

HEALTH WEALTH CAREER

# UNIVERSITY OF WISCONSIN SYSTEM

## ADVISORY COUNCIL MEETING

March 21, 2017

**Karen Hutcheson**, Partner

**Lyn Harper**, Principal

**Laura Lennartz**, Principal

**Nicole Cook**, Senior Associate

**Elizabeth Walgram**, Senior Associate

# AGENDA

- Opening Remarks
- Introductions
- Project Plan
- Guiding Principles
- Group Discussion

# INTRODUCTIONS



**Karen Hutcheson**  
Partner

- Engagement Leader
- Leads Mercer's compensation and talent consulting services to higher education clients



**Ken Simek**  
Partner

- Project Advisor
- Leader of Mercer's Higher Education Industry Vertical



**Paola Guyer**  
Principal

- Project Manager for Communications and Change Management



**Lyn Harper**  
Principal

- Co-Project Manager for Compensation and Classification
- Day-to-day contact for UW-Madison



**Laura Lennartz**  
Principal

- Co-Project Manager for Compensation and Classification
- Day-to-day contact for UW-System



**Celeste Dickson**  
Senior Associate

- Project Consultant for Communications and Change Management



**Elizabeth Walgram**  
Senior Associate

- Project Consultant for Compensation and Classification
- Dedicated resource for UW-Madison



**Nicole Cook**  
Senior Associate

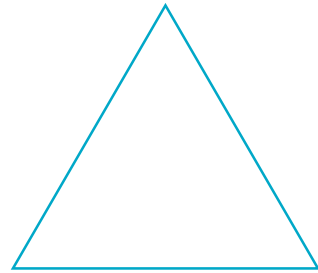
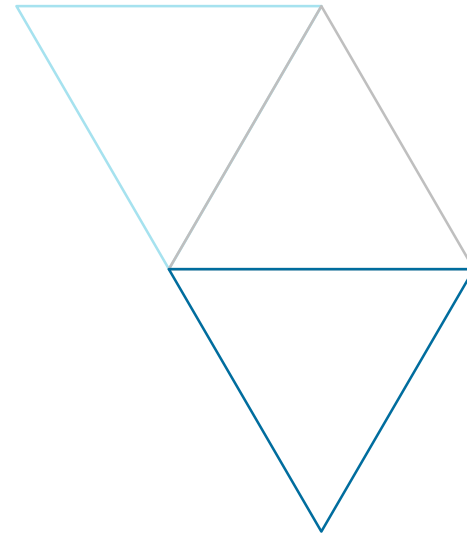
- Project Consultant for Compensation and Classification
- Dedicated resource for UW-System

