

UCSB

**Managers & Senior
Professionals (MSP)**

**Pay Administration
Guidelines**

Effective May 1, 2009

MSP Pay Administration Guidelines

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Introduction

Employees classified in the Managers & Senior Professionals (MSP) personnel program provide leadership and professional expertise at the highest levels to major University units, programs or fields of work, and are accountable to their areas of responsibilities. Positions at this level are responsible for identifying objectives, formulating strategy, directing programs, managing resources, and functioning effectively with a high degree of autonomy.

The MSP Program recently underwent a comprehensive compensation study. The New Compensation Plan for Managers & Senior Professionals – Executive Summary outlines *why* the study was conducted, *how* it was conducted, the *findings*, and the *new MSP salary grade structure*. In addition, revised pay administration guidelines and processes with new decentralized approval authority for classification and salary transactions were reviewed and approved by the study's Steering Committee – comprised of the Executive Vice Chancellor, the Vice Chancellors, and the Assistant Chancellor for Budget & Planning.

The revised MSP Pay Administration Guidelines are subject to an annual review process by the Compensation Advisory Committee to determine whether improvement to the processes and procedures may be needed. The annual review will occur in preparation for any staff salary increase plan and its implementation.

The Compensation Advisory Committee (CAC)

A new Compensation Advisory Committee (CAC), co-chaired by the HR Director and the Compensation Manager, and comprised of at least one person designated by the Executive/Vice Chancellor of each of the six areas of the campus (Academic Affairs, Administrative Services, Chancellor's area, Institutional Advancement, Research, and Student Affairs) will advise and consult with HR on a number of MSP compensation issues.

Generally it is expected that committee members will serve a minimum term of two years, with no term limits. In addition, the membership of the committee should be staggered to maintain continuity of compensation and classification knowledge, process, and campus practice.

MSP compensation issues that the committee will advise and consult with HR on include:

- review of classifications and reclassifications decisions made by HR and disputed by the department;
- review and recommendation on MSP range structure movement, impact to campus, and communication plans;
- review and recommendations on changes to MSP policies and procedures, including the Pay Administration Guidelines.

I. MSP Classification and Reclassification Process

A. Process

1. Department initiates classification or reclassification based on divisional processes and approvals.
2. Actions are submitted to HR via OACIS. Submission includes:
 - a) Job description (online; required)
 - b) Organizational chart (online; required)
 - c) Action justification (online; required)
 - d) Short description of process, consultation, and tools used to determine recommended grade (online; required)
 - e) Job Factor Analysis questionnaire (online, as needed)
3. Control point (or authorized delegate) collaborates with HR to identify market data and, as necessary, internal organizational benchmarks, using tools such as:
 - a) CUPA and EduComp market data surveys
 - b) UC campus surveys and mutually agreed to ad hoc surveys when no appropriate market data is available
 - c) HR market database tools
 - d) Job Factor Analysis questionnaire
 - e) Analysis against standard campus positions (e.g., Academic Business Officers, Computer Network Technologists)
 - f) Assessment by committee or committee representatives (e.g., Computer Network Technologist Advisory Committee, etc.)
4. HR recommends the appropriate salary grade placement and discusses with control point or delegate.
 - a) HR works with control point or delegate to resolve outstanding issues.
 - b) If HR's recommendation cannot be resolved through the collaborative process, the position is referred to the Compensation Advisory Committee (CAC).

5. Compensation Advisory Committee (CAC)

a) One of the committee's roles is to advise and consult with HR on disputed classifications and reclassifications. Specifically, the committee's charge is to:

(1) Review the job description and HR analysis;

(2) Review supplemental documents and information from other sources, such as the department, if provided;

(3) Discuss other relevant data or information;

(4) Recommend to the control point the committee's decision on the appropriate classification level

6. Vice Chancellor makes final decision. *Note, the Chancellor approves all classification and reclassification decisions for positions reporting directly to him.*

II. Transition of Incumbent to New Salary Structure

A. Incumbents with Salaries Below New Minimum

1. All incumbent salaries will be brought up to the minimum of the new salary range.

B. Incumbents with Salaries Above New Maximum

Vice Chancellor has discretion, on a case by case basis, to determine how to pay incumbents that are above the maximum of the salary range. ***Note, the Chancellor approves all salary decisions for his direct-reports.***

Options are:

1. Allow the incumbent to be paid outside the new range and continue to receive salary increases (base building).

2. Allow the incumbent to be paid outside the new range and provide only lump sum (non-base building) increases until base salary is within range.

