



Total Rewards Market Study – Open Fora

PRESENTED BY KANSAS STATE UNIVERSITY HUMAN CAPITAL SERVICES AND CBIZ HUMAN CAPITAL SERVICES

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Introduction

- Kansas State University Human Capital Services
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- CBIZ Human Capital Services
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Overview

- Review objectives and methodology
 - Compensation and classification system
 - FLSA review
 - Job descriptions
- Provide an overview of results
- Discuss findings and recommendations
- Answer Your Questions



Project Objectives



Project Objectives

- Develop compensation philosophy
- Create a classification system that better organizes jobs
- Develop job families and career ladders
- Benchmark K-State jobs to market
- Create a total rewards system that allows K-State to administer compensation into the future
- Document jobs and positions
- Determine FLSA status of each position



Project Methodology



Project Methodology – Completed Steps

Initiated Project

- Conducted project kick-off meetings with key K-State staff
- Established project goals
- Collected organizational, job and employee information

Evaluated job documentation

- Developed a job analysis questionnaire (JAQ) and obtained additional up-to-date employee duties, responsibilities and qualifications – 82% response rate
- K-State employees completed JAQs and supervisors provided input



Project Methodology – Completed Steps

Developed Compensation Philosophy

- The primary benchmark for the University in this study was the market 50th percentile

Identified Comparable Entities and Relevant Markets

- Identified benchmark jobs and appropriate labor market characteristics
 - Industry – Public Higher Education Institutions and the General Labor Market, as appropriate
 - Location – Manhattan, Salina or Olathe, Kansas
 - Organizational Size



Project Methodology – Completed Steps

Classification Plan

- Based on the evaluation of all job documentation, proposed reclassifications
- Recommended new job titles and career progression
- Identified job families and drafted definitions
- Proposed a new titling structure to enhance consistency across departments



Proposed Job Families

- Academic Student Services
- Administrative Support
- Agriculture
- Animal Health
- Athletics
- Aviation/Engineering Technology
- Business & Finance Services
- Child & Youth Education Development
- Communications/Marketing
- Environmental Health & Safety
- Grants & Contracts
- Hospitality
- Human Capital
- Information Technology
- Legal
- Mental & Physical Health
- Museum & Library
- Physical Infrastructure
- Program & Project
- Research
- Safety & Security Services



Project Methodology – Completed Steps

External Market Analysis

- Assessed market competitive compensation levels for K-State's positions
 - Database with over 1,900 published survey sources
 - CUPA-HR Data Including Selected Peer Institutions:
 - Auburn University
 - Clemson University
 - Colorado State University
 - Iowa State University
 - Louisiana State University
 - North Carolina State University
 - Oklahoma State University
 - Oregon State University
 - University of Massachusetts – Amherst
 - Washington State University
- Compared actual skills, duties and responsibilities to market data rather than merely matching job titles

