Staff Pay Administration Guidelines

February 2021
# Table of Contents

**Introduction** ................................................................................................................................................. 1

**Compensation Philosophy** ......................................................................................................................... 2

**Roles and Responsibilities** ........................................................................................................................ 3

**Market-Based Pay Bands for Staff** ............................................................................................................ 5

**FLSA Wage & Hour Guidelines** .................................................................................................................. 6

**Job-Based Changes** .................................................................................................................................... 7
  - Job Reevaluation....................................................................................................................................... 7
  - Movement to a Job in the Same Band ........................................................................................................ 7
  - Movement to a Job in a Higher Band ......................................................................................................... 8
  - Movement to a Job in a Lower Band ....................................................................................................... 10
  - Temporary Assignments/Interim Appointments ...................................................................................... 11
  - Pay Above Band Maximum .................................................................................................................... 11
  - Earning a Degree or Certification ........................................................................................................ 12

**Individual-Based Pay Actions** .................................................................................................................. 13
  - Setting Starting Pay................................................................................................................................. 13
  - Managing Pay within a Band ................................................................................................................... 14
  - Equity and Market Adjustments ............................................................................................................... 15
  - Annual Pay Increases............................................................................................................................. 15

**Program Maintenance** ............................................................................................................................... 16
  - Job Descriptions .................................................................................................................................... 16
  - Maintaining the Pay Bands ...................................................................................................................... 16

**Market Pricing Guidelines** ......................................................................................................................... Error! Bookmark not defined.
  - Step 1: Identifying Benchmark Jobs.................................................................................................... Error! Bookmark not defined.
  - Step 2: Identify Appropriate Survey(s) ............................................................................................... Error! Bookmark not defined.
  - Step 3: Match Alcorn Jobs to Comparable Jobs in Surveys ............................................................... Error! Bookmark not defined.
  - Step 4: Select Appropriate Survey Scope/Cut ...................................................................................... Error! Bookmark not defined.
  - Step 5: Make Necessary Adjustments ................................................................................................ Error! Bookmark not defined.
  - Step 6: Update the Data to a Common Point in Time ...................................................................... Error! Bookmark not defined.
  - Step 7: Develop the Consensus ............................................................................................................ Error! Bookmark not defined.

**Appendix A** ................................................................................................................................................ 17
  - 2021 Alcorn Market-Based Pay Bands ................................................................................................ 17

**Appendix B** ................................................................................................................................................ 18
  - Peer Group ............................................................................................................................................ 18
Introduction

Pay Administration Guidelines serve as a framework for managing pay under the University’s compensation program for non-faculty staff. Our compensation program is designed to provide competitive, fair, and equitable compensation in order to attract, retain, and engage qualified employees. To this end, Alcorn State University (“Alcorn”) will:

- Provide pay opportunities that:
  - are based on job responsibilities,
  - are competitive within the markets in which Alcorn competes for talent (see Peer List, Appendix B),
  - promote internal equity with jobs that have similar duties and scope, and
  - consider the financial resources of Alcorn

- Recognize and reward sustained contributions towards achieving the University’s mission, vision and strategic objectives, performance against agreed upon expectations, and expertise

- Ensure understanding of the compensation program through open and clear communication, accessible information, and continued education & training for leaders, managers, and staff on key components of the program

These guidelines are intended to be a reference for ongoing administration of salaries and wages in a manner consistent with the program. Human Resources (HR) is primarily responsible for administering the program. The University will make an earnest effort to update this program regularly (e.g., market adjustments to pay bands, benchmarking reviews) in order to keep it current.

While we intend to lend stability in our policies and practices, Alcorn reserves the right to interpret the policies, rules, sections, and provisions contained in these guidelines, as it deems appropriate in its sole discretion. The University also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate, or withdraw any or all of the policies, rules, sections, and provisions of these guidelines at any time, unilaterally, with or without prior notice.

These guidelines, as well as its attachments and all subsequent revisions, supersede and/or replace all policies, rules, and compensation program descriptions issued previously.
## Compensation Philosophy

These principles and values below reflect the strategic objectives of the compensation program and its alignment to the University’s mission, values, and culture.

