Understanding Your Compensation: Professional and Scientific Staff (non-bargaining)

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Specific Concerns from Staff Council:

• Perception that there is a disparity of effort/performance vs. compensation due to:
  • Funding differences between budgetary units
  • Differing metrics of performance
  • Regulations (grant funding work restrictions)
  • Salary compression
  • Continuing reliance on the previous internal equity system vs. market conditions

• Internal movement between departments and external offers support presumption that individuals have to leave their current job to get ahead

• In some cases newer employees earn higher salaries than existing employees
# Recommendations

| **Education:** | - How salary decisions are made  
- Budgetary differences between colleges/orgs (new budget process)  
- Differences between GEF and other funding (resource availability and flexibility)  
- Salary compression  
- University compensation practices  
- Market-calibrated compensation and classification structure |
| **Guidance:** | - Compensation philosophy and communication  
- How to administer raises while managing budgets  
- Performance evaluations |
| **Options:** | - Lump sum raises to base, combined with targeted increases to recognize performance, responsibilities and market pressures  
- Variable performance rating-based raise models (% or flat $)  
- Mid-year adjustments  
- Team-based raises (cohort/pod projects completed = raise given)  
- Tools for colleges/orgs to create better consistency in performance evaluation ratings (calibration) and salary administration |
Foundation: UI Compensation Philosophy

• Primary Considerations
  • Job performance
  • Market competitiveness (Salary + Benefits = Total Compensation)

• Underlying principles
  • Transparency
  • Support career development
  • Flexibility for university employers to adapt to their context/needs
  • Legal compliance

• Website:  https://hr.uiowa.edu/dept-comp-class/philosophy
Job Classification System

• Key areas of responsibility (KAR’s) define job classification
  • Organized by job functions and job families
  • Individual positions assigned to classifications by “best fit”
  • Working titles can be used to clarify role

• Individual job classifications assigned to pay levels based upon:
  • Knowledge/skills
  • Judgement
  • Breadth/scope
  • Impact/accountability
  • Communication/information
Pay Levels

• Created based upon market analysis using “benchmark” jobs from multiple survey sources
  • Recalibrated annually (~230 benchmark jobs in 2018)
  • Benchmark data for classifications in each UI pay level used to establish Market Range and central Median Zone.

• Different jobs have different markets based upon where UI competes/recruits for employees/talent
  • Examples: local, national, higher education, private industry
Individual Salary Decisions

• Pay levels provide a representation of the salary range/market in making salary decisions on individual jobs/people.
• Established pay practices and policies further guide individual salary decisions at time of hire and throughout the individual’s UI career.
• Compensation system effectiveness is reviewed annually with UI Staff Council.
Pay Practices

• Hire/promotion to new job
• Expanded role in current job, based upon changes to responsibilities and/or skill level
• Budget adjustment based upon performance and market
• Flexible pay awards (lump sum/not to base) for exceptional performance
• Market adjustments
• Special circumstances, e.g. interim assignments, counter offers
Additional Considerations

• Funding available
  • Differences in funding streams, e.g. General Education Funds, patient revenue/reimbursement rates, auxiliary income, grants and contracts
  • Recurring vs. non-recurring

• Priorities for use of funds
  • Strategic priorities/initiatives for investment
  • Restrictions on use of funds

• Equity
  • Perception of fairness
Compression

• One facet of internal equity; salary/job relationships within UI
• Compression may relate to:
  • Comparison between peers doing similar work
  • Comparison between supervisors and employees
  • Comparability of relative years of service/experience, job responsibilities, perceptions of performance, etc.
  • Perception of unfairness, behind where you should be
• Equity is one factor in making salary decisions, but not controlling over other factors/considerations
Who sets my salary?

- University pay structures, practices and policies establish parameters
- Colleges and divisions may set additional parameters
- Within units, conversation between supervisors, administrators, budget officers and human resource representatives
- Multiple individuals and approvals to assure:
  - compliance with guidelines
  - resources available
  - relative consistency/fairness
Questions???