2012-13

UC Employee Compensation

Education

Workgroup Report

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Executive Summary

Compensation policies and practices are critical in the recruitment, retention and motivation of UC staff. How employees understand, perceive and utilize these practices varies, as does how managers understand, perceive and utilize these practices in making salary decisions. Such inconsistency may be a detriment to staff and in the overall success of an organization and UC as an employer. It is critical that the University of California clearly communicate with and train staff on compensation related issues as it strives to be an employer of choice, to attract new talent and to retain and motivate current employees. Thus, a perceived lack of transparency, lack of equity in pay, and seemingly inconsistent practices concerns many.

The purpose of the Council of University of California Staff Assemblies (CUCSA) Employee Compensation Education workgroup was to investigate compensation information and resources available to unrepresented staff and to see if there is a need for expanded education. A needs assessment was completed to identify staff members' current knowledge of basic compensation terms and procedures. Information available to UC staff through the compensation websites was compared with external institutions. Best practices were investigated internally and externally to identify the optimal delivery method for compensation information and education.

The staff needs assessment clearly identified a lack of basic knowledge and a desire for improved compensation education. Basic compensation definitions were sought, and the findings suggested staff did not know where to locate compensation information. The UC websites were inconsistent in formatting, and in providing information and resources. The websites were generally hard to navigate and comprehend due to the specific vernacular used. Many had very useful information, but none were comprehensive.

The workgroup was able to extrapolate best practice criteria from the UC and external websites. The strategy for implementing compensation education is to provide basic information to all staff and have CUCSA continue to work with UC leadership to identify best practices for compensation related training and continued education.

The major suggestions for UC compensation education are:

- Create a "Comp 101" tool for each of the UC locations with standardized information
- Provide a list of definitions of most frequently used compensation terms to staff
- List classification information, pay scales, and labor market analysis criteria
- Make common forms available online and provide compensation process information on the UCOP website so that local HR websites can link to it
- Create a FAQ document that is relevant, clear and concise for each campus
- List contact information for each unit`s compensation consultant
- Continue the CUCSA workgroup's study on training and best practices

Introduction

The University of California is committed to transparency and public accountability, which are the cornerstones of public trust in our institution. Each year, the University of California publically reports employee pay data and it is available to anyone who wishes to view the information. As such, UC employees are able to view compensation for their counterpart employees who are working for all UC campuses. This has led to questions regarding how salary rates are established, the processes for salary considerations, including the application of salary processes to make salary decisions for individual staff, and definitions of compensation terms.

CUCSA endeavored to research and evaluate information available from various sources to provide consolidated and consistent information with the intent to help employees better understand how their salaries are established.

The Employee Compensation Education Workgroup reviewed each of the ten campus human resources websites, and the UC Office of the President website, under the sub-category of Compensation or Compensation Management. The work group also reviewed a limited number of other higher education institution websites, both private and public.

The Workgroup canvassed the 2012-13 CUCSA delegation and conducted a limited survey of non-represented staff to better understand their current knowledge of compensation processes/practices and identify the key issues that might help to increase awareness and understanding.

Problem Statement

Unrepresented staff on all UC campuses do not have a good understanding of compensation management. There is a strong desire to better understand compensation management and the processes and tools used to determine salaries. Staff have noted inconsistent practices, lack of transparency for processes, and incongruities in pay rates within the UC system. There is a need for compensation management transparency, policy awareness, training tools, and easily accessible/searchable resources for information.

A Comparison of UC's Compensation Education

Our first step was an assessment of the information that the campuses currently provided on their individual websites. We evaluated the human resources websites of the ten campuses, not including the medical centers and the Lawrence Berkeley Lab. We examined the campus websites to gauge the format of each site, the levels of information, and the accessibility of the information to non-HR professionals and non-supervisors.

As a result of this analysis, the workgroup was able to identify some gaps in standard compensation education for staff across the UC system. Certain campuses had comprehensive information, but the data was deeply embedded, and, at times, the sites required the user to

drill down several times to find the material. Many of the sites had lists of hyperlinks pertaining to compensation issues that were full of HR vernacular that the average staff person might not understand. Some campuses lacked basic compensation information, providing only links to UCOP policies in lieu of local implementing procedures or information about services, resources and/or whom to contact at the campus level.

