

Staff Council Classification and Compensation Forum

November 22, 2004

I. Welcome

Bea Karadeema welcomed meeting participants and made some general announcements regarding the purpose of the meeting. She informed staff members that the forum was designed to provide general information regarding the purpose of the classification and compensation study and the process that was followed. She further indicated that the session was not intended to address individual concerns or grievances, and that these types of concerns should be resolved through the formal guidelines provided in the classification and compensation study manual, which is posted online.

II. Administrative Remarks

Dr. Nance welcomed staff members and thanked them for participating in the forum. She explained that the purpose of the forum was communication regarding the class and comp system. She provided background information about the project and gave a general timeline of the process. The process began in January 2003. At that time, there was no preconceived notion regarding how the system should be structured, just a desire to create and implement a new and improved system. This system would be designed according to sound human resources principals that looked at market in a systematic way, looked at the specific jobs being performed, and could serve as a platform for a more comprehensive classification and compensation plan. The primary goal was to create a system that would make things better for AUM employees.

With these thoughts in mind, Professional Management was contracted to conduct the classification and compensation study and create a new system for AUM. The project was led by Dick Cottrell. In the Summer of 2003, staff members completed Position Descriptions Questionnaires (PDQs) in order to provide the consultant with detailed information about their jobs. Frequently Asked Questions (FAQs) were posted during this time to provide guidance for staff members when completing the PDQs. Once the PDQs were completed, they were submitted to supervisors for review and then forwarded to the consultants. These PDQs served as the baseline for the classification and compensation study. The study was to be completed and a draft of a plan was to be submitted by the consultant in December 2003. In February 2004, the first draft was presented to Executive Council, Administrative Council, and staff members present at an open forum sponsored by Staff Council. Executive Council was asked to review the plan and refine any issues.

Overall, the Executive Council felt that the consultant did a satisfactory job; however, there were concerns about the “broad banding.” In the proposed plan, there were only ten bands. Therefore, people who were performing vastly different tasks were included in the same band. Due to these concerns,

a decision was made to bring in individuals on campus with expertise in this area. In March 2004, a large ad hoc committee was appointed to review the classification and compensation plan and provide feedback, including recommendations for improvements. The members of the large committee included: Jane Goodson and Katherine Jackson as Co-Chairs, Bret Becton, Wanda Blake, Nigel Card, Debbie Dahl, Neville Duarte, Cynthia Ellison, Mary Hicks, Geraldine Jones, Bea Karadeema, Leslie Meadows, Carolyn Rawl, and Debbie Sutton. Their charge was to review the job titles and descriptions created under the proposed system, review the administration manual, determine whether the procedures were adequate, and suggest improvements. Later, a small joint subcommittee was appointed. The members of the committee included: Neville Duarte, Debra Foster, Jane Goodson, Katherine Jackson, and John Veres. This committee was asked to review the point factor system and make recommendations to Jackie Roberts and then to Dr. Nance.

Dr. Nance reminded the staff that from the beginning they had a strong commitment by everyone involved to ensure that no employee's salary would be reduced as a result of this classification and compensation study. She said that everyone involved in the process agreed that no matter what classification an employee was assigned to, there would be no reduction in salary if the classification was different under the new system than it was under the old system. However, as a caveat to that, she explained that, as mentioned at the beginning of this project, the purpose of the classification and compensation study was not to give everyone a raise. The purpose was to estimate the minimum salary for each band and ensure that those who were not at the minimum could be increased to that point.

In February 2004, Dr. Nance met with the Staff Council regarding the classification and compensation study. At that time she was asked whether the plan would be implemented and whether the salary adjustments would be made. At that time, Dr. Nance indicated that she was not sure at the time whether AUM would financially be in a position to make those changes. However, later a determination was made that we would be able to move forward with the implementation of the plan. In September, the small committee presented its recommendations. The plan was then reviewed by the Senior Administrative Staff (consisting of the Executive Council and the Deans Council). Questions were addressed, some revisions were made, and the plan was approved. Dr. Nance then began moving toward an implementation date of October 1. She indicated that she selected this date for two primary reasons: 1) it was the beginning of the fiscal year; and 2) she wanted to act quickly to get those employees who were below the minimum up to their minimum salaries, in order to maximize the money that people would be eligible for.

Dr. Nance indicated that this part of the process is the “first cut.” We now have a system with classifications based on internal equity and market. It is a plan that will be updated next year. She feels that we now have a baseline of a system that will take AUM in a new direction that will be beneficial for the staff. The next step will be to develop a performance appraisal system to allow employees to progress based on performance. Performance was not a factor in the first phase of the process, but it will be in the second phase, with the purpose being to move high performing employees up to their midpoint. Another step will be to develop a “career ladder” system. This system would allow employees to advance within their jobs or into other jobs on campus as they learn new concepts or acquire new skills. The intent is to reward performance and additional competence that will benefit AUM.

In closing, Dr. Nance indicated that she feels that the overall system will be a strong benefit for AUM that will allow us to reward good performance and that is defensible, systematic, and within sound human resources principles and practices. She then turned the podium over to Dr. Neville Duarte.

III. Overview of the Process

Background Information

Dr. Duarte discussed the purpose of the study and the process that was followed. He also addressed some of the issues that have been presented by staff members. He explained that the biggest point of contention seemed to be related to compression issues. Employees are frustrated that they have been in a position for some time and new employees can now be hired at the same salary as current employees. He indicated that this problem is common and that is something that we will have to overcome. The purpose in the system is to be clear about salary ranges and be competitive in the market.

He indicated that another area of concern was related to what happened to the work performed by the consultant. Staff members have asked why changes were made to the plan presented by Dick Cottrell. Although his plan was followed, some changes were made because of problems that existed with his plan. The primary problem is that he came up with a system that was based on broad banding. At times supervisors and employees were even classified in the same band. Therefore, an evaluation was needed to see if the plan made sense and to see how fair it was. The goal was to ensure that there was a balance between internal equity and external equity. The review and evaluation was performed by three different groups: the Large Committee, the Small Committee, and the Senior Administrative Staff. Once the review was complete, the study results were presented to the staff, and the staff was provided with a manual related to the system.

Overview of Process and Problems

The first step in the classification and compensation study was the completion of the PDQs. The PDQs were used to obtain extensive information about the positions at AUM and to determine the internal equity and relative worth of jobs within the institution. The PDQs looked at: 1) education – not the educational attainment of the person in the position, but what education is required by the position; 2) experience – not how much experience a person has, but what experience is required by the position; 3) supervision – looked at the number of people supervised, the level of supervision (direct vs. indirect reports), and the nature of who is supervised (directors and managers vs. administrative assistants); 4) fiscal responsibility – control over budgets and money; and 5) strategic impact – when looking at similar positions, do they have the same impact? How important is the position to the university? How important are the functions of the position?

The PDQ **did not** take into account longevity. It was not based on time put in with the university. It **did not** take into account the level/quality of performance of the employee. The PDQ **did** look at how the job is performed, but **not** how well.

There were several problems with the PDQs. First, there was a lot of overlap caused by double counting and impact errors, and the factors needed to be simplified and clarified. In addition, there was PDQ over-inflation and under-inflation. At times employees got fancy with their jobs, and at other times, employees did not include all of the tasks. The PDQs had to be reviewed closely to ensure they accurately reflected the position. At times, PDQs had to be redone in order to accurately represent the job. It was crucial that this information be accurate, since it would serve as the baseline for the study.

In addition to information obtained from the PDQs, the consultants reviewed market information. In the way of market, the consultant benchmarked jobs to see what the market pays for those jobs. The consultants looked at different markets, sometimes national and sometimes regional or local, depending on the position. All of this information was used to establish the appropriate classification and level of compensation.

Problems Presented by Staff

- 1) Salary Compression – Employees are frustrated about the fact that individuals will be hired into positions and will be compensated at the same level as employees who have been working in the position for quite some time. This is a problem. However, this problem typically occurs with the implementation of a new class and comp system, and it is something that we will have to deal with.

- 2) “I need to be called queen” problem – Employees are unhappy with title changes. Employees need to understand that the purpose of the study was to come up with titles that fit the position and the band based on the work performed by the employee. Although some titles were changed based on the results of the study, money is not an issue here, since no salary reductions were made. A little flexibility was built in within the bands for titles. Supervisors had the opportunity to review the titles, and working titles are permitted.
- 3) Employees are comparing their classification with others – Employees are looking at how other people are classified and believe that they should be reclassified too, because they feel they should get a raise. In certain instances, where the job has changed since the PDQ was completed, reclassification may need to be considered.

Questions

- Are we trying to get to the midpoint at this phase?
No. That issue will be addressed during the second phase of the process. This part of the process will be based on performance.
- What happens if an employee has been employed by the university for a long time and is already beyond the midpoint?
This is a salary compression issue. Longevity is certainly important, but it is second to performance. Ability to move into the next band will be based performance and the acquiring of new skills.
- What happens if skilled employees acquire new skills or learn new trades?
This issue will be considered during phase three of the process.
- If an employee is over the midpoint, will they continue to remain at the same salary?
No. This issue will be addressed in phase two. Employees will be rewarded based on performance.
- If there is a problem with your classification, what should you do?
The first step is to talk to your supervisor. If your supervisor agrees and feels that your complaint is valid, you can go through an appeal process/inquiry process. Everyone involved in the process agreed that there should be an appeal process. There will be an appeals committee who will review all appeals. The committee will consist of two external experts and one faculty member who was not involved in the process. However, the

timeline for the appeal process has not been established at this point.

- The compression issue has not been addressed or how adjustments will be made to resolve this issue. Will there be adjustments?

This issue will be addressed in phase two of the process. Employees should excel based on performance. High performers should move up more quickly.

- Why wasn't everyone brought to the minimum?

They were.

Follow-up Question: In some instances, employees were brought up to their minimums as a result of a merit increase and not the classification and compensation study. Why weren't the class and comp increases made first to bring employees to their minimum and then merit increases added to the new base salary?

The large and small committees did not make those decisions. They just reviewed the results of the study. The Board approves salary increases on a certain date. Salary adjustments (merit increases) were submitted to the Board in June. All of this was done before the date the class and comp system was implemented.

- What is the priority on the performance evaluation system?

No official timeline has been established. However, it is anticipated that the process will take approximately one year, maybe a little longer. However, one important point that should be noted is that even with a new system supervisors must carry out the performance appraisal process correctly. Otherwise, it won't matter how good it is. Supervisor training needs to be provided in order to set a baseline. Creating a more structured system and providing training will make the process more fair.

- If changes have occurred in a position since completing the PDQ, how will this impact the evaluation?

These are two different things. If your job has changed, you may need to complete a new PDQ.

- I had one title before and now I have a new one. How can I spend 14 years in a position and then be reclassified at a lower level?

You cannot make a connection between titles under the old system and those under the new system. The classification is just different.

- Why did the Small Committee throw out Dick Cottrell's work?
That did not happen. Most of the classifications are a product of his work. However, there were some problems, particularly with the PDQs. The Small Committee re-entered the PDQs, not just using the point system but also analyzing the process. The Small Committee's and the consultant's market salaries agreed in over 90% of the cases. Where they disagreed, the committee did additional work (reviewed PDQs, reviewed market data, etc.) to ensure that the position was represented accurately and appropriately classified.
- Why was the decision made not to share statistical data/market data with campus?
There would be security issues involved with presenting this information.
- If a PDQ states that an employee is doing a particular job, but the employee is classified at a lower level than that job (even if the supervisor agrees), what can you do?
In this situation you should go through the appeal process. The supervisor should have received the study results to review before they were posted. These issues should have already been resolved. However, if they have not, you can appeal.
- If an employee appeals and the appeal is denied, what can the employee do?
If the supervisor denies the request, then the process stops there.
- If raises in the future will be based on performance, will we wait for the new performance appraisal system is implemented to make increases?
No one is really sure how that will work at this time. There is no intent to keep employees from receiving salary increases. If money is made available, we would not hold off on raises to wait for the new system.
- There has been some mention of working titles. If your title is so vague that people won't understand what it means, can you use a working title?
Yes. There is some latitude in using working titles. However, you must work with your supervisor to determine the appropriate title. One specific example of a situation in which an employee would choose a working title is where an employee has been classified as a Project/Program Manager. This employee could use a working title "Project Manager of xxxxx." There is no formal system other than working with your supervisor. However, an employee cannot

use a working title that is above the new classification, and an employee cannot use some other title that is included in the class and comp system as a working title. For example, Associate Director is a classification in the new system, but Assistant Director is not. An employee who is not classified as an Associated Director, but who is at times required to fill in for the Director in his/her absence, may use a working title of Assistant Director, but not Associate Director. Each employee should work with his/her supervisor to establish a working title if both feel that the title needs to be more descriptive.

- What is the distinction between Associate Director and Project/Program Manager?
The difference is the number of people supervised, the level of supervision, and the budgetary control.

IV. Closing Remarks

Bea Karadeema thanked Dr. Nance, the members of the Small Committee, and staff members for participating in the forum. She announced that a videotape of the forum would be available for viewing at a later date. She then turned the podium over to Dr. Nance for final comments.

Dr. Nance thanked everyone for participating. She also thanked the members of the small committee and large committee for their work and for being present at the forum to provide information and address concerns. She explained that she felt the new classification and compensation system is a step in the right direction for AUM and that she believes it will be beneficial for AUM and our employees.