# INTRODUCTIONS

## Advisory Council for Title/Total Compensation Study

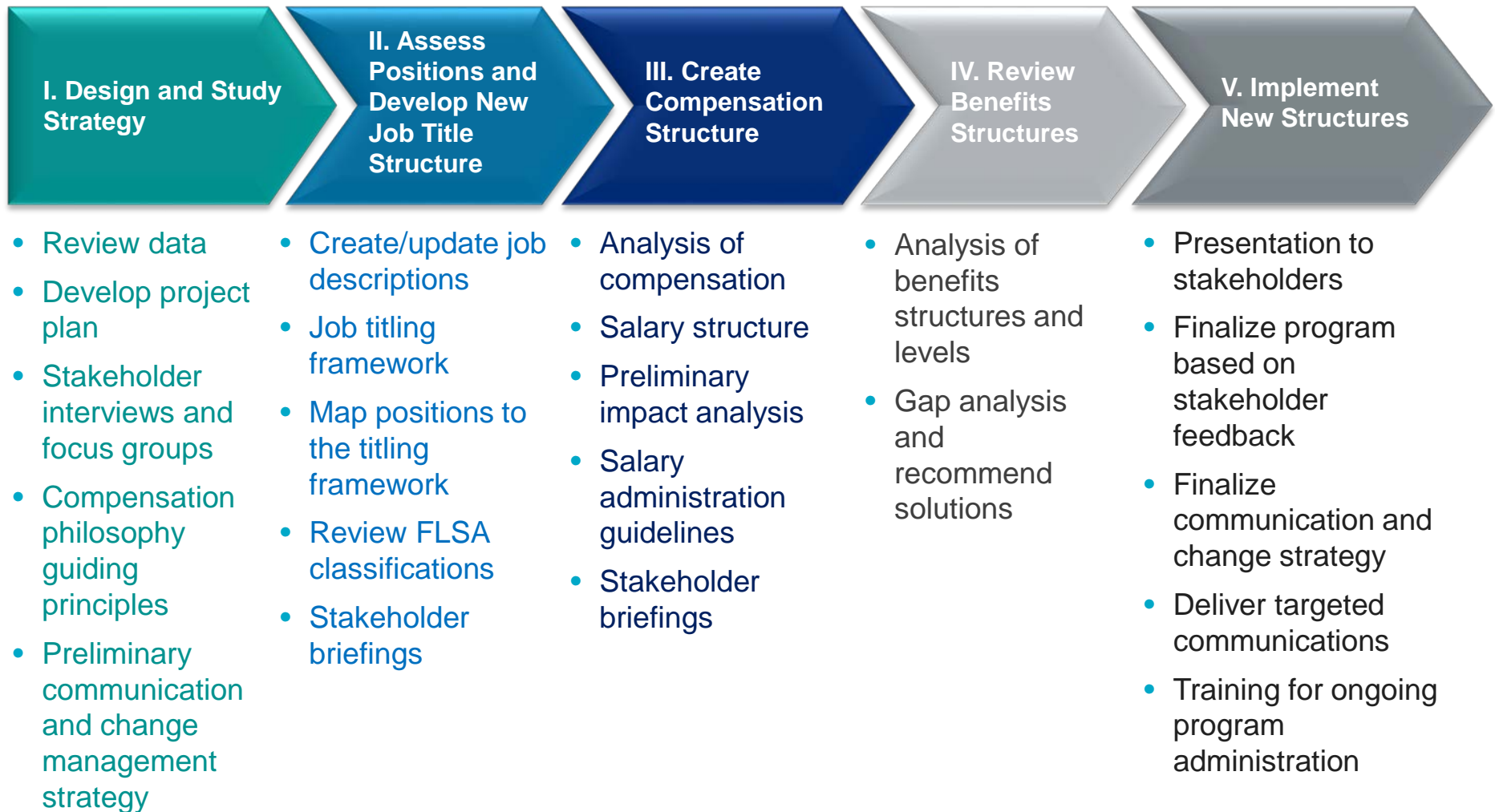
Chancellor Mark Mone, UW-Milwaukee	UW-Milwaukee
Provost Sarah Mangelsdorf, UW-Madison	UW-Madison
Bethany Pluymers Associate Dean for Administration UW-Madison Law School	UW-Madison
Steve Wildeck, Vice Chancellor for Administration and Finance CBO, UW Colleges and UW-Extension	UW Colleges and UW-Extension CBO
Susan E. Babcock, Professor UW-Madison College of Engineering	UW-Madison Chair of the University Committee or designee
Holly Hassel Professor, UW Colleges	UW System Faculty Representatives Council Chair
Heather McFadden Director, RCR Education, UW-Madison	UW-Madison Chair of Academic Staff Executive Committee or designee
Jenny Resch Director Outreach & Student Affairs UW-Stevens Point	UW System Academic Staff Representatives Council Chair
Terry Fritter ART Advanced, UW-Madison	UW-Madison Chair of University Staff Executive Committee or designee
Denise Ehren Program Associate, UW-Whitewater	UW System University Staff Representative Council Chair
John Krogman COO, Division of I.T., UW-Madison	UW-Madison Chancellor Appointee
Tammy McGuckin Dean of Students, UW-Parkside	UW System President Appointee

# PROJECT PLAN



# PROJECT PLAN OVERVIEW AND TIMELINE

## Major Components of the Project Plan



# PROJECT PLAN OVERVIEW AND TIMELINE

- The objective of **Step 6** is to conduct reviews of the program after implementation in order to review and recalibrate as needed.



Mercer will provide one training session per review period on compensation program to newly hired HR staff.

# PROJECT PLAN OVERVIEW AND TIMELINE

## Proposed Timeline

The table below presents the preliminary anticipated project timeline based on Mercer’s understanding of the goal to implement the new program within 2 years of launch and our experience with similar engagements.

Mercer is committed to working with the project team to determine the most appropriate timeline.

