

University of Southern Indiana Employee Town Hall Presentation



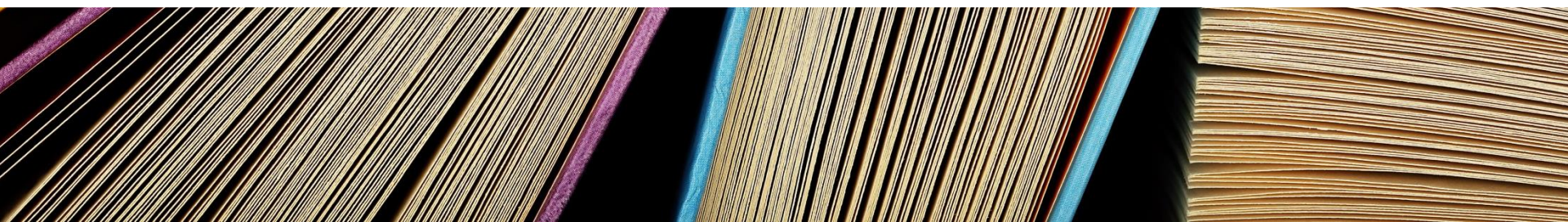
L O C K T O N C O M P A N I E S

Overview of Lockton/USI Engagement

- ❖ Conduct employee engagement survey
- ❖ Develop compensation strategy
- ❖ Conduct a job analysis
 - Develop job description template
 - Job schema: recommendations for collapsing job titles
- ❖ Survey the market for competitive compensation
 - Ensure critical positions are included for external benchmarking (benefits, retirement, PTO)
- ❖ Create new salary structure based on the market
- ❖ Slot jobs into the salary structure
- ❖ Analyze implementation costs
- ❖ Develop salary administration guidelines for on-going maintenance
- ❖ Develop communication materials and communication plan
- ❖ Develop career level matrices for some job families



