Job Families and Market Analysis

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December 7-8, 2011
Irvine, CA
What We’ll Cover Today

• Setting the Stage – Compensation Basics
  - Compensation and Total Rewards
  - Compensation strategy and philosophy
• Market Pricing – Building the Foundation
  - Survey data
  - Job matching
  - Benchmark data and adjustments
• Job Architecture
  - Job fields/families
  - Career levels and level progressions
  - Job evaluation and market assessment
• Summary – Pulling it all together
Compensation is part of a total rewards package...

Cash Compensation
- Base pay
- Annual incentive or bonus pay

Career Development
- Performance management
- Learning and development
- Career opportunities

Benefits
- Retirement/Savings
- Medical/dental/vision, etc.
  - Life insurance
  - Short/long-term disability
  - Accident coverage

Work Lifestyle
- Time off
- Wellness programs
- Commuter programs

...and functions as part of a larger Human Resource strategy
A well-defined compensation philosophy supports the organization’s strategy, guides compensation practices, and should enable the organization to attract, retain, and motivate the types of employees that will drive value and contribution.

A compensation philosophy should explain:
- Who the organization defines as labor competitors
- What role incentives play in the organization
- How the organization intends to set pay levels compared to the market
The University of California is recognized world-wide for excellence in education and research, and for the excellence of its medical enterprise. To support and foster this excellence, the University will manage each element of total compensation as follows:

- Align our total compensation with leading academic research institutions (public and private) as well as national, regional and local organizations with whom the University competes for talent;
- Align our jobs to the market based on their assigned responsibilities taking into account job scope, accountabilities and value to the University;
- Build funding of total compensation programs into the annual budget process in order to provide for competitive pay and total compensation package alignment;
- Reinforce a high-performance culture so as to attract, develop, motivate and retain the talent needed; Compensate individuals for their relative levels of contribution to the success of the University;
- Provide cash incentive opportunities, where appropriate and aligned with market prevalent practices, with actual payouts tightly linked to results and accountabilities;
- Establish consistent linkage of system-wide programs, systems and processes while accommodating, where appropriate, a level of flexibility in administration to allow campuses to operate and compete with relative autonomy within their respective markets;
Building the Foundation: Job Matching and Market Pricing
Companies participating in the survey match their jobs to survey benchmark jobs (standard or common jobs with brief definitions) and submit compensation data.

Survey houses check, compile, and publish the data on a job by job basis, across all participating companies.

The data is available to purchase (sometimes to participants only) in aggregate and often by data “cuts” – specific industries, geographies, etc.

Survey house process:

Compensation considerations:

- Survey descriptions should be specific to ensure appropriate matching.
- Not all jobs can be benchmarked (unique and hybrid jobs, for example); 80% similar to the benchmark description is a rule-of-thumb.
- Data robustness will vary by job and geography based on the number of organizations matching to each job.
- The survey and data cut should match the labor market defined in the philosophy.
- More than one survey source is preferable, but one quality source of robust data is better than multiple sources of inconsistent data.
These represent a couple of the questions that help determine the appropriate survey sources to establish a “market” range of pay:

- Positions that are only found in Higher Ed, e.g., EVC & Provost, Student Affairs, etc are matched to Higher Ed surveys.
- Positions at the medical centers are generally matched to surveys that focus on med centers and/or teaching hospitals, and where appropriate, general industry data.
- Where positions can be filled by candidates from a broader, non-Higher Ed background, we use general industry surveys, combining Higher Ed surveys, when appropriate.

Is the recruiting effort local or national?

What are the duties and experience requirements, and are they industry-specific?
## Sound Job Matching is Essential!!

### Sample Benchmark Job Descriptions from Surveys

<table>
<thead>
<tr>
<th>Radford Global Tech</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6224 Staffing/ Emp Rep</strong></td>
</tr>
<tr>
<td><strong>Level 4 - Advanced (Sr. Level)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Towers Watson Administrative Professional Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AHR 144 Recruit - Prof/ Tech</strong></td>
</tr>
<tr>
<td><strong>P-4 Specialist (Sr. Level)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mercer Metropolitan Benchmark Database</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>120. 220. 320 Recruit</strong></td>
</tr>
</tbody>
</table>
## Benchmark Survey Data & Composite

### HR IT Recruiter (Survey Data Aged to 11/1/2011)

<table>
<thead>
<tr>
<th>Survey Name</th>
<th>Job Code</th>
<th>Survey Job Title</th>
<th>Scope</th>
<th>Orgs</th>
<th>Inc</th>
<th>25th</th>
<th>50th</th>
<th>75th</th>
<th>25th</th>
<th>50th</th>
<th>75th</th>
<th>Aging Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radford Global Tech</td>
<td>6224</td>
<td>Staffing/Employment Representative</td>
<td>S.F. Bay Area</td>
<td>65</td>
<td>204</td>
<td>103,339</td>
<td>117,875</td>
<td>124,778</td>
<td>110,188</td>
<td>125,050</td>
<td>138,375</td>
<td>1.025</td>
</tr>
<tr>
<td>TW Admin Prof</td>
<td>AHR 144</td>
<td>Recruitment – Professional/Technical</td>
<td>All Org</td>
<td>13</td>
<td>41</td>
<td>66,300</td>
<td>78,642</td>
<td>92,412</td>
<td>67,830</td>
<td>81,906</td>
<td>94,146</td>
<td>1.02</td>
</tr>
<tr>
<td>Mercer MBD</td>
<td>120.2 20.320</td>
<td>Managerial/Professional Recruiter</td>
<td>Nat'l: All Data</td>
<td>205</td>
<td>780</td>
<td>66,300</td>
<td>77,214</td>
<td>87,210</td>
<td>69,258</td>
<td>81,294</td>
<td>91,902</td>
<td>1.02</td>
</tr>
</tbody>
</table>

