Update on Policy Review Project

January 18, 2007

University of California Board of Regents
In May, 2006, The Regents requested that:

- "all compensation policies and procedures be examined, a new comprehensive framework created, and new policies and procedures developed;" and,

- an external consultant be retained to assist in preparing the overall framework and individual policies and procedures:

A Request for Proposal was distributed in July, 2006

Mercer Human Resource Consulting was selected as the consultant for the project in November, 2006
Objectives

• Clarify the governance structure for compensation and related policies to reflect the proper roles of various entities and develop a framework for policy management

• Articulate UC’s compensation philosophy and revise compensation policies to more closely align them with that philosophy and to ensure clarity and transparency

• Develop mechanisms for compensation policy implementation, monitoring, reporting, disclosure, compliance, and enforcement

• Facilitate consistent policy compliance across UC
Desired Results

Policies and practices that:

• Ensure transparency and provide for monitoring and compliance
• Are clear and understandable and can be consistently implemented at multiple locations
• Enable competitive, fair and reasonable compensation
• Compare favorably to the best practices of UC’s peer groups
• Reflect UC’s system-wide philosophies while providing flexibility to meet local needs
Project Overview

UC Mission:
Teaching
Research
Public Service

External Environment
- Public Perception
- Regulations
- Labor Market Practices
- Legislative Expectations

Internal Environment
- Existing Policies
- Workforce Characteristics
- UC Organization & Operating Style
- Shared Governance

Transparency & Accountability

People Strategies

Guiding Principles

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Project Structure

Guiding Principles

Integrated Work Streams

Policy Framework

Governance

Policy Infrastructure

Policy Content

Policy Review & Implementation

Change Management

Project Management

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Policy Framework
For Compensation & Related Policies

• The Policy Framework is comprised of two key elements
  - The Governance Structure under which compensation and related policies are initiated, reviewed and approved
  - The Policy Infrastructure that ensures consistent format and clarity, universal access to current policies, and ongoing review and revision
Governance
For Compensation & Related Policies

• Assess the existing governance structure and decision making authorities through interviews at UCOP and designated locations

• Create guiding principles for, and then develop, the future governance structure and decision making authorities
Governance
For Compensation & Related Policies

- Review, obtain input on, and validate the proposed decision making authorities with the appropriate UC constituencies

- Develop a roles and responsibilities model to support the approved decision making authorities

- Design, recommend, obtain Regents approval on, and implement a governance monitoring and reporting protocol

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Policy Infrastructure

• Create a process for reviewing and rewriting UC compensation & related policies under the governance structure
• Identify core characteristics of UC policies and create a standardized policy template
• Develop a process for ongoing review and updating of UC policies
• Identify a knowledge management solution (searchable policy database) to facilitate access and consistent application
Policy Content

• Inventory and catalogue current compensation & related policies, and actual practices
• Prioritize policy reviews
• Benchmark UC policies vis-à-vis comparator organizations as needed
• Facilitate review of policies by stakeholder groups
• Develop recommendations to retain or refine existing policies, or add new policies
Change Management

- Identify key stakeholders, involve them, and keep them informed
- Leverage communication to promote consistency
- Evaluate training needed to successfully implement the new Policy Framework
- Help create conditions for policy compliance throughout UC
Initial Project Steps

Policy Framework
- Develop Guiding Principles
- Develop Governance Structure*
- Create Decision Authorities & Execution Matrices
- Approve Decision Authorities & Execution Matrices
- Test New Governance Process

Policy Review & Implementation
- Collect Policy & Practice Data
- Create Complete Policy Taxonomy
- Prioritize Policies for Review
- Benchmark Policies as needed and Make Recommendations
- Launch Policy Review Process

Communication
Change Management

Project Management

Mercer Human Resource Consulting

* Governance for Compensation & Related Policies
**Timeline**

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* Regents meeting months are noted in gray
** Governance for compensation & related policies
*** Clean up work only - most work will be completed in 2007