Employee Survey Results



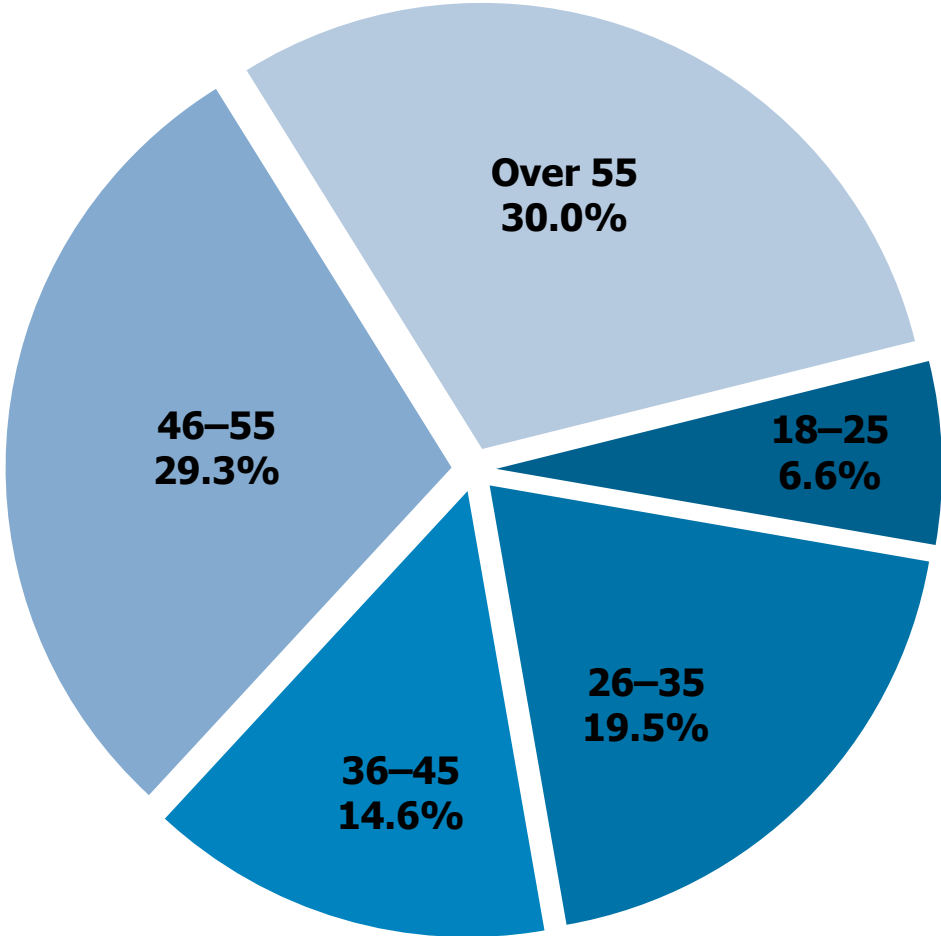
Overview

- ❖ The University of Southern Indiana retained Lockton Companies to administer an employee engagement survey in July 2017
- ❖ The major objectives of this survey were to
 - Understand the drivers of employee engagement for the University of Southern Indiana
 - Select and prioritize issues which require immediate attention and develop action plans
