

PPP-32 Compensation Plan

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Overview

Fundamental to the administration of wages and salaries within the Tennessee Board of Regents (TBR) and East Tennessee State University is a commitment to pay equitable and competitive salaries as determined by internal job analyses and external market statistics within the limits of resources appropriated. It is intended that this compensation system attract and maintain competent and well-qualified employees and provide a fair and objective reward structure.

The East Tennessee State University Compensation Plan was developed to insure that employees are classified accurately and equitably paid in accordance with the complexities of their job duties. The Plan is not an employee performance appraisal technique but a quantitative job evaluation instrument which offers a vehicle for:

- a) providing a means of determining equitable rates of pay among positions;
- b) enabling the comparison of positions on the basis of job content and thus avoiding unfair differences in wages between positions and between departments for similar work;
- c) providing a solid foundation upon which a fair wage rate for a position can be determined in relation to the rate paid to all other positions;
- d) providing factual, detailed descriptions of position contents and requirements;
- e) assisting the manager to think objectively to each position in their department;
- f) showing why positions rate differently helps the manager explain wage differentials to employees;
- g) facilitating reliable reporting in salary surveys;
- h) and, providing a system for effecting salary changes when the position changes.

The Compensation Plan is comprised of two separate components, one for administrative/professional positions and one for clerical/support positions, and includes two separate sets of evaluation factors against which all jobs are measured. Administrative/professional positions are evaluated using ten possible evaluation factors. These factors employ a number of levels or degrees each with an established number of points. The total point range is divided into 15 pay levels or salary ranges designated level two to level 16. Clerical/support positions are evaluated using a separate nine evaluation factors against which all jobs are measured. The factors employ a number of levels or degrees each with an established number of points. The total point range is from 0 to 1000. The point range is divided into 15 pay levels or salary ranges designated level one to 15.

The Fair Labor Standards Act (FLSA) of 1938, revised in 2004, defines the determining criteria between administrative/professional (exempt) positions and clerical/support (non-exempt) positions. The revised white-collar exemption rules have three main components, the salary basis test, the duties test, and the salary level test. An employee must meet all three of the tests in order to be exempt from overtime (medical doctors, lawyers, and teachers are exempt from the salary level test). These tests are used as guidelines for evaluating and placing all university positions within the Compensation Plan.

The Tennessee Board of Regents has developed a list of core clerical/support positions. These positions have been evaluated and assigned to a particular pay (skill) level. Each of the core clerical/support positions within the Plan has a corresponding job specification, developed by the TBR, and used to aid in the identification, definition, and evaluation of positions. The university also maintains an extensive list, and the corresponding job specifications, for additional clerical/support positions. These university specifications aid in the identification, definition, and evaluation of positions. Specifications are also used

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on campus as general position descriptions, with completed questionnaires providing more detailed position descriptions of each individual position. Individual position descriptions are prepared for all administrative/professional positions defined in the Plan. These descriptions are a synopsis of the information provided by questionnaires (completed by the incumbents and their supervisors), and are generally one page in length. The availability and use of position descriptions for both clerical/support and administrative/professional positions may include:

- a) helping employees on all levels acquire greater understanding of their present positions;
- b) reassigning and fixing functions and responsibilities in the entire organization;
- c) evaluating job performance by comparison between what the employee does, and what the job description says he/she should do;
- d) serving as an introduction for new employees to their positions;
- e) assisting in hiring and placing employees in the positions for which they are best suited;
- f) setting forth lines of promotion within all departments and at all levels;
- g) assisting in forecasting training needs for a particular function;
- h) improving work flow;
- i) reviewing the existing practices at all levels;
- j) identifying reasonable accommodations and essential functions to insure compliance with the provisions of the Americans with Disabilities Act;
- k) and, serving as a guide to making decisions concerning transfers.

