

# *Salary Administration Policies, Procedures & Best Practices*

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# Objectives



- Provide an overview of compensation fundamental
- Review the USG salary administration policies and procedures
- Highlight notable system functionality
- Questions

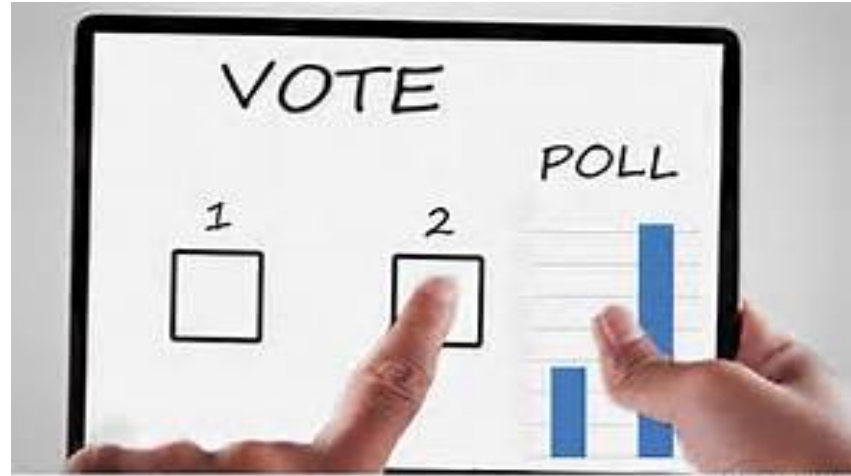


# *Fundamentals*

# Tell Us About Yourself

POLL

# How to Join the Poll



## Online:

[Pollev.com/quinthill637](https://pollev.com/quinthill637)

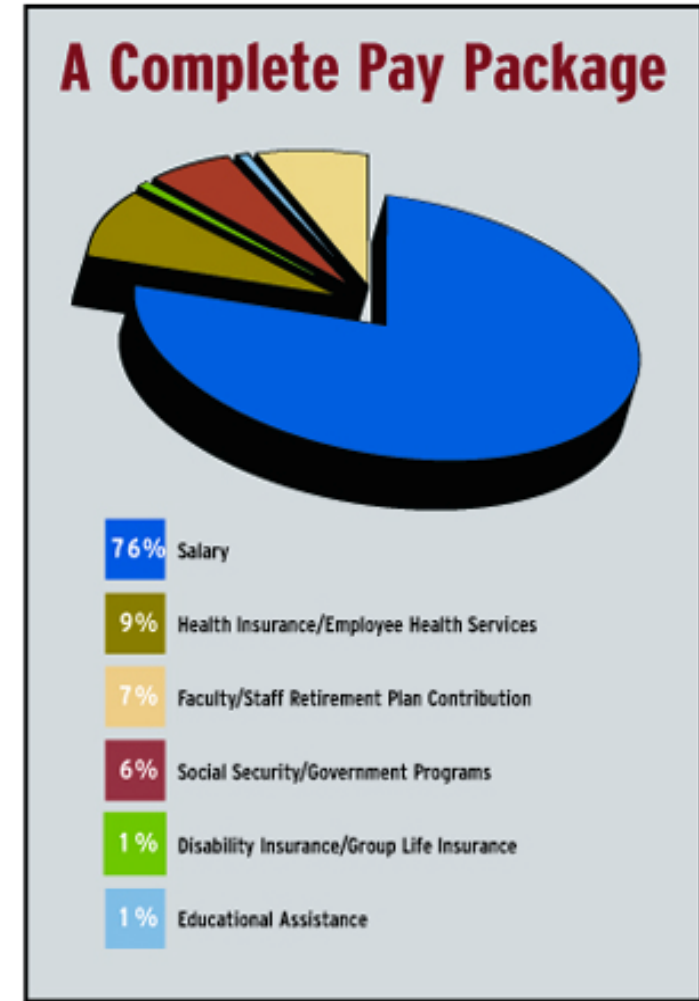
## Text:

1. Send a message to 22333
2. QuintHill637

# Total Rewards Strategy

World At Work

- Base Pay
- Benefits and Retirement
- Work Life-Effectiveness
- Performance and Recognition
- Employee Developing and Career Opportunities



# Mercer's 2018 Global Talent Trends Study

Three factors that employees and job candidates are looking for in a company.

