

University of Louisville

# Faculty Compensation Study

**Market Assessment Approach and Methodology**

# Agenda

**Introduction to UofL's Total Rewards Study**

**Study Overview & Timeline**

**Market Assessment Study Methodology & Approach**

**Next Steps**







# Introduction

**Segal was engaged by The University of Louisville to conduct a total rewards study to determine the degree of competitiveness of UofL compensation and benefits.**

- The study consists of three projects to assess and restructure UofL's comprehensive compensation and benefits programs:



# Total Rewards Study: Overview & Timeline

|    |   |   |    |                                       |    |
|---|--|---|---|--|---|
| <b>Project Initiation/<br/>Compensation<br/>Philosophy</b>  | <b>Staff Salary Market<br/>Assessment</b>  | <b>Faculty Salary<br/>Market Assessment</b>   | <b>Benefits Study</b>   | <b>Pay Equity Study</b>  | <b>Implementation &amp;<br/>Communication</b>   |
| <ul style="list-style-type: none"> <li>• Data and materials</li> <li>• Stakeholder interviews and survey</li> <li>• Draft compensation philosophy</li> <li>• Peer groups(s) and comparison market(s)</li> </ul> | <ul style="list-style-type: none"> <li>• Job level guidelines</li> <li>• Job titling convention</li> <li>• Job framework</li> <li>• Salary market pricing</li> <li>• Salary structure</li> <li>• Incumbent and cost implications</li> <li>• Pay administration guidelines</li> </ul> | <ul style="list-style-type: none"> <li>• Salary market pricing</li> <li>• Incumbent and cost implications</li> <li>• Pay administration guidelines</li> </ul> | <ul style="list-style-type: none"> <li>• Qualitative analysis of benefit offerings</li> <li>• Quantitative analysis of major benefits programs</li> </ul> | <ul style="list-style-type: none"> <li>• Detailed regression analysis</li> <li>• Findings and recommendations</li> </ul> | <ul style="list-style-type: none"> <li>• Costing support</li> <li>• Implementation &amp; communications strategy</li> <li>• Communications support</li> </ul> |
| <p>Complete</p>   | <p>Complete</p>  | <p>In Progress</p>  | <p>Complete</p>   | <p>Complete for Staff;<br/>In Progress for<br/>Faculty</p>   | <p>In Progress</p>  |

# Total Rewards Study: Project Objectives

**Collaboratively, UofL and Segal worked to accomplish the project objectives.**

- Compelling value proposition for faculty and staff
- Total rewards/compensation philosophy and comparison peer group(s)
- Recommendations for adjustments to staff job structure
- Competitive salary market assessment for executives, faculty, and staff
- Comprehensive benefits assessment
- Modern, market competitive, and equitable compensation programs
- Detailed pay administration guidelines
- Detailed analysis of pay equity for faculty and staff
- A clear implementation and comprehensive communications strategy/plan

# Faculty Study: Scope and Objectives

**The purpose of the faculty compensation study is to conduct an assessment of faculty salaries, by rank and discipline, to determine UofL's competitiveness in comparison to the external market**

- The study's scope includes approximately **1,180 full-time faculty**<sup>1</sup>:
  - Tenured/Tenure Track Faculty: 785
  - Non-Tenure Track Term Faculty: 395
  - Part-time (adjunct) and clinical faculty were not included<sup>2</sup>
- Base salary analysis of both faculty and faculty administrator compensation<sup>3</sup>

<sup>1</sup> Since the February 7, 2024, Faculty Senate meeting and through subsequent data validation discussions, changes in eligible faculty participation in the analysis occurred.

<sup>2</sup> In Segal's experience conducting these assessments for other higher education institutions, it is challenging to find credible, accurate published survey information for part-time and clinical faculty. The information is not as comprehensive as the data for full-time faculty, particularly tenured/tenure-track faculty.

