

Resolution 18-02. Concerning Employee Compensation

RESOLUTION OF THE EMPLOYEE FORUM  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

[date]

WHEREAS the Mission of the Employee Forum is to address constructively the concerns of Employees of The University of North Carolina at Chapel Hill, including the representation of staff concerns to Chancellor Carol L. Folt and University officials, the University community, the General Administration, and the North Carolina General Assembly; and

WHEREAS, according to a February 2015 report by Economic Modeling Specialists International, the University of North Carolina at Chapel Hill (UNC-CH) and UNC Health Care Medical System contributed \$7.1 billion to North Carolina's economy in 2013<sup>1</sup>; and

WHEREAS, legislature-approved salary increases have failed to keep up with increases in the cost of living<sup>2</sup>; and

WHEREAS, the University of North Carolina System Office (SO) has undertaken several commendable initiatives, including the report "SHRA Career Banding Market Index Trends" by SO Human Resources (October 2017) and the UNC System Employee Workplace Engagement Survey; and

WHEREAS, the abovementioned report also reveals that 39-50% of UNC-CH's SHRA employees are compensated *below* market rate<sup>3</sup>; and

WHEREAS, UNC System Office Vice President for Human Resources Matt Brody requested the staff governance bodies on individual campuses to review and respond to report findings; and

WHEREAS, UNC-CH's Career Banding (CB) compensation and salary ranges for EHRA-non-faculty have not been systematically updated since 2008 or benchmarked to UNC-CH's peer institutions<sup>4</sup>; and

WHEREAS, the new CB rates effective July 1, 2017 for SHRA employees have not been systematically implemented to bring current SHRA employees' income into alignment with the new CB market rates; and

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<sup>1</sup>[http://www.northcarolina.edu/sites/default/files/documents/unc\\_aggregate\\_mainreport\\_1213\\_final\\_formatted2\\_date\\_d\\_feb2015.pdf](http://www.northcarolina.edu/sites/default/files/documents/unc_aggregate_mainreport_1213_final_formatted2_date_d_feb2015.pdf)

<sup>2</sup> See also Employee Forum Resolution 14-04 (<http://employeeforum.unc.edu/resolutions/resolution-14-04-2/>), which includes data about salary increases until 2013 and, from the State Office of Human Resources, the rate and cost of staff turnover, and Employee Forum Resolution 17-04 (<https://employeeforum.unc.edu/resolutions/resolution-17-04-2/>).

<sup>3</sup> <http://employeeforum.unc.edu/files/2017/10/20171025-UNC-SHRA-Market-Rate-Trends-Summary.pdf>

<sup>4</sup> <https://oira.unc.edu/strategic-planning/unc-system-defined-peer-group/>: UC-Berkeley, UCLA, UMd, UM, U of Minnesota-Twin Cities, U of Pittsburgh, UT-Austin, UVa, UW-Seattle, UW-Madison, Duke U, Johns Hopkins U, Northwestern U, U of Pennsylvania, U of Southern California.

WHEREAS, UNC-CH employees perceive that there is a high rate of staff turnover as colleagues leave in search of competitive salary/wages, benefits, and other workplace incentives (e.g., flexible workplace policies), and the current low rate of unemployment<sup>5</sup> creates a very competitive recruitment environment; and

WHEREAS, turnover is costly to the University, detrimental to its ability to fulfill its mission and to function efficiently and effectively, and negatively impacts faculty and students who rely upon staff support; and

WHEREAS, “The Blueprint for Next,” UNC-CH’s Strategic Framework, commits to the supporting theme that we “care how we treat one another, [and] provide for each other’s well-being”<sup>6</sup>; and

WHEREAS, individual units across the University are instituting pay philosophies to ensure that they offer fair and competitive compensation with the goal to attract, engage, and retain the best employees, including post-hire salary adjustments to bring employees’ salaries into alignment with external market rates<sup>7</sup>;

THEREFORE, BE IT RESOLVED that the Employee Forum, in its capacity as advisory to the Chancellor, respectfully recommends and requests that Chancellor Carol L. Folt or her designees direct UNC-CH’s Office of Human Resources to undertake a three phase project to bring UNC-CH into alignment with Systems Office efforts:

- I. **Phase One:** On the basis of the “SHRA Career Banding Market Index Trends,” units across the University will bring any SHRA employees who are below market rate into line with the new CB compensation guidelines by July 1, 2019.
- II. **Phase Two:** a task force charged by the Chancellor and comprised of HR representatives, Employee Forum delegates, and other staff to conduct its own longitudinal analysis of employees’ compensation, concluding no later than July 1, 2020. We request that the analysis include the following:
  1. Market analysis of career banding compensation rates for EHRA-non-faculty employees;
  2. Benchmarking of UNC-CH’s SHRA and EHRA total compensation, including non-financial benefits such as flexible work policies, to UNC-CH’s peer institutions and relevant industries, with adjustments for regional cost of living;

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<sup>5</sup> According to the Bureau of Labor Statistics, the national unemployment rate for January 2018 was 4.1% (<https://data.bls.gov/timeseries/LNS14000000>); North Carolina’s rate of unemployment, as of December 2017, was 4.5% (<https://www.bls.gov/web/laus/laumstrk.htm>).

<sup>6</sup> <https://bot.unc.edu/files/2017/01/Strategic-Framework-one-pager.pdf>

<sup>7</sup> See, for example, the Eshelman School of Pharmacy’s pay philosophy: <https://faopharmacy.unc.edu/files/2018/01/ESOP-pay-philosophy-1-30-18.pdf>.

3. Longitudinal comparison of total compensation packages of 2017 SHRA and EHRA employee salaries with 2008 salaries, adjusted for inflation and change in the value of the dollar;
4. Assessment of UNC-CH's rates of staff turn over (to both internal and external positions), where possible the reasons for that turn over, and the cost associated with turnover (e.g., cost of the unfilled position, cost of search in staff time and expenses, cost of onboarding and training);
5. Assessment of number of positions lost since 2007 (through attrition, lay-offs, or other means) and number of positions that have remained unfilled for 12 or more months; and
6. Evaluation of pay equity by gender and race within and across units.

III. **Phase Three:** On the basis of the updated EHRA CB (II.2), units across the the University will bring any EHRA employees who are below market rate into line with the new CB compensation guidelines by July 1, 2021.