

# Bowling Green State University

*Compensation Guidelines for Classified Staff*

*Effective June 2022*

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## Purpose

It is the practice of BGSU to develop and implement a fair, consistent, and competitive compensation program to attract, motivate, and retain qualified staff. The compensation program is specifically designed to compensate staff members based on their level of responsibility and competitive market pay levels balanced with BGSU's business needs and financial capabilities.

BGSU will administer its compensation program without regard to gender, age, race, color, religion, national origin, disability, or any other protected group or status. BGSU will adhere to all applicable laws and regulations regarding job classification, amount of pay, and equitable compensatory treatment of staff members.

The guidelines are meant to address the typical types of decisions, leaders are faced with in managing compensation on a day-to-day basis. Although not all-inclusive, the guidelines address the most common compensation decision points.

## Compensation Philosophy

At BGSU the intent is to position compensation for Classified Staff at competitive market levels. Individual pay levels are determined by evaluating several factors, including but not limited to, market analysis, individual experience, and required certifications.

## Salary Structure

BGSU has a market-based salary structure. The salary consists of grades with associated salary ranges. Each salary range has a defined minimum and maximum rate of pay.

BGSU shall establish and maintain suitable salary structures to provide competitive salary ranges. These will be based on an analysis of the relevant competitive labor market, general industry trends within its geographic location, and peer organizations. In determining market rates, BGSU may evaluate one or more classifications on an ad-hoc basis using external compensation surveys. This will help BGSU's Office of Human Resources determine whether the external labor market warrants increasing the current grade assignments and whether market adjustments to individual pay levels are needed.

Jobs are assigned to pay grades in the structure based on a combination of internal and external considerations. The pay grades and ranges are developed based on the following:

- Job evaluation results based on the duties assigned to the classification,
- External market analysis, and
- Compensation administration and guidelines best practices.

## Annual Increases

Annual increases will be determined each year and will be based on both the market and BGSU's financial position. Should any employee receive an overall rating of Below Average Performance (2.00) or less, they are not eligible for a pay increase. The evaluation period is July 1 through June 30. If increases are above 3% then a merit increase may be considered, if warranted.

## Treatment of Out-of-Range Pay

A staff member's base pay may not normally exceed the maximum of the pay range for the job. In instances where a staff member has reached the maximum of the pay range, they may be eligible to receive an annual lump sum payment equal to the amount of the across-the-board increase approved by the Board of Trustees when their individual performance level is at an acceptable level of 2.0 or higher. The staff member's base pay will not change. Annual lump sum payments must be approved by the Chief Human Resources Officer.

During changes to the salary grades, there may be an implementation period during which staff pay may fall outside the ranges. The Chief Human Resources Officer will determine if the situation warrants the individuals to be grandfathered at their current pay rates outside of the structure. HR uses a consistent methodology to make decisions across classifications at BGSU.

## Salary Structure Maintenance

The salary structure will be reviewed annually to determine the amount of adjustment needed. HR works with the Budget Office to conduct an evaluation to assess budgeted pay and structure increases in the marketplace. If necessary, an adjustment will be applied to the structure.

Any adjustment to the salary structure will be made on September 1.

## Job Evaluation

Job evaluation is the process of evaluating classification specifications to determine placement into pay grades, considering both external and internal equity. Appropriate internal considerations when slotting classifications include the following:

- Responsibility/impact of the classification specification on a department or work group
- Supervisory scope of the classification specification
- Knowledge and skills required and level of complexity
- Career path progression, i.e., the various levels within a job family and reporting relationships

External equity considers the competitive labor market. BGSU may also consider recruiting and retention challenges such as labor supply issues when determining the grade of a classification specification.

Job evaluations may occur at any time, when a new job is created or a job is vacated, or for modified positions, as long as there is a significant change in duties and responsibilities to necessitate the review.

