

# West Virginia Higher Education Job Classification and Compensation System Overview

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# Please Note

- ❑ This presentation is designed to provide general information about the West Virginia Higher Education system's new Job Classification and Compensation System.
- ❑ Master Classification Specifications, overall maintenance of the Salary Schedule and General Salary Administration Guidelines which will be maintained by the WV HEPC; all other questions related to specific institutional rules, policies and procedures will be directed to institutional Human Resources Departments.

# Problems with Old Classification and Compensation System

- ❑ Lowest pay grades on old salary chart are below minimum wage.
- ❑ WVSU, like most other universities, has not had the funds to keep up-to-date with pay step funding despite creating institutional salary schedule.
- ❑ Each pay step correlates with years of service with any WV state agency regardless of relevance to current position.
- ❑ Does not recognize prior related work experience from other employers.
- ❑ Does not incentivize high level of performance.
- ❑ Fails to align with how jobs are valued in the market.
- ❑ Has caused “classification creep” since upgrades were the only path to salary increases.

# Benefits of Market Based Approach in New Compensation System

- ❑ Greater flexibility to use salary dollars to recruit best talent and pay for performance.
- ❑ Move away from pay step (years of service) salary increases.
- ❑ Fair pay based on job responsibilities, market rates and performance.
- ❑ Will be able to consider all prior related job experience rather than only WV state agency job experience.

# What is Position Classification

- ❑ Position Classification is a system for objectively and accurately defining and evaluating the duties, responsibilities, tasks and authority level of a position
- ❑ Position Classification is accomplished by comparing information contained in Job/Position Description Forms to Master Classification Specifications.

# Master Classification Specifications

- ❑ Master Classification Specifications are developed by the WV HEPC Division of Human Resources.
- ❑ Master Classification Specifications will be available for every classified title currently in use.
- ❑ Master Classification Specifications will be utilized to analyze market competitiveness, thus these specifications will be critical in keeping the salary structure up to date.
- ❑ Serve as general descriptions of the kind of work performed by positions properly assigned to that classification and do not prescribe the duties of individual positions.
- ❑ Are more general and descriptive, not meant to be restrictive.
- ❑ The fact that not all tasks performed by an incumbent of a position do not appear in the master specification to which the position is assigned does not mean the position should be excluded from the class.

# Master Classification Specifications Cont.

- ❑ Master Classification Specifications focus on positions, NOT individuals in the positions.
- ❑ Master Classification Specifications DO NOT contain information specific to the work of an individual employee. Specific position information is found in individual job descriptions.
- ❑ **VERY IMPORTANT:**
  - ❑ This specific position information is compared to the information found in the Master Classification Specifications and a determination of “best fit” will ultimately determine the classification of a position. This concept is also known as “The Predominant Duties” test.

