



UAR NUMBER: 324.07

TITLE: Staff Compensation and Classification

ORIGINATOR(S):

Director of Human Resources

INITIAL ADOPTION: 12/11/1996

REVISION DATE(S): 04/17/01; 02/02/02; 03/01/16; 05/18/18; 08/28/2020; 01/01/2021/12/08/21

AUDIENCE: (SELECT ALL THAT APPLY)

FACULTY STAFF STUDENTS VENDORS OTHER (SPECIFY):

PURPOSE:

To establish guidelines and procedures to ensure that staff positions are classified within the established job evaluation plan and to carry out the intent of Personnel Policy PG-44, Staff Job Classification and Compensation Plan.

PROCEDURE REFERENCE FOR:

Personnel Policy PG-44 Staff Job Classification and Compensation Plan

SCOPE:

This regulation is applicable to all staff positions. This regulation will be applied consistently and uniformly across all university departments/units.

DESCRIPTION (INCLUDE DEFINITIONS):

APPLICABILITY: This regulation is applicable to the non-exempt staff grades 350-575 and the exempt staff grades 475-750. This regulation will be applied consistently and uniformly across all university departments/units.

The Morehead State University Staff Compensation and Classification program is designed to ensure that the responsibilities and skill level required are accurately reflected in position descriptions so that positions are appropriately classified.

Classification reviews are normally conducted in response to:

- A significant change in or position responsibilities or
- The establishment of a new position, or
- Reorganization

PROGRAM COMPONENTS

MSU uses an organized and systematic method of classifying jobs and administering salaries to ensure that pay levels are competitive and internally equitable. MSU's salary administration program has four major components:

- a. Job analysis - This is a systematic process for determining the tasks that constitute a particular job and the skills and knowledge required to perform it. The end result of job analysis is a job description, which is a factual description of the job's essential and nonessential functions and the qualifications necessary to perform the job.
- b. Job evaluation - Job evaluation is a systematic process for determining the relative worth of jobs. MSU uses a job evaluation process that uses job-content information and salary data from relevant labor markets to establish a numerical point value for each job.
- c. Salary structure - The salary structure is a system of salary grades and ranges. Values derived from the job evaluation process are associated with particular salary grades or pay groups. Each salary grade/pay group includes a range with a specified minimum amount or entry market, and an Experienced Market. The salary structure is reviewed and adjusted on a regular basis.
- d. Job classification - Job classification is the final result of the three steps just described. Job classification is a system designed to create a hierarchy of jobs based on such factors as skill, responsibility/impact on the organization, experience, education, complexity, supervision required, and market value. The determination of the value of each job in relation to other jobs in the workplace, based on the material and content of the job and such factors as education, skill, experience and responsibility. The goal is to match each employee to the appropriate job description and grade level.

APPROVED BY:

VICE PRESIDENT: Mary Fister-Tucker

DATE: 12-8-2021

APPROPRIATE INSTITUTIONAL REVIEW: Caroline Atkins

DATE: 12/10/2021

PRESIDENT: Jay Morgan

DATE: 12-10-21

DESCRIPTION (CONTINUED):

PROCEDURES

1. Job Analysis

The end result of a job analysis is a job description. A job description outlines the essential and nonessential duties of the job and the knowledge, skills, abilities, and responsibilities required to perform the job successfully. Job descriptions are developed and maintained in the following manner:

- a. For newly created jobs or jobs that have undergone a significant amount of change, the immediate supervisor and incumbent, if applicable, will create a new job description or revise the current job description and complete MSU's standardized Job Analysis Questionnaire. The resulting job description must be reviewed and approved by the supervisor and other appropriate up line management.
- b. Job descriptions are reviewed by the supervisor and the employee at the time of the annual performance review. Job duties are revised or updated as necessary. If there are significant changes, the Job Analysis Questionnaire is completed as described above.
- c. All employees are given a copy of their job description by their supervisor on initial appointment, at the time of their annual performance review, and when changes in job responsibilities occur.

