

# Utah Valley University Compensation Philosophy

*Approved by President's Council on February 13, 2014*

In order to fulfill its mission, Utah Valley University supports a total rewards program to attract, develop, retain, and reward a highly qualified and diverse workforce. Within the boundaries of financial feasibility and sustainability, UVU's compensation strategies must help the university:

- Provide wages, salaries and benefits which are competitive within appropriate labor markets
- Promote internal equity across diverse university functions
- Ensure consistency in meeting compliance requirements while remaining flexible in responding to internal and external workforce changes

## Compensation Objectives

To be competitive means:

- Across the University, base salaries will be determined considering median pay rates for comparable positions in defined university labor markets.
- Individual employee base salaries may exceed the median of the particular labor market in order to recognize exceptional recruiting and retention needs or for purposes of attracting and retaining employees in areas where the university is or aspires to be a market leader.
- Performance-based pay programs are primarily determined using judgment of merit guided by regular appraisal of individual work performance based on established standards.
- The comprehensive benefits program will provide key elements (leave, retirement, insurance, etc.) that are comparable within the university's labor market.

To promote internal equity means:

- Within the parameters of discipline, function, and individual effectiveness employees shall be paid similarly for comparable work free from discrimination other than meeting approved minimum position qualifications and the ability to satisfactorily perform the duties and responsibilities.
- Salary offers for selected candidates, both new hires and internal promotions, are established in recognition of the individual's skills and experience while considering the salaries of current employees within the same job classification.

To ensure consistency while remaining flexible means:

- Compensation is allocated in a manner that is compliant with university policy and all applicable legal requirements.
- Compensation plans, practices, and structures may be adjusted to address emerging trends in labor markets, the workforce, and the university and its units.

- Elements of the compensation program must be administratively and financially sustainable in an ever-changing environment.

## Compensation Administration

Administering compensation to reflect this philosophy and these objectives means:

- Unlawful discrimination in compensation is not practiced nor tolerated.
- Human Resources is responsible for providing central guidance and oversight for assuring that compensation practices are legal, consistent across the university, and financially responsible.
- On behalf of the university, Human Resources reviews salaries and benefits on a regular basis to assist leaders in understanding market trends, seeking appropriate compensation funding, making informed compensation decisions, and maintaining competitiveness within the market.
- Primary responsibility for determining salary offers rests with department/division leaders in consultation with Human Resources.
- Compensation increases shall focus on maintaining market alignment, supporting internal equity, retaining key personnel, and recognizing performance.
- Guidelines for annual compensation increases are developed by President's Cabinet in consultation with Human Resources and approved by the Board of Trustees. Annual salary and wage increases may be applied broadly (such as across-the-board), to specific employee classifications, and/or individually based on performance as determined by the department/division leader.
- While annual salary and wage increases are the primary way in which pay is adjusted, established variable pay programs and other off-cycle increases are implemented consistent with the university's overall compensation philosophy. Such programs and increases may be implemented to meet the needs and circumstances of individual departments.
- Human Resources provides benefits program information to employees. Employees are expected to be informed about their benefits, to make benefits choices wisely and timely, and to accept the implications of their individual choices.
- Benefit program changes consider the combination of employee contributions and university contributions in a way that supports mutual fiscal responsibility.
- Market considerations, fiscal stability, and/or regulatory demands may cause the university to change its compensation and benefits practices.
- The university values transparency in its compensation administration to the extent possible and invites and encourages the participation of employees through their respective shared governance bodies.