



Salary Administration Policies and Procedures

For Non-Faculty, Non-Bargaining Unit, Non-Grant Positions

Last Updated August 16, 2005

INTRODUCTION:

Drake University's salary administration program was developed to ensure salaries are established and administered to meet Drake University's strategic objectives. It is the responsibility of Drake University's leaders to administer salaries according to established policies and procedures in a fair and equitable manner.

The policies and procedures described in this Salary Administration Policies and Procedures Manual are intended to provide an overview of the program's design, guidelines for the day-to-day administration of salaries, and parameters for administering the program.

The salary administration program will be reviewed regularly. As the program evolves and changes occur, this manual will be updated to reflect such changes. The Human Resources department is the main resource on the policies and procedures in effect, as well as interpretation of the policies. Federal, state, and local laws and regulations shall always be applied as applicable.

SUMMARY OF THE SALARY ADMINISTRATION PROGRAM

The salary administration program provides a systematic approach to compensation that is based on the use of job documentation and evaluation to establish salary ranges that reflect the market and internal value of each position.

Human Resources administers the program by:

- Maintaining current and accurate job documentation,
- Identifying competitive compensation data,
- Applying the job evaluation approach to determine the relative value of the job in relation to all other jobs at Drake University, and
- Assigning the job to a salary grade and range within the approved salary structure.

An employee's salary is determined by:

- Using the established salary range,
- Considering the individual's qualifications, time-in-job, and on-the-job performance, and
- Following uniform administration that addresses how salaries should be determined and changed for individual employees.

The following information states policies and procedures detailing the salary administration program.

ADMINISTRATIVE POLICIES AND PROCEDURES

Administrative Policies and Procedures designed for the ongoing maintenance of the salary administration program are detailed in these Policies and Procedures.

The University is required to comply with applicable laws and regulations including, but not limited to, the Fair Labor Standards Act, Age Discrimination in Employment Act, Equal Pay Act, Americans with Disabilities Act, and Equal Employment Opportunity Act.

Policies

1. As policy and procedural changes occur, Human Resources shall be responsible for ensuring this document is updated and that changes are appropriately communicated.
2. All managers will have access to the policies and procedures. Copies are available from Human Resources.
3. The application of current administrative policies and procedures and adherence to applicable laws and regulations is the responsibility of all managers.
4. The communication of policy and procedural changes to users is the responsibility of Human Resources.

EXCEPTIONS / APPEALS

Purpose

Exceptions and appeals are the rare instances when a particular situation may call for action outside the normal policies and procedures.

Policies

1. Employees may initiate an appeal of any salary administration policy or procedure outlined in this manual by contacting their manager.
2. Managers may initiate a policy or procedure exception on behalf of any employee.
3. Human Resources will be responsible for facilitating review of all requested exceptions or appeals.
4. The President, along with the Provost and VP for Business and Finance, as well as anyone else the President may designate together will have ultimate authority to approve/disapprove any exceptions and/or appeals that may be requested.

Procedures

1. Managers will be responsible for making any exception/appeal requests in writing to Human Resources.
2. Appeals shall be submitted first to the Director, Human Resources. The Director, Human Resources will make a determination with respect to the appeal.
3. If the manager wishes to appeal the decision of the Director, Human Resources the manager may request an appeal by submitting a request in writing to Human Resources. The Director, HR will then facilitate review of the appeal by the President, Provost and VP for Business and Finance.

JOB DOCUMENTATION

Job documentation is the cornerstone of the salary administration program. To ensure the accurate assignment of each job to its appropriate salary grade, accurate and complete job documentation must be collected and maintained.

Purpose

A Job Description (JD) is used to describe each job and is intended to document the current requirements of the job, not to describe a job as it existed in the past or might be organized in the future. Prior to creating the JD, the appropriate manager must complete a Position Description Questionnaire (PDQ), which is available from Human Resources. Once the PDQ has been completed, Human Resources will review the duties and create the JD in its required format. In some cases, it may be necessary for Human Resources to conduct further analysis or review to ensure a job description includes an accurate and complete report of actual duties performed.

The JD focuses on the job, not the employee assigned to the job. It should not be viewed as a description of employee performance since performance reviews are treated separately.

The approved JD will be used as the basis for assigning salary grades on the basis of market pricing and internal equity. It is also used for the recruitment process. Therefore, its importance should be stressed to each employee and manager before the JD is completed. Further, when job duties significantly change, the JD should be updated to reflect such changes.

