

# Procedure for Determining a Lateral Pay Adjustment Outcome

## I. Corresponding Policy Authority: Policy on Establishing Base Pay

## II. Procedure Statement

Auburn University establishes base pay levels for regular non-faculty employees in compliance with the university's [Policy on Establishing Base Pay](#). The university pays employees based on 1) the job content value of the work being executed, and 2) the measured value of an individual's work-related attributes and qualifications (knowledge, skills, and abilities) directly compared to the minimum requirements of the job as published on the job description.

Through the normal course of business operations, it may be appropriate for an employee to move, whether voluntarily or involuntarily, from one job to another job having the same or similar job content value (like-value), whereby both jobs are allocated to the same pay grade range within a job family pay structure, or another job having a "like-valued" pay grade range within a different job family pay structure. To identify whether the move is designated as a lateral move, the following pay range comparisons will exist:

- A. **SAME** Job Family Pay Structure: A lateral move occurs when the new job is allocated to the same pay grade range within the same job family pay structure as the employee's current job.
- B. **DIFFERENT** Job Family Pay Structure: A lateral move occurs when the new job is allocated to a different job family pay structure, and where new job's pay range midpoint is within +/- 5% of the pay range midpoint of the employee's current job assignment.

In both cases, the jobs are considered "like-valued" jobs, and the move is considered a lateral position move. The underlying reasons for the lateral move will guide the determination of whether a pay adjustment recommendation is warranted. Using the university's Pay Evaluator<sup>®</sup> ensures that lateral pay adjustment recommendations are the result of well-informed and unbiased pay decisions. See related [Procedure for Using the Pay Evaluator<sup>®</sup>](#).

## III. Related Policy(s) and Procedure(s)

- A. [Policy on Establishing Base Pay](#)
- B. [Procedure for Using the Pay Evaluator<sup>®</sup>](#)
- C. [Procedure for Developing a Pay Alignment Adjustment](#)

## IV. Developing a Lateral Position Pay Adjustment Recommendation

The underlying reasons for the lateral move will guide the determination of whether a lateral pay adjustment is warranted – as a pay adjustment increase, decrease, or no pay adjustment. Using the university's Pay Evaluator<sup>®</sup> in accordance with the [Procedure for Using the Pay Evaluator<sup>®</sup>](#), the responsible supervisor, designated Human Resources Liaison and University Human Resources Compensation & Classification staff collaborate to determine an appropriate pay decision outcome.

- A. **Involuntary:** A lateral move is involuntary when initiated by university management in response to the employee's performance deficiencies in the current role or area of discipline. As a result, the employee is involuntarily moved to another position with a job of like-value job content with a different role or area of discipline, or a different organizational unit; and whereby management believes that the employee can successfully and fully meet the new position's performance expectations. A Pay Evaluator<sup>®</sup> is completed to determine whether a pay adjustment action reflecting the circumstances is warranted. As this action is a result of performance deficiencies, the Pay Evaluator<sup>®</sup> criteria rating selected for performance will default to a "meets" expectations "3" rating.

### Involuntary Lateral Pay Adjustment Determination

- 1) If an employee's **current pay level is below** the pay evaluator's suggested interval, but above the

newly assigned pay grade range lower reference (minimum), no lateral position pay adjustment increase will be approved. However, a collaborative recommendation for a pay adjustment decrease to no less than the newly assigned pay grade range lower reference (minimum), or no pay adjustment action, may be recommended.

- 2) If an employee's **current pay level is above** the pay evaluator's suggested interval high, a lateral position **pay adjustment decrease** must be recommended to place the resulting pay level at or below the pay evaluator's suggested interval high. The performance criteria rating will default to a "meets" expectations "3" rating and there will not be sufficient justification for a pay level above the suggested interval for the new job.

B. **Voluntary:** A lateral move is voluntary when initiated by the employee and is the result of a competitive selection process. In this case the employee voluntarily moves to another position with a job of like-value job content within a different role or discipline, or organizational unit. A Pay Evaluator<sup>®</sup> is completed to determine whether a pay adjustment action reflecting circumstances is warranted. As this move is to a different position, with possibly a different role, discipline and/or organizational unit, the Pay Evaluator<sup>®</sup> criteria rating selected for performance will default to a "meets" expectations "3" rating.

### **Voluntary Lateral Pay Adjustment Determination**

- 1) If employee's **current pay level is below** the pay evaluator's suggested interval high, a lateral position pay adjustment increase may be recommended by the hiring department to position the employee's pay appropriately within the suggested interval, or with approved justification, above the suggested interval high.
  - 2) If employee's **current pay level is above** the pay evaluator's suggested interval high, but below the pay grade range's upper reference (maximum), a lateral position pay adjustment decrease **may** be recommended by the hiring department to position the employee's pay appropriately within the suggested interval or, the employee's pay level can remain unchanged, as the job is of **like-value** job content as the employee's current job.
  - 3) If the employee's current pay level is above the pay grade range upper reference (maximum), no lateral position pay adjustment increase will be approved, as the job is of the like-value job content as the employee's current job. A lateral position pay adjustment decrease may be recommended by the hiring department to position the employee's pay below or at the pay grade range upper reference (maximum).
- C. **Note:** The employee's resulting pay level from this action may be a "triggering event" that warrants a "pay alignment review" for eligible employees when a potentially unjustifiable pay compression or inversion is, or soon will be, occurring relative to another position classification or employee's pay. See related [Procedure for Developing a Pay Alignment Adjustment](#).

## **V. Approval and Funding of Base Pay Decisions**

- A. Lateral pay decision actions require at least two levels of direct supervisory/managerial approval signatures within the relevant organizational hierarchy, as well as the signature of the designated Human Resources Liaison. Each division, department, and college may have additional approval signature requirements. Contact your designated Human Resources Liaison for additional information.
- B. All pay actions for employees appointed to jobs in the Information Technology Job Family – central office and distributed, require the review and approval of the Vice President and Chief Information Officer, or authorized designee.
- C. Funding and approval of pay actions are the responsibility of the divisional leadership in accordance with established operating budget funding policies and procedures.

## **VI. Definitions**

The following are definitions that inform the administration of this procedure:

- A. **Pay Evaluator®**: A systematic, disciplined, unbiased, and fiscally responsible pay decision support-tool for supervisors and managers. See related **Procedure on Using Pay Evaluator®**.
- B. **Like-Value Pay Grade Range**: Pay grade ranges in differing job family pay structures are defined as “like-value” when the pay range midpoints are **between 5% greater or 5% lower** than pay range midpoints to which they are compared.

## **VII. Effective Date**

September 15, 2023

## **VIII. Procedure Administration**

**Responsible Office:** University Human Resources; Classification & Compensation

**Responsible Director:** Director, Compensation and Classification

**Responsible Administration Manager:** Manager, Compensation Administration

## **IX. Interpretation**

**Responsible Director:** Director, Compensation and Classification