| Vision Statement | Alcorn State University, a Historically Black College and University and land-grant institution, is committed to intellectual development and lifelong learning through the integration of diverse pedagogies, applied and basic research, cultural and professional programs, public service and outreach, while providing access to globally competitive academic and research programs. **To accomplish this mission, Alcorn State University seeks to provide a compensation program that attracts and retains talented employees who are in support of our strategic objective.** |
| Compensation Program | Alcorn State University strives to provide competitive compensation and benefits that balance both market competitiveness and internal equity while remaining fiscally responsible. Aside from base compensation, the University recognizes additional components including fringe benefits, work-life balance, an inclusive culture, growth opportunities, and other workplace attributes as key elements of a robust program. |
| Comparison Markets | The comparison market(s) for similar higher education institutions to Alcorn State University reflect a number of factors including Carnegie classification, institution size (based on financial and other demographic metrics), geography, reputation, and acknowledgement of HBCU and land grant designations. Additionally, local and regional employers across government agencies, private sector entities, and non-profit organizations are considered as well. |
| Pay Position | Alcorn State University will generally target 90% of the market 50th percentile for competitive positioning in the aggregate. Pay positioning may vary for some jobs (higher or lower) based on market data and individual characteristics such as prior experience, skills, level of education, internal equity, etc. |
| Beyond Market Factors | Alcorn State University promotes an emerging pay for performance culture; fair and equitable merit awards, increases to salaries, and advancement opportunities are determined by performance. Alcorn State University also recognizes other elements such as level of education, prior experience, length of service, and overall contributions to the University as factors that affect pay decision-making. |
| Program Communication | Alcorn State University is committed to administering a transparent and open compensation program. Clear guidelines and communications around the compensation philosophy, how pay is managed, and salary structures will regularly be disseminated through multiple vehicles and education sessions to all stakeholders. |
| Pay Administration | The development, approval, and endorsement of the compensation philosophy will be directed by Human Resources, the University leadership, and the President. Human Resources and Academic Affairs will jointly administer the overall compensation program including the periodic review, maintenance, and updates to tools, processes, procedures, and policies. |
Roles and Responsibilities

To ensure that the program is administered in a consistent, impartial manner, the roles and responsibilities for key stakeholders involved in compensation decision making are defined in the table below:

<table>
<thead>
<tr>
<th>University Leadership</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Communicate openly, regularly, and clearly with the University’s community on compensation-related matters</td>
<td>• Provide leaders and managers with tools and resources needed to make pay recommendations for their staff (market data, hiring ranges, federal/state policies, etc.)</td>
</tr>
<tr>
<td>• Endorse compensation program design and implementation processes</td>
<td>• Collaborate with leaders and hiring managers to establish and maintain appropriate pay</td>
</tr>
<tr>
<td>• Establish and communicate institutional compensation philosophy and goals to the community</td>
<td>• Design, develop, and maintain the compensation program, including pay guidelines, and ensure fairness in and consistency of application</td>
</tr>
<tr>
<td>• Set the standard for performance planning, coaching and feedback, and hold direct/indirect reports accountable for the same</td>
<td>• Provide strategic and operational advice to University leadership on compensation issues, market trends, and relevant regulations</td>
</tr>
<tr>
<td>• Review and endorse updates of the market pay bands, as appropriate</td>
<td>• Regularly collect market data from the appropriate sources, assess pay competitiveness, and recommend adjustments to the market-based pay bands as well as individual compensation</td>
</tr>
<tr>
<td>• Within the constraints of limited resources and the prioritization process for the annual operating budget, provide the resources needed to maintain the compensation program</td>
<td>• Regularly monitor the effectiveness of the compensation program and practices, its continued competitiveness, and on-going equity</td>
</tr>
<tr>
<td>• Hold other leaders and managers accountable for adhering and upholding the principles of the compensation program and effective, consistent compensation management</td>
<td>• Communicate the compensation program and ensure understanding within the community</td>
</tr>
<tr>
<td>• Approve relevant pay actions, where applicable, ensuring consistency of application not only within functional area, but across University</td>
<td>• Work with managers to ensure job descriptions are current and accurate</td>
</tr>
<tr>
<td></td>
<td>• Conduct compensation program training to ensure understanding of program components</td>
</tr>
<tr>
<td></td>
<td>• Take a lead role in facilitating the review of pay decisions and changes, in partnership with the Senior Vice President for Finance, Administrative Services and Operations and the VP for the functional area</td>
</tr>
</tbody>
</table>
| Managers | • Provide HR with the necessary information to establish and maintain appropriate pay  
• Understand job responsibilities and requirements of jobs in area(s) of responsibility, and the skills, knowledge, experience, and performance levels of staff in their areas  
• Maintain accurate and current job descriptions  
• Foster open and trusting relationships with staff in area of responsibility, and with colleagues across the University  
• Set performance expectations, provide clear and helpful feedback, and evaluate performance  
• Communicate openly with staff about compensation topics  
• Help staff understand career development and progression opportunities within their functional area(s)  
• Provide input on suggested pay actions to Human Resources |
|---|---|
| Staff | • Understand own job responsibilities, requirements, and expectations  
• Work with manager to ensure job description is current and accurate  
• Actively participate in education on the specifics of the compensation program (attend trainings, become familiar with tools and other resources available, etc.)  
• Proactively reach out to manager to obtain feedback on performance  
• Communicate openly and regularly with manager to address any issues and concerns  
• Seek opportunities for development and advancement through outreach to manager, functional leader, and/or HR |
Alcorn maintains a market-based compensation program that supports the institution’s strategic vision, mission, values, and its diverse staff population. The market-based pay bands were developed using external survey pay information gathered from market benchmarking and contains market competitive, differentiated pay bands. These bands are intended to:

