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UCF-HR Advisory

UCF Classification & Compensation

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Classification & Compensation**

Intent of This Project

The University of Central Florida is undertaking a project to redesign its classification and compensation structure for approximately 3,500 staff in Executive Services, A&P and USPS positions, as well as vacant positions, spanning across the University

Project Purpose

- A new, more modern approach to compensation that promotes market alignment and clear career progressions
- A system empowering managers and HR Liaisons to make more informed and comprehensive position and compensation decisions
- Clearer guidelines for management of common employment situations like title and job changes, reclassification requests, and salary adjustments

Why Re-Design UCF's Compensation Program?

Re-design of UCF's classification and compensation program helps to ensure:

- Pay is aligned with the philosophy and goals of UCF
- UCF attracts and retains top talent
- Employees are recognized for their contributions to their jobs
- Pay is competitive with our external market
- Titles accurately reflect the content of jobs and align with the external market
- Career opportunities are well-defined and understood by employees

UCF is committed to providing employees with market competitive pay and opportunities to grow and develop within our institution.

Overview of the New Classification and Compensation Program Development

Old Compensation Program

- Outdated pay system
 - Last system update in early 2000s
 - Inaccurate job descriptions
- Continued concerns around:
 - Inconsistent administration of pay
 - Pay compression
 - Misalignment of pay to the external market
 - Internal inequity
 - Pay may not be linked to individual contributions
 - Unclear and inconsistent titling
 - Poorly defined/ limited career progression opportunities

New Compensation Program

- Competitive, market-based structure
- Policies for pay administration to ensure:
 - Fairness and consistency across the institution
 - Ongoing maintenance of program
- Foundation for future HR initiatives
 - Performance management
 - Career progression
- Increased communication and transparency

Throughout the project, the UCF HR project team sought input from various campus stakeholders.

Outcomes of the New Compensation Program

Key outcomes of the new program include:

- **Current and Accurate Job Descriptions:** Documentation of key responsibilities, skills, education, and experience requirements for the job
- **Titling and Career Progression Framework:** Market-based titles for UCF jobs that accurately reflect the job duties accompanied by a career framework that outlines growth opportunities
- **Compensation Philosophy:** Description of the role of pay and UCF's expectations for the management of pay in attracting, retaining, and rewarding employees at the University
- **Comparison Markets:** Development of comparison markets for market data comparisons by broad employee level groupings
- **Compensation Structure:** Management of compensation through market-based salary grade ranges
- **Compensation Policies:** Policies for managing compensation at the University to help ensure internal equity and consistent application of the program

Throughout the project, the UCF HR project team sought input from various campus stakeholders.

Recap of Engagement Phases and Timing



Total Compensation Philosophy (April – May 2016)

- Understand current and desired compensation philosophy
- Conduct stakeholder interviews, review UCF data and related materials
- Develop a compensation philosophy including peer groups



Job Description Development (May 2016 – February 2018)

May 2016 – Sept. 2017

- Map incumbents to jobs and job families
- Develop position description questionnaire and deliver training
- Pilot tool with select job families
- Develop and launch Administrative Support mapping tool

Sept. 2017 – Feb. 2018

- Collect position descriptions from employees reflecting current job responsibilities
- Develop job descriptions



Job Title Structure and Career Framework (May 2016 – February 2018)

- Identify titling conventions and criteria
- Assign jobs to market-based titles
- Review and modify titles with UCF HR Project Team, as needed
- Develop career framework guidelines



Market Assessment (February – June 2018)

- Determine assessment methodology
- Match UCF's jobs to jobs within surveys
- Conduct variance analysis and develop preliminary cost estimates
- Review matches with campus stakeholders



Salary Structure Development (June – October 2018)

- Develop salary structure
- Preliminarily assign jobs to structure
- Identify incumbent and cost implications



Program Implementation (October – December 2018)

- Finalize structure
- Develop pay guidelines
- Create report of findings
- Share report with key stakeholders
- Develop implementation strategy
- Identify areas for ongoing maintenance and review

Key Points from the New Compensation Philosophy

The compensation system:

- Aligns with the mission, values, creed, and strategy of the University
- Is dynamic to respond to the ever-changing needs and operating objectives of the University
- Is externally competitive within the relevant markets and equitable based on job responsibility and performance
- Outlines a framework for career progression
- Is transparent and accessible by all employees
- Ensures good and enduring stewardship of resources, both human and fiscal
- Includes guidelines to ensure that decisions are made objectively

The philosophy was drafted by the UCF HR project team and endorsed by leadership and campus stakeholders (CPAG).

¹ The Compensation Philosophy is provided in the *Appendix* of this document.

