

Is pay equity and/or reducing the wage gap for people of color, women, disabled folks, etc. a goal of this process?

Yes. This is always our goal, regardless of the compensation modernization initiative. This is a priority for the College and for Penn State. We conduct regular pay analyses to identify and address any pay disparities based on gender, race, or other demographic factors. Monitoring pay equity is a step in providing equal opportunities and fair treatment for all employees.

Would it not have been more cost effective, more equitable, and better for morale and retention to spend the resources used with comp mod on a cost-of-living increase for all staff?

No. Currently, within the United States, the number of job openings exceeds the number of new hires. It is vital for the success of Penn State that we be able to compete and attract the best talent possible. To do so, and to retain the talent we have currently, Penn State must make sure we can compete within the national market for talent. This is an important piece of compensation modernization that would not be resolved by a cost-of-living increase.

We have heard that no employee will receive a reduction in compensation as a result of comp mod, but considering that compensation is holistic, would a change in status from exempt to non-exempt not impact paid time off and benefits? Additionally, will new salary ranges limit future earnings?

No. A change in exemption status due to compensation modernization will not impact paid time off or other benefits. New salary ranges will not limit future earnings but rather will offer the opportunity for more growth.

Will any staff receive a salary increase as a result of comp mod? If so, what percentage?

Yes, some staff members will receive an increase in their salary. We are hopeful monies will be available to assist colleges in bringing employees who are paid below market values up to market value. It is possible these increases may have to be made in steps. There have not been conversations around "percentages."

Given inflation, even keeping salaries the same is ultimately a decrease in compensation. Can you explain how inflation was considered in this process?

There are many considerations when setting salaries. Inflation is a national issue that affects us all and is one of a multiple of factors to which compensation modernization must consider sensitively. Nationally, we are also dealing with a tight labor market where increased competition for workers puts upward pressures on salaries and our employees have other options within the current labor market.

We have also recently experienced changes to our medical benefits, with multiple staff reporting significant increases in prescription costs. Can we expect any changes to the cost of medical insurance and how has this factored into comp mod?

Our medical plans at Penn State remain the same as last year but pharmacy coverage changed. Highmark's pharmacy is Express Scripts whereas AETNA's pharmacy coverage was provided through CVS. What changed was the formulary between these two pharmacies. There will however be a slight increase in the cost of our medical benefit in the coming calendar year. More information to come on this as we get closer to our annual open enrollment process.

Please detail the process and steps by which positions were classified and leveled.

The Compensation Modernization process began in November 2020 (<https://www.psu.edu/news/administration/story/hr-modernizing-career-development-opportunities-and-compensation-systems/>). Through this process, there have been many articles published in *Penn State Today* updating the Penn State community on Compensation Modernization. There have been four validation steps of classification and leveling involving Penn State HR; our consultant, Segal; our college leadership team (Budget Administrators); and your supervisors if the Budget Administrator needed assistance.

We have heard from several managers that their feedback on was not solicited beyond requesting approval for the new job profiles. Please describe how manager input was incorporated into new job profiles and communications/processes with managers who did *not* approve of job profiles.

We provided data given to us from the University Compensation Modernization team to top level leaders in the college. For instance, the validations worksheets were shared with department heads and school directors. Similarly, the worksheets were shared with the directors of our non-academic units and administrative offices across the college. If they felt they needed assistance in the validation process, they were able to reach out to the supervisors who report through them.

What percentage of job profiles were appealed, and how many of those appeals were successful?

Less than 10% appealed. Of those appealed, 50% of the appeals have been successful. The appeal process included review of submitted materials by the College Review Committee and the Penn State Classification team.

How can staff appeal their job profiles if misaligned, and is there a deadline to do so?

Here is an outline of the steps.