 - Look for ways to continuously enhance the University of Southern Indiana's work experience
- ❖ The survey was sent to all support staff including full time, part-time, temporary, and seasonal employees
- ❖ Through Lockton's web-based survey tool, 292 employees responded to the survey; this equates to a response rate of 54%

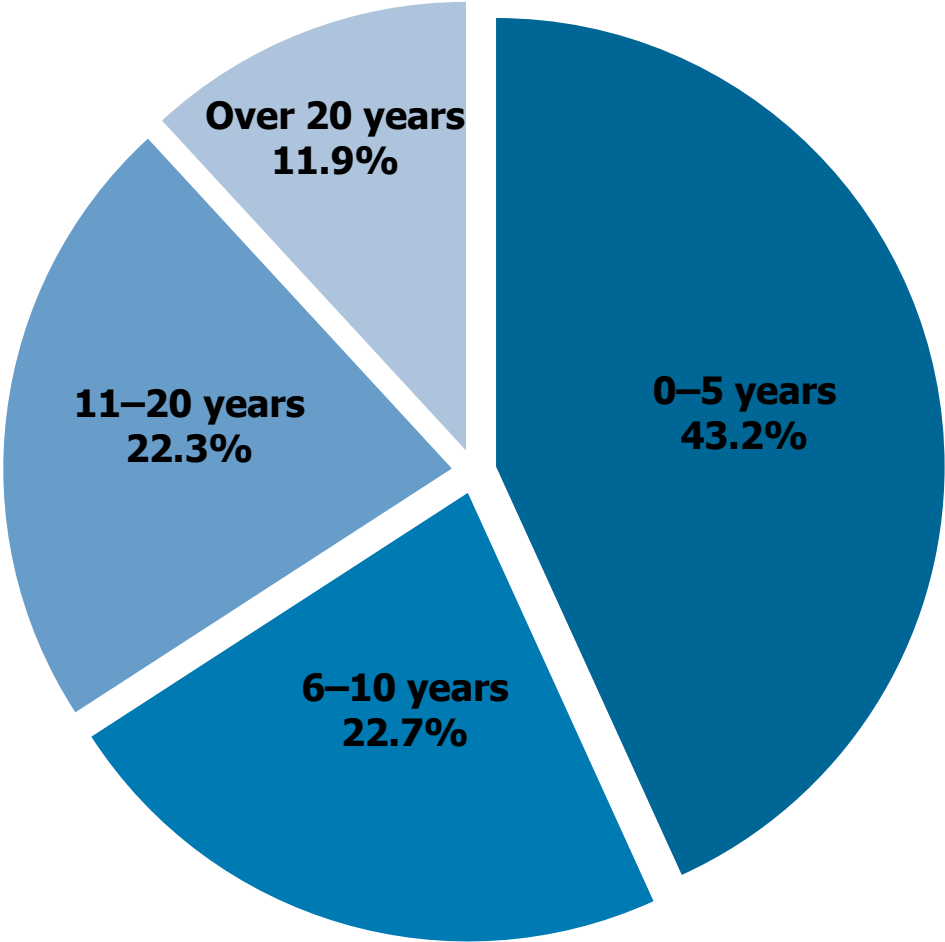
Drivers of Employee Survey

- ❖ Total rewards
- ❖ Growth and career development
- ❖ Communication
- ❖ Culture
- ❖ Employee engagement