- commitment to health and well-being
- workplace flexibility
- work with a purpose

# Classification and Compensation Considerations

- Organizations Strategic Goals
- Knowledge, Skills, and Abilities necessary to achieve goals
- Position Classification System
- Institutional Pay Scale
- Pay Programs and Policies
- Budget



# Classification & Compensation Fundamentals

## Why is compensation important?

1. Employee Recruitment
2. Employee Retention
3. Employee Motivation
4. Organizational Budget (often the largest expenditure for organizations)

## Compensation Study Overview

### Focused on:

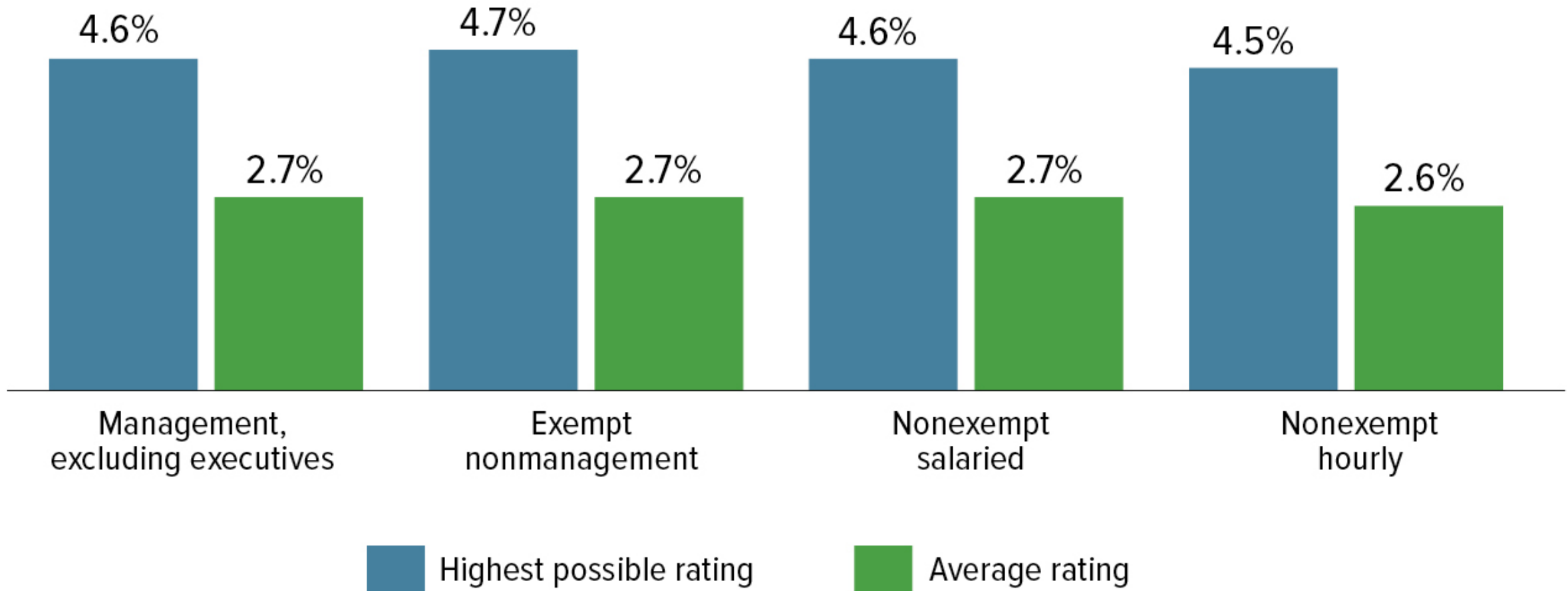
- Internal Equity
- External Competitiveness
- Regulatory Compliance

### Project Steps:

- Information gathering and analysis
- Market data collection and analysis
- Developing/updating job descriptions
- Design salary structure
- Classify positions
- Adopting structure
- Communicating results

# Salary Increases Related to Performance Ratings

Performance ratings and average salary increases (among companies that granted increases).



Source: Willis Towers Watson, 2018 General Industry Salary Budget Survey - U.S.

