Procedure for Determining a Pay Alignment Outcome

I. CORRESPONDING POLICY AUTHORITY: Policy on Establishing Base Pay

II. PROCEDURE STATEMENT

Auburn University establishes market-competitive pay levels for University Staff and Administrative & Professional employees in compliance with the university's <u>Policy on Establishing Base Pay</u> through a compensation program infrastructure that includes market-competitive pay structures and a well-informed pay decision process. This process compares employee-specific qualifications and work attributes to the job's minimum requirements as published in the job description.

During the normal course of business, it may be necessary to initiate 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. When warranted the outcome of this pay alignment review may result in a pay alignment adjustment. Using the university's Pay Evaluator[®] for the pay alignment review ensures that warranted pay alignment adjustments are the result of well-informed and unbiased pay decisions. See related Procedure for Using the Pay Evaluator[®].

III. RELATED POLICY(S) AND PROCEDURE(S):

- A. Policy on Establishing Base Pay
- B. Procedure for Using the Pay Evaluator®

IV. INITIATING A PAY ALIGNMENT REVIEW

Managing the appropriate employee pay positioning in range is best addressed at the time when a triggering event has been validated by University Human Resources, Compensation & Classification unit.

- A. **Recognizing a Triggering Event:** During the normal course of business, it may be necessary to initiate 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.
- B. **Confirming the Triggering Event**: The responsible supervisor, designated Human Resources Liaison (HRL) and University Human Resources (UHR) Compensation & Classification staff will collaborate to identify and confirm that a triggering event is about to or has occurred.
- C. **Using the Pay Evaluator**[©]: Using the university's Pay Evaluator[©], the responsible supervisor, designated HRL and UHR Compensation & Classification staff will collaborate to determine if a pay alignment adjustment(s) is warranted, and if so, develop appropriate pay alignment adjustment recommendation(s).
- D. **Time Period:** Requests for pay alignment adjustments will normally be processed within 90 days of the date when a triggering event has been validated. Under normal business circumstances, an eligible employee may receive one pay alignment adjustment within a rolling 12-month period.
- E. **Effective Date of Pay Alignment Adjustment:** Pay alignments will be effective the first day of the current, or next, pay period for which the payroll submission deadline has not passed -- no late-pay (retroactive) requests will be processed.

V. APPROVAL AND FUNDING OF BASE PAY DECISIONS

- A. Pay alignment 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

Eligible Employee(s): An employee within the eligible group who by job family, title, title series, or supervisory hierarchy, whose pay level may be unjustifiably compressed or inverted relative to another similarly situated employee because of a triggering event.

Eligible Group: An inclusive group of similarly-situated employees as defined by a triggering circumstance, who by title, title series, or supervisory hierarchy are within an identified job family, work team, unit, department, or division have been identified as possibly warranting a pay alignment review.

Pay Alignment Adjustment: An adjustment to an employee's base pay resulting from a pay alignment review; the amount being determined by using the university's pay decision support tool, Pay Evaluator[©].

Pay Alignment Review: A formal review of an eligible employee's current pay position in range, in relation to a more appropriate positioning in their assigned pay grade range due to a triggering event.

Pay Compression: When by position classification or pay levels between employees who are in the same job family, job title, title series, or supervisory hierarchy, are close, but not exceeding, in value despite significant distinguishing differences between responsibilities, knowledge, skills, abilities, and/or individual performance contributions.

Pay Grade Range: An identified range of pay opportunity for employees who are assigned to a grouping of like-job-content valued jobs. The pay grade range, containing a lower reference (minimum) and an upper reference (maximum), reflects the internal job content value and external market value of the work of jobs allocated to each pay grade.

Pay Inversion: A type of pay compression whereby the pay levels of less qualified (*knowledge*, *skills*, *abilities*, *or demonstrated experience relative to minimum requirements*, *and/or performance contributions*) employees exceed the pay levels of more qualified who are in the same job title, title series, or supervisory hierarchy.

Title Series: A group of jobs within the same job occupational category, however having differing and progressively higher levels of job content value -- key responsibilities, duties, and minimum requirements. These jobs are typically distinguished by titles that reflect progressively higher levels of responsibility, i.e., Advisor I, Advisor II, Advisor III; or Analyst, Senior Analyst; Engineer, Senior Engineer, etc.

Triggering Event: An anticipated or recent pay action, or existing position classification or employee pay relationship, which may lead to, or may be currently resulting in, an unjustifiable salary compression or inversion, relative to another eligible employee(s).

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