Procedure for Using the Pay Evaluator©

I. CORRESPONDING POLICY AUTHORITY: Policy on Establishing Base Pay

II. PROCEDURE STATEMENT

Auburn University establishes base pay in compliance with the **Policy on Establishing Base Pay**.

Using the University's decision support tool, Pay Evaluator©, Auburn University Human Resources assists supervisors and managers in developing well-informed pay decisions when initiating the following base pay actions***** for regular University Staff employees and Administrative and Professional employees:

A. Developing New Hire Pay

B. Developing a Promotion Pay Adjustment

C. Determining a Lateral Pay Adjustment Outcome

D. Determining a Demotion Pay Adjustment Outcome

E. Determining a Pay Alignment Adjustment Outcome

*****The Pay Evaluator© is approved for the above base pay actions. There may be selected occupational jobs for which pay is determined using a pay determination methodology uniquely aligned with that occupation. For these jobs, contact your designated Human Resources Liaison or Compensation Specialist.

The Pay Evaluator© is a systematic, disciplined, unbiased, and fiscally responsible pay decision support tool, suggesting appropriate pay levels that reflect 1) the job content value of the work being executed, and 2) the direct comparison of the measured value of an individual's work-related attributes and qualifications (knowledge, skills, and abilities) to the pre-defined minimum requirements of the job as published on the job description.

Developing, approving, and funding well-informed employee pay decisions is the responsibility of managing supervisors and division leadership, in collaboration with their designated HR Liaisons and in compliance with this policy and the proper use of the university's Pay Evaluator©.

III. RELATED POLICY AND PROCEDURE(S)

A. Policy on Establishing Base Pay

B. Procedure for Developing New Hire Pay

C. Procedure for Developing a Promotion Pay Adjustment

D. Procedure for Determining a Lateral Pay Adjustment Outcome

E. Procedure for Determining a Demotion Pay Adjustment Outcome

F. Procedure for Determining a Pay Alignment Adjustment Outcome

IV. APPLICABILITY

This procedure applies to all regular non-faculty employees (University Staff and Administrative and Professional).

V. PAY EVALUATOR© OVERVIEW

A. **Pay Evaluator© Access:** Designated Human Resources Liaisons (HRL) have access to the Pay Evaluator for their assigned Division(s). To use a Pay Evaluator for any of the base pay actions listed above, contact your designated HRL.

B. **Collaboration:** Using the Pay Evaluator© is a collaborative effort with the responsible supervisor or manager, designated Human Resource Liaison, and the AU Human Resources/Compensation and Classification staff to validate the employee's work-related decision criteria ratings selected on the evaluator and to develop an appropriate base pay recommendation.

C. **Pay Evaluator© Workbook:** When completed properly, the Pay Evaluator© is a spreadsheet-based workbook containing all information necessary to support a well-informed pay decision. It includes the following tabs:

1. **Pay Evaluator**: The main decision support sheet, including six sections to be completed and considered when developing the collaborative pay recommendation.

2. **Print Version**: Reproduces the Pay Evaluator© collaborative recommended pay result containing all relevant information for final review, support, and approval signatures. This is the version that is placed in the employee's personnel file.

3. **Work History**: Convenient worksheet to accurately document all work experience, length, and relevancy to the subject job.

4. **Job Class Table**: Pay Evaluator© workbooks are updated with job classification, position, and employee information on a quarterly basis. As new or reclassified jobs are being added to the human resources enterprise system tables throughout the quarter, the visible "Job Class Table" TAB permits an authorized HRL to directly enter newly created or reclassified job attributes (code, title, pay grade, FLSA status, etc.) for which they are preparing the Pay Evaluator©. This allows for uninterrupted use between quarterly Pay Evaluator© updates.

5. **Compensation and Employment Specialist Assignments by Division**: Listing for easy reference of who to contact for collaboration on a Pay Evaluator, including each designated HR Liaison, Employment Specialist, and Compensation Specialist assigned to each division.

6. **Salary Justification Guidelines**: Useful guidelines to assist with developing a salary justification, required when a pay level outside of (below or above) the suggested pay interval is recommended.

