The JHU Report on Staff Pay Equity **Prepared by Human Resources** April 2024





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Introduction

Johns Hopkins University (JHU) is committed to being an employer of choice and places strong emphasis on continuously enhancing current programs and practices across the university. This commitment is rooted in the recognition that our people are our most critical resource, and their contributions are essential to our success in fulfilling our tripartite mission of education, research, and service. As pledged in *The Second JHU Roadmap on Diversity, Equity, and Inclusion*, this inaugural *JHU Report on Staff Pay Equity* provides transparency and insight into the university's ongoing efforts to apply a rigorous, data-driven, supportive, and programmatic approach to ensuring equal pay for equal work for all staff at JHU.

While this report marks the first published summary of initiatives on staff pay equity, the university's internal practices to ensure pay equity are well established and have been a priority for many years. Regular reviews are seamlessly integrated and embedded into standard Human Resources (HR) processes, ensuring a thorough evaluation of pay equity during internal promotions and external hiring actions throughout the year. HR's overarching focus has been on achieving parity by job title, backed by a commitment to maintain a consistent approach in addressing any identified pay misalignments. These efforts involve significant investments in pay adjustments based on external benchmarking data, along with ongoing reviews across the divisions. Between 2019 and 2022, pay equity investments across the university included:

- merit pool increases for staff in all divisions
- a nearly 300% increase in overall staff salary adjustments
- a total of \$28.6 million in salary increases for more than 6,500 staff

This report provides summary details related to the university's pay equity management efforts for staff and senior staff employees (referenced as "staff" throughout this report) over calendar years 2019 through 2022. The report does not include details related to bargaining unit (BU) employees, executive leadership, or faculty. Information is also included about broader programmatic highlights, such as the ongoing Career Architecture Project and the creation of the Center for Staff Life Design.

In this report, the following terms are used:

Pay Equity	Also known as equal pay for equal work, "pay equity" is the principle of ensuring that employees receive fair compensation for performing similar work, regardless of their gender, race, ethnicity, or any other non-job-related characteristics.
Internal Pay Equity	"Internal pay equity" is assessed by examining employees' compensation based on job characteristics, including position, job title, and experience. Internal pay equity is the focus of this inaugural JHU Report on Staff Pay Equity.
Market- Based Pay	"Market-based pay" focuses on paying competitively in comparison to our external local labor markets and our higher education peer group. Market-based pay is a consideration in new hire salary offers, promotional adjustments, and broader benchmarking reviews conducted by Human Resources.



JHU Efforts to Support and Ensure Staff Pay Equity

JHU is committed to equal opportunity. To that end, the university does not discriminate on the basis of sex, gender, marital status, pregnancy, race, color, ethnicity, national origin, age, disability, religion, sexual orientation, gender identity or expression, veteran status, military status, immigration status, or other legally protected characteristics. The importance of pay equity at JHU goes beyond compliance with state and federal employment regulations; ensuring fair compensation is an essential aspect of creating a stronger culture of belonging.

The university is actively involved in four major initiatives designed to create enhanced employment experiences and foster career growth opportunities across the JHU enterprise:

- Career Architecture
- Broadening Job Qualifications
- Pay Transparency
- Pay Equity Reviews

These endeavors build on current practices aimed at ensuring pay equity and will provide an even greater foundation for supporting staff at the university.

Career Architecture

Launched in late 2022, the Career Architecture project is a comprehensive initiative to simplify JHU's job structure and provide transparent guidance to employees who are interested in career advancement across the university. Clearly defined career paths for each job family will provide employees with a roadmap to navigate their skills development and career growth options.

This multiyear project focuses on the creation of a new job family framework, with simplified job levels, aligned competencies, minimum qualifications, and standardized job descriptions, along with a market-based pay structure. New user-friendly technology will further support each employee with understanding the skills and experience required for professional advancement. The structural changes involved with this project will also enable central and divisional Human Resources to perform more proactive pay equity reviews by job family and job title at the departmental, divisional, and universitywide levels on a regular basis.

Broadening Job Qualifications

Human Resources has undertaken an initiative to eliminate degree requirements for staff positions, where possible. These minimum qualification changes across the university are focused on expanding hiring and advancement opportunities by taking into account relevant work experience for non-degree-holding candidates. In situations where a position previously listed a mandatory bachelor's degree as the minimum qualification, four years of related experience will substitute for that degree requirement, unless there's a true operational or academic reason that the degree is needed. This same approach applies for positions where a master's degree was previously considered mandatory. Whenever possible, advanced degrees



will be indicated as preferred, not required, on job postings and job descriptions. The expansion of this work will continue as a key step in our Career Architecture project. As mentioned above, the new job family framework will include updated and consistent minimum qualifications.