Milestone Work Step	Estimated Timeline (Year 1)											
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Phase 1: Design Study Strategy												
Phase 2: Assess Positions and Develop New Job Title Structure												
Phase 3: Create Compensation Structure												
Phase 4: Review Benefits Structures												
Communication and Change Management												



# PROJECT PLAN OVERVIEW AND TIMELINE

## Proposed Timeline

Milestone Work Step	Estimated Timeline (Year 2)											
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Phase 3: Create Compensation Structure												
Phase 4: Review Benefits Structures												
Phase 5: Implement New Structures												
Communication and Change Management												
Phase 6: Conduct Formal Follow-up Reviews	Occurs 6 months, 1 year, 2 years and 4 years after implementation											

# PROJECT PLAN OVERVIEW AND TIMELINE

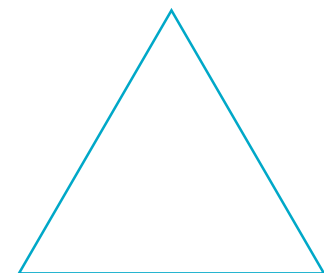
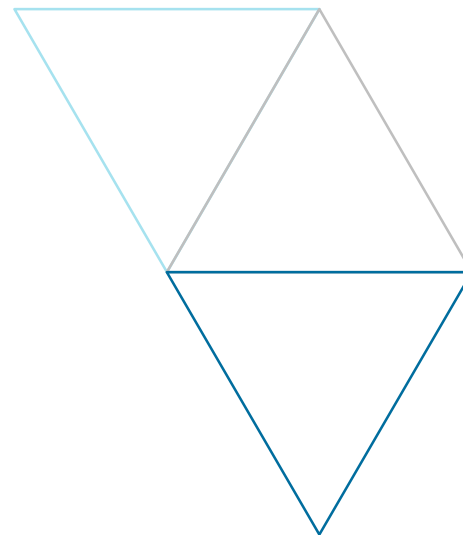
## TOTAL COMPENSATION PHILOSOPHY INFLUENCES



## TOTAL COMPENSATION PHILOSOPHY COMPONENTS



# ADVISORY COUNCIL GUIDING PRINCIPLES



# ADVISORY COUNCIL GUIDING PRINCIPLES

## Advisory Council

Advise on vision and mission for the project

Act as a representative of, and liaison to, stakeholder groups

Advocate for the project with all stakeholders

Endorse the business case for the project

Advocate for resources

Advise on the development of the Request for Proposal (RFP)

Participate in meetings of the Advisory Council

Review status and provide advice to help the study progress

Advise and support the study project team



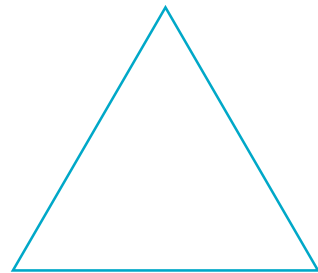
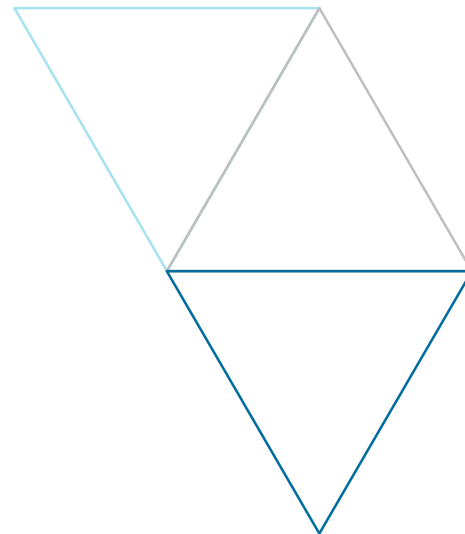
# STAKEHOLDER RESPONSIBILITY

## Stakeholder Groups Roles and Responsibilities

Stakeholder Group	Roles and Responsibilities
Board of Regents	Champion, oversight
Executive Sponsors	Champion, oversight, decision-maker
Advisory Council Co-Chairs	Co-lead and ensure Advisory Council maintains focus on charge
Advisory Council	Communicate, endorse, advocate and monitor
Project Leads/Project Team	Communicate, lead and manage the project work
Governance Groups	Communicate, support and provide feedback
HR Directors, staff and administrators	Communicate, educate, support, guide, perform administrative work at the institution-level
Campus stakeholders	Communicate, provide feedback



# APPENDIX



# PHASE 1: DESIGN STUDY STRATEGY

- Phase 1 is the project foundation which will facilitate Mercer's understanding of current approach to compensation and desired future state.