The Job Analysis Questionnaire (JAQ) is designed to gather information about the following job factors, which have been determined to be important in setting compensation:

- Essential Job Duties & Responsibilities. Functions a person holding the job absolutely must be able to do.
- Scope of Responsibility. The responsibility for the work of other MSU employees, contractors, and vendors.
- Customer Contact. The amount and impact of contact with internal and external customers.
- Fiscal Responsibility. Responsibility for budgeting, operating within budgets, and meeting revenue or profit goals.
- Supervisory Responsibilities. The level of responsibility associated with participation in the hiring, training, directing work, and evaluating the job performance of other MSU employees.
- Education, Experience, and Certifications. The requisite knowledge for the job acquired through education, specialized training, or job experience.
- Skills. Specific skills required to do this job.
- Complexity. Describes the relative complexity and creativity associated with the essential duties of this job.
- Impact of Actions. Measures the impact of errors and the answerability for actions and for the consequences for those actions.
- Supervision Received/Independent Judgment/Decision-Making. The responsibility for applying judgment to make decisions supporting organizational goals and priorities.
- Problem Solving. The "self-starting" thinking required by the job for analyzing, evaluating, creating, reasoning, arriving at and drawing conclusions.
- Physical & Visual Requirements. The degree to which the position has certain physical and visual requirements.

2. Job Evaluation

MSU has adopted job evaluation procedures that use job content and salary data to rank or classify positions. Comparisons are made internally and externally using salary survey data to establish benchmark positions with which to compare other positions. By calculating values, MSU can compare the relative value of jobs with different types of duties and responsibilities. Jobs with similar levels of responsibility and requiring similar levels of knowledge, skill, and ability have similar values. Ranges of values are associated with salary grades.

A value is based in part on information collected through the Job Analysis Questionnaire and in part on salary data. Job title is not a factor in the evaluation. Jobs with similar or identical titles do not necessarily have similar point values because responsibilities and required knowledge, skills, and abilities can vary.

The model produces values by taking into account questionnaire data. Benchmark jobs are selected to represent the full range of jobs at MSU.

DESCRIPTION (CONTINUED):

The standards do not attempt to describe every work assignment of each position in the occupation covered. The standards identify and describe those key characteristics of occupations which are significant for distinguishing different levels of work. They define these key characteristics in such a way as to provide a basis for assigning the appropriate grade level to all positions in the occupation to which the standards apply.

3. Salary Structure

The University utilizes a salary structure that consists of job grades with established salary ranges. Salary ranges represent "competitive market value" based on comparative levels of knowledge, skills, abilities, and responsibilities. Each job grade includes a range with a specified minimum amount (Entry Market) and an Experienced Market amount. Job grades eliminate the need to identify fine differences in value between similar jobs that require comparable knowledge, skills and abilities.

Employees with starting salaries placed near the minimum entry market usually reflect employees new to the job or who meet minimum qualifications, but might not have experience in that job. Employees with starting salaries near the experienced market represent an individual having approximately seven years' experience in that position who have mastered the basic intent of the job and are performing the duties of the job at a satisfactory level.

Starting salaries must not as a rule be over the experienced market for the position's grade. Any exceptions must have written justification outlining the reasons for the request and must be approved by the appropriate Vice President and the President. Employees with starting salaries placed above the Experienced Market value will indicate highly experienced employees who bring unique talents, skills, and/or experience to the position that are considered critical to MSU's mission and goals. Employees are expected to move along the salary scale within a grade as part of the merit increase process as a measure of their performance on the job.

4. Job Classification

New positions and requests for reclassification of existing positions are handled through the Job Classification process.

CLASSIFICATION OF NEW POSITION:

Step 1:

The supervisor must begin the process by creating a new position description in PeopleAdmin and attaching the following supporting documentation to the position description, then submitting via the "New Position" workflow.

- Memo providing justification for the position
- Job Analysis Questionnaire
- Unit Organizational Chart depicting reporting relationships

Step 2:

The position description will move through the PeopleAdmin workflow process which will serve as approvals for the position description and required documentation. During this process, up line supervisors, including the vice president, will have the opportunity to review the job description and documentation for completeness and accuracy. If any supervisor in the approval line does not support the request, the action can be moved back through the workflow process or cancelled.