Policies

1. Managers are responsible for maintaining current job documentation for all subordinate jobs.
2. Human Resources will be responsible for providing consultation in preparing JDs and ensuring their completion for each job.
3. If jobs significantly change or new jobs are created, a new JD should be prepared, reviewed and approved by the appropriate manager and head of the department.
4. Individual employees may be asked to complete a PDQ, because of their knowledge of their jobs. Managers, however, are ultimately responsible to ensure accuracy of all job descriptions for those who report to them.
5. Hiring rates for new employees will not be authorized before the current JD is verified or a new JD is created and approved.
6. Human Resources, in conjunction with managers, will be responsible for assigning accurate and consistent job titles. Title changes should not be used as a form of promotion or recognition in lieu of a salary increase.

Procedures

1. The employee and manager prior to each annual performance management cycle should review each JD.
2. When job duties change significantly, a PDQ should be completed by the employee and/or manager, approved by the manager and forwarded to Human Resources.
3. As new jobs are created, a PDQ will be completed by the direct manager, approved by the next level manager, and forwarded to Human Resources so an appropriate hiring pay rate can be established. (See instructions for new position approvals).
4. As positions are vacated, the current JD will be reviewed by the direct manager, changed as necessary, and approved by Human Resources.
5. Upon receipt of an approved PDQ, Human Resources will review the document and determine if the information appears to be complete and fully descriptive of the job. If responses are closely related to the incumbent, or information has been omitted, changes or corrections will be coordinated with the originating department. Utilizing the PDQ, Human Resources will create the JD and suggest an appropriate job title. Job titles should reflect the organizational level and type/scope of the work required. The JD and resulting job title will be forwarded back to the manager for final approval.
6. Once approved, Human Resources will create the final JD. The final JD will serve as the basis for market pricing and job evaluation. Human resources will assign exempt/non-exempt status and the appropriate salary grade. Once assigned, the final JD will be forwarded to the manager.
7. Human Resources will maintain current documentation of all evaluated jobs on file.
8. Current documentation of all departmental jobs should also be maintained on file by the head of the department, or designee.

JOB EVALUATION PLAN

Job evaluation is the means by which jobs are classified into appropriate salary grades. To achieve the objective of ensuring a fair and internally equitable salary for all jobs, the job evaluation plan will be applied to all jobs administered through the Program.

Purpose

The job evaluation process is used to classify all jobs into grades representing jobs of comparable value to the university. As jobs change or new jobs are created, the Plan will be applied to integrate such jobs into the current grade structure.

Job evaluation is concerned with the job only. Qualifications, time-in-position, or the present salary of the current employee characterize the "what is" rather than the "what should be" of the job and are excluded in the job evaluation process.

Policies

1. Approved job documentation will serve as the basis for the evaluation and grade placement of all jobs.
2. All jobs will be assigned to an appropriate grade through the application of the job evaluation process.
3. Each manager is responsible for the initiation of the job evaluation process for new or changed jobs within the department within the timelines set forth in Appendix A. Human Resources will perform the activity of job evaluation for all jobs, including securing appropriate approvals.
4. Reconsideration of job grade assignment may be initiated by the manager through a written request to their head of the department or unit. If that individual concurs, he/she will forward the request to Human Resources (See Job Re-evaluation).
5. The employee's manager should communicate grade assignments and corresponding salary ranges to each employee after approval by HR has been communicated.
6. All job grade changes are effective as of June 1 and shall not be retroactive.

Procedures

1. The preparation and approval of the job documentation for new or revised jobs along with a request for evaluation sent to Human Resources will initiate the job evaluation process for such jobs.
2. Human Resources will conduct the evaluation of all jobs, using the established job evaluation approach.
3. Human Resources will review the JD, the current grade assignment, competitive compensation data, the grade assignment of similar jobs at Drake, and any other relevant data and assign the job to a salary grade.
4. Human Resources should inform all affected managers of the job grade placement and corresponding salary range of new or revised jobs.
5. After the job evaluation has been finalized, the manager should communicate the assigned grade and corresponding salary range to the job incumbent(s).
6. Final evaluations will be recorded by Human Resources and communicated to the originating department.

JOB RE-EVALUATION

Purpose

A job re-evaluation is a review of the grade to which a job is assigned because of the significant addition, deletion, or modification of job duties and responsibilities or due to significant fluctuations in the external market.

