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HUMAN RESOURCES

**UNM Staff Pay Practice Study
August 5, 2020**

Accounting Offices
P Card Department
Employee Training
Payroll
Purchasing
EOD and Client Services
Bursar Office

AGENDA

- Background
- Introduction to Huron Consulting Group
- Approach and Methodology
- Findings
- Next Steps

BACKGROUND

Presented by Stacie Jackson, Mgr, HR Compensation



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EVALUATION OF PAY PRACTICES

In December 2019, UNM engaged an external consultant – Huron Consulting Group – to evaluate our pay practices at the institution.

Huron conducted an analysis of:

- Pay practices at peer institutions
- Turnover, time-to-fill, pay differences, and market-based factors unique to Academic Medical Centers
- UNM's salary administration practices and structure, including an in-depth look at equity
- UNM's Compensation Philosophy



INTRODUCTION TO HURON

Presented by Jay Highfill and Mark Malakh, Huron



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HURON INTRODUCTIONS



Jay Highfill

Jay has provided project oversight and subject matter expertise. Jay has over 20 years of experience in providing human resource consulting services in the higher education and healthcare sectors. He specializes in developing pay systems that align reward systems with strategy. He has helped clients facilitate the design of compensation and performance management systems, develop effective HR organizations, assess employee opinion, and evaluate performance gaps.



Mark Malakh

Mark was responsible for collecting and analyzing information, preparing final reports and recommendations, working directly with the UNM Project Core Team. Mark's primary experience has been in working with higher education and healthcare organizations on compensation policy and strategy, performance management, time away from work, and workforce optimization initiatives.

APPROACH AND METHODOLOGY

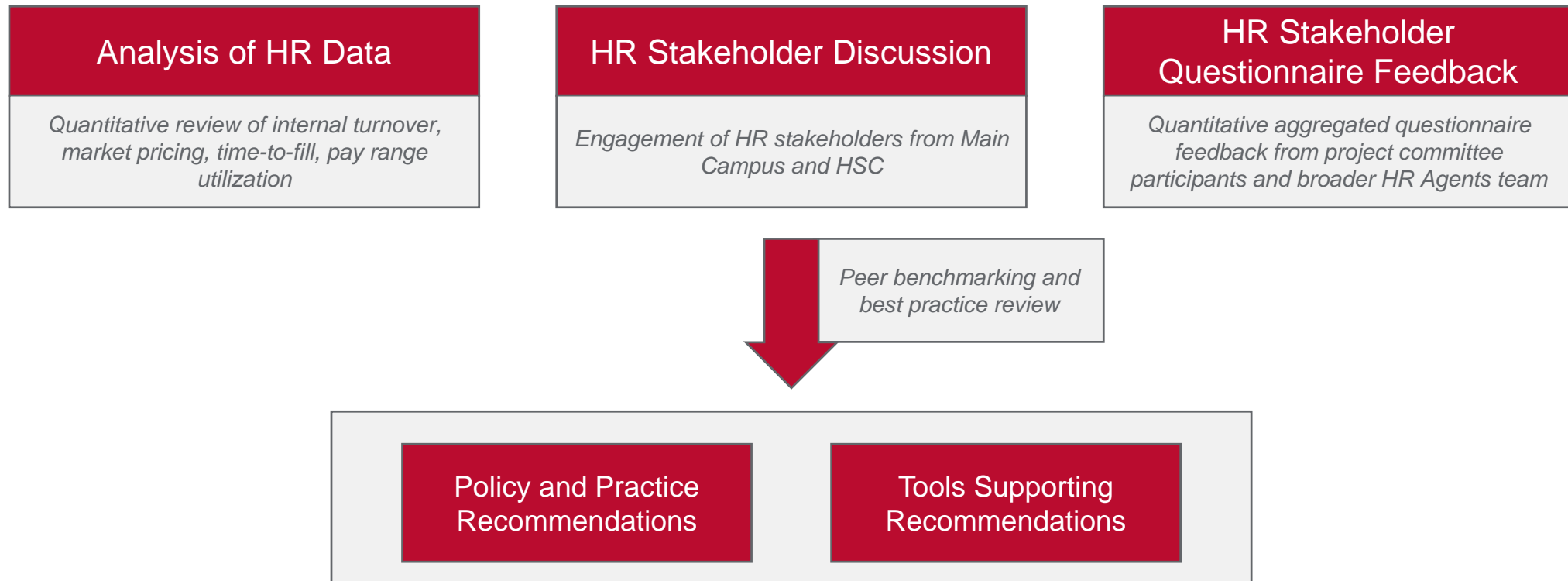
Presented by Jay Highfill and Mark Malakh, Huron



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PROJECT APPROACH

- The project team used a wide array of data points and perspectives to review UNM's compensation approach