- Require less frequent maintenance and reevaluation of jobs
- Increase flexibility in cross-functional job movement and pay progression
- Balance pay for both the job and the person, rather than to an inflexible control point

Periodically, the University will conduct a comprehensive market assessment to evaluate the bands’ competitiveness and alignment with Alcorn’s mission and objectives. The University leadership will review and approve changes made to the bands in light of the financial resources of the institution.

Alcorn’s market-based pay bands consist of twelve pay bands that represent a continuum of pay based on the external market. The chart in Appendix A provides the most recent pay bands, including the pay band minimum, midpoint, and maximum.

Benchmark jobs are assigned to pay bands primarily based on their market value. This is defined as jobs with similar responsibilities and skill requirements that are typical in the market and where reliable pay data can be found in published surveys. The majority of jobs at Alcorn are benchmark jobs.

For other jobs, market data may not be available; these are called “non-benchmark” jobs. Non-benchmark jobs include jobs that are created to meet a unique need at the University, jobs that are a blend of multiple functions, and jobs for which viable survey data are not available. Non-benchmark jobs are assigned to pay bands through a process of comparing them to similar benchmark jobs by considering:

- **Education/experience**: Formal education and experience that would be the minimum requirements for the job. Example: Bachelors’ degree in Accounting or a related field with at least five years of experience

- **Skills, Knowledge, and Competencies**: The formal/informal expertise needed to perform the duties of the job on a day-to-day basis. Example: Accounting rules, standards, and procedures

- **Impact**: The impact that a job has on key institutional imperatives. Example: Financial health or effectiveness and quality of services provided within the institution

- **Scope of Responsibility**: The breadth or range of the job’s operational influence within the institution. Example: Institution-wide, division, or department

HR works with the University leadership to ensure a review of internal equity of all jobs to ensure appropriate band placement.
Alcorn administers its compensation program so that it is in compliance with all state and federal guidelines. One key federal law that governs pay is the Federal Labor Standards Act (FLSA). It is very important that those who manage employees and approve timesheet submissions to payroll be well-versed in this law.

This legislation places all employees into one of two designations, upon meeting specific criteria. In accordance with legal requirements, the classification of a job as exempt or non-exempt depends on the content of the job as outlined in the federal regulations. Criteria include type of job responsibilities, reporting relationships, and/or qualifications of the person. It does not depend on how the staff member (or manager/supervisor) wants to classify the job. HR will make the final decision as to whether a job meets the regulatory criteria to be classified as exempt or non-exempt based on an analysis of the job as compared to federal regulations.

1. An **exempt** employee is one who passes all exemption tests under FLSA and is not required to be paid overtime pay.

2. A **non-exempt** employee is one who does not meet criteria for exemption under FLSA and is eligible to receive overtime pay (1½ times regular hourly rate for any time worked over 40 hours per week).

Federal and state laws require that employees in non-exempt jobs be paid for all the time they work. According to the Federal Labor Standards Act (FLSA), Alcorn can be penalized for failure to pay for unauthorized time worked.

It is the responsibility of the manager to communicate when overtime is and is not appropriate for an employee. In order to adhere to the budget, managers must inform employees in advance of restrictions in the number of overtime hours worked.

It is the responsibility of the employee to follow managerial guidance and to work overtime only when it is approved by his or her manager.

Further detail on FLSA can be found on the Department of Labor's website: [http://www.dol.gov/compliance/laws/comp-flsa.htm](http://www.dol.gov/compliance/laws/comp-flsa.htm)
Job-Based Changes

Job Reevaluation

It is essential to distinguish between a change in the job content and a change in the incumbent’s skills, knowledge, or performance. This section applies only to job content changes.

During the normal course of operations, changes in primary/essential responsibilities may make it necessary to rewrite or update the job description. If there are substantial changes, the modifications should be noted and forwarded to the manager for review and approval. In conjunction with a staff member from Human Resources, the manager should review changes to ensure equitable distribution of departmental workloads and appropriate assignment of tasks. When both the manager and HR staff member are satisfied with the revised job description, the position will be evaluated for band assignment by HR.

