Overview of West Virginia Higher Education Compensation Management Program
Ms. Patricia Humphries, Vice Chancellor for Human Resources
Overview of West Virginia Higher Education Compensation Management Program
MEMORANDUM

TO: Legislative Oversight Commission on Education Accountability

FROM: Patricia Humphries
Vice Chancellor for Human Resources

DATE: October 16, 2017

RE: West Virginia Higher Education Compensation Management Program

In 2011, legislation in the form of Senate Bill 330, “FACTS for Higher Education”, required “sweeping cultural changes” to the human resources function within public higher education in West Virginia. The law suggested two primary objectives. First, to foster a human resources environment at each institution that promotes the core values of fairness, accountability, credibility, transparency and a systematic approach to progress. Secondly, to achieve certain goals with respect to the classification and compensation system affecting all higher education employees. The legislation required evaluation of the system of job classification that had been in place since 1994 and update/replacement of the 2001 classified employee salary schedule. The Legislature expected West Virginia higher education to use modern best practices in human resources and compensation management. Senate Bill 439, passed during the 2015 Legislative Session, established January 31, 2016 as the deadline for completion of the classified compensation market study.

With the assistance of an external consulting firm, Mercer, the Commission and Council completed the classified compensation market study in compliance with the established deadline. The results of the study were presented to the Legislative Oversight Commission on Education Accountability (LOCEA) on February 5, 2016.

Additionally, as mandated by the Legislature, the consultant conducted an analysis of the existing Point Factor Methodology and Years-of-Service Step Salary Structure. An executive summary of this analysis is attached. The recommendation from Mercer was to abandon the Point Factor Methodology in favor of a best practice market based compensation management approach.
Following extensive work with Mercer and review and feedback from the various constituent groups, a comprehensive Compensation Management Program has been developed. The Compensation Management Program contains a modern market based salary structure consisting of twelve (12) pay grades with a range spread of 60% from the range minimum to the range maximum. The midpoints of the new structure are based on the market rates for benchmark jobs priced in West Virginia higher education’s relative labor market. The new structure removes the “steps” based on years of service, thus opens up the pay ranges in order to provide necessary flexibility to enable institutions to attract and retain highly qualified staff at all levels of experience without artificially creating a new title or reclassifying the job. The program is applicable to all employees except executive management (Presidents, Vice Presidents, etc.) at all Commission and Council institutions, the Commission and Council central office and WVNET.

The compensation program is benchmarked against the labor markets in which each Commission and Council institution competes for talent. The appropriate labor markets are tailored to the nature of the role and the job family. The job market includes:

- Public degree granting universities by student enrollment within a custom geographic region consisting of Maryland, Virginia, Ohio, Kentucky, North Carolina, Pennsylvania, Tennessee, South Carolina and Georgia.
- National, regional, and West Virginia not-for-profit and for-profit employers.
- Bureau of Labor Statistics information on the Charleston, WV; Morgantown, WV; Huntington, WV/Ashland, KY; Wheeling, WV/OH; Beckley, WV; and Cumberland, MD/WV/PA Metropolitan Statistical Areas.

The Compensation Management Program includes various documents to guide in the implementation of the Program and are described below.

**Compensation Philosophy** describes the compensation objectives and strategies to maximize the recruitment, performance, and retention of quality staff while achieving fair competitive compensation within each institution.

**Job Classification Guidelines** assist human resources officers with determining the appropriate classification. Pay grade assignment is based on “master classification specifications” that act as general descriptions of the type of work performed by each job and articulate the distinguishing characteristics between jobs and job levels.

**Salary Administration Guidelines** assist human resources officers and institutional administrators in making appropriate pay decisions in a variety of employment situations.

**Frequently Asked Questions (FAQ)** document provides responses to questions submitted by constituent groups.

West Virginia Higher Education Policy Commission  
West Virginia Council for Community and Technical College Education  

Executive Summary  

Evaluation of Point Factor Methodology  
and  
Years-of-Service Step Salary Structure  

The Compensation Management Program contains a modern market based salary schedule consisting of twelve (12) pay grades with a range spread of 60% from the range minimum to the range maximum, as opposed to the 25 pay grade structure that has been in place since 2001.  

As expected by Chief Human Resources Officers, the consultant identified numerous problems with the point factor methodology used since 1994 and the years-of-service step salary structure. In order to address these problems Commission and Council staff developed “Salary Administration Guidelines” that provide higher education institutions the flexibility to set pay based on credentials, expertise, performance, skill level, or market conditions, and maintain a more reasonable level of control over internal equity and salary costs.  

In today’s business environment, a balance of flexibility and control over salary administration is important to an organization’s compensation strategy. Market based pay structures can remove some of the restrictions surrounding pay levels, and meeting or exceeding market levels of pay for skills can be critical to an organization’s effectiveness.  

Assessment of the Step Salary Structure:  

The existing salary structure for classified employees contains many inconsistencies. It consists of 25 pay grades (many of which are no longer utilized due to the fact that the salary levels within those grades are below the current minimum wage in West Virginia) with 16 “steps” in each grade. Each “step” correlates to years of service with any West Virginia State agency in any type of position. The differential between minimum and maximum steps of each grade varies widely ranging from 35%-55% depending on the pay grade. The midpoint differential (defined as the average difference between adjacent pay grades) is also inconsistent varying from 3%-7% between grades with no consistency between lower and higher grades. Jobs are assigned to the structure based on the total points assigned to the position after review under the current Point Factor Evaluation (PFE) system. Pay for a new hire is determined by the grade to which the job is assigned and the number of years of service with the State of West Virginia, regardless of the experience of the incumbent for the position. Once hired, employee pay increases automatically move up to the next subsequent step for every year of service until the employee’s base salary reaches step fifteen (15). The pay structure is not based on wages paid for the same jobs in the relative labor market. The inflexibility of this system created many challenges for Commission and Council institutions and resulted in overpayment for labor for most positions where the incumbent had 8 or more years of West Virginia service.
The grade assignment of jobs using the PFE methodology does not align with the market for jobs in our region. Because Point Factor systems are essentially internal ranking systems, they do not take into account the realities of the marketplace. This means that jobs that are paid similarly in the job market may be placed in different pay grades within the current structure or jobs that are paid differently in the job market may be placed in the same pay grade in the structure. This makes it very difficult to offer competitive salaries. In other words, the pay grade assignments that result from using the current point factor methodology do not align with the value of the job in the market. The point system is not a reliable indicator of how jobs are valued in the market.

It is also virtually impossible to find a set of compensable factors that are consistently important across the wide spectrum of jobs that exist within a college and university system. Consider for example, a Fundraiser position and an IT developer position. The factors that are relevant to establishing a “value” for these jobs are very different and once again make it very difficult to offer competitive salaries.

Another challenge associated with the current structure is that the automatic step salary increase based on years of service can foster a sense of entitlement and discourage high levels of performance, since performance cannot be rewarded in these types of systems. This makes it extremely difficult to create a culture of constant improvement and makes it difficult to enhance employee engagement.

Yet another problem with the current pay structure is the way starting salaries are determined. The policy for determining starting salaries is likely to overpay some job candidates and underpay others since experience earned in the private sector outside of employment with the State of West Virginia cannot be considered in the salary offer regardless of how relevant that experience is to the job. For example:

- Assume Mary has 15 years of experience as an Accountant with a large private accounting firm. She applies for a job with Concord University for the identical position and is offered a salary at the “0” step because she has not worked within the public sector in West Virginia. This would be the same salary offered to an applicant with no experience and is considerably below the market salary for the job.

Yet, service with any entity or any job with the State of West Virginia is credited in the pay system even if that experience is irrelevant to the job.

- Assume that Bill worked as a Transportation Worker with the Division of Highways for 10 years before going back to Marshall and obtaining a degree in Accounting. He then applies for an Account at Concord and is offered a salary at the “10 years of service” step because of his previous employment with DOH - even though this experience had nothing to do with accounting. This offer would be considerably more than the market salary for the job.
Assessment of the Point Factor Evaluation (PFE) Classification Methodology:

As mentioned previously, “Point Factor” is a method for assigning jobs to salary grades. In these systems, factors relating to various aspects of work are developed and points are assigned to each factor or degree within a factor. Jobs are reviewed in comparison to these factors and assigned a total point value, which is used to place the job in a pay grade.

Point Factor was the job evaluation method most common in the past, primarily because of the absence of market data. Employers needed a way to establish salary structures and a job worth hierarchy. In the absence of market data, Point Factor programs were used to fill the void. However, these programs have fallen out of favor and higher education systems across the country have moved away from these programs in favor of market based systems for several reasons:

- Point Factor Evaluation methods are internal ranking systems and do not take into account the realities of the marketplace. The current point factor evaluation tool does not recognize changes in workforce and does not accurately value the contributions of various employees resulting in and creating misalignment in the pay structure.
- The rigidity of these programs creates artificial barriers to attracting and retaining qualified staff in key job functions or in jobs that are experiencing considerable market pressure.
- The programs are complex and time consuming to administer. Maintaining such systems properly requires regular review and modification of the factors and point values to reflect ongoing changes in the modern workplace. Without constant attention and validation, they become quickly outdated.
- The focus on granular, specific factors encourages the viewpoint that any small change to a position warrants a review of the position and a reclassification. This is not a best practice and is no longer a reality in the modern workplace.
- The rigidity of the compensation program promotes manipulation of the classification program. With no other way to reward employees, attempts to justify assignment to higher pay grades become the norm, resulting to too many titles, poor title assignment to jobs and “classification creep” of jobs to higher and higher grades. The result is internal equity problems, compensation compression and overpaying for labor.