VI. SECTIONS OF THE PAY EVALUATOR TAB

A. **Candidate/Employee Work-Related Pay Decision Criteria:** This section measures the extent to which an individual's directly related, or as appropriate directly-relevant, work qualifications compare to the job's published pre-defined minimum requirements. For each of the following Pay Decision Criteria the hiring supervisor, in collaboration with their designated HR Liaison, selects from a choice of drop-down rating descriptions that best describes this comparison.

The Pay Decision Criteria include:

1. **Education/Academic Endeavors:** The **directly related knowledge and skills learned through formal education/academic endeavor(s)** required for successful performance of the job (essential functions, key responsibilities). The published job description's minimum requirement(s) for education establishes the threshold for comparison.

    a. Jobs for which a four-year degree is a minimum requirement, the individual must possess (degree has been conferred) at least the specific degree as stated in the job description. The requirement may or may not include a specific major area of study*. To meet the minimum requirement the eligible individual must possess:

        i. A degree with the level of required education – Associate's, Bachelor's, Master's, Ph.D. and

        ii. If included in the minimum requirements, the major as specified on the job description, or

iii. A major other than as specified, however, one that can be validated as having the same learning outcomes of directly-related knowledge and skills required to successfully perform the job (essential functions, key responsibilities).

**Major area of study: often referred to as a "major" on which one focuses while pursuing the degree. Majors consist of a group of core classes as well as any additional requirements determined by the degree program.*

b. The criteria rating for conferred certificates, diplomas, or degrees is to be selected using the following number of years typically expected for a full-time student to complete the designated program of study:

i. Trade/Technical Certificate –1 year.

ii. Associate's Degree (alone, with no other degree) – 2 years.

iii. Bachelor's Degree – 4 years.

iv. Master's Degree – 2 years**.

v. Doctoral Degree – 2 years**.

*** The number of creditable years may vary depending on the standards of the issuing graduate or doctoral program.*

Additional rating credit beyond "Meets Minimum" may be selected if an individual possesses more than one directly related and independently conferred certificate, diploma, or degree.

c. If a substitution of directly related experience for the education criteria is specifically permitted in the job description,

i. The experience is calculated at a rate of two years of directly related experience for one year of required directly-related education.

ii. Such a substitution of experience for education can only be reflected in the education rating – and not counted in the rating for meeting the experience criteria requirement.

iii. Where permitted, such substitutions are only applied for the employee to meet the minimum requirements of the job.

2. **Experience:** Examines the extent to which the individual's directly-related work experience meets the job description's stated minimum requirements for experientially-learned knowledge, skills, and abilities necessary to successfully perform the job (essential functions, key responsibilities).

a. The Pay Evaluator© provides a Work History tab which must be completed for every pay action being submitted.

i. If the individual's experience is related to the job but is not at an equivalent level required by the description, the experience will be pro-rated as appropriate.

ii. The maximum full-time-equivalency (FTE) that can be credited during any one measured time period (day, week, month, year) is 1.0 FTE, reflecting 40 hours per week.

b. If a substitution of directly-related education for the experience criteria is specifically permitted in the job description, the education should be validated as having comparable experientially-learned and directly-related knowledge, skills, and abilities required to successfully perform the job (essential functions, key responsibilities).

i. Such a substitution of education for experience can only be reflected in the experience rating – and not counted in the rating for meeting the education criteria

requirement.

ii. Where permitted, such substitutions are only applied to the individual to meet the minimum requirements of the job. Those years of education will only be credited to the experience rating, i.e., not also in the education rating.

iii. In cases where additional education is available which would result in a rating greater than "1" for experience, only the minimally required years should be applied to experience for the purposes of the substitution. The remaining balance should be applied to the education rating.)

c. The successful and full completion of the Auburn University-sponsored training program "Supervisor Pathways" provides for a six-month experience credit toward required supervisory experience when competitively applying for a supervisory or managerial job or, because of the position reclassification of their current position to a supervisory or managerial level. Note that the completion of the Supervisor Pathways program **does not result in an increased** Pay Evaluator© rating.