Policies

1. Employees may request a re-evaluation of their job by contacting their manager.
2. Each manager is responsible for initiating a request for re-evaluation if they believe the changes in the job duties/responsibilities and/or market conditions warrant a re-evaluation consistent with the timeline and deadlines set forth in Appendix A.
3. Human resources is responsible for reviewing all relevant information and making a determination as to whether a grade reassignment is appropriate.
4. Employees and/or managers that are not satisfied with the outcome of the re-evaluation may appeal the grade assignment by following the exceptions/appeal policy outlined in this manual.

Procedures

1. The requesting manager will submit a completed PDQ or a revised copy of the existing JD along with a "Job Evaluation Request" form to the head of the department or academic unit, who will forward it to Human Resources.
2. Human Resources will review the JD, competitive market data, grade assignment of similar jobs at Drake, and any other relevant data and make a grade assignment determination.
3. If the content of the job changes sufficiently to warrant a higher grade, the "Promotion" section of this manual will apply. If it is a new position, the "New Position" section of this manual will apply.

JOB PRICING AND SALARY STRUCTURE

Because Drake University is committed to providing a salary structure that is responsive to external (market) and internal values, the market movement of benchmark jobs and salary trend data must be collected and analyzed on a regular basis.

Policies

1. The salary structure(s) will be reviewed on a regular basis (at a minimum of once every three years) and adjusted as needed.
2. Survey data for benchmark jobs will be gathered and analyzed on a regular basis.
3. Analysis of the market movement and trend data for benchmark jobs will be the basis on which the salary structure adjustment recommendation is made.

Procedures

1. Job documentation for benchmark jobs will be reviewed regularly and Human Resources will complete designation of all benchmarks.
2. Human Resources will gather survey data for benchmark jobs, benchmark data will be updated and analyzed, and a market value will be developed.
3. Human Resources is responsible for the regular analysis of market movement.
4. Once approved, Human Resources will make the appropriate changes and communicate the changes to all employees.

NEW POSITION EVALUATION AND APPROVAL

Whenever a manager requests a new non-bargaining, non-faculty, non-grant position, this policy shall apply. A new position is any position for which there was not a previous JD and/or budget line. This procedure must be completed regardless of the availability of budgetary dollars to cover the costs of any such new position.

Purpose

Approval for new positions must be applied consistently and with an eye toward maximizing internal efficiencies and maintaining a strategic approach to the management of human resources.

Policies

1. Requests for new positions must originate with the Senior Level Administrator for the relevant department. Senior Level Administrator includes the President, Vice Presidents, Provost, Deans and Athletic Director.
2. If University funding is requested for new positions, the appropriate budget request process must be completed prior initiating a request with Human Resources. The applicable Senior Level Administrator is responsible for initiating a request for new positions within the timeline and deadlines set forth in Appendix A.
3. The Provost and Vice President for Business & Finance, will together make a determination regarding requests for new positions. In the event that the Provost and VP for Business and Finance cannot agree or would like additional assistance in making a determination the President will be consulted. Human resources is responsible for facilitating review of the request.
4. Funding for any new position is determined as part of the annual budget process (such as the annual Strategic Improvement Plan request process) and, therefore, requests for new positions not submitted through the budgeting process are discouraged. If funding is available from some other source (such as a grant) mid-year review may be possible.

Procedures

1. The requesting Senior Level Administrator will submit a completed PDQ and a "Job Evaluation Request" form to Human Resources in accordance with the timeline set forth in Appendix A. If the position was not requested as part of the budget request process, the requesting party must articulate the strategic reasons for the request and the reason the request was not included in the budgeting process.
2. Human Resources will review the JD, competitive market data, grade assignment of similar jobs at Drake, and any other relevant data and make a preliminary grade assignment determination.
3. The Provost and Vice President for Business and Finance together will review the request for a new position and provide a final determination on whether to proceed with the posting of the position.

4. If the manager disagrees with Human Resources recommendation regarding salary grade or the decision of the Provost and VP for Business and Finance, the appeal process set forth in this manual shall apply.

EXEMPTION STATUS

The university is required to comply with applicable laws and regulations including the Fair Labor Standards Act (FLSA). Exemption status is a legal status determined by application of federal law and guidelines. A non-exempt status identifies a job is not exempt from the act and requires an employer to pay overtime under prescribed circumstances (overtime requirements vary by the state in which a job is performed).