Many of the factors used in the point factor methodology are no longer relevant to the modern workplace due to changes in the way work is completed, technology and changes to organizational structures. For example:

- Jobs in higher education are more likely in today’s workplace to have both internal and external contacts due to technology and changes in processes. Therefore, differentiating jobs by internal or external contacts is probably not a good indicator of job value.
- Physical coordination is not relevant to many office based jobs in the modern workplace and thus not a good indicator of job value.
- Scope and Effect, Complexity and Problem Solving, and Freedom of Action are very likely to overlap considerably. Although these aspects of a job are important and helpful in differentiating one job from another, they are not specifically indicative of the market value of a job.
Advantages of a Market Based Approach to Compensation

Mercer used the results of the market pricing study to develop the new market based salary structure for classified staff. The new structure consists of 12 pay grades with a 60% range spread from range minimum to range maximum. The midpoints of the new structure are based on the market rates for benchmark jobs priced in our relative labor market. The new structure removes the “steps” based on years of service, thus opening up the pay ranges in order to provide necessary flexibility to enable institutions to attract and retain highly qualified staff at all levels of experience without artificially creating a new title or reclassifying the job.

The pay ranges associated with the grades are wide enough to accommodate a variety of experience and performance levels, from novice to expert, as well as any market shifts over a period of time. An important principle of the new program is “managing pay within the grade.” A positions placement or starting salary will be positioned in the range based on factors such as: skills, competency, job knowledge, experience, performance and/or institutionally established market position based on available budget. In order to meet these needs, the employee compensation plan has the following objectives:

- Establish and maintain a competitive compensation structure based on comparisons to appropriate external labor markets while also considering internal job worth.
- Articulate the relationship between institutional strategy and employee performance, recognition and rewards.
- Ensure that the compensation plan is administered strategically, consistently, effectively, efficiently, fairly and equitably.
- Deliver transparent and practical communication of compensation components to all employees.
- Ensure that all policies and practices are legally compliant with all relevant federal and state statutes, and designed to ensure sound stewardship over available compensation funding.
- Establish the principles and process for regular review of market position and effectiveness of policies.

The compensation program is benchmarked against the labor markets in which each Commission and Council institution competes for talent. The appropriate labor markets are tailored to the nature of the role and the job family. The job market includes:

- Public degree granting universities cut by student enrollment within a custom geographic region consisting of Maryland, Virginia, Ohio, Kentucky, North Carolina, Pennsylvania, Tennessee, South Carolina and Georgia.
- National, regional, and West Virginia not-for-profit and for-profit employers
- Bureau of Labor Statistics information on the Charleston, WV; Morgantown, WV; Huntington, WV/Ashland, KY; Wheeling, WV/OH; Beckley, WV; and Cumberland, MD/WV/PA Metropolitan Statistical Areas.
The program is applicable to all employees except executive management (Presidents, Vice Presidents, etc.) at all Commission and Council institutions, the WV HEPC/CTCS central office and WVNET.

- Job Classification Guidelines assist human resources officers with determining the appropriate classification. Pay grades are assigned using “master classification specifications” that act as general descriptions of the type of work performed by each job and articulate the distinguishing characteristics between jobs and job levels.
- Salary Administration Guidelines assist human resources officers and institutional administrators in making appropriate pay decisions in a variety of employment situations.
- Advancement to a job in a higher career level is not automatic and requires taking on the more complex responsibilities associated with the higher-level job as well as a demonstration of performance and competence in the current level and preparedness for the next level.

The salary administration guidelines provide front line supervisors as well as Human Resources Officers guidance on many different types of employment situations such as:

- Setting starting salaries
- Managing pay within the grade
- Changes in Job Content such as how to compensate for additional duties that have permanently been added to a position or temporary assignments
- Pay changes resulting from position reclassification, promotion, demotion and lateral transfers
- Off-cycle salary adjustments such as market adjustments, internal equity adjustments, recognition adjustments and counter offers
- Pay for performance adjustments and best practices
- How to compare and measure internal equity

Benefits of the new market based pay structure and associated salary administration guidelines reflect a number of positive advancements for management of employee compensation including:

- A move away from automatic salary increase requirements included in a “years of service” step structure
- Greater flexibility for institutions to use salary dollars to recruit the best talent and pay for performance, thus rewarding high performers
- Ability to offer competitive salary levels based on prior directly related job experience rather than the artificially low entry rates previously required if the candidate does not have prior service with the State of West Virginia
- Fair pay based on job responsibilities and market rates, not years of service
- Fair market pay for individual contributors who may be undercompensated in the current point factor system
- More strategic use of limited salary dollars
Institutional Advantages:

- The flexibility in compensation management will provide each institution the ability to quickly respond to changing workforce dynamics.
- Managing and rewarding critical talent will be a top priority to prevent the outflow of talent.
- The ability to pay for performance will be readily available.
- With limited salary budgets, institutions will no longer be required to dole out one-size fits all increases. Instead, they have the option to invest money where they will get the most return - on high performers who have the specific skills and competencies the institution cannot afford to lose.
- Institutions will have the flexibility to establish their own compensation market position using the tools and structure provided.
- Institutions will be empowered to make strategic decisions that promote a high caliber of work while improving employee morale and satisfaction, thus keeping high performers motivated, driving business results and better controlling compensation costs.

Next Steps

Much work remains to ensure appropriate title and grade assignments. Chief Human Resources Officers are starting the process of moving job descriptions to JDXperts and connecting each description to a master classification specification. This work will help ensure that master classification specifications accurately reflect the work being performed. Additionally, it will help identify jobs titles that should be collapsed, jobs that may need assigned to a more appropriate title or areas where career ladders can be identified.

The job family review process will begin immediately with work sessions of the Job Classification Committee (JCC) approximately every two weeks. During this process, the JCC will assist with writing distinguishing factors for series of specifications and help ensure the fair and equitable assignment of titles and grades across the systems.
West Virginia Higher Education Policy Commission
West Virginia Council for Community and Technical College Education

Compensation Philosophy

The West Virginia Higher Education Policy Commission (Commission) and the West Virginia Council for Community and Technical College Education’s (Council) compensation program for Classified and Non-Classified Employees is designed to attract, retain, and motivate a highly talented and committed workforce to support the unique missions and goals of public higher education institutions. Competitive pay is a key element in attracting, retaining, motivating and rewarding the type of employees needed to fulfill the missions of West Virginia’s colleges and universities.

The goal of Commission, Council and affiliated colleges and universities is to pay competitive salaries by using systems clearly communicated to employees and readily administered by managers.

Compensation Objectives

In order to fulfill institutional missions, visions and goals, West Virginia higher education institutions must attract and retain highly talented staff. To meet institutional staffing needs and priorities, the compensation system established in support of this goal includes the following objectives:

1. To provide the flexibility to manage base pay through a simple clear program that is consistent with the Commission, Council, College and University’s individual strategic and organizational objectives and in accordance with organizational missions, visions, values and financial resources.

2. To establish and maintain a competitive pay structure based on comparisons to appropriate external labor markets while also considering relative internal worth;

3. Clearly articulate, through a relevant performance management program adopted by each institution, the relationship between institutional strategy and employee performance, recognition, and rewards;

4. To ensure that the compensation program and pay are administered strategically, consistently, effectively, efficiently, fairly and equitably both within the institution and statewide in compliance with the FACTS of Higher Education Human Resources established by the West Virginia Legislature;

5. To provide a framework for career progression and recognition of high performance;

6. To reward employees on the basis of work performance;
7. To establish a compensation policy that is fair, accountable, consistent, transparent and designed to ensure sound stewardship of available compensation funding;

8. To ensure accountability for compliance with relevant federal and state statutes; and

9. To establish the principles and processes for regular review of market position and effectiveness of policies.

Compensation Strategies

The Commission, Council and affiliated colleges and universities intend to pursue compensation strategies, which maximize the recruitment, performance, and retention of quality staff, while adhering to the letter and spirit of applicable regulations and goals of the West Virginia Legislature.

The achievement of fair competitive compensation within each institution is the primary measure of compensation strategy success. The concept of fair competitive compensation should include attracting and retaining competent, qualified and diverse employees, investing in performance, and achieving an appropriate environment of equity.

Relevant competitive markets, as well as being influenced by the impact of individual positions or teams on the mission of the institution (as feasible within the institution’s budget) primarily establish the compensation rate for individual positions. Salary patterns within job titles may also vary by the credentials and performance of individuals occupying the positions. Within the market-based approach, institutions should pay particular attention to equity patterns across protected groups, especially taking leadership to transcend and prevent any historical market-based patterns of inequality.

Colleges and universities have flexibility to manage compensation within the parameters of the compensation program and salary schedule. It is not the intention of this compensation program to provide guidance to administer step, across-the-board, longevity, cost-of-living, or other increases indicative of minimum entitlements. Although not prohibited, such strategies fail to allow compensation rewards to vary commensurately within the levels of contribution and impact of individual staff. Salary increases should be supported by these guiding principles and administrative guidelines.

Given the current West Virginia economic situation and declining state appropriations, colleges and universities may initially manage compensation using across the board, market position goals, or any other method that serves to ensure fair competitive compensation for employees. Over time, all institutions are encouraged to transition compensation management to a rewards model that compensates employees in line with their skill, effort and outcome contributions.

The construct of “merit” includes all the concepts discussed above: performance, internal and external equity, and the impact of the position or team on the mission of the department, unit, college or university.
Job Classification Guidelines

September 1, 2017
A. Overview

This document serves to outline policy, procedures, and responsibilities for the administration of job classification at Commission and Council institutions.