<sup>3</sup> Includes approximately 45 faculty administrators

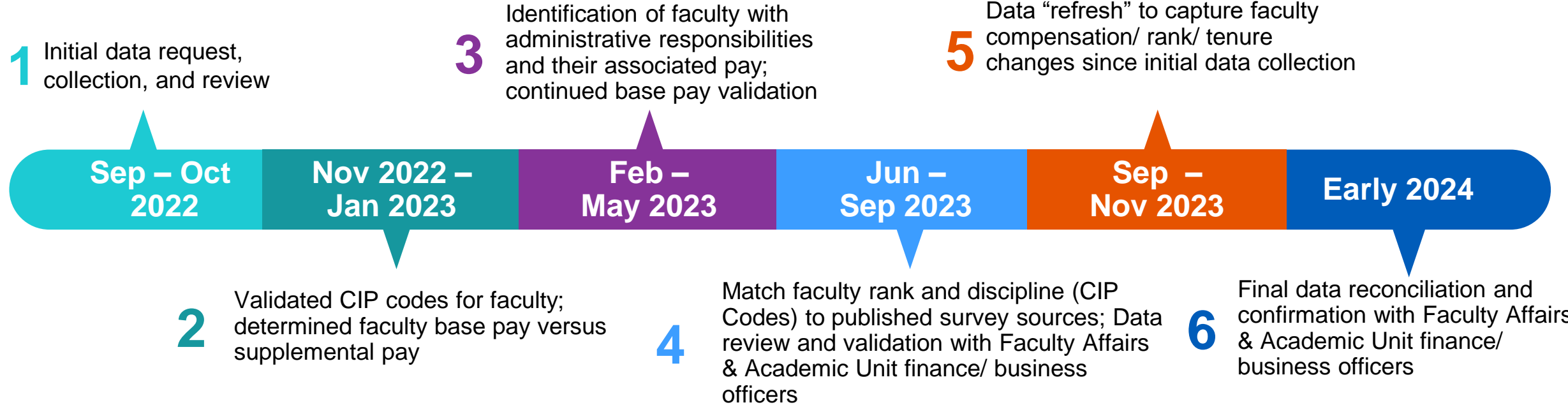
# Faculty Study: Assessment Methodology

- 1. Data Validation:** Conducted comprehensive data validation to ensure information is as accurate as possible for assessment
  - **CIP Code Mapping Confirmation:** UofL Institutional Research maintains the mapping of faculty disciplines to defined CIP codes and descriptions. These codes are reviewed every 10 years, with the most recent review completed in 2020
  - **Faculty Base Pay & Administrator Supplemental Compensation:** Validated compensation considered to be base salary and faculty administrator pay
- 2. Survey Sources:** Selected CUPA-HR Faculty and Administrator Salary Surveys as the primary published survey sources for analysis. Used the AAMC, ADEA, AACN, and ARL surveys for faculty within those respective disciplines<sup>1</sup>.
- 3. Peer Group:** Used the peer group developed under the broader UofL Compensation Study, approved and finalized in Q2 2022 by UofL HR, Lori Gonzalez (interim President at time), the W3 Advisory Committee and the Steering Committee
- 4. Market Data Collection:** Obtained base salary market data from the peer group at the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentiles by rank, tenure status, and discipline (as defined by CIP code mapping)
- 5. Variance Analysis:** Conducted a detailed analysis comparing the UofL base pay against the market data by rank and discipline. Segal and UofL defined the competitive range as 80% to 120% of the external market, which is consistent with the methodology of the staff compensation study

<sup>1</sup> Based on subsequent conversations in the data validation review after the February 7, 2024 Faculty Senate meeting, additional sources were identified for inclusion in the faculty compensation study. CUPA-HR Survey data does not provide specific discipline matches for instructional health care faculty, so the faculty of the School of Dentistry, School of Medicine and School of Nursing were each assessed against the latest salary data for their professional associations' faculty salary surveys (i.e., ADEA Survey, AAMC Survey and AACN Survey). However, the six basic sciences that offer doctoral research degrees in the School of Medicine are assigned discipline specific CIP codes. Additionally, because CUPA-HR Survey data is dependent on instructional discipline CIP codes, that data could not be used for UofL librarians and they were instead assessed against the latest Association for Research Librarians faculty salary survey.

# Faculty Study: Data Validation

**Faculty Data Validation:** The study analyzes faculty census data obtained from UofL’s Workday system, Institutional Research, and Academic Affairs. Due to decentralized faculty pay administration, Segal & UofL conducted multiple rounds of data review, validation, and reconciliation to ensure accurate faculty data and comparisons to the external market