Purpose

The determination of exemption status must be applied consistently and in compliance with the Fair Labor Standards Act.

Policies

1. Employees who are in the same job will maintain the same exemption status.
2. Human Resources will determine the exemption status of Drake University jobs. Human Resources may, from time-to-time consult with outside legal counsel and/or compensation consultants to assess exempt or non-exempt status.

Procedures

1. When new jobs are created or job descriptions are revised, Human Resources will review the job description to make a determination as to whether the job is exempt from the FLSA.
2. FLSA exemption status will be documented and maintained by the Human Resources department.
3. Any questions regarding the exemption status of a job should be referred to Human Resources.

INDIVIDUAL SALARY DETERMINATION - GENERAL

Purpose

The determination of individual salaries must be in accordance with specific policies and procedures that support the administration of salaries within assigned salary ranges. To ensure program credibility and achievement of program objectives, an effective approach to individual salary determination must be developed and maintained.

Policies

1. The appropriate manager, or designee, along with Human Resources will review and approve all salary recommendations, which are within the approved policies and procedures of the salary administration program.
2. Human Resources is responsible for the resolution and coordination of salary action recommendations that are inconsistent with the approved policies and procedures of the salary administration program. All such exceptions must follow the exceptions/appeal policy outlined in this manual.

Procedures

Procedures are listed under each type of salary action starting on the next page.

STARTING SALARIES

Purpose

All hires should receive a salary that reflects competitive starting salaries, internal equity, and the individual's qualifications and experience.

Policies

1. **A Human Resources representative assisting with recruitment, prior to making a salary offer, must approve new hire salaries.** The budgeted amount for the job and range of the job will be discussed with the hiring manager prior to screening candidates.
2. New employees are usually hired at the minimum or within the first quartile of the pay range for that particular position. Exceptions to this general rule are as follows:
 - a. For academic deans and cabinet level positions, employees may be hired up to the mid-point for the applicable range. This exception recognizes the experience and qualifications generally required for such leadership positions.
 - b. For candidates who exceed the minimum qualifications of the position by more than five years, employees may be hired up to the mid-point for the applicable range with the prior approval of Human Resources, taking into account issues of internal equity.
 - c. In limited circumstances, Human Resources may approve a hiring bonus to meet the strategic needs of the University and to ensure the full objectives of these compensation guidelines are met. Funding for such bonus amounts are not provided by the University, but must be made available through departmental funding.
3. If the suggested starting salary for a job is at or above the level provided for above, the exceptions/appeal process outlined in this manual will apply. **In all such cases, the hiring manager or search committee is required to secure final approval from Human Resources before an offer of employment is made.**

Procedures

1. The head of the department and Human Resources must approve the hiring of a new employee.
2. To fill a vacancy, the requesting manager will validate the job description of an existing job or prepare documentation for a revised or new job and forward it to Human Resources. New or revised job descriptions should be identified as such. Upon approval, it will be forwarded to the Human Resources department and the recruitment process will begin.
3. For a revised or new job, Human Resources will establish a tentative job evaluation and salary grade assignment in order to establish a hiring range.
4. When a qualified candidate is found, the hiring manager may offer a starting salary consistent with the policy after securing approval from Human Resources.

5. A salary offer may be made only after all required approvals have been obtained.

SALARY INCREASES

Purpose

Merit-based salary increases are provided to reward employees for on-the-job performance and to reflect current and potential contributions to the University, as financial resources allow.

Policies

1. The policies for General Individual Salary Determination apply.
2. Salary increases are merit-based and should vary according to individual performance. There are to be no across-the-board increases or uniform cost of living increases. Performance evaluations for employees must support all salary decisions.
3. Salary increases are effective June 1.
4. Each year, the salary budget for the following fiscal year will be determined and communicated to managers. Managers are responsible for communicating to employees the amount of any annual increase once Board of Trustees approval of salary decisions has been approved.
5. Each manager is responsible for completing accurate and timely performance evaluations of their employees. Employees who are on a leave of absence or disability when salary reviews are scheduled will receive a review upon their return. It is the manager's responsibility to ensure an evaluation is completed.

PROMOTIONS

Purpose

Drake University encourages employees to apply for open positions within the University requiring greater knowledge, responsibility and offer career growth. A promotion is defined as a permanent reassignment of an employee from one job to another job with significantly different duties and responsibilities. Promotions typically involve a move to a higher salary grade, but not necessarily depending on the situation.