Daily Operation of the Compensation Plan

Daily operation of the Plan is the responsibility of the Director of Human Resources. The Office of Human Resources is responsible for obtaining position data, developing position descriptions, evaluating positions using established Tennessee Board of Regents' guidelines, and recommending pay levels.

The Plan applies to all clerical/support and administrative/professional positions with the exception of the president, vice presidents, academic deans, executive assistant to the president, coaches, academic associate vice presidents, academic and medical education associate and assistant deans, and other positions exempted upon implementation.

Salary Schedules

Separate salary schedules, i.e., Classified Salary Schedule, and Administrative/Professional Salary Schedule, have been developed for classified (clerical/support) and administrative/professional positions (see Human Resources website).

When an employee reaches the maximum salary in his/her pay level, this should prevent receipt of an annual salary increase unless an exception is granted by the University President, mandated by legislative action, or results from increases in the development district's schedule. It should be recognized that these employees, as well as all eligible employees shall continue to receive longevity payments each year for the primary purpose of recognizing long service to the institution.

To maintain as competitive salary structure as possible, percentage adjustments to both salary schedules will be recommended each fiscal year as funds are available. The following factors will be considered in

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making this recommendation:

- a) changes in the annual "College and University Professional Association for Human Resources (CUPA-HR) Administrative Compensation Salary Survey" data for those ETSU administrative/professional positions which are comparable (benchmark) to survey positions;
- b) other appropriate market salary survey data; and
- c) pay increase guidelines by the Tennessee Board of Regents.

A. Classified Salary Schedule

The salary schedule is developed by means of periodic market analyses which survey locally recognized competitors of each Tennessee Board of Regents institution. Separate schedules are established for each of nine Development Districts within the State in conjunction with recommendations and input from the Tennessee Board of Regents institutions within each District. The minimum wage/salary in Pay Level 1 for each district should be equal to or greater than the current federal minimum wage.

B. Administrative/Professional Salary Schedule

In order to establish a reliable salary structure for all administrative positions, the Tennessee Board of Regents Administrative/Professional Position Evaluation Study was equitably based upon not only "job content" through systematic evaluation and review of relevant jobs but also "market factors" through comparison of salaries with established/surveyed market statistics (in this instance, "College and University Professional Association for Human Resources Salary Study of Public Universities"). Salary structures were developed locally due to the variance in types of institutions within the Tennessee Board of Regents system and because of intrinsic differences in the functional organization of each institution.

New Hires Salary Rate

A. Classified Positions

The normal hiring salary is the minimum salary of each pay/skill level up to 90% of each level's midpoint (90% Rule). Written requests for hiring above 90% of a level's midpoint must be submitted through signatory channels by the requesting supervisor to the Office of Human Resources for review; for review by the Vice President for Finance and Administration; and approval by the University President. Requests for entry salaries above the 90% Rule will only be approved in exceptional cases based upon evaluation of criteria and submitted documentation. Criteria to be considered in determining salaries must include the following:

- a) qualifications of the candidate;
- b) number of applicants for a position;
- c) number of interviews;
- d) number of qualified applicants identified;
- e) number of offers of employment;
- f) length of the recruiting campaign;

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- g) cost of the recruiting campaign;
- h) length of time the position was vacant;
- i) urgency to fill the position;
- j) equity problems relative to other university employees within that job title.

Exceptions to this policy require appropriate justification and the review of the Vice President for Finance and Administration, and the approval of the University President.

B. Administrative/Professional Positions

An entry salary may range from the minimum salary of each pay/grade level up to 90% of each level's midpoint (90% Rule). Written requests for hiring above 90% of the midpoint must be submitted through signatory channels by the requesting supervisor to the Office of Human Resources for review; for review by the Vice President for Finance and Administration; and approval by the University President. Requests for entry salaries above the 90% Rule will only be approved in exceptional cases based upon evaluation of criteria and submitted documentation. Criteria to be considered in determining salaries must include the following:

- a) qualifications of the candidate;
- b) number of applicants for a position;
- c) number of interviews;
- d) number of qualified applicants identified;
- e) number of offers of employment;
- f) length of the recruiting campaign;
- g) cost of the recruiting campaign;
- h) length of time the position was vacant;
- i) urgency to fill the position;
- j) equity problems relative to other departmental employees within that job title.