## Phase 1: Design Study Strategy

### Understand Current and Desired Future State and Finalize Project Plan:

- Collect and review relevant background data, information and documentation
- Set up the secure portal, MercerConnect, for sharing and storing the study data
- Prepare and finalize project plan, including milestone dates, roles and responsibilities
- Conduct kick-off project planning meetings
- Work with the project teams to identify stakeholder groups
- Interview key stakeholders to understand their vision around compensation, competencies, and career growth
- Establish schedule for team calls to discuss project status (e.g., bi-weekly or weekly)

# PHASE 1: DESIGN STUDY STRATEGY

## Phase 1: Design Study Strategy

### **Develop Draft Total Compensation Philosophy:**

- Summarize findings and implications from the data review, planning meeting and stakeholder interviews and discuss with the project teams
- Develop draft total compensation philosophy statement
- Refine the draft as needed during the project, with finalization to occur prior to program implementation

### **Communication and Transparency:**

- Conduct communication planning meeting
- Develop education and engagement communication strategy for updating leadership/managers and key stakeholders



# PHASE 1: DESIGN STUDY STRATEGY

## How You Can Help

- Help Mercer understand perspectives and concerns of your stakeholder group(s)
- Provide input on the compensation philosophy
- Participate as a stakeholder

## Timeline

- Overall timeline: 2 months

## What's In it for You

- Input on the compensation strategy and philosophy
- Voice your perspective on what's working well with the compensation program and address areas that need revision
- Greater transparency regarding the titling program

# PHASE 1: DESIGN STUDY STRATEGY

## TOTAL COMPENSATION PHILOSOPHY INFLUENCES

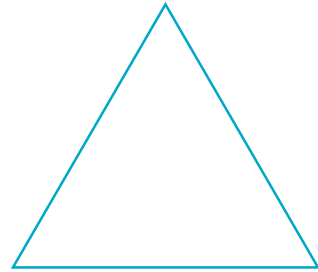
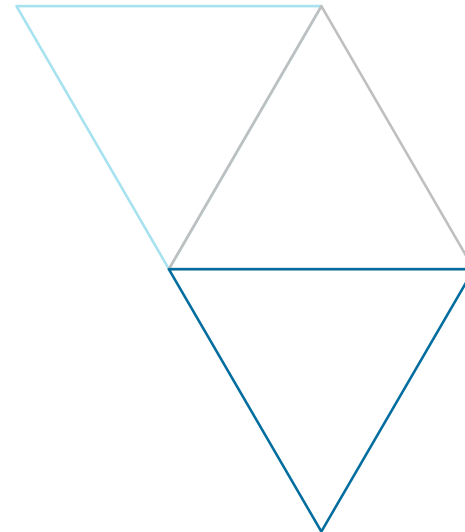


## TOTAL COMPENSATION PHILOSOPHY COMPONENTS



# PHASE 2

## ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE



## PHASE 2: ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE

- The objective of **Phase 2** is to develop a framework that will articulate job families and levels and serve as an anchor for the compensation program as well as the FLSA review.

### Phase 2: Assess Positions And Develop New Job Title Structure

#### Define a Preliminary Job Family and Level Framework:

- Understand the desired future state for the job titling structure and its framework within the overarching talent strategy.
- Cluster like positions with similar roles and responsibilities.
- Define and describe career streams, job families and job sub-families which will serve as the job title structure.
  - The framework will be sensitive to the unique needs of UW-Madison as well as the other UW System institutions and recognize that not all job sub-families or positions exist at each institution.
  - In addition, at UW-Madison, there may be multiple subspecialists in a particular job, whereas in UW System institutions with fewer staff, the role may have a similar title, but require a broader skill set.

# PHASE 2: ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE

## Phase 2: Assess Positions And Develop New Job Title Structure

### **Define a Preliminary Job Family and Level Framework:**

- Review preliminary job family and level framework with the project teams and adjust as needed based on feedback from the group.
- Assign jobs to the job family and level framework and adjust as needed based on feedback from the project team.

### **Validate Job Families, Levels and Job Assignments:**

- Prepare materials to facilitate review and validation of draft job family and level framework and slotting of jobs with key stakeholders.

### **Finalize Job Families and Job Level Framework:**

- Based key stakeholder input, finalize descriptions of job families, sub-families, career streams and job levels. Finalize slotting of jobs within job families and levels.

### **Communication and Transparency:**

- Engage key stakeholders through project briefings.