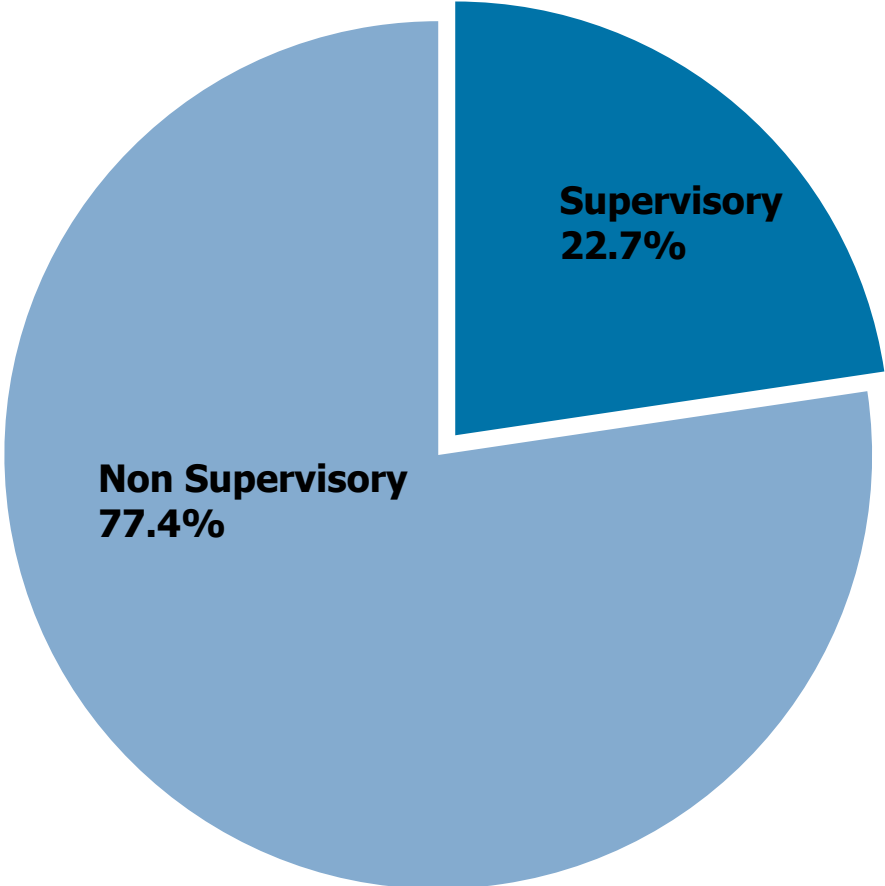
Demographics—Age Group



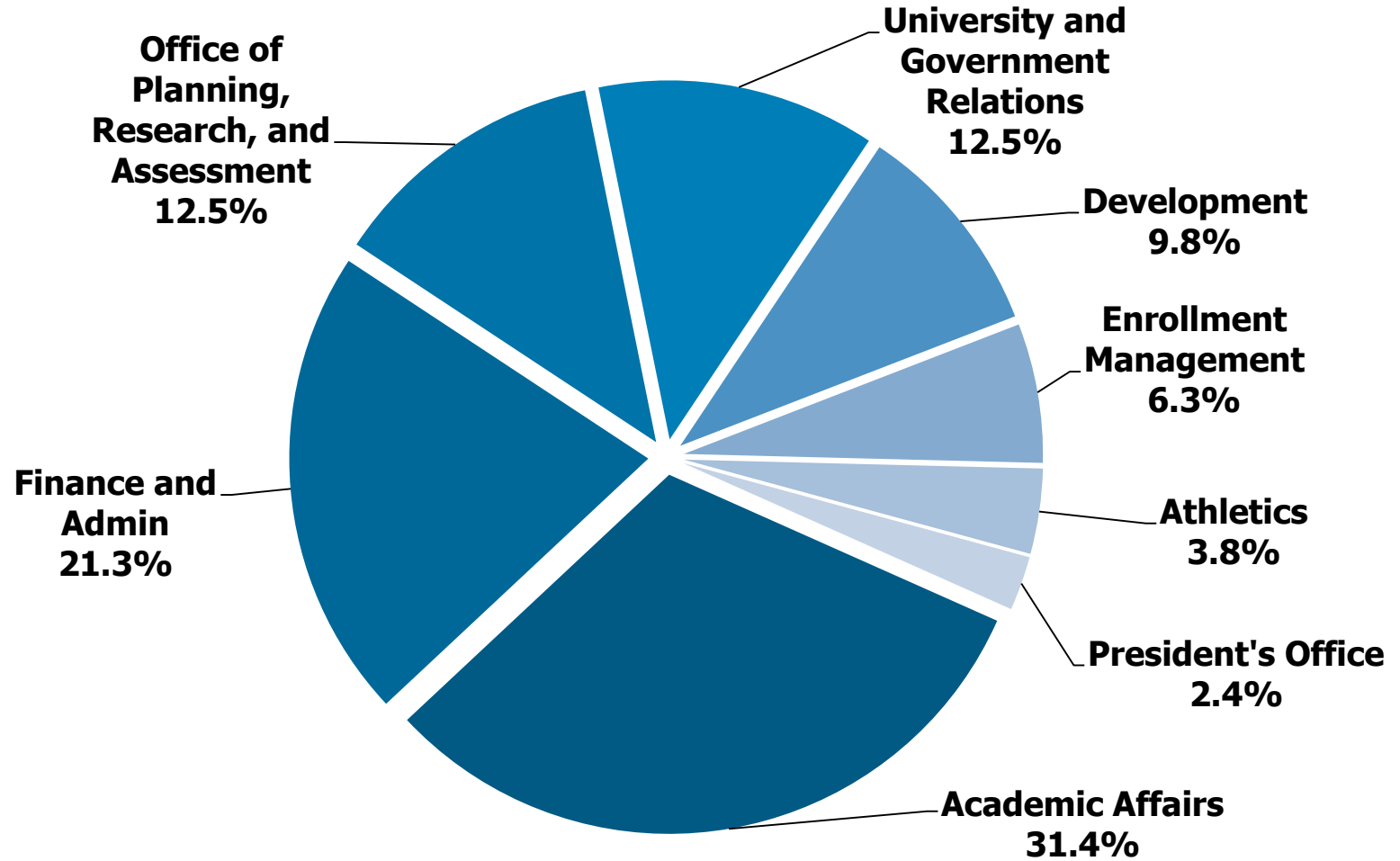
Demographics—Number of Years with the University