Institutional human resources departments will be responsible for classifying all positions based on information contained in the master classification specifications and position/job descriptions developed for each position. Human resources departments should strive to apply consistent and objective criteria to the analysis of all positions, thus they should seek to cross-compare and verify job information from employees, supervisors and department heads.

The classification of all positions is based upon duties, responsibilities, required knowledge and skills, minimum requirements and reporting relationships inherent in a given position. Position classifications are assigned titles that are organized by job families. As the Job Classification Committee (JCC) continues its work of job analysis and job family review, titles will eventually illustrate the career framework and opportunities for professional growth and development within the job family.

B. Master Classification Specifications

Master classification specifications will be available for every classified title in use. Master classification specifications serve as general descriptions of the kind of work performed by positions properly assigned to that classification and does not prescribe the duties of any position. Master classification specifications are descriptive, not restrictive. The fact that not all tasks performed by the incumbent of a position appear in the master class specification to which the position is assigned does not mean the position is or should be excluded from the class. Nor does any one example of a typical task taken without relation to the other parts of the specification demonstrate that a position should be assigned to the classification.

Each master specification will contain a job title, a general job summary, nature of work performed, a general description of typical duties and responsibilities performed by positions assigned the title, minimum job requirements, distinguishing characteristics of the job and any other typical position requirements common to the job regardless of the location of the position.

The master classification specifications DO NOT contain information specific to the work of an individual employee assigned to a specific position. Specific position information will be found in the individual job description. This specific position information is then compared to the master classification specifications and a determination of “best fit” will ultimately determine the classification of the position.
C. Position Review and Audit

1. Vacant or new position

When a new position is developed, or if substantial changes are made in an open (unfilled) position, the supervisor or department manager should complete a “Position/Job Description Form” and forward it to the institutional human resources department for review and appropriate classification. The position will be reviewed and a final classification determination will be made.

2. Filled position

Either an employee or supervisor may initiate a position review request for an existing (filled) position by submitting a request for review, in writing, to the institutional human resources department, if a job has changed substantially and in such a way that it may affect the classification of the position.

Job changes are determined by whether the job has changed in nature, scope, impact and complexity of the duties and not by incremental changes in job tasks. Typically, additional duties assigned with the same or similar levels of nature, scope, impact and complexity do not warrant a position reclassification. However, an increase in compensation is possible for an incumbent of a position who demonstrates high performance by successfully assuming additional duties within the same level of nature, scope, impact and complexity. Guidance on this type of increase is included in the “Salary Administration Guidelines”.

Institutional human resources may initiate a position review. The department manager should work with the incumbent employee to complete the “Position/Job Description Form,” and submit the information to the institutional human resources department within 30 working days. The employee must have completed any probationary periods for the position for which the review is being requested, and a review may not be requested more often than once a year. A year is defined as a period beginning twelve months from the date of the last position review determination. An exception may be made to this twelve-month rule if significant documentation can be provided, showing that the duties of the position have been substantially changed since the completion of the previous position review.

3. Job Audit

An institutional human resources representative will conduct an audit of the position, interviewing the employee and the immediate supervisor as necessary, and conferring with the department manager and any other persons deemed as necessary in order to collect sufficient information about the position. The representative will then compare all information collected about the position to the master classification specifications and render a classification determination.
Based on whether the nature of work, duties and responsibilities, required skills, or organizational level of a position have remained essentially constant, substantially decreased, or substantially increased, a position review and/or audit may result in no change in classification, reclassification to a lower-rated position, or reclassification to a higher-rated position.

Institutional human resources will determine the classification of a position based on the information provided within the “Position/Job Description Form” and/or information collected during the job audit and will inform the incumbent employee of the classification determination, in writing, within 45 working days after the properly signed “Position/Job Description Form” is received. The information provided to the incumbent employee at that time will include the position review results, with supporting rationale.

4. Additional information about job evaluation, job audit and classification

The goal of a classification plan is to ensure that all jobs are appropriately defined and compensated fairly. The following tips may help to reach that end:

- Master Classification Specifications are not the same as job descriptions; Employees in the same classification should have similar job descriptions. Assigned tasks may vary but the essential functions of the job should be the same.
- The focus of job evaluation is on basic position function and key duties and responsibilities of the position, not performance of those duties by the incumbent.
- Only regular duties are considered; not “temporary” duties.
- Work assigned temporarily or in the absence of another employee is not evaluated unless the duties become a regular function of the position.
- The type of work performed, not the volume of work, is key.
- Performance is irrelevant. It is the job being evaluated, not the person! Consequently, excellent performers are not to be rewarded with a classification review for a higher pay grade.
- Position review and job evaluations should be based on current duties, not future expectations.
- The job being evaluated is compared to other jobs in the area, the department and similar classifications throughout the institution.

D. Action for Position Changes

If a position is reclassified by institutional human resources to a lower-rated position, the effective date for the new classification, and any pay rate change, will be made in accordance with the “Salary Administration Guidelines” for demotion.
If a position is reclassified by institutional human resources to a higher-rated position, reflecting an upgrade of the position, potential pay adjustments will be made in accordance with the “Salary Administration Guidelines” for promotion.

E. Classification Appeals Process

In the event that a classified employee disagrees with a classification decision made at the institutional level, he/she may appeal that decision in writing for review by the Job Classification Committee (JCC).

1. Time Limits

   a. The classified employee shall submit a completed “Classification Appeals Form” to the institutional human resources office within ten (10) working days from the date of receipt of the notice of the organization’s original classification decision.

   b. The institution’s human resources staff shall render a decision on the appeal within five (5) working days as to whether the original classification decision should be upheld.

   c. The classified employee shall have five (5) working days from the receipt of the notice upholding the original decision of the organization to appeal the action to the HEPC/CTCS Division of Human Resources for submission to the JCC.

   d. The “Classification Appeals Form”, the original “Position/Job Description”, and all supporting documentation will then be forwarded by the Division of Human Resources to the JCC for consideration.

   e. The JCC may review comparable positions within other organizations under both the Commission and Council’s purview as well as similar positions found in the external labor market.

   f. The JCC shall notify the classified employee and the institution’s human resources office of its decision, in writing, within twenty (20) working days from the receipt of the appeal. The notification shall specify the effective date should there be any change in classification status.

2. Nothing in this plan shall limit or restrict an employee’s grievance rights under relevant West Virginia Code.
Salary Administration Guidelines

Employee Classification and Compensation Program
September 1, 2017
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Compensation Philosophy

The West Virginia Higher Education Policy Commission (Commission) and the West Virginia Council for Community and Technical College Education’s (Council) compensation program for Classified and Non-Classified Employees is designed to attract, retain, and motivate a highly talented and committed workforce to support the unique missions and goals of public higher education institutions. Competitive pay is a key element in attracting, retaining, motivating and rewarding the type of employees needed to fulfill the missions of West Virginia’s colleges and universities. The goal of Commission, Council and affiliated colleges and universities is to pay competitive salaries by using systems clearly communicated to employees and readily administered by managers.

Program Components and Design

The purpose of these guidelines is to ensure consistency in salary administration and alignment with the design of the program. While the Commission and Council intend to maintain these guidelines to ensure stability in our policies and practices, we reserve the right to modify them at any time. Institutions and employee representative councils will be notified when guidelines are modified.

Compensation Planning

- Each institution should adopt a process of compensation planning which incorporates information on performance, equity and impact where appropriate.

  *Performance* information should be derived from a formal performance management program on which employees and management personnel have been trained.

  *Internal equity* patterns should be formally evaluated by the Chief Human Resources Officer or compensation officer (at least every three years) for most positions. However, for market or internally sensitive positions, more frequent review is recommended. External equity of the salary structure will be reviewed every other year by the Commission and Council’s Division of Human Resources.

  The concept of *impact* allows the President, Provost, Dean, or Vice President to prioritize scarce resources to colleges, departments, teams, or individuals with the greatest effect or potential effect on achievement of institutional goals and excellence.

- The compensation planning process within an institution should be guided by the compensation philosophy of the institution and the guidelines of appropriate budget planning and should be focused on furthering excellence within the institution and creating an environment of opportunity and fairness.

- The compensation planning process should provide reasonably equivalent opportunities and outcomes for all departments whether large or small.

- Staff on probationary status are not eligible for salary increases. Best practice suggests that any salary increase should be delayed until the successful completion of the probationary
period.

- To the extent allowed by WV Code, the use of one-time cash reward payments is appropriate to reflect truly outstanding achievements on time-bound projects, and/or to supplement the salary increase process in recognizing unusually outstanding performance. With few exceptions (such as a bona-fide variable compensation program), one-time cash payments should not be a substitute for annual base salary increases. Colleges and universities must not reduce mission critical support services to fund cash payments to employees.

- The purpose of the salary increase distribution process is to achieve an optimal distribution of salaries throughout an institution. Institutions may provide percentage increases until appropriate performance management systems are fully implemented, however, the focus thereafter should be on distributing dollars based on performance and other objective measures approved by the institutions governing board rather than percentage increases across-the-board.

- Zero percent increases are appropriate in the following instances:
  - When an individual’s performance is inadequate. (In such instances the performance deficiencies should be documented and communicated to the individual throughout the performance cycle.)
  - If individuals fail to provide required documentation related to their own performance during the annual review process.
  - Situations in which current salary substantially exceeds market, or exceeds salaries of other individuals within the employing institution with similar duties, levels of performance, and experience/qualifications.

**Nondiscrimination Policy**

The Commission, Council and affiliated institutions are committed to a policy of equal opportunity in every aspect of their operations. We value diversity and seek talented employees from a variety of backgrounds. Accordingly, and in compliance with federal guidelines enforced by the Equal Employment Opportunity Commission (EEOC), it is unlawful to knowingly or unknowingly discriminate in pay or application of employment practices.