Most of the sites included information about a local compensation consultant or compensation contact, and a majority also provided easy access to the Total Compensation Calculator. Training opportunities and programs for employees around compensation related topics seemed to focus predominantly on what HR professionals and supervisors need to know, not what staff would want to learn or better understand. Only two sites provided a Frequently Asked Questions, or FAQ, page as a reference point for their constituents.

Primary among these gaps was the lack of comprehensive and consistent definitions (the majority of campuses had no list of definitions at all), which makes it challenging to find information if one does not already know the terms involved.

Employment Compensation Education at UC is Necessary

This discovery prompted the workgroup to consider identifying the top compensation terms staff would like defined. First, we asked each member of the CUCSA delegation to identify the three (3) compensation topics that they would like to know more about and/or what three compensation issues concerned them the most. Each workgroup member then surveyed their local assembly governing bodies with the same questions.

The most frequently mentioned compensation topics are ranked here[1]:

Topic	Rank
Equity	1
Stipend	2
Reclassification	3
Exempt vs. Non-exempt	4
Exception to Policy	5
Promotion	6
Labor Market Analysis	7
Interim replacement	8
Limited appointment	9
Employment contract	10
Working out of classification	11

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[1] The data represented the top 12 topics that were most frequently mentioned; exempt and non-exempt were combined by our workgroup as one topic since the two (2) terms define the Fair Labor Standards Act (FLSA) status of a position and it seemed reasonable to combine these topics for our use in work group project.

The second tier of our research was to distribute a questionnaire to supervisors and staff using the topics identified above with specific questions about whether they knew 1) the definition of the compensation term and 2) whom to contact about this subject on their campus (see Appendix A, Comp 101 Survey to non-represented staff).

The survey was distributed to 110 staff members at UC Riverside, UC Merced, UC Berkeley, UC San Diego and UC Office of the President. The recipients were selected randomly from colleagues on our campuses (the Comp 101 work team members are located on these five campuses) with a goal of getting feedback from various levels within non-represented staff with varied tenure of UC service. Collectively we had a return rate of 64% (or 70 completed questionnaires), and the data strongly supported our problem statement that staff did not have a clear understanding of the definitions of the 12 compensation topics and over half of the surveys left several questions blank. In addition, a majority of the survey responses listed their supervisor's administrative assistant or another inter-department contact as the person to contact, rather than a campus HR representative.

We understand this is a relatively small sample of staff represented in the first two tiers of our research, but the survey was directed at highly engaged staff. It was our conclusion that if highly engaged staff did not have a good understanding of basic compensation topics, then a need for more information and/or education of compensation related topics exists for all employee types at the University of California.

Proposed Compensation 101 Program for UC Employees

In an effort to provide basic compensation related information to staff we propose the following: a centralized source of compensation related information on the UCOP system wide website, with links to compensation related policies, definition of terms, and additional staff training.

The system and campus websites should include, as appropriate:

- A list of compensation terms and definitions that differ from or are in addition to the system wide terms and definitions;
- A list of job families/job titles, pay scales by job title, and source of labor market analysis to support the assigned salary;
- Common forms and related process maps (such as how an employee requests a job classification or equity consideration for his position); and
- A "Frequently Asked Questions" document that is relevant, clear, consistent and concise for each campus compensation program, including contact information for the campus compensation consultant and list of the departments they serve.

In addition to the system wide and local campus "Comp 101" resource (listed above) we suggest that a basic "Comp 101" module be added to the existing Career Tracks compensation training.

The Career Tracks training is provided by the system wide compensation department under the direction of Dennis Larsen, Executive Director of Compensation, in partnership with the campus Human Resources/Compensation Manager. It is our understanding that Career Tracks or Career Compass has been implemented at UC Berkeley, UC Office of the President and UC Merced, but is still pending implementation at the other UC campuses, medical centers and the Lab.

This additional module will provide staff the definition of key compensation-related terms so that staff attending the career tracks training gain a basic understanding of compensation before learning about Career Tracks. In addition, specific contact information (i.e., name, phone number and email address) for the campus compensation manager and/or compensation staff should be included.