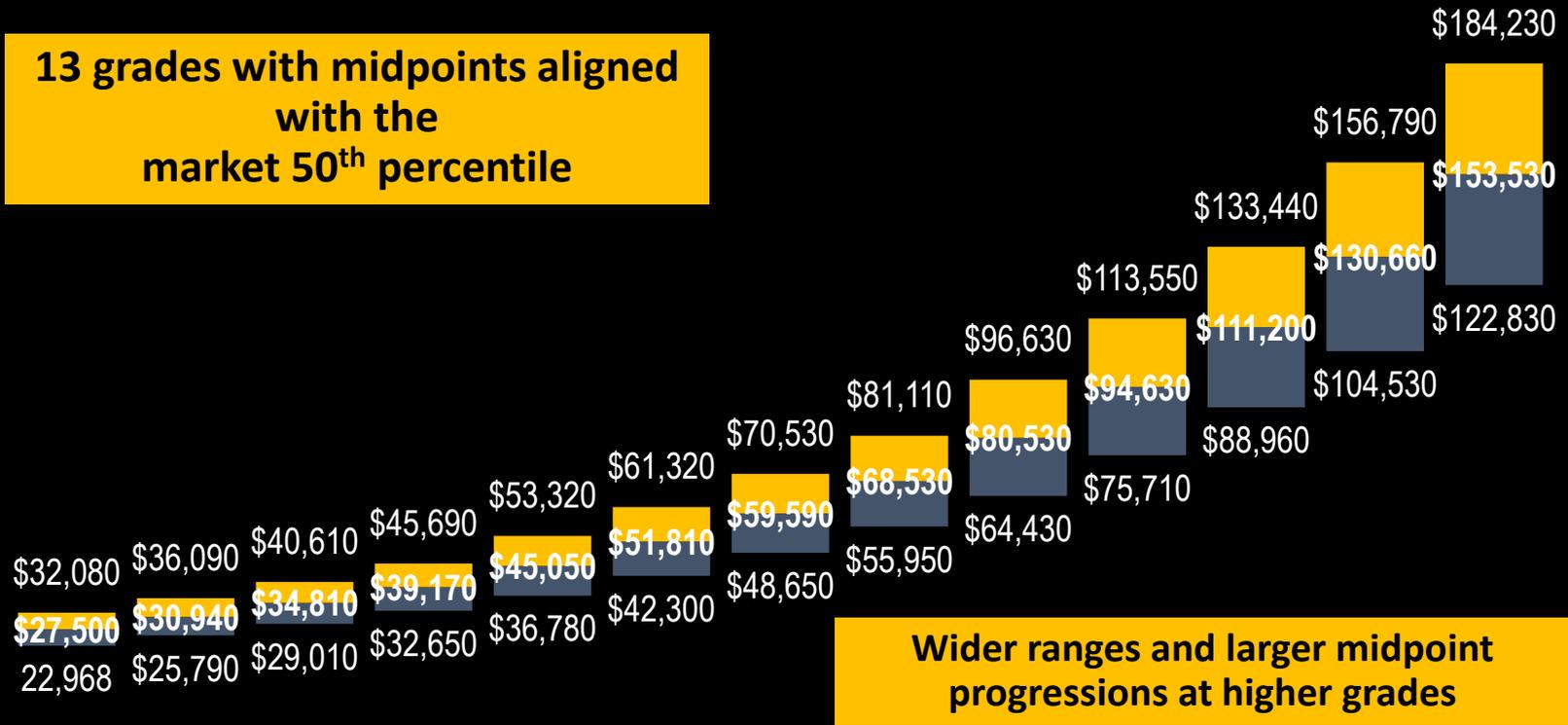
Moving to the New Program

- **This is an entirely new program**
 - As part of the implementation, no one will get a pay increase or decrease
 - There is no direct relationship between current grades and new grades
- **In January 2019, employees will receive:**
 - Grade and title of their own job
 - Access to a list of all titles and grades
 - Access to the new career framework
 - The salary ranges for each grade
- **Management, Leadership, and HR will work together to:**
 - Ensure any pay changes (promotions, transfers) are equitable
 - Assess appropriate hiring rates for new employees
 - Periodically review internal equity and external competitiveness

All employees will have access to the UCF Compensation Project website:
[https://hr.ucf.edu/current-employees/
compensation-information/ucf-compensation-project/](https://hr.ucf.edu/current-employees/compensation-information/ucf-compensation-project/)

Overview of UCF's New Compensation Structure

13 grades with midpoints aligned with the market 50th percentile



Grade ¹	11	12	13	14	15	16	17	18	19	20	21	22	23
Range Spread	40%	40%	40%	40%	45%	45%	45%	45%	45%	50%	50%	50%	50%
Midpoint Progression		12.5%	12.5%	12.5%	15.0%	15.0%	15.0%	15.0%	17.5%	17.5%	17.5%	17.5%	17.5%

¹ To convert the salary structure for hourly employees, divide the minimum, midpoint, and maximum by 2,088.

