

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 8 – H

DATE: December 7-8, 2022

SUBJECT

Non-Faculty Exempt Compensation Study

CONTROLLING STATUTE, RULE, OR POLICY

[BOR Policy 4:4](#) – Non-Faculty Exempt Employment Provisions

BACKGROUND / DISCUSSION

Following discussion from the Board at its March 2021 meeting, and subsequent recommendations from the SB55 Task Force, the board office issued an RFP for a consultant to conduct a compensation study and develop a uniform salary structure for Non-Faculty Exempt (NFE) positions. Segal was selected as the consultant to conduct the compensation study.

A system-wide human resources committee and the Board staff have been working with the Segal consultants on the compensation study since April 2022. To date, work has been underway in the following areas:

1. Development of a draft Total Rewards Philosophy;
2. Development of job families;
3. Draft development of position leveling guides;
4. Identification of benchmark positions;
5. Development of draft criterion used to evaluate positions; and,
6. Development of market peers based upon industry standards, taking into consideration position levels, job families, institution size and mission.

The project is broken into phases, and summary of the timeline is provided in Attachment II.

One of the key components for this project is the development of a Total Rewards Philosophy. Segal has collaborated with the team at SDBOR to develop the attached Total Rewards Philosophy that will serve as the foundation and guiding document for the way the Board of Regents and its institutions approach total rewards for employees. The vision statement is informed by the SDBOR mission and strategic plan, and establishes the foundation for the values SDBOR embraces as an employer.

(Continued)

DRAFT MOTION 20221207_8-H:

I move the Board adopt the Total Rewards Philosophy as outlined in Attachment I.

The overall philosophy then goes into more detail in key areas that emphasize the Board's need for a system that is fiscally responsible, market driven, and highlights that performance is a key consideration in compensation. While this compensation study's primary focus is to establish a market driven salary structure for non-faculty exempt employees, the Total Rewards Philosophy will be a guide for how SDBOR approaches total rewards across all employee types.

IMPACT AND RECOMMENDATION

The attached Total Rewards Philosophy is the foundation that will support the rest of the work being conducted as a part of the NFE compensation study. The staff ask that the Board adopt the SDBOR Total Rewards Philosophy.

ATTACHMENTS

Attachment I – SDBOR Total Rewards Philosophy

Attachment II – Project Timeline



South Dakota Board of Regents

Classification and Compensation Study

Total Rewards Philosophy

Draft for Review

June 2022

ATTACHMENT 1 3

Introduction

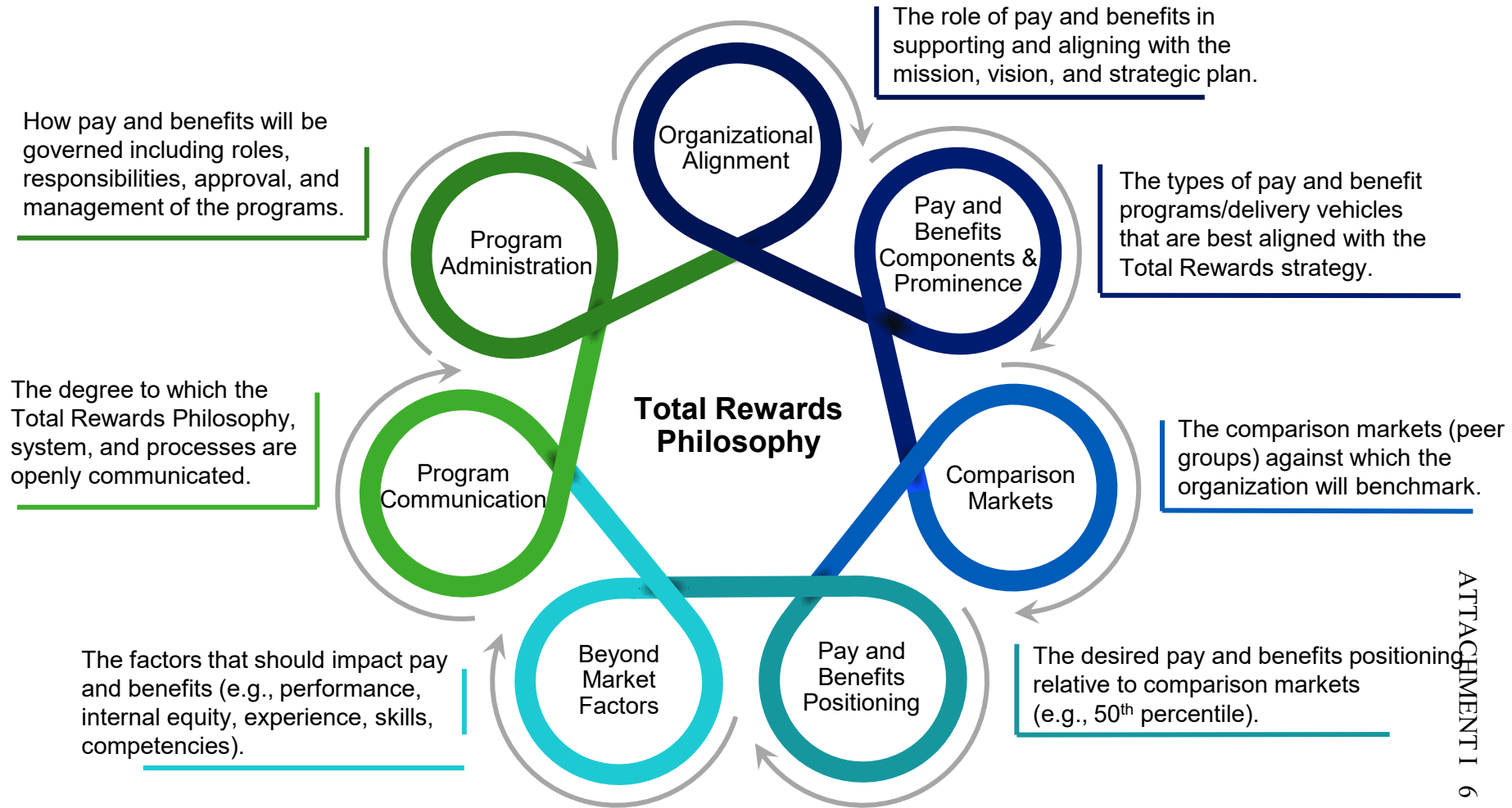
- SDBOR recently launched an in-depth staff compensation and classification study with Segal.
- The purpose of the study is to design a fair, equitable, and market-competitive classification and compensation program.
- An initial step of our study is to develop a total rewards philosophy that will be the foundational component of the future total rewards (compensation and benefits) program.

