Principles and Guidelines for the Professional Staff Salary Administration Program

Scope

This policy applies to all Professional Staff employees.

Policy Statement

Introduction

1. The university strives to administer a fair and rational salary administration program for Professional Staff jobs across Indiana University.

2. The design of the salary administration program is intended to provide management with information and guidelines that emphasize objective, market-based salary decisions that meet the changing needs of the RCs.

3. University, Campus and RC priorities and fiscal affairs are principle considerations, along with compliance with Trustee approved salary policies.

Philosophy

1. The university's salary administration program for Professional Staff will:
   a. Emphasize total compensation (salary and benefits)
   b. Provide a system that strives to be market competitive
c. Recognize that internal market differences exist across RCs
d. Recognize that internal equity within an RC is important
e. Acknowledge the need for broad salary ranges to support RC decisions and fiscal affairs
f. Emphasize salary administration policies that support RC priorities in recruiting and retaining highly qualified staff in a dynamic work environment, within the RC’s fiscal resources

Salary Administration System

1. The university's salary administration program for Professional Staff will be based on:
   a. Job families with distinguishable jobs and descriptive job level guides
   b. Position descriptions with duties, responsibilities and minimum requirements
   c. A pay structure with broad salary ranges to reflect competitive markets for jobs
d. Classification of positions: allocation to applicable job family and job level that most appropriately captures the characteristic level and type of occupational work
e. Compliance with applicable federal and state laws and regulations including the Fair Labor Standards Act (FLSA)
f. Equal pay without regard to age, color, disability, ethnicity, gender, marital status, national origin, race, religion, sexual orientation, or veteran status
g. Consistent framework for managing salary administration actions that allows flexibility within each RC for the effective management of individual salaries while operating within established budget parameters and fiscal resources

Salary Structures

1. Salary structures consisting of a series of salary ranges for each job family will be established and maintained for all Professional Staff jobs. Each salary range (defined in C.7 above) includes:
   a. A Minimum of the Range is the minimum salary that the university has established for a fully qualified employee whose performance is in good standing. (“Salary” for this section includes base salary, bonus and other incentive payments as well as the value of any board and meals.)
   b. A Market Zone is a central range within each broad level, designed to capture the average of multiple salaries reported by the university’s peer group which fall below, within and above the market zone. Managers should use it as a guide. It is not intended to reflect where actual salaries for staff should be set. The actual salary of an employee is influenced by the credentials, attributes he or she brings to the position, internal equity within the RC, and the RC’s fiscal resources.
   c. An Upper Level Reference Point is included to give managers a frame of reference for salaries above what the market suggests is typical for the position; however, an individual’s unique qualifications and contributions to IU may result in a salary that exceeds this reference point. Salaries above this amount require approval of the RC head.

2. Jobs within each job family will generally be assigned to a salary level and range based upon competitive market data. When no external market data is available, then jobs will be assigned to a salary level and range based on internal comparisons of compensatory attributes for jobs with competitive market data.

3. Competitive market data will be regularly analyzed and salary structures will be adjusted to maintain competitive salary ranges for each job family. The analysis and any adjustments will be based on:
   a. Reliable published surveys to preserve consistency
   b. An adequate number of jobs within each job family on which to gather market data (benchmark jobs)
   c. Matching jobs based on actual duties and responsibilities, not job titles
d. Comparing the relevant employment market for each benchmark job
e. Conducting independent third-party surveys when necessary
f. Monitoring market trends and movement of salary structures
g. Recognizing the university and each RC’s financial environment when making salary range adjustments
Procedure

1. **Management Decisions:** RC managers are responsible for making decisions regarding pay consistent with the above salary principles. Managers should make all salary decisions (new hire, promotions, merit increase, etc.) based on objective job-related criteria in a consistent, non-discriminatory manner. Attention should be given to maintaining salary equity with other employees in the RC performing similar duties and responsibilities.

2. **Position Descriptions:** Managers should prepare a description of the duties and responsibilities assigned to each position in the university’s standard position description format. It consists of at least the following components: reporting relationship, summary of primary function and role; list and description of primary duties and responsibilities including approximate percentage of time spent on each; supervision of personnel; minimum qualifications directly related to the assigned duties and responsibilities; required licenses or certifications; and manager’s signature and date signed. Managers should provide incumbents a copy of the associated position description and use it for purposes such as: recruitment activity, orientation of new hires, performance management, position classification reviews, etc.

3. **Position Classification Reviews:** To accommodate a dynamic work environment, including new priorities and initiatives, changes in technology and regulations, fiscal constraints, etc., it is expected that management will restructure the duties and responsibilities assigned to various positions. When managers deem that these changes are significant enough to warrant a review of the position’s job classification, then a request for such, with supporting documentation, should be sent to Campus Human Resources for review, following the RC review and approval process. Incumbents who believe that the classification of the position is not appropriate should consult with their supervisor. Supervisors, along with the associated department head, who deem that the classification does not correspond to the assigned duties and responsibilities, should submit a request, with supporting documentation, to Campus Human Resources for review, following the RC review and approval process.

4. **Fiscal Affairs and Trustee Approved Salary Policies:** Before salary commitments are made to individual employees, it is important that all university, campus and RC fiscal approvals are obtained and that there is compliance with Trustee approved salary policies.

Definitions

**RC.** For purpose of the salary administration policies, a Responsibility Center or distinguishable department within a large RC such as the IU School of Medicine or College of Arts and Sciences. A regional campus may consider the Chancellor the RC head.

**Position.** A group of duties and responsibilities officially assigned to a specific employee.

**Job.** A collection of positions whose duties and responsibilities are the same kind of work, at a similar skill and responsibility level. The duties and responsibilities are alike enough that the positions have the same descriptive title and require substantially the same minimum qualifications. (A position with very unique duties and responsibilities may be assigned to a single-position job.)

**Job Family.** A collection of jobs involving the same type of work but requiring different skill and responsibility levels. Grouping jobs with similar work by job family provides consistent comparison with the market pay rates for similar work.

**Job level.** A grouping of the jobs in each job family into distinct levels based on compensatory job attributes, such as: complexity, scope of impact, autonomy, supervision of others, and knowledge required.

**Salary level.** (sometimes referred to as pay grade, or grade level) The alpha/numeric designation (2IT, 3IT, etc.) assigned to each job level.

**Salary range.** (sometimes referred to as pay range) Each job family has a set of salary ranges that reflect its relevant labor market segment based on geographic and scope considerations (local, state, regional, or national) and/or type of employer (public, private, or higher education). Each salary range has a minimum, market zone and an upper reference point. (These terms are defined in “Salary Structures” below.) The salary range values assigned to salary grades may vary across job families, based on relevant external market data.
Competitive Market Data. Published and independent salary surveys of the relevant employment markets for job families and their job levels.

Sanctions

Managers, supervisors, and employees who violate this policy are subject to disciplinary action, up to and including separation.