Revised Salary Structures



Project Methodology – Salary Structure Design

**Illustrative Purposes Only*

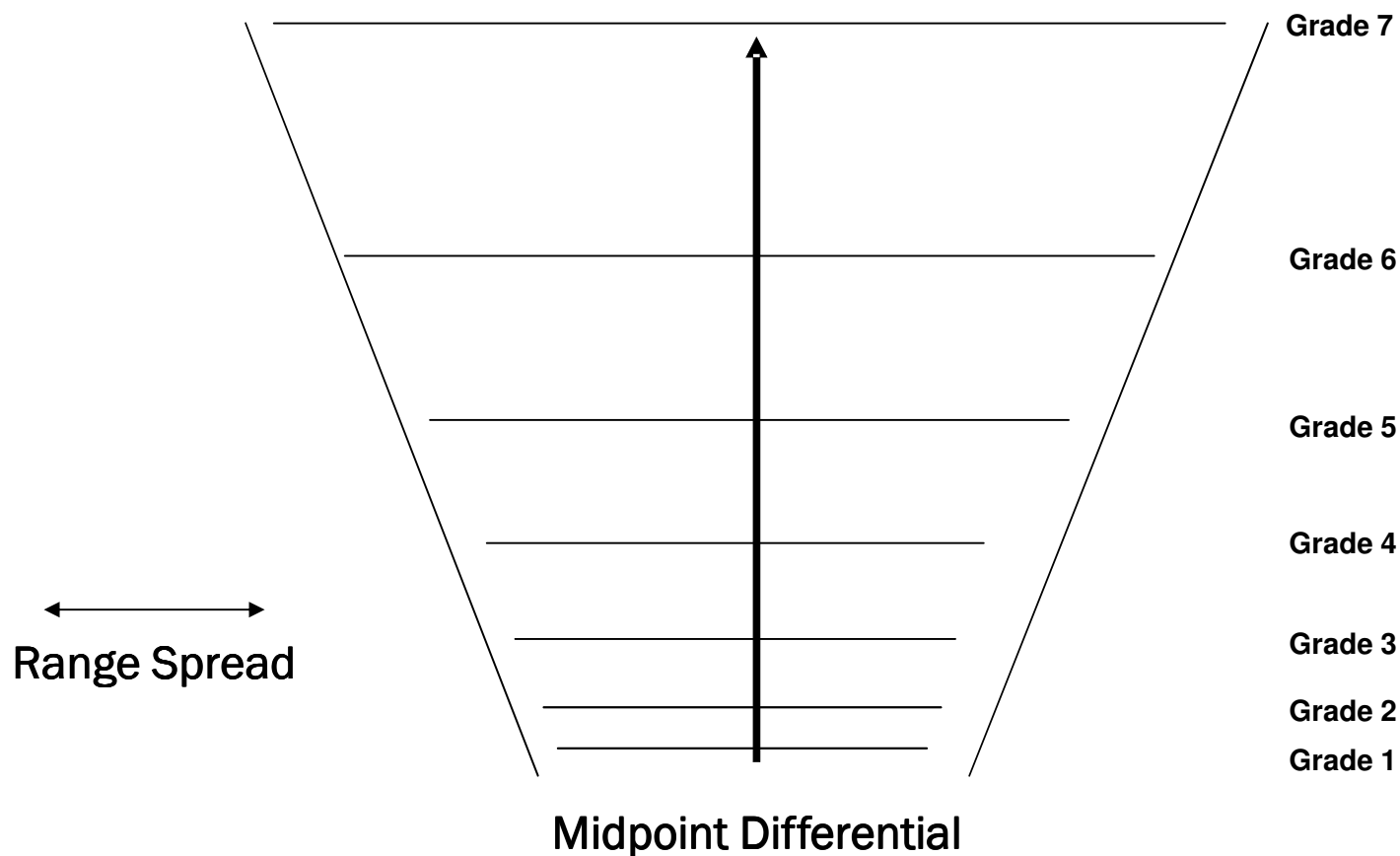
Title: Job XYZ

Market Benchmark: **\$35,455**

<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
1	\$24,778	\$30,972	\$37,166
2	\$27,398	\$35,618	\$43,837
3	\$31,508	\$40,960	\$50,413



Salary Structure Development – Example





Project Methodology – Completed Steps

Financial Impact Analysis

- CBIZ modeled preliminary implementation costs and identified employees above or below the proposed ranges