3. **Certifications/Licensure/Other Credentials:** Examines the extent to which the individual's directly related and relevant certifications or licensure meet the job description's stated minimum requirements.

   a. Certifications are accepted only if administered through an approved governing body and confirmed relevant by the respective division leadership. Collaboration with the position's supervisor or manager and the designated HRL is essential to assist with identifying certifications of value – those that will be permitted for credit toward job requirements. These will include certifications or licenses which require the passing of a single exam or multiple exams before certification or licensure is issued and do not include certificates of completion or certificates of attendance. Your HR Liaison and AUHR Compensation staff can assist in identifying relevant certifications.

   b. Attending training programs, whether Auburn University-sponsored* or not, is not accounted for in the Pay Evaluator ratings. It is expected that each employee should attend training opportunities to keep abreast of knowledge and skills which will maintain or add value to his/her job.

4. **Affiliations/Recognition:** Examines the extent to which the individual's professional affiliations (positions of leadership within directly related professional associations/organizations) and industry recognitions add to an employee's ability to provide additional insight, knowledge, or skills above the job description's stated minimum requirements. Collaboration is essential to assist with identifying affiliations and recognitions of value which fall under one of the following guidelines:

   a. Committees/Associations – Individual currently holds or has held within the last two years a board position or another leadership position. General membership within the committee or association does not apply.

   b. Awards – Individual has received a recognized industry or institutional award within the last five years that is directly related and/or relevant to the job.

   c. An individual is an industry recognized speaker or presenter at a regional or national conference within the last two years.

   Please note: Affiliations and recognitions must be unique or respected in terms of level of expertise within the field or industry to be considered valuable. AUHR or your local management can assist in identifying if other affiliations or recognitions that should be applied.

5. **Performance Rating:** Examines the individual's most recent annual overall performance rating. This factor is utilized for the following pay actions: salary alignments and under certain circumstances, promotion adjustments through the reclassification review process.

a. An employee who is a) under an active performance improvement plan or b) disciplinary action or c) has a most recent overall rating of "1" (Unacceptable) or a "2" (Marginal) will be disqualified from the transaction.

b. The performance rating will default to '3' for most pay actions including reclassifications, new hires, or internal hires, as it is assumed that these individuals are fully qualified and assumed to be competent in meeting all performance expectations of the job.

c. If a job is being reclassified to a higher grade level, and the employee has been performing the higher job content value responsibilities for at least nine months, the latest performance rating that has captured the performance contributions at the higher job content value will be used.

B. **Suggested Appropriate Placement in Pay Range:** This is the result of the direct comparison of the candidate's work-related pay decision criteria ratings and the minimum requirements for the job. In addition to a suggested pay level, the Pay Evaluator also provides a "suggested interval" of possible pay levels (plus or minus 5% of the suggested pay level) that would be appropriate for the supervisor's or manager's consideration.

C. **Collaborative Recommendation:** The hiring supervisor/manager, working with the designated HR Liaison and AUHR Compensation staff, will determine the collaborative pay recommendation to offer the employee.

1. If the recommended pay level is within the suggested interval, then additional justification is not required.

2. However, if the recommended pay level is outside of the suggested interval (either below or above), the hiring supervisor/manager is required to provide additional justification specifically addressing those individual work-related attributes and qualifications that have not already been reflected in the selected criteria ratings of the Pay Evaluator. (See V.5 below)

D. **Identification of Alignment Relationships:** This is a reference section providing useful information regarding the average pay level for the same job title across campus by 1) all campus; 2) division; and 3) home organization; including:

1. Number of employees

2. Average Pay

3. % Difference between the collaborative recommendation to the average pay

It is important to note that the development of an appropriate pay recommendation must be individualized to the subject candidate/employee. However, having the alignment relationship reference data may help inform whether there may be the need to consider pay alignment corrections with other similarly situated (same title) employees within the same hiring team, unit, department, or division.

E. **Supporting Commentary for the Collaborative Recommendation** (see V.3.ii above)**:** Additional required justification due to a recommendation "above" or "below" the suggested interval is placed or referred-to in this space, and/or can be attached as a separate document to the Pay Evaluator.

