

Compensation Philosophy

With the help of leaders from across campus, Human Resources (HR) initiated changes to the way we determine and deliver compensation. We are currently using a market-based compensation system to determine compensation across UVU.

What does this mean?

As a university we manage compensation, benefits and performance management systems that pay employees fairly and reward performance as resources permit. Employees that perform well will be rewarded for their contributions. We also look at salary equity and try to solve issues, whenever possible.

What is a market-based compensation system?

A market-based compensation system is one in which an organization aligns its pay programs with those of outside markets. Pay for UVU jobs is compared to similar jobs in other universities, colleges, companies, locally and nationally depending on the job, in which UVU competes for talent. When we cannot locate a match to an external position in the market, we use the Job Slotting Committee (JSC) to determine the grade of the internal position

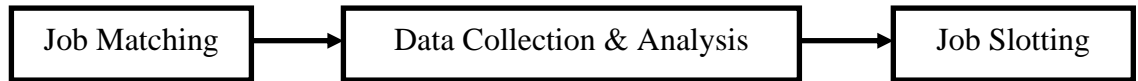
Designing a successful market-based compensation system calls for a delicate balance between often competing objectives: retaining, attracting, and motivating the most qualified employees and managing labor costs-- *especially as they relate to our growth*. Compensation costs are a significant investment for UVU. We need to make wise compensation decisions in order to have a talented workforce, produce results as we grow, and effectively manage our financial resources.

In a market-based compensation system, funding required to pay our employees competitively is determined and those funds are allocated across jobs in a manner that produces the best business results.

A Thorough Process

Developing market-based compensation systems requires a commitment of both time and talent on the part of UVU, its leaders and employees. The process of comparing our internal jobs to the external market is called benchmarking. *It is the key to implementing our pay program!*

The benchmarking process includes three successive phases—



The Benchmarking Process

- During job matching, our job summaries or positions are compared to other universities, colleges, companies, and/or regions with comparable position summaries. Salary surveys are conducted by independent third-party consultants who collect, analyze, and report summarized pay data in a variety of ways (i.e., institution size, geographic regions, etc.). UVU participates in several relevant salary surveys.
- When a UVU job matches a job within the sources above, a job match is made and the job is considered a benchmark job.
- Next, the salary survey data is analyzed to determine the market rate for the identified benchmark jobs. (Survey results typically get published 4-6 months after UVU participates in a survey.)
- The market-rate data gathered is used to create our salary scales/structure and to place each benchmark job at the right pay level within the salary structure.
- When a good job match is not available, a job is considered a nonbenchmark job and a method called job slotting is used to determine the relative worth of the job. This is when the Job Slotting Committee is used to determine a grade for a nonbenchmark job.
- In job slotting, nonbenchmark jobs are slotted into the salary structure at the same pay rate as the benchmark jobs with which they most closely compare.
- Recommendations are reviewed and approved by the JSC, with final approval from the senior management team.

To maintain market competitiveness, salary structures are generally reviewed each year and, as appropriate, adjustments are made. A more detailed analysis regarding benchmark jobs usually occurs every two years.

What's UVU compensation overall model?

- Benchmark UVU jobs (biennially)
- The JSC will review and approve all nonbenchmark jobs, with final approval from the senior management team.
- Determine if any inequities are apparent once jobs have been benchmarked or slotted.
- Develop a performance management system that links directly to our compensation model.
- Communicate changes and incorporate input from various constituencies across UVU.