Pay Transparency

The university has implemented new pay transparency practices by including a hiring range and targeted salary within all new staff job postings. During the recruitment process, candidates are not asked to disclose salary history details to ensure the university complies with requirements related to appropriately establishing pay for new hires.

This important change is focused on overcoming historical salary compression in the ongoing process of determining pay. These efforts align with state laws, including Maryland's Equal Pay for Equal Work Act, with the overall goal of eliminating disparities in compensation and promoting fairness throughout the employment process. While divisions and departments have some flexibility in establishing starting salaries for new hires, all salary offers above the range midpoint require review by the Compensation team in central Human Resources (HR Compensation) to ensure that internal pay equity is considered.

Pay Equity Reviews

A critical priority for the university is to ensure both internal pay equity and market-based pay. This dual focus is instrumental in establishing a workplace that not only attracts and retains the best talent but also positions Johns Hopkins University as an employer of choice. Every staff and senior staff position across JHU is associated with a specific salary range within the compensation framework. Individual employee pay is determined by relevant experience, along with the scope and complexity of the role. While some variation in pay among employees with the same job title is acceptable and reflective of differences in experience, performance, or specialized job duties, the overall objective remains to establish fairness and equity in compensation practices. In addition, there may be differences in pay for similar jobs in different JHU divisions based on factors such as budget availability and funding sources (e.g., sponsored research limitations). Even with salaries that are funded by grants it is still important to maintain equity between jobs that are at the same level, scope, and complexity among employees with similar experience and performance. This is a federal compliance requirement JHU follows when making pay decisions.

JHU conducts pay equity reviews on a continuous and ongoing basis, following a rigorous and programmatic approach to reviewing pay and addressing disparities. Divisional and departmental HR business partners and finance staff work with HR Compensation to regularly review staff compensation and plan how available funds will be directed to make adjustments. HR Compensation also utilizes external salary benchmark data, providing valuable insights into industry standards and compensation practices beyond the university. This benchmarking serves as a guide to ensure that JHU's compensation is competitive and appropriate in the larger employment landscape.



Pay Equity Reviews and Investments at JHU

Through the collaborative efforts of divisional and departmental HR business partners and HR Compensation, over 2,000 reviews of pay equity and job level occur annually for JHU staff. These individual reviews are done to evaluate position level, title, and pay. When an employee's job duties have changed significantly, they may be eligible for a position reclassification with a related salary increase. There are other instances when the changes to an employee's job are not to the extent that warrants a promotion, but they may be eligible to receive an in-range salary adjustment or a market/internal pay equity adjustment. Those recommendations from HR Compensation are guided by reviews of both internal pay for comparable positions and external market data.

Based on the volatility of the external labor market coming out of the COVID-19 pandemic, salaries and inflation have shifted significantly since 2020. At times like this, market pressures become a significant added internal pay equity challenge – because it may cost more to retain our outstanding staff or to bring in a new employee. Over the past two years, Human Resources has leaned in to address this challenge, partnering with Finance to make needed pay adjustments and to better align our salary increase budgets with those of the external market.

To inform these decisions, HR Compensation participates in over 25 external salary surveys each year and uses the data from those surveys for benchmarking, planning, and forecasting JHU salaries. These benchmark surveys represent a diversified mix of higher education data (i.e., the Ivy Plus Compensation Survey and EduComp Compensation Survey conducted by Western Management Group), along with broader general industry surveys (e.g., Mercer Benchmark Database, Payscale Compensation Survey) and custom surveys that focus on specialty areas (e.g., Allied Health Staff Compensation Survey, Compensation Survey for Development Positions).

In addition, coming out of the pandemic in 2022, JHU conducted an industry-standard study of internal pay equity across our nonunionized staff and made pay adjustments as needed. This internal pay equity analysis examined the full-time equivalent annual salary for active staff members as of September 1, 2022, and measured the difference in pay between groups of staff by gender, race, and ethnicity after accounting for differences in jobs, years at JHU, and years of related experience. Additional equity adjustments were made based on this 2022 analysis, resulting in pay equity across race, ethnicity, and gender, and we are committed to ensuring pay equity remains at JHU moving forward.