1. Preparing a Required Justification – Below Suggested Interval

a. A justification for recommending a pay level below the suggested low of the interval must be based on criteria other than the work-related qualification attributes possessed by the candidate/employee. To have been qualified for the new job or promotion, the candidate/employee must have already fully met all the minimum requirements as stated in the published job description.

b. Therefore, the likely justification for a recommendation below the suggested interval will be the inability to pay based on funding limitations. If this is the case, a statement from the hiring division's budget authority stating that there are insufficient funds available to pay within the suggested interval is required.

2. Preparing a Required Justification – Above the Suggested Interval

   A justification for recommending a salary above the suggested high of the interval must identify those candidate/employee-specific work-related qualifications and attributes relative to the minimum job requirements **that have not already been captured** by the selected ratings for the criteria on the Pay Evaluator. For consideration:

   a. Demonstrated Knowledge: As appropriate, the justification could include those relevant and unique employee- specific and job-related knowledge attributes (knowledge, skills, and abilities, competencies) that have led to the candidate's demonstrated history of success – delivering outcomes or results beyond that which is normally expected at this stage of their career. Be specific and provide at least two examples to ensure a full understanding of how the candidate's/employee's demonstrated knowledge provides for a stronger than required candidate/employee qualifications profile than has already been accounted for by the Pay Evaluator ratings.

   b. Demonstrated Experience: As appropriate, the justification could include what specialized and unique employee-specific types or qualities of job-related experience that have led to the candidate's demonstrated history of success – delivering outcomes or results beyond that which is normally expected at this stage of their career. Being specific, provide at least two examples of how the candidate's demonstrated experience(s) provide for a stronger than required candidate/employee experience, beyond that which has already been reflected in the Pay Evaluator ratings.

   c. Credentials, Affiliations, Recognitions: As appropriate, the justification could include:

      i. Professional industry or occupational credentials, beyond minimum requirements that are directly related to the job, however, have not been appropriately captured by the selected ratings for the Pay Evaluator.

      ii. Professional industry or occupational recognition as an expert in their profession. Provide at least two examples to ensure a full understanding of how this expertise has been recognized.

      iii. Professional leadership affiliation and/or role, at a regional or national level, within a directly related and relevant recognized industry or occupational professional association, whereby the candidate/employee has demonstrated direct influence on the organization's mission in advancing the work, credibility, and stature of the profession. Provide at least two examples to ensure a full understanding of how this affiliation provides for a stronger than required candidate/employee qualifications profile already accounted for by the Pay Evaluator ratings.

3. **Statements NOT to Include in a Justification**: A well-written justification will not include the following statements, as they do not strengthen the case for a pay level outside of the suggested interval:

   a. Restating the candidate/employee's qualifications that originally qualified the candidate/employee to be in the candidate pool. These are accounted for in the selected ratings of each criterion on the Pay Evaluator.

   b. Restating the candidate/employee's proposed job duties, as these duties were evaluated in the determination of allocating the job to a specific pay grade range.

   c. Comparing the employee/candidate's proposed salary to other similarly situated employees

within the team, department or division, as each employee's pay level is individually developed through a systematic assessment of 1) the job content value of the work being executed, and 2) the direct comparison of the measured value of an individual's work-related attributes and qualifications (knowledge, skills, and abilities) to the pre-defined minimum requirements of the job as published on the job description.

4. **Units of Pay for Reference**: This section also provides the recommended pay in relevant units, including 1) annualized pay amount; 2) actual pay amount (actual cash flow for the year given an FTE of less than 1.0); and 3) hourly rate of pay.

F. **Designated Authorizations and Approvals:** Provides space for the necessary signatures in support of (or not in support of) and approval for (or no approval for) the recommended pay level.

1. Pay decisions for pay actions, including hire, promotion, lateral adjustment, demotion adjustment, and pay alignment, 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.

    a. Each division may have additional approval signature requirements.

    b. Contact your designated Human Resources Liaison for additional information.

2. 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.

3. Funding and approval of pay actions are the responsibility of the divisional leadership in accordance with established operating budget funding policies and procedures.

4. No communication of a recommended or in-process pay level to the subject employee or candidate is authorized prior to all required approval signatures (on the Pay Evaluator©) have been obtained.

VII. ADDITIONAL GUIDANCE

Please contact the division's designated HR liaison or AUHR Compensation and Classification staff.

