Total Rewards Market Study – Leadership Webinar

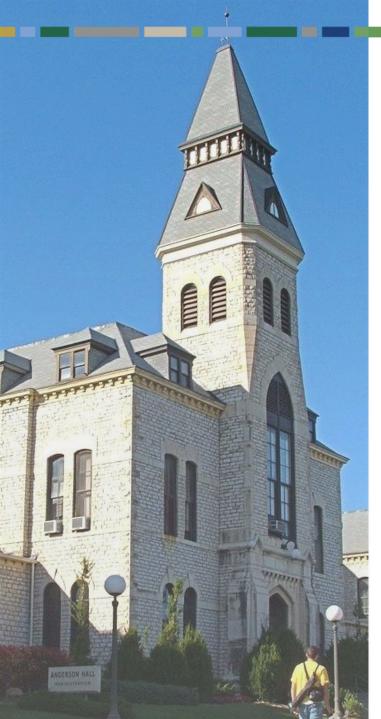PRESENTED BY CBIZ HUMAN CAPITAL SERVICES

SEPTEMBER 6, 2016

Introduction

- CBIZ Human Capital Services
  - Edward Rataj, CCP, CECP, ACCP, MCCP, Managing Director, Compensation Consulting
  - Amber Duncan, CCP, SPHR, Manager, Compensation Consulting

Overview

- Review objectives and methodology

- Discuss next steps

- Answer your questions

Project Objectives

Project Objectives

- Develop compensation philosophy
- Create a classification system that better organizes jobs
- Develop job families and career ladders
- Benchmark K-State jobs to market
- Create a total rewards system that allows K-State to administer compensation into the future
- Document jobs and positions
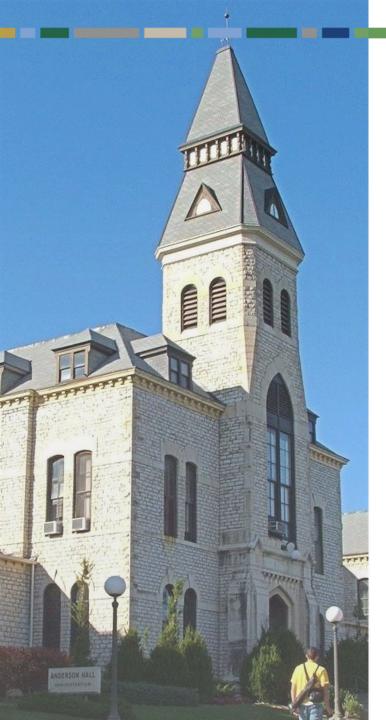- Determine FLSA status of each position

Why Compensation Professionals?

- Impartiality
  - No consideration of demographics
  - Independent consultants do not have "favorites"
- Consistency
- Access to valid salary surveys
- Expertise and experience
  - Compensation plan design
  - Administration
  - Market influences

Project Methodology Summary

Project Methodology

Initiated Project

- Conducted project kick-off meetings with key K-State staff
- Established project goals
- Collected organizational, job and employee information

Evaluated job documentation

- Developed a job analysis questionnaire (JAQ) and obtained additional up-to-date employee duties, responsibilities and qualifications – 82% response rate
- K-State employees completed JAQs and supervisors provided input

Project Methodology

Developed Compensation Philosophy

- The primary benchmark for the University in this study was the market 50th percentile

Identified Comparable Entities and Relevant Markets

- Identified benchmark jobs and appropriate labor market characteristics
  - Industry – Public Higher Education Institutions and the General Labor Market, as appropriate
  - Location – Manhattan, Salina or Olathe, Kansas
  - Organizational Size

Project Methodology

Classification Plan

- Based on the evaluation of all job documentation, proposed reclassifications

- Recommended new job titles and career progression

- Identified job families and drafted definitions

- Proposed a new titling structure to enhance consistency across departments

Project Methodology

External Market Analysis

- Assessed market competitive compensation levels for K-State's positions
  - Database with over 1,900 published survey sources
  - CUPA-HR Data Including Selected Peer Institutions:
    - Auburn University
    - Clemson University
    - Colorado State University
    - Iowa State University
    - Louisiana State University
    - North Carolina State University
    - Oklahoma State University
    - Oregon State University
    - University of Massachusetts – Amherst
    - Washington State University

- Compared actual skills, duties and responsibilities to market data rather than merely matching job titles

- Revised Salary Structures

Project Methodology – Salary Structure Design
Illustrative Purposes Only

Title: Job XYZ

Market Benchmark: $35,455

Grade	Minimum	Midpoint	Maximum
1	$24,778	$30,972	$37,166
2	$27,398	$35,618	$43,837
3	$31,508	$40,960	$50,413

Project Methodology

Financial Impact Analysis

- CBIZ modeled preliminary implementation costs and identified employees above or below the proposed ranges

FLSA exemption analysis in coordination with K-State Legal Counsel

Project Implementation Meetings

- Five open fora

- 44 department meetings

- Three meetings with the Student Executive Leadership Committee

- Two meetings with USS Senate

- One meeting with Faculty Senate

- One Meeting with Unclassified Professional Staff Affairs

- One meeting with K-State's affinity groups

- Three Dean's Council Meeting

- Six Cabinet Meetings

Next Steps

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- Adopt the revised market-based salary structures.

- Increase the compensation of all employees to the minimum of their respective salary ranges.

- Maintain pay for employees above maximum of their respective grade.

- Update the pay structures annually. CBIZ will provide salary increase and structure adjustment recommendations to K-State for five years to keep the system up-to-date.

Questions