



HLC Accreditation 2020-2021

## Evidence Document

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Finance and Administration

Office of Human Resources

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### Market-Based Compensation Program

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**Additional information:** See more information at the Office of Human Resources Website:  
[https://www.wichita.edu/services/humanresources/Total\\_Rewards/Compensation/Market\\_Based\\_Compensation/index.php](https://www.wichita.edu/services/humanresources/Total_Rewards/Compensation/Market_Based_Compensation/index.php) (Accessed May 23, 2021.)

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## Market-Based Compensation Program

### Implementation Briefing for Faculty and Staff

A briefing on Market-Based Compensation (MBC) project implementation was streamed live on YouTube on April 23, 2021. A presentation on the current project status and information on next steps is given by HR Executive Director Judy Espinoza. Following the presentation, Faculty Senate and USS/UP Joint Senate Presidents moderate a Q&A session with members of the Human Resources team leading the MBC transition team, including questions asked live during the stream.

[Watch on YouTube >>](#)

## Market-Based Compensation Resources

<a href="#">CAMPUS COMMUNICATIONS &gt;&gt;</a>	<a href="#">FAQS FOR EMPLOYEES &gt;&gt;</a>	<a href="#">LEADER TALKING POINTS &gt;&gt;</a>	<a href="#">PRESENTATION MATERIALS &gt;&gt;</a>

## Campus Communications

Throughout the implementation process of the Market-Based Compensation Program, updates will be published in WSU Today. The

following is the text of each publication, with the initial publication date. Many of these publications have run or will run on multiple days.

### **Requests for Working Title submissions**

Published May 24, 2021

Requests for 146 working titles were submitted by the May 14<sup>th</sup> deadline and have been reviewed. Of the 146 requests, 125 were supported by HR, a few with minor edits for titling consistency or to provide more clarity. The remaining 21 requests will be sent to the divisional officer for review as they fell outside the Guidelines established for a working title. Any requests for a working title submitted after the deadline will be processed when the systems transitions are complete (Aug. 2021).

### **Status of updates to Job Descriptions in the new Job Catalog**

Published May 24, 2021

Spreadsheets were sent to each supervisor on April 27 and 28 with a list of all those they supervise. The spreadsheet contained the Job Description each employee's job is mapped to in the new Job Catalog. Supervisors were asked to share this information with each employee individually and encouraged to do so within two weeks. This information will be utilized for the individual Market-Based Compensation Statements and will be sent to supervisors the third week of June. As of May 28 we will pause on making updates to the Job Catalog until system transitions are complete (Aug 2021).

### **Trending frequently asked questions about the University's transition to market-based compensation**

Published May 17, 2021

Here are a couple of questions raised during the faculty and staff Town Hall on May 13 hosted by President Rick Muma and Interim Provost

Shirley Lefever. Please visit the Human Resources website at [www.wichita.edu/MarketBasedCompensation](http://www.wichita.edu/MarketBasedCompensation) to view additional material related to the Market Based-Compensation Program.

**When will the University transition to market-based compensation be complete?**

The University will complete the transition to market-based compensation in July, 2021. The completion will align the University with the annual pay cycle and in fall 2021 HR will conduct a full base pay analysis to include:

- Partnering with University leaders to gather feedback on each current employee's experience, education and skills and determine appropriate placement within the assigned pay range (pay range assignments not applicable to teaching positions). When complete for each employee, this will allow us to review internal base pay equity.
- Assessing how competitive our base pay is in relation to the external market.
- Developing a multi-year strategy to prioritize future base pay increases to begin to close any gaps identified in the analysis, as funding becomes available for this purpose.
- Establishing the annual pay cycle which starts at the beginning of each calendar year and includes updating market data, conducting a base pay analysis in advance of the budget cycle and making base pay increases effective at the start of each Fiscal Year, if funding is allocated for that purpose. No funding is allocated for pay increases for FY2022.
- Utilizing the Compensation Administration Guidelines by leaders throughout the year to aid in creating consistency in the administration of base pay decisions.