The following are examples of situations that may warrant a job reclassification:

- Department reorganization and job restructuring
- Addition of full-time employees reporting to the job
- Addition of new and significant area(s) of responsibility
- Major change in level of authority and accountability

Small changes in a job do not influence market value or the job's core role at Alcorn and, therefore, would not warrant reclassification (e.g., different software to handle same job responsibilities, procedural changes to existing work). In addition, a job would not be reclassified if the incumbent earns a degree or achieves another educational milestone, unless this results in changes in the job, level of authority, scope of responsibility, etc.

Requests for reclassification should be made by the manager to whom the job reports, and not by individual employees. If an employee believes that their job needs to be reclassified, they should discuss this with their manager, who will review the request with Human Resources to determine the appropriate course of action. If the manager agrees with the request, they can forward the petition for re-evaluation to Human Resources for review. In the case of a re-organization, HR can initiate the re-evaluation process.

Movement to a Job in the Same Band

Not all career advancement opportunities are promotions. An individual can also advance in his or her career by taking a different job in the same band. This enables him/her to become broadly skilled, therefore enhancing his or her ability to contribute to the University, and may eventually lead to promotion to a job in a higher band.

The impact of a lateral band move on an incumbent’s pay level will be reviewed by Human Resources and their manager based on the incumbent’s skills, knowledge, experience, performance, and current position within the band. Managers, in consultation with Human Resources, may recommend a pay increase within the band based on the incumbent’s skill, knowledge, experience, performance, and current position within band. Final decisions regarding changes to pay must be reviewed by Human Resources and approved by the appropriate the University leadership member.
Movement to a Job in a Higher Band

Typically called a “promotion,” this involves taking on a job that is assigned to a higher band. Such a move generally warrants an increase in pay to recognize these additional responsibilities and to ensure that pay for the new job is consistent with market and internal equity. An exception may occur if the incumbent’s current pay is very high in the band for his or her current job.

Human Resources and managers will collaborate to determine an appropriate pay within the band, based on the individual’s skill, knowledge, experience, and performance. The manager will recommend a pay adjustment, which Human Resources will review and approve, with the University leadership member and Senior Vice President for Finance, Administrative Services and Operations, as appropriate. Since circumstances vary and each individual has a different pay history, it is important to consider multiple factors when making pay decisions related to promotions. These factors are shown in the chart on the next page.

Use the chart below to determine an appropriate increase for a promotion. Consider how each statement applies to the incumbent and plot the assessment on the corresponding line. After plotting each item, a pattern is likely to be evident. This pattern will help develop an appropriate increase recommendation.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Assessment of Staff Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td><strong>Moderate</strong></td>
</tr>
<tr>
<td>Performance compared to expectations¹</td>
<td><strong>Effective</strong></td>
</tr>
<tr>
<td>Current pay in relation to new band</td>
<td><strong>High</strong></td>
</tr>
<tr>
<td>Current pay relative to others in similar jobs in new band (with similar skills, knowledge, competencies, and experience)</td>
<td><strong>High</strong></td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge demonstrated</td>
<td><strong>Moderate</strong></td>
</tr>
</tbody>
</table>

The following pages show two examples of how to use this chart. In all cases, promotional increases are dependent upon available financial resources and internal equity considerations. Resulting new salaries should be cross-checked with the position in the new band.

The University leadership member approves assessments related to the employee that, after review by Human Resources (in consultation with the Senior Vice President for Finance, Administrative Services and Operations, will determine the percentage increase.) The increase should take into account internal equity and financial viability at Alcorn.

¹ Employees would not typically be eligible for promotion unless they are effective in their current position, at a minimum.
If an increase were to exceed 8%, it may be necessary to phase the increase, first ensuring the incumbent is at least at the minimum of the band, and then increasing their pay to the appropriate place in the range over a few years.

**Example 1**

Assume Michael is moving to a job one band higher than his current job. He is a good performer, consistently performing at an above-expectation level; however, the depth and breadth of his skills is only somewhat above a moderate level. His pay is relatively high compared to peers in the new band. When this information is plotted on the chart, the pattern appears as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Michael’s Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td>Moderate</td>
</tr>
<tr>
<td>Performance compared to expectations</td>
<td>Effective</td>
</tr>
<tr>
<td>Current pay in relation to new band</td>
<td>High</td>
</tr>
<tr>
<td>Current pay relative to others in similar jobs in new band (with similar skills, knowledge, competencies, and experience)</td>
<td>High</td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge demonstrated</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Since the pattern is skewed towards the middle range of the increase options, a modest or moderate increase is appropriate for Michael.
Example 2

Assume Judy is moving to a job one band higher than her current job. Her performance consistently exceeds expectations and the depth and breadth of her skills is very high. Her pay is relatively low compared to peers in the new band. When this information is plotted on the chart, the pattern appears as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Judy's Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td>Moderate</td>
</tr>
<tr>
<td>Performance compared to expectations</td>
<td>Effective</td>
</tr>
<tr>
<td>Current pay in relation to new band</td>
<td>High</td>
</tr>
<tr>
<td>Current pay relative to others in similar jobs</td>
<td>High</td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge demonstrated</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

This pattern is clearly skewed towards the high range of the increase options. Judy would be eligible for a significant increase.

