

IOWA STATE UNIVERSITY

University Human Resources

P&S Council Seminar Series:

P&S Classification and Compensation Review
Market Pay

March 13, 2018

Goals & Outcomes of P&S C/C Review

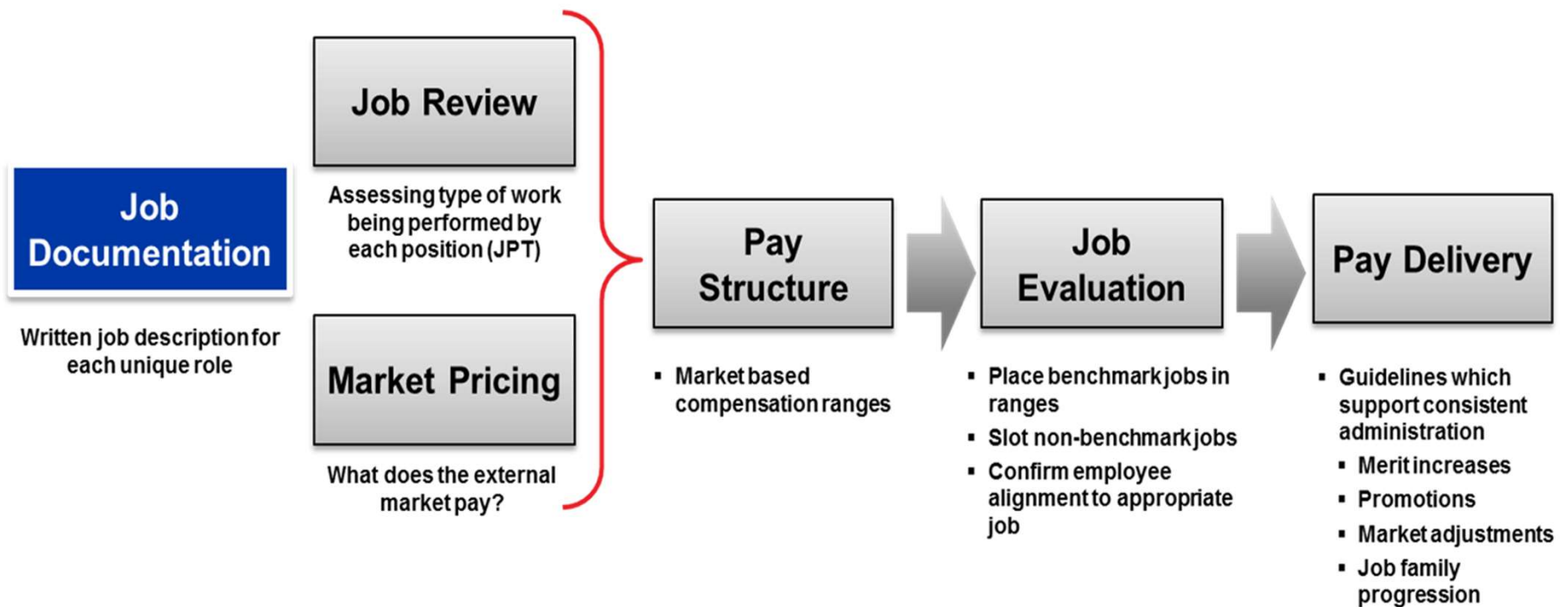
Primary Goal: Review current P&S jobs and pay practices in order to design a new, market-driven structure and pay philosophy that enables the attraction, retention, and reward of P&S employees at Iowa State that is aligned with our mission, and is fair and compliant.

Expected Outcomes:

- Create and establish a University-wide Compensation philosophy for P&S staff;
- Develop defined job categories and job families for P&S jobs and establish alignment with FLSA and EEO/SOC regulations;
- Develop a defined P&S pay structure (including a nonexempt pay structure) that balances market, fairness, and performance;
- Develop defined pay administration policies and practices to maintain a modern and competitive pay program; and
- Provide a framework to better define pathways for P&S career development.

Updating the P&S Class/Comp System

Process Overview (timing June 2017 to October 2018)*



*Implementation date pending in consideration with the opportunity to sync with Workday

Why Use a Market-based Pay Structure

- Market pricing is an approach to establish an externally competitive compensation structure
- Creation of pay grades through a market-based approach allows for externally competitive pay while adjusting for internal alignment as needed
- The advantages of using market-based pay include:
 - Objective standard (market data) to establish pay grades
 - Allows for pay grades that are competitive with the local market for attraction and retention
 - Accurately reflects the relative “market value” of a job
 - Allows for consistent maintenance

Building a Market-Based Pay Structure

1. Identify and document jobs:
 - Main features of the job
 - Education, experience, licensing requirements, etc.
 - Reporting relationships
2. Identify benchmark jobs:
 - Utilize third party, reputable salary surveys that:
 - Adequately cover our industry (i.e. higher education)
 - Organizational type (large, small)
 - Geography (i.e. our labor market)
 - Goal is to benchmark as many jobs as possible
3. Build pay grades utilizing salary data (median)
4. Assign each job to pay grade; pay grades group jobs that have approximately the same relative market value

Iowa State University Market

- Natural Competitive Set:
 - Higher Education
 - Not-for-Profit
 - Industry
- Large, public institution
- Geography
 - National
 - Regional – approximately 250 – 300 mile radius
 - Local – immediate hiring area for ISU (commutable distance)
- Target is the market average for jobs
 - Market Average is reflective of the median for base pay

Considerations for ISU's Market

- Reflective of the majority of current P&S jobs
- Reflective of the market for our “natural competitive” set – most of our P&S staff come from higher education or industry
- Current data on hiring practices confirms geography
- Median is an appropriate marker for average base pay at ISU
 - Other factors such as benefits attract people to ISU
 - Geographic differential of labor cost indicates median is sufficiently competitive to attract and retain talent

ISU Competitive Matrix for P&S Jobs

Professional & Scientific Groups		Industry	Geography	Base Pay
University Specific	<ul style="list-style-type: none"> ▪ Academic Affairs ▪ Athletics ▪ Resident Life ▪ Student Services 	Higher Education	Regional National	Median
	<ul style="list-style-type: none"> ▪ Development ▪ Field Science ▪ Government & External Affairs ▪ Libraries ▪ Public Safety 	Higher Education Not for Profit	Regional National	Median
Research/ Technical	<ul style="list-style-type: none"> ▪ Science/Research Professionals 	Higher Education Research Labs General Industry*	National	Median
	<ul style="list-style-type: none"> ▪ Technical Directors and Above 	Higher Education General Industry	National Regional	Median
	<ul style="list-style-type: none"> ▪ Technical (Engineering, Lab, Information Technology, Technical Extension Roles) 	Higher Education General Industry	Regional Local	Median
Functional Roles	<ul style="list-style-type: none"> ▪ Business/Administrative Directors and above 	Higher Education General Industry	National Regional	Median
	<ul style="list-style-type: none"> ▪ Business/Administrative Managers and Professionals (e.g., Finance, Human Resources, Legal, Marketing, Programmatic) 	Higher Education General Industry	Regional Local	Median
	<ul style="list-style-type: none"> ▪ Dining Services ▪ Facilities 	General Industry	Local	Median

*General industry for science and research roles includes regionally present agri-business and bio-science companies.

Maintenance of the Structure

- Pay Structure will be evaluated yearly or every other year to remain competitive
- Pay grades will be adjusted utilizing trends in market data and budgetary considerations
- Job titles will also be evaluated on a cyclical basis to ensure they are current with market benchmarks

Questions?

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