AUBURN UNIVERSITY

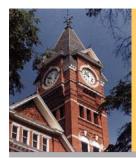


Classification and Compensation Program Supervisory Training

March 2007

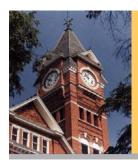


Introduction



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:

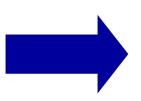
- Why Change?
- The AU Compensation Philosophy
- New Program Design
 - Job Classification
 - Compensation
 - Performance Management
- Timeline for Rollout of New Program
- Your Role and Resources
- Preparing for One-on-One Meetings
- Appeals Process



Why Change?

Current Program

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



Transition

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



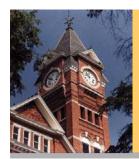
AU Compensation Philosophy

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

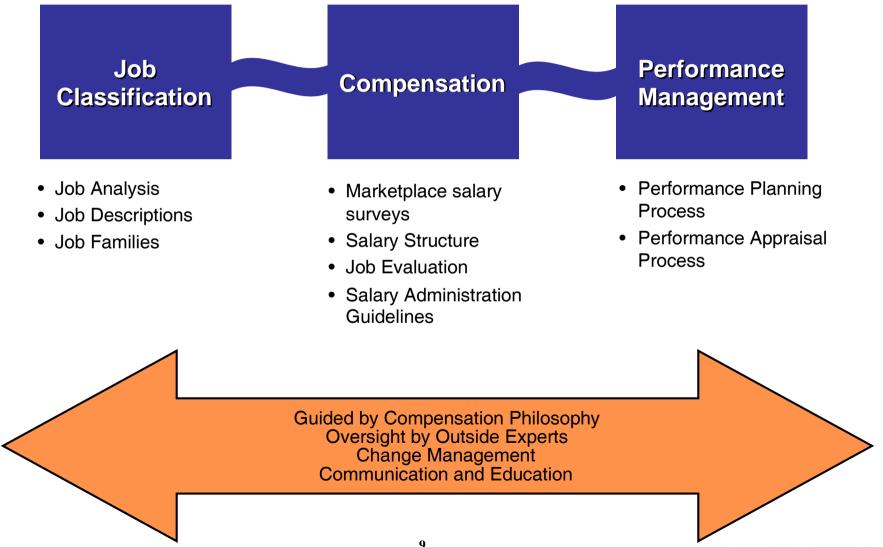


Impact of New Program Design

What's Changing?	What's Not Changing?
Job DescriptionsJob Titles	 No one's pay will be reduced
 Job Families Salary Structure Salary Ranges 	 Timing of promotions and merit pay
 Performance Management Process 	

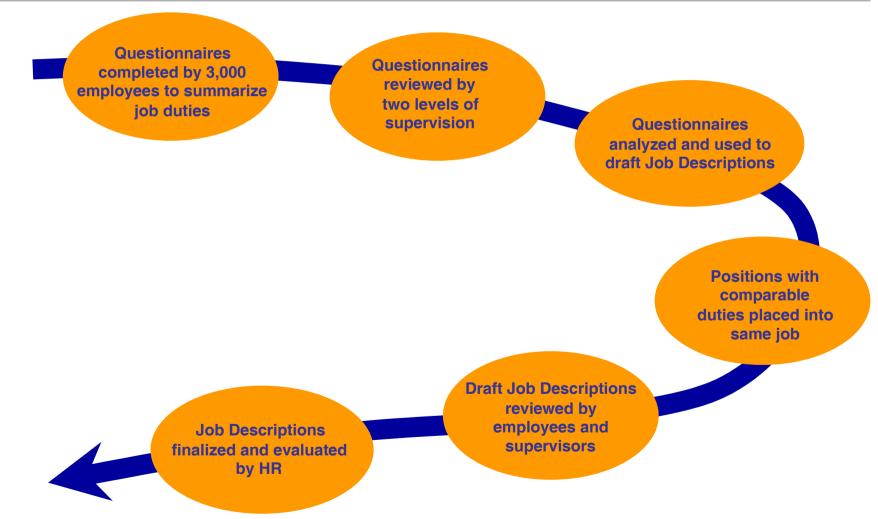


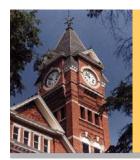
Program Design





Job Classification: Job Analysis





Job Classification: New Job Descriptions

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

Job Title: Accountant, Department Job Code: KA01 FLSA status: Exempt Level I Grade 30 \$27,400 - \$45,700 Level II Grade 31 \$30,700 - \$51,100 Level III Grade 32 \$34,300 - \$57,300

Job Summary

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

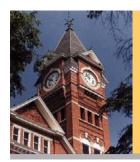
Essential Functions

- Prepares and/or reviews expense vouchers, invoices, purchase requisitions or other transactions for one or more departments, in compliance with approved budgets and University/department procedures.
- Determines proper handling of financial transactions and approves within designated limits, policies or contracts.
- Prepares budget reports, department allocation reports, inventory reports or other specialized reports or analysis on a regular or ad hoc basis.
- 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.