Movement to a Job in a Lower Band

At times, an individual may be reassigned or choose to move to a position in a lower pay band. This most likely will occur as a result of a more appropriate fit between the individual’s capabilities and the skills and expectations of a different job. When an employee is reassigned to a job in a lower pay band based on disciplinary or other performance issues, the incumbent’s pay may be adjusted to reflect the responsibilities of the new job. In cases where a position is reassigned to a new band due to a reorganization or restructuring, HR, the supervisor, and if appropriate, the University leadership member will evaluate these situations on a case-by-case basis to determine if any pay adjustments are necessary and appropriate.
Temporary Assignments/Interim Appointments

From time to time, it may be necessary for employees at Alcorn to take on additional or different responsibilities temporarily or on an interim basis. Depending on the nature of these assignments, corresponding changes to pay may be warranted. All exempt and nonexempt staff employees who are currently paid by the University, in a full-time capacity are eligible for additional compensation for taking on temporary or interim assignments in a form of a stipend. This is additional compensation, not part of the incumbent's base pay or hourly rate.

Interim Appointments

An interim appointment is when an individual is appointed (in writing) to a different position (either in the same band or in a higher band) where there is a vacancy expected to last for an extended period of time. The individual will be held accountable for the scope of the interim role that is identified at the time of the Interim Appointment. Potential compensation is as follows:

- **Interim appointment in the same band**: Since the interim position has the same pay potential as the individual’s own position, base pay for the individual will not change, although he/she may be eligible for a one-time cash payment, depending upon the duration of the appointment, the degree of complexity and/or importance of the additional work, and the level of performance demonstrated. HR and the appropriate University leadership member will evaluate these situations on a case-by-case basis to determine if any cash payment is necessary and appropriate.

- **Interim appointment in a higher band**: Since the interim position has a higher base pay potential than the individual's own position, an individual taking on such an appointment may be eligible for a temporary increase in pay, determined under the University's promotional guidelines as if the individual were being promoted to this position, and remaining in effect until the appointment is completed. Upon returning to their position, the employee will receive the pay he/she had been earning prior to the interim appointment, adjusted for any intervening pay increases (annual increases, increases due to market or internal equity, etc.). HR and the appropriate University leadership member will evaluate these situations on a case-by-case basis to determine if any cash payment is necessary and appropriate.

Pay Above Band Maximum

Employees with pay above the maximum of their pay band will not be eligible for increases to base pay. For these employees, any additional increases will be provided as a lump sum cash payment on the effective date of the increases. Employees whose pay is close to the maximum may receive an adjustment in two components (1) partially as an increase to base pay, and partially as a lump sum (see examples below). As pay bands are adjusted for inflation and/or market pressure, employee pay previously above the bands maximum may again fall within the structure.
Examples of Increases at the Maximum of the Range

<table>
<thead>
<tr>
<th>Employee</th>
<th>Band</th>
<th>Current Base Pay</th>
<th>Pay Range Maximum</th>
<th>Annual Increase</th>
<th>Potential New Base Pay</th>
<th>Base Pay Increase</th>
<th>Lump Sum Payment</th>
<th>Final Base Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 1</td>
<td>7</td>
<td>$70,000</td>
<td>$69,600</td>
<td>2%</td>
<td>$70,000</td>
<td>$0</td>
<td>$1,400</td>
<td>$70,000</td>
</tr>
<tr>
<td>Employee 2</td>
<td>8</td>
<td>$83,000</td>
<td>$83,500</td>
<td>2%</td>
<td>$83,500</td>
<td>$500</td>
<td>$1,160</td>
<td>$83,500</td>
</tr>
<tr>
<td>Employee 3</td>
<td>3</td>
<td>$31,500</td>
<td>$37,500</td>
<td>2%</td>
<td>$32,130</td>
<td>$630</td>
<td>$0</td>
<td>$32,130</td>
</tr>
</tbody>
</table>

Earning a Degree or Certification

Earning a degree, certification, or accreditation, including an advanced degree, does not generally warrant a pay increase unless the current job requires the degree or job responsibilities change as a result of the degree attainment resulting in a movement of the job to a higher band.
Individual-Based Pay Actions

Setting Starting Pay

The compensation program’s bands are wide enough to accommodate a variety of experience, qualification, and performance levels, and generally, all staff can expect to be paid within the pay bands associated with their job’s band.

