

West Virginia University
Compensation Strategy
Non-classified Employees
August, 2015

Background:

Mission - West Virginia University's primary mission is to provide high-quality programs of instruction at the undergraduate, graduate, and professional levels; to stimulate and foster both basic and applied research and scholarship; to engage in and encourage other creative and artistic work; and to bring the resources of the University to all segments of society through continuing education, extension, and public service activities. West Virginia University recognizes that diversity enriches the institution and the society it serves. The University is committed to social justice diversity and to practicing the principles of equal opportunity and affirmative action.

Vision - West Virginia University is a student-centered learning community meeting the changing needs of West Virginia and the nation through a commitment to excellence in teaching, research, service, and technology.

The competitive local, regional, and national recruitment markets present challenges in recruitment and retention of our leaders and other employees. WVU must attract, retain, and reward a world-class workforce that supports the mission, vision, and business and educational objectives of the institution.

The compensation strategy outlined below is designed to support the business needs of West Virginia University with consideration of the mission, vision, and culture of the organization and its colleges and schools. The strategy recognizes the flexibility needed to appropriately administer compensation in the academic and administrative units.

Scope:

This compensation strategy applies to all non-classified employees¹ West Virginia University, its regional campuses, and the Robert C. Byrd Health Sciences Center (Morgantown, Charleston, and Eastern), with the exception of academic administrators with faculty rank². It does not apply to employees identified as faculty.

The non-classified category is defined in WV Code §18B-9A-2. A non-classified employee is defined as an individual who holds a 1) direct policy making position at the department or organization level, 2) reports directly to the president or Chief Executive Officer of the organization, or 3) is in a position considered by the president to be critical to the institution pursuant to policies adopted by the governing board, not to exceed more than ten percent of its total number of classified and non-classified employees.

¹ Compensation for the President is determined by the WVU Board of Governors.

² Compensation for faculty, academic administrators, and faculty-equivalent positions is defined and approved by the Office of the Provost.

Objectives:

Aligned with the organization's mission and vision, the compensation program for non-classified and academic professional employees is designed to meet the following objectives:

- Attract and retain a competent, qualified, and diverse workforce.
- Compete within comparable labor markets with consideration for equity.
- Apply equitable and consistent administration of the program in accordance with the University's mission, vision, values and financial resources. All personnel covered by this document will be compensated without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, or veteran status.
- Motivate and reward employees for high levels of performance.
- Comply with all legal, regulatory, and statutory rules affecting compensation.
- Be flexible to changes that face the University in regard to labor markets, budgetary constraints, and statutory parameters.
- Provide to employees clear communication that facilitates their understanding of the compensation program.
- Assign to hiring managers and administrators the primary responsibility for determining pay within established parameters and guidelines.
- Provide centralized administration and guidance by the Classification and Compensation Unit, Division of Human Resources, to ensure pay practices are in accordance with established policies, guidelines, and procedures.

Roles and Responsibilities:

To accomplish the objectives of the compensation program outlined above, the following roles and responsibilities have been identified:

Classification and Compensation Unit

- Establish and maintain the University's compensation strategy and ensure appropriate communication to all constituents. For academic units, this should occur in consultation with appropriate academic administrators.
- Provide centralized administration and consultation in regard to pay practices, and address any significant variations in practice among units that are similarly situated.
- Obtain and analyze relevant market salary data. The Classification and Compensation Unit will consult with the Provost's Office regarding data that apply to academic units.
- Review and update salary ranges, pay policies, and guidelines.

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- Develop salary administration guidelines and communicate that information to deans, managers and supervisors in order to facilitate understanding of all aspects of the compensation program.
 - Provide to deans, managers, and supervisors advice and expert guidance in making pay decisions consistent with the objectives of the compensation program.
 - Review, advise, and provide recommendations on any adjustments to the base salary (e.g., supplemental pay or one-time pay).