**Will there be base pay increases in FY22?**

Unfortunately, there were no financial resources allocated for base pay increases in FY22.

**Will departments who have financial resources be allowed to fund base pay increases?**

The University will align to the annual pay cycle, use the results of base pay analysis to determine future base pay increases and move forward in a unified approach. Base pay increases at the department level and not in accordance with the methodology established by the University will not be allowed.

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## **Frequently Asked Questions**

### **Printer-Friendly Version**

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

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?

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

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

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

Who is impacted by the market-based compensation program?

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

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

Why has the University created uniform and consistent job descriptions?

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

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

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

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

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

Why is the University creating uniform and consistent job titles?

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

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?

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

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

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

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?

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?

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

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

What salary survey sources does the University use?

Why does the University utilize salary surveys?

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

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

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

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

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.)?

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

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

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

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

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

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

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

Is my supervisor aware of this work?

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

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

Why in the University moving to an "annual cycle" for base pay increases?

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

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

Does this program affect the annual performance evaluation process?

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

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

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### **Why is the University implementing a market-based compensation program?**

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.

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**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?**

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.

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

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.

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

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)

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

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.

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### **Who is impacted by the market-based compensation program?**

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

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### **How are teaching positions impacted by the market-based compensation program?**

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.

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### **How does this differ from the work that CBIZ did for the University in 2015?**

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.

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### **Why has the University created uniform and consistent job descriptions?**

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

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### **Will the job catalog be available for viewing by the University community?**

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.

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### **Why does my job description no longer contain all the duties that I perform?**

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 and is available on the [HR Forms Index](#). It can capture more detailed information about where or how duties are performed.

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

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

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### **If my job description is changing, will my tasks and duties change?**

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.

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## **Will we be able to keep our current title or have to change our title?**

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.

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## **Why is the University creating uniform and consistent job titles?**

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.

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## **What if my leader wants to have a different title for me?**

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.

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**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?**

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.

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

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](#).

**How was my job mapped to a job in the job catalog?**

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.

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

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.

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**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?**

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.

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**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?**

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.

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

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.

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**How does the University determine the pay range for my job?**

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.

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**What salary survey sources does the University use?**



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.

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### **Why does the University utilize salary surveys?**

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.

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### **How is the salary survey data used to determine the pay range for my job?**

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.

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### **I have heard references to FLSA. What does that mean?**

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.

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

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.

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### **Will my FLSA exemption change as a result of this work?**

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.

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### **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.)?**

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.

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

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.

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

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.

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**After the market review study is complete, will I receive a pay increase?**

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

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

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.

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

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

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

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

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**If the Kansas Legislature allocates across-the-board pay increases for all State of Kansas employees, will I still receive a pay increase?**

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.

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**Is my supervisor aware of this work?**

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.

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

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.

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

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.

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

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.

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**After the transition to the “annual cycle”, will there be any situations for base pay increases at other times of the year?**

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.

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**Does the term “market-based compensation” have any relevance to how “market” is referenced in economics?**

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.

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**Does this program affect the annual performance evaluation process?**

This program does not affect the annual performance evaluation process.

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

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.

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

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](mailto:MarketBasedComp@wichita.edu).

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## **Glossary of Terms**

- **Base Pay Rate:** An employee's rate of pay exclusive of any additional pay, such as overtime, shift differential, etc.
- **Compensation Administrative Guidelines:** A University established document that provides standards and guidelines for fair and equitable compensation practices. Some examples include reasons for and the method of requesting merit or equity salary increases, promotions/demotions, and new job descriptions.
- **Exempt:** A position which is exempt from the overtime provisions of the FLSA. Exempt positions are paid on a "salary basis" within

the meaning of the FLSA regulations. These positions are typically managerial, supervisory, professional or administrative roles as defined by FLSA.