Demographics—Job Group



Demographics—Division



Summary Highlights

❖ Total Rewards

- A majority of employees do not believe USI's total compensation package is competitive within the market, specifically in regards to compensation; **84% of employees indicate they believe their pay is not competitive** to similarly related jobs in the market
- Over half of **employees are satisfied with the benefit package USI offers**
- For most employees, the **benefits package is a significant influence** on their decision to stay with USI

❖ Growth and Career Development

- Of all the drivers, employees are **least satisfied overall with the career development** opportunities at the University
- Most employees are **not satisfied with the job-related training** the University offers

Summary highlights (continued)

❖ **Communication**

- Overall, most of the employees are generally satisfied with the communication at USI
- An area where employees are **not satisfied with communication at USI is how their benefits and retirement plan are communicated to them**

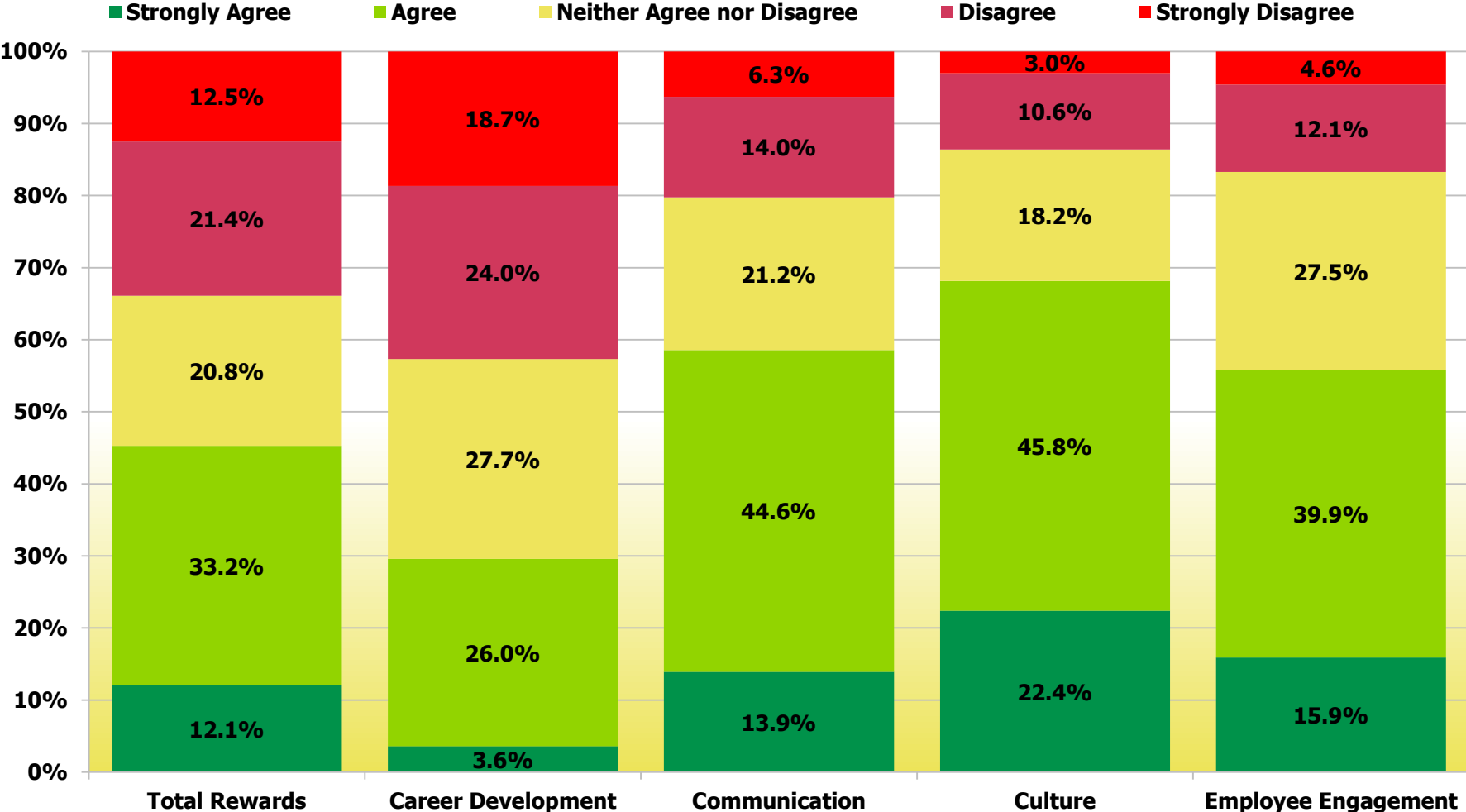
❖ **Culture**

- Of all the drivers, employees are **most satisfied with the culture at USI**

❖ **Employee Engagement**

- Overall, most employees would recommend USI as a place to work
- Most employees intend to continue their employment with USI for three years or more

Overall Results Summary



Lockton's Key Findings & Recommendations

1. Total Rewards

- a) Create **total rewards strategy** for the University
- b) Implement **results of the salary management study**
- c) Implement and communicate **salary administration guidelines**

2. Growth and Career Development

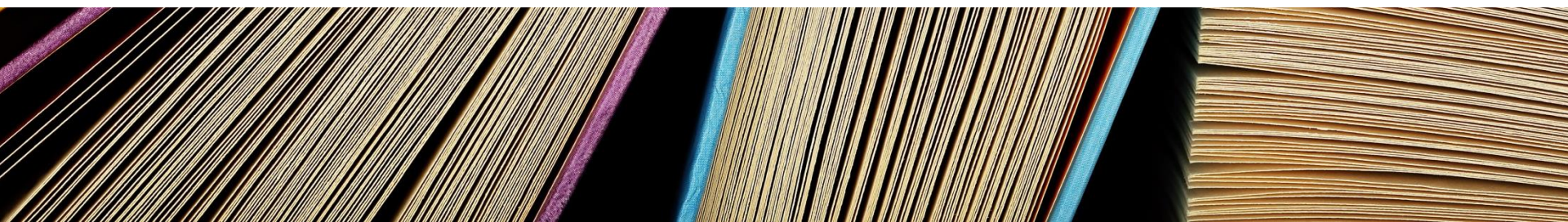
- a) Create and implement **career level guide**

