University of Maine System

Classification and Compensation Study
UMS Hourly Employees

July 2008

Why a Compensation Study?

- Review and revise the job titles (classification) system
- Ensure job descriptions properly describe the work being performed
- Establish a competitive labor market position
- Adjust to a rapidly changing work environment as a result of:
  - Technology changes;
  - Positions changes
- Provide a system to achieve greater clarity of career path growth
A Teamed Approach

- Project Team
  - HR and compensation specialists
- Joint Labor-Management Team
  - Representatives from labor and management across the University
- Steering Committee
  - University HR Directors and Finance
- Outside Expertise
  - Fox Lawson & Associates (FLA)

FLA Introductions

- Jim Fox, Ph. D.
  - Partner
  - Fox Lawson & Associates
  - Project Director

- Heidi Nelson, CCP & CBP
  - Sr. Consultant
  - 18 years experience
  - Compensation study
FLA Introductions

• Beth Ostrem, MA-HR, CCP
  - Sr. Consultant
  - 12 years experience
  - Classification and Job Evaluation

• Mike Verdoorn, MA-HR, CCP
  - Consultant
  - 5 years experience
  - Classification, Job Evaluation, Compensation

Fox Lawson & Associates

• 25 years of nationwide experience
• Includes extensive experience with colleges, universities, and higher education
• Practical and realistic solutions
• Experience in union and non-union environments
• www.foxlawson.com
What This Effort is Not

- It is NOT a way to cut salaries
- It is NOT a guarantee of a salary increase
- It is NOT a way to cut jobs
- It is NOT a staffing study
- It is NOT an organizational structure study
- It is NOT a strategy designed to cut costs
- It is NOT designed to supplant labor negotiations

What This Effort Is

The purpose is to ensure that
- the essential duties employees are performing are appropriately described,
- employees are assigned the right job group,
- the job is in the right place in the hierarchy, and
- the competitive market rates for these jobs are identified.
Guiding Principles

The system will be:
- Fair and equitable
- Easy to understand and use
- Competitive with the relevant market
- Compatible with the history and culture of UMS
- Legally defensible
- Fiscally responsible

Study Phases

I. Study Initiation and Administration
II. Classification Study
III. Job Evaluation Study
IV. Compensation Study
V. Final Report
I: Study Initiation

- Meet with Project Team, Joint Labor-Management Team, Steering Committee
- Review current systems
- Understand issues and needs
- Clarify and confirm pay strategy

Pay Strategy Issues

- Broad or narrow classification descriptions
- Broad or narrow pay ranges
- Definition of labor market
Pay Strategy Issues

• Influence of labor market in grade assignment
• Selection of a job evaluation system
• Performance based pay options

Pay Strategy Issues

• Step system or open ranges
• Maintenance responsibilities
II: Classification Study

- Employees & supervisors complete Position Description Questionnaire (PDQ)
- FLA interviews a representative sample of incumbents, to clarify PDQ and ensure we understand the job
- FLA revises job title structure based on strategy
- Utilizing current job descriptions, PDQs and interviews, FLA and UMS develop new job descriptions

III: Job Evaluation

- Purpose of Job Evaluation
  - Establishes a job value hierarchy
  - Determines correct pay grade for jobs when market data is not reliable
  - Helps to grade a new or changed job
- Choices include:
  - Point-factor
  - Decision Band™ Method
- Evaluate new classification descriptions utilizing the job evaluation system
IV: Compensation Study

- Determine competitiveness of pay and benefits
- Identify public and private organizations in Maine to survey, for example:
  - Hospitals
  - State government
  - Community colleges
  - Public schools
  - Banks, Insurance
  - Call centers
  - Manufacturing

IV: Job Compensation

- Identify jobs to benchmark for survey
  - Common jobs
  - Job with lots of employees
  - Covers all occupational families
  - Covers the variety of job situations
- Collect and analyze data
  - Throughout the grade (wage band) structure
  - Develop a salary structure for all grades (wage bands)
  - Identify job family differences, if any
  - Identify geographic differences, if any
- Analyze for equity and relation to market
V: Final Report

- Job descriptions
- Job evaluation ratings
- Compensation recommendations
- Salary administration guidelines
- Presentations to management and employees

Timeline

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| Task V: Final Report* |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |  **

*Collective Bargaining as Required