PEER BENCHMARKING

- The UNM Core Team, Sponsors, and Executives identified a set of 12 benchmark peers through a review of applicable Office of Institutional Analytics peers and the gathering of stakeholder input.
 - Texas Tech
 - University of Utah
 - University of Tennessee
 - University of Kansas
 - University of Missouri
 - Texas A&M
 - University of Washington
 - Virginia Commonwealth University
 - Penn State University
 - University of Virginia
 - University of Florida
 - University of Michigan

FINDINGS

Presented by Jay Highfill and Mark Malakh, Huron



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COMPENSATION PHILOSOPHY

UNM's compensation philosophy is closely aligned with leading practice. However, additional opportunity exists to define the competitive market, salary administration, and non-compensation total rewards components.

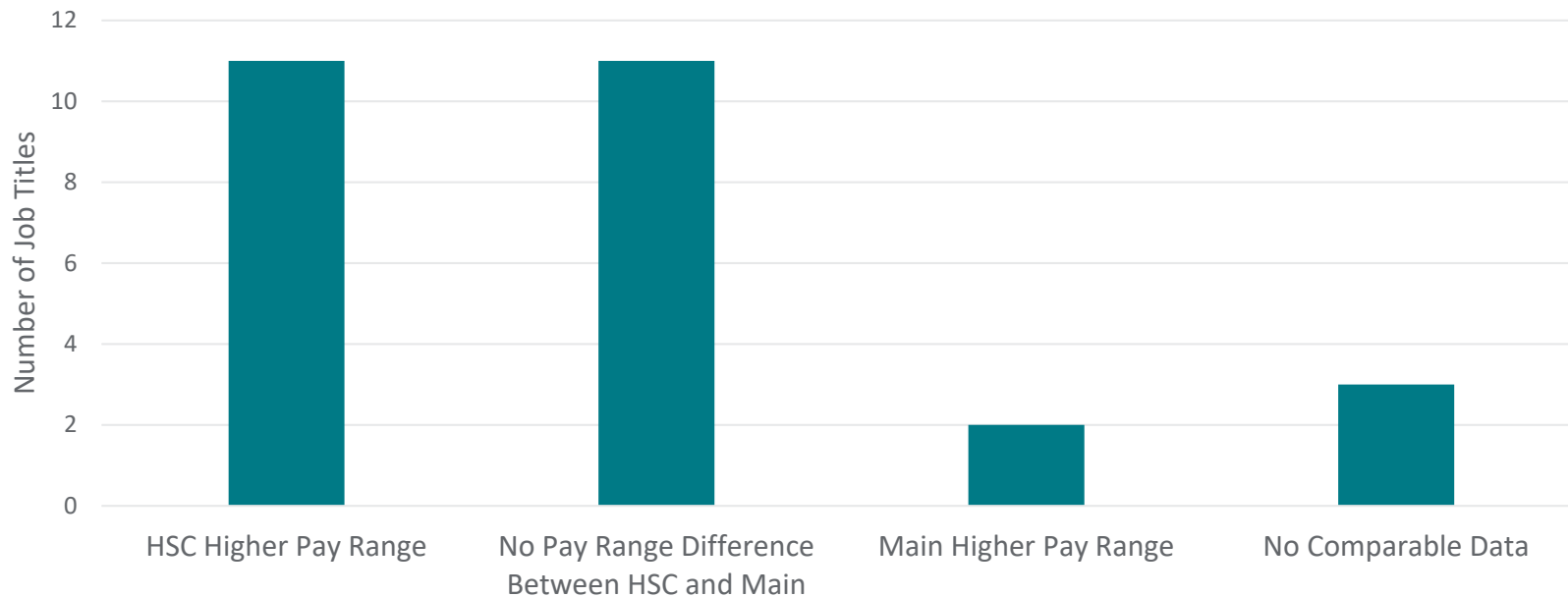
Component	Recommendation
Labor Market Definition	Define three separate markets depending on job group (R1, local/regional higher education/healthcare, and local general industry)
Market Targets	Define UNM's approach to determining salary structure within labor markets (market medians, New Mexico minimum wage)
Base Pay Administration	Define frequency of market matching, market adjustment approach, and employee movement within range
Special Pay and Benefits	Define non-compensation total rewards components

COMPENSATION DIFFERENCES

MAIN VS HSC – MARKET ANALYSIS RESULTS

- Huron reviewed 27 selected job titles for market differences between higher education and healthcare sectors, identifying market differences in 13 out of 27 jobs
- Job evaluation is required to address market differences between jobs within the same classification