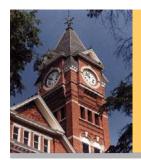


Job Classification: New Job Descriptions

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

evel.	Responsibility	Knowledge	Education and Experience*
I	Under immediate supervision, performs standard tasks using established methods, principles, concepts and procedures related to a specialized field. Judgments are made on routine matters of relatively small impact.	Knows fundamental concepts, practices and procedures of particular field of specialization.	Bachelors degree in discipline appropriate to position with no experience.
Π	Under close supervision, performs varied duties and assignments involving some judgment. Resolves routine questions or problems, referring only complex issues to higher level. Some evaluation, originality and ingenuity required.	Knows and applies fundamental concepts, practices, and procedures of particular field of specialization, with awareness of related fields.	Bachelors degree in discipline appropriate to position plus 2 years experience. Experience must include at least 2 years at the preceding level or equivalent.
ш	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.	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.	Bachelors degree in discipline appropriate to position plus 4 years experience. Experience must include at least 2 years at the preceding level or equivalent.



Job Classification: New Job Descriptions

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Minimum Qualifications

- Provide <u>minimum</u> 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

Minimum	Required Education and Experie	ence			
Level I	Bachelors degree in discipline appropriate to position with no experience.				
Level II	Bachelors degree in discipline appropriate to position plus 2 years experience. Experience must include at least 2 years at the preceding level or equivalent.				
Level III	Bachelors degree in discipline appropriate to position plus 4 years experience. Experience must include at least 2 years at the preceding level or equivalent.				
Focus of	Education	Focus of Experience			
Degree in	Accounting, Finance or related field	Experience in accounting services			
Substituti	ons allowed for Education:				
apply addi		ut lacks the required education, they may normally ducation requirement, at a rate of two (2) years relevan			
Substituti	ons allowed for Experience:				
apply addi		t lacks the required experience, they may normally experience requirement, at a rate of one (1) year e.			
Certificati	on or Licensure Requirements:				
None Reg	uired.				
Physica	Requirements/ADA				
	al physical requirements. Requires no h e indoor facility.	eavy lifting, and nearly all work is performed in a			
predictable have adva	; priorities can be anticipated; some in	t lead time; variance in work volume seasonal and terruptions are present; travel or other inconveniences ire to demands and pressures from persons other than			
Job freque	ntly requires sitting, handling objects w	ith hands,			
Job occas	ionally requires standing, walking, reac	hing, talking, hearing, and lifting up to 10 pounds.			
	deserve the statistic second second second				

Vision requirements: Ability to see information in print and/or electronically.



Compensation



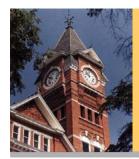
Compensation: AU Adopts 19 Salary Grades

Salary	Sa	alary Ranges (effective 10/	/1/07)
Grade	Minimum	Midpoint	Maximum
42	\$135,600	\$180,800	\$225,800
41	\$117,900	\$157,100	\$196,500
40	\$102,500	\$136,600	\$170,700
39	\$ 89,000	\$118,700	\$148,400
38	\$ 77,300	\$103,200	\$129,000
37	\$ 67,300	\$ 89,800	\$112,100
36	\$ 58,500	\$ 78,100	\$ 97,600
35	\$ 50,900	\$ 67,800	\$ 84,800
34	\$ 44,300	\$ 58,900	\$ 73,700
33	\$ 38,500	\$ 51,400	\$ 64,200



Compensation: AU Adopts 19 Salary Grades

Salary	Sa	lary Ranges (effective 10/1	/07)
Grade	Minimum	Midpoint	Maximum
32	\$34,300	\$45,800	\$57,300
31	\$30,700	\$40,900	\$51,100
30	\$27,400	\$36,600	\$45,700
29	\$24,400	\$32,700	\$40,800
28	\$21,900	\$29,200	\$36,500
27	\$19,900	\$26,500	\$33,100
26	\$18,100	\$24,000	\$30,100
25	\$16,300	\$21,800	\$27,200
24	\$14,900	\$19,800	\$24,800