Exceptions to this policy require appropriate justification and the review of the Vice President for Finance and Administration, and the approval of the University President.

Transfers

An internal transfer occurs when an employee applies for and/or is appointed to a newly created or existing open position, thus vacating their former position. When appointed to a position that is in the same pay level as the one from which he/she is transferring, a lateral transfer occurs. In these instances, no salary adjustment should be made if at all possible; however, availability of funds and relative salaries in the department will be the determining factors. When an employee voluntarily transfers to a position in a lower pay level, a salary adjustment may occur. The new salary upon transfer must be within 90% of the lower pay level's midpoint.

Promotions/Demotions

A promotion is defined as an increase in position or rank brought about by means of assuming the duties of a vacant position of higher classification, or assuming duties which warrant a reclassification of present

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position to one at a higher level.

The new salary, upon promotion, will be the greater of: a four percent increase above the new base salary; or a four percent increase above the present salary provided that the new salary does not exceed the established maximum for the new position. The increase will be given on the effective date of the promotion unless otherwise approved by the University President and if permitted by Tennessee Board of Regents policy. If the pay increase cannot be granted at that time, it will be effective upon TBR approval. A maximum increase of up to 90% of the new level's midpoint may be recommended for employees with exceptional qualifications and lengthy periods of service to the university or the TBR System.

Recommendations must be forwarded to the Department Chair/Director, Dean, and appropriate Vice Presidents for approval. The Office of Human Resources will evaluate equity issues of these requests in consultation with Departments prior to submission to the University President for approval. Requests for salaries exceeding the established maximum for the new position will not be approved. Criteria to be considered in requesting exceptions must include the following:

- a) qualifications of the candidate;
- b) market conditions for that job; and
- c) equity problems relative to other university employees within that job title.

A demotion is defined as a decrease in position or rank brought about by means of assuming the duties of a vacant position of lower classification, the realignment of duties presently performed which warrant a reclassification of present position to one at a lower level, or the assignment of a position at a lower classification subsequent to the disciplinary procedure or disqualification from present duties as a result of mental or physical incapacity to perform the required work.

New/Vacant Positions

No regular position shall be advertised or filled prior to an evaluation of the position and the establishment of a pay level. The Office of Human Resources will initiate a pre-audit of newly created positions (approved by TBR or grant funded) in order to insure proper classification and placement within the Compensation Plan. The pre-audit will include the following steps:

- a) completion of position evaluation questionnaire (see Human Resources website Forms page for questionnaires);
- b) factor evaluation using Tennessee Board of Regents (TBR) Administrative/ Professional Job Evaluation Factors or the Classification/Compensation Job Evaluation Factors;
- c) administrative approvals prior to inclusion into the Plan;
- d) and, development and approval of a final position description.

All initial evaluations of new positions or subsequent re-evaluations of vacant positions are exercised by campus administrators and do not require TBR approval. TBR approval is required for the addition of a new permanent classification (job title) to the Plan, and for the adjustment of a clerical/support classification's evaluated pay level, i.e., Level 4 for a Secretary 2.

Position Audits/Reclassifications

A position audit, conducted by the Office of Human Resources, is required to change the title and/or pay level of an existing position. No position will be audited more than one time per fiscal year; in the case of an exceptional circumstance, the supervisor should notify the Office of Human Resources prior to an

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additional change and reassignment of duties.

A change in a position's duties and responsibilities does not necessarily dictate a change in the position's pay level. Often the same skills, knowledge and level of responsibility exist. Extensive changes in a position's duties and responsibilities should be discussed with the Office of Human Resources prior to the assignment of the new duties and responsibilities.