This work goes hand in hand with ongoing efforts to compliantly increase the diversity of the JHU workforce along many dimensions and at all levels of the institution in partnership with the Office of Diversity and Inclusion. Since 2017, the university has published a biannual JHU Report on Staff Composition, which provides a snapshot of staff job titles by gender and race/ethnicity, grouped by the same Equal Employment Opportunity (EEO) job categories that are used in this report. These EEO job categories are the standardized groupings (by skills and training) that the Equal Employment Opportunity Commission (EEOC) uses for gathering compliance data from employers. In the future, Human Resources will publish the JHU Report



on Staff Pay Equity on the same schedule as the JHU Report on Staff Composition, to further align these two related universitywide priorities. We anticipate the next pay equity report will be published in 2025, with updated data through 2024.



Equity and Market Adjustment Details

As a result of our combined focus on pay equity and market competitiveness, over four calendar years (2019 through 2022), more than 6,500 JHU staff have received a combined total of \$28.6 million in internal equity and market-related salary increases. Nearly two-thirds of those adjustments (\$18.2 million) occurred in calendar year 2022.

\$20 \$15 \$10 \$5 \$0 \$3.3 \$1.5 \$5.6 \$2019 \$2020 \$2021 \$2022

Figure 1: JHU Staff Equity and Market Adjustments, Calendar Years 2019 - 2022¹

Internal pay equity and market-based pay reviews are performed by HR Compensation and are focused on ensuring equitable pay among similarly situated staff. The standard measures of similarly situated staff across the university include:

- years of experience
- size/scope of positions, including areas of oversight
- supervisory responsibilities, budget, or operational accountability
- complexity of positions
- specialized technical requirements
- geographic location
- external market benchmarking, where appropriate and available

Based on a review of all these measures, staff who were identified as having equity issues had their pay adjusted. The counts of staff who received equity/market pay increases in calendar years 2019-2022 are listed in <u>Figure 2</u> by EEO job category, along with the overall percentage increase for those staff members.

While the EEO job categories are broad groupings that include many job titles, these classifications are a standardized way that JHU organizes large amounts of staff data in alignment with federal compliance reporting requirements. The following general descriptions

¹ This table includes compensation adjustments for full-time staff, part-time staff, casual/limited staff, and senior staff positions. The table does not include bargaining unit or non-classified staff.



explain the EEO categories used by Human Resources:

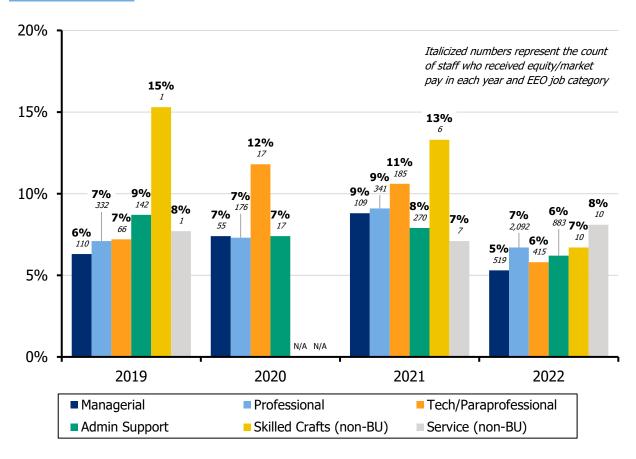
- **Managerial:** positions that generally involve direct supervisory oversight responsibilities (e.g., supervisors, managers, senior managers, and directors)
- Professional: positions that generally require advanced knowledge and education (e.g., nurses, accountants, analysts, engineers)
- Technical/Paraprofessional: positions that require some technical knowledge, which can often be learned through vocational or other training programs (e.g., LPNs, EKG technicians, instructional technologists, laboratory coordinators)
- Administrative Support: positions that are responsible for supporting administrative and clerical duties (e.g., administrative assistants, special events assistants, research program assistants, library specialists, budget specialists, HR coordinators)
- **Skilled Crafts:** positions that require specialty training to perform a specific job (e.g., non-BU examples include shop supervisors, HVAC technicians, stationary engineers)
- **Service:** positions with service-oriented responsibilities of an operational nature that may require formal training or related work experience (e.g., custodial services leads, facilities operations administrators, grounds supervisors, security officers)

The chart below shows the average equity/market adjustment for affected staff by EEO category for 2019 to 2022. Note that the percentage increases apply only to those staff who received salary adjustments and not for all staff in that EEO category. ²

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² BU members were not included in these reviews, as they have a collective bargaining agreement that establishes standardized pay. Most of the Skilled Crafts and Service positions are BU employees. As a result, the pay increase activity for those EEO categories may be smaller than that of other employee groups.