FLSA exemption analysis in coordination with K-State Legal Counsel



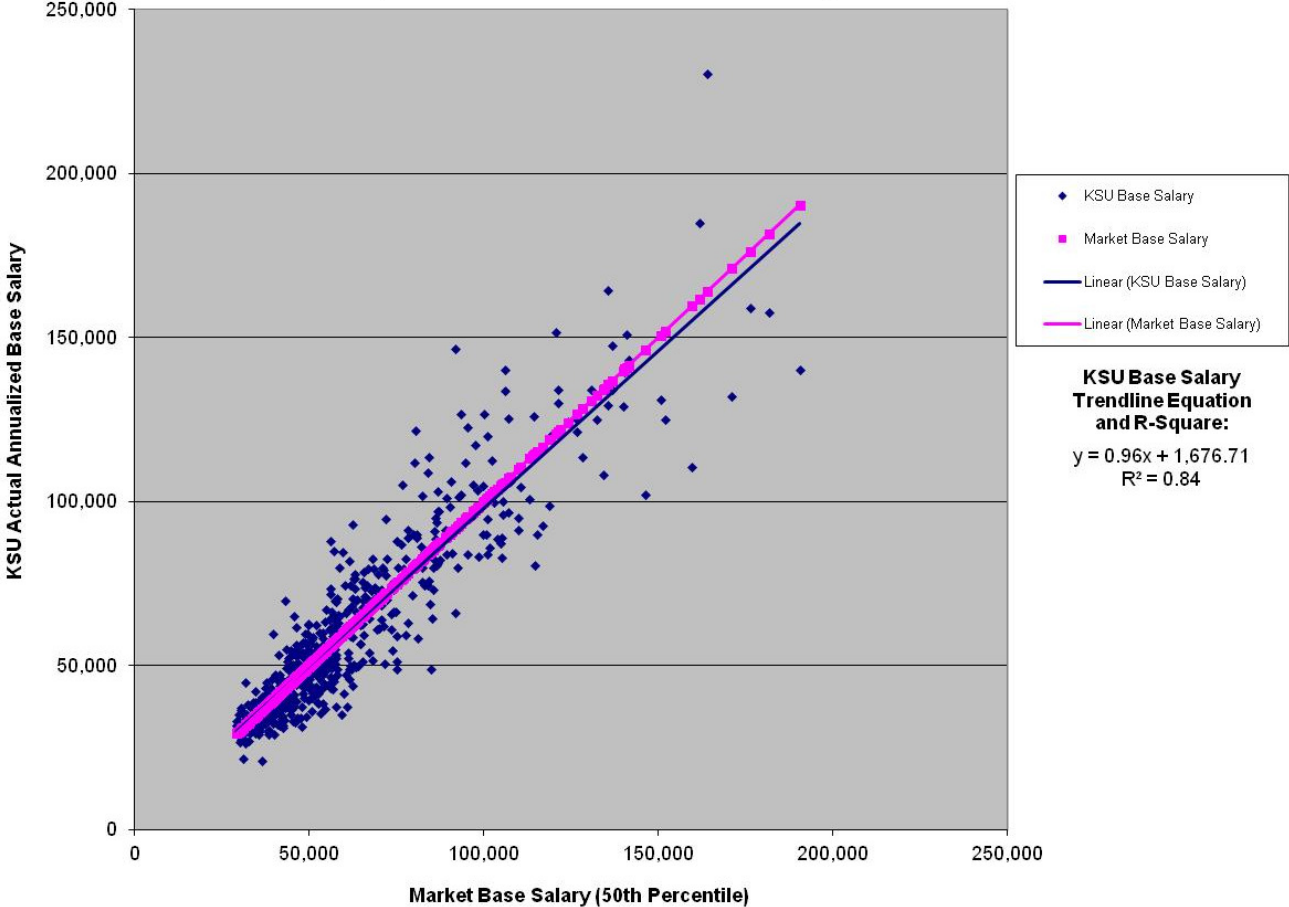
Findings





Findings

Actual Annual Base Salary Compared to Market 50th Percentile Base Salary





Findings

Comparative Salary Analysis

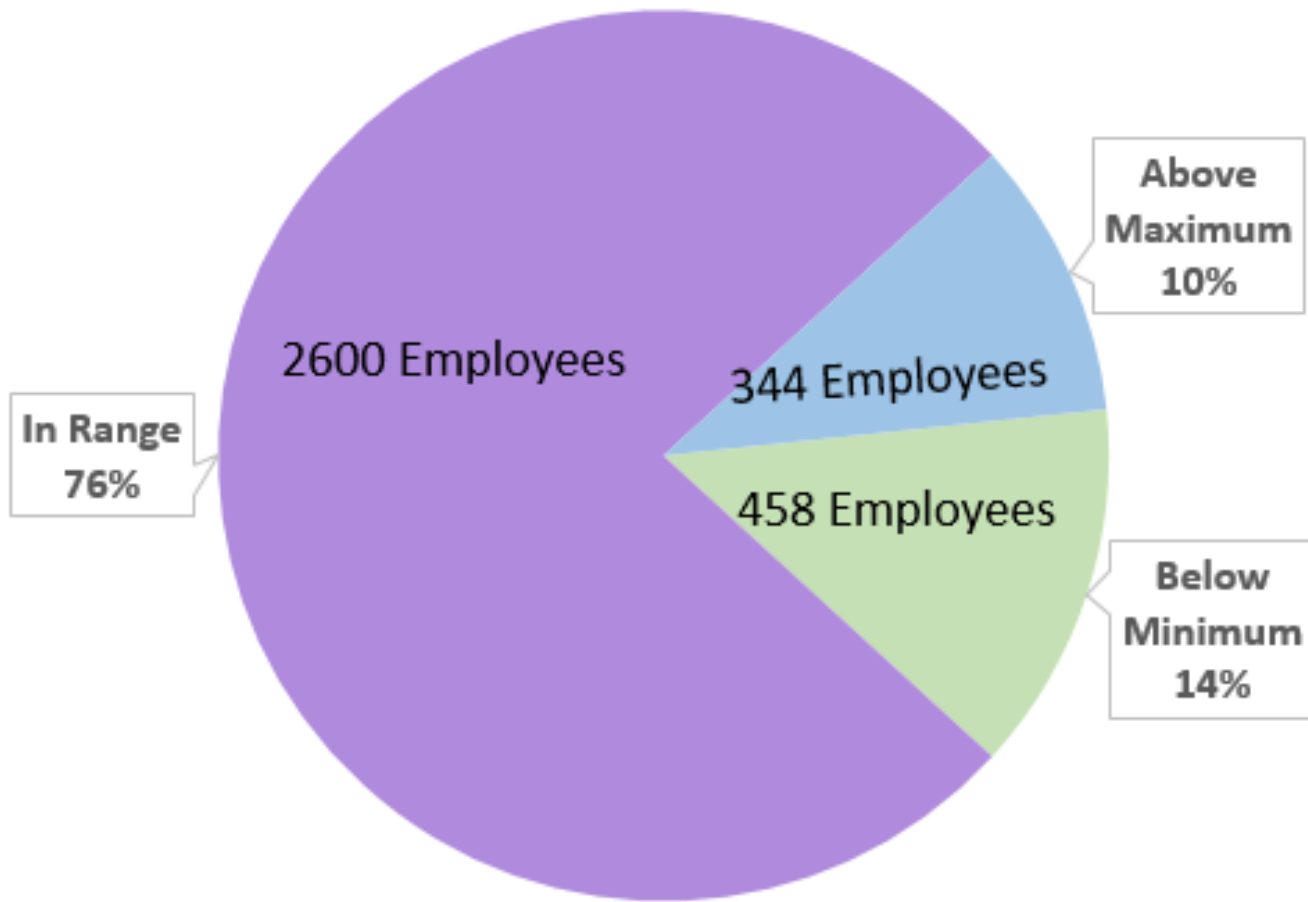
- The average overall compa-ratio as compared to the market 50th percentile is 97.0%, indicating that employees, on average, receive salaries nearly at the market median.

	Below Salary Range Minimum	Above Salary Range Maximum
Number of Employees	458	344
Total Amount (\$)	\$1,393,561	\$2,363,263
Total Amount as a % of Payroll	0.98%	1.66%



Findings

K-State Pay Compared to Market
Unclassified and University Support Staff





Findings

Living Wage Assumptions					
County	Average Household Size	Poverty Level Algorithm	Cost of Living % of National	Living Wage Multiple of Poverty	Living Wage
Riley	2.45	\$17,802	1.50	99.3%	\$26,516
Johnson	2.51	\$18,052	1.50	95.7%	\$25,913
Saline	2.45	\$17,802	1.50	92.7%	\$24,754