Policy

1. Promotions are provided in recognition of the knowledge and capability required to perform in a higher-level job and with the assumption of **significantly** greater duties and responsibilities.
2. An employee should normally perform the duties of his or her current job for at least 6 months before being eligible for promotion. However, final determination of the length of service required will be based on the facts and circumstances and will require consultation with Human Resources.
3. Human Resources must review all promotions on the recommendation of the manager. Human Resources is responsible for the coordination of all salary actions related to promotions.
4. The amount of a promotional increase will be determined jointly by the manager and Human Resources, but generally is between 5 – 15%.
5. In the event an employee receives a promotion outside the fiscal year calendar deadlines set forth in Appendix A, the employee shall not be eligible for a merit increase the following June 1.

Procedures

1. Human Resources and the manager will work together to establish a promotional adjustment that is consistent with the following:
 - a. Is consistent with the salary level that would be paid to a new hire of equivalent qualifications.
 - b. Takes into account the equity with current salaries for employees assigned to the same job and salary grade.
 - c. A promotional increase is not required if the employee's salary would already be above the midpoint for the new position.

- d. If an increase of more than 15% is appropriate (for example: to meet the new salary range minimum), the increase may occur in several stages and the employee will receive a review in 6 months.
2. If the promotion is to a new position for which a JD has not yet been written, a JD must be written, the job evaluated, and the range established before the promotion can be effected.
3. Promotions should be initiated by contacting Human Resources and completing the “Job Evaluation Request” form.
4. Promotional increase recommendations in excess of or less than the guidelines must be resolved by following the exceptions/appeal policy outlined in this manual.
5. **All approvals must be obtained before the promotional action and increase are communicated to the impacted employee.**

LATERAL TRANSFERS

Purpose

A lateral transfer is a change from one job to another job in the same salary grade.

Policies

1. The policies for General Individual Salary Determination shall apply
2. Lateral transfers will normally not be accompanied by a salary adjustment unless the individual is not currently in the salary range. If an adjustment is recommended, the manager will work with Human Resources to establish if an adjustment is necessary.
3. The Human Resources representative assisting with recruitment is responsible for the review of all recommendations for lateral transfers and the documentation of approvals.

Procedures

1. The requesting manager will work with the previous manager to negotiate the date of transfer. If operational need requires, the employee may be asked to remain in a position to ensure efficiency of operations.
2. If an adjustment is requested, the manager will work with Human Resources to determine if an adjustment is necessary.
3. The Human Resources recruitment representative will approve the transfer. Human Resources will approve any suggested salary adjustment/change. If a salary increase is recommended, the head of the department must also approve it.

PLANS FOR REORGANIZATION AND/OR RESTRUCTURING

Purpose

A reorganization or restructuring involves any change in job duties or personnel that significantly impacts one or more employees. Reorganizations generally involve a change in pay grade for one or more positions or the development of a new position.

Policies

1. Managers must secure appropriate approval before initiating an internal restructuring. If the restructuring involves development of a new position, the “new position” section of this manual applies.
2. Managers must not discuss any plans for reorganization or restructuring with their impacted employees, until first discussing plans and processes with Human Resources.

Procedures

1. Managers must submit to Human Resources a reorganization plan, detailing the business reasons for the proposed changes.
2. Job documentation for new positions should be submitted to Human Resources for review along with a Job Evaluation Form, as appropriate.
3. Human Resources will create the new job descriptions and coordinate with the manager the communication with existing employees and posting of new positions, if applicable.

Appendix A

<u>Request</u>	<u>Date Due in HR</u>	<u>Effective</u>
Job Re-Evaluation*	January 1	June 1
Promotion*	January 1	June 1
New Position Request**	January 1	June 1

*In some cases, opportunities for a promotion or job re-evaluation are presented when a position comes open. In these limited cases, action may be taken outside of the timeline set forth above with appropriate approval. Application for such a deviation must first be made to Human Resources. Human Resources will discuss the request with both the VP for Business and Finance and the Provost, who will decide whether a deviation from the above timeline is appropriate.

**New Position Requests should also be included in any budget submissions. For example, if you are requesting a new position you should submit to HR a request in the form of a "Job Evaluation Request Form" by January 1. Next, you should also include the request in your budget materials for the following fiscal year as part of your Strategic Improvement Request. HR will facilitate the review of your new position request as part of the annual budget process.