Administrators, Deans, Managers, and Supervisors

- Make informed and defensible pay decisions that align with the objectives of the compensation program, compliant with applicable policies, procedures, and federal and state laws.
- Participate in external compensation audits and inquiries from external parties, as appropriate, to explain and defend pay decisions.
- Ensure that all non-classified positions have job descriptions that accurately reflect responsibilities of the position.
- Recommend and justify the new-hire starting rates, using the agreed-upon salary range and other rationale, to ensure that the goals of the institution and the academic units are achieved.
- Determine and distribute performance-based increases consistent with WVU-established guidelines.
- Engage the Classification and Compensation Unit as a resource to ensure pay decisions are consistent with the institution's compensation philosophy, policies, guidelines, and practices.
- Communicate to employees the pay program guidelines and respond to general questions about pay.

Market Definition

West Virginia University competes for employees in the local, regional, and national labor markets. Due to the diverse types of positions found in the non-classified employee category, WVU recognizes that it competes in many different labor markets and that these markets may vary by job type, college, and academic or administrative unit. Other recruitment market data may be considered if there are specific needs and requirements for doing so provided that the data is from a valid and reliable source utilizing appropriate salary survey methodology.

Market Target

WVU has established a formal compensation strategy that provides for the salary range midpoints to be established based upon the median (50th percentile) of the market data. An employee's salary target within the established salary range is based on his/her individual qualifications, experience, skills, expertise, and performance. Determination of such a salary target is guided by the document, *Guidelines for Identifying a Target Salary*.

Next Review Date

This document will be periodically reviewed by the senior leadership at West Virginia University. The review shall not exceed three years from the date of the last review.

Guidelines Effective: April, 2010

Subsequent Reviews: February, 2011, November, 2013, July 2014, August, 2015

West Virginia University
Salary Administration Operational Guidelines
Non-classified Employees
August, 2015

Compensation Elements

The non-classified employee compensation program may normally include the following elements:

- Base Pay – Hourly or salaried pay received each pay cycle for regular, assigned work performed.
- Annual Increment – Annual lump sum payment based on years of state service multiplied by a flat dollar amount in accordance with WV state law.
- Performance-Based Pay– Annual increases, when available, that may vary in amount and are dependent upon achieving specific performance criteria.
- Supplemental Pay - An addition to base pay that is paid as a per cycle, flat dollar amount. Supplemental pay is used to compensate individuals performing additional responsibilities that are functionally different or broader in scope than the current assignment.
- Incentive Pay – Pay in addition to the base compensation for a contractually agreed-to performance achievement. This type of pay is typically paid as a one-time payment. For example, this type of pay is normally used only for coaching positions per the provisions set forth contractually. Incentive pay may also be considered for non-coaching positions to the extent that the specific achievements are measurable and approved by the Division of Human Resources.

Additional administrative components to be considered include the following:

- Job description – An accurate and current description of the duties, responsibilities, and qualifications of a job.
- Performance appraisal – A written document that outlines an individual’s performance based on established annual goals and expectations.
- Written guidelines and administrative policies.
- Periodic training for administrators, managers, supervisors, and expert business office personnel.

Program Administration – Base Pay

- WVU maintains a base pay structure based on salary ranges. The salary range defines the lower and upper range of salaries within which all salaries for jobs that share similar market data are expected to fall. Each range has a minimum, midpoint, and maximum rate of pay.

- The Classification and Compensation Unit of the Division of Human Resources is responsible, in consultation with academic units or vice presidents when appropriate, for determining a salary range based on the content of the job description and relevant market salary data.
- The salary range will be the official guide to determining base pay for a new hire.
- The criteria to develop salary ranges are developed and maintained by the Classification and Compensation Unit, Division of Human Resources, with review and consultation with the college or unit.
- Each salary range is normally determined by computing the market median midpoint and constructing a range that is typically 60 – 70% in width from minimum to maximum.
- An employee's base pay will not normally be less than the minimum of the salary range and may not normally exceed the maximum of the salary range.
- The document titled *Guidelines for Identifying a Target Salary* (see Appendix A) will be used to identify the appropriate placement of an employee's salary within the salary range for purposes of various personnel actions, such as new hires, lateral transfers, promotions, expanded or reduced responsibilities, and market adjustments.
- Each salary range should be reviewed periodically based upon market movement. Salary increases are contingent upon the financial feasibility for the organization.
- Movement of an employee's base pay is normally based upon performance based pay adjustments and/or market adjustments.

