

InTouch

UNC Employee Forum News

Volume 2, Number 5 June 2001

Welcome New Delegates!

The Forum would like to welcome two new delegates: Lauren Mangili of division 7 and Edward Eldred of division 8. Diane O'Connor was promoted to first alternate in division 7 and Andrew Austin Manglione was promoted to first alternate in division 8. Congratulations!

Spring Community Meeting

The Forum held its spring community meeting Thursday, June 14 at 100 Hamilton Hall. Chancellor Moeser, Provost Shelton and Secretary of the Faculty Joe Ferrell all made brief presentations and fielded questions from an audience of over 200 people.

Most of the discussion centered on proposals to decentralize personnel and business practices from the State Personnel System. Moeser stressed the point that the current system leaves long-time Employees trapped at the top of their salary range. Moeser and Shelton thought that increasing the University's intake of grants, public-private partnerships and intellectual property licensing would create a larger pool of funds from which to increase Employee salaries. They pointed out that current State regulations do not commonly allow use of these revenue sources for the purpose of increasing staff salaries.

Moeser decried the requirement that bureaucrats in Raleigh set salaries and job requirements for specific University jobs. He also added that there are no plans to privatize or outsource any sector at the University to save money under this plan.

Employees raised their own questions about the plan's details. One Employee did not feel that the University was using its current flexibility to its full ability to help Employees. Others wondered about the equitability of a merit-based plan, particularly if the plan cannot fund cost of living increases. Moeser said that he backed a merit-based plan but would look at a system

InTouch: UNC Employee Forum News is published ten times per year and covers news from the Forum as well as questions and concerns from the Staff. This newsletter is compiled by the UNC Employee Forum Communications Committee and is edited by Suzan deSerres. If you would like to make general comments concerning the newsletter or help us identify specific issues or topics to be addressed, please direct them to Matt Banks at the Forum Office, or to Suzan deSerres, Chair of the Communications Committee (sdes@med.unc.edu).

with cost-of-living increases. Other Employees stressed the importance of retaining the State's system's protections for workers.

State legislators and observers believe that the Legislature will not approve the flexibility package this summer. Moeser thought that the Legislature would instead launch a study of the question next year. He pledged to involve staff members from the entire campus community, even dissenting Employees, to study the subject and provide recommendations.

From the Chair..... John Heuer
.....will return next month

POLICY RESPONSE

SPA SALARY MARKET ANALYSIS SURVEY

At the June 6 meeting of the Forum, Associate Vice Chancellor for Human Resources Laurie Charest described the results of the recent SPA salary market analysis survey for UNC and North Carolina State University, conducted by the Singer Group. We spoke with Charest about the survey and what it means for UNC Employees.

Why conduct a survey in the first place?

UNC and NCSU need a total rewards strategy that will allow the recruitment, motivation and retention of the "best and brightest" high performing Employees. Currently, both institutions have high turnover and high vacancy rates in a number of areas.

Which jobs did the survey study?

The project identified 79 benchmark jobs. These jobs include representative job titles from major occupational groups.

The survey compared compensation competitiveness, i.e. base pay and incentives, benefits, and work environment, with peer institutions across the country and local corporations. The study also used published labor surveys (Compbase USA, Summer 2000; Research Triangle Institute, 2000; Economic Research Institute Salary Assessor, January 2001) as a further source of data. The study emphasized matching job content rather than job title, and reviewed only average paid and ranges in published data.

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"We know where most of the creativity, the innovation, the stuff that drives productivity lies — in the minds of those closest to the work." - Jack Welch

Your Forum Delegates are here to help you. Please feel free to contact one of us or the Forum Office if you have comments, questions, or issues for discussion by the Employee Forum.

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SPA SALARY MARKET ANALYSIS SURVEY

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What were the major findings?

Generally, the percentage range spread of compensation is comparable. However, the relationship of actual salaries and ranges to market varies widely. Generally, non-exempt and trades positions are further behind than exempt positions. Also, compensation is further behind the local than the national market.

The Singer Group recommended that institutions consider line by line data study for individual positions, and consider structuring ranges to be competitive with the local market. The consultants also recommended using these findings to set priorities, such as creation of incentive pay structures. Charest said that the University's in-range salary adjustment program had made the campus somewhat more competitive with regard to average salary, but it was still falling farther behind range comparisons.

How do the University's competitors structure their pay systems?

Charest said that only one competitor studied offered automatic step increases, as per their union contract. Five respondents offer across the board increases, with four of these five also providing increases based on performance (average reported increase: 2.7%). Eleven respondents offer performance-based increases (average reported increase: 3.4+%). Broadband market based increases range up to 12%. UNC offers across the board career growth increases with occasional performance based increases.

How does UNC compare with regard to other types of incentives?

UNC allows for telecommuting, job sharing, and a compressed workweek, and provides on-site childcare, childcare subsidies, wellness programs, athletic tickets, and spousal relocation assistance. Only a fraction of respondents offered this package of incentives. However, the University cannot offer recruitment incentives based on State policy, and does not offer discretionary bonuses to information technology employees based on changes in job duties or to address pay equity or market needs. UNC also does not offer spot bonuses and other discretionary awards for exceptional performance. Finally, UNC does not offer mass transit or parking subsidies beyond free bus passes for those using park and ride.

Given national trends and difficulties in recruiting, the Singer Group recommended: actively promoting alternative work schedule options; offering individual, project, spot and discretionary in-

centives based on performance, special achievement and meeting milestones; offering recruitment and retention incentives; providing salary increases based on performance; funding performance increases on a regular basis; and increasing the number of tuition remission credits available to employees, while also providing this benefit to dependents within parameters.

What about retirement benefits?

Most competitors offer defined benefit plans with salary calculation for benefits based on the last 3 years of service. UNC salary calculation is based on the highest consecutive four years. Given the range, UNC's employee contribution is high at 6% of salary, and the Singer Group thought that this mandatory requirement might discourage recruitment. The Group recommended evaluating the cost of changing the pension formula to the highest or final three years of service. UNC also might want to offer a defined contribution plan to an optional retirement plan.

And how do we compare in health insurance benefits?

As you might imagine, rather poorly. Most competitors offer traditional indemnity, PPO and HMO plans, with part-time employees eligible at 20 hours a week. UNC offers traditional indemnity and HMO with part-time employees becoming eligible at 30 hours a week service. Employees working 20-30 hours a week must pay all of their own premiums.

UNC does do well regarding Employee-only coverage, paying 100% of coverage versus 88% for competitors. However, concerning family coverage, UNC ranks rock bottom, paying 41% of coverage versus 67% of paid coverage for competitors.

Most competitors pay full or partial benefits for dental, vision, and life insurance, whereas UNC's coverage in these areas is employee paid.

How do we compare in the area of tuition remission?

Of the eight respondents, on average competitors reimburse 9.9 hours a semester, with a range of 2-20 hours a semester. Some of these respondents have stipulations based on years of service and hours worked per week. Four of the eight respondents offer dependents tuition remission. UNC allows three credits a semester and no dependent eligibility.

So, what happens now with the data?

Human Resources officials will work to separate out the UNC-Chapel Hill and NCSU data, and will add turnover data to the mix. Officials will use the survey recommendations in discussions with the Office of State Personnel, with the strong possibility of pressing for a geographic pay differential to compensate for local market trends.