- **Fair Labor Standards Act (FLSA):** A federal law which establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state and local governments.
- **Job Description:** A written statement which lists the elements of a job, such as summary of responsibilities, job duties, minimum education, minimum experience, required licensure/certifications.
- **Lump Sum Payment:** A payment made to employees in lieu of an increase to the employee's Base Pay Rate. Lump Sum Payments are generally made to an employee whose Base Pay Rate exceeds the Pay Range Maximum.
- **Median (50<sup>th</sup> Percentile):** A value which lies in the middle of a distribution. For Salary Survey purposes, the 50<sup>th</sup> Percentile is the Median/average rate being paid to employees in a particular job and is considered the "market rate" which is neither lagging nor leading the market.
- **Non-Exempt:** A position that is generally paid on an hourly basis and are subject to all FLSA minimum wage and overtime regulations.
- **Pay Range:** The range of pay rates, from minimum to maximum, that is assigned to a group of jobs that have similar pay rates in the market and is used as a basis for setting individual employee pay rates.
- **Salary Structure:** The hierarchy of Pay Ranges established within the University.
- **Salary Survey:** Salary information collected from independent, third-party survey which provide aggregate salary data for Benchmark jobs in the same geographical, industry or other specific scope in which the University competes for labor. These surveys adhere strictly with safe harbor guidelines in order to avoid antitrust violations that may be viewed as price fixing.



- **Safe Harbor Guidelines:** The Department of Justice (DOJ) and Federal Trade Commission (FTC) issued a set of guidelines that provide a “safe harbor” from antitrust challenges. In order to meet the safe harbor guidelines, salary surveys must meet the following criteria:
  - The survey must be managed by a third-party;
  - The information provided by participants is based on data more than three (3) months old;
  - There must be at least five (5) participants offering data and no individual participant’s data should represent more than 25% on a weighted basis of that statistic; and
  - Any information disseminated must be sufficiently aggregated so participants are not able to identify the compensation paid by any particular participant.

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## **Leader Talking Points**

**Transition to market-based compensation program**

**Printer Friendly Version**

**What is changing?**

The University is transitioning to a market-based compensation program.

**Why is the University transitioning to a market-based compensation program?**

In support of the strategic plan, the University identified 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. The end result will guide us toward making our

compensation competitive with other educational institutions and industry we compete with in the labor market.

**Do other organizations, particularly higher education institutions, utilize a market-based compensation program?**

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.

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

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 a “job catalog”)
3. Map the existing positions to an appropriate job in the newly created job catalog based on job duties of the existing position
4. Compare each of the jobs in the job catalog to comparable jobs in the external market and assign a pay range and FLSA exemption status
5. Review the experience, education and skill-set of each employee to assess placement within the pay range
6. Implement compensation administrative guidelines to ensure fair and equitable compensation practices on an on-going basis
7. Budget dollars in FY21 and annually thereafter (multi-year plan to implement pay changes)

**Who is impacted by the market-based compensation program?**

All faculty and staff except for student employees and lecturers.

**How are faculty impacted by the market-based compensation program?**

In 2018 and 2019, Human Resources and committee comprised of faculty and the Provost, collaborated to transition 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.

Non-tenure track faculty are transitioning to the market-based compensation program as we complete the current phase of the implementation.

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

For 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 are creating 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.

**When is this transition going to occur?**

Planning and work is currently underway. It is anticipated that the transition will occur in Spring 2020.

**How will leaders be involved in the process?**

There are several points in the process in which leaders will be involved.

- Some leaders may have already been engaged in the process of defining the jobs needed in their division/department
- During the process of mapping current positions to the newly created job catalog, some leaders will be engaged to validate the mapping

- All leaders with direct reports are expected to meet with them to them to share this information
- After the market review study is complete, leaders will be provided information and will be expected to meet individually with those that report to them to review the job mapping, assigned pay range, and FLSA exemption status

**When we have the analysis, how and when will we make pay changes?**

At the conclusion of the market review study, the University's Compensation Administrative Guidelines will be utilized to establish a multi-year plan to implement pay changes beginning in FY21. Just like today, funding must be available for pay changes.

**How is this better than what we have today?**

Leaders will no longer need to create or update a job description each time that they create a job posting or process a position change. The leader will select a job description from the job catalog based on the job duties of the position. The position level, pay range, and FLSA exemption status will already be determined.

