The compensation work team submitted this additional document to address several questions which came up in the course of the campus engagement.

1. **Will all employees receive compensation based on performance?**
   
   A: The Compensation Team discussed this and believes that performance should be one factor in compensation whenever possible. There may be certain jobs where employees have so little discretion over how their job is performed – they either do the job as expected or they do not – that there are few opportunities to perform above and beyond the job expectations. In these cases, performance-based compensation may not be appropriate. There may also be cases where performance-based pay may more appropriately be applied on a team basis.

2. **Q:** Is the Team recommending all pay increases be based on performance?

   A: No. The Team believes it can be appropriate for certain employee categories to receive across-the-board increases based on indices such as Cost of Living or Cost of Labor, in order to reflect changes in the broader economy and labor markets. Performance-based pay would be in addition to these.

3. **Q:** Where will the money come from for both across-the-board and performance-based pay raises? We haven’t had even a minimal raise for several years.

   A: Our Team’s instructions were to develop our recommendations based on our best thinking about how compensation should be administered at UW. We recognize that increases of any kind have been a challenge in the past few years and may continue to be in the future. Our recommendations were developed without making assumptions about the future funding environment.

4. **Q:** What happens if my supervisor doesn’t really understand my job and I don’t believe he/she is capable of performing a fair evaluation of my performance?

   A: The Team recognizes that this can occur. We believe the performance evaluation system must include comprehensive training for supervisors on how to fairly evaluate their employees, including those whose work they may be less familiar with. Oversight of the performance management system will be required. We have also discussed the advantages of performance evaluation methods that solicit multiple perspectives, including from peers, customers and subordinates. This is within the scope of the Performance Management Team.

5. **Q:** My supervisor plays favorites and I don’t trust him/her to be objective in evaluating my performance.

   A: Again, the Team believes that comprehensive training of supervisors in how to perform evaluations is a critical first step before implementation. Performance evaluation tools that support objective evaluations will also be needed. However, we recognize there is no guarantee that some supervisors’ ratings of employees will not be influenced by personal biases. As stated above, performance-based pay may not apply in all cases.
6. **Q:** Will there be an appeal process for employees who believe their performance evaluation was unfair?

**A:** The Compensation Team did not specifically address this question, which would be more appropriate for the Performance Management Team. The Team did recognize that, for compensation adjustments based on performance evaluations an oversight structure be established (see recommendation #6, page 10 of report).

7. **Q:** Will anyone receive a pay reduction as a result of a poor performance evaluation?

**A:** The Team is not recommending pay reductions for employees whose job performance is rated as poor. Other steps may be recommended by other teams to address performance issues.

8. **Q:** Will time in position by itself be the basis for a pay increase? For example, after a certain milestone like 10 years, will employees automatically get an increase?

**A:** The Team has not made a recommendation specific to time in position. However, experience in a position often leads to improved performance in the position, which could be a basis for a performance-based pay increase.

9. **Q:** Can you give some examples of time limited adjustments?

**A:** There are several different categories of increases. Examples may include, but are not necessarily limited to:

- Additional responsibilities that have a limited life where the increase will continue until the additional responsibilities end or the employee moves to a different shift.
  - Overload
  - Shift differentials, or
  - Additional administrative duties,
- In other cases, there may be a one-time payment in recognition of a specific achievement, such as leading a successful project or receiving a prestigious award.

10. **Q:** Will achieving an educational milestone or certification automatically trigger a pay increase?

**A:** While it may not automatically trigger a pay increase, the Team believes that milestones such as these, if they are clearly relevant to the job, could be a basis for a pay increase; for example, a journey accountant obtaining CPA credentials.

11. **Q:** What do you mean by performance-based pay that increases the employee’s base pay?

**A:** These increases would remain in place permanently and be part of the employee’s baseline pay as future increases are determined. They recognize a high level of overall job performance rather than a specific achievement or an overload situation.