# Compensation in Context



Overall job satisfaction comprised of several elements and factors

# Compensation in Context

POLL



# *USG Policies & Procedure*

# Classification and Compensation Factors

- Content and scope
- Decision making authority
- Duties and responsibilities
- Problem solving, accountability and autonomy
- Required knowledge, skills, abilities, education, training, etc
- Relevant job market
- Comparison to similar jobs



# Why It Matters - A sound salary administration program can positively impact organizations and employees

## Purpose of Salary Administration Programs

- Attract talented resources
- Retain and motivate employees
- Financial Management
- Legal Requirements

# Salary Administration Activities

- Job and Pay Structures
- Job Classifications
- Promotions
- Demotions
- Transfers
- Advanced Salary Increase
- Incentive Programs



# Salary Structure Development

- Process begins with job analysis
  - Systematic process for obtaining information about each distinct employee role
  - Focuses on job responsibilities and essential knowledge skills and abilities.
  - Helps HR professionals identify job activities and responsibilities, their relative importance in comparison with other jobs and the conditions under which the work is performed
- Job evaluation
  - Systematic determination of the relative worth and value of jobs within an organization.
  - Conducted after job analysis
  - Approach may be based on market data and/or job content evaluation.

# Market Data – Best Practices

- Utilize trained professionals
- Avoid violating antitrust laws
- Do not match on title alone.
- Ensure data is Employer-reported
- Avoid Internet searches for free salary data, which often contain compensation that has been self-reported by employees.
- Obtain data from more than one source is possible
- Establish pay grades for jobs based on similar salary data

# Pay Grades and Ranges

Pay Grades: Range minimum, midpoint and maximum

- PG midpoint - 50th percentile of mkt
- PG Range 30 - 40 percent spread
- Pay grade ranges will usually overlap on a salary structure

# Salary Structure Administration

- **Conduct systematic structure review**
  - Periodically review the overall structure
  - Assess alignment with strategic objectives and competitive labor market.
  - Identify issues early
  - Minimize cost
- **Conduct a review tied to a specific event**
  - Major organizational change
  - Significant change in the labor market

# HRAP Wage and Salary Administration Policy

Provides institutions with the authority to develop and administer a wage and salary administration program and to ensure fair and equitable pay amongst employees.

- Provides guidance on an employee's salary at the time of hire, performance based increases, and other salary adjustments when necessary and warranted.
- Recognizes that all salaries are subject to budgetary authorization and funding limitations.
- Ensure compliance with state and federal labor laws and regulations

# Advanced Salary Increase Process

BOR 8.2.14 and HRAP Salary Increase Administration Process

## Advanced Salary Increases

- Cumulative fiscal year adjustments greater than or equal to ten percent above the USG's annual salary and wage guidance require advanced approval by the Chancellor.
- The revised policy provides additional guidance on circumstances when the Chancellor's advanced approval is required, outlines criteria, and gives examples of when advanced approval is not needed.
- The revisions also establish a quarterly reporting requirement for adjustments approved at the institution level.

# Advanced Salary Increase Process

BOR 8.2.14 and HRAP Salary Increase Administration Process

Salary factor considerations include:

- Type of action
- Internal policies
- Job responsibilities and required qualifications
- Qualifications of the individual
- Position of requested salary within pg range
- Internal alignment and equity considerations
- External market conditions

# Incentive Compensation and Rewards Policy

Policy References: BOR 8.2.14 Policy on Salary Administration and Incentive Rewards Program (October 2017-FY18)  
 HRAP Policy on Incentive Compensation and Rewards  
 Approval Authority: USG Office of Fiscal Affairs and Office of Human Resources  
 Purpose: Compliance with State Laws.

USG Incentive Compensation and Awards Policy Overview		
Program	Type of Award/ Policy Maximum	Criteria
<b>Goal Based (Includes Athletics)</b>	(1x) Cash Incentive Payments – Maximums are established at the institution level and must be included in policy.	Pre-determined and objectively measurable goals <ul style="list-style-type: none"> <li>• Above and beyond the employee’s normal work requirements</li> <li>• Addresses a critical strategic need and enhances the effective operation of the institution</li> </ul>
<b>Hiring Incentive</b>	(1x) Cash Incentive Payments - Limited to 10% of the annual offer salary	Critical <u>and</u> hard-to-fill jobs <ul style="list-style-type: none"> <li>• Vacant for an excessive period of time with no qualified applicants</li> <li>• Requires a skill set that is unavailable or rare in a particular geographic area</li> <li>• Critical to an institution meeting its accreditation standards</li> <li>• Critical to maintaining public safety</li> <li>• Included on pre-determined - established hiring plan that is based on supporting data</li> </ul>
<b>Employee Suggestions</b>	Non Cash (certificate/pin) or (1x) Cash Incentive Payment up to \$3,000 Max Incentive Pay With BOR Approval is \$5,000	Implemented Suggestions Or Ideas which result in: <ul style="list-style-type: none"> <li>• Recorded outcome of improved operations, effectiveness and/or efficiency</li> <li>• Measurable/quantifiable savings</li> </ul>
<b>Extraordinary Service Acts or Achievements</b>	Non-Cash (certificates of merit or pins)	Extraordinary Service Acts or Achievements which go beyond the ordinary demands of the job <ul style="list-style-type: none"> <li>• In the public interest and related to the institution’s mission, vision and goals</li> <li>• Obtaining innovative or unique success when others’ efforts have failed or it has been stated that the job could not be done.</li> <li>• Unanticipated problem or opportunity on behalf of the institution</li> <li>• Particularly enhances public perception of the institution</li> </ul>