Pay Range Differences Across Business Lines



COMPENSATION DIFFERENCES

MAIN VS HSC – CURRENT STATE

- Current practice is administration of a staff salary structure and a clinical salary structure with the latter as a premium on the staff structure for select healthcare jobs
- Leading practice is to administer a single structure unless there are over-riding market conditions
- If the market requires a job to be paid higher, jobs should be placed in a higher grade within a consistent grade structure for simplicity and transparency

Example Based on Sample Pay Ranges

Staff Salary Structure			
Pay Range	Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
E	\$17.57	\$21.96	\$26.36
F	\$19.33	\$24.16	\$28.99
G	\$21.26	\$26.57	\$31.89
H	\$23.39	\$29.23	\$35.08
I	\$25.72	\$32.16	\$38.59
J	\$28.30	\$35.37	\$42.44
K	\$31.13	\$38.91	\$46.69
L	\$34.24	\$42.80	\$51.36

Jobs in grades E and I can be administered in F and J

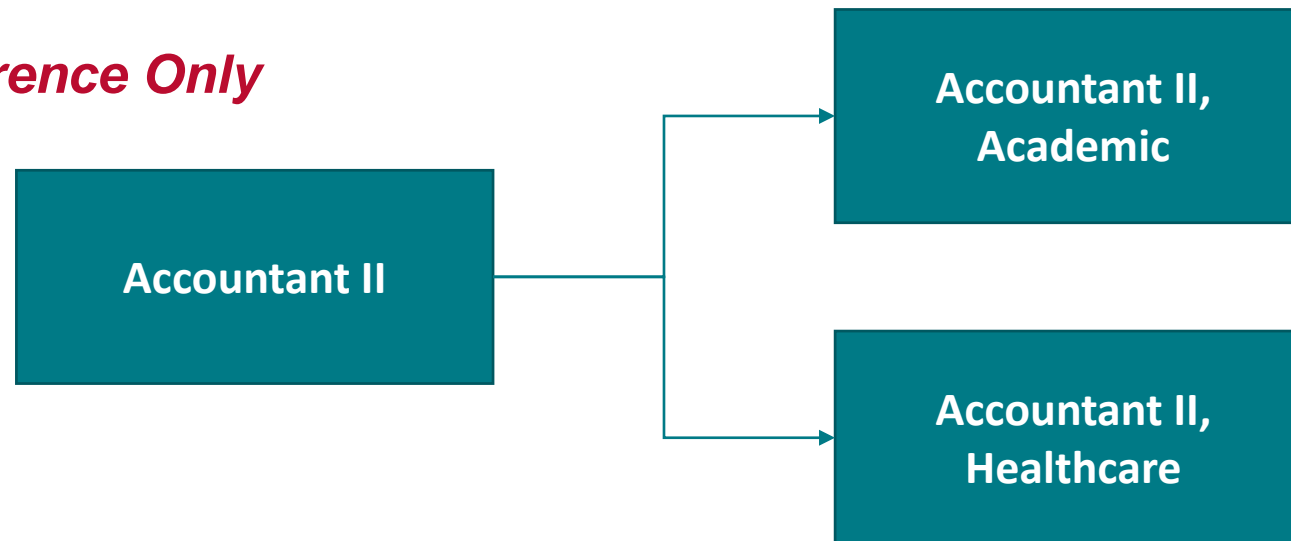
Clinical Structure (Current Practice Staff + 10%)			
Pay Range	Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
E	\$19.33	\$24.16	\$28.99
F	\$21.26	\$26.57	\$31.89
G	\$23.39	\$29.23	\$35.08
H	\$25.72	\$32.16	\$38.59
I	\$28.30	\$35.37	\$42.44
J	\$31.13	\$38.91	\$46.69
K	\$34.24	\$42.80	\$51.36
L	\$37.66	\$47.08	\$56.49

COMPENSATION DIFFERENCES

RECOMMENDED APPROACH

- Huron recommends evaluating jobs with market differences, clarifying job complexity and separating current job titles into multiple titles where justified by market and complexity differences
- Huron recommends avoiding the creation of separate pay structures between Main and HSC