Starting Salaries for Non-Classified Employees

A complete job description which outlines the essential duties, responsibilities, and qualifications of the position will be submitted to the Classification and Compensation Unit.

- The hiring official will be advised of the salary range and will prepare a recommended hiring salary based on the candidate's credentials utilizing the *Guidelines for Identifying a Target Salary* document. The recommendation will be submitted to the human resources representative responsible for the hiring process for the position.
- The human resources representative responsible for hiring will review and advise the hiring official when determining the appropriate new hire salary.
 - It is the objective of WVU to compensate new hires within the appropriate salary range at a level of base pay commensurate with experience, qualifications, skills, and credentials.
- Normally, no employee shall be paid below the minimum of the salary range or above the maximum of the range.

- New hire salaries *above the* recommended salary at a level of base pay commensurate with experience, qualifications, skills, and credentials will require a written justification from the hiring manager.
- Former employees reemployed by the university shall be paid in accordance with the *Guidelines for Identifying a Target Salary* document.

Annual Performance Increases for Non-Classified Employees

- It is the objective of WVU to reward non-classified employees for their contributions through performance-based salary increases.
- Each year in which these salary increases are awarded, guidelines will be developed by the Classification and Compensation Unit in collaboration with the Office of the Provost and the Division of Administration and Finance, and communicated appropriately to administrators, supervisors/managers, and expert business offices.

Market Adjustments for Non-Classified Employees

- A market adjustment is defined as a salary adjustment that is intended to compensate an employee at the appropriate place in the salary range in accordance with the established *Guidelines for Identifying a Target Salary*.
- A market adjustment is typically provided during the annual performance review period, but may also be granted outside the regular review cycle. This may include, but is not limited to, the following circumstances:
 1. The Division of Human Resources conducts a special market study,
 2. There is a need to address a critical retention issue, or,
 3. A contractual obligation must be met (e.g., coaching staff).
- Market adjustment requests outside the annual performance review period that are not indicated above will be implemented on the next pay period following the review by Classification and Compensation. Written justification by the dean or director, with approval by the appropriate vice president or designee, is required.
- The Classification and Compensation Unit shall review the written request to ensure alignment with the objectives as stated in the *Compensation Strategy* document.
- During years where there are no annual salary increases, market adjustments will typically not be granted and any requests will require the approval of the appropriate vice president and the vice president for human resources, or his/her designee, which approval will not be unreasonably withheld.

Critical Retention Adjustments for Non-Classified Employees

- A critical retention adjustment is defined as a salary adjustment that is intended to retain an employee that occupies a critical position and may be subject to an offer by another organization.
- Critical retention adjustments typically are for one-of-a-kind jobs and/or jobs that are extremely hard to fill; however, employees working on projects deemed critical to the department, division, or institution may also qualify.
- A written request from the dean, or director, with approval by the appropriate vice president or designee, is required. The request should normally contain the following information:
 - 1) Attestation that the employee has received an offer of employment, including reference to the name of the organization, position title, salary, and location (city, state), or a description of the type of work performed and the consequences to the project and/or department due to the departure of the employee.
 - 2) Reference to past recruitment efforts noting the length of time to fill, failed searches, and any other relevant information that underscores the difficulty of filling the position.
 - 3) Reference to the employee's proven record of high performance in the position.

The Classification and Compensation Unit shall review the written request and provide advice and guidance.

