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
Compensation

Fundamentals
Tell Us About Yourself
How to Join the Poll

Online:
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).

- **Management, excluding executives**: 4.6% highest possible rating, 2.7% average rating
- **Exempt nonmanagement**: 4.7% highest possible rating, 2.7% average rating
- **Nonexempt salaried**: 4.6% highest possible rating, 2.7% average rating
- **Nonexempt hourly**: 4.5% highest possible rating, 2.6% average rating

Compensation in Context

Overall job satisfaction comprised of several elements and factors.
Compensation in Context
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 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.
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

<table>
<thead>
<tr>
<th>Program</th>
<th>Type of Award/ Policy Maximum</th>
<th>Criteria</th>
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| **Goal Based**  
(Includes Athletics) | (1x) Cash Incentive Payments – Maximums are established at the institution level and must be included in policy. | Pre-determined and objectively measurable goals  
- Above and beyond the employee’s normal work requirements  
- Addresses a critical strategic need and enhances the effective operation of the institution |
| **Hiring Incentive** | (1x) Cash Incentive Payments - Limited to 10% of the annual offer salary | Critical and hard-to-fill jobs  
- Vacant for an excessive period of time with no qualified applicants  
- Requires a skill set that is unavailable or rare in a particular geographic area  
- Critical to an institution meeting its accreditation standards  
- Critical to maintaining public safety  
- Included on pre-determined - established hiring plan that is based on supporting data |
| **Employee Suggestions** | 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:  
- Recorded outcome of improved operations, effectiveness and/or efficiency  
- Measurable/quantifiable savings |
| **Extraordinary Service Acts or Achievements** | Non-Cash (certificates of merit or pins) | Extraordinary Service Acts or Achievements which go beyond the ordinary demands of the job  
- In the public interest and related to the institution’s mission, vision and goals  
- Obtaining innovative or unique success when others’ efforts have failed or it has been stated that the job could not be done.  
- Unanticipated problem or opportunity on behalf of the institution  
- Particularly enhances public perception of the institution |
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

- Recruitment
- Profile Management
- OnBoarding
- ePerformance (Pilot In-Process)
- Manager Self-Service
## 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
### Profile Fields

#### Job Description Components
The fields are used to define the position

- Profile Details*
- Job Summary
- Job Duties and Responsibilities
- Required Qualifications

#### 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

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*Required Qualifications

- Preferred Qualifications
- Knowledge, Skills, and Abilities
- Physical Requirements*

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Optional Attachments

- 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
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!