

## 2017 UCSF Campus Salary Equity Principles

### **Salary equity is the relationship of an employee's salary to internal and external equity**

- **Internal Equity:** Comparison to his or her UCSF peers in the same job family, job function, and level in Career Tracks or represented position that may include average pay by department and campus.
- **External Equity:** Comparison to comparable jobs in the external labor market as reported in third-party salary surveys and reflected in the salary grade assigned to the job. Every year, market data is reviewed for potential salary grade updates to reflect current market data.

Each fiscal year, UCSF typically participates in a **Focal Point Equity Review**. The Focal Point Equity Review is the annual process for all departments to review salary equity of policy-covered staff at the same point in time (typically in July). Salary increases outside of this process would include promotions, reclassifications or one of the approved policy exceptions. The **approved policy exceptions** for an equity increase outside the focal equity process include:

- Salary retention proposal for a key staff member in the face of a bona fide job offer from a competitor;
- Equity increases proposed to adjust an entire level or family of staff due to significant, unforeseen movement in the salary market for comparable positions;
- Equity increases proposed to alleviate salary compression among non-represented supervisors due to aggressive salary movement for the related represented titles;
- Equity increases proposed to compensate for a significant increase in the scope and complexity of assigned responsibilities in a position that does not compel a change in the classification level;
- Equity increases proposed to address significant market lags or internal equity surfaced through the implementation of job families.

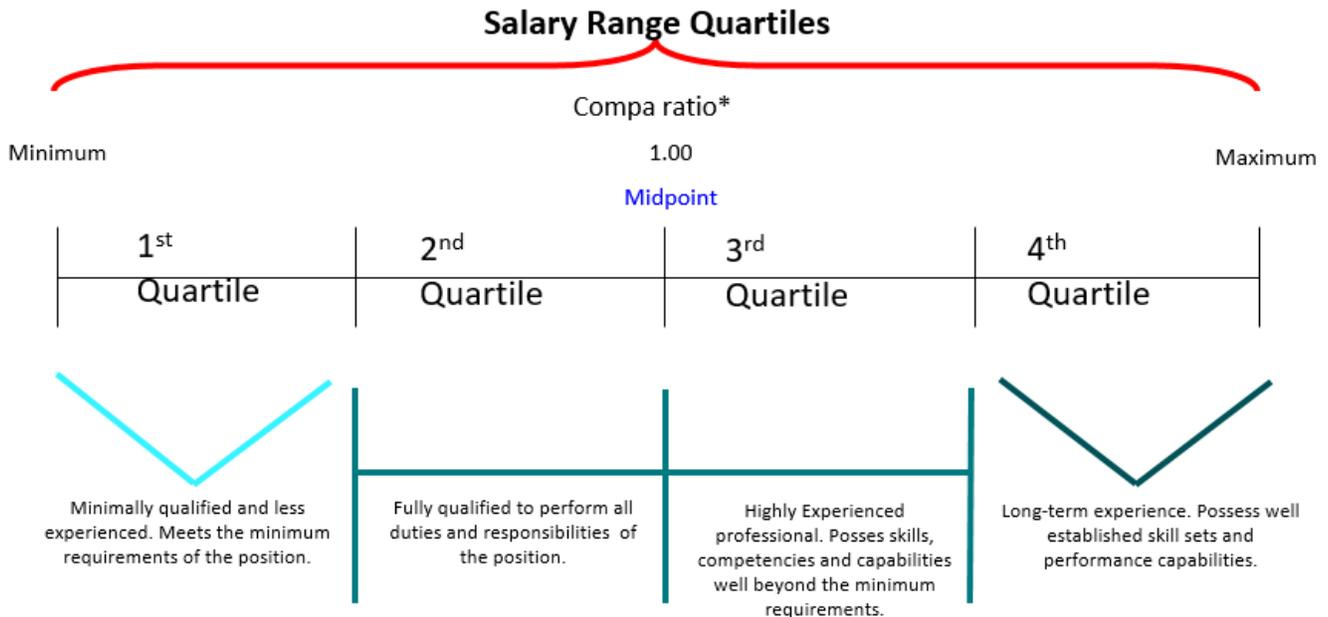
### **Factors appropriate to consider when differentiating employee's salaries:**

- Levels of related experience
  - Requires a consistent formula for calculating years of experience related to the position
- Related education, specialized skills and/or certifications
  - Degree relevance and intrinsic value to work being done
- Documented differences in work performance
- Recruiting difficulty such as market pressures and scarcity of qualified talent
- Differences in the overall scope and complexity of work assigned to the same classification level
  - Consistent method to identify differences in scope and complexity
- Geographic differentials for cost of labor and cost of living changes for transfers and external hires
- Compression with manager pay
- Personnel program and/or FLSA change
- Budget and grant limitations