Expanded Responsibilities

Employees may receive additional compensation for taking on greater responsibilities on a regular basis in the following two circumstances:

1. The added responsibilities involve the addition of a new functional area that is noticeably different from the current assignment and adds significant breadth and complexity to the position (i.e., the acquisition of an additional functional unit that is unrelated to the current position).
 2. The added responsibilities are similar to those currently performed but the scope of the position has broadened, resulting in a material and significant change in the position responsibilities (i.e., unit versus department responsibilities).
- The assignment of additional duties that are *closely related* to the current responsibilities will not result in an increase in compensation.
 - The attainment of a degree, certification, or license does not necessarily qualify for an immediate salary adjustment. However, this accomplishment may be considered in the annual performance review.
 - A revised job description reflecting the new responsibilities must be prepared and submitted to the Classification and Compensation Unit for review. Electronic web forms requesting supplemental or one-time pay adjustments for this purpose will not be accepted.
 - The Classification and Compensation Unit will work collaboratively with the college or unit to determine the appropriate adjustment. The amount of adjustment normally will be determined by the following factors:

1. The significance of the change in responsibilities.
2. The employee's current position in the salary range.
3. The market target value of the position's new responsibilities.

Promotions

- A promotion for an employee who is covered by this document is defined as follows: movement to a new position that has a higher salary range minimum than the minimum of the range of the employee's current position.
- An employee promoted to a position with a new salary range will be granted a salary adjustment that falls within the new salary range, based on the employee's skills and prior experience.
- Multiple factors will be considered when determining a promotional increase, such as:
 - The employee's prior experience, relevant education, and skills as indicated by the *Guidelines for Identifying a Target Salary* document.
- An employee moving to a position with a higher salary range will not be paid less than the minimum of the new salary range.

Reduced Responsibilities

- When an employee covered by this document moves, either voluntarily or involuntarily, to a position with reduced responsibilities, and the new position has a lower salary range minimum than the minimum of the range of the employee's current position, the employee's new salary will be determined as follows:
- An employee moving to a position in a lower salary range will be paid a salary that falls within the new salary range, based on the employee's skills and prior experience.
- The employee's prior experience, relevant education, and skills as indicated by the *Guidelines for Identifying a Target Salary* document will be used when determining the salary.
- An employee moving to a position with a lower salary range will not be paid less than the minimum of the new salary range.

Lateral Transfer

- A lateral transfer for an employee who is covered by this document is defined as a transfer to a position for which the salary range minimum is identical to that of the employee's current position.
- To promote growth and development of staff, a small salary adjustment may be provided if the transfer is occurring between jobs with different job titles, or where the hiring manager can demonstrate that the new position has a wider scope of responsibilities.

- Any salary adjustment for a lateral transfer between jobs in the same salary range will require documentation by the hiring manager and will be reviewed by the human resources representative responsible for hiring.

Interim Appointment/Promotion

- An interim promotion occurs when the responsibilities being undertaken by the employee are those of another position that is vacant due to an incumbent's approved leave of absence or resignation, or the result of reorganization. The new responsibilities undertaken must occur for a period exceeding one month.
- At the time the interim duties are assigned, the employee shall be notified in writing of the terms and conditions of the interim assignment, including pay and the duration of the assignment.
- The employee's base salary will be adjusted in accordance with the procedures identified above under the category titled *Promotions*.
- If the employee who served in the interim position is selected to fill the position on a regular basis, a review of the current salary will occur to ensure a salary at the appropriate level. This review will be conducted by the Classification and Compensation Unit.

Program Administration – Supplemental Pay

- Supplemental pay is defined as additional pay that is not added to the base pay, but instead is paid as a lump sum or on a per-pay cycle basis. Supplemental pay is typically used to compensate individuals performing additional responsibilities on a temporary basis that are functionally different or broader in scope than the current assignment in the same budgetary unit.
- The assignment of additional duties that are *closely related* to the current responsibilities will not result in an increase in compensation.
- The supplemental pay amount is typically based on a percentage of the base pay increase divided by the number of applicable pay cycles.
- Any supplemental pay shall require written justification by the dean or director with approval by the appropriate vice president or designee, except when fulfilling an obligation under an employee's contract.
- The Classification and Compensation Unit shall review the written request for supplemental pay in order to ensure compatibility with the market, and consistency with salary administration guidelines.
- The appropriate department representative shall complete the appropriate forms in order to implement the recommended additional pay amount and is responsible for ensuring the appropriate pay element definition is used in order to comply with effort reporting guidelines.