Salary decisions must be made without regard to race, color, religion, sex, national origin, age or disability. In addition, the Commission, Council and affiliated institutions do not discriminate on the basis of sexual orientation, gender expression, gender identity, military or veteran status or any other status protected by law in matters pertaining to employment and compensation.

Questions or concerns regarding the system’s equal employment opportunity (EEO) policies and programs should be directed to the Commission and Council’s Division of Human Resources.
Program Roles and Responsibilities

**West Virginia Higher Education Policy Commission/ West Virginia Council for Community and Technical College Education Division of Human Resources**

- Endorses and applies the compensation philosophy to program design and management
- Conducts reviews and validation of all program components to ensure alignment with system objectives
- Reviews and approves any substantive program modifications
- Communicates openly, regularly, and clearly with all constituents on compensation philosophy and policies
- Monitors pay practices and provides expert support to promote fairness and equity across both systems
- Maintains and updates the program on an ongoing basis
- Provides expert guidance for institutional professionals to establish consistent implementation and administration of compensation guidelines

**Institutional Human Resources**

- Serves as subject matter experts to establish consistent implementation and administration of compensation guidelines at the institution
- Provides appropriate salary and range recommendations to institutional administrators and managers
- Communicates and promotes understanding of the compensation program to help maintain compliance by staff and administrators
- Maintains accurate and current position descriptions based on input from incumbents and supervisors
- Monitors pay practices for fairness and institutional equity
- Participates in review of system components and provides relevant feedback to the Commission and Council Division of Human Resources
- Manages institutional processes for hiring and compensation, performance management, and promotional opportunities

**Supervisors**

- Collaborates with institutional HR departments to administer consistent and appropriate pay practices and salary recommendations for employees
- Understands job responsibilities, requirements of jobs, and the knowledge, experience and performance levels of staff in their area of responsibility
- Works with staff to keep position descriptions accurate and current
- Implements human resource programs (performance management, compensation, attendance and leave, etc.) at the department level
- Sets performance expectations and ensures measurements are relevant, reasonable and usable
- Ensures employees understand and participate in the performance planning and evaluation process
• Provides feedback, and evaluates performance fairly and rigorously in compliance with the institution’s performance management program

Employees

• Understand job assignments and expectations for performance
• Updates credentials and provides documentation of such to institutional human resources offices
• Participates in regular review and update of position descriptions

Program Overview

The Commission, Council and associated colleges and universities are complex organizations of varying sizes and structures. Each institution contains a wide variety of jobs and competes for labor in a variety of markets. The Commission and Council’s Division of Human Resources collects and analyzes market data from these markets from sources such as: Workforce West Virginia, Bureau of Labor Statistics, other public higher education institutions, not-for-profit organizations and other local employers. The Commission and Council Division of Human Resources uses carefully selected credible salary surveys conducted by reputable survey organizations to ensure the compensation system is built on current, relevant and reliable data.

In compliance with best practices and West Virginia statutory requirements, the Division of Human Resources will monitor the labor market and recommend adjustments to the pay structure, as appropriate, to ensure it continues to reflect competitive pay.

The pay ranges associated with the grades are wide enough to accommodate a variety of experience and performance levels, from novice to expert. Additionally, pay range spreads are broad enough to manage pay during market shifts in any given year.

Jobs were assigned pay grades in the new salary structure based on job responsibilities and requirements, benchmark market data, as well as market median and position average salaries.

Future compensation decisions should be made after consideration of a number of factors including the institutional available budget, the employee’s calculated compa-ratio and or range penetration, skills, competency and performance.

Moving forward, compensation is to be managed using best practice and in compliance with the guidelines herein. If the nature of work and responsibility of a job changes to the extent the position originally assigned to an employee becomes a different job, classification modification is appropriate. Rewarding employees for high performance, additional duties, accomplishment of goals, attainment of credentials, etc. will be accomplished by managing pay within the grade.

The concept of managing pay within the grade is further detailed throughout this document.
Program Implementation

Implementation of the market based classification and compensation program runs concurrent with a time of extreme budget shortfall for the State of West Virginia. As such, the first priority for compensation increases should be to fund salaries at the minimum of the pay grade. Recognizing the budget situation for state supported higher education institutions, funding the minimum of the salary schedule will take place over a period of time to be determined by the Commission and Council.

Each college and university covered by the program will be asked to submit a recommended implementation schedule for funding the minimum level of the market based salary structure. Colleges and universities who do not fund the minimum of the grade during the 2018 Fiscal Year shall report progress to the Commission in October each year.

An employee is considered to be equitably compensated in comparison to other employees as long as they are paid within the range of their assigned job class/pay grade, or when the institution is making sufficient progress for funding the initial implementation of the salary structure.

Program Basics

The goal of the market based compensation program is to pay all employees within the pay range associated with his/her position. Once the market based compensation program is fully implemented, employees are to be paid no less than the minimum of the pay range.

Despite any differences in salaries that may occur, an employee is deemed equitably compensated in relation to other employees in the same classification if:
- His/her annual salary is at least the minimum salary in the pay grade to which the position held by the employee is assigned, or
- Progress is being made by the employee’s institution as recommended by the funding implementation schedule approved by the institutions Board of Governors.

When an employee’s salary exceeds the maximum of the pay range, the salary of the employee shall be frozen until the salary schedule is adjusted or the employee changes jobs. This situation is commonly referred to as having a salary that is “red-circled”. In certain instances “red-circled” employees may receive compensation above the maximum of the pay range of their job classification as a result of legislative mandates or other exceptions approved by the institution’s Board of Governors.

Master Classification Specifications

Master classification specifications will be available for every classified title in use. Master classification specifications serve as general descriptions of the kind of work performed by positions properly assigned to that classification and does not prescribe the duties of
any position. Master classification specifications are descriptive, not restrictive. The fact that not all tasks performed by the incumbent of a position appear in the master class specification to which the position is assigned does not mean the position is or should be excluded from the class. Nor does any one example of a typical task taken without relation to the other parts of the specification demonstrate that a position should be assigned to the classification.

Each master specification will contain a job title, a general job summary, nature of work performed, a general description of typical duties and responsibilities performed by positions assigned the title, minimum job requirements, distinguishing characteristics of the job and any other typical position requirements common to the job regardless of the location of the position. Master class specifications were assigned pay grades based on market pricing as a benchmark position or via assignment to a grade by the professional consultant or the Job Classification Committee.

The master classification specifications DO NOT contain information specific to the work of an individual employee assigned to a specific position. Specific position information will be found in the individual job description.

The institution’s position/job descriptions should be maintained in the JDXperts system provided to institutions as a shared software service by the Commission and Council Division of Human Resources. Each institution is provided a user license and has access to all benefits of JDXperts. Master Classification Specifications are available to assist with development and maintenance of institutional position descriptions.

JDXperts is the system of record for institutional job information from which master class specifications are developed. JDXperts will enable the Commission and Council’s Division of Human Resources and the Job Classification Committee to maintain current master classification specifications using real time job description data from institutions.

Master class specifications are used when designating benchmark jobs. Benchmark jobs are priced in the labor market. Market pricing for benchmark positions is the method used to update the salary schedule. As such, master class specifications serve an extremely important role in the classification and compensation program. These specifications will be the major consideration for assignment of positions to pay grades.

More detail about classifying a job can be found in the “Job Classification Guidelines”.

Establishing a Position

The master classification specification is the starting point for development of a job description and assignment of a title to a position at the institutional level. Job titles are assigned to new positions by comparing the institutional position /job description to the master classification specifications described in JDXperts.

The JDXperts framework has three components:

Job Family or Job Function: Based upon common roles, responsibilities, skills, and career progression
Job Level: Reflects the organizational responsibility, accountability, and competency requirements of the position

Institutional Job Description: Institutional human resources should compare position specific job descriptions to the master class specifications and determine which specification is the “best fit” for the duties, level of responsibility, and minimum requirements described in the institution’s position/job description. The title of the specification that best matches the duties, level of responsibility and minimum qualifications of the position will become the official title of the job.

If an appropriate master classification specification is not found in the system, the institution’s human resources department should request assistance from the Commission and Council’s Division of Human Resources. The Director of Classification and Compensation at the Division of Human Resources, will assist with assignment to an existing master classification specification or make a recommendation to the Job Classification Committee for creation of a new master classification specification and assignment to an appropriate pay grade.

Working Titles

The use of functional working titles, beyond adding clarity or identifying the department served, should be avoided. However, if an institution chooses to allow the assignment of a functional working title that is different from the official classification title, the title should reasonably reflect the nature of the work performed, be distinct enough to differentiate the job and be consistent with other working titles where similar work is done in the job family or across the unit.

- A working title cannot be the same as an official job title for another position in the classification system.
- A working title cannot depict responsibility or authority not assigned to the position
- A working title may reflect a specific work function and/or location. (Example: Trades Specialist: Carpenter, Lewisburg Campus.)
- Only the official title of the position will be used to determine compensation. Assignment or change in the informal working title will not affect placement of the position in the Classification and Compensation Program structure and will not affect compensation.

Starting Salaries

Process for Determining Starting Salaries:

An institution has the flexibility to set the starting salaries for all newly hired employees within parameters of the pay range assigned to the position. The position title and grade should be available on the publicized position/job announcement. The pay grade for the position will provide the salary range available for the starting salary.