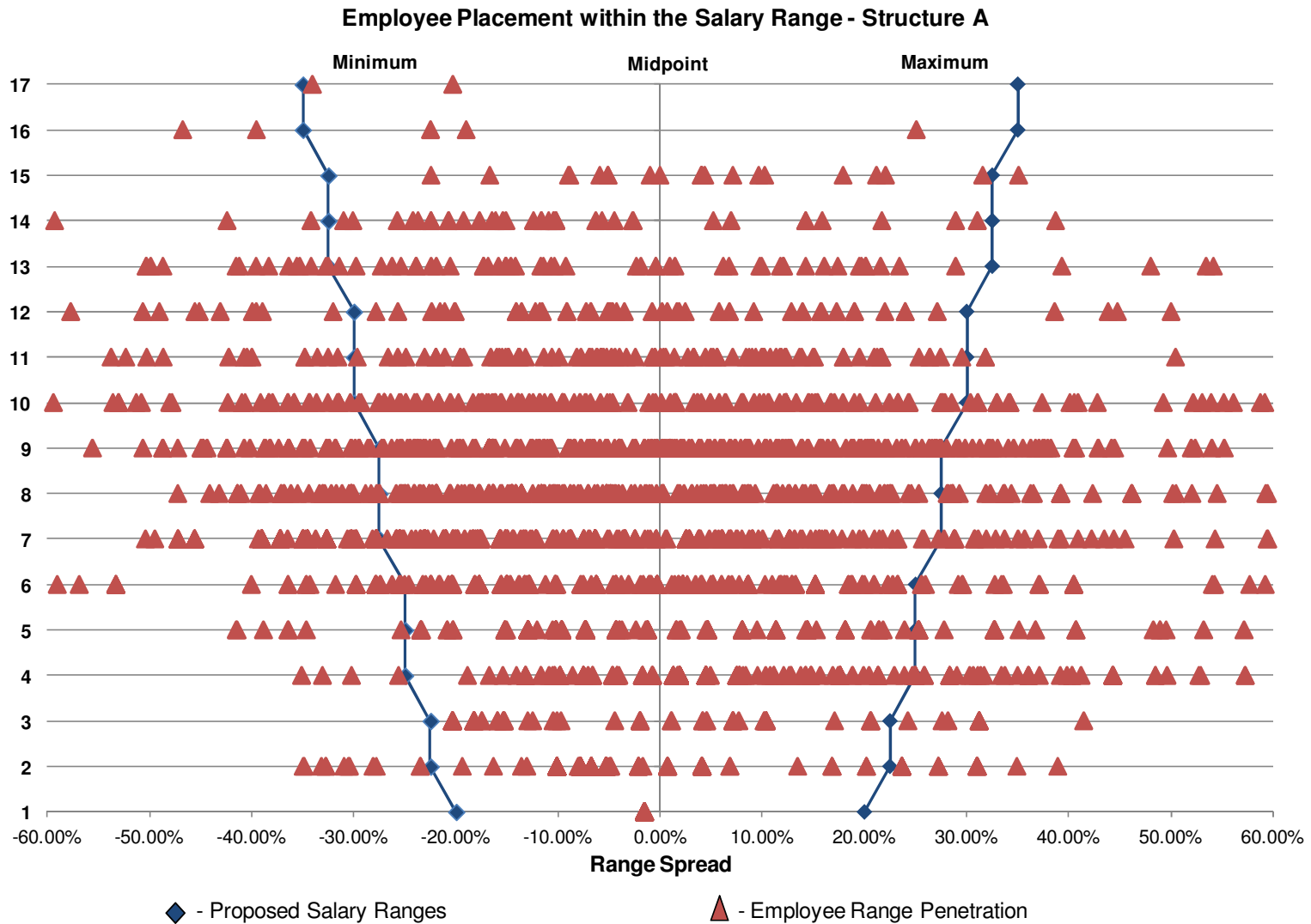


Findings

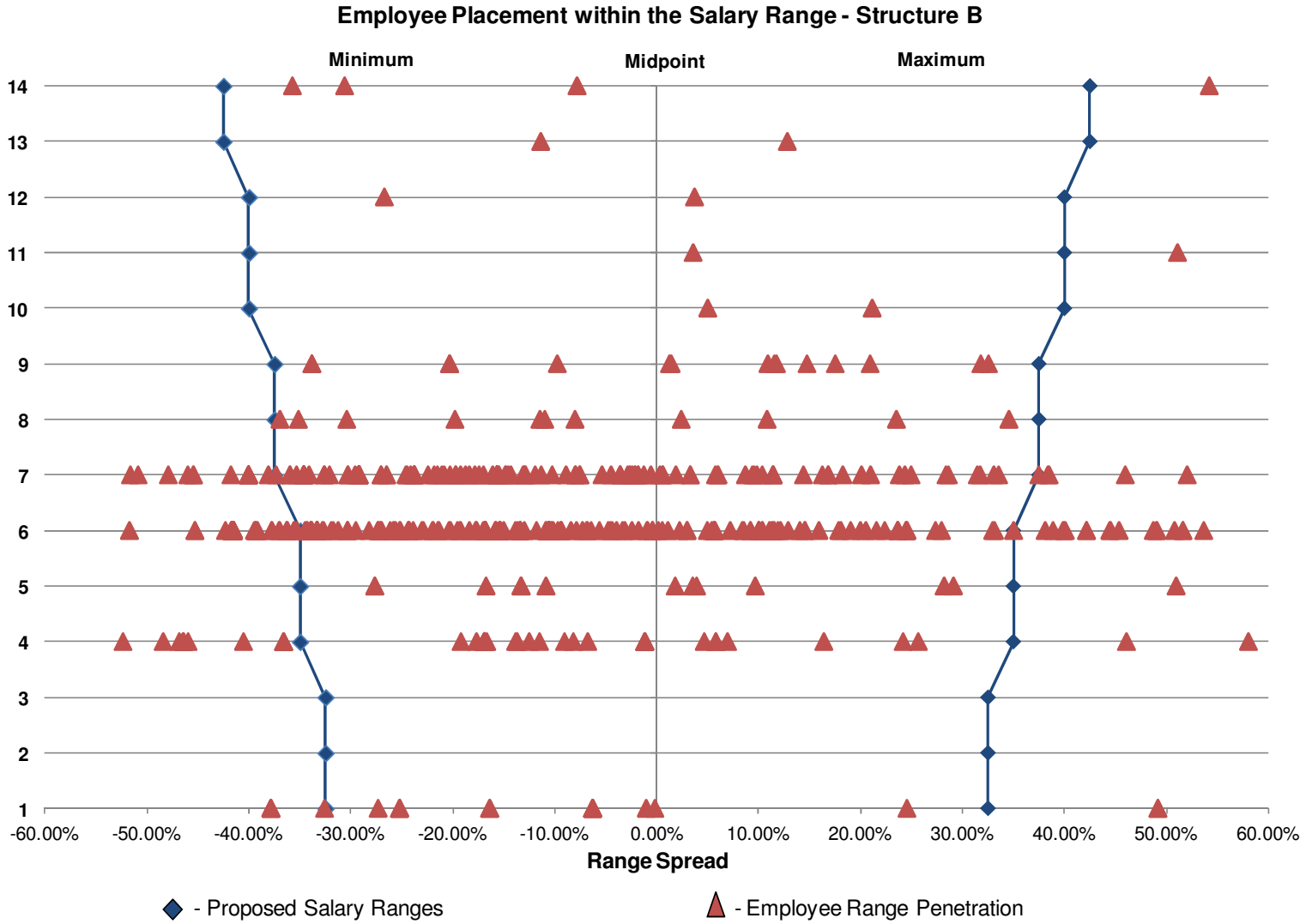
Living Wage Analysis Results				
Employees Below Market Minimum and Below Living Wage	Employees Below Living Wage	Employees Impacted by Living Wage Adjustment	Additional Cost to Implement (Beyond Below Min Increases)	Percentage of Payroll
80	355	1,136	\$3,305,751	2.3%

*Please note, an error was made on this slide during the first open forum, the number of employees below market minimum and below living wage was incorrectly stated, the correct number is 80.

Findings – Non-Research



Findings - Research





Findings

Benefit Categories	Market-Competitive Benefits Data		Actual Benefits Costs	
	Average Annual Dollars/ Employee	Percent of Payroll	Average Annual Dollars/ Employee	Percent of Payroll
Payments for Time Not Worked	\$7,184	9.84%	\$13,645	10.68%
Medical and Medically-Related Payments	\$11,543	16.04%	\$8,771	12.93%
Retirement and Savings	\$6,890	9.43%	\$10,306	8.48%
Other	\$1,024	1.99%	4,950	0.51%



Recommendations

- Adopt the revised market-based salary structures.
- Increase the compensation of all employees to the minimum of their respective salary ranges.
- Maintain pay for employees above maximum of their respective grade.
- Update the pay structures annually. CBIZ will provide salary increase and structure adjustment recommendations to K-State for five years to keep the system up-to-date.