# PHASE 2: ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE

## Phase 2: Assess Positions And Develop New Job Title Structure

### Collect and Review Job Content Information

- Gather current information about job scope and responsibilities.
  - Job content information will be gathered through an online software application that would feed into a job description database.
    - Mercer has partnered with HRTMS, a company that has developed JDXpert, a web-based platform to develop and streamline job descriptions, to collect job content information online.
      - JDXpert is a cloud-based software product that enables online creation, revisions and, if desired, ongoing maintenance of job descriptions.
      - Allows for open, traceable collaboration between HR, managers and those with specialized knowledge of specific jobs.

### Conduct a High-Level FLSA Review

- Review job descriptions and employee census data and identify job classifications that require further analysis.

# PHASE 2: ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE

## How You Can Help

- Ensure all voices are heard by encouraging participation in job description update process
- Reinforce communication and approved messages

## Timeline

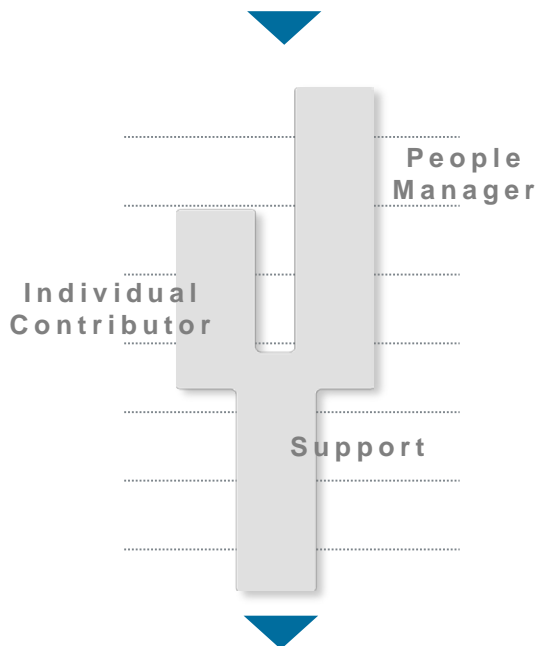
- Overall phase timeline: 9 months

## What's in it for You

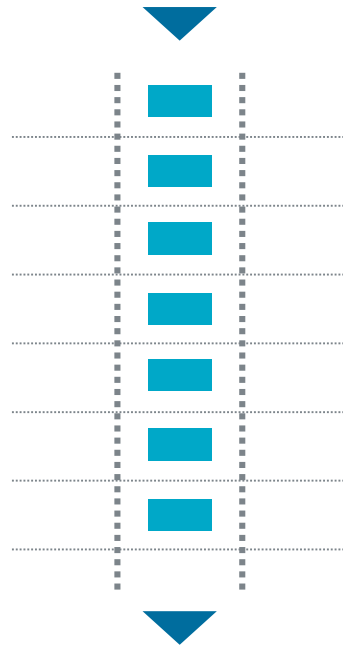
- More clearly defined and consistent understanding of jobs
- Updated job descriptions and use of JDXpert for maintaining and updating job descriptions
- Greater transparency regarding the titling program