Rewards of Working at SDBOR



Compensation is just one element of why employees work at SDBOR.

Total Rewards Philosophy Framework



Total Rewards Philosophy Considerations



Aspirational, Yet Realistic Statements

Guides pay and benefits decisions and processes under a future state (after the conclusion of our project) and may not fully reflect current practices.

Continued Refinement Throughout Study

Evolving document that will be revisited throughout our engagement with SDBOR to ensure continued appropriateness.

Linkage to SDBOR's 2022 – 2027 Strategic Plan and Other HR Initiatives

Driven by SDBOR's Strategic Plan with strong ties to internal HR initiatives like employee retention/retainment, career development, performance management, and manager training.

Total Rewards Philosophy Vision Statement

SDBOR MISSION

STRATEGIC PLAN 2022-2027

TOTAL REWARDS PHILOSOPHY VISION STATEMENT

The Total Rewards Philosophy, driven by our mission and Strategic Plan, aims to ensure that SDBOR and its affiliated institutions, are desirable places to work, learn, and grow both professionally and personally for our employees. At heart, we are a community dedicated to the enrichment and advancement of educational opportunities within the State of South Dakota and beyond. Our culture is one that values collaboration, community, and openness with a focus on providing our employees with a competitive and balanced Total Rewards package. We strive to have a clear, transparent, understandable program that aligns with our values and principles, and adheres to the System's resources as well as federal, state, and local regulations.

ATTACHMENT 1 8

Total Rewards Philosophy

Details

Organizational Alignment

- Our Total Rewards Philosophy is driven by our mission, values, the 2022 – 2027 Strategic Plan, and our commitment to our employees. As a higher education system with six universities and two special-focus schools, it is critical that our compensation and benefit programs take into account the various differences in each of our institutions, but also allow for a desired level of consistency in key guiding principles around how we reward employees.
- We strive to have our compensation and benefit programs be:
 - Market competitive and internally equitable
 - Fiscally responsible
 - Sustainable
 - Accessible, easily understood, and clear
- The pay program aligns with defined frameworks around job levels and a holistic system-wide pay structure that contains pay ranges that reflect the external market.

Total Compensation Components & Prominence

- Base pay and benefits are the cornerstone of our compensation. Our varied benefit offerings include health, retirement, wellness, holidays, vacation, sick leave, and paid family leave, short- and long-term disability, educational benefits, and a variety of campus specific perks.
- Our competitive and diverse offerings help to support the attraction, retention, and ongoing engagement of our employees.

Comparison Markets

- Our labor markets for talent include both academic and non-academic employers, that reflect the appropriate industry, geography/location, academic programs, and organization size for the different roles and job levels at SDBOR.
- The defined markets are used for external market comparisons for our pay programs to determine their degree of competitiveness.
- SDBOR HR and Campus HR stakeholders will work with Senior Leaders to periodically review and refine these comparison markets to ensure continued appropriateness and relevance.

Pay and Benefits Positioning

- Our pay structures and ranges take into consideration external competitiveness, market shifts, and internal factors. We assign jobs to the structure based on the job's market rate with consideration for internal equity, the organizational structure, and reporting relationships.
- SDBOR targets pay and benefits to be at competitive market levels as a system but positioning against the market may vary based on role or employee due to an individual's skills, qualifications, experience, performance or how the role fits into the overall strategy and needs of the institutions. There may be specific unique positions that have a targeted pay position due to the nature of the role.

Total Rewards Strategy

Details continued

Beyond Market Factors

- SDBOR strives to provide its employees with professional development and career opportunities to promote continued growth in employee skills, knowledge, and expertise.
- Differences in pay may be due to both external market information as well as individual specific factors. This includes how employees perform against role expectations and the key attributes that they bring to the role, such as their specific skills, knowledge, experience, and willingness to collaborate and work with others, while maintaining professionalism and integrity.
- There may be specific, unique positions that may be paid above market levels due to their criticality and alignment to the mission, values, and strategic objectives of the institution.

Program Communication

- SDBOR is committed to being transparent around its compensation and benefits philosophy, the guiding principles, and policies. We offer resources, tools, and training to promote greater understanding and execution of our programs.
- We encourage employees and **supervisors** to have ongoing, regular conversations to ensure a shared, mutual understanding of the role expectations and performance objectives.

Pay Governance & Administration

- The Board of Regents, Council of Presidents & Superintendents, and Human Resources are responsible for developing, approving, and endorsing the Total Rewards Philosophy and Strategy.
- Human Resources administers and maintains the total rewards programs, which includes ongoing review, maintenance, and updates to policies, processes, tools, resources, and forms.