Setting starting pay involves a review by Human Resources of the job’s responsibilities and requirements as well as the skills and experience of the candidate/incumbent, using the pay range associated with the job’s band. The final pay must be reviewed and approved by Human Resources, the functional VP, and the supervisor before implementation.

**Step 1: Review the job and determine its band assignment (Human Resources)—if the job currently exists at the University, proceed with Step 2.**

If the job is new to Alcorn, Human Resources will determine if the job is a benchmark job. Refer to the “Market Pricing Guidelines” section for guidelines on benchmarking the job and reference the resulting survey data to assign the job to the most appropriate band (i.e., the band with the midpoint closest to the survey market median).

If the job is a non-benchmark job, Human Resources and the supervisor will evaluate the job relative to the closest comparable job at the University based on:

- Education/experience
- Knowledge and Skills
- Impact
- Scope of Responsibility

**Step 2: Review skills and experience of the individual—once the band for the job has been determined, the individual pay will be set within the guidelines for the band collaboratively by Human Resources and the employee’s manager, based on the incumbent’s individual skills and qualifications as defined in “Managing Pay within a Band” (next section). Together they will evaluate the new employee based on their skills & knowledge and relevant experience. This evaluation will result in a recommended pay range between the minimum and the midpoint of the band. It is important to note that relevant experience will be considered relative to the experience required and preferred to fully contribute in the job. For example, if the job requires 5 years of relevant experience, but the candidate brings 25 years, the significantly greater years of experience will be evaluated accordingly.**

**Step 3: Review internal equity—before any pay is finalized, Human Resources will conduct a review of salaries of current staff members in similar jobs to ensure internal equity. If the individual will be working in more than one job at Alcorn, Human Resources will determine the appropriate band and pay for the incumbent.**

As a general guideline, if an individual has no prior relevant work experience, their pay will be set at the minimum of the band for their job. Additionally, pay rates for new employees will generally not exceed the midpoint of the band for their job, unless exceptional circumstances can be demonstrated.
Step 4: Final approval of pay—the final pay recommendation will be submitted to Human Resources and the VP for review and approval. The pay range must be approved by the appropriate the functional Vice President, Senior Vice President for Finance, Administrative Services and Operations, and the Director, Human Resources before the offer of employment is made. After this point, Human Resources will submit information to Payroll.

Managing Pay within a Band

The pay bands consists of a series of bands that are designed to provide competitive pay opportunities for the responsibilities and requirements of jobs at Alcorn. The guidelines below provide direction on how pay should be managed within a band, taking into account both the external market and individual performance and skills accumulated. Individuals within a job will progress through the band based on growth in their knowledge and experience as well as performance.

All incumbents can generally expect to be paid within the guidelines associated with their job’s band. As a general policy, no one should be paid above the band maximum or below the band minimum.

Each band provides the range of pay opportunity for jobs assigned to that band. Pay for individual incumbents will be determined by comparing their skills, knowledge, experience, and performance to the guidelines below:

<table>
<thead>
<tr>
<th>Minimum</th>
<th>¼ Mark</th>
<th>Midpoint</th>
<th>¼ Mark</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New to job and field, has little or no direct related prior experience</td>
<td>• Performs some/most job responsibilities effectively</td>
<td>• Performs all aspects of job effectively and independently</td>
<td>• Expert in all job criteria</td>
<td></td>
</tr>
<tr>
<td>• On steep learning curve, building both skills and knowledge as well as ability to handle job responsibilities</td>
<td>• Possesses all/most of the base knowledge and skill requirements, but may still need to build upon them through experience</td>
<td>• Experienced in the job and possesses required knowledge and skills</td>
<td>• Possesses broad and deep knowledge of own area as well as related areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• May still be learning some aspects of job or developing expertise to handle them more independently and effectively</td>
<td>• Exhibits desired competencies to perform job successfully</td>
<td>• Possesses depth and breadth of experience in the job, specialized skills and significant value</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Exhibits many or most desired competencies to perform job successfully</td>
<td>• Seasoned and proficient at building job responsibilities</td>
<td>• Serves as expert resource and/or role model/mentor to others in similar jobs or to other areas</td>
<td></td>
</tr>
</tbody>
</table>
**Equity and Market Adjustments**

Human Resources will review survey data and internal pay periodically. From time to time, it may be necessary and appropriate for HR to adjust pay to establish/maintain internal equity or to recognize significant market changes.

