?**
- A58:** Ideally, before submitting the form the requestor should have the necessary approvals to start the process. However, the documented process begins with the HR Market-Based Compensation team first, so when the leaders (budget officer, budget review officer, divisional officer) receive it, they benefit from seeing how the action requested aligns with the Compensation Administration Guidelines and any concerns there may be with the requested action.
- Q59:** **Why did the MBC spreadsheet that leaders received not include any information related to teaching positions that are below the minimum?**
- A59:** 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 (25th %ile 50th %ile, 75th %ile). Currently, the University has not established guidelines for teaching positions which guide base pay decisions. Non-teaching positions have Compensation Administration Guidelines that indicate that, as a general rule, employees will be paid no less than the minimum of the pay range.
- Q60:** **What salary survey sources were used in the market review for teaching positions?**
- A60:** We utilized the College and University Professional Association (CUPA) Faculty in Higher Education survey. The scopes that were utilized are 4-year public universities with expenses greater than \$252 million (National).
- Q61:** **What salary survey sources were used in the market review for non-teaching positions?**
- A61:** Several salary survey sources were utilized, depending on the job.
- i. College and University Professionals Association (CUPA) Staff in Higher Education, Professionals in Higher Education, and Administrators in Higher Education scopes that were utilized are public universities in the Midwest with expenses greater than \$252 million.
 - ii. Willis Towers Watson (WTW) General Industry Middle Management, Professional and Support scopes that were utilized are all organizations, Kansas with revenue less than \$500 million.
- Q62:** **Why are we sharing information about pay ranges and external market data when funding has not been allocated?**

- A62:** The University is committed to communicate and maintain a compensation program based on transparency. This information, paired with the base pay analysis that will be conducted in Fall, 2021, will be utilized in making decisions about employee base pay and allow the University to prioritize base pay increases, as funding is available.
- Q63: For non-teaching positions, can an employee's pay be below the pay range minimum?**
- A63:** As a general rule, employees will be paid no less than the pay range minimum. As we have transitioned to market-based compensation, there are some current employees that are paid less the pay range minimum which has resulted in some offers to new hires being below the pay range minimum.
- Q64: How should the base pay rate for a new hire be determined?**
- A64:** The Compensation Administration Guidelines provide guidance to assist leaders in [Establishing Individual Employee Base Pay Rates](#) which includes new hire offers.
- Q65: How were base pay recommendations determined?**
- A65:** No base pay recommendations have been made as of this time. We are currently working on a plan for conducting the pay analysis in the Fall. Our first steps were to establish the job architecture and utilize independent third-party survey data to create our compensation structure and assign our non-teaching jobs to pay ranges. The next step is the pay analysis which will allow us to evaluate each employee's experience and skills to determine the expected pay rate for each employee.
- Q66: What will happen if I need to make a base pay offer for a vacant position and have other employees in the same job that are below the pay range minimum?**
- A66:** The President has stated that he wants us to move forward any base pay changes in a unified approach, utilizing pay analysis data and that analysis will be conducted in Fall, 2021. In situations where an offer would need to be below the pay range minimum, we are encouraging leaders to discuss with their divisional officer to determine whether funding would be available to increase pay for all employees at the University in that same job to the pay range minimum. If that is not possible, it may be necessary for the base offer to be below the pay range minimum.
- Q67: As a leader, what are the next steps I should take after receiving the MBC statement information for my employees?**
- A67:** It is important that supervisors share information about the transition to a market-based compensation program with their employees and make themselves available to answer questions. It is also important that supervisors encourage their employees to access their individualized market-based compensation statement as they will only be posted through

September 30, 2021. Three short [tutorial videos](#) have been developed to orient you to the information on the spreadsheet and the MBC statement.

These tools, along with information on the www.wichita.edu/marketbasedcompensation webpage have been developed to aid in understanding the program and give you what you need to have discussion with your employees.

Q68: If I have a question not covered in this FAQ document, who do I contact?

A68: 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.