# PHASE 2: ASSESS POSITIONS AND DEVELOP NEW JOB TITLE STRUCTURE

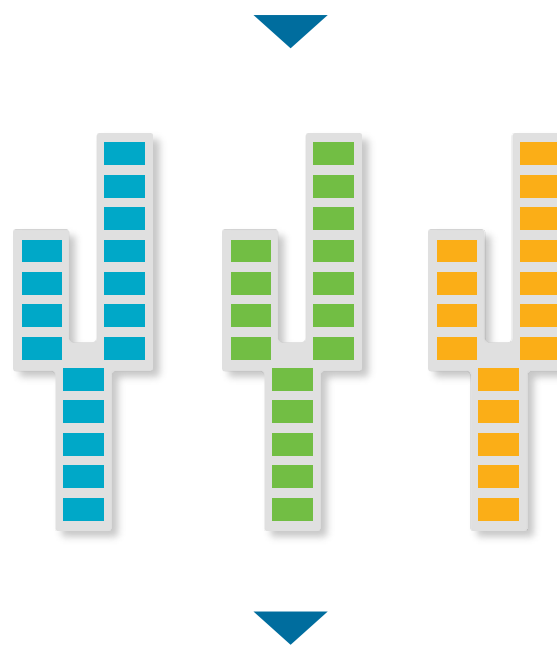
## CAREER STREAMS



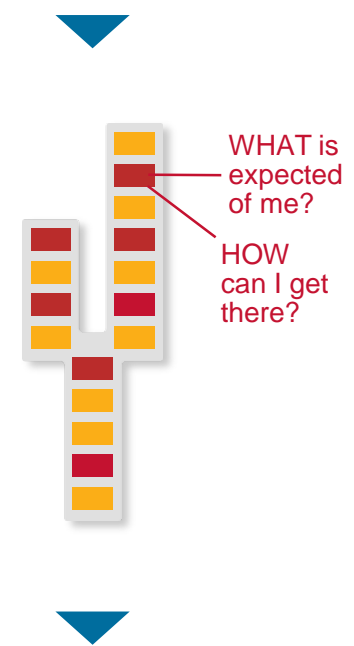
## JOB LEVELS



## JOB FAMILIES



## JOBS WITHIN EACH JOB FAMILY / SUB FAMILY



### CAREER STREAMS

Career type within the organization, characterized by unique responsibilities. Typical streams are Support, Individual Contributor and Management.

### JOB LEVELS

The hierarchical position of a job within a career stream.

Recognizes incremental changes in job scope and responsibilities.

Consistent across job families.

### JOB FAMILIES/SUB-FAMILIES

Generally recognized major professional area, often requiring a unique set of technical capabilities.

Most career development occurs within a job family.

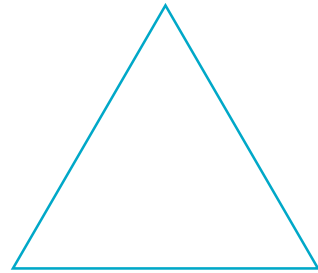
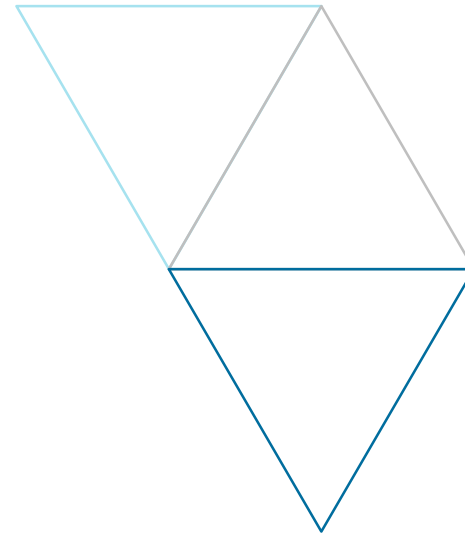
### JOB/ROLE

Distinct set of responsibilities, usually requiring a different level/amount of experience and is difficult to directly compare to any other.



# PHASE 3

## CREATE COMPENSATION STRUCTURE



## PHASE 3: CREATE COMPENSATION STRUCTURE

- The objective of **Phase 3** is to define the labor markets for comparison, assess competitiveness and design a market informed salary structure that is aligned with the compensation philosophy.

### Phase 3: Create Compensation Structure

#### Conduct Market Compensation Analysis:

- Determine the comparator markets to use for the competitive analysis (e.g., national, regional and/or local, higher education and/or general industry, depending upon the job).
- Identify the appropriate salary surveys and comparison markets
- Match jobs to compensation surveys and confirm matches with the project team
- Compare compensation data for all positions to compensation offered in the market to determine degree of alignment.

# PHASE 3: CREATE COMPENSATION STRUCTURE

## Phase 3: Create Compensation Structure

### Design Salary Structure and Assign Jobs to Salary Grades:

- Discuss base pay structure design alternatives with the project teams.
- Develop a straw model base pay structure based on the compensation philosophy developed in Phase 1, the competitive assessment data, and the job framework.
- Review grade assignments with the project teams and refine.
- Prepare materials for the project teams to use to validate job and grade assignments and impact of new program with key stakeholders.

### Prepare Preliminary Impact Analysis:

- Conduct impact analysis on straw model identifying jobs impacted positively, negatively and neutrally under the proposed structure.

### Develop Salary Administration Guidelines:

- Draft guidelines for how salaries will be managed and refine based on team feedback.