- **Equity Adjustment**: an adjustment that is made to ensure that an individual’s pay appropriately reflects their skills, knowledge, experience, and performance. Equity adjustments may be made at the same time as the annual increase, and, if so, will be clearly communicated to the staff member to avoid confusion with the annual increase.

- **Market Adjustment**: an adjustment that is made to recognize changes in the competitive market pay for a job using the market pricing process described later in this document. Market adjustments are unlikely to occur often, because the compensation program is based on benchmarking and is updated regularly to ensure continued competitiveness. Occasionally, however, unusual market circumstances may warrant an adjustment.

All ad-hoc individual adjustments will be approved by the appropriate University leadership member, the Senior Vice President for Finance, Administrative Services and Operations, and the Director, Human Resources prior to implementation. The University Leadership Team will approve any institution-wide adjustments. Competitive offers will not necessarily dictate pay changes or result in counter offers.

**Annual Pay Increases**

While it is the intent of Alcorn to provide pay increases when finances permit, the institution cannot guarantee that such increases will occur every year.

The President and University Leadership will annually determine pay increases dependent upon funding provided by the USM and Alcorn’s own financial situation. This will also take into consideration market trends and overall University strategy and goal achievement.
Job Descriptions

Job descriptions are an essential management tool and can be used for many purposes, including recruitment, organizational planning, pay benchmarking, FLSA classification, ADA (Americans with Disabilities Act) compliance, and conveying expectations for job duties and performance. Since jobs are assigned to pay bands based on their content, role, and responsibilities, it is important that job descriptions be current, accurate, and complete. Annually, managers should review job descriptions with their employees during the performance evaluation process and whenever a job is vacated.

For every job, a job description will be developed by the manager and approved by Human Resources. Job descriptions should not be viewed as an exhaustive list of tasks, but rather as an overview of the duties and responsibilities of the role. Human Resources will provide a job description template to managers for this process. Human Resources is responsible for archiving current job descriptions for all staff jobs.

Maintaining the Pay Bands

The pay bands (minimum, midpoint, and maximum) will be reviewed regularly and potentially adjusted to keep up with the market. The pay bands may be increased periodically based on the average annual pay range adjustments within education and general industry. This information is published by compensation planning resources such as WorldatWork. Note that this adjustment is to the pay bands, not individual pay. Individual pay changes will follow the guidelines above. Any changes to the pay bands are subject to the availability of financial resources of Alcorn and must be approved by the University Leadership team.

Approximately every three to five years, Alcorn will complete a thorough market analysis, including a market assessment of benchmark jobs to gauge significant changes in the market. This may result in some additional adjustments to the structure or band assignments.
Appendix A

2021 Alcorn Market-Based Pay Bands

<table>
<thead>
<tr>
<th>Alcorn Band</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$20,800</td>
<td>$23,850</td>
<td>$26,900</td>
</tr>
<tr>
<td>2</td>
<td>$22,500</td>
<td>$27,500</td>
<td>$32,500</td>
</tr>
<tr>
<td>3</td>
<td>$25,900</td>
<td>$31,700</td>
<td>$37,500</td>
</tr>
<tr>
<td>4</td>
<td>$29,800</td>
<td>$36,500</td>
<td>$43,200</td>
</tr>
<tr>
<td>5</td>
<td>$33,600</td>
<td>$42,000</td>
<td>$50,400</td>
</tr>
<tr>
<td>6</td>
<td>$38,700</td>
<td>$48,300</td>
<td>$57,900</td>
</tr>
<tr>
<td>7</td>
<td>$46,400</td>
<td>$58,000</td>
<td>$69,600</td>
</tr>
<tr>
<td>8</td>
<td>$55,700</td>
<td>$69,600</td>
<td>$83,500</td>
</tr>
<tr>
<td>9</td>
<td>$64,400</td>
<td>$83,600</td>
<td>$102,800</td>
</tr>
<tr>
<td>10</td>
<td>$77,300</td>
<td>$100,400</td>
<td>$123,500</td>
</tr>
<tr>
<td>11</td>
<td>$92,700</td>
<td>$120,500</td>
<td>$148,300</td>
</tr>
<tr>
<td>12</td>
<td>$111,300</td>
<td>$144,600</td>
<td>$177,900</td>
</tr>
</tbody>
</table>

