Classification and Compensation Program
Supervisory Training

March 2007
Introduction
Purpose of this Training

To prepare you for one-on-one Classification and Compensation conversations with your employees
To prepare you for discussions about the Classification and Compensation Program, we’ll cover the following:

- Why Change?
- The AU Compensation Philosophy
- New Program Design
  - Job Classification
  - Compensation
  - Performance Management
- Timeline for Rollout of New Program
- Your Role and Resources
- Preparing for One-on-One Meetings
- Appeals Process
**Why Change?**

**Current Program**
- Most salary ranges do not reflect the market
- Two salary structures
- Jobs inconsistently documented
- Inconsistent pay practices

**New Program**
- Salary ranges adjusted to reflect current market
- One unified salary structure
- Jobs consistently documented and comparable work similarly classified
- Consistent pay decisions based on policy

**Transition**
Key Principles

• Ensures sound stewardship of available resources
• Consistent with market-based pay best practices and simple to understand
• Complies with applicable laws; promotes fairness and equity
• Pays competitively by balancing internal and external equity
• Recognizes individual performance by linking merit pay to the performance management system
• Supports other HR goals and processes
• Offers professional growth and development opportunities while holding employees accountable for their own careers
New Program Design and Classification
# Impact of New Program Design

## What’s Changing?
- Job Descriptions
- Job Titles
- Job Families
- Salary Structure
- Salary Ranges
- Performance Management Process

## What’s Not Changing?
- No one’s pay will be reduced
- Timing of promotions and merit pay
Program Design

Job Classification
- Job Analysis
- Job Descriptions
- Job Families

Compensation
- Marketplace salary surveys
- Salary Structure
- Job Evaluation
- Salary Administration Guidelines

Performance Management
- Performance Planning Process
- Performance Appraisal Process

Guided by Compensation Philosophy
Oversight by Outside Experts
Change Management
Communication and Education
Job Classification: Job Analysis

Questionnaires completed by 3,000 employees to summarize job duties

Questionnaires reviewed by two levels of supervision

Questionnaires analyzed and used to draft Job Descriptions

Positions with comparable duties placed into same job

Draft Job Descriptions reviewed by employees and supervisors

Job Descriptions finalized and evaluated by HR
Job Descriptions

- Include job title, job family, and job level
- Broadly describe the general nature and level of work in each job
- Provide greater clarity around types of duties
- Are not intended to describe each activity an employee performs
- Job description length is not an indication of its importance
- Provide minimum qualifications

Auburn University Job Description

<table>
<thead>
<tr>
<th>Job Title: Accountant, Department</th>
<th>Level I</th>
<th>$30,927.40 - $45,780</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Code: KA11</td>
<td>Level II</td>
<td>$31,937.70 - $49,100</td>
</tr>
<tr>
<td></td>
<td>Level III</td>
<td>$32,948.00 - $57,500</td>
</tr>
<tr>
<td>FLSA Status: Exempt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Job Summary
Acts as accounting liaison with Central Business and Finance areas with respect to journal entries, reporting, analysis and auditing/ reconciliation of accounts in a college, school or department.

Essential Functions
1. Prepares and/or reviews expense vouchers, invoices, purchase requisitions or other transactions for one or more departments, in compliance with approved budgets and University guidelines.
2. Determines proper handling of financial transactions and approves within designated limits, policies or contracts.
3. Prepares budget reports, department allocation reports, inventory reports or other specialized reports or analysis on a regular or ad hoc basis.
4. Corresponds with Procurement, Contracts and Grants Accounting, Budget Services or other departments concerning accounting and financial information.
5. Reviews, investigates and corrects errors in financial entries, documents and reports.
6. May perform duties related to payroll, personnel actions or similar procedures.
7. May assist faculty with preparation and financial analysis related to contract or grant proposals.

Supervisory Responsibility
May supervise employees but supervision is not the main focus of the job.

The above essential functions are representative of major duties of positions in this job classification. Specific duties and responsibilities may vary based upon departmental needs. Other duties may be assigned similar to the above consistent with the knowledge, skills and abilities required for the job. Not all of the duties may be assigned to a position.
Job Classification: New Job Descriptions

Job Families

- Job families are a series of progressively higher related jobs distinguished by increased levels of responsibility and individual competencies
- Not all jobs are in a family
- Top level of a job family reflects the upper value of the marketplace
- New job descriptions are designed to facilitate a better understanding of promotional opportunities within a job family

