WHAT WE WILL DO TODAY

// How Today Will Work
// Background
// Compensation Assessment and Findings
// WVU’s Compensation Goals
// FY2018/FY2019 Compensation Efforts
Hear from Rob, Cris and Bob
Open question-and-answer session
WVU recognizes to attract and retain top talent, we need to focus on the market-competitiveness of faculty and staff compensation.

The driving factor in our ability to address pay is our budget.

Only ~16% to 18% of WVU’s total operating costs are funded by the State.

Due to budgetary pressures and reductions in recent years, the University has been unable to provide a regular merit increase program.
Our overarching goal is to provide a long-term path to more regular pay increases. Achieving this goal is dependent on a number of factors, including the ability of the State to stabilize funding and provide additional revenues for compensation adjustments.
In FY2017 and FY2018, we assessed the competitiveness of both faculty and staff pay at WVU.

- Benchmarked faculty pay by rank, discipline and tenure/non-tenure track.
- Benchmarked staff pay to respective pay range.
The results of this analysis are summarized with a compensation ratio (compa-ratio), which is an employee’s salary divided by the market rate or applicable range midpoint.

A compa-ratio below 90% is identified as below market-competitive pay.

A compa-ratio 90% – 110% is considered market competitive.

Our FY2017 and FY2018 studies show that a significant number of WVU employees are paid below 90% of market.
Since 2015, market data indicates pay ranges have increased ~2% annually and merit budgets in education have averaged ~2.5% annually.

As in many organizations, we have examples of compression and inversion resulting from recruiting new employees at pay closer to market rates than current employees.

<table>
<thead>
<tr>
<th>COMPA-RATIO</th>
<th>CLASSIFIED STAFF</th>
<th>NON-CLASSIFIED/AP</th>
<th>FACULTY TENURE</th>
<th>FACULTY NON-TENURE</th>
<th>FACULTY OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;90%</td>
<td>42%</td>
<td>38%</td>
<td>65%</td>
<td>61%</td>
<td>24%</td>
</tr>
<tr>
<td>90% – &lt;110%</td>
<td>26%</td>
<td>45%</td>
<td>30%</td>
<td>31%</td>
<td>64%</td>
</tr>
<tr>
<td>110%+</td>
<td>32%</td>
<td>16%</td>
<td>5%</td>
<td>8%</td>
<td>12%</td>
</tr>
</tbody>
</table>
WVU’S COMPENSATION GOALS

// Pay fully proficient employees at a market-competitive level.
// Institute wage-increase programs that approximate market-wage growth.
// Reward performance.
// Attract and retain talent.
The FY2018 compensation plan included:

- **Market adjustments** were designed to bring experienced, fully proficient or higher-performing employees who are paid **below 90% of market** value closer to their market pay rate.

- **Critical retention** increases were designed to retain high-performing employees, difficult-to-fill positions or employees who ensure academic and/or business continuity.

The FY2018 pay increases were provided at the discretion of the dean or vice president for each unit.

WVU also adjusted most **staff pay ranges by 2%**.
Overall, more than one-third of WVU faculty and staff received a pay increase through the FY2018 program.

The average pay increase for both faculty and staff was 6%.

Through the FY2018 program, 6% of staff and 10% of faculty overall shifted from below 90% of market to the market-competitive range of 90% – 110%.
FY2018 PROGRAM – RESULTS

FACULTY PAY DISTRIBUTION BY COMPA-RATIO

DISTRIBUTION BEFORE FY2018 PROGRAM

DISTRIBUTION AFTER FY2018 PROGRAM

- FACULTY TENURE
- FACULTY NON-TENURE
- FACULTY OTHER *
FY2018 PROGRAM – RESULTS

STAFF PAY DISTRIBUTION BY COMPA-RATIO

DISTRIBUTION BEFORE FY2018 PROGRAM

DISTRIBUTION AFTER FY2018 PROGRAM

ACADEMIC PROFESSIONAL  CLASSIFIED  NON-CLASSIFIED
FY2019 PROGRAM

The FY2019 compensation program is designed to continue to move both faculty and staff pay closer to market rates while also recognizing and rewarding high performance.

We also have updated faculty and staff compa-ratios to reflect new benchmark data and adjusted pay ranges.
Eligibility:

All benefits-eligible faculty, non-classified and faculty equivalent employees – as well as all classified staff – employed by the University prior to July 1, 2018.

Must not be on active discipline (i.e., at second letter of warning or higher).

Must have an overall rating higher than “Unsatisfactory” or “Development Needed” in most recent performance review.

For staff employees, this means the performance review process currently underway.

For faculty, this means the performance review process completed earlier this spring.
FY2019 PROGRAM

/ Details:

/ 2% pay increase for all eligible faculty and staff (or a $702 minimum increase for staff if it is greater than the 2% amount).

/ Eligible faculty and staff also may qualify for an additional discretionary merit pay increase.

/ Staff pay ranges will be increased by an additional 1%.

/ Timeline:

/ September – Communicate final 2018 performance rating and pay decisions.

/ September 30 – Salary increases become effective.

/ October 26 – Salary increases will be reflected in pay statements.
FY2019 PROGRAM

FACULTY COMPA-RATIO / PERFORMANCE-LEVEL MATRIX

<table>
<thead>
<tr>
<th>PERFORMANCE LEVEL</th>
<th>COMPA-RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;90%</td>
</tr>
<tr>
<td>EXCELLENT</td>
<td>2% - 8%</td>
</tr>
<tr>
<td>GOOD</td>
<td>2% - 6%</td>
</tr>
<tr>
<td>SATISFACTORY</td>
<td>2% - 5%</td>
</tr>
<tr>
<td>UNSATISFACTORY</td>
<td>0%</td>
</tr>
</tbody>
</table>

THE OVERALL BUDGET FOR THE FY2019 PROGRAM IS ~3.5%.
### FY2019 PROGRAM

#### STAFF COMPA-RATIO / PERFORMANCE-LEVEL MATRIX

<table>
<thead>
<tr>
<th>PERFORMANCE LEVEL</th>
<th>COMPA-RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;90%</td>
</tr>
<tr>
<td>Substantially Exceeds Expectations</td>
<td>2% - 8%</td>
</tr>
<tr>
<td>Exceeds Expectations</td>
<td>2% - 6%</td>
</tr>
<tr>
<td>Valued Performer</td>
<td>2% - 5%</td>
</tr>
<tr>
<td>Development Needed</td>
<td>0%</td>
</tr>
</tbody>
</table>

The overall budget for the FY2019 program is ~3.5%.
QUESTIONS?
Visit the WVU Talent and Culture website for more information. talentandculture.wvu.edu

Contact the Classification and Compensation Administration team at 304-293-5700 ext. 6 or ClassComp-HR@mail.wvu.edu with any questions.

An archived version of this Campus Conversation will be available at bureaucracybusters.wvu.edu/campus-conversation.

You may continue to submit questions to campusconversations@mail.wvu.edu.

Stay tuned for upcoming Campus Conversations.