A position audit must be requested using the following procedures:

1. A memorandum of justification should be prepared by the immediate supervisor. This communication should be prepared in as much detail as possible, giving the significant changes with supporting data, along with the reason for this change and/or addition of duties.
2. The immediate supervisor's memorandum of justification will be sent to the next line of authority who will append a statement of review of the memorandum and add a written recommendation with reasons for approval or disapproval. This process continues through normal administrative channels (i.e., supervisor, director and division head, dean and vice president) with each submitting a written recommendation with reasons to the next person in the chain of command. When the request reaches the vice president, the vice president makes a written recommendation to the Office of Human Resources.

It is the responsibility of each supervisor within the line of authority to carefully review the request, adding additional supporting documentation as required. A request can be denied/disapproved by any supervisor within the line of signature authority.

3. When a request is received by the Office of Human Resources, an appropriate questionnaire will be sent to the requesting department for completion. (see Human Resources website Forms page for questionnaires);

The appropriate questionnaires should be returned to the Office of Human Resources, through proper signatory channels, as soon as possible (10-12 working days). If the questionnaire is not returned within this time limit, an audit request and justification must be resubmitted through channels.

A. Organization Chart

An organization chart must be attached to every position questionnaire. An organization chart is a graphic representation of the structure of a department or division. The chart portrays relationships among organizational units and the reporting relationships of positions. The Office of Human Resources cannot make an accurate assessment of a position without a picture of how the position fits into its organization.

Upon return of the completed questionnaires, the Office of Human Resources may schedule an on-site desk audit.

B. Desk Audit

There is no requirement to conduct an on-site desk audit for every position audit request. Most positions can be classified on the basis of discussions with supervisors and through the information contained in the position questionnaire, supporting documentation, and organizational charts. This is because over time, the Office of Human Resources has developed a base of information concerning

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the work performed and the level of responsibility of many types of university positions.

However, if there is insufficient information contained within the position questionnaire, organizational chart and supporting documentation, the Office of Human Resources will schedule an on-site desk audit. An on-site desk audit is an information gathering procedure in which a human resource analyst interviews the incumbent in a position, the employee's supervisor, and if required other related positions.

1. Factor evaluation and audit conclusions will be prepared by the Office of Human Resources, and recommended to the appropriate approving authorities; upon approval or denial, notification will be made to the department requesting action.
2. Final position descriptions will be developed for each position by the Office of Human Resources, with approvals obtained from the appropriate vice president.

C. Salary Adjustment

If a position audit results in a recommended upgrade to a higher level and salary, the increase will be submitted as required for TBR approval.

The new salary, as a result of position reclassification, will be the greater of: a four percent increase above the present salary; or 90% of the new level's midpoint; provided that the new salary does not exceed the maximum of the new level. No employee's salary shall be increased to exceed the maximum salary established for his/her position unless reviewed by the Vice President for Administration and approved by the University President. The increase will be given on the effective date of the promotion if permitted by Tennessee Board of Regents policy. If the pay increase cannot be granted at that time, it will be effective upon TBR approval.

Salaries for Temporary Employees

Newly hired temporary employees should be paid at the minimum entry rate up to 90% of the midpoint in the pay level corresponding to their job classification. Hourly wages for students hired as temporaries should be consistent with student wages authorized by the Office of Financial Aid. Grant funded positions must also comply with these guidelines.

Contact the Office of Human Resources for a listing of commonly used position titles, and the corresponding hourly or monthly wage for clerical/support staff and administrative/professional employees.

Updated December 2008, and approved by the Vice President for Finance and Administration

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Attachments

Attachment A

Classified Salary Schedule – see Human Resources website

Administrative/Professional Salary Schedule - see Human Resources Compensation website

Attachment B

Position Classification Questionnaire for Clerical and Support Staff (Non-Exempt) - see Human Resources Forms website

Attachment C

Position Classification Questionnaire for Administrative and Professional Positions (Exempt/Non-Exempt) - see Human Resources Forms website