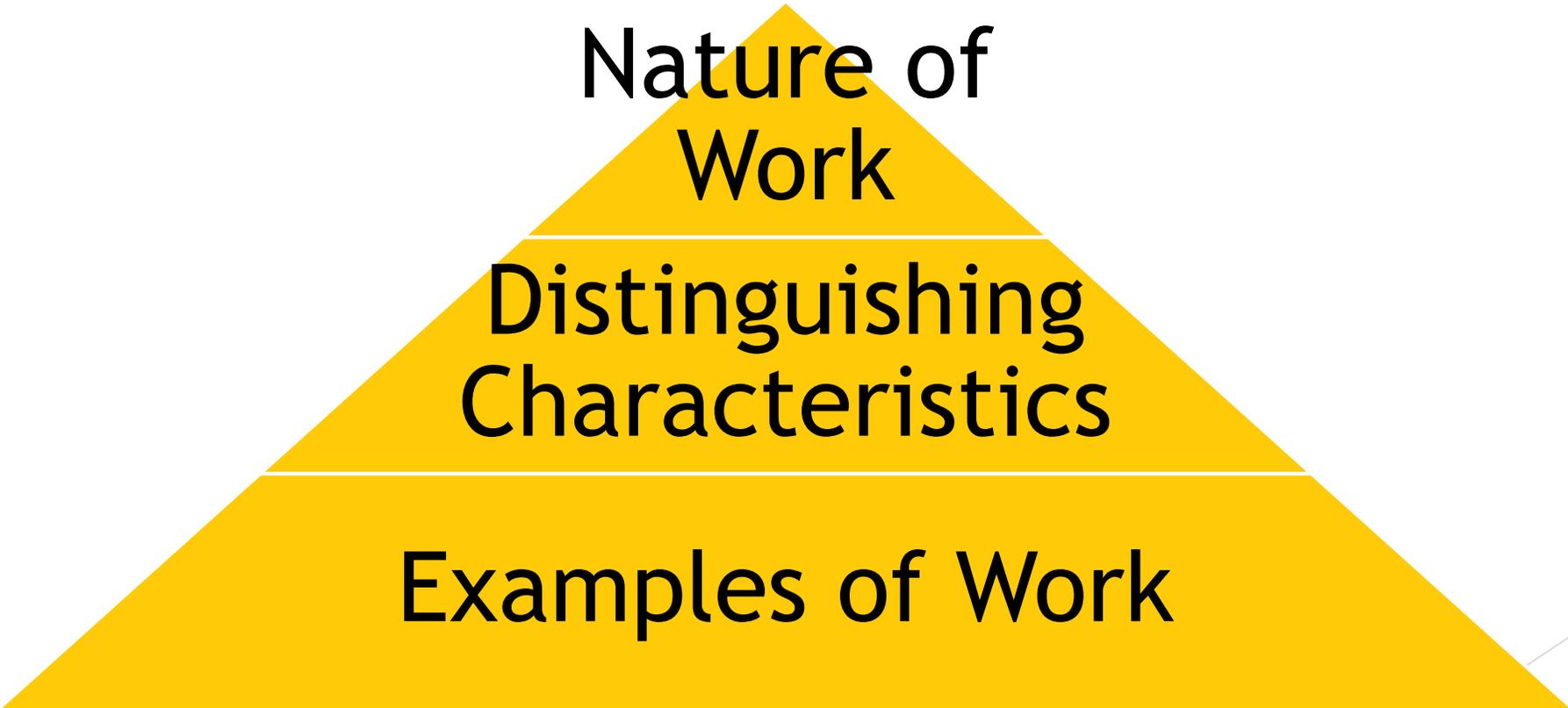
# What does “Best Fit” mean?

- ▶ “Best Fit” is defined as 50% +1 of the duties of a position that ultimately determine the classification of a position.
- ▶ “Best Fit” SHOULD NOT be misconstrued to mean perfect fit.
- ▶ Thus, the classification of positions is based upon the “best fit” of duties, responsibilities, required knowledge and skills, minimum requirements and reporting relationships inherent in a given position.
- Example:
  - An employee at the University assumes a position in the physical plant in which 55% of his/her time is spent completing purchasing/procurement duties while the other 45% of his/her time is spent acting as a general trades specialist.
  - In this case, the purchasing/procurement duties would be the class controlling duties of the position that ultimately determine how the position should be classified.
  - In order to recognize the significant other additional duties of the position the “Salary Administration Guidelines” should be utilized, specifically the section that deals with “Additional Duties Permanently Added to a Position”.

# Master Classification Specifications Cont.

- ▶ What type of information is contained in a Master Classification Specification?
  - ❑ Classification Title
  - ❑ General Job Summary
  - ❑ Nature of Work Performed
  - ❑ Distinguishing Characteristics of the Position (If the classification is part of a class series)
  - ❑ Examples of Work that describe typical duties and responsibilities performed by positions properly assigned to the class.
  - ❑ Minimum Qualifications
  - ❑ Any other typical position requirements common to the job regardless of where the position is located.