**Geo Differential applied to TW @ 20%**

| 79,560 | 94,370 | 110,894 | 81,396 | 98,287 | 112,975 |

**Geo Differential applied to Mercer @ 20%**

| 79,560 | 92,657 | 104,652 | 83,110 | 97,553 | 110,282 |

**Composite**

| 87,486 | 101,634 | 113,442 | 91,564 | 106,963 | 120,544 |
Building the Foundation: Job Matching and Market Pricing
Jobs are grouped into **job fields** that describe the general type of work being accomplished, then into more specific **job families**.

- Nursing
- Facilities
- Student Services
- Finance
- Human Resources
- Operations

**Job Families**
- Compensation
- Benefits
- Training/Development
- Employee Relations
- Staffing/Employment
- HR Generalist
- Labor Relations
Career levels, combined with job fields/families, create a Job Architecture. Consider how within a job family there are different levels of skill, responsibility, and impact.

<table>
<thead>
<tr>
<th>Professional Level</th>
<th>1 - Entry</th>
<th>2 - Intermediate</th>
<th>3 - Experienced</th>
<th>4 - Advanced</th>
<th>5 - Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope Description</td>
<td>Entry level professional with limited or no prior experience; learns to use professional concepts to resolve problems of limited scope and complexity; works on assignments that require limited judgment and decision making.</td>
<td>Developing position where an employee is able to apply job skills, policies and procedures to complete tasks of moderate scope and complexity to determine appropriate action.</td>
<td>Journey-level, experienced professional who knows how to apply theory and put it into practice with full understanding of the professional field; has broad job knowledge and works on problems of diverse scope.</td>
<td>Professional with a high degree of knowledge in the overall field and recognized expertise in specific areas.</td>
<td>Leader in the field who regularly leads projects of criticality to campus and beyond, with high consequences of success or failure. This employee has impact and influence on campus policy and program development. Barriers of entry exist at this level.</td>
</tr>
<tr>
<td>Analogy *</td>
<td>Learning about rope and knots</td>
<td>Can tie basic knots, learning complex knots</td>
<td>Calculates rope strength, knows a lot about knots</td>
<td>Understands rope making, can tie any knot</td>
<td>Knows more about rope than you ever will, invented new knot</td>
</tr>
</tbody>
</table>
The table below describes leveling, its components, and their value to the organization:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Advantages</th>
</tr>
</thead>
</table>
| Leveling              | A systematic process for establishing broad equivalencies in role and contribution across geographic boundaries | • Allows effective market pricing  
• Supports consistency and accuracy of classifications  
• Provides a framework for reward decisions  
• Provides information for HR, managers, and employees regarding the competencies required for success throughout the organization  
• Maximizes effectiveness of talent management and development  
• Facilitates succession planning & the establishment and clear communication of career paths |
| Career Level Guides   | Detail the roles, responsibilities, competencies, education, impact, and compensation bands by function and level |                                                                                   |
| Career Ladders & Lattices | Define and communicate career options within a specific function or across functions with similar competencies. Supports vertical and lateral movements |                                                                                   |
Example of a Career Path & Progression

Entry

Experienced

Intermediate

Advanced

Supervisor I

Supervisor II

Supervisor III

Manager I

Manager II

Manager III

Manager IV

Professional

Supervisory/Managerial
Job families combined with career levels provide clear career paths and development opportunities for employees.

- Employees who qualify for a promotion are moved to the salary range developed for the next level up in the job family.

**Observations:** Well defined levels are important for appropriate career paths and informed market pricing

- In the example at left, an organization failed to define its levels clearly, resulting in similar benchmarking for levels 2 and 3. This can impact internal comparisons, cost, and consistency.
• Each career level and job family combine to form a unique job. Then, benchmarking each job to market data is used to assess the competitiveness of each position’s salary relative to its market benchmark, as well as the relative worth of each job in the organization.

![Organization X vs. Market](image-url)
Next Steps
Steps in the process:
- Develop and implement a systemwide series of job families that meet each location’s needs
- Align each location’s job families to their respective labor market
- Remove real or perceived barriers for movement/advancement

Benefits of systemwide job families and career paths:
- Accurate classifications
- Competitive practice
- Simplified administration (process and systems)
- Readily accessible position-to-market and cost of labor data
- Increased retention
- Improved and expanded motivational tools for managers to recognize employee contributions
- Expanded opportunities for career progression for employees
- Enhanced employee engagement
- Fair and equitable
Job matching and market pricing is a critical and fundamental step to ensure that the University’s pay programs are competitive with market practices.

Program alignment means that UC can compete with other institutions/organizations for all levels of staff, which allows us to hire and retain the best qualified talent in our marketplace.

Creation of well-defined systemwide job fields, families, and career levels allows UC to attract and retain talent at all levels, rewarding contributions and performance and providing opportunities for career progression.

Career progression fosters increased employee engagement which leads to better morale, increased productivity and better results...

...all of which makes UC a better place to work, while preserving and enhancing the quality of the institution and our service delivery to colleagues, the students and constituents.
• Questions?