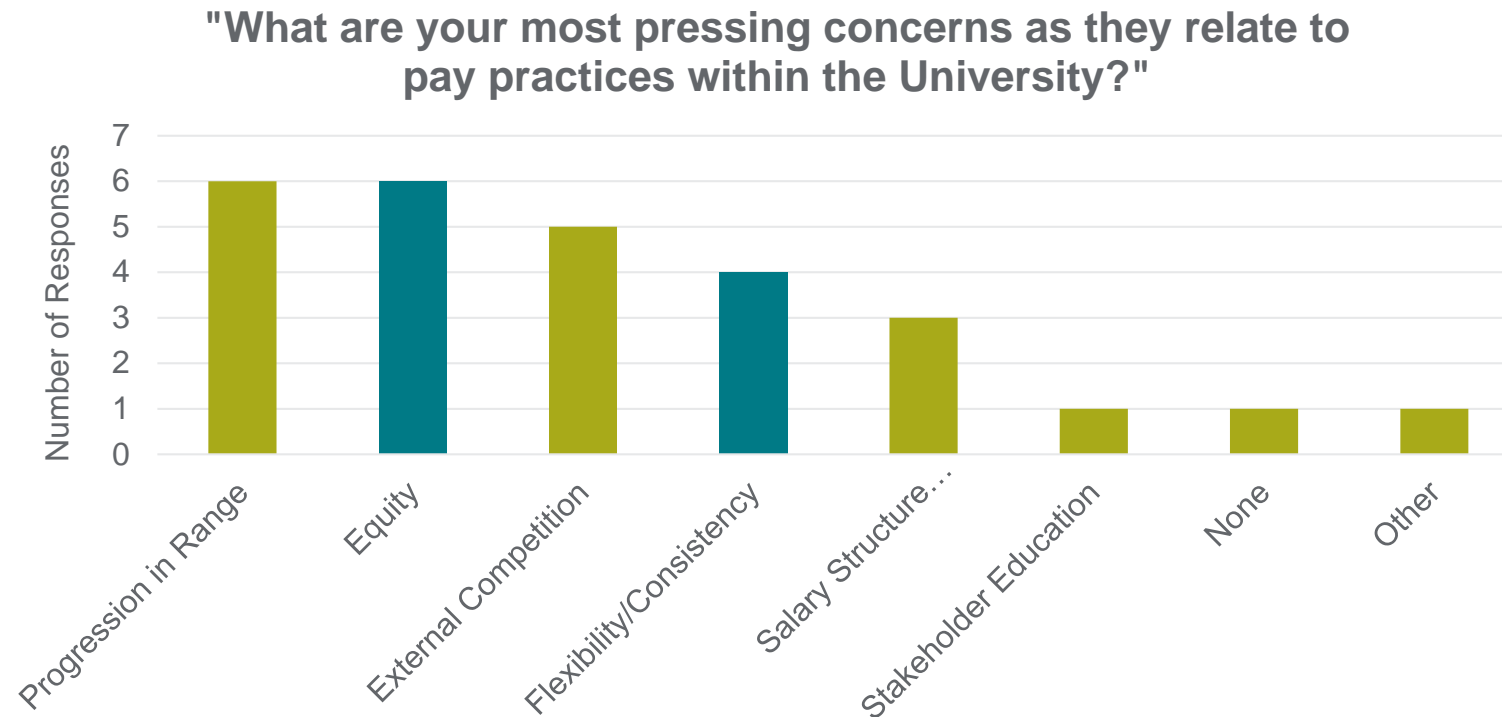
SAMPLE
For Reference Only



EQUITY AND SALARY PLACEMENT

CURRENT STATE

Current UNM equity and salary placement guidelines create ambiguity around compensation administration and are overly restrictive in starting salary guidelines.



EQUITY AND SALARY PLACEMENT

RECOMMENDATIONS

Huron recommends the following changes to the salary placement and equity policy.

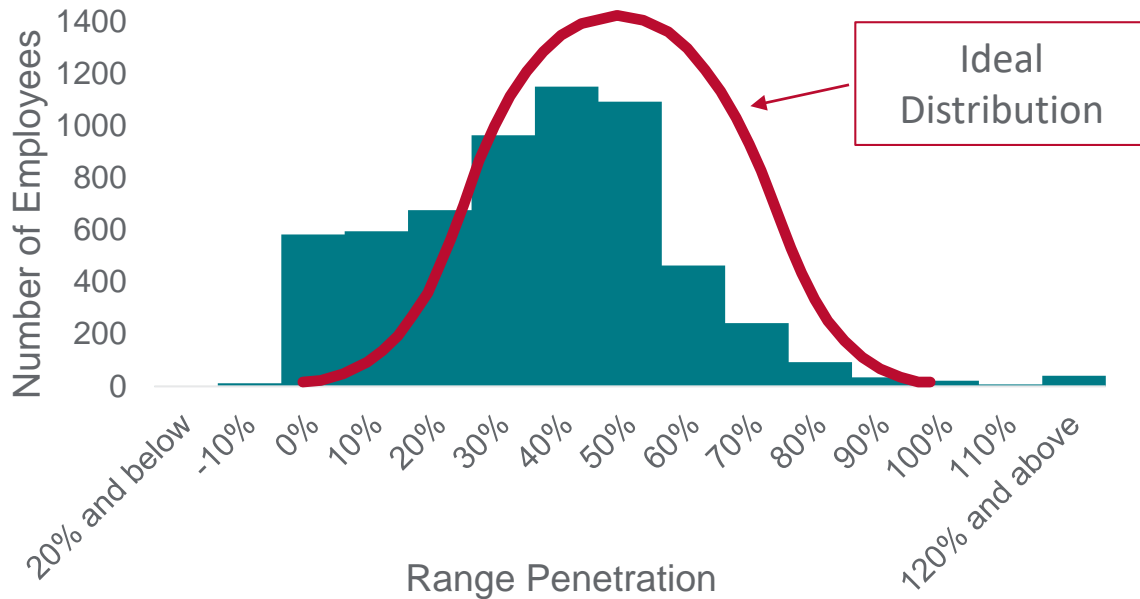
Equity Policy Change	Description
Use of Salary Placement and Equity Tools	Use salary placement tool to determine experience-based pay range and replace use of equity grid with dynamic equity tool built off of the placement tool.
Scope of Review – Level 3 vs Department-Level	Modify the scope of equity review, reviewing jobs across the entire Level 3 designation (e.g. School) where possible to improve consistency and reduce compliance risk. Due to short-term technological limitations, the Level 5 organization should be used for the School of Medicine to account for a large incumbent count.
Education Calculation – Relevance and Documentation	Ensure that education counted toward experience as it relates to equity is directly relevant to position and is above the minimum requirements for the job. Allow candidates without strict licensure requirements to submit unofficial transcripts to reduce administrative burden and decrease time-to-hire.