The candidate’s placement in the range will be set by institutional Human Resources in consultation with the hiring manager, after consideration of the available budget for the position, internal equity with similar positions throughout the institution, and the incumbent’s qualifications, skills, knowledge and relative experience. The guidelines below will assist human resources officers with establishing an equitable competitive starting salary for new hires.
• **Hiring at Minimum in the Grade**: An institution has the option to hire all new classified employees at minimum in the pay grade. However, hiring new employees above the minimum is appropriate in certain situations.

• **Starting Salaries in the First Quartile of Salary Range**: The first quartile of the pay range starts at minimum in the grade and extends one fourth of the way to the maximum in the pay grade. Starting salaries in the first quartile are appropriate when a job finalist meets minimum qualifications; has little or no direct related or prior experience beyond position minimums, or may be new to the field of the job. Candidate will require additional training and time in job to build knowledge and skills. Internal equity should be considered to ensure institutional departments or units are establishing new hire salaries consistently and equitably within the classification.

• **Starting Salaries in the Second Quartile require**: Before a starting salary is finalized, best practices indicate that institutional Human Resources should conduct an internal equity analysis. An internal equity analysis includes consideration of current salaries of other similarly situated employees in the same classification who have comparable responsibilities, skills, knowledge, and experience.

The final determination of a starting salary will also take into consideration other factors such as budget for the position, difficulty in filling the position as evidenced by the number of qualified applicants and job offers rejected, as well a specific needs for the position including but not limited to technical expertise.

• **Starting Salaries in the Third Quartile of a Salary Range**: Unless the institution’s overall average compensation position relative to the salary structure is well above the 25th percentile, starting salary offers for new employees within the third quartile should be a rare occurrence. However, the institution has the discretion to hire new professional employees through the third quartile of a salary range. Examples of documentation that may be provided for starting salaries in the third quartile is explained in more detail below.

• **Starting Salaries in the Fourth Quartile of the Salary Range**: Compensation offers in the fourth quartile of the salary range for new employees should be a very rare occurrence. The fourth quartile of the salary range represents compensation rates for new hires or existing employees with expert levels of knowledge, skill and performance. Examples of documentation for starting salaries in the fourth quartile is explained in more detail below.

**Examples of Documentation - Starting Salaries in the Third and Fourth Quartile of a Salary Range**

Starting salaries in the third and fourth quartiles of a salary range **SHOULD** require most, if not all, of the documentation and a narrative report described below:

Letter of Justification: Best practices indicate that the hiring manager or the human resources department (If salaries are set by HR) should compose a letter of justification addressing the following:

• Identify the vacant position, the finalist for the position and the requested starting salary
• How the finalist has been determined to meet advanced/expert level skills and experience, either by demonstrated capability at the institution or in previously held positions
• How the finalist demonstrates broad and deep knowledge of the position, as well as related areas, and would serve as an expert resource and/or mentor to others
• Discuss the depth and breadth of experience, specialized skills, or perspectives that would add significant value to the institution
• Submit the Letter of Justification to institutional human resources

Institutional Human Resources will review the request to ensure compliance with the compensation philosophy and guidelines. Assistance with the review is available, if requested, through the Commission and Council’s Division of Human Resources, Director of Classification and Compensations office. The following information will be reviewed prior to final approval:

• The Letter of Justification from the hiring manager
• The Job Posting and Minimum Qualifications for the position
• The finalist’s application materials
• Internal and external salary comparators based on identified benchmarks of the institution

The Chief Human Resources Officer or equivalent will review all materials and recommend approval or denial to the President or designee. Final approval of salaries in the third and fourth quartile should be made by the institution’s president or designee.

Documentation for approved starting salaries in the third and fourth quartile should be maintained in the institution’s Human Resources Department and retained for audits or reviews of HR operations.

Managing Pay within a Grade

The grades of the new salary structure are sufficiently wide to provide appropriate pay for employees with varying skills, knowledge, experience, and performance levels. Factors for progression in the salary range may include external market, institutional compensation goals, assignment of additional duties, recognition for meeting certain goals, and individual skill and/or performance ratings.

Salary increase determinations such as annual budgeted increases, equity pay increases, market based increases, and/or performance related salary increases can be accomplished by managing pay within the pay grade. It is important to understand that the classification of a job does not have to change in order to provide a salary increase.

For guidance on how skills and experience of an incumbent may be used to establish an individual salary, refer to Graphic “Managing Pay within a Grade” below.
A note about employee “pay progression through the range”

Pay grades are not designed for an employee to start at the minimum and receive salary increases until base pay reaches the top of the range, simply because they hold a position. Employees progress through a pay range by learning their job, increasing their skill, accepting additional responsibility and performing very well. The salary goal for a good, well-qualified performer in a market based pay structure should be around the midpoint of the salary range. Pay rates in the fourth quartile of a pay range are typically provided for excellent performers, experts in the field, critical operational positions, or highly valued competitive positions.
Changes to Job Content

When job content changes enough to suspect the job is no longer appropriately positioned in the job hierarchy or the master classification specification alignment is no longer appropriate, a position review may be requested by the supervisor, manager or the incumbent of the position. Alternately, the human resources professional responsible for classification of jobs may review the position without receiving a request as described.

Changing how the work is done or the tools used to complete the job (e.g., automating manual processes, switching to a different software package) does not typically warrant a salary adjustment. However, if the introduction of new tools and/or software significantly changes the jobs responsibilities or requirements, a review of the classification of the position should be initiated. While such a change may require training to learn new software programs or new methods or work rules, it does not usually change the purpose or overall accountabilities of the job.

The Position/Job Description is a tool used to collect job information for an in-depth analysis of a position. Information contained in the Position/Job Description will be used to select the appropriate classification for the position. See the “Job Classification Guidelines” for more information on reviewing the classification of a position.

Additional Duties and Responsibilities Permanently Added to a Current Job

Additional duties and responsibilities added to a job may or may not change the position classification.

Additional duties of a similar nature added to a position do not typically result in a position reclassification. However, institutions have the option to compensate employees for taking on and successfully performing additional duties.

To warrant a salary increase for additional duties that do not modify the classification of a position, the additional duties must:

- Be a permanent addition to the position
- Be similar in complexity and nature of work
- Be a formal specific, substantially noticeable addition to current work performed.

A review of the position classification must take place when additional duties and responsibilities significantly affect the complexity, decision-making, or authority of a position. See the “Job Classification Guidelines” for more information on reviewing the classification of a position.

Additional Duties due to Reorganization or Department Wide Requests for Salary Increases

When salary increases are due to a reorganization of a unit/department or are requested for an entire unit/department of the institution, the department/unit manager must include individual requests for salary increases for all affected employees. The request must be submitted as a package so Human Resources has a full understanding of the extent of the changes made to affected positions and the impact to the organization.
The institutional Human Resources department shall conduct an internal equity review of salaries of similar positions across the institution, assigned to the same classification, with similar duties and responsibilities to advise department managers regarding internal equity.

Increases above 10 percent for permanent additional duties and responsibilities added to current positions should be extremely rare and must be approved by the President, or designee. Additionally, any salary increase resulting in a compensation level in or above the 4th quartile of the pay range must be approved by the President, or designee.

Salary Increase approval process for 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.

Temporary Assignments

Criteria:

- When an employee is assigned additional or different responsibilities on a temporary basis, temporary compensation may be warranted and provided.
  - The temporary assignment must be a significant, clearly defined addition of responsibilities to the normal workload
- 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.

Temporary Assignment Process:

- The department manager will submit the following information to the institutional Human Resources department for justification:
  - Identify the incumbent taking on the temporary assignment
  - Reason for assignment
  - Expected duration
  - Resources required
  - Criteria for selecting the chosen employee
  - Proposed compensation for the individual taking on the Temporary Assignment/Interim Appointment
  - 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.
Salary Adjustment Guidance for Additional Duties:

Graphic 2: Managing Pay for Expanded Responsibilities

<table>
<thead>
<tr>
<th>MANAGING PAY for Expanded Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Minimal or No Difference</td>
</tr>
<tr>
<td>- A change in how work is done or the tools used (e.g., automating manual processes, switching to different software package)</td>
</tr>
<tr>
<td>- Work remains in the same unit, with little or no changes to authority or budget controls</td>
</tr>
<tr>
<td>- Additional steps or tasks that are similar to current responsibilities</td>
</tr>
<tr>
<td>- Same types of decisions made, with the same consequence of errors</td>
</tr>
<tr>
<td>- No additional risk</td>
</tr>
<tr>
<td>1%-5%</td>
</tr>
<tr>
<td>Slightly Noticeable Difference</td>
</tr>
<tr>
<td>- Additional competencies or skills are required to successfully perform the work (e.g., courses or training series, but not necessarily leading to a degree or certificate)</td>
</tr>
<tr>
<td>- Additional supervision of employees performing similar work in the same unit</td>
</tr>
<tr>
<td>- Slight addition to decision making responsibility, with increased consequence of error and risk</td>
</tr>
<tr>
<td>- Broader scope of communication, perhaps outside of unit</td>
</tr>
<tr>
<td>6-10%</td>
</tr>
<tr>
<td>Moderately Noticeable Difference</td>
</tr>
<tr>
<td>- Completion of specialized certification or licensure related to position responsibilities required</td>
</tr>
<tr>
<td>- Draw on greater amount of professional experience that requires increased complexity of problems encountered in the course of work</td>
</tr>
<tr>
<td>- Increase in breadth of responsibility (e.g., from Unit to University wide)</td>
</tr>
<tr>
<td>- Expanded budget authority or resources</td>
</tr>
<tr>
<td>- Additional supervision of employees performing different work, or in a different unit</td>
</tr>
<tr>
<td>- Increased autonomy and independence in position</td>
</tr>
<tr>
<td>- Accountable for communicating metrics and results to higher levels</td>
</tr>
<tr>
<td>Above 10%*</td>
</tr>
<tr>
<td>Significantly Noticeable</td>
</tr>
<tr>
<td>- Completion of an advanced degree (Masters or higher); or extensive training course (e.g., FBI Academy or SPHR)</td>
</tr>
<tr>
<td>- Responsibility for compliance and implementation of new State and/or Federal Regulations</td>
</tr>
<tr>
<td>- Additional supervision or oversight of another unit</td>
</tr>
<tr>
<td>- Significant increase of spending authority or discretion, or additional funding sources</td>
</tr>
<tr>
<td>- Increased responsibility to set policy for unit, department, or university</td>
</tr>
<tr>
<td>- Authority to grant exceptions to policy</td>
</tr>
</tbody>
</table>

*Salaries should not be increased outside of the range associated with the identified position classification
Position Reclassification

Position reclassification may be warranted when a position evolves to a level that the work performed is no longer represented by the initial job classification and title assignment. Or, a position experiences significant changes in assigned duties, nature, scope, complexity or impact of decision-making. Situations such as these warrant a review that may result in reclassification of the position. Reclassification results in reassignment of the position to a different classification that more closely matches the duties, responsibilities, knowledge and scope associated with the new duties of the position. Performance of the incumbent or minor changes in the job do not warrant reclassification.

