



WSU Transition to Market-Based Compensation Program

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History of this work

- 2013 – WSU strategic plan established a goal (7): Assessments, Rewards and Incentives
- WSU engaged outside resources (CBIZ) to begin this work
- 2018-2019 – Faculty pay review committee established to collaborate with HR in the transition of tenured faculty to market-based pay
- 2019-2020 – WSU identified as a priority...”develop and implement a market-based compensation structure for faculty and staff”

Planning and work is underway to transition the rest of the University in Spring, 2020. This transition is being done by internal resources (HR) in collaboration with University leaders.



Leadership Accountability

As leaders of people at the University, we need to ensure you understand this transition and are able to communicate effectively with your staff regarding its importance; they look to you to explain what is happening and why. Today is designed to give you the information and tools you may need to do this well.

We will pause during the discussion so you may ask questions. There is a call to action for each of you at the end, so please pay close attention.



How Does It Work Today vs. Post Transition?

Description	Today	Post Transition
Job Descriptions (JD)	Department creates/updates with each posting and/or position change	<ul style="list-style-type: none">• HR creates uniform and consistent JDs (job duties, title, minimum education/experience/certifications, FLSA exemption status); assigns pay range based on external market review and populates the job catalog with the JD.• Department selects a JD from the job catalog based on the job duties of the position.
Level of position	Department determines (no consistency)	<ul style="list-style-type: none">• HR establishes job level framework based on decision-making authority, level of leadership required, budgetary responsibility, span of control, and job complexity. Titles and their construct will be uniform and consistent.• Department selects the most appropriate JD from the job catalog based on the job duties. The level of the position is determined by the job level framework.



How Does It Work Today vs. Post Transition?

Description	Today	Post Transition
FLSA Exemption Status	Department determines and HR reviews for accuracy	<ul style="list-style-type: none">• HR determines the FLSA exemption status by applying the duties and salary tests established by FLSA, and based on the JD created and populated in the job catalog.• Department selects the most appropriate JD from the job catalog. The FLSA exemption status is determined based on the duties and salary tests and as such, may not be edited.
Pay	Department determines (historically and still to a large extent, primarily based on budget dollars available)	<ul style="list-style-type: none">• HR establishes compensation administrative guidelines.• Department makes pay decisions within the assigned pay range utilizing the compensation administrative guidelines. They may contact the HRBP to help address any compression and/or equity issues identified.



Job Architecture

Objectives

By implementing job architecture, WSU will:

- Create uniformity and consistency in job levels and titles which define career paths and enable employees to see where they are positioned and how they can progress within the University
- Consolidate job families and functions across the University to reduce redundancy
- Simplify and improve the end-user experience while also creating efficiencies
- Create alignment with leading market practices
- Create transparency in our compensation program
- Benefit from consistency in governance, compliance and accountability



Job Architecture

Establishing a strong job architecture is foundational to a market-based compensation program and . . . it starts with the job descriptions.

The University's current method of maintaining job descriptions presents:

- An undue amount of work by the department
- Inconsistency in job titles which makes it impossible for employees to compare their job to other jobs within the University
- Perception there are inequities in pay
- Inconsistencies in the use of Position Classification
- Opportunity for consolidation within Job Families and job functions across the University.

Note: A job family is a collection of related jobs that require employees having similar knowledge, skills, and abilities. A job family may include different levels of jobs which define career paths within the University.



Market-Based Compensation Program

There are seven steps to complete the transition:

1. Define the jobs that are needed at the University
2. Create uniform and consistent JDs that are placed in a catalog (referred to as a “job catalog)
3. Map the existing positions to the new catalog based on job duties
4. Compare each job to comparable jobs in external market and assign pay range and FLSA exemption status
5. Review each employee’s experience, education and skill-set to assess placement within the pay range
6. Implement compensation administrative guidelines
7. Budget dollars in FY21 and annually thereafter (multi-year plan to implement pay changes)



Market-Based Compensation Program

Steps 1 and 2...Define the jobs needed and populate the job catalog: (Leader and HR)

- Helps campus leaders to understand the jobs needed to meet business needs.
- Allows the University to create job levels (i.e. assistant, coordinator, lead, supervisor, manager, etc.) showing the duties and requirements of each job. This gives a visual for how employees and prospective employees move (job level framework – vertical and horizontal career ladders) within the University. Helps the University be mindful regarding how many levels from front line to the President or Provost (how deep is the University).
- Provides uniform and consistent JDs for comparing jobs internally and in the external market. These JDs create the job catalog.



Market-Based Compensation Program

Step 3... Map existing positions to jobs in the catalog: (Leader and HR)

- Existing positions are assigned to a job in the catalog based on the duties performed by the employee.

Step 4... External market review: (HR)

- Comparison of jobs in the catalog to the external market to assign the appropriate pay range and FLSA exemption status.

Step 5... Review each employee's pay: (Leader and HR)

- Once each job is assigned an appropriate pay range, a review of each employee is conducted to assess placement within the pay range based on the employee's education, experience, and skill-set.



Market-Based Compensation Program

Step 6... Implement compensation administrative guidelines: (Leaders and HR)

- Establish guidelines to assist leaders when making pay decisions to ensure fairness and consistency in application.

Step 7... Implement pay changes: (University)

- Ensure dollars are budgeted beginning FY21 to implement multi-year plan



Next Steps

- Establish the Compensation Administrative Guidelines, which will include the University's compensation philosophy and market pricing methodology (draft)
- Identify and purchase appropriate general industry salary surveys (identified)
- Complete RFP process to select and purchase a market pricing tool (complete)
- Develop and execute education and communication plan (in process)
- Establish blackout period for any changes (University-wide) to review and implement (Est. Jan. 2020)
- Implement new DOL overtime rules (FLSA) by deadline, January 1, 2020
 - New minimum salary \$35,568 annually (\$684/week)
 - "Highly compensated employee" exemption raised to \$107,432 annually



Leader Call to Action

Please:

- Recognize that this is a significant change for the organization and for some, 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 HR business partner if you need assistance
- Use the tools developed to assist you in leading this organizational change, specifically with those who report to you



Tools

Several tools will be available to you during this transition. A webpage dedicated to this work is established on the HR website which will contain:

- Leader Talking Points
- A Frequently Asked Questions document
- The presentation used for today's briefing
- HR business partner assignments as well as contact information

This web page will be updated as the transition occurs.

[www.wichita.edu/services/humanresources/Total Rewards/Compensation/Market Based Compensation/index.php](http://www.wichita.edu/services/humanresources/Total_Rewards/Compensation/Market_Based_Compensation/index.php)