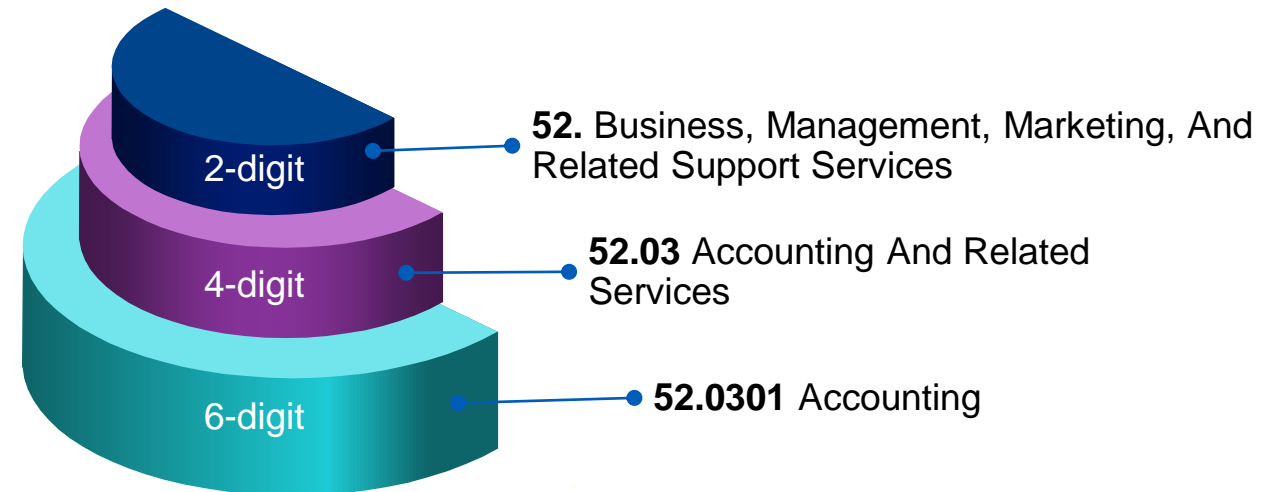
# Faculty Study: CIP Code Overview

## What is a CIP Code?

- The Classification of Instructional Programs (CIP) is a system of codes used to standardize the identification of academic fields of study
- These codes are utilized in surveys and reporting of institutional data
- The list contains about 1,800 specific program titles under about 45 broad program categories

## How to read a CIP Code?

- CIP codes are divided into a three level structure
- 2-digit codes are the broadest level of classification
- 4-digit and 6-digit codes become progressively more detailed, as seen to the right:



Segal used the 6 digit (or next highest digit available) CIP code for CUPA-HR data in the analysis.

# Faculty Study: Peer Group Methodology

Segal & UofL developed the following faculty peer group methodology during the project initiation phase in Q2 of 2022<sup>1</sup>



The total number of peer institutions in the peer group is 58<sup>2</sup>.

The complete list of institutions is found in the Appendix.

<sup>1</sup> This methodology was approved by UofL HR, Lori Gonzalez (interim President at time), and Steering Committee.

<sup>2</sup> Consisting of 48 public institutions and 10 private institutions; detailed information is available in the *Appendix*.

# Faculty Study: Interpreting Market Data Results

- Many institutions select a target pay position in the aggregate in order to remain “competitive”
- Institutions use market data as one data point when making compensation decisions
- A faculty member’s pay comparison to the market may vary based on individual skills, knowledge, experience, tenure, and performance

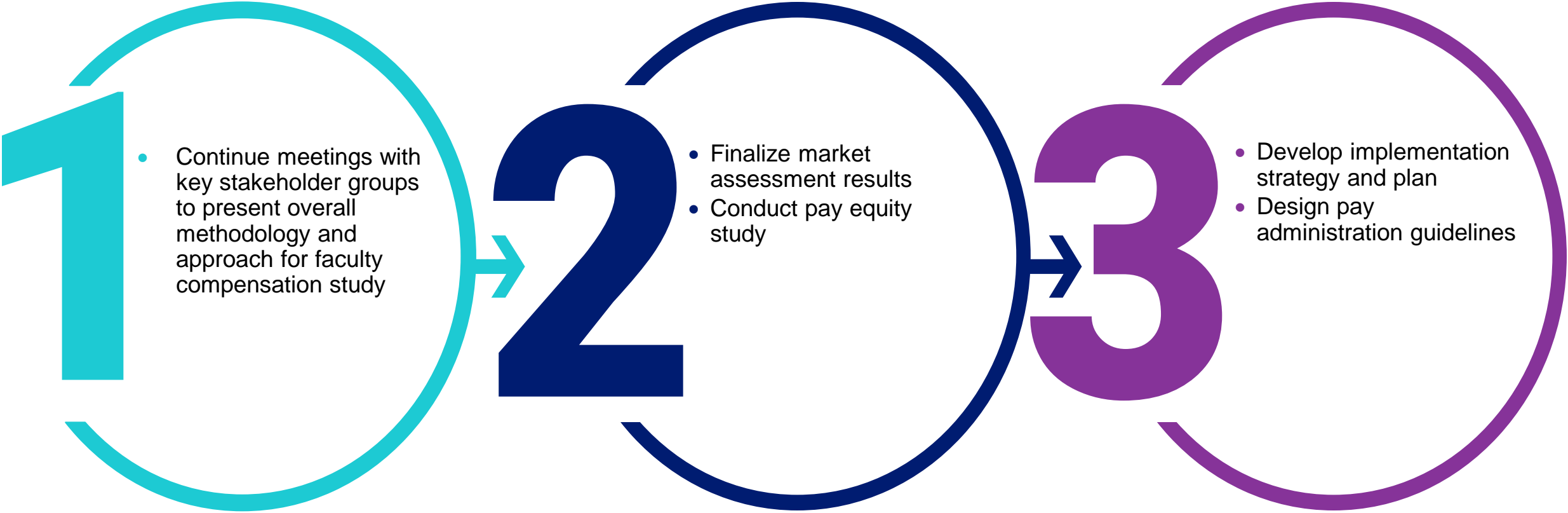
**WHAT MARKET DATA TELL US**

- ✓ Indicates a market **range** for the value of the role
- ✓ Represents the **cost to hire** for the skills in the market from which the institution recruits talent
- ✓ Illustrates **trends** in compensation year-over-year
- ✗ Not a precise number
- ✗ Information at one point in time
- ✗ Does not represent the appropriate **pay rate for every individual** in a job



