

# Alcorn State University

## Classification and Compensation Study

### Frequently Asked Questions

Please check back frequently. Responses to many questions will expand as more information is known. New questions will be added as needed.

## Classification

### What is a classification study?

A classification study involves a review of the university's non-faculty positions to determine the proper grouping or allocation of jobs into classifications. It also allows us to update all of our job descriptions. The analysis is based on a number of factors including job duties, qualifications, accountability, the impact of the job and others. The process also involves defining classification "levels." For job families that have many positions like administrative assistants, we should end up with multiple levels like Admin Assistant 1, Admin Assistant 2 etc. This helps us demonstrate a logical career path.

### What is meant by "classification?"

A job classification is a generalized set of duties and responsibilities. While no two people do exactly the same thing in their positions, two people in the same classification generally do work at the same level and in some cases, the same type of work. Positions within particular classifications wind up in the same grade and range resulting in pay equity.

### What factors were used to analyze and group jobs?

These factors used to analyze and group jobs include the level of responsibility, decisions made, impact of a position, minimum qualifications and type of work performed.

### Why was a classification study necessary?

Over time, many job descriptions and our classification and compensation structure have moved out of alignment. One issue is that we had too many job titles that are "in their own classification" making managing our class system and reclassifications more difficult to maintain both internal and external equity. Additionally, many of our job descriptions either had too much detail in terms of daily tasks while others lacked sufficient detail on the key job responsibilities, required qualifications and necessary knowledge, skills and abilities. Jobs doing similar work were consolidated for consistency and placed in the same salary band for internal consistency.

### Reasons to do a study:

- There were job titles/classifications with one or a few individuals in them.
- A lack of consistent classification makes managing compensation almost impossible to do fairly, defensibly, and equitably.

- Makes comparing our wages to external markets difficult or impossible – something we want to do with both reliability and validity.
- Creates inequities between individuals performing similar work at different classification levels and pay rates.

### **Outcomes:**

- University-wide compensation philosophy for faculty and staff to identify guiding principles for equitable, competitive, transparent, and strategic compensation programs
- Updated job descriptions that are compliant and reflects current responsibilities in a consistent format
- Job title and job description consolidations to recognize similar work being conducted across the University
- Consistent approach for analyzing compensation based on markets in which Alcorn competes for talent
- New salary structures, (one for faculty and one for staff) to provide consistency, flexibility, and transparency across the University
- Developed updated pay guidelines to promote consistent and streamlined administration of compensation programs

### **What is a job family?**

Job families are grouping of similar type jobs. Examples include financial, administrative support, information technology, etc. There are often multiple job series with levels of positions within each job family, sometimes differentiated by numbers e.g., Administrative Assistant 1, 2, 3 etc.

### **What are some of the things a classification study does not address?**

Workload and an individual's work performance are not part of this process. It also does not address duties performed occasionally. Typically, if a duty does not consume about 5% of an employee's time (over a course of a year), it will not impact the classification level.

### **Are faculty positions included in these studies?**

Faculty positions were not included in the classification analysis. The classification analysis pertained to staff positions only. Faculty positions were included in the market assessment and a new market-based salary structure was developed based on rank and discipline.

### **Who conducted the study?**

Segal conducted the study with the assistance of the HRM team and the President's Cabinet. Segal is a nationally recognized Human Resources consulting firm in Higher Education.

### **When did the study occur?**

The study began in the spring of 2020 with an employee survey for both faculty and staff to provide comments on what is working and what could be improved in regard to compensation. A draft compensation philosophy was developed during the summer of 2020, based on the results of the survey. The compensation philosophy guides the compensation design work and ultimately the pay administration guidelines. In the fall of 2020, job descriptions were reviewed and recommendations were made for job title consistency, job description consolidations, overall consistency, and job level definitions. In late 2020, a market assessment was conducted for both faculty and staff as well as development of market based salary structures. Pay administration guidelines and an implementation plan was developed in the spring of 2021.

## **Compensation**

### **What is a compensation study?**

A compensation study involves a review of our freshly revised job classifications to determine a fair and competitive market salary point. This analysis is based on both a review of comparable market survey data as well as a review of internal salary relationships between jobs.

We should note that the primary motivation for these projects is to create a sustainable, fair and understandable classification and compensation program.

### **What is meant by compensation?**

Compensation refers to the monetary rewards earned by workers.

### **What is a compensation philosophy?**

A compensation philosophy is simply a formal statement documenting the company's position about employee compensation. It documents pay strategy and essentially explains the "why" behind employee pay. It can also create a framework for consistency. A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.

### **Will this compensation study factor in non-salary benefits?**

Not in a formal manner. The University is always aware of the value of our compensation programs but the market survey conducted will focus on wages. Considering non-salary benefits like retirement, health benefits, leave accruals and tuition benefits do play a role in the University's decision on how close to "market" we want to be with our wage rates. Non-salary benefits were not surveyed.

### **To which business or universities do we compare our salaries during the compensation study?**

The “labor markets” were reviewed and approved by Human Resources Management and the President’s Cabinet including a higher education peer group list. This list was used for all faculty and staff positions. Additionally, local general industry data was reviewed for staff positions that exist outside of higher education (e.g., finance, human resources, information technology, and administrative support positions). Typically, the markets include similarly sized colleges and universities nationally and local market employers. The rule of thumb is to compare ourselves to organizations from which we draw individuals and to whom we lose individuals.

### **What is a “benchmark” job?**

Benchmark jobs are those that have a substantial portion of their work that is comparable to positions found at other higher education institutions or other organizations. This allows us to compare the pay for a given job.

### **What could happen if jobs are found to be below market or above market?**

There are a range of options that organizations may consider when such studies are conducted. Some factors that impact a decision may include the scale of the differences, the market trends for the job in question, internal equity, and budget constraints. Regional factors may be taken into consideration.

### **Will I be reclassified or get more money?**

We now have new classifications and new salary ranges for all positions. A salary adjustment may be warranted if your current salary is below the minimum of the new salary bands. You will be notified by a letter if any adjustments were determined. Your manager and Human Resources Management can answer questions you may have.

### **Will my pay go down?**

No. If an employee’s salary is above the maximum of the range; salary may be frozen until the salary range catches up.

### **What is salary compression?**

Salary compression occurs in a number of ways. One common cause is a new employee earning close to or more than a long-term employee doing similar work, or an employee making close to what their supervisor makes. Another cause is not having the funding to move employees through a salary range or the salary range changing at about the same rate the employees move through it.

These situations will also be addressed as the new salary structures are implemented.

### **Will my salary range change due to this study?**

Although it has not yet been finalized, if anyone's current salary is below the minimum of the new range, they are usually brought up to the minimum. If they are above the maximum of the range, their wages may be frozen until the salary range catches up. Nobody will see a pay reduction as a result of this study. Adjustments to salaries will occur in a multi-year phased in approach. You will be notified by a letter if any adjustments were determined. Your manager and Human Resources Management can answer questions you may have.

### **Topic Area: Other Questions**

#### **Can I reorganize my department? Can I change job duties for a position before I go to recruit?**

Yes, the study has no bearing on these issues

#### **Does this plan result in any pay cuts and title demotions?**

The University has committed to using this program as a tool to support the recruitment and retention of a diverse, high-quality workforce to fulfill the mission of the University. The program will not result in pay cuts or demotions.

#### **Will this study be used to eliminate or consolidate positions?**

No. The study will not consolidate positions, however, it may consolidate classification titles.

#### **Who can I ask for more information for questions not covered on this page?**

Please direct questions to [hrm@alcorn.edu](mailto:hrm@alcorn.edu)