# How do we Interpret Master Specs?



**Nature of  
Work**

**Distinguishing  
Characteristics**

**Examples of Work**

# How do we Interpret Master Specs?

- ▶ Master Classification Specifications are to be read in a “pyramid fashion” with the most important (more general nature of work) information at the top of the specification with less important (more specific examples of work) information described in a descending order within the specification.
- ▶ This concept is settled case law at the WV Public Employees Grievance Board.
- The “Nature of Work” section of the specification tends to be the most important, class controlling aspect of the specification, followed by the “distinguishing characteristics” (if applicable), down to the “examples of work/typical duties”
- Minimum Qualifications are exactly what they sound like, only minimums. A hiring department is free to ask for education and experience above the minimums.
  - However, this does not change the classification of the position.

# Lets look at a Master Specification

**Job Title:** Accountant (323109)

## **Job Summary**

The Accountant performs a variety of routine technical accounting and/or auditing work, which requires the application of accounting theory and practices.

## **Nature of Work**

The Accountant is an entry-level professional, non-supervisory, and non-lead position that is responsible for performing accounting functions in helping to prepare financial reports and in examining, analyzing, and interpreting accounting records and financial information in order to advise management and staff. Job responsibilities require a working knowledge of and ability to apply Generally Accepted Accounting Principles (GAAP). Work is performed under general supervision and contributes to the accuracy, reliability, and acceptability of processes, services, or functions. Decisions are limited to the application of standardized or accepted practices and errors could result in some costs and inconveniences within the affected area.

## **Examples of Duties**

The following list provides examples of the most typical duties for positions in this job class. Individual positions may not include all of the examples listed, nor does the list include all of the work that may be assigned to positions in this job class.

- Performs entry-level professional accounting work such as performing and reviewing reconciliations, trial balances, journal entries, preparing working papers, schedules and reports.
- Examines a variety of accounting documents to verify accuracy of computations.
- Ensures that transactions are in accordance with applicable authority, policies, procedures, and are recorded consistent with acceptable accounting standards.
- Provides assistance to support staff to demonstrate or explain procedures.
- Prepares accounting reports utilizing manual methods and/or computer software.
- Performs other job related duties as assigned.

## **Minimum Qualification Requirements**

This position requires a Bachelor's degree in accounting or Business Administration with an emphasis on Accounting, in addition to 1-2 years of related work experience.

# Master Classification Specifications vs. Internal Titles

- ❑ Internal titles are unofficial titles assigned to positions that are used within institutions to identify specific jobs. They may also be referred to as “working titles”.
- ❑ A change in “working title” should not result in a change in official classification unless there is a significant change to the duties and responsibilities of the job.
- ❑ An Example of a Working Title:
  - ❑ Official Classification Title: Administrative Secretary
  - ❑ Working Title: Office Manager

Show Me The MONEY \$\$\$\$\$

# New Market Based Salary Structure and the Salary Administration Guidelines

# New Salary Structure with Quartiles

**Effective Date: September 1, 2017**

**West Virginia Higher Education Employee Salary Schedule**

Grade	Minimum	25th	Midpoint	75th	Maximum
1	\$19,200	\$22,050	\$24,900	\$27,750	\$30,600
2	\$22,200	\$25,500	\$28,800	\$32,100	\$35,400
3	\$25,600	\$29,450	\$33,300	\$37,150	\$41,000
4	\$29,500	\$33,950	\$38,400	\$42,850	\$47,300
5	\$34,200	\$39,300	\$44,400	\$49,500	\$54,600
6	\$39,500	\$45,450	\$51,400	\$57,350	\$63,300
7	\$45,700	\$52,550	\$59,400	\$66,250	\$73,100
8	\$52,800	\$60,700	\$68,600	\$76,500	\$84,400
9	\$61,000	\$70,150	\$79,300	\$88,450	\$97,600
10	\$70,500	\$81,100	\$91,700	\$102,300	\$112,900
11	\$81,500	\$93,750	\$106,000	\$118,250	\$130,500
12	\$94,300	\$108,450	\$122,600	\$136,750	\$150,900