VIII. DEFINITIONS

The following definitions inform the administration of this procedure:

Hiring Authority: This is the reports-to supervisor of the position, as specified in the Banner HR system in NBAPOSN and NBAJOBS.

Pay Decision Criteria: The key factors considered in determining an appropriate base pay decision. Each criterion has pre-defined levels that are selected and collaboratively validated by the supervisor/manager, HR Liaison, and AUHR Compensation staff. The criterion level is selected by comparing employee-specific qualifications and work attributes (knowledge, skills, and abilities) to the job's minimum requirements as published on the job description, without regard to such human qualities as life experience, gender, sex, nationality, race, identity, ethnicity, age, political affiliation, sexual orientation, gender expression, gender identity, socioeconomic status, veteran status, disability, neurodiversity, and religion.

The five-employee work-related attribute decision criteria include:

1. Experience
2. Education
3. Certifications/Licensure/Other Credentials
4. Affiliations/Recognition
5. Performance Rating

Pay Grade: The assigned label of designated **range of pay opportunity** (pay grade range) for a group of **like-valued jobs** within a **job family pay structure** containing multiple groups of like-valued jobs. Each Pay Grade has a unique range of pay opportunity within the job family pay structure.

Pay Grade Range: An identified range of pay opportunity for employees who are assigned to a grouping of like-valued jobs. The pay grade range, containing a minimum and maximum, reflects the internal job content value and external market value of the work of the job. At Auburn University, the pay grade range is divided into thirds, with the middle third representing a "competitive range" – reflecting a salary position for an employee who is fully qualified and fully performing (meeting expectations) in the performance of their job duties and responsibilities. The graphic below depicts the structure of a pay grade range:

The university establishes no mandated distribution of employee pay positions within a pay grade range. However, over time, and in a robust recruiting and performance-oriented culture, the following distribution is likely to occur:

- 5% to 15% would be in the lower third (also known as the "at risk range").
- 55% to 65% of salaries are expected to have positions within the middle third (also known as the "competitive range").
- 30% to 40% of salaries would be positioned in the upper third (also known as the "premium range").

Pay Grade Range "Minimum": The salary that represents the 0% mark of the pay range, may also be referred to as the "lower reference".

Pay Grade Range "Maximum": The salary that represents the 100% mark of the pay range, may also be referred to as the range "upper reference".

Pay Grade Range "Lower Third": The lower portion of the Pay Grade Range (0% - 33%). Pay levels placed in this portion of the Pay Grade Range typically display emerging qualifications and competence, also referred to as the at-risk third.

Pay Grade Range "Middle Third/Competitive Range": The middle portion of the Pay Grade Range (33% - 67%), also known as the competitive range. Individuals placed in this portion of the Pay Grade Range typically are fully qualified and competent. Most employees are placed in this portion of the Pay Grade Range.

Pay Grade Range "Upper Third": The upper portion of the Pay Grade Range (67% - 100%), also referred to as the premium third. Individuals placed in this portion of the Pay Grade Range typically display advanced, unique, and/or individual qualifications, including being considered an "industry expert" and/or consistently exceed performance expectations over time.

Pay Grade Range "Pay Opportunity": The range of possible pay levels, from minimum to maximum, based on what the employee brings to the job and how they perform over time.

Pay Position in Range: The calculated percentage of the position of an employee's existing pay level within the pay grade range - between lower reference (minimum) and the upper reference (maximum). The pay position in range reflects the result of the selected pay decision criteria levels. Pay position in range is calculated as a percentage using the following formula: (Employee Pay – Minimum) / (Maximum – Minimum)

Suggested Interval: A range of possible pay levels (plus or minus 5% of the "suggested pay" level) suggested by the pay evaluator for supervisor/manager consideration.

Suggested Pay: A pay level suggested by the pay evaluator for supervisor/manager consideration.

IX. EFFECTIVE DATE

September 15, 2023

X. PROCEDURE ADMINISTRATION

Responsible Office: University Human Resources; Classification & Compensation

Responsible Director: Director, Compensation and Classification

Responsible Administration Manager: Manager, Compensation Administration

XI. INTERPRETATION

Responsible Director: Director, Compensation and Classification