



# Pay Transparency

July / August 2023

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- Compensation Foundations: Philosophy, Strategy, Job Descriptions

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- Pay Ranges
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- Key Takeaways

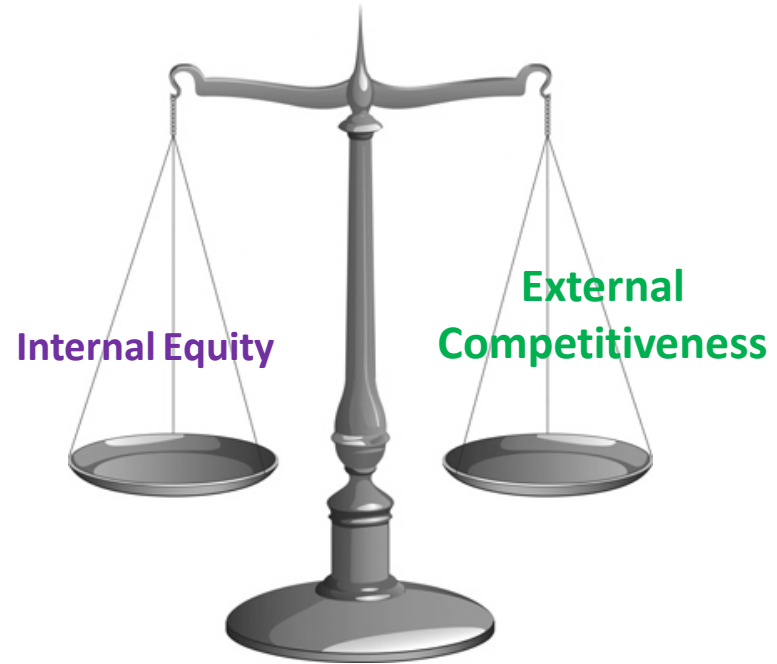
# Foundation: Pay Ranges and Hiring Ranges

*The **Compensation Philosophy** articulates the University's commitment to investing in employees through appropriate pay, recognition, and development*

- Our goal is to ensure our pay programs are supported by **objective data**, are **affordable**, **administered equitably** and **compliant** with applicable legal and regulatory requirements.

## *The **Compensation Strategy** is*

- Primarily market driven and targets base pay at the 50th percentile of the relevant labor market(s), which may differ depending on the function, and/or the school or central unit; and
- Considers internal equity and departmental context, and is flexible to respond to changing external conditions

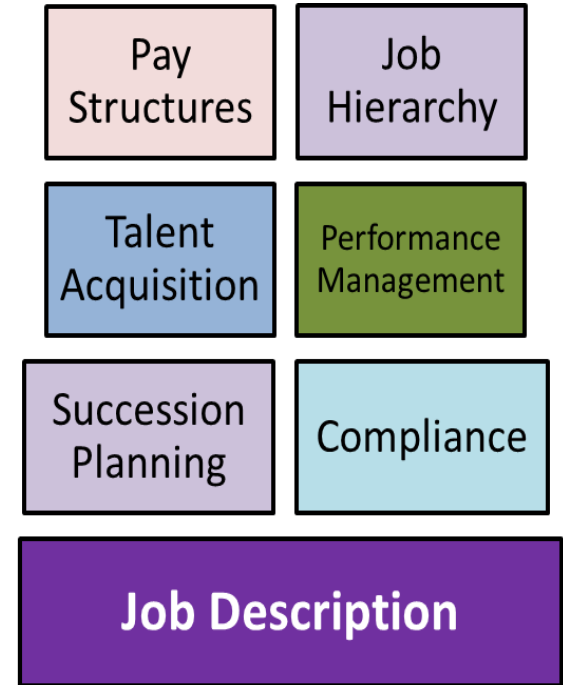


# Role-Based Job Descriptions as a Key Pillar

A job description is a **summary** of the most important features of a job, including the primary duties and responsibilities, minimum qualifications, and scope of responsibility

They provide the foundation upon which the design and management of many HR programs are built

- Create consistency and alignment amongst similar roles, titles and grades
- Establish the basis for externally competitive and internally equitable pay structures
  - Key to ***market pricing and pay grade assignments***
- Provide a common platform for talent acquisition, performance management, career development
- Ensure compliance



# Pay Ranges and Pay Structures

Jobs paid similarly in the market are grouped into **grades** by Compensation\

- Each grade has a corresponding market-based pay range with a minimum, midpoint (proxy for the market median), and a maximum value
- Also considered are minimum educational and experiential requirements, work complexity, accountability level, and other unique factors of a role
- Multiple pay ranges comprise a pay **structure**. At NU, there are three staff pay structures:
  1. EXS – for all exempt non-IT roles
  2. ITS – for all exempt IT roles
  3. NEX – for all non-exempt roles

Example - Partial EXS Structure

EXS (Exempt) Approved			
	Min	Mid	Max
5	49,850	62,595	78,243
6	55,128	68,911	86,138
7	61,242	76,552	95,690
8	67,978	84,973	106,216