Suggestions for Further Study

The efforts started by this CUCSA workgroup and the recommendations set forth in this document should serve as a catalyst for future CUCSA workgroups. Future CUCSA workgroups will have opportunities to respond to compensation issues and concerns of staff members who, even now, are being challenged by new ways of doing business brought on through the *Working Smarter* initiatives.

An educated employee is an informed employee. An informed employee is a committed employee.

For the long term, UC should continue to determine why staff members choose to work at UC, what keeps them retained and highly engaged, and what compensation factors are critical in why they choose to stay at the University. The issue of properly educating staff members in the area of compensation, as roles are redefined, must remain at the forefront in order for UC to continue to attract and retain the best and the brightest.

It is also suggested that training in the area of Compensation begin with New Staff Orientation. Human Resources could provide an overview of the suggested UCOP compensation clearinghouse website, a brief tour of the local compensation links and HR points of contacts, and a list of Learning Management System (LMS) training modules-to be developed-that each staff member would be encouraged to complete.

Conclusion

The University of California is a diverse system with a staff that is ever-changing and a system of compensation that is ever-evolving. An important facet of successful staff recruitment and retention is that all staff members possess a fundamental understanding and appreciation of the compensation terms and process. This can be accomplished by endeavoring to ensure all staff members are provided the requisite tools to understand the rudiments of compensation. Developing, promulgating, and advertising Compensation 101 as a module of information is a means to that end.

Appendix A

COMP 101 Survey

Dear Fellow UC non-represented staff member:

I am a delegate to the CUCSA (Council of the University of California Staff Assemblies) representing our campus and I am currently a member of a CUCSA workgroup "Compensation 101" and would appreciate your help to answer the ten questions below.

The purpose of this survey is to gain insight into the individual staff person's knowledge of compensation related topics and whether or not they currently know where to get information about compensation-related subjects. Please be honest in your response; our goal is to use the collective responses to direct our work group deliverables. The survey is being sent by me to a random group of non-represented staff on our campus and will be summarized to give me some data representing our campus staff perspective.

Our workgroup Problem Statement, Vision Statement and Scope are below for your review.

Problem Statement:

Unrepresented staff on all UC campuses have a deep desire to gain a better understanding of compensation management. There is serious concern and frustration about inconsistent practices, transparency of processes, and discrepancies in pay rates within the UC system for same classifications.

Vision Statement:

The goal of the Compensation Education Workgroup is to provide staff with a resource to help clarify compensation management by defining the terms and the processes for initiation and approval of compensation actions including reclassifications, stipends, and equity increases.

Scope:

The project team will research and collect information by developing a line of questions for each UC campus Human Resources Compensation Managers.

Instructions:

Please answer the twelve (12) questions below and return to me by noon, Tuesday, March 5, 2013.

1. Do you know the definition of **"equity"** and do you know who to contact if you believe you should be considered for an equity increase?

2. You are doing the work of a co-worker while she is out on a leave of absence and were told by a co-worker that you should receive a **"stipend"** while she is out of the office; do you know what a stipend is and who would you contact to request a stipend?

3. What is a **"reclassification"** and do you know who to call if you want to request a review of your job classification?

4. You were told that you are an **"exempt" employee** and you do not get paid for overtime; what does it mean to be exempt and who decides whether your position is exempt or non-exempt?

5. You were told your salary is based on **"Labor Market Analysis";** what is this and **do you know** who to contact if you want to challenge the labor market analysis for your position?

6. Do you know the difference between **"promotion"** and **"reclassification"**?

7. What does **"interim replacement"** mean to you and is this temporary or does it become permanent?   Does the University have to post the job for others to have the opportunity to apply?

8. What is a "**limited appointment**" and what is an "**employment contract"** and what are the differences? Who chooses whether a new position will be a limited appointment or an employment contract?

9. What is **"working out of classification"** and how is this different than an Administrative Stipend?

10. Do you know **who to contact** for answers to your questions about compensation? _____ Yes or _____ No (check one answer)

    If no, why not?

11. **Do you use your campus website** for answers to your questions about Compensation?
    Yes _____ or No _____ (check one answer)
    If no, why not?

Optional: Name: _____
Job Title: _____
Department: _____
Years with UC: _____

Thank you!

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