Compensation: Ensuring Pay is Competitive and Fair

External Equity

- Review multiple salary surveys
- Focus on surveys covering universities and other organizations we may compete against for talent

Internal Equity

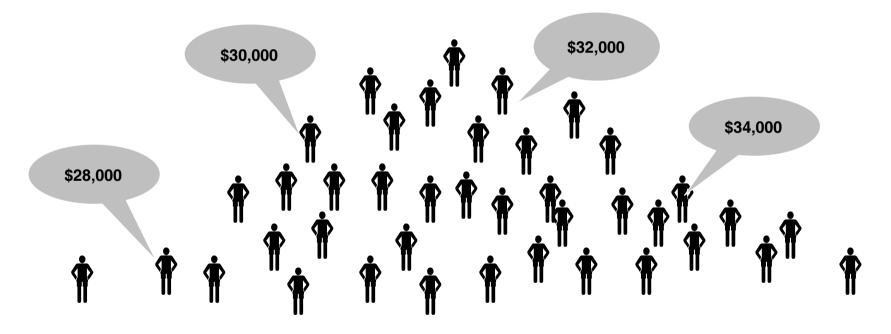
 Compare jobs internally to ensure jobs with similar levels of responsibility, scope and decision-making authority are paid comparably—this is key for jobs that can't be benchmarked externally

Review market salary ranges annually and adjust the ranges if market conditions warrant



Compensation: Ensuring Pay is Competitive and Fair Externally

For each benchmark job*, we look at the pay distribution in the external marketplace



*Benchmark jobs are those commonly found in the marketplace



Compensation: Ensuring Pay is Competitive and Fair Externally

Pay data comes from Salary Surveys

	Companies	Incumbents	Rate	at Selected Percentiles			
	Reporting	Represented	25th	50th (Median) 75th	Average Rate		
Survey I	27	195	\$31,278	\$43,754 \$54,438	\$44,295		
Survey II	27	195	\$32,027	Published by third parties	independen		
Survey III	26	179	\$35,156	Multiple surveys availab			
Survey Average	27	195	\$33,123	• Can provide pay data by job, industry, company/ university size, country,			



Compensation: Ensuring Pay is Competitive and Fair Internally

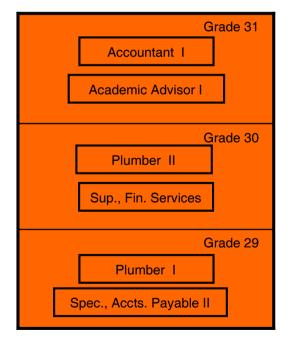
Internal Job Evaluation Factors include factors such as:

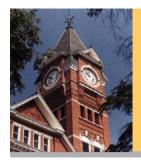
- Knowledge and skill
- Impact and accountability
- Consequence of error
- Problem solving
- Guidance received
- Communications
- Level of supervision
- Confidentiality
- Working conditions



Jobs are placed into the appropriate grade using a blend of external salary survey information and internal job evaluation factors

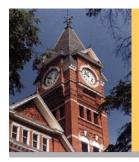
Sample Placement of Jobs into the Salary Grade Structure





Compensation: How Employees are Placed into Job Family Levels

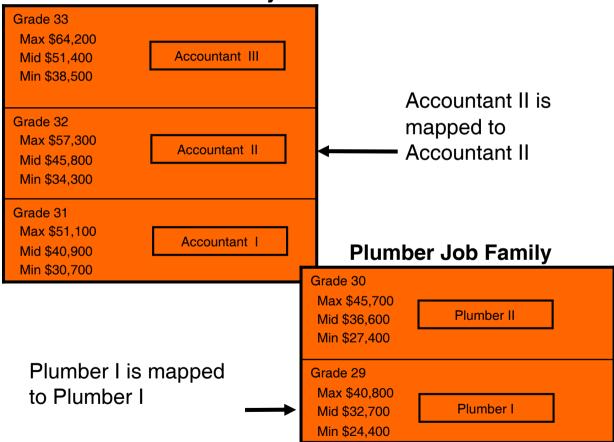
- Employees moving into a job family were placed into a level within the job family using one of two methods.
 - Employees in a job/job family who are moving to a job family with the same number of levels will be mapped over to the same level they are in currently. This method results in the employee 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