**West Virginia Higher Education Employee Salary Schedule**

Minimum	25th	Midpoint	75th	Maximum			
First Quartile		2nd Quartile		3rd Quartile		4th Quartile	
\$19,200.00	- \$22,050.00	\$22,050.01	- \$24,900.00	\$24,900.01	- \$27,750.00	\$27,750.01	- \$30,600.00
\$22,200.00	- \$25,500.00	\$25,500.01	- \$28,800.00	\$28,800.01	- \$32,100.00	\$32,100.01	- \$35,400.00
\$25,600.00	- \$29,450.00	\$29,450.01	- \$33,300.00	\$33,300.01	- \$37,150.00	\$37,150.01	- \$41,000.00
\$29,500.00	- \$33,950.00	\$33,950.01	- \$38,400.00	\$38,400.01	- \$42,850.00	\$42,850.01	- \$47,300.00
\$34,200.00	- \$39,300.00	\$39,300.01	- \$44,400.00	\$44,400.01	- \$49,500.00	\$49,500.01	- \$54,600.00
\$39,500.00	- \$45,450.00	\$45,450.01	- \$51,400.00	\$51,400.01	- \$57,350.00	\$57,350.01	- \$63,300.00
\$45,700.00	- \$52,550.00	\$52,550.01	- \$59,400.00	\$59,400.01	- \$66,250.00	\$66,250.01	- \$73,100.00
\$52,800.00	- \$60,700.00	\$60,700.01	- \$68,600.00	\$68,600.01	- \$76,500.00	\$76,500.01	- \$84,400.00
\$61,000.00	- \$70,150.00	\$70,150.01	- \$79,300.00	\$79,300.01	- \$88,450.00	\$88,450.01	- \$97,600.00
\$70,500.00	- \$81,100.00	\$81,100.01	- \$91,700.00	\$91,700.01	- \$102,300.00	\$102,300.01	- \$112,900.00
\$81,500.00	- \$93,750.00	\$93,750.01	- \$106,000.00	\$106,000.01	- \$118,250.00	\$118,250.01	- \$130,500.00
\$94,300.00	- \$108,450.00	\$108,450.01	- \$122,600.00	\$122,600.01	- \$136,750.00	\$136,750.01	- \$150,900.00

# Salary Structure

- ❑ The new West Virginia Higher Education Salary Structure utilizes 12 pay grades, each with a minimum, midpoint and maximum salary.
- ❑ The 12 pay grades are about 60% wide from minimum to maximum.
- ❑ The broad nature of the pay grades allow for expanded growth potential for employees without the need for reclassification.
- ❑ Provide institutions with greater flexibility in setting the pay levels for individual employees within each grade.
- ❑ Also, allows institutions additional flexibility to recognize those employees who assume additional job duties or attain additional skills, as well as pay for performance.

# Salary Administration Guidelines (Managing Pay within the Grade)

- ❑ Provides guidance for Determining Starting Salaries.
- ❑ Allows institutions to award salary increases for:
  - ❑ Additional Duties/Responsibilities
  - ❑ Market Adjustments
  - ❑ Critical Retention Adjustments
  - ❑ Internal Equity Adjustments
  - ❑ Recognition Pay
  - ❑ Counter Offers
  - ❑ Performance/Merit Pay
  - ❑ Promotion
  - ❑ Position Reclassification
  - ❑ Lateral Transfers

# Setting Starting Salaries

- ▶ Institutions now have the flexibility to set starting salaries for all newly hired employees within the parameters of the pay range assigned to the position.
  - Starting salaries for staff are no longer based solely on years of service with the State.
  - Allows for more competitive salaries in order to attract the most desirable candidates for jobs and also allows for fair pay based on skills and knowledge of the candidate.
- ▶ An individual candidate's placement within the pay range will generally be guided by the Human Resources department in consultation with the hiring manager and after consideration of the available budget for the position.
- ▶ The Salary Administration Guidelines are available to offer Chief Human Resources Officers and others who may be involved in salary decisions assistance when establishing an equitable, complete starting salary for new hires.