Figure 2: Salary Impact for Staff Who Received Equity and Market Adjustments, Calendar Years 2019 – 2022³



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³ Pay equity details for JHU's peer institutions are not public. Therefore, we are unable to determine if this is a common practice across institutions.



Resulting Salary Increases

All JHU divisions have made enhancements to their annual merit increase budgets in recent years, resulting in larger available funding pools to support staff salary adjustments that are better aligned with external market movement. Divisions have also set aside additional funds to ensure that salary compression and pay equity issues identified during the year are reviewed by HR Compensation and addressed accordingly with designated equity adjustment pools. These efforts have made a measurable impact on staff compensation across the university, with overall adjustments increasing by nearly 300% between 2019 and 2022. Ongoing proactive reviews continue to occur to ensure that pay adjustments are made if enhanced market pressure or internal equity challenges are identified.

The chart below shows the resulting median salaries by EEO category from 2019 to 2022, which are the result of all the pay equity initiatives described above.

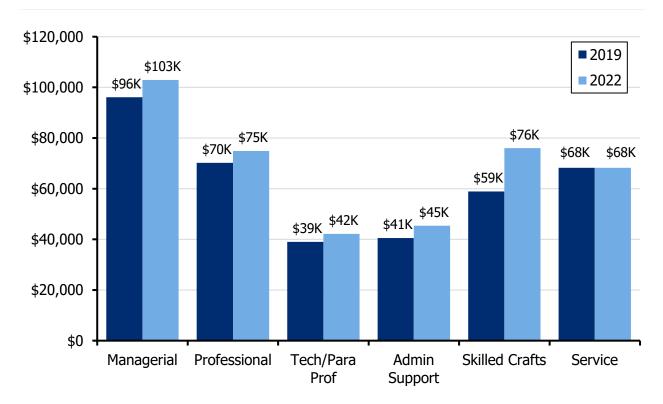


Figure 3: Median Salary by EEO Category, Calendar Years 2019 - 20224

The chart above illustrates the importance of having diverse representation across the various EEO categories, as Managerial and Professional roles tend to pay more than other roles. As seen in the <u>JHU Report on Staff Composition</u>, in 2021 women were well represented at JHU in Managerial and Professional roles, at 69% and 70%, respectively. Representation by staff who

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⁴ This table includes compensation adjustments for full-time staff, part-time staff, casual/limited staff, and senior staff positions. The table does not include bargaining unit or non-classified staff.



self-selected as Black or African American, Hispanic, Hawaiian/Pacific Islander, Asian, or American Indian increased between 2017 and 2021 in the following EEO categories:

- Managerial, which increased from 24% to 28%
- Professional, which increased from 32% to 36%

How to Address Specific Pay Equity Concerns

This report is intended to be informative about the practices for our institution as a whole, as we continuously work to ensure pay equity across the university. As always, when there are specific questions or concerns about a staff person's compensation, the first point of contact is the employee's manager. Divisional or departmental HR business partners can also be brought into the discussion to ensure a thorough and objective review. If an additional review is needed by HR Compensation, those should be initiated and facilitated by the respective divisional or departmental HR business partner.



JHU's Ongoing Commitment

At JHU, our commitment to ensuring pay equity reflects our belief that fairness is paramount and requires continual attention. Staff compensation is dynamic and always changing, and we recognize our pay equity efforts need to be flexible and adaptable to meet those changes. The importance of pay equity at JHU goes beyond compliance with employment regulations; ensuring fair compensation is an essential aspect of creating a stronger culture of belonging.

Human Resources will continue to play a pivotal role in maintaining this commitment, by working with divisional and departmental HR business partners to ensure that pay equity remains an ongoing focus through proactive salary equity reviews and standardized protocols in the new hire salary offer process. Regular ongoing reviews will continue to be conducted by HR Compensation to ensure that pay equity is being evaluated across the university. This proactive approach ensures that pay equity remains a constant area of focus in every aspect of our hiring and compensation practices. When issues related to pay equity are identified, corrective actions will be promptly taken. To further demonstrate our focus, a comprehensive universitywide staff compensation review will be conducted every three years. This systematic review is designed to affirm our commitment to pay equity on a broader scale.