PAY RANGE STRUCTURE

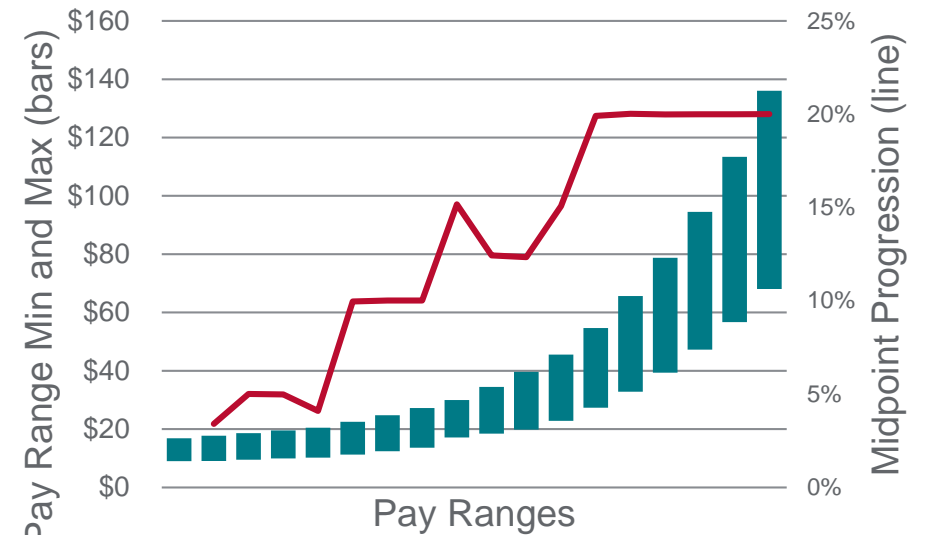
CURRENT STATE

UNM's current state pay structure demonstrates opportunity for improved range consistency and reduced width to align with best practice and address stakeholder feedback around limited range progression.

Current Employee Pay Range Penetration



Staff Salary Structure Pay Range Overview

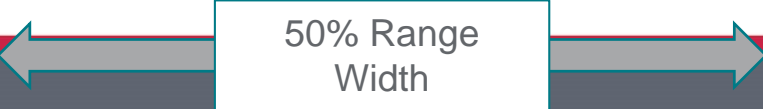
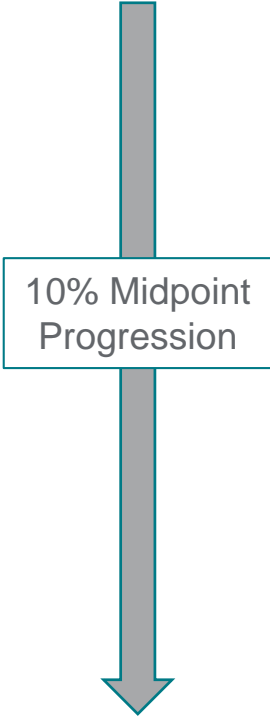


PAY RANGE STRUCTURE

RECOMMENDATIONS

UNM should adopt a phased approach for pay range updates, culminating in the 2023 implementation of an updated, best practice pay range structure that addresses stakeholder needs.