# PHASE 3: CREATE COMPENSATION STRUCTURE

## How You Can Help

- Provide input on comparator markets

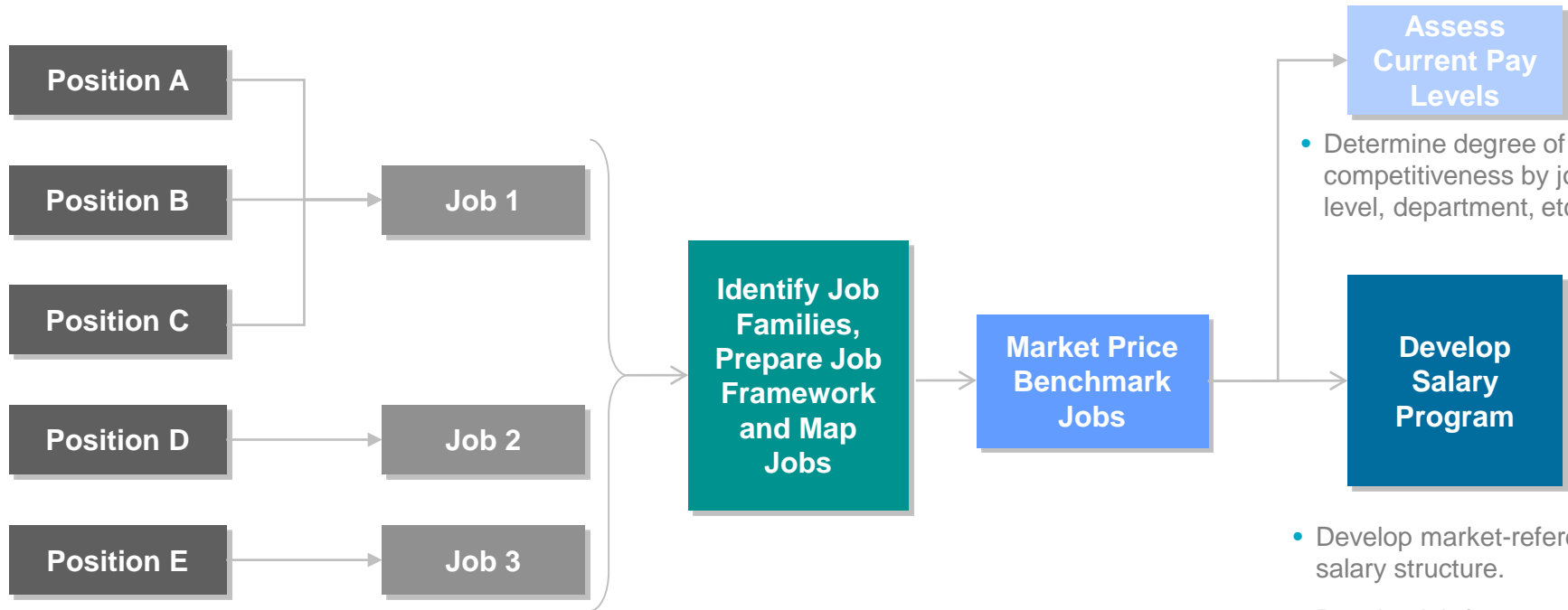
## Timeline

- Overall phase timeline: 6 - 9 months

## What's in it for You

- Contemporary, market informed salary ranges
- Salary administration guidelines for managers and HR
- Greater transparency regarding the titling program

# PHASE 3: CREATE COMPENSATION STRUCTURE



- Collect information on position responsibilities and requirements.
- Review for clarity and accuracy.

- Cluster like positions into jobs that reflect core responsibilities and requirements.
- Group jobs into job families, for ease of benchmarking and as foundation for job frameworks and performance management.

- Identify benchmark jobs.
- Price in comparison to appropriate markets (e.g., higher educational, general industry, national, regional, and local areas).

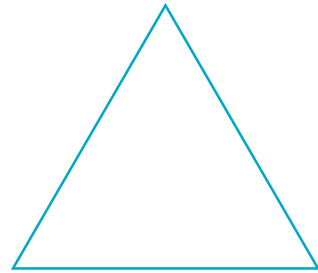
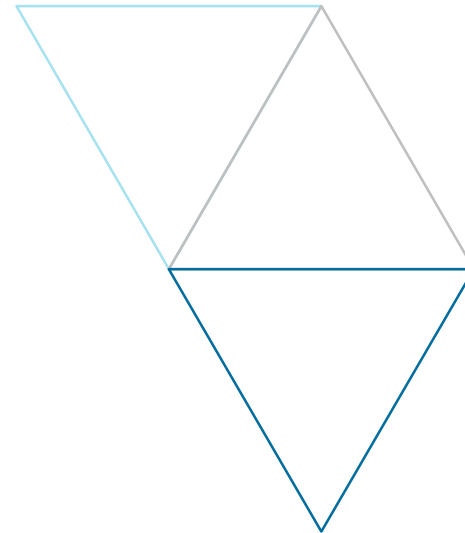
- Determine degree of competitiveness by job, level, department, etc.

- Develop market-referenced salary structure.
- Develop job framework and map jobs to the job families as well as salary grades.
- Prepare and finalize pay guidelines.
- Prepare implementation plan.

# PHASE 4

## REVIEW BENEFITS

### STRUCTURES



## PHASE 4: REVIEW BENEFITS STRUCTURES

- The objective off **Phase 4** is to assess benefit competitiveness and alignment with the overall philosophy.

### Phase 4: Review Benefits Structures

#### **Conduct a Review of Benefits Compared to Market Practice.**

- Conduct a market assessment of benefits to identify areas where programs differ from market practice.
- Gather market data from a variety of sources, including both internal and external published surveys.
  - Mercer subject matter experts will provide commentary regarding market trends and the future benefits.
- Recommend adjustments to current programs that will better align the programs with market and facilitate movement between job categories.

# PHASE 4: REVIEW BENEFITS STRUCTURES

## How You Can Help

- Provide context for differing cultural value of various benefits at the System

## Timeline

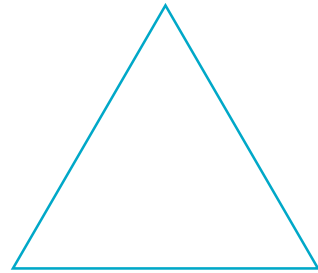
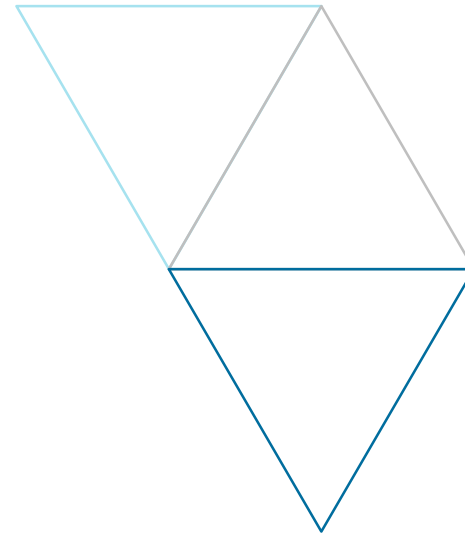
- Overall phase timeline: 4 to 5 months

## What's in it for You

- Market assessment of benefits
- Recommendations to align the benefits with market practices and create a consistent, competitive program for all employees
- Greater transparency regarding the titling program



# PHASE 5 IMPLEMENT NEW STRUCTURES



## PHASE 5: IMPLEMENT NEW STRUCTURES

- The objective of **Phase 5** is to validate the program design, discuss the implementation strategy with key stakeholders, and communicate the program to managers and staff.

### Phase 5: Implement New Structures

#### Validate Program Design with Key Stakeholders:

- Prepare overview of recommended philosophy, program, structure, and guidelines for review and endorsement by key stakeholders. Refine based on feedback.
- Present recommendations to leaders and other key stakeholders for feedback, revising as necessary.
- Finalize philosophy and program details based on stakeholder input.

#### Communication and Change Strategy

- Facilitate two-hour communication workshop to review stakeholder analysis, discuss key messages/themes, confirm optimal communication vehicles and sequencing.
- Create communication strategy and work plan based on results of meeting.
- Develop manager/HR education and training.
- Provide targeted communication based on analysis.

# PHASE 5: IMPLEMENT NEW STRUCTURES

## Phase 5: Implement New Structures

### Prepare for Implementation:

- Finalize impact analysis and implementation plan.
- Prepare a database to facilitate uploading the new job classifications, salary ranges and compensation data into the HRIS system.
- Facilitate four group training sessions (may be conducted over two days) for the HR Staff.

### How You Can Help

- Provide feedback to support leadership presentation
- Support communication

### Timeline

- Overall phase timeline: 4 to 5 months

### What's in it for You

- Program philosophy and design
- Communication material and talking points
- Greater transparency regarding the titling program



**MERCER**

**MAKE TOMORROW, TODAY**