Step 3:

OHR will review the Position Description and supporting documents for completeness and, where applicable, will request additional information to support the review. If necessary, OHR will conduct interviews with appropriate persons. At this step, OHR will determine the classification and grade for the position. Once the determination has been made, the appropriate vice president, and down line supervisors will be informed of the decision.

DESCRIPTION (CONTINUED):

RECLASSIFICATION OF EXISTING POSITION

Step 1:

The supervisor must begin the process by making appropriate revisions to the current position description in PeopleAdmin and attaching the following supporting documentation to the position description, then submitting via a Position Review/Title-Department Change workflow.

- Memo providing justification for the position
- Job Analysis Questionnaire
- Unit Organizational Chart depicting reporting relationships

Step 2:

The Position Description Action will move through the PeopleAdmin workflow process which will serve as approvals for the required documentation. During this process, up line supervisors, including the vice president, will have the opportunity to review the job description and documentation for completeness and accuracy. If any supervisor in the approval line does not support the request, the action can be moved back through the workflow process or cancelled.

Step 3:

OHR will review the Position Description and supporting documents for completeness and, where applicable, will request additional information to support the review. If necessary, OHR will conduct interviews and/or desk audits with appropriate persons. At this step, OHR will determine the classification and grade for the position. Once the determination has been made, the appropriate vice president, and down line supervisors will be informed of the decision.

Step 4:

If the position grade changes as a result of the review, the initiator of the workflow will complete a Personnel Action Request in PeopleAdmin.

PROCEDURES

NEW HIRES: The starting salary for a new employee must be no less than the minimum of the salary range for the grade associated with the employee's job. Starting salary is determined by considering market factors, internal equity, and the new employee's qualifications, experience, and responsibility level. Starting salaries must not as a rule be over the Experienced Market of the grade. However, there could be exceptions with special approval of the President.

Employees hired after April 1 are not eligible for an annual increase until July 1 of the following fiscal year.

RECLASSIFICATION: A reclassification is the change of an existing position, either filled or vacant, to a higher or lower grade level and may involve a change in job title.

Upon reclassification to a higher graded position, an employee's new rate of pay will be determined by considering market factors, internal equity, and the employee's qualifications, Morehead State University experience, external experience and the responsibility level of the new position along with the budget availability within the unit. The minimum new rate will be the entry level of the new grade. If the reclassification is to a lower graded position, the employee's rate of pay shall revert to the same relative position in the compensation scale as his/her previous assignment in the higher grade position.

Any exception to this policy that results in a request for salary adjustment outside of the policy statement above must be approved by the appropriate Vice President and President with a prior recommendation from the Office of Human Resources. Annual increases shall be calculated based on the lower pay rate.

For employees in positions that are reclassified, the new pay rate shall become effective on the first day of the month

following final approval of the reclassification.

DESCRIPTION (CONTINUED):

PROMOTION: Promotion is defined as movement of an employee to a position at the university that is a higher grade in the pay structure than their current position. Upon promotion or reclassification to a higher graded position, an employee's new rate of pay will be determined by considering market factors, internal equity, and the employee's qualifications, Morehead State University experience, external experience and the responsibility level of the new position along with the budget availability within the unit. The minimum new rate will be the entry level of the new grade.

Retroactive pay adjustments are not encouraged but shall be made on a case-by-case basis and based upon justification being provided by the employee's supervisor and approved by the appropriate Vice President and President.

INTERIM/ACTING APPOINTMENTS: If an employee serves in an acting, interim, or temporary capacity for at least one (1) month, the employee shall be paid the entry level of pay for the position in which he or she is serving in an interim/acting capacity. If the entry level is below the employee's current rate and with the approval of the Director of Human Resources and the hiring supervisors, the employee's current rate will be increased by 10 percent. Consideration will be given for an increase greater than 10 percent if extenuating circumstances can be documented. Upon return to his/her regular position, the employee shall revert to his/her former rate of pay plus any annual percent increase that would have been awarded had the employee remained in his/her regular position.

This compensation will be paid as a stipend by Personnel Action Request.

SUPPLEMENTAL COMPENSATION: The salary of a full-time employee is intended as full compensation for job duties performed in a primary position for the University. Exempt employees may be expected to work more than the normal University workweek of 37.5 hours at their established salary without receiving extra compensation. Non-exempt employees may be expected to work more than the normal 37.5 workweek and shall receive time and one-half pay for all hours over forty (40).