# Pay Rates in Relation to the Range

Pay Range			
Grade	Minimum	Midpoint	Maximum
EXS 7	\$61,242	76,552	95,690

Entry level, new to the role, may have some experience

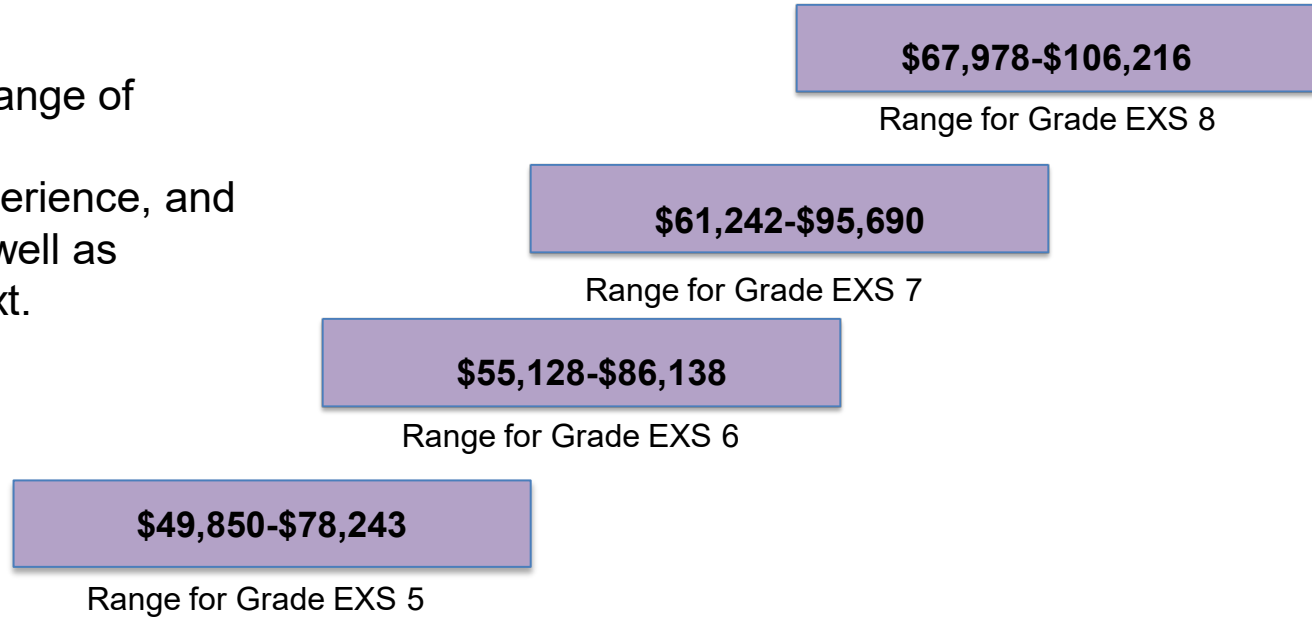
Proxy for the market rate, assumes full competence, mid-level experience

Prerequisites exceeded, well qualified, exceptional performance, highly experienced and skilled in the role

*Not all employees will reach the range maximum during their career at NU*

# NU pay ranges are broad and constructed so the maximum of the range is higher than the minimum of a higher-graded range

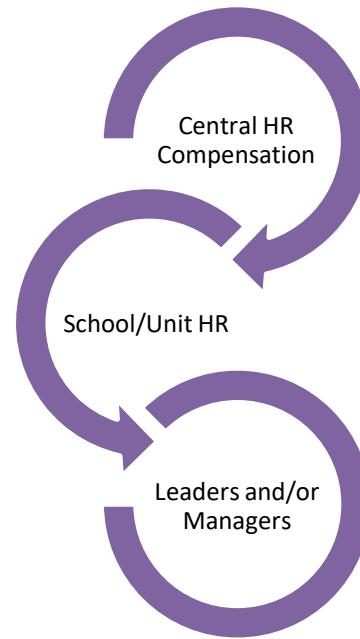
Allow for a wide range of knowledge, skills, relevant work experience, and performance, as well as school/unit context.



# Who Determines Pay?

Individual pay rates are determined via a consistently applied process involving:

- Objective data and consultation provided by Central HR
  - Compensation – market data, internal equity across the University
  - HR Business Partners
  - Talent Acquisition – *For posted roles*
- Decision-making includes school/unit HR representatives and Leaders
  - Managers may provide input and feedback



*Grades assigned, market analysis, University equity landscape reviewed, guidelines established*