Example: How Jobs were Assigned

Illustrative Examples of Benchmark Job Assignment

Job Title	Market Consensus	Closest Grade Midpoint	Grade Adjustment Rationale	Grade Adjustment	Final Grade
Candymaker	\$36,000	3 (\$34,810)	N/A	None	3
Chocolate Designer, Level 2	\$52,200	6 (\$51,810)	Chocolate Designer, Level 1 fell into a 6. Level 2 moved to 7 for internal equity and career progression purposes	Moved to 7	7

Illustrative Example of Non-Benchmark Job Assignment

Job Title	Closest Benchmark Job	Closest Benchmark Job Grade	Comparison to Benchmark Job	Final Grade
Candy Marketing Guru	Assistant Candy Marketing Guru	3	Greater scope of responsibility; more latitude and impact in decision making; greater supervisory responsibility	4
Assistant Director, Candy Process Design	Assistant Director, Manufacturing Troubleshooting	5	Essentially the same impact of accountabilities, supervisory responsibility, education/skill required, etc.	5

Setting the Initial Employee Salary

The criteria in the chart below will help determine where an incumbent should be paid within the grade:

• FACTORS THAT IMPACT PAY

• \$ Entry

- New to job
- More limited experience
- Must learn / develop significantly

• Proficient

- Will be able to step into the job and perform effectively and efficiently
- Demonstrates required experience/skills
- Exhibits desired competencies to perform job effectively
- Seasoned and proficient professional

• Advanced \$\$

- Top performer in all job criteria
- Has broad, deep knowledge of own area and related areas
- Depth and breadth of experience, specialized skills, perspectives add significant value to the institution.
- Serves as expert resource to others

Majority of incumbents fall here.

Below-Minimum Policy & Above-Maximum Policies

- **Below Grade Minimum Policy**

- A review of any employees below the minimum will happen before any other review
- Going forward, external and internal hires will be brought in at or above appropriate minimum
 - Keeping in mind the need to transition from the **old pay grade system** to the **new pay grade system**.
 - Colleges/divisions may need to hire at the old pay grade as the university works toward increasing the salaries of employees who fall below the new pay grade minimum.

- **Above Grade Maximum Policy**

- Effective in January 2019, employees above max will not be eligible for annual increases
- Will be eligible for a lump sum in lieu of an increase until they fall within their respective pay grade

Program Governance Responsibilities

Employee

- Understand and fulfill job's essential functions, as defined by the job description
- Respond to feedback provided by manager or supervisor as related to job responsibilities and performance
- Provide accurate records of hours worked, as needed
- Raise issues or concerns about job responsibilities and/or compensation with his or her manager/supervisor

Manager and HR Liaison

- Collaborate with UCF Human Resources to establish and maintain appropriate salaries; make recommendations for salary adjustments
- Understand and maintain documentation of accurate job responsibilities and requirements of jobs in area of responsibility
- Understand skills, knowledge, experience, and performance levels of staff in area of responsibility
- Set performance expectations, provide clear and helpful feedback, and evaluate performance
- Communicate openly with staff about compensation topics

Program Governance Responsibilities *continued*

Human Resources

- Serve as a subject matter expert that establishes parameters around compensation guidelines
- Design, develop, and maintain compensation program, including salary guidelines; ensure fairness in and consistency of application
- Provide strategic and operational advice to leadership on salary issues and market trends
- Provide administrators and managers/supervisors tools and resources needed to make compensation decisions for their staff (market data, hiring ranges, federal/state policies, etc.)
- Regularly collect market data from appropriate sources, assess pay competitiveness, and recommend adjustments to the salary structure as well as individual salaries
- Regularly monitor effectiveness of the compensation program and practices, its continued competitiveness, and ongoing equity
- Communicate salary program and ensure understanding within the University

Program Governance Responsibilities *continued*

University Leadership

- Communicate openly and clearly with University community on compensation-related matters
- Endorse program design and implementation processes
- Establish and communicate strategic and operational goals to the community
- Set standard for performance planning, coaching and feedback; hold direct/indirect reports accountable for the same
- Review and endorse salary structure updates and individual pay decisions, as appropriate
- Provide resources required to maintain the program