

University of Maine System Salaried Employees Classification and Compensation Program

June 2004 Project Update

The University of Maine System has been working to develop a “Salaried Employees Classification and Compensation Program” (Program) that is internally equitable and competitive with external markets. Great progress has been made on the project since the last update was mailed to employees in November. (To access previous updates, visit <http://www.maine.edu/humres.html>.) We expect to implement the Program, which represents a major advance in the University’s compensation plan, in the coming months.

Over the past few months, **the statistical model** to tie internal **point values* for all positions** to the external labor market was developed and preliminary **cost estimates** for implementing the Program were prepared. That information assists with the development of our **market target** (how our salaries overall will relate to the national market) and negotiations with UMPSA over the implementation of the Program have begun.

** As outlined in previous updates, “point values” were determined through information about job responsibilities and qualifications gathered on the Position Description Questionnaire (PDQ), filled out by UMS employees in 2003. Each job was rated on a variety of factors, and the total number of points represents the point value.*

The Statistical Model

The “statistical model” is statistical data and analysis that allows us to have confidence in the equity of the Program. The Program will work only if there is a clear relationship between the salary range for a position and:

- the responsibilities and qualifications associated with that position;
- the position’s “job family” designation (general field of work, i.e., information technology, library, student services, etc.);
- and the “labor market” (salary data for positions with similar functions and responsibilities).

To develop the statistical model, we worked with HR personnel from every campus to select **benchmark positions** representing all UMS universities and all job families. These benchmark positions were selected because they could be matched to jobs with similar functions in the College and University Personnel Association-Human Resources (CUPA-HR) salary surveys. Using CUPA-HR data allowed UMS comparisons to be based on institutions of similar enrollment, budget, and Carnegie category (e.g., baccalaureate, doctoral, etc.). Using established statistical programs, the benchmark positions were measured against the external labor market data. The result was a high correlation between the market values, point values, and job family designations, thus giving confidence that the variables used in our model are related to salary.

Market Value

The statistical model provided a formula that was applied to all jobs (based on job family) to calculate estimated market values for all positions in the Program. Each position was then assigned to a salary range based on the median salary of the estimated market range.

Market Target

The salary range assignments are based on the median salary in the relevant labor market. Ideally, the University would like UMS salaries to match the national market. However, because of serious past, current, and future budget constraints this may not be possible. We are committed to ensuring that whatever market target is chosen that it is applied consistently throughout all campuses and all types of jobs.

Looking Ahead: Analysis, Planning and Implementation

We are currently examining data to: (a) determine if any patterns suggest a need to review components of the Program and (b) identify unintended consequences that may occur after implementation.

We have been actively meeting with UMPSA to provide detailed briefing on the Program, provide requested information, and negotiate the impact of our decision to implement the Program.

We are drafting a policy and procedures manual to administer the Program. The manual will include procedures for ongoing maintenance, placing positions in a salary band, moving positions through the salary band, and position reclassification, among others.

Meetings were held last year with employees to discuss the PDQ and offer contact information for voicing questions and concerns. As part of our ongoing communications program, similar meetings will be held at each university to provide more information about the new Salaried Employees Classification and Compensation Program and to solicit input from affected employees. We will then keep employees and supervisors up-to-date about the status of the new Program.

Our goal is to move forward quickly with the implementation of this exciting new Program. We intend to implement the Program for non-represented salaried employees during the first half of FY05.

For more information about the Program visit <http://www.maine.edu/humres.html> or you may be submit questions to seccp@maine.edu or your campus Human Resources Office.