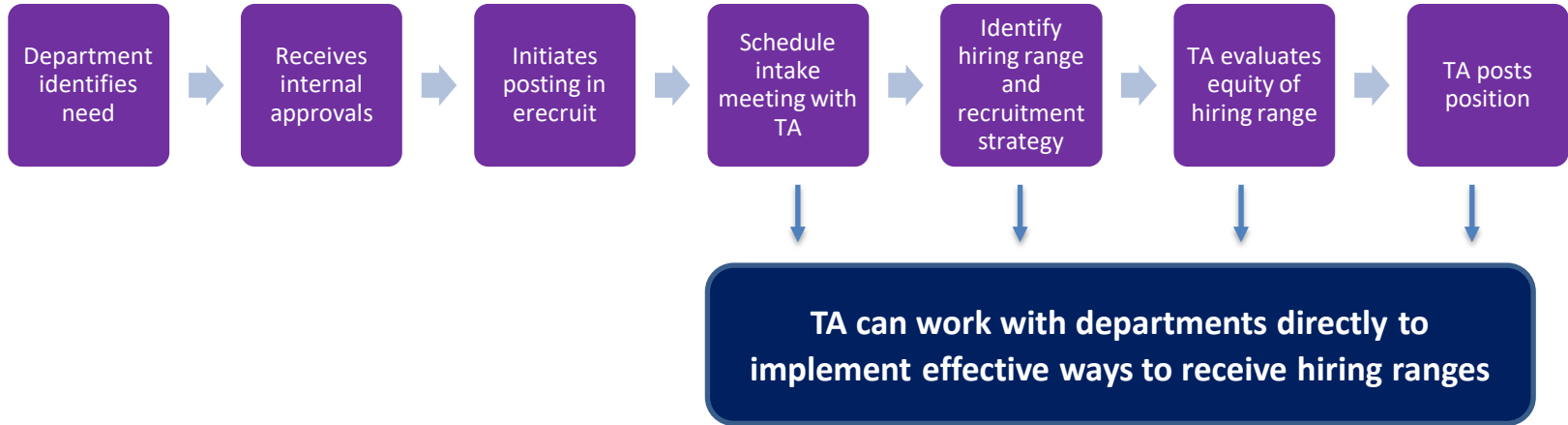
*Input and decision-making on individual pay rates*



# Talent Acquisition

Effective Date to Post Hiring Ranges: 9/1/2023

## Process to post hiring ranges



# Process considerations

- Posting timeframe
- Active recruitment availability
- Departmental approvals
- Required vs desired skills
- Review process
  - Applications and disposition
- Updates to recruitment

# Evaluating Equity

## Equity Factors

Target skill level  
within job code

Job code -  
department and  
University

Budget

# Intake Conversations

- Determines key aspects for effective recruitment
  - Target profile
    - The ideal candidate and the skills and attributes that appear to correlate with success
  - Attraction strategy
  - Focuses on the tactics you will use to attract qualified candidates to the position
  - Recruitment process
    - Frequency of routing
    - Sourcing assistance
    - External advertising
    - Outreach programs (Veterans, Underrepresented minorities, etc.)
    - Phone screen interviews
    - **Desired pay range and salary recommendations**

# Interview Recommendations

- Confirm target salary during interview process
  - What are you targeting for this opportunity?
- Discuss lateral transfer policy with internals
  - Staff member's wage/salary does not increase upon lateral transfer to a position of the same pay grade or salary range **unless it is determined, through analysis conducted by Human Resources, that equity considerations merit an increase in pay**
- Base salary conversations around equity and target hiring range
- Consult with Talent Acquisition

# Key Takeaways

- Northwestern's pay philosophy informs the creation of all pay programs
- Job descriptions help form the foundation of pay programs and enable us to identify relevant market data and perform objective market analysis
- Pay structures and ranges organize roles paid similarly in the external market
- Pay grade assignments are made by Compensation via a consistently applied objective process, and are driven by market data
- Salary ranges at NU are broad and overlap by design
- Determining pay is complex
  - Requires the balancing of many external and internal factors
  - Departmental factors play a role
  - Involves multiple parties participating in a consistently applied process

# Key Takeaways

- Collaborate with your TA partner to determine best process to receive hiring ranges
- Conduct intake conversations early to establish process and prepare for recruitment
- If you have a situation or question you do not know how to address, contact HR

*HR is always available to provide consultation, support, and guidance*

# Key Talking Points: Answers to Questions Staff May Ask You About Hiring Ranges

**Staff: Why are there two of the same positions in different schools posted at different hiring ranges?**

- **HR Rep/Manager:** While positions may have the same posting title and grade, the desired skill set for a qualified applicant can be different depending on departmental needs. The position might call for a more experienced candidate, resulting in a higher posted target range.

**Staff: There is an employee with the same job as me in another department making more money. Why?**

- **HR Rep/Manager:** Pay will not always be the same for staff in the same position. While I can't speak specifically about another employee, there are differences in skills, experience, and education of employees and candidates, as well as factors within departments that drive pay.

**Staff: Who determines my pay?**

- **HR Rep/Manager:** No one person determines an employee's pay. Central HR assigns grades, reviews University equity, and provides guidelines for setting pay rates. Local HR or leadership then make decisions on individual pay rates (and depending on department may include input from Managers).



# Resources

- **Updated Office of Human Resources / Compensation Website**
  - Recorded webinar of this presentation
  - Talking points (on previous slide)
  - Frequently asked questions
- **Compensation Team, Talent Acquisition, and HR Business Partners**

Questions?