Pay Range	Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
A	\$12.00	\$15.00	\$18.00
B	\$13.20	\$16.50	\$19.80
C	\$14.52	\$18.15	\$21.78
D	\$15.97	\$19.97	\$23.96
E	\$17.57	\$21.96	\$26.35
F	\$19.33	\$24.16	\$28.99
G	\$21.26	\$26.57	\$31.89
H	\$23.38	\$29.23	\$35.08
I	\$25.72	\$32.15	\$38.58
J	\$28.30	\$35.37	\$42.44
K	\$31.12	\$38.91	\$46.69
L	\$34.24	\$42.80	\$51.36
M	\$37.66	\$47.08	\$56.49
N	\$41.43	\$51.78	\$62.14
O	\$45.57	\$56.96	\$68.35
P	\$50.13	\$62.66	\$75.19
Q	\$55.14	\$68.92	\$82.71
R	\$60.65	\$75.82	\$90.98
S	\$66.72	\$83.40	\$100.08
T	\$73.39	\$91.74	\$110.09



NEXT STEPS

Presented by Stacie Jackson, Mgr, HR Compensation



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STUDY OUTCOMES



Based on Huron's recommendations, HR Compensation is formulating a project plan to:

- Update the **UNM Compensation Philosophy** to align with industry-leading practices
- Implement a **Salary Placement and Equity Tool** to enhance salary and equity administration across UNM
- **Change Compensation Guidelines and University Policy** to align
- Analyze job-based distinctions in **Non-Clinical HSC Classifications** and update other related classifications
- Sunset the **Clinical Staff Salary Structures**

UPDATES TO COMP PHILOSOPHY



- HR Compensation will update the UNM Compensation Philosophy to include Huron's recommended additions
- Philosophy will be published in a downloadable PDF and [available on the HR website soon](#)
- Encourage departments to periodically review with managers, as well as share with job candidates

ANALYSIS OF HSC CLASSIFICATIONS



- An analysis of non-clinical job classifications located on both the Main Campus and Health Sciences will occur.
- The analysis will look internally to see if there are complexity differences for jobs located at HSC and externally to see if there are market-based pay differences.
- Where differences exist, new job classifications will be developed and implemented.

ANALYSIS OF HSC CLASSIFICATIONS

Additionally, HR Compensation has identified the need to move [Physician](#) and [Physician/Subspecialist](#) classifications into a broadband grade.

Evaluation underway to determine appropriate pay groupings based on clinical specialty area.



SIMPLIFYING SALARY STRUCTURES

- HR Compensation will evaluate the 21 job classifications currently in the Clinical Staff Salary Structures, then cross-walk into the regular structure appropriately.
- Once all jobs are moved, the Clinical Structures will be eliminated.

UNM Staff Salary Structure (Clinical)
Effective November 1, 2019

Table A - Clinical Exempt (AE) and Non-exempt (AN). 5% above staff salary structure.

Grade	MINIMUM			1st QUARTILE			MIDPOINT			3rd QUARTILE			MAXIMUM		
	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual
11	17.96	3,112.20	37,346.40	20.01	3,468.11	41,617.33	24.01	4,161.73	49,074.48	28.01	4,855.36	58,264.27	32.01	5,548.98	66,587.73
12	19.38	3,359.72	40,316.64	22.61	3,918.78	47,025.33	27.13	4,702.53	56,430.40	31.65	5,486.29	65,835.47	36.17	6,270.04	75,240.53
13	20.81	3,606.49	43,277.87	26.01	4,508.11	54,097.33	31.21	5,409.73	64,916.80	36.41	6,311.36	75,736.27	41.61	7,212.98	86,555.73
14	23.93	4,147.29	49,767.47	29.91	5,184.11	62,209.33	35.89	6,220.93	74,651.20	41.87	7,257.76	87,093.07	47.85	8,294.58	99,534.93
15	28.71	4,975.82	59,709.87	35.88	6,219.78	74,637.33	43.06	7,463.73	89,564.80	50.24	8,707.69	104,492.27	57.41	9,951.64	119,419.73
16	34.45	5,971.91	71,662.93	43.07	7,464.89	89,578.67	51.68	8,957.87	107,494.40	60.29	10,450.84	125,410.13	68.91	11,943.82	143,325.87
17	41.34	7,165.60	85,987.20	51.68	8,957.00	107,484.00	62.01	10,748.40	128,980.80	72.35	12,539.80	150,477.60	82.68	14,331.20	171,974.40
18	49.81	8,633.16	103,597.87	62.26	10,791.44	129,497.33	74.71	12,949.73	155,396.80	87.16	15,108.02	181,296.27	99.61	17,266.31	207,195.73
19	59.53	10,317.96	123,815.47	74.41	12,897.44	154,769.33	89.29	15,476.93	185,723.20	104.17	18,056.42	216,677.07	119.05	20,635.91	247,630.93
20	71.44	12,382.93	148,595.20	89.30	15,478.67	185,744.00	107.16	18,574.40	222,892.80	125.02	21,670.13	260,041.60	142.88	24,765.87	297,190.40

Table B - Clinical Exempt (BE) and Non-exempt (BN). 10% above staff salary structure.

