

Staff Compensation and Classification

Original Implementation: February 3, 2005

Last Revision: January 31, 2017

This policy does not include faculty or student compensation and classification.

To effectively manage compensation and classification of its employees, Stephen F. Austin State University (SFA) maintains a system of compensation and classification that:

1. considers the external market, while focusing primarily on ensuring internal equity and emphasizing the advantages of a collegial work environment;
2. rewards and retains those individuals who exceed defined performance expectations;
3. provides flexibility in implementation and process to meet the needs of the university;
4. sets a system for progression and mobility through job enrichment, promotions, merits and equity adjustments;
5. identifies the required education, experience, knowledge, skills and abilities required for all SFA positions; excluding casual (short-term or sporadic temporary) positions; and
6. encourages and rewards the acquisition of skills.

Compensation Plan Development

The Human Resources Department is responsible for developing the SFA compensation plan. Development of the plan shall include extensive studies of compensation in nationwide competitive universities to ensure that the salary structure is competitive. The competitive salary survey data and benchmark jobs are used to determine appropriate salary ranges for SFA positions. Benchmark jobs are those with characteristics similar enough to jobs performed in other organizations.

The SFA compensation plan includes:

A. Job Descriptions which contain a SFA job title, a general job summary, a list of essential (major) duties and responsibilities, and job requirements (i.e. minimum education, experience, exemption status under the Fair Labor Standards Act (FLSA) and other qualification requirements that an individual should have to fill the position). The Department of Human Resources may develop job descriptions for individual jobs or for entire job families. Job descriptions are used to:

1. evaluate and classify jobs to determine appropriate internal position relationships;
2. communicate to new or existing employees the fundamental duties and responsibilities of their jobs;
3. provide job information that can be used to determine competitive pay relationships in the labor market;
4. provide job information which can be used in the recruitment and selection process;
5. provide job information which can be used in employee relations matters, such as performance appraisal, employee orientation, grievance resolution, and identification of training and development needs; and
6. ensure compliance with government legislation.

Changes in the duties of a job may require re-analysis and re-evaluation of a job. Where changes are judged significant by the supervisor and/or manager, he/she should complete a Job Analysis Questionnaire (JAQ), located on the Department of Human Resources website.

Requests may be prompted by the creation of a proposed new job title or by a substantial and permanent change in duties or requirements of an individual position or in the majority of individual positions within a job title. For a change in duties or requirements to merit re-evaluation, it should meet these criteria:

1. It is a permanent change in duties; not a special project or short-term assignment;
2. The addition, deletion, or change affects a duty that constitutes a significant portion of the job (at least 15%);
3. The duty which is added, deleted, or changed is substantially different in level and type from the balance of the job duties so that it seems reasonable that the change in that one duty would affect the evaluation of the job on one or more job evaluation factors; or
4. The levels of education or experience required for the job noticeably change. These requirements should reflect minimum standards for satisfactory job performance, not an incumbent's qualifications.

The official job title on the job description will be used for all personnel records and publications (For internal purposes, however, departments may use a different functional title). New official job titles may be created only with the prior review and approval by the director of human resources.

B. Pay Grade Structures used to identify the minimum and maximum salary range of pay for each position. SFA uses one combined grade structure to establish compensation limits for jobs. The structure is based on competitive practices and internal equity considerations, and provides the possibility for progression to more responsible jobs with higher and broader pay ranges. As part the budget process each year, the director of human resources will review the competitiveness of its pay structures. The review will include (1) comparisons of the competitive status of SFA's midpoints to the relevant external market; (2) a review of anticipated average movement of pay structures by peer and comparison organizations.

Based on findings of the review, a recommendation will be prepared for consideration by the director of human resources concerning adjustments to the pay structures. The recommendation will include detailed cost analyses and will be provided to senior management for consideration. Hiring employees below the minimum of the salary range is contrary to university policy and is not permitted. Conversely, the maximum of the pay range is the upper limit of pay for a job. An employee's rate of pay may not normally exceed the respective maximum for the job. Request for payment above pay range must be approved by director of human resources.

C. Requirements for distributing compensation to employees. The Human Resources Department is responsible for ensuring that compensation is distributed in a fair, equitable manner that supports the needs of the university. Directors are responsible for initiating the following salary actions for review and approval by the Human Resources Department:

Initial Hire Salary Offer

Employee pay rates must meet or exceed the minimum of the pay range and any institutionally established equity threshold. The hiring department has full discretion for placing a new employee's pay up to midpoint. Hiring rates above midpoint require prior approval by the director of human resources.