# Setting Starting Salaries- Considerations

- ▶ Setting starting salaries for staff should be based on several considerations:
  1. Available budget for the position
  2. A review of internal equity with similar positions that already exist at the institution.  
(VERY IMPORTANT)
  3. Qualifications of the candidate
  4. Skills the candidate can bring to the table
  5. Relative experience of the candidate
    - Experience should be linked to the open position to be filled.

# Starting Salaries-Continued

▶ Starting salaries in the first quartile of the pay range:

- ❑ Usually appropriate when the finalist for the position only meets the minimum qualifications of the position. (Entry Level Skills and Experience)
- ❑ Has little to no directly related experience for the position above minimums. (On steep learning curve)
- ❑ May be new to the field or new to the workforce. (Candidates fresh out of school)

Starting salaries in the second quartile of the pay range:

- ❑ Reserved for candidates with Intermediate Skills and Experience
- ❑ Has demonstrated capability to perform some/most of the duties of the position based on prior experience.
- ❑ Possesses knowledge and skill requirements.
- ❑ Exhibits or is developing expertise to handle situations independently and effectively
- ❑ Exhibits many or most desired competencies to perform the job successfully

# Setting Starting Salaries-Continued

## ▶ Starting salaries in the third quartile of the pay range:

- ❑ Reserved for candidates who possess advanced skills and expertise
- ❑ Candidate should have the ability to perform all aspects of the job efficiently and independently immediately based on years of prior experience.
- ❑ Candidate should be experienced in the job and should possess all required skills and knowledge.
- ❑ Candidate should be a seasoned and proficient professional

## Starting salaries in the fourth quartile of the pay range:

- ❑ Reserved for candidates who possess EXPERT skills and experience.
- ❑ Candidate should be considered an expert in all job criteria
- ❑ Has broad and deep knowledge of own area of assignment as well as other related areas
- ❑ Has a deep depth and breadth of experience, specialized skills and perspectives that add significant value to the institution
- ❑ Serves as an expert resource and acts as a mentor to others
- ❑ Starting salaries in the fourth quartile should be very rare

# Salary Increases- Additional Duties

- ▶ A salary increase for additional duties is conducted to reward employees who assume additional duties that are permanently/temporarily added to a position but do not change the classification of the position.
- To warrant a salary increase for additional duties, the additional duties should be:
  - A permanent/temporary addition to the position
  - Be similar in complexity and nature of work (Volume)
  - Be a formal specific and substantially noticeable addition to the current duties performed
  - The salary adjustment guidance for additional duties should be utilized when considering what percentage increase to give to an employee who has assumed additional duties.

## Example:

The accounting department has recently had a long term employee retire after 30 years of service with your organization. Due to budgetary constraints, rather than fill the position the duties of the position are split between the five existing employees in the department. These five employees (depending on the extent of the duties assumed) could be eligible for a salary increase based on the assumption of additional duties.

# Salary Increases- Additional Duties

- ▶ Salary Increase approval process for permanent Additional Duties:
- ▶ The department/unit manager will compose a request for salary increase addressing the following:
  - ▶ • Identify the position title, department and the incumbent
  - ▶ • Describe the change in duties and responsibilities
  - ▶ • Describe the incumbent's skills, experience and performance that justify the request for salary
- ▶ increase.
- ▶ • Submit the Letter of Justification to the designated Human Resource point of contact.

# Salary Increases- Additional Duties

- ▶ Salary Increase approval process for temporary Additional Duties:
- ▶ The department manager will submit the following information to the institutional Human Resources department for justification:
  - ▶ o Identify the incumbent taking on the temporary assignment
  - ▶ o Reason for assignment
  - ▶ o Expected duration
  - ▶ o Resources required
  - ▶ o Criteria for selecting the chosen employee
  - ▶ o Proposed compensation for the individual taking on the Temporary Assignment/Interim Appointment
  - ▶ o For temporary assignments with the intent to recruit, provide the search timeline
- ▶ The “Managing Pay within the Grade” tool is to be utilized to address compensation decisions for temporary assignments/interim appointments.
- ▶ \*Temporary assignments can vary greatly and should be considered on a case by case basis; length of time in a temporary assignment should be at least 30 days and typically should not last more than 6 months.