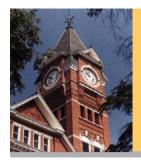
Compensation: How Employees are Placed into Job Family Levels

• 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



Compensation: How Employees are Placed into Job Family Levels

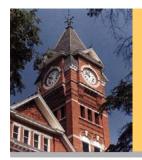
- METHOD II
- For employees moving into a job family for the first time or with a different number of levels than they are in currently.
- January 1, 2007 salary is compared to midpoint of all levels in job family

Midpoint value is

"cutoff"

Grade 33 Max \$64,200 Mid \$51,400 Min \$38,500	Job A Level III	
Grade 32 Max \$57,300 Mid \$45,800 Min \$34,300	Job A Level II	
Grade 31 Max \$51,100 Mid \$40,900 Min \$30,700	Job A Level I	•

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

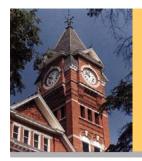
• Employees with a salary above or near the salary range maximum will continue to be eligible for salary adjustments

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



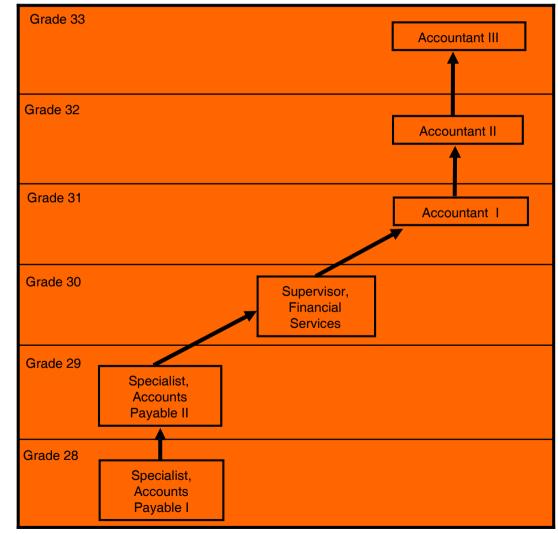
Performance Management



Compensation/Performance Management: Career Growth

Career opportunities may exist within

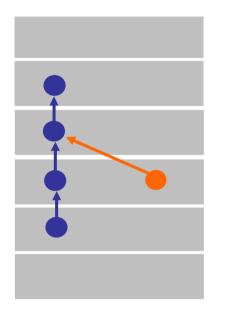
- The same family
- A different family
- A different job altogether





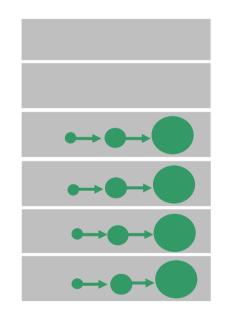
Compensation/Performance Management: How Pay Can Grow

Promotions within the Salary Grade Structure



Job family promotions

Job-to-job promotions Merit increase within the Salary Grade Range



Improved performance within a job

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



Compensation/Performance Management: Reclassification

- 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



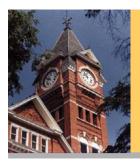
Rollout Timeline and Your Role



Rollout Timeline

	,	February			March				
-									





- 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

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

* Handed out to employees during one-on-one meetings

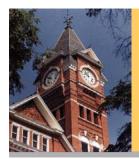


Preparing for One-on-One Meetings



Preparing for One-on-One Meetings

Step 1	Schedule one hour to meet with each of your employees between March 12 and 23
Step 2	Receive the Personalized Statements and Job Descriptions for your employees along with Talking Points and Compensation Brochures
Step 3	Become familiar with all of the materials prior to your meetings



Suggested One-on-One Meeting Agenda

- 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?



Addressing Job Descriptions

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 <u>not intended</u> 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

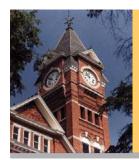
- The new program is consistent across the University
- Job families (where available) continue to define career paths
- Promotional opportunities may exist within the same family, a different family, or a different job altogether

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



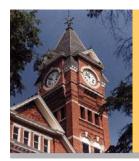
What's the Appeals Process?

- 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.

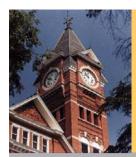
• Appeals will not be considered if based on seniority, qualifications of the individual incumbent, anticipated future job assignments, job performance, assignment to a job family level, salary within the salary range, or an increase in the volume of work

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!