These guidelines only apply to non-represented Manager and Senior Professional Staff (MSP), and Professional and Support Staff (PSS).

The Equity Program Guide is intended as an informational resource for supervisors and is not a directive.

Use these guidelines in conjunction with [University of California – Policy PPSM-30: Compensation]

Equity Program Guide 2020

Table of Contents

Purpose of UC Davis Equity Program

Provides consideration to salary administration problems resulting from:

- External labor market pressures
- Internal salary compaction
- Increased duties that do not warrant a reclassification
- Significant salary lag to comparable internal positions.

Equity Review Opportunities

The annual equity review process allows departments to consider equity issues holistically, reviewing all employees at the same time

On a more limited basis, off-cycle equity increases are intended to address immediate employee retention requirements.

Eligibility for UC Davis Equity Program

1. Non-represented, Manager and Senior Professional Staff (MSP) and Professional and Support Staff (PSS).
   NOT ELIGIBLE: Union represented staff.
2. Employee must be on active pay status.
3. Employee status is career, per diem or probationary.
   NOT ELIGIBLE: contract, limited and floater positions

Glossary of Terms

Equity Increase: a pay increase made to appropriately align an employee's base salary with the base salary of comparable internal and external employees.

Salary Compaction/Compression: occurs when the salaries of subordinate employees approach or exceed, the salary of their supervisor(s).

UC Davis Equity Program Annual Review: administered in January annually. Provides Schools, Colleges and Divisions the opportunity to holistically review salary equity of their non-represented MSP and PSS staff.

Off-Cycle Equity Review: occurs on a very limited basis, generally to address retention issues outside of the Equity Program Annual Review.

Career Tracks Classification System: is used systemwide to define jobs using consistent definitions of function, category and career level. This allows for accurate pay comparisons with other employers in relevant labor markets for comparable jobs. The Career Tracks classification system was implemented at UC Davis in December 2017.

Midpoint Compa-Ratio or Midpoint Comparative Ratio: is the measurement of an employee's salary compared to the midpoint of the salary range they occupy.

Position Description: describes the essential duties, responsibilities and supervisory relationships of a position. Specifically, a position description indicates the work performed and the minimum and preferred qualities required.

Guiding Criteria for Equity Increases*

Can help to determine if an equity increase is applicable where substantive salary differences are not explained by individual qualifications, type of experience, length of experience, performance or market.

- Difficulty retaining or recruiting staff in specific functions or with specialized skills, or due to competitive market salaries;
- Salary inequity between employees with comparable job responsibilities;
- Salary compression between supervisors and their employees
- Changes in assigned functions or work tasks that increase the scope and complexity of the position but do not elevate the position to a higher classification.

*Policy PPSM-30: Compensation Section III.B.3.c.

Annual Equity Review Process: Assessing Salary Equity

In partnership with Compensation Services, managers and HR Business Partners support salary equity by continuously working toward fair and consistent compensation practices for all compensation actions. The Annual Equity Review Program is an additional review opportunity to assess for salary equity.

HR Business Partners and Managers

- Compare the salaries of individuals in comparable job titles to identify outliers.
- Look for substantive salary differences:
  - Among title codes within the applicable college, school or division
  - When the salary difference is not explained by individual qualifications, type of experience, length of experience, performance or market.

In general, 10% difference in salary is a good starting point to determine substantive salary differences.

Update Position Descriptions to Identify Changes in Assigned Functions

There may be situations where changes in the assigned functions of a position should be reviewed for an equity adjustment.

HR Partners and Managers are asked to update position descriptions by highlighting changes in assigned functions that increase the scope and complexity of the position, but do not elevate the position to a higher classification. The updated position should be submitted to Compensation Services by the due date. Please refer to Scenario 5, page 8, for details.

NOTE: Approved equity adjustments will be effective Jan. 1, 2020.