Next Steps

- K-State's goal is to have all employees to the minimum of the ranges by Fiscal Year 2018
- Employees will receive personal statements regarding the individual impact of the study by September 30, 2016. The statements will include revised job title, salary grade assignment and market compa-ratio.
- Administrators will work to identify funding sources for minimum and merit increases

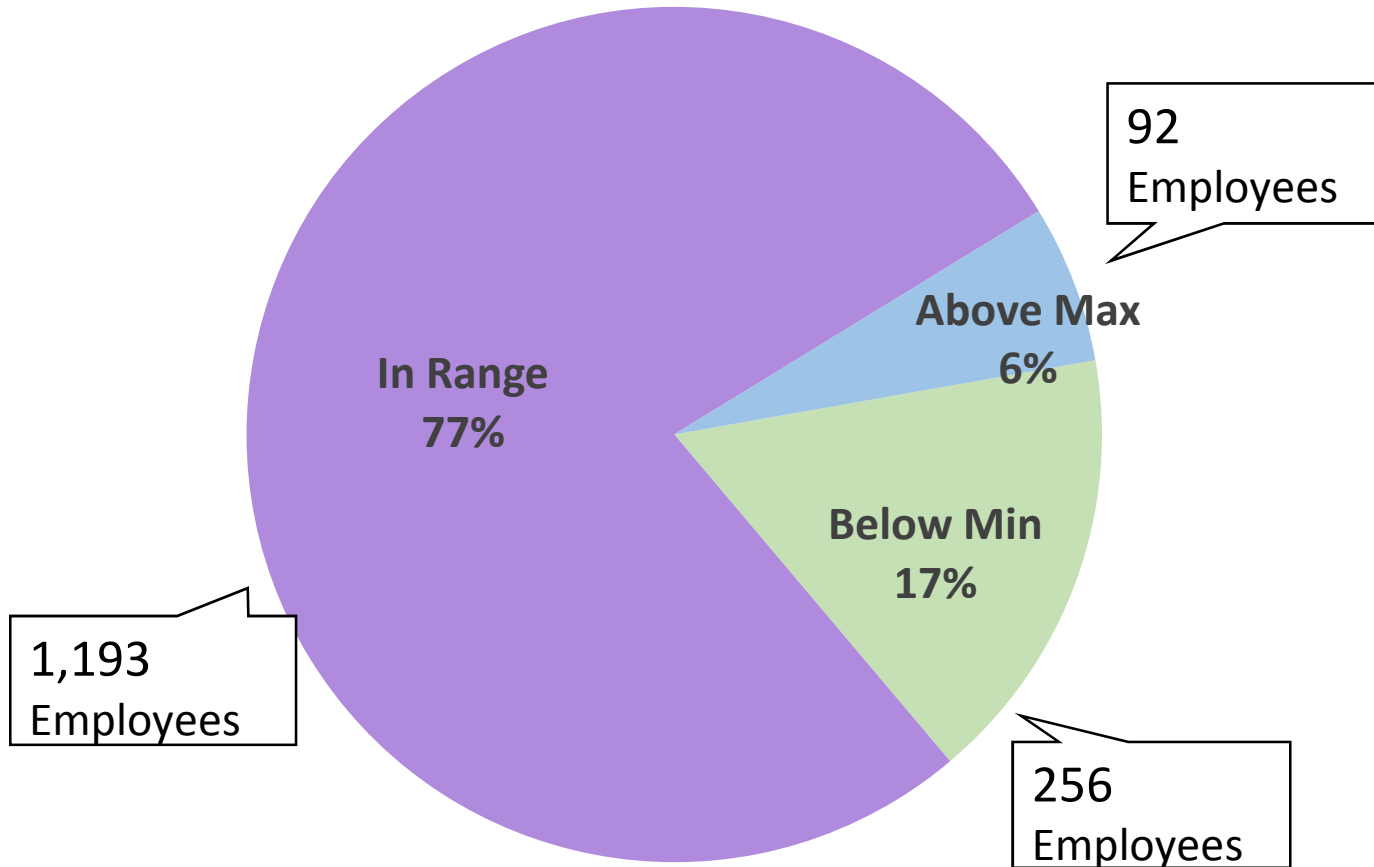


Questions

Market Analysis Findings

K-State Pay Compared to Market

University Support Staff



Market Analysis Findings

K-State Pay Compared to Market

Unclassified