Merit Increases

SFA policies permit the awarding of merit increases on a semi-annual basis to be effective either on September 1 and/or March 1. Only benefits-eligible employees who have completed six months of continuous employment at SFA as of the effective date of the merit program are eligible to receive a merit increase.

Merit increases are based on an employee's documented job performance and are intended to reward individual performance, increased productivity, improved quality, and/or reduced costs. To be eligible for a merit increase, individuals must have successfully completed initial probation or have a current performance appraisal with a rating of acceptable or above on file in the Human Resources Department. Employees receiving a rating below acceptable will not be eligible for a merit increase without approval from the director of human resources.

Promotions

When an individual is promoted, his or her pay will normally be adjusted to reflect the new level of responsibility. In isolated situations, when an individual's base pay rate is at a higher level than rates paid to incumbents, an individual may be granted a promotion with no change in pay. Any promotional increase should raise the employee's pay rate to at least the minimum of the pay range. Conversely, a promotional increase may not increase the employee's pay rate above the maximum of the new pay range.

The hiring department has full discretion for placing the salary rate of an employee up to the midpoint. Recommended promotional increases which fall outside of these parameters are governed by normal university hiring procedures and approval processes. All promotional actions must be reviewed by the director of human resources.

In determining recommended promotional increase amounts, the following factors are considered:

1. Rates paid to incumbents in the new position, both within hiring college or division and in other colleges and divisions throughout the university;
2. Pay range for the new position and the difference in the number of pay grades between the old position and the new position;
3. Qualifications of the individual versus qualifications of incumbents in the same job in the college or division;
4. External salary survey data, if it is available; and
5. Change in FLSA designation or overtime designation; i.e., a change from non-exempt job to an exempt job.

Demotions

New base pay rates of employees who are demoted to jobs assigned to lower pay grades will be determined by considering the rates paid to incumbents in the same job title. A demotion may or may not result in a reduction in the employee's base pay rate. The new pay rate, however, must fall within the pay range of the new job. If the employee's pay falls above the maximum of the new pay range, the employee's pay must be reduced to at least the maximum of the pay range. All demotions require prior approval by the director of human resources.

Reclassifications

A reclassification occurs when a position changes from one classification to another because of changes to job duties and responsibilities. Lateral reclassifications occur when job responsibilities have changed but the new classification has the same pay grade because the classifications are similar in scope and responsibilities. The overall job requirements are comparable in the new job with the same pay grade as the old job. Lateral reclassifications can occur at any time that a reclassification is appropriate.

Reclassifications that result from a departmental reorganization typically occurs when one or more positions within a department become vacant, the department re-evaluates its organizational structure and redistributes job duties and responsibilities resulting in classification changes. Reclassifications resulting from reorganizations can occur anytime within the fiscal year. All other reclassifications must occur within the annual budget process unless approved by the director of human resources and the budget office.

Transfers

Normally, there will be no change to the base pay rate of an employee who is laterally transferred. Under extraordinary circumstances and in extremely rare situations, an employee may receive a salary increase on a lateral move. Any increase granted on a lateral move requires the approval of the director of human resources. Transfers can occur through the posting process or through an approved reduction-in-force process. The director of human resources must approve all employee transfers that are not associated with the posting process.

Equity Adjustments

The Human Resources Department periodically audits pay rates within classifications to identify potential pay problems. It is also the responsibility of the department head to bring to the attention of the director of human resources any significant pay problems that may exist in their department. A department head may initiate a pay equity adjustment when an equity pool is funded as part of the budget process. A request is appropriate if the department head determines the present level of compensation of an employee or group of employees is at a level where:

1. It results in an unusual level of turnover of employees in the group; or,
2. It results in the affected department experiencing significant difficulty in recruiting candidates to fill vacant positions; or,

3. It results in a disparity in current paid rates for similarly classified employees in that unit;
or,
4. The level of compensation is substantially below the comparable level of compensation for similar employment outside SFA; and,
5. The present level of compensation has substantially reduced the university's ability to deliver services.
6. Individual equity increases shall be based on one or more of the following:
 - a. Internal equity
 - b. External competitiveness
 - c. Longevity

All equity pay adjustments are subject to review and approval by the appropriate vice president and the director of human resources. Normally, funds for any approved equity pay adjustment must come from the authorized budget of the affected division.

Cross Reference: Fair Labor Standards Act, 29 U.S.C. § 201 et. seq.

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Human Resources

Forms: Request for Position Evaluation form; Job Analysis Questionnaire (JAQ)

Board Committee Assignment: Finance and Audit