Criteria:

A position reclassification is appropriate when the change to assigned duties:

- Does not result in a vacancy and the body of work of the current position will not be backfilled*; and
- The primary purpose of the position has changed significantly, and
- The unit/department reporting structure remains substantially the same

Position reclassification determinations are reviewed and approved on a case by case basis by the institutional Human Resources department.

If the changes to a position reflects an upgrade, potential pay adjustments will be determined by the guidelines for promotion. If the changes result in a downgrade, pay actions will be determined by the guidelines for demotion.

Updates to vacant positions may also result in the Human Resources department reassigning the position to a different classification in the structure.

Position Reclassification Process:

The incumbent or supervisor completes a request for classification review and attaches an updated Job/Position Description, a current organizational chart showing the position’s department and all reporting relationships therein, and a justification letter explaining any additional information helpful for the review.

Additional information should include:

- Reason/circumstances for the change in position
- Why the current incumbent is the best choice for the position.
- Are there any other employees in the unit/division with similar skills and abilities?

Promotion:

A promotion is the movement of an employee to a job in a higher pay grade that usually occurs through the competitive bidding process. An employee may apply for any advertised position for which he/she qualifies. A promotion generally warrants a pay increase; the amount of the increase should be determined by reviewing a number of important factors such as:

- The pay range associated with the new position
The employee’s current pay in relation to the new pay range
The employee’s qualifications for the new position
Pay of other similarly situated employees

Promotional increases are also based on the incumbent’s skills, knowledge and experience brought to the new position. The “Managing Pay within the Grade” tool to determine starting salaries is appropriate to use as a guide for determining promotional increases.

Upon full implementation of the salary schedule, promoted employees are to be paid at least the minimum in the pay grade of the newly acquired position.

Demotions:

A demotion is movement to a job in a lower pay grade and can be both involuntary and voluntary. Demotions generally warrant a pay decrease, with the amount to be determined by the individual circumstances, taking into account the incumbent’s current pay, the pay range associated with the new position in the lower grade, the knowledge, skills and performance of the incumbent, and pay of other similarly situated employees. Human Resources should be consulted when making the pay determination for a demotion.

Lateral Transfers:

A lateral transfer is the movement from one job to another job that is in the same pay grade. The movement may be voluntary or involuntary. Generally, these types of transfers do not warrant a pay increase. However, if an employee possesses specific knowledge, skills, and abilities or any other attributes that will enable them to be an immediate asset in the new position, a salary increase within the range may be provided. Institutional Human Resources should be consulted when a lateral transfer including a pay increase is being considered.

Best Practices indicate that the Human Resources department should review internal equity as described earlier and recommend an appropriate salary increase for Lateral Transfers. The “Managing Pay within a Grade” tool is helpful in making this determination.

The flexibility to compensate/reward employees for taking a lateral transfer may also prove useful when cross training staff to increase efficiency and productivity at the institution.
Salary Increases and Adjustments

Annual Salary Increase:

Salary increases intended to achieve minimum salary schedule funding or the institution’s targeted compensation market position may be given annually.

An objective of this program is to reward employees for their contributions through performance-based salary increases. As such, for years in which performance based salary increases are awarded, the Chief Human Resources Officer, the Classification and Compensation Unit, or the president, or his/her designee at the institution will develop guidelines for administration of performance based rewards. The Division of Human Resources is available for professional consultation on a best practice approach to rewarding employees within available budgets. Institutional guidelines should be communicated appropriately to administrators, supervisors and managers, and affected employees.

Other Salary Increases:

At times, it may be necessary to adjust pay outside of the annual increase process. Off-cycle salary increases are discretionary increases that can occur any time during the year outside the normal increase cycle. A supervisor who wishes to give an employee an off-cycle increase must obtain approval from their Dean, Vice President or other Administrative Unit Head. The institutional Human Resources department must be consulted in order to determine if the increase is justified, internally equitable, compatible with the market, and consistent with the salary administration guidelines. Any increases resulting in a 4th quartile salary level must be approved by the institutional president or designee.

Examples of other types of salary increases outside of the annual increase process may include:

Market Adjustments:

Refers to a pay adjustment made to recognize compensation changes in the labor market for a specific job or jobs. Market adjustments are unlikely to occur often because the pay structure is based on market analysis and is updated regularly to ensure competitiveness. Occasionally, unusual market forces may warrant a market adjustment.

Critical Retention Adjustments:

A critical retention adjustment refers to a salary adjustment intended to retain an employee that occupies an essential or critical position within the institution.

Critical retention adjustments may be made to retain employees in jobs for which the institution is experiencing high turnover rates.

Critical retention adjustments are typically for one-of-a-kind jobs and/or jobs that have known difficulty with recruitment for vacancies. However, employees who work on projects deemed
critical to the success of the organization, or who have specific knowledge and abilities in jobs or disciplines deemed critical to the organization may also qualify for critical retention adjustments.

**Internal Equity Adjustments:**

An internal equity adjustment refers to a compensation adjustment made to make an employee’s pay equitable when compared with that of other employees who have comparable education and comparable work experience, and who hold similar positions in the same classification. The purpose of internal equity adjustments is to facilitate equitable pay among similarly situated employees. Internal equity adjustments may be made to correct salary **compression** in the pay range.

Internal equity adjustments are not intended to ensure employees in the same job classification receive exactly the same salary. Rates of compensation may differ between employees in the same job classification or grade, although both have comparable duties and responsibilities. Once the market based pay program is fully implemented, individual base salaries should appropriately reflect an employee’s skills, competency, job knowledge, educational attainment and sustained contribution to the institution.

**Recognition Pay:**

Recognition pay may be provided when the college or university wishes to reward an employee for enhancing job-related skills and competencies, after demonstrating those enhanced skills through accomplishments and performance in their job.

The employee nominated for a recognition pay increase must have demonstrated that the acquisition of competencies, formal training, education, certification or licensure is related to the essential function of the position, serves to meet a recognized critical need of the department, is beyond the minimum requirements for the job classification held and is critical to the ongoing operations of the institution.

The employee’s skills and competencies gained should be compared to the “Managing Pay within the Grade” guidelines to determine the appropriate placement of his/her pay in the grade, with consideration for internal equity relative to the skills and competencies for others in similar positions. Earning a degree typically does not warrant a pay increase unless the employee has developed skills and competencies that enable him/her to perform the responsibilities of their job in a noticeably more effective manner, and the degree earned is directly related to the position currently held by the employee, or serves to further the goals of the department.

**Counter Offer:**

A counter offer is typically made to retain essential employees who receive offers for employment from another employer. A counter offer may be made to an employee with a regular appointment when the employee can produce evidence of a genuine offer of employment to obtain a position with another employer. When a counter offer has been accepted, the institution should not consider future counter offers in the same capacity in which the employee currently serves.
Performance Adjustments or Merit Pay:

Institutions who implement a pay for performance or merit pay program must ensure the program aligns with the organization or department’s goals and objectives. Departmental goals and objectives should be in alignment with the institution’s mission and vision.

The Division of Human Resources is available to assist with development and implementation of a performance management program. The Division of Human Resources supports a collaborative approach to ensure best practices in performance management are in place for Commission and Council institutions. Institutions have flexibility when designing a pay for performance system. A pay for performance system is most effective when employees value the pay or recognition offered by the organization in return for high performance; understand what is required of them; believe that they can achieve the desired level of performance; and believe that the organization will actually recognize and reward that performance. These conditions can only be achieved if an institution meets certain requirements. These requirements are:

- A culture that supports pay for performance
- Effective and fair supervisors
- A rigorous performance evaluation system
- Adequate funding
- A system of checks and balances to ensure fairness
- Appropriate training for supervisors and employees; and
- Ongoing system evaluation

Maintaining the Compensation Program

Updating the Salary Schedule

The Division of Human Resources’ Classification and Compensation department is responsible for maintaining a current and competitive salary structure consistent with the overarching compensation philosophy of the Commission and Council.

The Compensation Planning and Review Committee and the Division of Human Resources are responsible for conducting biannual reviews of labor markets for benchmark jobs and recommending necessary changes in the salary schedule.

Proposed changes to the salary schedule will be presented for comment to Presidents, Chief Human Resource Officers, and the Advisory Council of Classified Employees (ACCE).

