Michigan CUPA-HR Webinar Notes

Session: Crowdsource Your Challenges – Compensation

Date: December 15, 2022

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Overall:

All of the questions we received pertain to the role of HR…in how we attract, retain and reward human capital.

Questions and Notes:

- **I'm wondering how are other Universities/companies balancing bringing in talent at sometimes higher pay than internal employees with less experience than internal employees due to 1) needing to get positions filled/help with workload and 2) the market is commanding a higher rate than what is being paid to current employees. There is only so much budget to go around.**
    - We adjusted pay for some internal employees as we brought people in. This included working with our unions, who have points on pay schedules.
    - IT is a common challenge – the market rates are higher than existing staff.
    - In talent management, there is review of market data for overall areas. IT is an area with escalating competition. We're in a global offer market. Money as a bottom line is not where we can compete, especially with the on-campus presence. We have to look at overall structure.
    - Look at that overarching structure and ID true markets for comparators to base your decisions.
    - We created in 2020 pay setting guidelines and have been updating it every year. It lays out what someone can expect when they join, when someone backfills vacant duties, etc. There are some pay inequities that come up and we try to correct them. When we put out the hiring range and I see someone who is at the high end let them know that higher ed compensation is lower, but look at the benefits. This has helped a lot with negotiations – "You have to decide is this for you."
        - When it comes to benefits, do you share the total value of the benefits?
            - We walk everyone through the benefits.
    - Tell your story with prospective candidates and why you work in higher ed.
    - We may not make the offers for some candidates. Gaining some new candidates may not be worth the loss of internal morale that comes with compression.
    - We no longer ask applicants what their current salary is. This makes it tougher to know when we are going to be running into trouble with our offered salary.
        - You can ask the candidate what salary they expect and manage their expectations from there.
    - Our salaries are public, so it's not hard to see where a salary stacks up with other incumbents. If we have to pay a higher starting wage, there better be a clear justification for doing so.

    - Before we made job offers, we would do salary equity analyses. If we think an offer will cause an issue, we will not go above a set limit.
        - At our institution, if a supervisor tried to go above HR's recommendation, they would have to get presidential approval.
- **What other compensation strategies, besides base pay, are other Universities/companies doing to bring in talent and reward and retain current employees?**
    - Remote work flexibility
        - It must align to the position, and some will be more flexible than others
        - Consider applicable employment laws from the state the prospective employee may work in before making the job offer
        - Create an out of state employee remote work program
            - May require registering as an employer in another state
            - Worked with Harbor Compliance to register in another state
    - Flexible schedules
        - Start early, start late, 4x10 schedule
            - It must align to the position
    - Paid Spring Break off (non-bargaining units)
    - Summer hours (May thru August, campus is closed on Fridays)
        - Work still happens on Fridays, but Fridays are remote unless they want to work their full scheduled hours Mon-Thu
        - We piloted something similar this past summer and it worked out well
    - You can emphasize the PSLF eligibility for student loan forgiveness
    - Professional development
        - We pay employees to take a DEIA micro-credential
            - This can help attract those who want to develop and grow.
- **We don't just pay employees money, we also offer benefits and unique work experiences (such as not being vulnerable to the same market forces as, for instance, tech.) How can we consider the whole employee value proposition in the comp narrative (and in negotiations?)**
    - At the end of the day, we're an in-person 4-year institution.
        - Embrace that identity. How can we engage folks who seek community and who want that onsite experience?
        - Foster community spaces for connection-building and lean into the onsite work – "Here is what our space is providing."
            - Example: Employee-only dining area
    - We offer stipends to leaders - $150-$400 per month to spend on incidentals. It's a taxable expense but it can pad salaries. It's a nice benefit so when I have to drive around campus, I have this stipend I can use.
        - You can also donate these stipends.
    - Some institutions use "Total Compensation statement" during open enrollment.
        - I would love to connect total value right to the job posting so prospective candidates can see more of the value of what comes with the job. This can help prepare the conversation and frame the benefits.
        - Someone who is entry level may not be as motivated by retirement and someone who has lots of experience may not be as motivated by tuition

        assistance or student load aid, so consider the audience for your benefit pitches and total value statements.
  - We have an info template with guiding principles, mission statement, and how we do paid time off. I attach paid holidays for next 2 years and full-time benefits summary. I call it the "informal job offer" and then candidates can call with any questions.
- **How are other institutions handling/framing recruitment when individuals decline interviews or offers based on the wage range offered? We're getting candidates that even when we share a range they still apply or want more $ than that range has indicated. They then push back wanting more $ even after we highlight the unique benefits our specific institution offers, since they seem to only be after the base wage.**
  - We have lost good candidates due to units not going over specific range. We told them we could not match what they wanted and then moved onto other candidates.
  - We try to prescreen and communicate the absolute cap of the salary range. Put it at the forefront. This way it also dodges questions about candidates' current salaries and saves everyone the letdown of a salary impasse.
  - We tell candidates how we determine the offer amounts – "here is our criteria, we consider these points (internal salaries, experience, etc.,) and if you ask for an amount above the offer, we will need a business justification." This cuts down on the game playing and helps candidates negotiate better.
- **Are employers providing alternative compensation to employees for retention such as the new trend toward a 4-day work week?**
  - Flexible schedules
    - Start early, start late, 4x10 schedule, etc.
      - It must align to the position
  - 4-day schedule
    - Four 10-hour days, no change to hours or comp
  - Flex schedule depending on classification
    - Flexible work arrangements depend on the role
    - More hour tracking for those roles that are FLSA-nonexempt
    - Some employees will ask to work fewer hours for less money, and we have allowed this.
  - We do retention bonuses
  - We have a bonus program during merit in recognition of work
  - We have a program where managers can submit requests for reclassifications and salary equity reviews and increases (subject to HR approval.)
  - We do group compensation reviews twice a year, including after merit, and review everyone's salaries for distance from salary targets
    - We'll bug managers about employees with low salaries and ask them to take action to review and possibly adjust those salaries.
- **How are Universities/companies addressing internal pay equity with current employees (if having to hire new employees at higher salaries with less experience)? How are morale concerns being addressed in regards to internal employees?**
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- **What percent increases are private and public employers expecting to provide to employees in 2023 with inflation looming in the background of our country?**
    - This is still under discussion, but there is a recognition that the standard increase pool (2-3%) isn't touching inflation. We talk about how to close that gap.
    - Our ranges are contracted at a 1 to 2% scheduled increase with step/rank. Overall increase with step/rank ranges from 3 to 4.5%.
    - After many, many years at 0-2%, we did 4% last year. I sense the discussion for this year will be above 2% again, but it's too early to tell what will be proposed.
        - Similar situation for us. We were around 2% in the past but went up to 4% in 2022. Not sure what 2023 will look like.
    - For 2022, we did a 5% grid infusion for nonrepresented employees, plus a 3% college-wide increase for an 8% total increase.
        - We reopened contracts for represented employees to allow larger salary adjustments for represented employees.
        - For 2023, there is a 2% increase
        - We may do a grid infusion of 2024
    - We are 85% unionized, so it will depend on each union's contract
        - Some unions have "me too" clauses that may enable them to get similar packages as non-represented staff.
    - We were 3% last year and are continuing that review for what 2023 will provide
- **How are others dealing with steep market increases?**
    - Frame business case to request additional funding for salaries from senior institutional leadership. Back up that case with data such as….
        - Turnover data
        - Turnover data among classifications that are core services, mission critical, or key for realizing a part of the strategy
        - Data on reasons for departure
        - Include narrative on alternatives to funding for retention