3. Communication

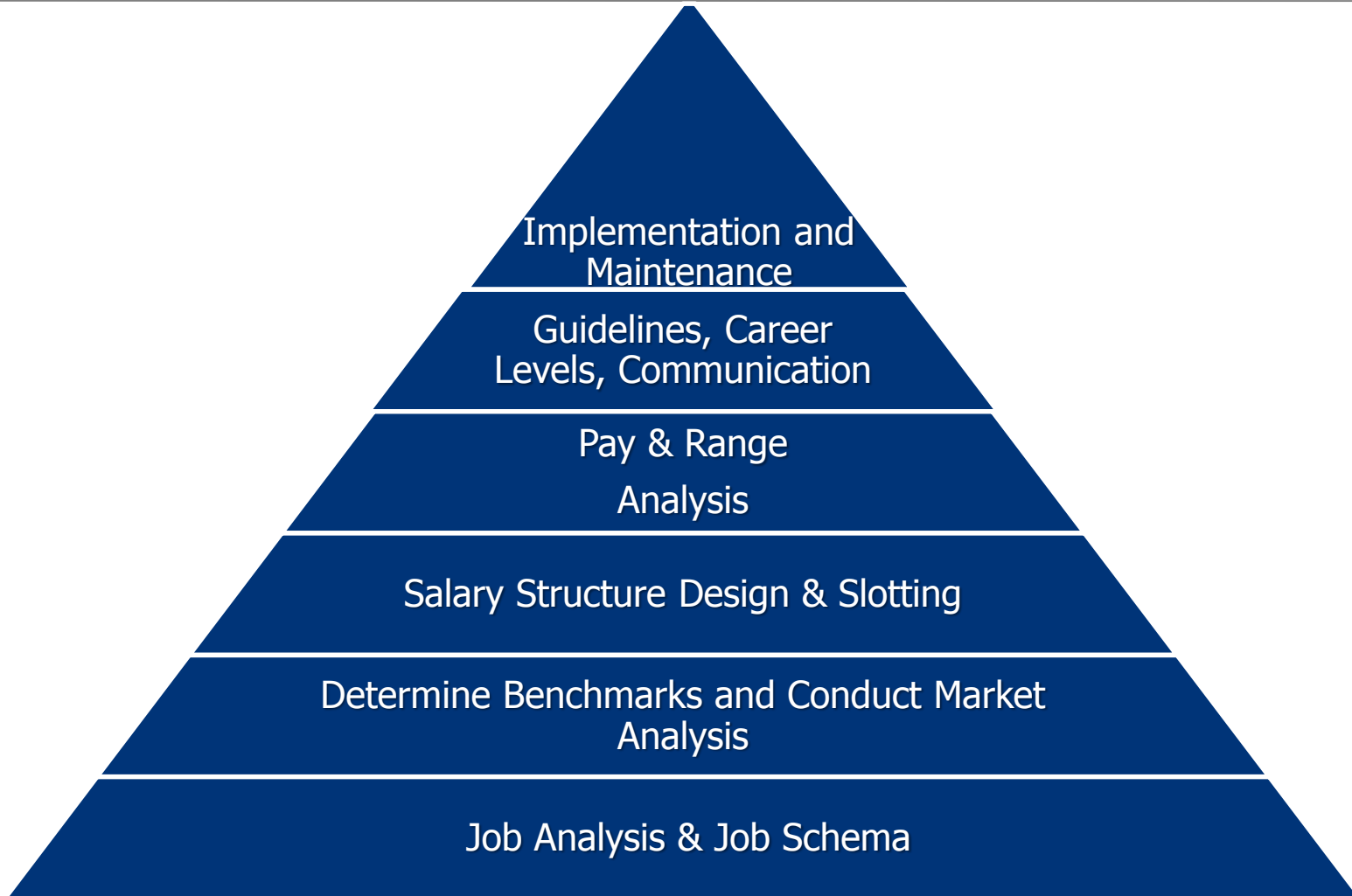
- a) Host periodic **town hall meeting** to keep support staff abreast of the state of the University and major initiatives



Salary Study Process & Results



Building the Foundation of a Salary Management System



Foundational blocks build upon each other and are co-dependent on development of each predecessor before the next can be successfully completed.

Step 1 & 2: Project Planning/Job Description Review

- ❖ **Project Planning** (with Project Team including Steering Committee)
 - Discussed project process and project planning questions
 - Collected the University's data (job descriptions, org charts, employee data, etc.)
 - Developed benchmark jobs list
 - Developed initial timetable for project completion
- ❖ **Collected job descriptions from the University**
 - Job Descriptions are the foundation of the study and should be consistent
 - ❖ Describe the current content of jobs
 - ❖ Identify the outcomes associated with the job's essential responsibilities
 - ❖ Vital to Performance Management review
 - ❖ Assist with Recruiting and Job Posting
- ❖ **Job Schema**
 - Reviewed job descriptions for collapsing/consolidating
 - Some jobs were re-titled