Grade	MINIMUM			1st QUARTILE			MIDPOINT			3rd QUARTILE			MAXIMUM		
	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual
11	18.81	3,260.40	39,124.80	20.97	3,634.22	43,610.67	25.16	4,361.07	51,411.36	29.35	5,087.91	61,054.93	33.55	5,814.76	69,777.07
12	20.31	3,519.71	42,236.48	23.68	4,105.11	49,261.33	28.42	4,926.13	59,113.60	33.16	5,747.16	68,965.87	37.89	6,568.18	78,818.13
13	21.79	3,777.51	45,330.13	27.24	4,721.89	56,662.67	32.69	5,666.27	67,995.20	38.14	6,610.64	79,327.73	43.59	7,555.02	90,660.27
14	25.07	4,344.89	52,138.67	31.33	5,431.11	65,173.33	37.60	6,517.33	78,208.00	43.87	7,603.56	91,242.67	50.13	8,689.78	104,277.33
15	30.07	5,212.71	62,552.53	37.59	6,515.89	78,190.67	45.11	7,819.07	93,828.80	52.63	9,122.24	109,466.93	60.15	10,425.42	125,105.07
16	36.09	6,256.18	75,074.13	45.12	7,820.22	93,842.67	54.14	9,384.27	112,611.20	63.16	10,948.31	131,379.73	72.19	12,512.36	150,148.27
17	43.31	7,507.64	90,091.73	54.14	9,384.56	112,614.67	64.97	11,261.47	135,137.60	75.80	13,138.38	157,660.53	86.63	15,015.29	180,183.47
18	51.97	9,008.71	108,104.53	64.97	11,260.89	135,130.67	77.96	13,513.07	162,156.80	90.95	15,765.24	189,182.93	103.95	18,017.42	216,209.07
19	62.36	10,809.07	129,708.80	77.95	13,511.33	162,136.00	93.54	16,213.60	194,563.20	109.13	18,915.87	226,990.40	124.72	21,618.13	259,417.60
20	74.84	12,972.27	155,667.20	93.55	16,215.33	194,584.00	112.26	19,458.40	233,500.80	130.97	22,701.47	272,417.60	149.68	25,944.53	311,334.40

Table C - Clinical Exempt (CE) and Non-exempt (CN). 15% above staff salary structure.

Grade	MINIMUM			1st QUARTILE			MIDPOINT			3rd QUARTILE			MAXIMUM		
	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual	Hourly	Monthly	Annual
11	19.67	3,408.60	40,903.20	21.92	3,798.89	45,586.67	26.30	4,558.67	53,748.24	30.68	5,318.44	63,821.33	35.07	6,078.22	72,938.67
12	21.23	3,679.69	44,156.32	24.77	4,292.89	51,514.67	29.72	5,151.47	61,817.60	34.67	6,010.04	72,120.53	39.63	6,868.62	82,423.47
13	22.79	3,949.69	47,396.27	28.48	4,937.11	59,245.33	34.18	5,924.53	71,094.40	39.88	6,911.96	82,943.47	45.57	7,899.38	94,792.53
14	26.21	4,542.49	54,509.87	32.76	5,678.11	68,137.33	39.31	6,813.73	81,764.80	45.86	7,949.36	95,392.27	52.41	9,084.98	109,019.73
15	31.44	5,449.60	65,395.20	39.30	6,812.00	81,744.00	47.16	8,174.40	98,092.80	55.02	9,536.80	114,441.60	62.88	10,899.20	130,790.40
16	37.73	6,540.44	78,485.33	47.17	8,175.56	98,106.67	56.60	9,810.67	117,728.00	66.03	11,445.78	137,349.33	75.47	13,080.89	156,970.67
17	45.28	7,848.53	94,182.40	56.60	9,810.67	117,728.00	67.92	11,772.80	141,273.60	79.24	13,734.93	164,819.20	90.56	15,697.07	188,364.80
18	54.33	9,417.78	113,013.33	67.92	11,772.22	141,266.67	81.50	14,126.67	169,520.00	95.08	16,481.11	197,773.33	108.67	18,835.56	226,026.67
19	65.20	11,301.33	135,616.00	81.50	14,126.67	169,520.00	97.80	16,952.00	203,424.00	114.10	19,777.33	237,328.00	130.40	22,602.67	271,232.00
20	78.24	13,561.60	162,739.20	97.80	16,952.00	203,424.00	117.36	20,342.40	244,108.80	136.92	23,732.80	284,793.60	156.48	27,123.20	325,478.40