The leader will utilize the compensation administrative guidelines to make pay decisions within the assigned pay grade. The Human Resources Business Partner (HRBP) will be available to assist with compression and/or equity issues.

**What if I want to have a different title for an employee that reports to me?**

Situations in which titles other than the uniform and consistent title in the job catalog will be allowed on a limited basis. For example, situations in which a different "business card title" is required in order for the employee in the job to effectively interact with the public. All exceptions need to be submitted and approved prior to utilization.

**How does this account for employees who do unique or uncommon jobs?**

We have done our best to ascertain when a job is unique or uncommon from other jobs at the University. As the mapping process is validated with leaders, the HRBP will collaborate with the leader and the HR Compensation team to ensure that jobs which are unique or uncommon from other jobs at the University are appropriately defined.

**This sounds like a “one size fits all”?**

Creating uniform and consistent job descriptions will allow us to clearly show the work being done at the University. Uniform and consistent job descriptions 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 which define career paths and enable employees to see where they are currently positioned and the advancement opportunities within the University.

**What will change from how we make pay decisions today?**

There are no formal guidelines for leaders to utilize in making pay decisions and historically, (and still to a large extent today) pay decisions have primarily been based on budget dollars available. The compensation administrative guidelines will guide leaders in making pay decisions based on factors such as the market value of the job; the employee’s knowledge, skills, abilities, and certifications; and internal equity.

**Who will make employee compensation decisions in the future?**

The leader will make compensation decisions utilizing the compensation administrative guidelines within the assigned pay grade. The HRBP will be available to assist the leader if they have concerns with compression and/or equity issues.

### **How will leaders make compensation decisions in the future?**

The leader will utilize the compensation administrative guidelines to make pay decisions within the assigned pay grade. The HRBP will be available to assist with compression and/or equity issues. The compensation administrative guidelines will ensure that the compensation program for the University is administered in a fair and equitable manner.

### **How can I support those who report to me during this transition?**

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

### **What is expected of me as a leader in this transition?**

- All leaders who have employees reporting to them are expected to meet with them to share this information.
- After the market review study is complete, leaders will meet individually with those that report to them to review the employee's job mapping, pay range, and FLSA exemption status.

### **What resources are available to me to assist those who report to me?**

There will be a dedicated Human Resources web page with information, such as FAQ's; Leader talking points, the WSU Transition to Market-Based Compensation Program presentation and a list of HRBP assignments.

**If I or one of my direct reports have a question that is not answered in any of the resources listed above, who do we contact?**

If you have read the Human Resources web page information including the FAQ's and cannot find an answer, then you should contact your HRBP as they may be able to help answer your question. If your HRBP is not able to answer your question, they will reach out to the HR Total Rewards team for a response. Employees may also send questions to [marketbasedcomp@wichita.edu](mailto:marketbasedcomp@wichita.edu).

## **Presentation Materials**

### **April 23, 2021 - Implementation Briefing for Faculty and Staff**

A briefing on Market-Based Compensation (MBC) project implementation was streamed live on YouTube on April 23, 2021. A presentation on the current project status and information on next steps is given by HR Executive Director Judy Espinoza. Following the presentation, Faculty Senate and USS/UP Joint Senate Presidents moderate a Q&A session with members of the Human Resources team leading the MBC transition team, including questions asked live during the stream.

### **Spring 2021 - WSU Shared Governance Transition Status Update**

Throughout Spring 2021, representatives from Human Resources presented a status update of the transition to market-based compensation to both Faculty and USS/UP Joint Senates. The presentation slide deck is available for download [here](#).

### **Fall 2019 - WSU Transition to Market-Based Compensation Program**

In Fall 2019, WSU began the transition to a market-based compensation program. Representatives from Human Resources hosted multiple presentations to prepare leaders for the transition process and to outline the transition plan.

The presentation slide deck is available for download [here](#).

The presentation handout provided to leaders at these presentations is available for download [here](#).

## Who to Contact

### MBC Transition Team

[MarketBasedComp@wichita.edu](mailto:MarketBasedComp@wichita.edu)