Equity Workbook Distribution

Begins week of Dec. 9

- **Davis Campus** to HR Partners/Managers by applicable school, college or division.
- **UC Davis Health** to offices of applicable senior executives for hospital and department managers.

The workbooks will be populated with employee data, including:

- Employee Name
- Hire Date
- School, College or Division
- Job Family
- Job Function
- Title Code
- Career Tracks Title
- Employee Salary
- Salary Range Information: Minimum, 1st Quartile, Midpoint, 3rd Quartile

Completing Equity Workbook

Return Workbooks by Jan. 17, 2020

HR Partner/Manager will need to complete these fields:

- Reason for equity request (as defined by PPSM 30-Compensation)
- Proposed Increase
- Comments

Final Review of Equity Workbook

Compensation Services will review all information submitted in the workbooks and either:

- Approve recommended equity adjustment as-is.
- Request further information.
- Suggest a revised equity adjustment.

Appendix: Scenarios

Scenario 1: Different Positions Occupying Same Salary Grade

In some situations, implementation of the Career Tracks classification system has resulted in different positions occupying the same salary grades, whereas formerly these different positions had also occupied different salary grades. For example, former Analyst 1 and Analyst 2 positions now occupy P2-Salary Grade 18.

Recommendation: Look for groupings of staff under the same position description and see if there are outliers. For example, former Analyst 1 positions may be grouped in Quartile 1 of P2, and former Analyst 2 positions may be grouped closer to midpoint of P2. Where you see outliers, apply against Guiding Criteria for Equity Increases.

Scenario 2: Supervisor Compaction/Compression

The outcome of the collective bargaining process provides salary increases for represented staff, which results in salary compaction between the staff and their immediate supervisor.

Recommendation: Depending upon an employee's experience and skillset, it may not be unreasonable for an employee's salary to meet or exceed their supervisor's salary. However, an equity increase may be applicable if salary differences between a supervisor and their employee have been substantively reduced over time, due to collective agreement salary increases only. In general, an approximate 5% salary differential may be used as a threshold to identify salary compaction.

Scenario 3: New Hire Salary Exceeds Current Employees' Salary

A department hires an external candidate at a higher salary than what existing employees are making in comparable positions.

This assessment is best done at the time of Equity Program Annual Review, which allows departments to consider staff equity holistically. That said, once the hire has occurred, take some time to assess for any equity implications. It is not necessary to make an immediate adjustment.

1. Determine type, quality and quantity of related experience of both new hire and existing staff. 'Time in title' is just one factor of an overall determination
2. Determine how substantive the differential is. You are assessing non-represented staff in a large, diverse and complex organization that operates in a pay-for-performance environment. Accordingly, employee salaries will not be exactly the same. Look for outliers and then apply against Guiding Criteria for Equity Increases.

Scenario 4: Difficulty Retaining or Recruiting Staff Due to Specialized Skills or High-Demand Market

Market fluctuations and industry changes can impact a department's ability to recruit and/or retain staff due to increased external competition for certain skillsets.

Review historical trends on vacancy rates, meet with your Talent Acquisition Partner about how to attract better candidate pools, and discuss with your HR Business Partner the market salary indicators for this position. Once confirmed, please request a consultation with HR Compensation to discuss an equity increase that may help to alleviate this difficulty.

Scenario 5: A Position is Assigned Increased Duties that Do Not Warrant Reclassification

Duties and responsibilities for a position may change because of changes in a department's organizational structure and/or business requirements.

Recommendation: The position description should be updated to reflect the change in duties and responsibilities. Where the HR Partner/Manager determines the changes may be a substantive increase from previous duties and responsibilities, the updated position description – with changes tracked – should be submitted as part of the Annual Equity Program to request an equity adjustment.

Please submit positions descriptions to either Campus (through PeopleAdmin) or Health (attach to Workbook) for classification review.

Compensation Services will review and provide assessment as to whether an equity adjustment is appropriate.