# Salary Increases- Market Adjustments

- ▶ These types of increases refer to a salary adjustment due to recognized changes in the labor market for a specific job or jobs.
  - These specific jobs may also be referred to as “Hot Jobs”
  - Market adjustments should be applied consistently to all incumbents in the specific job or jobs that are found to be market uncompetitive
  - Market adjustments should be rare because the pay structure is now based on market analysis and will be updated regularly to ensure competitiveness

Examples of jobs with potentially unusual market forces:

- Nurses
- IT/Programmer Analysts
- CDL Truck Drivers
- Social Media Networking Specialists - More recent example

# Salary Increases- Critical Retention Adjustments

- ▶ Critical retention adjustments are contemplated to be made to retain employees in jobs where there is high turnover within the institution.
- Typically for one of a kind jobs where there is known difficulty with recruitment for vacancies
- Critical retention adjustments may also be made to employees who work on a project critical to the success of the institution or employees who may possess knowledge and skills that are not easily identified in the workforce

# Salary Increases- Internal Equity Adjustments

- ▶ The purpose of internal equity adjustments is to facilitate equitable (fair) pay among similarly situated employees.
- Utilized to correct pay inequities when one employee or group of employees is paid significantly lower than other employees who have comparable education, experience and have similar duties in the same classification.
- This type of pay increase can be utilized to correct salary compression in the pay grade.
- However, internal equity adjustments are NOT intended to ensure employees in the same classification receive exactly the same rate of pay.

## Example:

The accounting department consists of 6 employees. Three of those employees have been with the University for approximately 10, 14 and 9 years respectively. All have a bachelors degree in accounting and are certified public accountants. Recently, in order to fill a vacancy, you hired an employee who has six years of accounting experience in the private sector and is also a CPA with a bachelors degree. However, due to difficulty filling the position and in order to entice the employee to take the job you had to pay the new hire 20% more than the three existing employees. The other two employees in the unit are paid fairly closely to the new hire. As the budget permits you may use the internal equity increase provision in order to compensate the three existing employees who now make significantly less than other employees in the unit with similar duties, training and skills at a level that more closely aligns to the new employee and the market rate for the job.

# Salary Increases- Recognition Pay

- ▶ Recognition pay is designed to reward an employee for further enhancing JOB RELATED skills and competencies.
- ❑ Can be obtained by the formal acquisition of additional competencies, training, education, certification or licensure that is essential to the function of the position
- ❑ Must be directly related to the function of the position and serves to meet the needs of the department and is BEYOND the minimum qualifications for the position
- ❑ Earning a degree will not warrant a pay increase UNLESS it is DIRECTLY related to the position held and will allow the employee to perform the functions of his/her job in a noticeably more efficient and effective manner
- ❑ The “Managing Pay within the Grade” tool should be utilized to determine the appropriate percentage increase to award the employee

## Example:

Bob is an employee in the HR department and has been in a generalist role for 3 years. Bob decides he wants to pursue certification to further his career and studies to become SHRM certified. After six months of study, Bob takes and passes the test for certification. It is appropriate to reward Bob with recognition pay to recognize his achievement of SHRM certification as it will directly enhance his HR skills and knowledge.

## Bad Example:

Lets look at Bob in HR one more time. In this situation Bob has really started to get into civil war memorabilia and artifacts so he decides that he wants to take advantage of the employee tuition waiver policy and obtain a degree in History. Bob takes classes and eventually obtains a BA in Civil War History. It IS NOT appropriate to use recognition pay in order to reward Bob for his history degree. This degree does nothing to further his proficiency in the field of Human Resources.

# Salary Increases- Counter Offer

- ▶ A counter offer is utilized to retain a critical or essential employee who has received a bona-fide offer of employment from another employer.
- A counter offer can only be made when the employee can produce evidence of a genuine offer of employment for a position with another employer outside of the University.
- If a counter offer is accepted, it is best practice for the institution to not consider any future counter offers in the same capacity in which the employee currently serves.