SALARY PLACEMENT & EQUITY TOOL



New Salary Placement and Equity Tool will be used to:

- Identify appropriate pay rate based on relevant education and related experience
- Ensure consistent administration of equity across Level 3 orgs*
- Improve equity administration by allowing for more opportunities to address equity and align an incumbent's salary with their education and experience

**Some exceptions may apply at project start.*

SALARY PLACEMENT & EQUITY TOOL

UNM SALARY PLACEMENT TOOL

Personal Information

Enter the employee's name and select the applicable job title and P-Class job code from the drop down menus

Candidate Name	Candidate A
Job Title	Professional Consult/Technical
P-Class Job Code	90002

Relevant Experience

Enter the employee's years of experience and years of education related to the position in excess of the minimum requirements

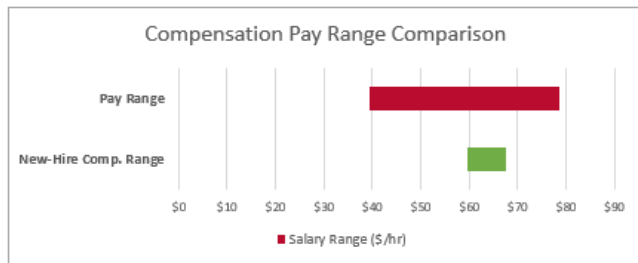
Years of Experience	10
Years of Education	2

Position Compensation Information - General

Job Grade	17
Pay Range Min	\$39.37
Pay Range Midpoint	\$59.06
Pay Range Max	\$78.75

Recommended Compensation - Candidate-Specific

Experience Determined Rate	\$63.69
Approx. Pay Range Penetration	62%
Comp. Range, Hourly	\$59.75 - \$67.62
Comp. Range, Annualized	\$124,274.73 - \$140,656.81



Employee Information

Employee Name	Candidate A
Job Title	Professional Consult/Technical
Education and Experience	12
Compa Ratio	1.02
Proposed Employee Rate	\$60.00

Equity Table

Total Costs	\$9,360.00	\$95,908.26
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Employee Name	Base Rate	Years of Education Above Min	Years of Experience Above Min	FTE	Compa Ratio	Salary Adjustment Necessary?	Cost to Min Required Adjustment (\$/hr)	Cost to Max Possible Adjustment (\$/hr)	Annual Cost to Min Required Adjustm	Annual Cost to Max Possible Adjustm	Comments
Employee 1	\$59.00	2	0	1	1.00	No					
Employee 2	\$50.00	2	1	0.8	0.85	No					
Employee 3	\$55.00	2	6	0.5	0.93	No					
Employee 4	\$56.00	2	20	1	0.95	Yes	\$4.00	\$30.42	\$8,320.00	\$63,277.21	
Employee 5	\$63.00	2	2	1	1.07	No					
Employee 6	\$55.00	2	2	1	0.93	No					
Employee 7	\$59.50	6	10	1	1.01	Yes	\$0.50	\$15.69	\$1,040.00	\$32,631.05	

SALARY PLACEMENT & EQUITY TOOL

- Salary Placement and Equity Tool is under development and testing
- Anticipate launching for full use no later than January 2021
- To ensure effectiveness, efforts are underway to centralize data regarding employee education and experience



UPDATES TO GUIDELINES & POLICY



- The new Salary Placement and Equity Tool will apply to the majority of compensation actions, including:
 - New hire salary rates
 - Reclassifications
 - Career Ladders
 - Voluntary transfers to lower-level positions
- It will not apply to:
 - In-range salary adjustments
 - Counter or Retention Offers

UPDATES TO GUIDELINES & POLICY

- As a result of the new tool, updates will occur to the [Compensation Guidelines](#). Specifically, guidance regarding salary increases will be updated.
- Additionally, updates to [UAP 3500: Wage and Salary Administration](#) will need to occur.



UPDATES TO SALARY STRUCTURE



- As described in the recent [Minimum Wage presentation to HR Agents](#), substantial changes are needed to the [Staff Salary Structure](#) to comply with state minimum wage.
- Additional modifications under review to align with Huron's recommendations and a best-practice salary structure design.
- Anticipate incremental improvements to the structure overtime, with a finalized structure implemented in 2023.

NEXT STEPS

These efforts are long-term and will likely not be entirely completed until late 2022.

In the meantime, your organization can:

- Evaluate your **internal pay practices**
- Utilize the **salary ranges** as you make decisions about employee salaries
- Ensure you have accurate **education and work experience information** on file for your employees
- Reach out to your HR Consultant and/or HR Compensation to discuss how your organization can **align with the upcoming changes**





QUESTIONS?

HR Compensation

505-277-6947

comp@unm.edu



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