12. **Q:** What is meant by the term “market” in reference to determining pay ranges?

**A:** “Market” refers to the set of alternate employers who hire similar employees for similar positions. One might think of “market” as those employers who might recruit current employees away from the UW, or who would compete with UW for prospective employees. The market will differ for different positions. In many cases, “market” will be other private sector, public sector and non-profit organizations within reasonable commuting distance from Madison. In other cases, the relevant market may be regional, national or international.
13. Q: Who will determine the market for a specific position?
   A: The Team is recommending the UW establish a professional market analysis function for
determining the appropriate markets and for researching pay for comparable positions within
those markets. It is recommended market be defined with input from personnel currently
holding similar positions at the university.

14. Q: How often will market evaluations be performed?
   A: We recommend the market analysis function establish a schedule to ensure all positions are
evaluated on a regular basis. In addition, it may perform a more frequent analysis when there is
evidence that market pay ranges have changed for a particular job or job family.

15. Q: Will employees be able to see the market analysis for their jobs?
   A: The Team did not specifically discuss how much information would be shared about the market
analysis, yet recommends as much transparency as practical.

16. Q: What recourse will I have if I feel my job is not compared to the appropriate market?
   A: The Team did not identify a specific process for this. A mechanism is advised be in place for
reevaluation of the market pay range outside of the regular schedule referenced above.

17. Q: What will happen if the market for my job is changing rapidly?
   A: Again, the Team recommends that the new market analysis function create a mechanism for
reevaluating jobs more frequently than the regular schedule when there is evidence the market
has changed.

18. Q: What will happen if the market analysis function evaluates my job and determines that I am
currently paid above the high end of the market range?
   A: We recommend that employees who continue to perform in their current jobs do not receive a
decrease in pay, regardless of the market analysis. However, the potential for future increases
would be limited for employees in this situation.

19. Q: What will happen if the market analysis function evaluates my job and determines that I am
currently paid below the low end of the market range?
   A: The Team recommends that employees in this situation have their pay adjusted to the minimum
of the range.

20. Q: Will we be allowed to hire new employees above the minimum of the pay range for the job?
   A: Yes. The Team believes that attracting the best candidates requires the capability to hire a new
employee above the minimum. The decision on starting pay is expected to be based on factors
such as education, experience, credentials, the candidate’s perceived potential, and others.

21. Q: Will every job have a unique range or will there be a finite set of ranges that jobs are slotted
    into?
   A: The Team is not recommending a specific number of ranges. This depends to some extent on the
recommendations of the Categories and Titling Teams.
22. Q: How large will the ranges be?
   A: The Team has not recommended any specifics regarding the breadth of ranges. We would expect that ranges will be sufficiently broad to allow for increases for an employee whose job remains in one range over a period of years.

23. Q: Will the market analysis function take the value of our benefits and working conditions into account when setting pay ranges?
   A: Yes. The Team believes that the entire compensation package should be compared with the market.

24. Q: Will the recommended system create and maintain parity between UW divisions with differing funding? Will “richer” units be able to pay more than “poorer” units for employees performing equally well in comparable jobs?
   A: As long as all the employees have accurate job descriptions, their jobs are in the appropriate range based on market analysis, and their base pay is within that range, it will still be possible for one division’s average compensation to exceed another division’s. All divisions would be expected to pay employees within their jobs’ ranges.

25. Q: Will any employees ever be paid at greater than the market range?
   A: The Team recognizes there may be exceptional circumstances where a position is paid above the established range for the particular job, and that there needs to be a process for these situations. However, the Team believes the market-based system described in our report should greatly reduce the number of instances where payment above the range maximum would be justified.

26. Q: Is the Team aware that some of your recommendations could require changes to Wisconsin statutes?
   A: Yes. Our instructions allowed us to propose compensation strategies that would not be allowable under current law. We recognize that UW can request changes to statutes, yet they may not be approved.