The Commission and Council or designees, must approve final modifications of the Classified Employee Salary Schedule.
Definitions

**Base Salary**: The amount or a rate of compensation for a specified position of employment or activity excluding annual experience increment and any other payments or allowances for work or activity unrelated to that specified position of employment.

**Benchmark Job**: A job that is commonly found and defined, used to make pay comparisons to comparable jobs outside the organization.

**Compa-Ratio**: A measure to assess competitiveness of current salary level to the market (midpoint of the salary structure). Compa-ratio is the short form for Comparative ratio. It measures the ratio of an employee's actual salary (the numerator) to the midpoint of the applicable (the denominator) salary range. To calculate an individual's compa-ratio, divide the base salary by the midpoint of the assigned salary range (pay grade range). See also “salary range penetration”.

**Compensation Philosophy**: The guiding principles that ensure that a compensation program supports an organization’s culture.

**Compensation Strategy**: The principles that guide the design, implementation and administration of a compensation program at an organization for the purpose of supporting the organization’s mission, vision, goals and objectives. *(Term not used in Salary Admin Guidelines)*

**Compression**: The situation encountered when a new employee enters into the organization at or above the pay of someone who is currently in the same role in the organization. It can also exist when you have two jobs in the same job family with someone in the “lower” job earning more than the person in the “higher” job. There are some families in which this may make sense such as software development where a senior developer may appropriately earn more in base than a manager of the function.

**Employee Class**: There are three employee classes: classified, nonclassified and faculty. *(Term not used in Salary Admin Guidelines)*

**Incumbent**: An incumbent is an individual person in a position employed at an institution

**Internal Equity Analysis**: A comparative analysis of compensation levels within an organization to determine if a level of compensation is equitable when compared to compensation of other employees who hold similarly situation positions in the same job classification or pay grade who have the same or similar levels of knowledge, skill, experience and performance.

**JDXperts**: Web based job information and description management system provided as a shared service to institutions of the Commission and Council. JDXperts is the official depository of institutional job information used for job analysis, institution job description development, master classification specification development and identification of benchmark jobs. Benchmark jobs are used to build and maintain the market based salary structure administered by institutions as part of the classified classification and compensation program.

**Job**: The total collection of tasks, duties and responsibilities assigned individuals holding positions whose work is of the same or similar nature and level.

**Job Classification**: A formal process used to evaluate jobs, assign titles and pay grades.
**Job Classification Committee**: a Committee of employee and human resources representatives established by WV Code tasked with evaluating classification appeals and other changes to classified jobs.

**Job Class / Pay Grade**: The level to which a job is assigned within a salary structure.

**Job Description** (used interchangeably with institution job description, position job description, incumbent job description): A summary of the essential functions of a job at a particular institution, including the general nature of the work performed, a characteristic listing of duties and responsibilities, and the knowledge, skills and abilities necessary to perform the work.

**Job Family**: A series of job titles in an occupational area or group.

**Job Title** – The label that uniquely identified and generally describes a job. The same descriptive job title shall be given to a group of jobs, regardless of the location in the organization, which are substantially the same in duties and responsibilities, and which require substantially the same knowledge, skills and abilities performed under similar working conditions.

**Labor market**: The labor market for compensation is the geographic area, industry, organization size, or organization type from which an organization attracts employees. Market Value refers to how much a particular job would be worth for a specific talent market (industry, size, location, organization type) at a specific or target percentile.

**Master Classification Specification**: General descriptions of the collective type and kind of work performed by the majority of employees assigned the same job classification. Each master specification will contain a job title, nature of work performed, distinguishing characteristics of the job, and a general description of typical duties and responsibilities performed by positions assigned the title, regardless of the location of the position.

**Mid-Point**: Midpoint is the middle of a pay range; the midpoint typically aligns to the market value for the job. See “Range Midpoint”

**Pay Grade**: See Job Class/Pay Grade

**Pay Range Quartile**: The four divisions of a pay range. The point between the 2nd and third quartile is the midpoint of the pay range.

**Pay Range or Pay Range Spread**: Pay range is an expression of the pay for a position assigned to a pay grade in a salary structure that provides the minimum, midpoint and maximum levels of compensation. The range from minimum to maximum, expressed as a percentage, is the pay range spread. The range spread percentage is calculated by subtracting the minimum from the maximum and dividing by the minimum the multiplying by 100.

**Pay Structure**: See Salary Structure

**Position**: A set of duties and responsibilities requiring employment of a single employee at a particular organization.
**Position Description Form/Job Description Form** (PDF/JDF): A tool used to collect a broad range of job information used in the creation and classification of a position.

**Range Midpoint:** Midpoint is the middle of a pay range; the midpoint typically aligns to the market value for the job.

**Range Penetration/Position in Range:** An important compensation metric to look at in conjunction with a compa-ratio. Rather than just being a comparison to one piece of data (the midpoint), range penetration looks at a salary in relation to the whole pay range. Range Penetration is how far an employee has progressed through the pay range. Once organizations decide how they value their jobs, based on the market data inputs, individuals are appropriately differentiated along the range by skills, education, performance, etc.

**Calculating Range Penetration:**

The salary range penetration formula is as follows:

\[
\text{Range penetration} = \frac{\text{Salary} - \text{Range Minimum}}{\text{Range Maximum} - \text{Range Minimum}}
\]

Range penetration is useful in talking with employees about where they stand in their range and how much more room there is for the employee to move up in pay.

A key difference here is that range penetration has nothing to do with the salary midpoint. … Range penetration can be useful if you use portions of the range as target levels for certain categories of employees, i.e. you want new hires to be in the first 25% of the range, and experts or consistent high performers to be in the top 25% of the range.

Focusing too heavily on one or the other of these two metrics can lead to some interesting and potentially unwanted thinking on the part of your employees. If you only focus on and talk about compa-ratio, you will be encouraging employee thinking to be “I need to be at the midpoint.” While this may be okay at times, it can be healthier for the organization if employees think about their ability to grow and move through a range vs. being fixated on one point. On the other hand, focusing too heavily on range penetration could encourage employees to think, “I need to get to the 100% mark.” Having employees focused on reaching the maximum of their range could set up unreasonable and impractical expectations.

**Salary Structure/ Pay Structure/Salary Schedule:** A graphical structure consisting of a series of pay grades and range of pay available for each grade.
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**Effective Date: September 1, 2017**

**West Virginia Higher Education Employee Salary Schedule (9/1/2017)**

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</table>

Salary Schedule with Quartiles
West Virginia Higher Education Policy Commission
West Virginia Council for Community and Technical College Education

Compensation Management Program
FAQ’s

1. **The minimum and maximum are set at what percentage of midpoint?**
The structure is designed with a 60 percent range width and a 16 percent progression between grade midpoints.

2. **What adjustments, if any, were made to the midpoint (market)?**
No adjustments were made to the midpoint. The midpoints of the new grades represent market rates associated with jobs found in a particular pay grade.

3. **Is market set at the 50th percentile?**
The midpoints for the salary structure were developed based on the market 50th percentile. The market varies and cannot be ‘set’.

4. **Do midpoints vary for exempt vs non-exempt? By job families? Or by any segmentation at all?**
Midpoints do not vary by exemption status, job families or segmentation.

5. **What is the anticipated progression from entry to market for new employees?**
This will be determined by the Salary Administration Guidelines that are developed. A standard process for placing new hires in a range will also be addressed in the guidelines. With this said, in general employees will progress through the new pay ranges based upon performance and/or by the acquisition of additional or new competencies that can be proved to be directly related to the position held.

6. **What is the range spread within a pay grade?**
The range spread will be 60 percent within each pay grade.

7. **Did you look at where all the schools are now before arriving at where the new minimums should be set?**
No, the minimums were set based on the market data and overall compensation levels. The market was determined by size of institution and student enrollment, types of degrees offered, location of school, level of research, etc.

8. **How many employees are above current market rates?**
Of the 4,988 classified staff in the higher education system, 571 were found to be above the new range maximums.
9. **How many employees are below current market rates?**

Of the 4,988 classified staff in the higher education system, only approximately 700 were found to be below the new range minimums. Once all employees are brought to the minimum, they will be within the market range, and their pay will be considered to be market competitive.

10. **How many pay grades will there be? How will the new pay grades correspond with what we currently have?**

The preliminary findings of the market study have resulted in a recommendation for a new salary structure by Mercer consultants. Vetted by the Commission and Council, the new pay structure consists of 12 pay grades with a range spread of 60 percent from the range minimum to range maximum. The midpoints of the new pay grade are set at the market rates found in this study. There is no correlation between the new pay grades and what we currently have. The new grades are based on market information.

11. **Will job titles change?**

Not initially. However, as we work through the job family reviews we may find that the same job across multiple organizations has been given multiple titles. We will be working to clean up job titles across organizations, and titles may change as a result of this titling cleanup exercise.

12. **What determines where an employee gets placed within a range in the new structure?**

A job’s initial placement in a grade is based on the job’s responsibilities and job description. The job is then placed in a range within that grade. This placement is based on the job’s current salary. If the current salary falls within the new range for the position, then the position will be considered equitably compensated. The salary guidelines along with the job classification guidelines will determine the pay grade for new jobs moving forward (i.e. new hires, promotions, etc.).

13. **What types of flexibilities will the institutions have in classification and compensation in the new system?**

With the new system, the temptation to reclassify jobs as a way to give pay increases should be eliminated. Individual employee compensation can be managed within the pay range without creating unnecessary levels of job titles and the reclassification of positions. This will help ensure the system remains uniform and that job titles are used consistently across higher education institutions.