Because of special circumstances, employees may be requested to perform duties on a temporary basis that are outside the scope of the individual's primary job responsibilities and/or to render service for other units of the University. In such instances, the individual may be eligible to receive supplemental compensation if release time is not a feasible option.

For nonexempt employees, time worked on supplemental assignments is not a separate entity but a combination of the regular job and supplemental duties and will be computed as such. Hours worked in excess of 40 hours per week must be compensated at time and a half the employee's regular rate of pay. Assigning additional work that would be classified as exempt to a nonexempt employee is discouraged.

In an instance where supplemental pay is requested, the following criteria must be satisfied and articulated in the request for supplemental pay before the assignment can commence:

Criteria

- Before any services begin, all supplemental compensation arrangements must have prior approval.
- Supplemental compensation shall not be paid for the performance of duties and responsibilities that are a part of an employee's regular assignment.
- The additional work should not conflict with or reduce effectiveness of the employee's performance of primary job responsibilities.
- Supplemental compensation is generally not provided for services within the employee's home department(s).
- Supplemental compensation is intended for short-term arrangements, not as an ongoing compensation strategy.
- For ongoing situations, departments should consider longer-term options, such as release time, using staff within the unit who may have the requisite skills, training available staff members to gain the requisite skills or incorporating the work in the individual's position description. If ongoing, supplemental compensation arrangements should be reviewed at least annually.
- Supplemental compensation payments shall be consistent with the nature and significance of the assumed duties and responsibilities.
- Supplemental pay recommendations must be appropriately justified and documented by the supervisor/director and authorized in advance through administrative channels and by the Office of Human Resources.

DESCRIPTION (CONTINUED):

DEMOTION: A demotion is the voluntary or involuntary movement of a non-probationary staff employee to a lower graded position. A demotion shall not jeopardize an employee's eligibility for an annual increase. The adjusted salary for a demoted staff member shall be determined as follows:

The salary of an individual who is voluntarily or involuntarily assigned to a position in a lower grade shall revert to the same relative position in the compensation scale as his/her previous assignment in the higher-grade position. Any exception to this policy that results in a request for salary adjustment outside of the policy statement above must be approved by the appropriate Vice President and President with a prior recommendation from the Office of Human Resources. Annual increases shall be calculated based on the lower pay rate.

LATERAL TRANSFER: A lateral transfer is the movement of an employee to another position in the same grade. Lateral moves should be used in situations where it gives the employee a chance to expand his/her skills and network with a new circle of employees or as an opportunity for an employee to expand his/her career path opportunities. Pay for an employee who transfers will be determined by considering market factors, internal equity, and the employee's qualifications, Morehead State University experience, external experience and the responsibility level of the new position along with the budget availability within the unit. Any exceptions to this policy that result in a request for salary increase must be approved by the appropriate Vice President and President with a prior recommendation from the Office of Human Resources.

REINSTATEMENT OR RECALL TO PREVIOUS POSITIONS: The normal rate of pay for an employee who is reinstated or recalled within one year shall be his/her former rate of pay or the entry level for the position, whichever is greater.

OVERTIME OR COMPENSORY TIME: Overtime pay and/or compensatory time shall be granted under the provisions of the appropriate Wage and Hour laws, Personnel Policy PSNE- 5, Overtime Pay for Employees Classified as Staff Nonexempt.

REASSIGNMENT: A reassignment is the transfer of an employee from one position to another at the direction of MSU's President. The transfer may be voluntary or involuntary. A reassignment may be to a position in a higher grade, lower grade, or the same grade. Employment terms such as salary, probation, contract period, etc., shall be determined by the President.

MERIT PAY: Morehead State University is committed to linking the opportunity for annual pay increases to staff performance. A determination will be made annually by the University administration whether a merit component will be included in the staff salary pool.

The opportunity for an annual merit increase will be based on an individual's annual performance evaluation and approved guidelines. Merit increases will normally be processed annually during the annual review/performance management process and take effect on July 1 unless the review date is adjusted. Merit increase guidelines will be sent to immediate supervisors each year. Merit increases outside of the Performance Management process will not be considered.