Step 3: Market Pricing and Total Rewards Analysis

- ❖ Lockton conducted a Total Rewards Analysis for Compensation, Benefits, Retirement and PTO against the market
- ❖ For the Compensation portion we priced **101 out of 130 total job titles** to identify comparable market rates for similar jobs in the competitive market place
- ❖ **All job descriptions were reviewed** and then matched to the appropriate survey “profiles” in published survey sources
- ❖ Market rates were extracted at the **25th, 50th, and 75th percentiles** for base salary. Data was scoped to the other universities and general industry where appropriate
- ❖ All data was established to the national labor market and then **adjusted to the University’s location using Economic Research Institute (ERI)**
 - Evansville, IN: 93.1% of National

Total Rewards Analysis Summary

Total Rewards	Total Rewards Breakdown		
	USI Value	Market Value	Ratio % - USI to Market
Compensation	\$8,308,830	\$9,888,129	84.0%
Benefits	\$2,938,654	\$1,869,374	157.2%
Retirement	\$82,805	\$100,230	82.6%
Time Off	\$805,031	\$767,604	104.9%
Grand Total	\$12,135,320	\$12,625,337	96.1%

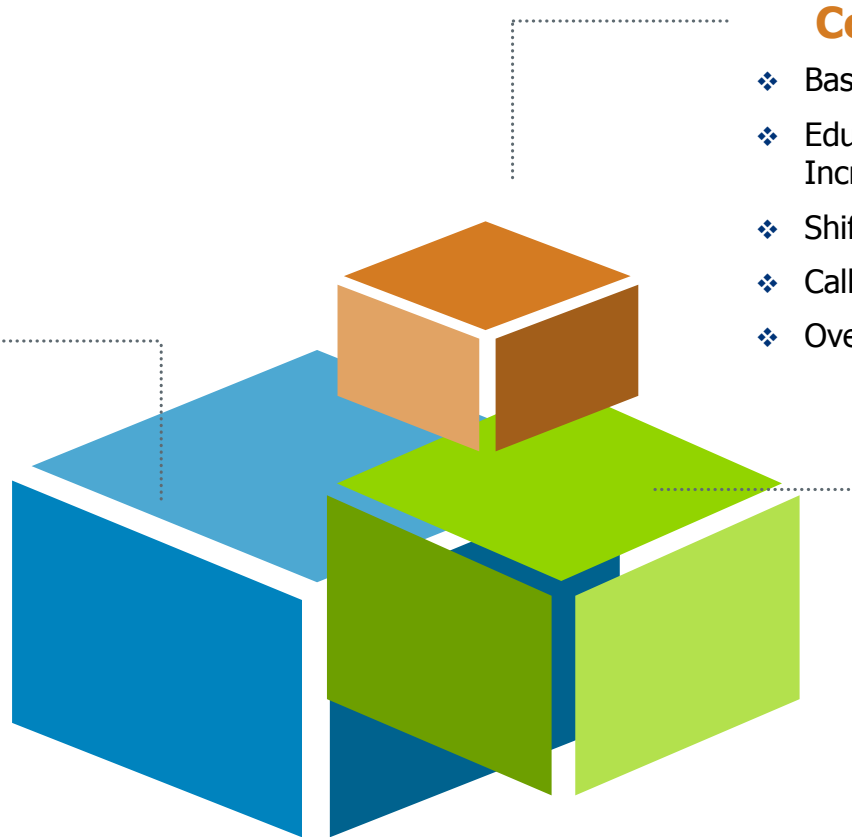
The University's Total Rewards Strategy based on this market data and the results of the employee survey, is to anchor pay slightly below the market and pay Benefits and PTO above market. The Total Rewards Value indicates which overall the University is "competitive" when comparing the total employee value proposition (Comp, Benefits, Retirement and PTO).