Auburn University Job Description

<table>
<thead>
<tr>
<th>Job Family Levels</th>
<th>Knowledge</th>
<th>Education and Experience*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under immediate supervision, performs standard tasks using established methods, principles, concepts and procedures related to a specialized field of specialization.</td>
<td>Knows fundamental concepts, practices and procedures of particular field of specialization.</td>
<td>Bachelor's degree in discipline appropriate to position with no experience.</td>
</tr>
<tr>
<td>Under close supervision, performs routine tasks and assignments involving some judgment. Resolves routine situations or problems, referring only complex issues to higher level. Some evaluation, originality and ingenuity required.</td>
<td>Knows and applies fundamental concepts, practices, and procedures of particular field of specialization, with awareness of related fields.</td>
<td>Bachelor's degree in discipline appropriate to position plus 2 years of equivalent experience. Experience must include at least 2 years at the preceding level of equivalent.</td>
</tr>
<tr>
<td>Under minimal supervision, performs complex assignments and fulfills broad responsibilities where required outcomes are defined, but methods and procedures may vary based on professional judgment or precedent. Considerable latitude for unreviewed action. Confers with supervisor on unusual matters. Coordinates the work of others on projects and may assign work to and assist less experienced professionals or support staff. May act in an advisory capacity to managers or faculty.</td>
<td>Possesses and applies a broad knowledge of principles, practices and procedures of a particular field of specialization to the completion of difficult assignments. Also possesses knowledge of related fields and areas of operation which affect or are affected by, own area.</td>
<td>Bachelor's degree in discipline appropriate to position plus 4 years of equivalent experience. Experience must include at least 2 years at the preceding level of equivalent.</td>
</tr>
</tbody>
</table>

* See the "Minimum Required Education and Experience" section of the job description for any substitutions that may be allowed for education and experience.
Minimum Qualifications

- Provide minimum education and experience requirements for each job and for each level in a job family*
- Include substitutions for education or experience, where appropriate

*Hire/Promotion decisions based on best qualified
Compensation
# Compensation:

**AU Adopts 19 Salary Grades**

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>$135,600</td>
<td>$180,800</td>
<td>$225,800</td>
</tr>
<tr>
<td>41</td>
<td>$117,900</td>
<td>$157,100</td>
<td>$196,500</td>
</tr>
<tr>
<td>40</td>
<td>$102,500</td>
<td>$136,600</td>
<td>$170,700</td>
</tr>
<tr>
<td>39</td>
<td>$ 89,000</td>
<td>$118,700</td>
<td>$148,400</td>
</tr>
<tr>
<td>38</td>
<td>$ 77,300</td>
<td>$103,200</td>
<td>$129,000</td>
</tr>
<tr>
<td>37</td>
<td>$ 67,300</td>
<td>$ 89,800</td>
<td>$112,100</td>
</tr>
<tr>
<td>36</td>
<td>$ 58,500</td>
<td>$ 78,100</td>
<td>$ 97,600</td>
</tr>
<tr>
<td>35</td>
<td>$ 50,900</td>
<td>$ 67,800</td>
<td>$ 84,800</td>
</tr>
<tr>
<td>34</td>
<td>$ 44,300</td>
<td>$ 58,900</td>
<td>$ 73,700</td>
</tr>
<tr>
<td>33</td>
<td>$ 38,500</td>
<td>$ 51,400</td>
<td>$ 64,200</td>
</tr>
</tbody>
</table>

Salary Ranges (effective 10/1/07)
## Compensation:

### AU Adopts 19 Salary Grades

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Salary Ranges (effective 10/1/07)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
</tr>
<tr>
<td>32</td>
<td>$34,300</td>
</tr>
<tr>
<td>31</td>
<td>$30,700</td>
</tr>
<tr>
<td>30</td>
<td>$27,400</td>
</tr>
<tr>
<td>29</td>
<td>$24,400</td>
</tr>
<tr>
<td>28</td>
<td>$21,900</td>
</tr>
<tr>
<td>27</td>
<td>$19,900</td>
</tr>
<tr>
<td>26</td>
<td>$18,100</td>
</tr>
<tr>
<td>25</td>
<td>$16,300</td>
</tr>
<tr>
<td>24</td>
<td>$14,900</td>
</tr>
</tbody>
</table>
External Equity
- Review multiple salary surveys
- Focus on surveys covering universities and other organizations we may compete against for talent

Internal Equity
- Compare jobs internally to ensure jobs with similar levels of responsibility, scope and decision-making authority are paid comparably—this is key for jobs that can’t be benchmarked externally

Review market salary ranges annually and adjust the ranges if market conditions warrant
For each benchmark job*, we look at the pay distribution in the external marketplace

*Benchmark jobs are those commonly found in the marketplace
Pay data comes from Salary Surveys