# Incentive Compensation and Rewards Policy

## Institution Policies

- Type of Program
- Eligible Employees
- Program guidelines to include nomination, award, and restrictions
- Internal approval authority
- Funding sources
- Type of award (monetary or non-monetary)
- Treatment and timing of payment and/or award

## USG Approval

Office of Fiscal Affairs and Office of Human Resources

- Policy Document
- Budget Certification

## FY20 Review Process

- Policy Review
- Compliance with USG and state law

# *Technology Notables*



What you will see here today is part of the Careers initiative of OneUSG Connect. Availability of these new features will be determined based on a schedule determined by readiness. Institutions will be contacted within the next few weeks to determine your readiness as we move forward. Shortly after institutions confirm their ability to participate in the implementation phase, the schedule will be confirmed.

# Careers Overview



# Profile Management

## Job (Non-Person) Profile

- Job profiles are used to store job and position-specific information in HCM
- Commonly referred to as Job Descriptions or Position Descriptions

## Employee Profile

- Employee profiles are data elements linked to an individual employee
- Degree, Licenses, Certifications, and Language Skills are some elements of the employee profile

# Job Profile – Accounting Assistant

## Job Summary

Maintains accounting records for assigned department or college. Examines financial statements, records and other financial reports to confirm accuracy.

## Required Qualifications

**Educational Requirements**  
This position requires a bachelor’s degree in accounting or a related field

**Required Experience**  
This position requires at least two years of related experience

## Job Duties and Responsibilities

75% Performs various processes using Accounting Financial Software and Microsoft Office Applications

25% Additional Duties as Assigned

## Performance Factors (Competencies)

- Critical Thinking
- Initiative
- Reliability/Attendance
- Accountability
- Customer Service
- Innovation
- Diversity & Inclusion



# Job Posting – Accounting Asst.

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# Perf. Mngt. Jane Doe

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# Profile Fields

## Job Description Components

The fields are used to define the position

Profile Details\*

Job Summary

Job Duties and Responsibilities

Required Qualifications

Preferred Qualifications

Knowledge, Skills, and Abilities

Physical Requirements\*

## Recruitment Elements

These recruiting-related fields are intended to reduce duplicate data entry

Contact Information

Department Information

Conditions of Employment

Location Details

Background Check Package

Required Attachments

Optional Attachments

Special Applicant Instructions

Apply Before Date

EEO Statement

# Salary Administration Set-Up Table

- Table access restricted to SSC
- Once table is set-up
  - Assign grade in position management
  - Once incumbent in the position, the associated compensation attributes will flow to employee data
  - Maintaining data integrity is critical

Salary Grade Table | Categorization Defaults | Salary Step Components | Grade Advance Criteria

Set ID SHARE      Salary Administration Plan KUH2 Administrative Workers

Salary Grade 4      Standard Hours 40.00      Salary Basis A      Annl Basis

&Salary Grade ?      Find | View All      First 1 of 1 Last

\*Effective Date 01/01/1980      \*Status Active

\*Description WP Plan KUH2 Grade 4      Short Description WP Plan KU

Additional Description

Salary Matrix Code

Rating Model

Currency Code USD      Dollar      Range Spread 100.0 %

Salary Ranges ?

	Minimum	Midpoint	Maximum
Annual	46,800.00	70,200.00	93,600.00
Monthly	3,900.00	5,850.00	7,800.00
Daily	180.00	270.00	360.00
Hourly	22.50	33.75	45.00
BiWeekly			



# Pair and Share Discussion Activity

1. What have you learned today that you found most helpful.
2. What are some of the strategies or programs at your institution that you feel are most impactful in driving employee engagement, retention and satisfaction.



# Questions



thank you!