## Example:

Billie is an Administrative Assistant, Sr. in the Student Affairs office. She applies and receives an offer of employment from the local Toyota dealership to become their office manager and produces the offer letter to her boss who forwards it on the HR department. It would be appropriate to make Billie a counter offer after considering internal equity for other comparable positions within the institution. Billie really does not want to leave the institution so she accepts your counter offer. However, a few months later Billie comes back to her supervisor with another offer of employment with the local Merrill Lynch office. Since Billie is still in the same Administrative Assistant, Sr. position it would not be appropriate to counter this second offer.

# Salary Increases- Performance Adjustments

- ▶ Institutions now have the flexibility to design pay for performance or merit pay programs within their organizations.
- ▶ Pay for performance systems are most effective when employees value the pay and recognition offered by the institution for high performance, understand the system and what is required of them in order to meet specific goals for performance, believe the system is fair, believe that they can meet the desired goals and believe the organization will actually recognize them if they do what is asked of them.
- ▶ Several factors are needed to accomplish these goals:
  - ❑ A rigorous performance evaluation system
  - ❑ Fair and effective supervisors
  - ❑ A system of checks and balances to ensure fairness
  - ❑ Appropriate training of supervisors and employees
  - ❑ A culture that supports performance
  - ❑ Ongoing system review

# Salary Increases- Promotion

- ▶ A promotion is the movement of an employee from one job to a job in a higher pay grade that occurs through the competitive bidding process such as applying for an advertised position for which the employee qualifies.
- ▶ A promotion generally warrants a pay increase which should be determined by reviewing several important factors such as:
  - ❑ The pay range for the new position
  - ❑ The employee's current pay in relation to the new pay range
  - ❑ The employee's qualifications for the new position and other intangibles they can bring to the position
  - ❑ Internal equity considerations- Pay of other similarly situated employees in the same classification as the employee being promoted
  - ❑ Promoted employees should be brought to at least the new minimum of the pay grade associated with the job to which they are being promoted.
  - ❑ Any additional pay for a promoted employee will be based on the knowledge, skills, abilities and experience the employee brings to the new position and the "Managing Pay within the Grade" tool should be used to guide these determinations.

# Salary Increases- Reclassification

- ▶ Position reclassification can occur when a position experiences SIGNIFICANT changes in assigned duties and responsibilities, increased nature of work, scope of the position, complexity or impact of decision making, thus the work performed is no longer represented by the initial position classification.
- ▶ Reclassification results in the reassignment of the position to a different classification that more closely matches the duties, responsibilities, nature of work, scope and complexity of the position.
- If changes to a position result in a reclassification that is a classification upgrade potential pay increases will be handled by the guidelines for promotion.
- NOTE: There is no longer a mandated 5% per pay grade increase for reclassification or promotion. Pay determinations will be based on the incumbents skills, knowledge, competencies and experience brought to the position as well as the market rate for the job. Internal equity considerations will also factor into these types of pay decisions as well.

# Salary Increases- Lateral Transfers

- ▶ A lateral transfer is the movement from one job to another job in the same pay grade.
- Generally, these types of transfers do not warrant pay increases, however, if an employee possesses specific knowledge, skills, competencies and qualifications or any other attributes that will enable them to be an immediate asset to the new position, a salary increase may be warranted.
- The flexibility to reward employees for taking a lateral transfer was contemplated in order to allow institutions to better facilitate the cross training of staff in order to increase efficiency and productivity within the institution.
- This will allow the employee to:
  - Gain new skills and experience
  - Potentially pursue an alternative career path
  - Broaden their view of institutional functions
- The “Managing Pay within the Grade” tool should be utilized to make these kinds of pay decisions.

That Wraps It Up!

▶ Any Questions????

# References

- ▶ Bruce Cottrill, Director of Classification and Compensation - WV HEPC