● Illustrative market data point      ■ Illustrative competitive range around market target

# Next Steps



# Appendix

**I. UofL Total Rewards Philosophy**

**II. Peer Group**

# I. Total Rewards Philosophy

- Segal & UofL developed the guiding principles of the Total Rewards Philosophy through:
  - Perspectives from discussions with the Steering Committee and Advisory Committee
  - Desired future state
  - Segal's knowledge of and experience with similar higher education institutions

The core objective of the philosophy is to ensure fair and competitive compensation based on work performed and individual and area of contribution.

# I. Total Rewards Philosophy<sup>1</sup>

- 1 Role of Total Rewards:** We are committed to the advancement of the Louisville community, the Commonwealth, UofL's mission and values, and our responsibility for managing the public's trust. Our total rewards programs support the attraction and retention of superior talent in support of our mission.

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- 2 Equity:** All total rewards programs are designed to promote the institution's deep commitment to equity, and inclusion. We are committed to continuously improve our processes to ensure a diverse workforce and fairness in how we compensate.

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- 3 One UofL:** Total rewards program designs and administration are University-wide and support the needs of the institution as a whole. Our programs balance flexibility and consistency to ensure they meet to needs of the schools and units.

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- 4 Markets for Talent:** Markets for talent are generally local or regional for non-exempt and entry level professionals. For faculty, specialized professionals, and leadership, talent markets are national and international. Markets will reflect markets outside of higher education, as appropriate.

<sup>1</sup> This philosophy was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee.

# I. Total Rewards Philosophy<sup>1</sup>

- 5 **Pay Positioning:** Strive to pay competitively with relevant talent markets. Individual pay positioning varies based on impact and contributions to the University foremost, with consideration to experience, skills, education, and embodiment of UofL's values.

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- 6 **Benefits:** Provide a comprehensive, competitive, and attractive suite of health, wellness, education, and financial security benefits that care for our employees and their families today and in the future. Benefits are provided broadly across the institution.

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- 7 **Career:** Shared responsibility between employees and leaders; employees own their development with the support and encouragement of UofL. The institution is responsible for providing clarity and opportunities for development. Career and classification tools should be viewed as development tools for employees and leaders to use collaboratively.

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- 8 **Communication, Transparency, and Governance:** Program designs are transparent and communicated regularly to promote awareness, understanding, and satisfaction. Decision-making roles and processes are clearly defined among all institutional stakeholders. Employee input is sought and considered as an ongoing component of programs.

<sup>1</sup> This philosophy was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee.



# II. Peer Group<sup>1</sup>

- Auburn University
- Augusta University
- Baylor University
- Buffalo State University
- Case Western Reserve University
- Clemson University
- DePaul University
- Drexel University
- East Carolina University
- Florida International University
- George Mason University
- Georgia State University
- Idaho State University
- Kansas State University
- Loyola University Chicago
- Miami University
- Mississippi State University
- Montana State University
- Ohio University
- Stony Brook University
- Syracuse University
- Temple University
- The University of Texas at Arlington
- The University of Texas at Dallas
- Thomas Jefferson University
- Tulane University
- University at Buffalo, State University of New York
- University of Central Florida
- University of Colorado Boulder
- University of Colorado Denver
- University of Connecticut
- University of Dayton
- University of Florida
- University of Houston
- University of Idaho
- University of Illinois at Chicago
- University of Kentucky
- University of Maine
- University of Miami
- University of Michigan-Ann Arbor
- University of Minnesota-Twin Cities
- University of Missouri-Columbia
- University of New Mexico Main Campus
- University of North Carolina at Charlotte
- University of North Texas Denton Campus
- University of Oklahoma Norman Campus
- University of Rhode Island
- University of South Carolina Columbia
- University of South Florida
- University of Tennessee, Knoxville
- University of Texas at El Paso
- University of Texas at San Antonio
- University of Wisconsin-Madison
- University of Wisconsin-Milwaukee
- Virginia Commonwealth University
- Wayne State University
- West Virginia University
- Western Michigan University

<sup>1</sup> This peer group was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee.