



Human Resources

COMPENSATION AND CLASSIFICATION GUIDELINES

Introduction

As of July 1, 2006, a new approach to staff compensation and classification took effect, reflecting Kennesaw's contemporary vision and philosophy, which is to:

- Recruit, retain, and reward talented staff.
- Recognize staff's value and contributions to Kennesaw.
- Reward staff for performance.
- Manage pay through a simpler, more flexible, and less bureaucratic system.
- Ensure fair and consistent administration in all departments across the university.

Roles and Responsibilities

Managers, staff, and HR all have roles to play in properly classifying positions and managing compensation.

Human Resources

HR serves as a resource to managers and will:

- Communicate policies and practices to help managers understand the compensation program.
- Provide information and advice on pay levels, policies, and practices.
- Provide expert guidance, perspective, and support to managers.
- Review compensation decisions to identify and address any significant variations in practices both within and among departments.

HR's role is to work with managers to help them make appropriate decisions. It is also HR's responsibility to keep the President's staff aware of compensation practices across the university.

Managers

Managers play a critical role in managing the compensation program because they will make pay recommendations and will be in communication with staff. Managers are responsible and accountable for the following:

- Establishing and maintaining equitable compensation practices within their areas of responsibility.
- Recommending hiring rates and pay increases.
- Communicate pay increases, compensation guidelines and processes.
- Provide honest and timely feedback to their staff on compensation issues.
- Work with their staff to keep PCA's current
- Use HR as a resource to ensure appropriateness of decisions and consistency with KSU compensation program.
- Communicate with Budget and their Division to ensure that the financial resources are in place to enact their hiring decisions and support their compensation plans.

Staff Members

While staff are not responsible for making pay decisions or actively managing the compensation program, they do have responsibilities:

- Understand the compensation program by using the resources KSU makes available.
- Discuss questions or concerns with their managers and/or HR.
- Work with their manager to keep their PCA updated.

Staff Compensation Structure

KSU's compensation structure comprises two job categories (exempt and nonexempt) that define distinct roles at the University and comply with the Fair Labor Standards Act.

This approach has many benefits, both for KSU and staff:

- Provides broad guidelines, for managing compensation so that managers can make pay decisions that comply with KSU policy, yet can be tailored to the needs of different departments.
- Allows for broad job design and classification, which enables salaries to be aligned with actual responsibilities.
- Supports career development by recognizing advancement within a job or classification, as well as to a position in a higher classification.
- Simplifies the tracking and managing of pay, positions, and classifications.

The pay bands for staff were developed through an analysis of compensation levels and trends for various jobs across the university. HR established pay bands based on the broad banding philosophy, budget constraints, and factors such as turnover and retention.

HR will maintain the competitiveness of the staff compensation structure by reviewing salary trends and, when appropriate, recommend adjustments to the pay bands to reflect market levels.

Job Classification

Jobs are classified by matching the duties of the job with classification descriptions. The job is assigned to the category and position description that best fits with the job's actual responsibilities and is legally compliant. The job classification and descriptions for staff are broader than in the past and allows for flexibility and growth within the classification reducing the need for PCA's and constant reclassification.

Pay Bands

The pay bands that correspond to the job categories have been designed to allow flexibility in managing pay.

The bands are broad enough to support pay decisions in a wide variety of circumstances. Staff will not be paid below the minimum of the pay band and any recommendation to pay above the maximum requires HR approval.

Determining Appropriate Pay

The process for determining appropriate pay adjustments is usually an internal matter to be decided by managers. Most pay decisions will require dean/vice president level approval to ensure consistency within the unit and to assess budgetary impact. The university through HR may make institutional pay decisions to ensure the integrity, fairness, legality, and competitiveness of its compensation program.

Starting Pay

It is important to establish the appropriate starting pay for a new staff member. The goal is to recognize the skills, experience, and contributions the individual brings to the job as well as to set an appropriate baseline for future pay decisions.

When a person joins the university, the hiring manager may recommend a starting salary anywhere from the minimum to the first quartile of the pay band. The manager should consider a number of factors when recommending a starting salary to HR.

- Candidate's skills and experience
- Equity within the department
- Available budget

In rare instances a recommendation to pay above the first quartile may be made to HR and should include the reasons for the request and verification of available budget.

HR is available to provide information, market data, and guidance in making salary recommendations and pay decisions. Managers should consult with HR early in the pay recommendation process. HR is responsible for ensuring starting salaries are appropriately set and in reporting pay actions to the cabinet.

Pay Practices

Following are guidelines to assist managers in making pay recommendations

Performance-Based Increases

KSU's philosophy is to reward staff for their contributions to the University. Each year, budget permitting the university provides for performance-base increases. Performance-based increases are not entitlements. The increases should be aligned with the staff member's level of performance resulting in high performers receiving a more generous increase than average performers. Poor performers should receive a smaller increase or no increase. The manager is responsible for working with the poor performing staff member to improve performance. Performance-base increases do not allow managers to simply provide an across the board increase to all staff.

Across The Board Increase

This increase is sometimes referred to as a cost of living increase or a range adjustment. KSU provides the same percentage increase across the board to all staff or staff within specific classifications.

Discretionary Pay Increases

Managers recommend discretionary pay increases for their staff based on pay guidelines. Discretionary pay increases may include internal or external equity, merit, or stipends or interim adjustments. All potential increases will be reviewed by HR to ensure compatibility with the market, fairness and equity, and consistency with KSU pay guidelines.

Job Advancement/Change Increases

KSU offers opportunities for staff to advance in their careers. The compensation program supports advancement by providing managers with flexibility in making pay decisions, based on individual circumstances.

Guidance and authorization from HR is available to managers for situations such as those listed below.

- Move to a position in a higher classification
- Move to a position in a lower classification
- Move to a position in the same classification
- Expanded responsibilities in current position
- Status change from faculty to staff or from non-exempt to exempt

The increase associated with each type of change will depend on the specific job, and if applicable, the level of increased skill and classification. Managers should keep in mind the following factors and guidelines:

Factors

The staff member's current level of performance.

The staff member's current pay level.

The staff member's pay compared to peers in the new job with similar skills, knowledge, and competencies.

The importance (and possible scarcity) of the staff member's skills to KSU.

Guidelines

0%-10% increase for staff with expanded responsibilities or a lateral move.

No increase or a decrease for a move to a lower classification.

0%-15% for a move to a higher classification.

Human Resources

The University charged HR to develop a staff compensation program which simplified and improved the program, aligned it with the USGA classification program changes, and comply with recent changes in federal law.

The University also wanted a program which would support its vision and a performance based culture. HR in developing a new approach to compensation and classification expanded the role and responsibilities of managers and staff. HR is available to assist all members of the KSU community in the fair and consistent management of the KSU compensation plan.