1 Excludes leadership roles such as Vice Presidents and Deans, which are typically managed in job based ranges outside of the staff salary structure. For pay band 1, the range width is narrower at 30% and starts at Alcorn’s minimum wage rate of $10.00 ($20,800 annualized salary). The living wage for Jefferson County, MS (Lorman) was reviewed, which is $21,530 for 1 adult and 0 children. This is noted as aspirational for Alcorn and may be implemented over time.
Appendix B

Peer Group

- Adams State University
- Anderson University
- Auburn University at Montgomery
- Bemidji State University
- Black Hills State University
- Christopher Newport University
- Citadel Military College of South Carolina
- Coppin State University
- Delta State University
- Emporia State University
- Fairmont State University
- Florida Agricultural and Mechanical University
- Florida Southern College
- Henderson State University
- Kentucky State University
- Lincoln University
- Methodist University
- Minnesota State University Moorhead
- Mississippi College
- Mississippi University for Women
- Morehead State University
- Murray State University
- Northeastern State University
- Northwest Missouri State University
- Prairie View A & M University
- Southwest Minnesota State University
- Southwestern Oklahoma State University
- Stetson University
- The University of Tennessee-Martin
- University of Maryland Eastern Shore
- University of North Alabama
- University of North Carolina at Pembroke
- Wayne State College
- Western State Colorado University
Compensation Term Definitions

_Aging Factor_
A factor applied to survey data to bring the data to a consistent point in time. This factor is an estimated percentage representative of wage movement (i.e., salary increases) for the appropriate comparison market(s).

_Base Pay (Base Salary)_
The fixed rate of pay for a specific work period (typically expressed as an hourly rate or as a weekly, monthly, or annual salary) or job. It does not include other additional pay or allowances such as benefits, incentives, shift differentials, etc.

_Comparison Markets/Peer Groups_
Defines groups of institutions/organizations and/or geographies for market assessment purposes. Comparison markets are defined based on where the institution competes for talent, and may vary by type of job. Markets may include higher education institutions as well as general industry organizations for jobs that also exist outside of higher education.

_Compensation Philosophy_
A philosophy adopted by an institution that serves as a foundation for total rewards programs and decision-making.

_Market Assessment_
The process used by Segal and the Alcorn State University HR Project Team to analyze salary rates paid in the market for similar jobs. Market data may be local or national, and may include higher education and general industry data depending on the type of job and the defined comparison markets/peers groups (see above).

_Compression_
Compression, also known as wage compression or salary compression, is a condition where there are negligible differences in pay between individuals with varying skillsets. Examples include when newer hires are paid more than individuals with more seniority or when a direct report is paid more than their supervisor.

_Benchmark Job_
A job used to make pay comparisons to similar jobs that exist in other organizations. Pay data for these jobs are readily available in valid and reputable published salary surveys.

_Geographic Differential_
The variance in pay for similar jobs that are based in different geographic locations.

_Internal Equity_
Principles that fairly establish levels of pay and subsequently correlate to each job’s relative value within an organization.

_Job_
A generic role within an institution that is independent of any single individual.
**Job Classification**

A system of jobs usually arranged into various hierarchical classes or pay bands according to some form of job evaluation.

**Job Description**

A general description of the job, including work performed and skills, effort, level of responsibility, and working conditions of the work performed that is used to help inform and qualify potential candidates. Job descriptions are different from a position description that are personalized for the work an individual is expected to perform in their job.

**Job Evaluation**

A formal process used to accurately and objectively determine the relative value of a job within an organization. The end result typically consist of an assignment of jobs to a particularly hierarchy or structure.

**Job Family**

A group of jobs affiliated with one another that involve similar duties and require similar skills, knowledge, training, or expertise.

**Market Rate**

The rate of pay for a job based on the market data from salary surveys.

**Salary Structure**

A management tool designed to define pay levels that are internally equitable and externally competitive. A salary structure consists of a series of pay bands that group jobs of similar external and/or internal value.

**Salary Survey**

Salary surveys compile and report salary information for a variety of jobs across many industries. Data from salary surveys are typically used by organizations to determine competitive salary rates for jobs. Each survey contains pay data reported by Human Resources from many employers.

**Pay Band Minimum**

An established minimum rate, or entry pay, for an individual in any given job.

**Pay Band Midpoint**

The middle of each pay band, which commonly represents pay for a fully competent and contributing individual in a given job.

**Pay Band Maximum**

An established maximum rate for an individual in any given job.

**Pay Band Width (Pay Band Spread)**

The breadth of salary range. i.e., the percentage distance between the bottom and top of the salary range.

**Pay Administration Guidelines**

A management tool that provides guidance on managing pay for employees (e.g., new hires, promotions). Pay administration guidelines are developed to ensure consistent, fair, and equitable compensation management and identifies governance responsibilities as shared by senior leadership, supervisors, and HR.