14. **What surveys were used in the market study? What types of industries are represented in these particular surveys?**

Surveys from Mercer, Towers Watson and the Bureau of Labor Statistics (BLS) were used in the market study. College and University Professional Association (CUPA) surveys were used for jobs specific and exclusive to higher education (i.e. Admissions Officer). All industries are represented in the surveys.

15. **Were our benefits considered as part of our compensation for purpose of the market study?**

No, benefits were not included in this study.
16. Did Mercer find geographical differences in the market for any areas of the State?
Mercer used a regional data cut to represent the region within which these institutions compete for talent. Where national data was utilized (due to data availability), a geographic differential was applied to reflect variation relative to national figures as found in the Economic Research Institute’s Geographic Assessor. While there were a handful of instances/specific jobs where one area (namely Southern WV) was lower than others, there was no consistent theme to justify different geographical differentials in addition to or different from the state differential of negative eight percent.

17. How will internal equity be maintained?
The salary administration guidelines will address internal equity. Internal equity will be considered at the institutional level and an internal equity analysis should be completed when contemplating a new hire or promotion for an existing employee.

18. Did the market show different levels of jobs existing in the market? (i.e., Secretary, Admin. Sec. and Admin. Sec. Sr.)
The current system allows for the creation of more levels within the same job than what is reflected in the market. For example, the current system includes three different levels of an HR Assistant. Meanwhile, the market provides one level of an HR Assistant because it does not distinguish to this granular degree. In situations such as this, an organization can distinguish levels by differentiating pay and utilizing the full range of the set pay grade.

19. I’m in a job with a generic title (such as Project Coordinator) that was not a benchmark job in the market study, how was my job matched in the market?
Generic titles were matched to the market based on actual job duties and responsibilities of the position.

20. How are the current experience equivalencies going to be dealt with in the new system? 
Experience equivalencies are not uniform for all job titles. Additionally, the determination of experience equivalencies is determined at the institution level. There are currently no plans to develop a uniform guideline that sets equivalencies at the systems level.

21. What types of training will be available and who will be trained?
Human resources employees and managerial/leadership level positions involved in compensation management at each institution will be trained. Classification and compensation committee members will also be trained. The Commission will provide classification and compensation specific courses suitable for obtaining and renewing certifications for individuals working in Human Resources at Commission and Council institutions. Commission staff will always be available for support, and technology providers will also be available for questions.

22. PIQ-still has point factors indicated-how will we move forward?
This document will no longer be called a PIQ, however, the PIQ is simply a tool to gather information about a job in order to conduct job analysis. In the future this tool will be known as either a Position Description Form (PDF) or a Job Description Form (JDF). The form
contains factors that enable one to make a classification determination about a job. The fact that the categories of information gathered (formerly “compensable factors”) had a range of points associated them does not mean that we cannot use the form or a similar form in the new system. The “factors” still represent valid job information. In the new market based system, no points are assigned to the factor information. The information provided for each factor provides valuable information that will be reflected in the master classification specifications instead. These types of documents, whether called a position information questionnaire (PIQ) or individual position/job description, are essentially the same thing. They are tools used to collect information about a job.

23. When will the institution receive the compensation data?
Institutions originally received a message titled “proposed salary structure and position slotting” via the CHRO listserv on Tuesday February 2, 2016. This document contained the salary structure with the 12 pay grades with 60 percent range spreads and also contained a document that broke down cost-to-minimum by institution at that time. However, a new costing document was sent out on May 2, 2017 that provided cost to minimum for each organization broken down by both General Revenue dollars and Lottery dollars. The information provided in this document was pulled from the latest 2016 personnel file submission.

24. What is the new salary structure and when will that be communicated?
Please see the above answer. The salary structure was distributed to CHROs in February 2016 and again as a separate worksheet on May 2, 2017.

25. What happens to the point-factor methodology?
Once the new program becomes effective, the point factor methodology will no longer be used for classifying jobs.

26. What is the plan for converting current positions to the new classification structure? How will “oddities/inconsistencies” in classification be addressed?
Professional consultants from Mercer slotted positions into the new pay structure by considering the duties, responsibilities, required knowledge and skills, minimum requirements of the job and reporting relationships inherent in a given position. Sometimes median market salary of the job was used when there was not a good match for the position in the market. However, during the process, it was discovered that the use of titles at individual institutions is severely inconsistent. The Job Classification Committee and CHROs will be working through job family reviews that will be ongoing throughout the upcoming months. No titles will be changed with implementation of the salary component of the new program. Employees will need to understand that as these job family reviews are completed, title changes may occur. (For example, we currently have the titles of HR Assistant 1, 2, and 3. The market only has one level for this this job, HR Assistant. We need to decide if we actually have three levels of the job that are truly unique or could we collapse the current 3 levels into one level and call the job HR Assistant as represented by market data.) Once again, titles will not change automatically upon implementation of the market based compensation program.

27. What is considered appropriate employee dispersion within a pay range?
This phrase is included in West Virginia Code in reference to the new market based compensation program. However, “appropriate employee dispersion within a pay range” is not easily defined or accomplished without sufficient funding for compensation. In an ideal world an organization would have similar percentages of employees within each quartile of the pay range. However, this is usually not the case, especially with the problems inherent with the old compensation system. Basing employee pay on years of state service (often unrelated to the job being performed) is not a best practice in compensation management. The flat percentage increases per pay grade for reclassification created problems with salary compression. Historical issues like these make “appropriate employee dispersion within a pay range” impossible to accomplish.

28. Will the new compensation structure be stepless? How are the range minimums and maximums being determined?
When will “final” information be made available to institutional leadership? How does the Commission plan to communicate information regarding the new class/comp plan? Yes, the new compensation structure will be “stepless”. We plan to move to pay ranges using minimum, midpoint and maximum compensation levels. Pay will be managed by using the concept of “Managing pay within the range”. To better understand the concept of “Managing Pay within the Range” please see the “Salary Administration Guidelines”.

29. Does the compensation data take into consideration factors that may be relatively unique to specific institutions, and is there flexibility? If so, to what degree and how is that flexibility made available to the respective institutions?
When the positions were slotted we tried our best to take into account the “uniqueness” of certain positions. Institutions will have the ability to manage compensation with much more flexibility than before. Classification of jobs will also be done at the institutional level using the master classification specifications. Also, the grades of the new salary structure are wide enough to provide appropriate pay for employees with a variety of skills, knowledge, experience, and performance levels.

30. Am I correct that the point factor methodology will be eliminated?
Yes, the point factor methodology was found to be no longer effective as it contains antiquated and granular factors which are no longer aligned to the market and are not consistent in assigning jobs to grades. We also found that the rigidity of the point factor program created barriers to attracting and retaining qualified staff in key job functions or in jobs that are experiencing considerable market pressure. It is virtually impossible to find a set a factors that could be consistently applied across the wide spectrum of jobs found in a university or higher learning environment. Since point factor systems are essentially internal ranking systems they do not take into consideration the realities of the marketplace. We will be moving to a market based pay system.

31. Am I correct that our employees will be slotted into the new salary structure based on the job level?
Jobs were slotted into the new system based on job responsibilities and duties compared to those jobs found in the market as well as job requirements and sometimes market median salary data. Each individual job was looked at in order to slot the position and the diving factor were
actual **JOB DUTIES, NOT TITLE**. For example, the classifications of HR Assistant I, II, and III will all be slotted in the same new grade. This is because only one level of HR Assistant exists in the market. However incumbents in these classifications can be paid differently “within the range” in order to differentiate experience and skills since we will not have the barriers of the “steps” in the range.

The job level should be reflected in the job summary and duty statements of the position. However a clearly articulated job level framework has not been developed. The concept of a job level framework, career progression, and career ladders will be considered with review of job families.

32. **Will titles still be attached to grade?**

Yes, we still plan to assign the various jobs to specific grades in the new structure. Given the requirements of WV Code to finish the market study and implement a market based salary structure, the normal job analysis and title cleanup work was not completed prior to building the pay structure. Job analysis is the most time consuming part of a classification and compensation project. In order to comply with the legislative mandate, the compensation structure will be implemented based on pay grade assignments made by the consultants and reviewed by the human resources officers. Implementing the structure will provide much needed flexibility to recruit and retain quality employees. Clean up of job titles and fine tuning of job titling is the next phase of the program. The JCC will play a critical role in this title cleanup which is planned to begin soon after implementation of the salary structure.

33. **Am I correct that paygrade is now “grade” and is completely different?**

No, paygrade and grade mean the same thing and can be used interchangeably. The pay ranges associated with the grades were set to allow for the “pay within the range” style of compensation management that will be a hallmark of the new system.

34. **Am I correct that Years of Service is no longer a factor?**

You are correct that we will no longer have steps associated with years of service and pay increases will not be based on those step increases. However, “Years of service” or job related prior experience could be used at the institutional level to determine some aspects associated with the new compensation program. For example, years of service could be used if an employee is promoted in order to determine where to place the employee within a new grade or for a new hire with experience. Also, “years of service” could indicate stronger performance which will also be an element of the new pay guidelines. In all cases, “years of service” used for any aspect of compensation management (except increment pay) should be related to the job being performed.

35. **The classification and compensation system remains intact for schools without the exemption, right?**

Unless the institution develops its own program and notifies the Commission or Council that they are withdrawing from coordination for employee classification and compensation, the new compensation management program will be applicable.
36. If an Institution chooses to follow the new salary schedule for staff, once implemented, will all classified staff positions then become non-classified based upon the new title/pay grade awarded?
No. The title and associated pay grade have nothing to do with the category of employee to which a position is assigned.

37. What is the anticipated implementation date for the new salary schedule?
We will request approval from the Commission and Council during their August 2017 meetings to implement the salary structure effective September 1, 2017.