<table>
<thead>
<tr>
<th>Analyst II</th>
<th>Companies Reporting</th>
<th>Incumbents Represented</th>
<th>Rate at Selected Percentiles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>25th</td>
</tr>
<tr>
<td>Survey I</td>
<td>27</td>
<td>195</td>
<td>$31,278</td>
</tr>
<tr>
<td>Survey II</td>
<td>27</td>
<td>195</td>
<td>$32,027</td>
</tr>
<tr>
<td>Survey III</td>
<td>26</td>
<td>179</td>
<td>$35,156</td>
</tr>
<tr>
<td>Survey Average</td>
<td>27</td>
<td>195</td>
<td>$33,123</td>
</tr>
</tbody>
</table>

- Published by independent third parties
- Multiple surveys available
- Can provide pay data by job, industry, company/university size, country, region, etc.
Internal Job Evaluation Factors include factors such as:

- Knowledge and skill
- Impact and accountability
- Consequence of error
- Problem solving
- Guidance received
- Communications
- Level of supervision
- Confidentiality
- Working conditions
Jobs are placed into the appropriate grade using a blend of external salary survey information and internal job evaluation factors.

Sample Placement of Jobs into the Salary Grade Structure

- **Grade 31**
  - Accountant I
  - Academic Advisor I

- **Grade 30**
  - Plumber II
  - Sup., Fin. Services

- **Grade 29**
  - Plumber I
  - Spec., Accts. Payable II
Employees moving into a job family were placed into a level within the job family using one of two methods.

- Employees in a job/job family who are moving to a job family with the same number of levels will be mapped over to the same level they are in currently. This method results in the employee retaining the job level previously earned.

- Employees moving into a job family for the first time or moving to a job family with a different number of levels than that they are in currently, will be placed into the new job family level based on their salary in comparison to each salary grade midpoint of each level of the job family.
Compensation: How Employees are Placed into Job Family Levels

• METHOD I

• Employees moving into a job family with the same number of levels will be mapped over to the same level

Accountant Job Family

Grade 33
Max $64,200
Mid $51,400
Min $38,500

Grade 32
Max $57,300
Mid $45,800
Min $34,300

Grade 31
Max $51,100
Mid $40,900
Min $30,700

Plumber Job Family

Grade 30
Max $45,700
Mid $36,600
Min $27,400

Grade 29
Max $40,800
Mid $32,700
Min $24,400

Accountant II is mapped to Accountant II

Accountant I

Plumber I

Plumber II

Plumber I is mapped to Plumber I
**Compensation: How Employees are Placed into Job Family Levels**

- **METHOD II**
  - For employees moving into a job family for the first time or with a different number of levels than they are in currently.
  - January 1, 2007 salary is compared to midpoint of all levels in job family
  - Midpoint value is “cutoff”

<table>
<thead>
<tr>
<th>Grade 33</th>
<th>Max $64,200</th>
<th>Mid $51,400</th>
<th>Min $38,500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job A Level III</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grade 32</th>
<th>Max $57,300</th>
<th>Mid $45,800</th>
<th>Min $34,300</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job A Level II</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grade 31</th>
<th>Max $51,100</th>
<th>Mid $40,900</th>
<th>Min $30,700</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job A Level I</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employee X is currently at Level II in a 4 level job family and is moving to a 3 level job family. Employee is currently paid $39,000. Employee is placed into Level I, since $39,000 is below the midpoint of Level I.
Compensation: What About Pay Outside of the Range?

Pay Higher than the Range

- Employees with a salary above or near the salary range maximum will continue to be eligible for salary adjustments.

Pay Lower than the Range

- Employees with a salary below the salary range minimum will have their salary brought up to the minimum effective October 1, 2007.
Performance Management
Career opportunities may exist within
- The same family
- A different family
- A different job altogether
Promotions within the Salary Grade Structure

Merit increase within the Salary Grade Range

Timing

• Merit increases and job family promotions are made during the annual pay cycle and are effective Oct. 1

• Job-to-job promotions may take place at any time
Compensation/Performance Management: Promotion Guidelines

• Job Family promotions are based on improved competencies, increase in job responsibilities, performance, needs of the department, completion of development activities, and manager recommendations

• Job-to-job promotions are awarded when employees apply for a job opening and move to a higher grade through the competitive selection process

Go to the Job Classification Web site for the NEW Request for Job Family Promotion form
• Reclassification could occur when there are **major changes** in job responsibilities; it is not a mechanism to reward employees

• Managers initiate the Reclassification request by completing a job questionnaire describing the changes in job responsibilities
Rollout Timeline and Your Role
## Rollout Timeline

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of A.U. articles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisor training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(presented via Webinar)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidelines and Job</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Guidelines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>posted on the Web</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalized statements, job descriptions, compensation brochures, and talking points sent to HR liaisons for distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-on-one meetings with employees</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Now!*
Your Role

