

**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.