Program Administration – Additional Assignments in Other Units

- An additional assignment shall be established when an employee is performing work in departments or units other than his/her own.
- A written job description of the duties and responsibilities for the new assignment will be developed by the hiring department, approved by the existing supervisor and submitted to the Classification and Compensation Unit to determine the appropriate salary.
- The Classification and Compensation Unit shall determine if the work constitutes a separate assignment and will work collaboratively with the requesting department or college to create the position and determine a salary range.
- Additional information can be found in the *Secondary Assignment Guidelines* located on the Classification and Compensation Unit website:
<http://classcomp.hr.wvu.edu/resourcesandguidelines>

Appeals¹

- In the event that the administrator of the academic or administrative unit is not comfortable with the recommendation from human resources for any salary action covered by these guidelines, the following process will be followed:
- The administrator will prepare written justification citing specific data that justifies the requested salary action. The written justification must be signed by the applicable vice president or designee.
- The written statements will be reviewed by the Vice President for Human Resources. If the justification is not convincing to the VP, HR and cannot be resolved, an appeals committee, typically comprised of the provost, vice president for human resources, or designee(s) will review the appeal and render a decision.
- The decision made by the appeals committee will be considered final.

Next Review Date

This document will be periodically reviewed by the senior leadership at West Virginia University. The review shall not exceed three years from the date of the last review.

Implementation Date: April, 2010

Subsequent Reviews: February, 2011, November, 2013, July, 2014, August, 2015

¹ The appeals procedure does not supersede the employee's filing timeframes outlined in the grievance procedure.

Appendix A
Identifying A Target Salary - Guidelines
 Non-classified Employees

Salary Range Defined - Ranges set an upper and lower limit between which wages for jobs that share similar market data are expected to fall. A manager's task is to determine where an individual's salary should fall in the range. Below is a brief explanation of the five main data points found in the salary range and their application to determining an individual's salary.

<u>Minimum</u>	<u>25th Percentile</u>	<u>Midpoint</u>	<u>75th Percentile</u>	<u>Maximum</u>
\$38,819	\$43,567	\$48,315	\$53,062	\$57,810



New Hire/New to Position Fully Proficient Top Performer/Advanced Skills

1. **Minimum** - The minimum sets the floor of the salary paid for the job.

Application - A new hire who *meets the minimum qualifications* of the position is typically hired at the minimum.

2. **25th Percentile** - The 25th percentile is the midway point between the minimum and the market midpoint of the entire salary range. 25% of the data are below this point and 75% of the data are above it.

Application - The minimum to 25th percentile is a typical hiring rate an employee who *meets or slightly exceeds the qualifications of the job*.

3. **Midpoint** - The midpoint is typically considered to be the market target and is developed with base pay data from relevant salary data obtained from the applicable recruitment market.

Application - The midpoint represents the salary target for an employee who is considered *fully proficient with good performance*.

4. **75th Percentile** – The 75th percentile is the midway point between the market midpoint and the maximum of the entire salary range. 75% of the data are below this point and 25% of the data are above it.

Application - The 75th percentile represents the salary target for individuals who are *top performers with advanced experience and skills*.

5. Maximum – The maximum is the upper limit of the range.

Application – The maximum represents the maximum value of the job. The maximum represents the salary target for individuals who are *truly long term with many years of progressively responsible experience, who have advanced expertise, consistently high levels of performance, and is very seasoned in his/her career.*

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Other Tips

- Years of experience do not always translate to a placement in the range that is above the midpoint. Consideration should be given to the enhanced skills acquired and the employee’s demonstrated performance during that period of time, and not just simply the time spent in the position.
- Other factors to consider are the employee’s prior directly-related, progressively responsible experience, as well as relevant education and certifications.
- One should attempt to place salaries in the range so that the salary falls on one of the main five data points or midway between (e.g., midway between the minimum and 25th percentile data points). This methodology will help to maintain a consistent application for placing individuals in the range.
- Avoid placement at the maximum of the range. While salary ranges will be updated periodically, an employee’s potential for salary growth within the range should be preserved.
- Market adjustments will not be applicable to employees who are not meeting performance standards.