• Encourage employees to take responsibility for their job performance, professional development, and career growth
• Complete Performance Reviews for all of your employees; completed reviews must be on file to award merit increases
• Follow and enforce all policies and procedures
• Meet with your employees one-on-one to discuss:
  — The new program
  — Their personalized statement
  — Their job description
  — Any questions
• Be prepared to explain the new program and help employees understand the changes
## Your Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor Training (presented via Webinar)</td>
<td>Prepare you to discuss the new pay program with employees</td>
</tr>
<tr>
<td><strong>Rollout Resources</strong></td>
<td><strong>Guide you in meetings with employees</strong></td>
</tr>
<tr>
<td>• Employee one-on-one talking points</td>
<td></td>
</tr>
<tr>
<td>• Compensation brochure*</td>
<td></td>
</tr>
<tr>
<td>• Personalized statements*</td>
<td></td>
</tr>
<tr>
<td>• Individual job descriptions*</td>
<td></td>
</tr>
<tr>
<td>• Salary Administration Guidelines</td>
<td></td>
</tr>
<tr>
<td>• Job Family Guidelines</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Communication</strong></td>
<td><strong>Explain the new program</strong></td>
</tr>
<tr>
<td>• A.U. articles</td>
<td></td>
</tr>
<tr>
<td>• Compensation brochure</td>
<td><strong>Show personalized information</strong></td>
</tr>
<tr>
<td>• Personalized statement</td>
<td></td>
</tr>
<tr>
<td>• Individual job description</td>
<td></td>
</tr>
</tbody>
</table>

* Handed out to employees during one-on-one meetings
Preparing for One-on-One Meetings
## Preparing for One-on-One Meetings

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Schedule one hour to meet with each of your employees between March 12 and 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>Receive the Personalized Statements and Job Descriptions for your employees along with Talking Points and Compensation Brochures</td>
</tr>
<tr>
<td>Step 3</td>
<td>Become familiar with all of the materials prior to your meetings</td>
</tr>
</tbody>
</table>
• Briefly review the New Program
  – Follow suggested Talking Points and refer to the Compensation Brochure

• Review Personalized Statement
  – Employee’s job code, position title, job family level (if applicable), salary grade, and salary range

• Review Job Description

• Answer Employee Questions
Questions Employees May Have

- Will my current pay change?
- Does this job description accurately represent what I do?
- What does the grade structure mean about my status?
- How will job family promotions work in 2007?
- Is the new program fair?
### Questions

- Do new job descriptions reflect what I do?

### Key Messages for Employees

- Job descriptions reflect the purpose of a job and its general responsibilities, but they are not intended to provide specific tasks of a job
- Titles are consistent across the University, making it easier to identify which jobs are similar in level and recognize potential career opportunities

### Key Messages for Supervisors

- Become familiar with the appeals process
- Job descriptions reflect the purpose of a job and its primary responsibilities, but they are not intended to provide specific tasks of a job
- Specific job duties can be captured in the performance management process
# Addressing Pay and Promotion

## Questions

- Will my current pay change?
- How will job family promotions work in 2007?
- How do I make pay and promotion decisions with the new program?

## Key Messages for Employees

- No one’s pay will be reduced as a result of the program
- Pay is competitive to the market and consistent within the University
- In 2007, job family promotions will be based on 2006 job families
- In 2008 and beyond, job family promotions will be based on new job families
- Promotion and merit pay increases will continue to be awarded in the fall

## Key Messages for Supervisors

- Promotion and merit pay recommendations will continue to use the same process
- Performance Appraisals must be complete and filed to award merit pay increases
- Performance Management designed to address promotion requirements to allow for job specific duties and differentiate performance based on both the “how” and “what”
### Addressing Salary Grades and Job Families

#### Questions

- What does this new grade structure mean about my status?
- Do I still have advancement opportunities?
- Do I understand this well enough to explain it to my employees?

#### Key Messages for Employees

- The new program is consistent across the University
- Job families (where available) continue to define career paths
- Promotional opportunities may exist within the same family, a different family, or a different job altogether

#### Key Messages for Supervisors

- Training and resources will be provided
- Encourage employees to take responsibility for their job performance, professional development, and growth
Appeals Process and Your Role
What’s the Appeals Process?

• **Appeals will be considered on**
  - Assigned salary grade
  - Assigned job title
  - Job description if it does not accurately reflect purpose of the job and its general responsibilities.

• **Appeals will not be considered** if based on seniority, qualifications of the individual incumbent, anticipated future job assignments, job performance, assignment to a job family level, salary within the salary range, or an increase in the volume of work.

Go to the Job Classification Web site for the details on the Appeals Process.
You are Key to Our Success!

• AU is committed to providing you the tools, training, and information you need to communicate the new program to your employees

• The new program is designed to ensure equity and consistency throughout the University and to support your good judgment concerning compensation

• Thank you for playing an important role in the successful rollout of the Job Classification and Compensation Program
Closing Comments

Thank you!