## 2017 UCSF Campus Salary Equity Principles

**Salary Equity Principles** is a framework to assist managers with ensuring internal and external equity is maintained.

- Salary decisions are made by managers with consultation and support of Human Resources and compliance with delegation of authority requirements
- Salary setting decisions should utilize both internal and external data, which can be made available to managers and supervisors when Human Resources has access to this data.
- Internal Equity: Comparisons would include employees in the same job title, level, and function.
  - Campus averages by Title Codes and departments are made available to managers.
  - At a minimum, internal equity should be evaluated at the department level. The campus goal will be to attain internal equity at a campus level over time as campus equity tools and educational support for departments become available.
- External Equity: Salary ranges with the associated salary range midpoint are an effective method to assess relevance for market data. Most jobs will utilize the assigned to salary range and comparators to assess salary placement. Jobs are placed in a salary grade within plus or minus 15% of the market rate. Every year, market data is reviewed to ensure that jobs are appropriately placed within the salary structure.
  - In some situations such as recruitment and attrition reasons associated with compensation, it will be necessary to research specific market data for jobs.
  - Typically, most positions will have market averages but some jobs will not have specific market data available.
  - A variety of surveys utilized by the campuses, health systems, and third party surveys identified by departments are be available to Compensation Specialists. Department Managers may request additional survey data when additional research is needed to address a compensation concern.
  - Positions furthest behind the external market are not always those that should receive priority for salary equity funding. Pressing business needs and, performance concerns should be key considerations.
  - If there are positions with significant recruitment and retention issues, it may be appropriate to provide a higher salary and create a temporary inequity
- Employee eligibility for CEMRP2 should be considered with salary setting, in particular when comparing internal equity with UCSF Health employees.
- Achieving salary equity does not mean that each employee performing the same or similar work should be paid identically
  - If there are positions with significant recruitment and retention issues, it may be appropriate to provide a higher salary and create a temporary inequity
  - Departments should accept differences in pay based on sound factors (see Factors to consider when differentiating employees' salaries) influencing the situation, and establish a strategy to address the pay inequity over time
- Since salary setting is a fluid process based on changes in the organization, market needs, and budgets, there is an ongoing need to evaluate employee pay
  - Salary equity reviews occur at the Focal Point Equity Review held during the annual salary planning process unless necessitated by exceptional increase triggers
  - Salary equity reviews for represented employees are subject to the terms and conditions of the appropriate agreement
- Salary equity increases may require a multi-year approach to achieve all of your goals with respect to internal and external equity and based on funding availability



**Salary Placement Guidelines** below apply to our broad salary ranges, which do not have steps and which provide managers some guidance. Not one specific reason may apply to the salary placement within the range, but rather a combination of factors influence salary placement. As a reminder, salary comparisons regularly change based on terminations, new hires, transfers or reclassifications. Employee salary should be reviewed on a regular basis. Some considerations below include:

- **First Quartile** (from the minimum up to halfway to the midpoint of the range): Intended for individuals who are new to the grade, are in a learning situation, and/or do not have substantial experience and/or education in the new position. Jobs that have less scope and/or complexity. Individuals that need to show improvement in performance would be lower in the salary range. Departments with a limited budget may result in lower salary placement within the range.
- **Second Quartile** (from the end of the First Quartile to the Midpoint of the range): Intended for employees who have gained experience and skill and who are becoming more proficient in the position for which they were hired. Jobs that have increased scope and/or complexity. They generally meet expectations in their positions. Employee may bring additional education and/or specialized certifications. Departments with increased funding for salaries could result in higher placement within the range.
- **Midpoint**: Represents the market rate for this position. The salary range midpoint reflects approximately plus or minus 15% of the market rate for a job.
- **Third Quartile** (from the Midpoint of the range to halfway to the end of the salary range): Typically reserved for experienced employees who frequently exceed expectations. Jobs with higher levels of scope and/or complexity. Employees may have advanced education and/or certifications. Departments with higher levels of funding would have more flexibility for higher placement within a salary range. Jobs that are difficult to recruit would also show higher placement within a salary range.
- **Fourth Quartile** (from the end of the Third Quartile to the end of the salary range): Normally reserved for individuals who are consistently exceptional performers and who have extensive experience. Jobs with the highest levels of scope and complexity. Employees with the highest level of education and/or certifications. Departments with substantial funding could support higher placement within the salary range. Jobs that are extremely difficult to recruit and scarce talent is available.