Project Update for the Advisory Council
Title and Total Compensation Study

July 19, 2019
Today’s Agenda

1. Project Update
2. Compensation Philosophy
3. Benefits Update
4. Next Steps
Project Update
Quick History

2011

**Wisconsin Act 32**: Provided UW System and UW-Madison with an opportunity to create their own “separate and distinct” personnel systems

2015

**University Personnel Systems (UPS/HR Design)**: An effort to build a more efficient and effective UW human resource system

2017

**Title and Total Compensation Project**: First review of UW’s (non-faculty) compensation and benefits in 30 years
Why are we engaged in this work?

**TITLES & COMPENSATION**
- Market-informed

**PERFORMANCE**
- Alignment of Strategic Goals with employee work

**WORK LIFE BALANCE**
- Practices that help employees achieve flexibility

**ATTRACT**
- Engage

**RECOGNITION**
- Reward employee contributions

**BENEFITS**
- Time off, wellness, and retirement programs

**DEVELOPMENT**
- Opportunities for professional and personal growth

**MOTIVATE**
- Retain
Major Project Components

**Title and Compensation**

- Titles & Standard Job Descriptions (SJD)
- Analyze Market Data/Validate Compensation Philosophy
- Modernize Title and Compensation Structure(s)

**Benefits Analysis**

- Benefits Valuation Analysis (BVA)
- Employee Benefits Preferences Survey
Project Overview

- **Stakeholder Input**
  - Stakeholder Interviews
  - Advisory Council
  - Subject Matter Experts

- **Effective Market Practice**
  - Job Framework
  - Salary Structure
  - Compensation Philosophy
  - Salary Administration Guidelines

- **Competitive Market Data**
  - Benchmarked Jobs
  - Market Pricing
  - Competitive Assessment

= **A Sustainable, Competitive & Flexible Program**

Program Components and Salary Structure Implementation (Spring 2020)
### Points of Pride

<table>
<thead>
<tr>
<th>Created Job Framework</th>
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<tr>
<td>Created 24 Job Families/Groups, 116 Job Sub-Families/Groups, and Career Level Guidelines</td>
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<tr>
<th>Updated Job Title Structure</th>
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<tr>
<td>Drafted 700+ Titles and Standard Job Descriptions</td>
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<table>
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<tr>
<th>Engaged Subject Matter Experts Across the UW</th>
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<td>Engaged 500+ Subject Matter Expert Reviewers in First and Second Round Reviews of Job Titles and Descriptions in 16+ Training Sessions</td>
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<th>Completed Review of Feedback and Quality Assurance Process</th>
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<td>Feedback Review Teams and Quality Assurance Teams Completed the Work of Responding to Reviewer Feedback and Providing a Consistency Check</td>
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<th>Conducted Market Competitive Assessment</th>
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<td>Collaborated with Mercer to Conduct Market Competitive Assessment of UW’s Compensation Offerings</td>
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<th>Completed Survey of UW Benefits Offerings</th>
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<td>Received 18,400 (47%) Benefits-Eligible Employee Responses to the Benefits Preferences Survey and Comparison with Market Benefits Offerings</td>
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High-level Project Overview

2019
- Title & SJD Review and QA
- Online posting of DRAFT titles and standard job descriptions and employee feedback

2019 Summer
- Job Mapping

2019 Fall
- HR Staff/Manager/Employee Training

2020 Winter
- Employee-Manager Conversations /Feedback
- Go-live, notification letters, appeals process

2020
- Implementation
- Benefits Recommendations

Next Proposed BoR Update: February 2020
Compensation Philosophy
Total Rewards

Building a truly differentiated and unique employee experience begins with competitive compensation and benefits as the foundation. The job framework – career paths, job groups/families, career levels – provides the structure for the University to build and support career development.

Total Rewards represent the value of working at UW and includes the experiences, career development, compensation and benefits that allows employees to maximize their career, well-being and financial success.

Create staying power through a **UNIQUE** proposition with purpose
- Provide employees with meaningful and fulfilling work that matters
- Make employees proud to work for an organization that makes a positive impact on society through a compelling mission and vision
- Help employees feel like they belong here

Create a **DIFFERENTIATED** experience
- Support employees with their career journey
- Provide employees with flexibility to make work “work” for them
- Help employees manage their physical, financial and emotional well-being

Provide a **COMPETITIVE** compensation and benefits offering
- Pay employees fairly and competitively
- Reward employee contributions
- Provide programs to manage employee health and wealth
Strategic Priorities

The University of Wisconsin is committed to attracting, retaining, and rewarding a highly qualified and diverse workforce, both now and in the future. The job framework and compensation program support and facilitate these important goals by:

• **Encouraging excellence** by rewarding individual contributions that support the University’s mission and goals.

• **Supporting competitive and equitable compensation** practices through a job framework, salary structure and clear, flexible administrative guidelines.

• **Establishing a foundation for career development** both within and across job groups/families and job sub-groups/families.

• **Developing a benefits package** that is comprehensive, competitive, and market-informed.
Benefits Update
Benefits Value Analysis Peer Groups

**UNIVERSITY PEER GROUPS:**
- Peers Group 1: Large Public Universities (e.g., Big10, UCLA, Berkeley, Texas, Washington)
- Peer Group 2: Public and Private Universities (e.g., Marquette, NC, SUNY, Cleveland)
- Peer Group 3: Large Private Universities (e.g., Boston, Cornell, Duke, Harvard)

**WISCONSIN PEER GROUPS:**
- Peer Group 1: Large Private Corporations and Public Municipalities (e.g., City of Madison, CUNA Mutual Group, Kohler, Madison Metropolitan School District, TDS Telecom)
- Peer Group 2: Milwaukee Based Organizations (e.g., Kohls, Lands End, NW Mutual)
Benefits Value Analysis Preliminary Key Findings

University of Wisconsin provides competitive benefit offerings across both:

**UNIVERSITY COMPARATORS:**
- UW leads across university comparators by an average of 2% to 4% above the median of the group:
  - Retirement/Savings: competitive to unfavorable, 3-16% below median
  - Health/Group: competitive to favorable, at to 20% above median
  - Time Loss: competitive, 5% below median

**WISCONSIN COMPARATORS:**
- UW leads across Wisconsin comparators by an average of 5% to 29% above the median of the group:
  - Retirement/Savings: competitive to 1% above median
  - Health/Group: favorable, 9-62% above median
  - Time Loss: competitive, 4-18% above median
Employee Benefits Preferences
Survey Methodology

- **Purpose**: Establish a baseline measure of employee preferences regarding the overall employee value proposition of working at the University.

- **Approach**:
  - **Designed survey** with feedback from the University’s project team, interviews with key stakeholders, a review of benefit program documentation.
  - **Utilized conjoint analysis**, the appropriate methodology for evaluating the relative perceived value of different programs and how different groups of faculty or staff value what the University offers as part of their employment relationship.
  - **Survey scope** covered multiple elements including the factors that employees found most attractive when first considering joining the University, what they find attractive now, and the relative importance of various benefit offerings as well as potential new offerings, satisfaction with benefits, and a section on engagement.
Employee Benefits Preferences Survey Preliminary Key Findings

### Key Finding 1

**Factors of attraction & retention** shift as a function of length of service

- Initially, respondents cite the **type of work** and **healthcare benefits** as the two most attractive elements when considering employment at UW.
- Once working at the University, the **attractiveness of retirement plans increases significantly**, along with **paid time off / leave** and **flexible work arrangements**.
- While Faculty place greater emphasis on the **type of work and an environment that supports their research**, both Academic and University Staff value healthcare, retirement and paid time off more than their faculty counterparts.

### Key Finding 2

**Pay, healthcare/cost, retirement plans, job security** and the **type of work** rank highest

- When assessing the employment package, **pay ranks highest**, followed by **healthcare benefits**, a **stable work environment** (job security) and **retirement plans**.
- As expected, the **importance of pay** – while still ranked #1 – **declines** somewhat as a **function of age**, while the importance of healthcare and retirement increase.
- When assessing other aspects of the employment package, **controlling healthcare costs, flexible work arrangements, banking sick pay** and **income protection plans** are all of ‘above average’ importance, with healthcare costs being far and away the most important.
### Employee Benefits Preferences

#### Survey Preliminary Key Findings

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<tr>
<th>Key Finding</th>
<th>Supporting Data</th>
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| 3 | **Financial wellness scores** vary somewhat demographically, most notably by salary level.  
  - Relatively small numbers of respondents foresee the need to rely on credit cards to pay bills over the next six months. However, slightly more than a third of respondents describing their financial situation as ‘stressful’.  
  - While most feel they could manage an unforeseen expense of $400, one third do not believe they are doing enough to prepare for retirement. |
| 4 | **Engagement & Satisfaction** scores are reasonably **healthy** but below market norms*  
  - Engagement & Overall Satisfaction scores are generally in the 70%, which represent moderately strong scores, but below market norms.  
  - This is being driven by higher than usual ‘neutral’ scores. |

*As determined by Mercer Consulting*
Next Steps
## Upcoming Milestones for UW System

**Timeline* & To-do List for 2019**

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<td><strong>ASSESS</strong></td>
<td><strong>COMMUNICATE</strong></td>
<td><strong>REVIEW</strong></td>
<td><strong>ENGAGE</strong></td>
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<td>Manager-Readiness &amp; Knowledge of TTC</td>
<td>TTC Town Halls @ UW System</td>
<td>Standard Job Descriptions Released</td>
<td>Employee-Manager Conversations</td>
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| • Joint Governance Advisory Council  
  • Key questions to assess current level of understanding  
  • Feedback analyzed  
  • Findings are used to refine framework for Employee-Manager conversations | • Virtual Town Hall meetings  
  • Comprehensive project update, Standard Job Description release date set  
  • eLearning training modules available  
  • Manager training on Employee-Manager conversations | • Standard Job Descriptions available online  
  • Comment period begins: Employees may send feedback in real-time  
  • Employee-Manager conversations scheduled @ UW System Institutions | • Employee-Manager Conversations  
  • Feedback is considered and may be used to refine job descriptions |

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*Timeline may be modified based on needs and circumstances.*
Here’s what employees can expect at the Employee – Manager conversation...

• Open and productive discussion
• Review of Standard Job Description (SJD)
• Review of Job Title and Job Family/Group
• Does the SJD represent and accurately describe the MAJOR functions of your job?
• Remember, compensation will not be discussed until the job framework is finalized in March 2020

Questions: Did we miss anything? What, if any, topics should be added and why?
What we need Joint Governance Advisory Council to continue to do?

- Continue to meet and share with HR, Governance colleagues and answer employee questions
- Champion and support the TTC Project
- Access the TTC websites and stay abreast of the information
- Bring ideas, solutions and constructive feedback to the TTC Planning Team
- Hang on - We’re almost there!
Find out more information:

https://www.wisconsin.edu/ohrwd/title-and-total-compensation-study/