## New Hire Base Pay Levels

The new hire base pay levels are established rates of pay that provide a consistent and systematic method for determining the initial rate of pay for individuals being placed in a new or open position. Compensation for a newly hired Classified Staff member, who meets all the requirements of the job description and has limited or no experience, will be set at the minimum of the salary range. New hires with prior qualified experience may start above the minimum of the salary range. HR uses a standard methodology to make decisions on starting pay rates that is applied consistently. New hire pay rates above the minimum of the salary range must consider internal equity and be approved by Chief Human Resources Officer.

## Promotions

A promotion is the movement of a Classified Staff member to a classification with greater responsibility and one with a higher pay grade than the staff member's present classification. An increased workload will not result in a promotion. Promotions are usually accompanied by a base pay increase as follows:

- If you are promoted to a higher classification in the civil service, you will be placed at the starting rate of the new pay grade or an 8% increase, whichever is higher and serve a 120-day probationary period.

- Typically, only one promotion and increase may occur during a 12-month period. Additional promotions require approval from Chief Human Resources Officer.
- If the promotion occurs at the same time as an annual increase is being given, the staff member's annual increase will be calculated first.
- If the staff member is "red-circled," or over the maximum of their current pay grade, at the time of the promotion, the 8% increase will be calculated on the current base rate of pay.

## Demotions

Demotions may occur for the following reasons:

- Re-assignment to a classification with less (but different) responsibilities to enhance overall University performance, as in the event of a reorganization
- Performance-based demotions due to inadequate performance
- Voluntary (staff-initiated demotions)

Treatment of base pay due to demotions is as follows:

- If the staff member is demoted to a lower classification in the civil service due to a reorganization initiated by the University, there will be no change in base pay.
- If the staff member is demoted to a lower classification in the civil service due to inadequate performance or they voluntarily initiated the demotion, your base pay will be reduced by 5% or placed at the maximum of the new grade, whichever is lower.

Approval from the and Chief Human Resources Officer is required for all demotions and changes to base pay due to demotions.

## Lateral Transfers

A lateral transfer is the movement of a Classified Staff member to another classification within the same pay grade as their present classification.

Lateral transfers should be accomplished without an increase in salary and without a probationary period in the new role. All proposed lateral transfers must be reviewed and approved by the Department Head(s) and Chief Human Resources Officer.

## Re-Classifications or Job Family Progressions

A re-classification occurs when a Classified Staff member progresses to a higher level within a job family. This occurs when the staff member performs work in the higher-level classification more than the current classification. The staff member's performance must be at a satisfactory level. Re-classifications are usually accompanied by a base pay increase as follows:

- If the re-classification occurs at the same time an annual increase is being given, calculate the staff member's annual increase first.
- Grant an increase of 8%. The increase will be effective the next pay period after the request for the re-classification was received.
- All proposed re-classifications must be reviewed and approved by the Office of Human Resources.

## New and/or Changing Classifications

Emerging classifications are new and/or changing jobs at BGSU. A new classification specification must be developed and approved by the Office of Human Resources. Market data will be gathered, if available, for the new classification. The new classification will be evaluated and placed into the salary structure based on market (external) and internal equity.

Any incumbents in the emerging classification will be considered to have undergone a re-classification provided the new grade is higher than the staff member's existing grade.

## Market Adjustments

A market adjustment will be considered when the market for a classification has increased so significantly as to warrant a market adjustment for the classification, for example, when labor pressures create attraction and/or retention issues.

The salaries of all Classified Staff members impacted by the increase in market value and/or grade (i.e., classifications with multiple incumbents) would then be reviewed to determine eligibility for a base pay adjustment. In making this determination, the following factors should be considered:

- The external and internal market factors, (i.e., attraction and retention issues at BGSU).
- The percent for market adjustments varies.
- Approval from the Chief Human Resources Officer is required for all market adjustment requests.

## Governance

The implementation of any practices outside of these policies requires approval from the Chief Human Resources Officer.