- 1 - It is important for staff to involve their manager in the appeal. Staff and their manager should provide their most current JRW in addition to why they are appealing.
- 2 - Once this is done, the manager will take this information to the unit leader seeking their approval to move the appeal forward.
- 3 - If the unit leader agrees with the appeal, they forward all this information to the College HRSP and HRC.
4. These individuals will review the material and get back to the unit leader if they feel anything is missing that would be needed for the appeal to move forward.
- 5 - Once this is done, HRSP/HRC will move the appeal forward to the College Review Committee (CRC) for consideration.
6. After the CRC makes their recommendation, whether they agree with the appeal or not, they then move the appeal forward to Penn State Classification to determine if they agree or disagree with the CRC recommendation and why.
- 7 - The results of the Penn State Classification decision are then shared with the unit leader. The unit leader then has a conversation with the employee and manager/supervisor.

We will entertain appeals until such point we go live with Job Reviews. Each staff member may appeal once during this time. Detailed information will be released for job reviews in Compensation Modernization.

If new salary ranges are based upon the market value of job profiles, why has their release been divorced from the job profile release? The delayed release seems to indicate that the salary ranges are more aligned with PSU budgets than true market value.

The new Penn State job architecture is independent of salary ranges. Position responsibilities will not change based on a salary range. This part of the implementation process is focused on making sure all positions are properly mapped and aligned. It is important to keep in mind job profiles are about the position.

Where does the labor/work/time above 40 hours (if non-exempt) and/or beyond the job profile go? Will outputs and service levels change, and should that be reflected in revised goals and performance evaluation criteria? Will "that's not in my job profile," become an acceptable response when asked to perform work not explicitly detailed in the job profiles?

This is a question where I encourage the employee and their supervisor to have a conversation. If a non-exempt employee is required to work more than 40 hours in a workweek (Sunday – Saturday), these hours must be paid at the overtime rate or, the employee will need to flex their schedule during that week. Flexing of hours must take place in the

same week worked, it can not carry forward into the next week. This is federal law. If you find you have competing priorities, this is where a conversation between you and your supervisor becomes critical.

The Classification Review Committee includes the Dean and staff members who report directly or indirectly to the Dean. That seems inherently biased. Please explain how this is a fair committee structure. Further, what qualifies any staff members who do not work in HR - but are on the CRC - to classify positions? What were the roles and responsibilities of each committee member?

It was my decision in my colleges to create a review appeal team. This approach was endorsed by the dean in each of my colleges. This was done to make sure that more than just the HRSP was reviewing and making appeal decisions for the College. Each committee member is on an equal plane and has an equal voice in the review process; four of the five members are staff members.

According to a WPSU story (<https://radio.wpsu.org/2023-07-12/penn-state-faculty-administration-new-hr-system-hurting-employee-morale-compensation-modernization>), faculty are concerned about how comp mod is affecting employee morale. What do you plan to do to improve staff morale?

College leadership is always concerned about morale within the college. We also know any time there is significant change, whether in personnel or in college or university processes, it has the potential to impact morale. We will continue to explore ways in which we can assist in this matter. We also ask you to think about the part that you play in employee morale.

We have heard that comp mod provides more opportunity for promotion. Could you explain that further?

Promotional opportunities will be available as employees gain skills and can perform all functions at the higher level. More information will be coming out later this fall.

Which JRWs were reviewed during this process? Only the current JRWs or all JRWs a position might have had?

We used the JRWs that were reviewed by the staff member and their manager in the JRW system. When duties had changed since this set of JRWs were submitted, we used the most recent JRW submitted to us for these job reviews.

Were performance evaluations considered in this process?

No. Compensation Modernization looked at the positions to determine classification and alignment. Performance evaluations factor into merit increase process. Again, job profiles are about the position, its associated work, and minimum qualifications for that position and not the individual currently in the position.

What will motivate staff to grow and take on new responsibilities if they are not recognized in job profiles and compensated accordingly?

As staff continue to grow by taking on new responsibilities, they will be compensated accordingly. The philosophy behind the new compensation and classification program aims to provide both structure and flexibility. The new program will allow us to recognize those who take on additional responsibilities on either a temporary or permanent basis. It will also have new promotional opportunities while maintaining job reviews and transfer possibilities.

Which aspects of the JRW were most important when determining levels – scope, duties/responsibilities, education/experience required?

The position duties determine mapping in the new job architecture. Scope, supervision, fiscal responsibility, and problem solving determined alignment were used to determine level assignments. All are important.

