

WORKING IN A FISH BOWL

**How One Community
College System Navigated
a Compensation Study
in a Transparent
Environment**





From an employee’s perspective, hearing the words “pay audit” can be unnerving. So when Austin Community College District (ACC) decided to do a compensation study of its 1,500+ non-faculty employees across its 11 campuses, doing so as transparently as possible was of paramount importance. Keeping employees in the know, instead of working behind closed doors, can help ease tensions, squash rumors, and pave the way for change.

Here, Dana Tucker, ACC’s compensation manager, walks us through how her team carried out the compensation study and subsequent classification and compensation overhaul — how they approached the mammoth task, how they ensured transparency along the way, the challenges they faced, the outcomes, and some lessons learned.

Why an Overhaul?

Prior to the study and subsequent classification and compensation structure redesign, ACC was operating on a 10-year-old market-based compensation plan for staff. Says Tucker, “There were 31 pay grades, and pay ranges had not been updated since the original plan was put in place. Many employees didn’t understand how they were paid, and there was a perception among some of the workforce of pay inequity.”

While the classification and compensation plan for staff was outdated, for the college’s administrators, there was no formal structure in place.

A Team Approach

With transparency as a driving factor in how to approach the study, the compensation team put together a project team — three representatives each from the college’s non-exempt employee association, exempt employee association, and administration (the compensation team members served as non-voting members on the project team). The role of the project team, says Tucker, was to work with the purchasing department to develop a bid package for the study, select a consultant, serve as a liaison to ACC employees throughout the study (gathering input, providing feedback and making recommendations to the compensation team and consultant), and present the findings to the president and his leadership team.

“Assembling a team of stakeholders, as opposed to just a team from the HR office, ensured that we would look at this project from different perspectives,” says Tucker. “The cross-functional team approach provided a motivating climate, promoted shared ownership and responsibility, created better buy-in, and increased transparency.”

The Discovery Phase

The project began with a discovery phase. Representatives from the consulting company selected to lead the project held orientation sessions for all staff employees to inform them of their role in the study. They also held focus groups to gather detailed feedback from employees and management about their perceptions of ACC’s compensation structure, and collected updated job analyses from employees and supervisors. Throughout this process, the consultant met regularly with the project team, and the project team communicated regularly with ACC employees.

Employees also were given the opportunity in this phase of the project to provide individual job-related information through an online job analysis tool; supervisors were given the opportunity to comment on employee job information; and administrators were given the opportunity to provide additional information regarding compensation in their respective areas. Any differences between employees and supervisors about the employee’s job was reconciled by the consultant before moving ahead with the study. Says Tucker, “It really was a collaborative effort — and ACC employees greatly appreciated the opportunity to be involved, to be in the know, and to provide input and feedback.”

Findings and Recommendations

Once the pay study was complete, the consultant provided a preliminary report to the project team, which included a redacted database of individual employee salaries. This is where the bulk of the back-and-forth between the project team and the consultant occurred, says Tucker. “The project team really did its due diligence — asking for additional clarification from the consultant on information used for market measurements, results that needed more explanation, and conflicts within hierarchy.” The project team also prepared a response agreeing or disagreeing with each of the consultant’s recommendations, and then the team and the consultant presented the pay study findings and recommendations to ACC’s president and its board of trustees.

The results of the project included:

- widened pay ranges and reduced number of ranges;
- new career band/level structure to better fit with career path opportunities for employees;
- changes to the hiring grid and calculation of experience for new hires;

- substitution of education/experience; and
- a rewrite of all job descriptions and changes to some job titles.

Implementation

Before implementing the approved action plan resulting from the study's findings, the compensation team "checked and checked again the calculations from the consultant," says Tucker. "We wanted all salaries to be correct at rollout." Implementation then followed a three-step process: market adjustment (adjust current pay for market study adjustments); adjustment for FY16 annual increase (adjust for 3 percent annual increase); and implementation of the new career band plan and slotting of employees. HR worked with IT to program the new structure, the new hiring grid and the new job description module.

Ensuring Transparency From Start to Finish

Before the pay study got underway, the project team worked with IT to create a public-facing project website. Here, the team posted its meeting agendas and minutes, and ACC employees could submit questions about the project to the team. Once the project was underway, project team members emailed periodic updates about the study to their respective employee groups. After the consultant had made recommendations to the project team and the team and consultant presented the findings to the president and board of trustees, the presentation was posted on the project team website. In addition, all ACC staff members were invited to attend a meeting with the consultant, either in-person or in a virtual setting, to go over the study findings and the implementation timeline, and were given the opportunity to ask questions and voice concerns. All affected employees also received an email with information on when they would have access to new information about their specific jobs/new pay rates, and new pay rates and job descriptions were posted online for every staff position.

Challenges Along the Way

While the compensation study and classification and compensation restructuring was all in all a success, Tucker says that, like any large-scale projects, there were some bumps along the way. "Some of the challenges we faced included clarifying our expectations to the consultant,

determining and clarifying the roles of the key players and educating the project team about compensation." With some patience, conversation, brainstorming and a solid, well-laid plan in place, Tucker says overcoming those challenges was fairly easy.

Lessons Learned

Now that the study and implementation is several months behind her, Tucker reflects on some of the lessons she and the team learned, and offers advice on considerations for

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other institutions considering a team-based, transparent approach to a compensation study:

- It's important to provide training to the project team regarding the roles of team members and team chairs. Be clear from the start about the roles the various participants will play in the review and approval of the outcomes.
- Refer to the team charter as often as needed to remind team members of what was agreed to at the beginning of the project.
- Provide updates to all employees frequently, especially if the process takes longer than anticipated.
- If you're using a consultant, make sure they have a good understanding of your institution's current pay structure system and processes, as well as what employee data is and is not available.
- Don't rest on your laurels. ACC did another market study in 2017 and made some additional changes to its classification and compensation structure.

Most of all, says Tucker, engage as many stakeholders as you can every step of the way, be as transparent as possible, and always over-communicate. "There's definitely a right way and a wrong way to approach a compensation study," she says, "and transparency trumps tight-lipped every time." 