**Values shown reflect data from 2017*

The Current Building Blocks of Total Rewards at USI

Benefits

- ❖ Healthcare
 - Medical
 - Prescription
 - Dental
 - Vision
- ❖ Death and disability
- ❖ Retirement
- ❖ Long-term care
- ❖ Voluntary Benefits
- ❖ PTO
 - Vacation/Sick
 - Parental Leave
 - Bereavement
 - Holidays (plus winter recess)
 - FMLA



Compensation

- ❖ Base salary
- ❖ Education Increases
- ❖ Shift Differentials
- ❖ Call Back Time
- ❖ Overtime
- ❖ Holiday Overtime
- ❖ Compensatory Time

Work Life, Development, and Recognition

- ❖ Career Levels
- ❖ Service Awards
- ❖ Tuition Waivers
- ❖ Children's Learning Center
- ❖ Fitness Center
- ❖ Library Use

Step 4: Salary Structure/Slotting

- ❖ Developed Salary Structure anchoring pay slightly below market at the midpoint (because benefits and PTO are well above market)
- ❖ Positions were slotted into the structure using market data (if the market data came closest to the midpoint of the grade, the job was slotted in that grade)
- ❖ Non benchmark jobs were slotted with the assistance of the steering committee...using the benchmarks as anchor points
- ❖ Factors such as, knowledge, skill, complexity, autonomy and judgment were used to help determine where benchmark jobs belong and to adjust for internal value where needed

37.5 Hourly Structure

Grade	Minimum	Midpoint	Maximum
1	\$9.25	\$10.36	\$12.02
2	\$9.99	\$11.19	\$12.99
3	\$10.66	\$12.15	\$14.39
4	\$11.62	\$13.24	\$15.68
5	\$12.66	\$14.43	\$17.09
6	\$13.51	\$15.68	\$18.92
7	\$14.87	\$17.24	\$20.81
8	\$16.35	\$18.97	\$22.89
9	\$17.62	\$20.79	\$25.55
10	\$19.38	\$22.87	\$28.10
11	\$21.71	\$25.61	\$31.48
12	\$24.31	\$28.69	\$35.25

Step 5: Range Analysis

- ❖ Tells us where someone should be in the salary range based on control points
 - Years to proficiency
 - Tenure/time in job
 - Use of performance moving forward
 - ❖ Revisions to current Performance Management system in coming years
- ❖ Multi-year Implementation (Cost to Minimum and Into Range)
 - The University has agreed to begin making adjustments to the minimum of the salary range
 - **Over \$450,000 will be invested in support staff employees** this year
 - **Cost to Minimum** adjustments of over \$300,000 will occur on February 24 and about \$150,000 will be dedicated to adjustments occurring on July 1 (approximately 200 total employees impacted)
 - It may take the University 3–4 years to implement **Into Range** adjustments, depending on budget and student enrollment

Next Steps

- ❖ By February 9th
 - Individualized letters will be sent to home addresses.
 - ❖ Ensure your mailing address is **updated** in MyUSI.
 - Frequently Asked Questions (FAQ's) will be available on the Support Staff Compensation Study website.
 - Directors, Deans, and VPs will be notified of all changes within their department.
- ❖ The weeks of February 12th and 19th blocks of times will be scheduled throughout campus for employees to meet one on one with a member of the HR compensation team if they have any questions. The information regarding scheduling will be stated in your letter.

Step 6: Career Levels

- ❖ Created career levels for multiple departments/job families, but will not be implemented until July 1
- ❖ For those jobs that are not part of a job family, Human Resources has access to tools to help determine career development and job reclassification

Step 7: Salary Guidelines

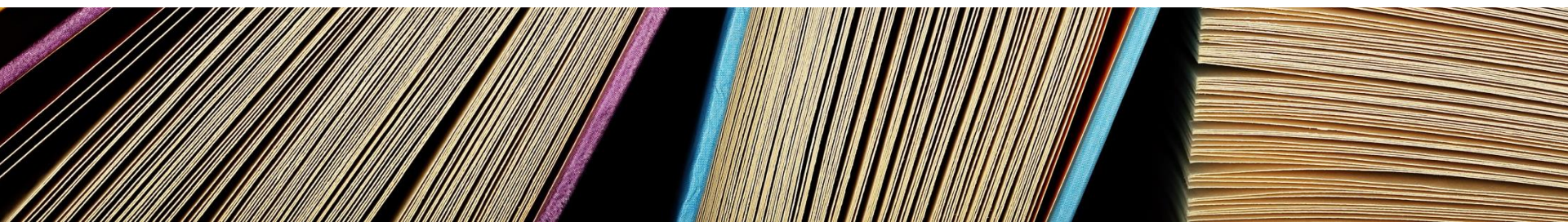
- ❖ Guidelines are being created to describe the essentials of salary management, including but not limited to
 - Job documentation
 - Classification of new positions
 - Re-classification of existing positions
 - Hiring ranges
 - Promotional increases
 - Salary structure design and updates
 - Career leveling guides
 - Market adjustments



Q & A



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