How was the value of employee retention and the potential loss of institutional knowledge factored into comp mod? Does leadership understand that this may negatively impact the student experience?

This initiative is meant to address several challenges organizations across the nation are facing, including staff shortages and rapidly changing market data. Penn State believes having a new salary structure that is based on market data will assist us in recruiting and retaining top talent. It is important for us to make visible possible career paths and career progression opportunities for our staff. A compensation and classification program that can quickly respond to the changing market and needs of the University is paramount in retaining talent, so the loss of institutional knowledge remains low. Everything we do must compliment President Bendapudi's ABC's for success - **A**cademic preparedness for students; instilling a sense of **B**elonging for all members of the Penn State community; and, providing access and affordability by managing the **C**ost of education.

Via Zoom Chat:

Can Jerry explain why he will not meet with an employee about their concerns of their reclass (after a request more than once) when he wrote an email to the full A&A college on March 16 stating he welcomes to meet with any employee that has concerns? Please answer that, thank you.

Why do you think there are so many more appeals in the college of A&A?

Why did they choose to classify based on minimum?

I have seen so many people report that the job profile, based on minimum requirements are very under-represented (set lower than actual/needed). We know this will translate to salary ranges coming later.

When will the promotional process be made public?

When can we submit for a job review?

What if there is no job description that actually matches what you do?

Nobody will lose money. Will some people not receive a GSI this year? Or for several years?

On June 29th I asked to meet with you and my manager also asked and it was ignored.

How does the HRSP, HRC, FO, EA + Dean constitute a critically knowledgeable review group?

All those individuals report directly or indirectly to the dean, making the process inherently biased. No offense to those individuals.

If salary ranges are not part of the consideration yet, why is the budget administrator so critical to the review group?

Staff in your colleges are NOT comfortable.

So now you are saying you met with budget administrators?

Why didn't the A&A Comp Mod committee EVER at any time put out a communication college wide of the process and expectations?

How can you check to see the appeal status of your particular position?

Don't blame it on CALC

Or perhaps directly communicate with all employees directly!

Would a Town Hall be appropriate?

Yes, a town hall would be appropriate.

Thank you for clarifying the exempt vs non-exempt status change for benefits and vacation. However, how does that now affect the amount of time and duties someone may be required to put in if they went from exempt to non-exempt?

Will that person now be required to work overtime, after hours (after 5 pm), and do more than they may have had to previously, and vice versa?

The flexibility is much appreciated, but many roles are too busy to do that.

Still interested to know why there were so many more appeals in A&A than in College of Education and Nursing? Was a different process used to review JRW's to establish profiles/levels? Was a different team doing the review? Is the number of overall staff that different?

if a manager/director NEVER validated/approved an individual's reclassification/level in the HR system, did the A&A Comp Mod committee reach out to the manager/director to communicate and resolve issues in a timely manner or did the A&A Comp Mod committee just decide on their own the outcome without any communication/discussion?

what were the roles and responsibilities of each person on the A&A Comp Mod committee to determine the outcome of an individual's reclassification and level?-what areas did the committee weigh the most to determine level - JRW scope/level matrix vs. duties/responsibilities; education/degrees, years of experience, performance evaluations, etc.?

I understand that no one will lose compensation. Will some people not receive a GSI this year or for several years?

When you talked about compensation based on specific skillsets and the market (specific to nursing) and how that might make some people/positions more valuable than others - are those skills posted in the actual job? For instance, is there a job in nursing that specifically requires pediatric sexual assault certification? Or would their manager just know that an employee had that?

I'm confused as to why we have to wait for salary information until the Board of Trustees meet. Shouldn't the salary bands already be set and then the Board of Trustees would approve the GSI?

Everyone's questions overall seem to speak to the failure of the JRW review process. Why was the time not taken before the profiles were released to study/talk to those in individual roles rather than making blanket profiles and then forcing people to appeal for an updated profile that reflects the duties they already perform?

-which JRW was reviewed to determine an individual's classification level? (original date of hire JRW, 2021 JRW or latest/current online version JRW)

Where are the directions for the appeal process?

If one properly explains "what they do" at a basic but clear level of understanding, how is that aligned with levels, and how does years of experience influence the level chosen??