



College of Southern Nevada Classification and Compensation Study Employee Kick-off Presentation

Gallagher HRCC Team
December 7, 2018



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Agenda

Current State of Classification and Compensation System & Study Goals

Our Approach

Project Staffing

- Roles and Responsibilities
- Scope of Work
- Key Deliverables

Next Steps

Questions

Current State of Classification and Compensation System



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- CSN utilizes a six(6)-grade broad salary structure (A, B, C, D, E, and EX), in accordance with the NSHE salary framework and guidelines, for its Administrative Faculty (291) positions
 - The former salary structure is used to place employees at the time of hire, promotion, or reclassification to avoid creating or exacerbating salary compression

Current State of Classification and Compensation System



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- Academic Faculty (528) positions are slotted based on two factors – education and applicable years of teaching (or vocational) experience
 - For Academic Faculty, there is a separate salary schedule for market-based hires and for those market-factor employees, a comparison to the market (most particularly the Las Vegas job market) needs to be conducted
 - For the other full-time, academic faculty positions, there are no different salary schedules based on discipline

Current State of Classification and Compensation System



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- A comprehensive review of administrative positions has not occurred for approximately 10 years, increasing the likelihood of pay equity and compressions issues
- There is a need to assess the current salary structure to ensure internal equity that resolves any current or potential pay equity and pay compression issues



Key Project Goals

Internal Equity

- A fairness criterion that directs an employer to establish wage rates that correspond to each job's relative value to the organization
 - To evaluate Administrative Faculty positions, each job title with the current job evaluation methodology to determine internal equity, and present an alternative method for review of internal equity



Key Project Goals

Pay Equity

- The doctrine that employees who perform work of the same "inherent value" should receive similar levels of compensation regardless of gender, race, ethnicity or other protected classes
 - To analyze current pay equity utilizing statistical methods, and overall pay comparisons by job titles, pay grades, and organizational structure; and, determine systemic issues and key predictors of pay equity



Key Project Goals

Pay Compression

- Pay differentials too small to be considered equitable. The term may apply to differences between
 - The pay of supervisors and subordinates
 - The pay of experienced and newly hired personnel of the same job,
 - Pay-range midpoints in successive job grades or related grades across pay structures
- To analyze pay compression issues within the current salary structure
 - Employee Communication
 - To provide CSN with communication approach and content at regular and applicable project intervals



What this Study **IS**

A study undertaken in compliance with NSHE regulations

- For Academic Faculty
 - Non-Market Factor Positions: this study is an update of the salary compression study performed in 2013-14
 - Market Factor Positions: this study will calibrate the salaries of these positions with relevant local, regional, or national job markets



What this Study IS

A study undertaken in compliance with NSHE regulations

- For Administrative Faculty positions
 - This study will verify that positions are correctly assigned to the correct Salary Grade and Range
 - This study will analyze employees' position duties and salaries to identify and make recommendations to resolve any internal and pay equity, pay compression, and other related issues
 - This study will update the Job Titles Convention document, which is a tool utilized by CSN HR in the classification / reclassification of positions



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What this Study **IS**

This study will identify and make recommendations on a process that CSN can utilize to prevent future salary inequity or compression issues from arising



What this Study **IS NOT**

- The Study is not a salary structure study
 - A salary structure study was already conducted by NSHE and Gallagher. This current study will not lead to changes in structure (e.g. currently established grades, ranks, etc.)
- The Study will not result in across the board salary increases for every employee
 - Some employees may receive increases as a result of compression or equity issues being identified for their position



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What this Study **IS NOT**

- The Study is not a strategy designed to eliminate positions or cut costs, and should not result in salary decreases for any employee
- The Study is not related to the collective bargaining negotiations currently underway
- The Study is not a staffing needs study or an opportunity to review organizational structures and decisions already made by the College's leadership



Roles and Responsibilities

CSN Project Manager (J. C. Scarborough)

- Overall project management, coordination of internal activities, initial reviews and discussions with consultants, and overseeing and scheduling employee communication.

CSN Executive Sponsor (VPs Bailey and Charlton)

- Ensures leadership support and understanding of project goals, findings, and recommendations.



Roles and Responsibilities

CSN Project Team

- Alonda Allen, Stephanie Hill, Marcus Johnson, Alok Pandey, Jeff Fulmer, Shari Lyman, Eric Gilliland, and J. C. Scarborough
 - Representative group of CSN faculty included in the scope of the study.
 - Responsible for providing insight and information related to current practices, as well as initial reviews of findings and recommendations



Roles and Responsibilities

Administrative Faculty Assembly -- Academic Faculty Senate

- These groups, via their representatives on the CSN P are advisory in nature to support the understanding of the process, findings, and recommendations across CSN
 - This is not a decision- or recommendation-making body in the scope of the project

CSN Executive Team (President & Vice Presidents)

- This group will be the final reviewing and approving body for any recommendations and decisions coming out of the Salary Study



Roles and Responsibilities

GBS – Ronnie Charles, Project Director

- Review of deliverables prior to submitting to client

GBS – Mike Verdoorn, Project Manager (Lead and Primary Project contact)

- Design and deployment of overall effort, interface with client, development of philosophy/strategy, discuss job evaluation methods, review and analysis of technical work and cost modeling

GBS – Lori Messer, Project Manager

- Assist as needed in the absence of Mike



Roles and Responsibilities

GBS – Megan Olson / Elishka Correa

- Pay Equity, Internal Equity, Salary Structure Development, Draft final Recommendations and Report
- Review job descriptions; evaluate jobs, to include assigning internal equity ratings; conduct pay equity analyses; identify pay compression issues; review market data collected for the NSHE project; develop multiple salary structure models; develop policy and procedure documents for the implementation and continued maintenance of structures; prepare draft recommendations and final report for review



I. Project Initiation and Administration

- Collect organizational and salary materials
- Identify possible barriers to implementing and maintaining change
- Assess strengths and weaknesses of current classification and compensation systems
- Update, refine, or develop compensation philosophy and strategies
- Confirm project timetable



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I. Project Initiation and Administration

Employee Communication Plan

- Conduct employee information sessions on-site
 - Up to three (3) sessions over time on-site, with one recorded and/or live-streamed



II. Internal and Pay Equity Review

- Job descriptions reviewed
- Analysis of current pay equity utilizing statistical methods, and overall pay comparisons by job titles, pay grades, and organizational structure
- Utilize multi-variable regression analysis to determine systemic issues and key predictors of pay equity
- Discussion of job evaluation methods for the establishment of internal equity within the six-grade structure for Administrative Faculty
 - Formal job evaluation methods are available, and could be used within the established frame work CSN is required to use



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II. Internal and Pay Equity Review

Employee Communication Plan

- Update of status through emails or websites
- Potential follow-up on job descriptions to ensure job understanding



II. Internal and Pay Equity Review

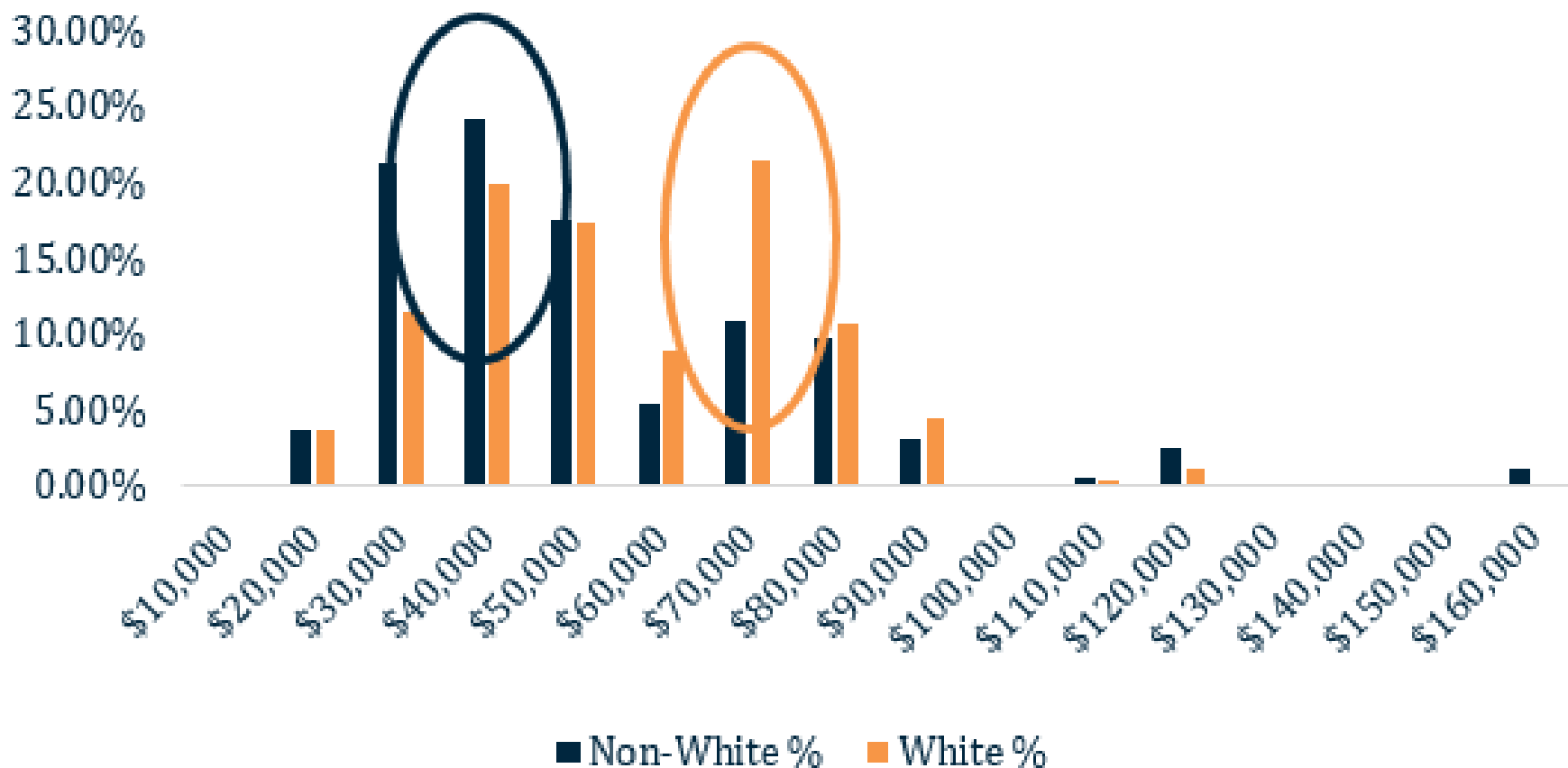
Examples of General Comparison

- This hypothetical bar chart on the following slide compares pay dispersion between protected and non-protected employee groups



II. Internal and Pay Equity Review

Salary Distribution by Race





II. Internal and Pay Equity Review

Statistical Analysis

- Regression Analysis
 - This technique helps us understand the effect of multiple factors (e.g. variables such as gender, race, etc.) on a given outcome (e.g. pay)
 - ≈ It helps us ask (and hopefully answer) the question “What is the Best Predictor of Pay?”



II. Internal and Pay Equity Review

Statistical Analysis

- Statistical Significance Level (p-value)
 - The p-value evaluates the organization’s test sample used to analyze pay equity
 - ≈ It determines whether the relationship (e.g. between gender and pay) observed in the test data is purely a result of chance or whether a “significant/true” relationship does exist in the organization.
 - e.g. a p-value of 0.05 indicates that there is only a 5% chance that an observed relationship is random, and that the relationship is in fact “statistically significant”

Example table shown on the following slide



II. Internal and Pay Equity Review

EXAMPLE

*Regression Statistics**

Multiple R	0.979517
R Square	0.959453
Adjusted R Square	0.959407
Standard Error	2.266791
Observations	8718

P-Values



Regression Table



	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	-3.40001	0.166347	-20.4393	9.84E-91
Seniority	0.110098	0.004617	23.84631	8.4E-122
Job FTE	0.014311	0.155079	0.092283	0.926475
Gender	0.118266	0.050329	2.34987	0.057802
Age	2.54736	0.056272	45.26866	0
American Indian/Aleutian	0.195334	0.369554	0.528566	0.59712
Asian/Pacific Islander	-0.12502	0.131634	-0.94976	0.342262
Black	-0.08108	0.071657	-1.13155	0.257854
Hispanic	0.035393	0.058199	0.608138	0.543112
Other	0.103709	0.44616	0.232447	0.816196
Job Value	1.011925	0.002499	404.9735	0



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II. Internal and Pay Equity Review

Statistical Analysis

- Perform statistical analysis for organization and departments/units to identify potential issues

Example table shown on the following slide



II. Internal and Pay Equity Review

The multiple R of 0.97 means that 97% of base pay is explained by the variables/factors listed below.

Regression Statistics*	
Multiple R	0.979517
R Square	0.959453
Adjusted R Square	0.959407
Standard Error	2.266791
Observations	8718

Variables with significant impact on pay.

	Coefficients	Standard Error	t Stat	P-value
Intercept	-3.40001	0.166347	-20.4393	9.84E-91
Seniority	0.110098	0.004617	23.84631	8.4E-122
Job FTE	0.014311	0.155079	0.092283	0.926475
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Black	-0.08108	0.071657	-1.13155	0.257854
Hispanic	0.035393	0.058199	0.608138	0.543112
Other	0.103709	0.44616	0.232447	0.816196
Job Value	1.011925	0.002499	404.9735	0

Variables / Factors



III. Salary Structure Analysis

- Assess multiple salary structure alternatives for discussion and evaluation with the project team
 - Market data and salary structures from the previously-conducted GBS NSHE project will be utilized to evaluate the CSN structures
- Recommend policies and procedures for the implementation, continued maintenance of the structures, and movement through the structure by employees as jobs increase, new jobs are created, etc.



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III. Salary Structure Analysis

Employee Communication Plan

- Update of status through emails or websites
- Broader communication of findings not advised at this stage outside of project team



IV. Final Report

- Develop final recommendations and implementation methods
 - Up to 3 implementation methods
- Draft report developed and discussed with Human Resources and CSN Project Team
- Quality assurance reviews conducted
- CSN review and feedback
- Final report and presentation
- Provide classification and compensation administrative guidelines and policies for review



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IV. Final Report

Employee Communication Plan

- Update of status through emails or websites
- Presentation of study findings and recommendations to the CSN Leadership and employees



Key Deliverables

- Total Compensation Philosophy & Strategy Document
- Internal Equity Ratings Updated
- Pay Equity Analysis Results
- Pay Compression Analysis Results
- Salary Structure Model A
- Salary Structure Model Assessment within NSHE framework
- Final Recommendations (Study Results and Implementation options and costs)
- Final Report and Presentation
- Administrative Guidelines and Policies Document
- Executive, Management, and Employee Presentations



Next Steps

Oct 31, 2018

- Activity: Project Kick-off
- Who: Gallagher HRCC Team

Date TBD

- Activity: Obtain pertinent documents from CSN
 - Current JDs, current policy/procedures, employee census, etc.
- Who: CSN

Dec 7, 2018

- Activity: Employee on-site sessions
- Who: TBD



Next Steps

Jan 2019

- Activity: Compensation and Philosophy Document
- Who: Gallagher HRCC Team; CSN Review and Approval

Feb 2019

- Activity: Job Evaluation Document (819 jobs)
- Who: Gallagher HRCC Team; CSN Review and Approval

March 2019

- Activity: Pay Equity and Pay Compression Results
- Who: Gallagher HRCC Team; CSN Review and Approval



Next Steps

April 2019

- Activity: Salary Structure Model Assessment document
- Who: Gallagher HRCC Team; CSN Review and Approval

April 2019

- Activity: Draft Final Report and Presentation
- Who: Gallagher HRCC Team; CSN Review and Approval

May 3, 2019

- Activity: Final Report and Presentation
- Who: TBD



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Questions?