3. Freeze the incumbent's pay until such time the salary range maximum catches up to the incumbent's salary.

III. Pay Positioning for New Hires, Promotions, and Reclassifications

A. Advertised Rate, Starting Salary and New Salary Upon Reclassification

1. Advertised Rate

Hiring Manager has authority to advertise up to the midpoint of the salary range for career, limited, or contract appointment positions. Advertised salaries above midpoint require Control Point approval, unless the Control Point delegates this authority to the Hiring Manager. Such delegations of authority shall be in writing and maintained by the Control Point. A copy of the delegation of authority for such salary decisions shall be provided to HR. **Note, the Chancellor approves all salary decisions for positions that report directly to him.** Considerations for appropriate salary setting as defined in Section III.B should be made.

2. Starting Salary

Hiring Manager has authority to set a starting salary up to the midpoint of the salary range for a new hire or a promotion.

Starting salaries above midpoint require Control Point approval, unless the Control Point delegates this authority to the Hiring Manager. Such delegations of authority shall be in writing and maintained by the Control Point. A copy of the delegation of authority for such salary decisions shall be provided to HR. **Note, the Chancellor approves all salary decisions for positions that report directly to him.** Considerations for appropriate salary setting as defined in Section III.B should be made.

3. New Salary upon Reclassification

Manager of a reclassified employee has authority to set a new salary up to the midpoint of the salary range. Salaries above midpoint require Control Point approval, unless the Control Point delegates this authority to a Manager. Such delegations of authority shall be in writing and reside with the Vice Chancellor office. A copy of the delegation of authority for such salary decisions shall be provided to HR. **Note, the Chancellor approves all salary decisions for positions that report directly to him.** Considerations for appropriate salary setting as defined in Section III.D should be made.

4. Effective May 1, 2009, Local Personnel Policy for Staff Members (PPSM) 30.B.1 (Appointment Rates) and 30.B.6 (Upward Reclassification/Promotion) are revised for MSP employees only to accommodate these changes.

B. Considerations for MSP Salary Setting

When deciding the salary of a newly hired, promoted or reclassified MSP employee, either limited or career, Managers should consider the following:

1. Candidate or employee's skills and experience

Consideration should be given to the level of experience in relation to the classification's salary range. The Salary Placement guidelines are:

- First Quartile (from the minimum up to halfway to the midpoint of the range): the first quartile of the range is usually intended for employees who are new to the grade, are in a learning situation, and/or do not have substantial experience in the new position.
- Second Quartile: the second quartile of the range is intended for employees who have gained experience and skill and who are becoming more proficient in the position for which they were hired. They generally meet expectations in their given positions.
- Midpoint: the midpoint of the range is the approximate average salary at which most of the experienced, seasoned, professional employees in a title will cluster, usually after being in the position for several years. This point is intended for those employees who are fully experienced and consistently meet expectations in their positions.
- Third Quartile: the third quartile is typically reserved for experienced employees who frequently exceed expectations.
- Fourth Quartile: the fourth quartile of the range is normally reserved for the most highly skilled and experienced employees who are consistently exceptional performers, and/or employees in highly competitive positions.

2. Internal equity of employees in same classification on campus, in department, or in unit

Consideration should be given to internal salary equity of existing staff members. Before making an offer, managers should review salaries of employees in the same classification and employees in classifications with comparable skill sets and market rates. Managers should also review the salary of the candidate and employee's supervisor and determine if any salary compression will be caused. In general, managers want to avoid setting the salary for new employees, promoted employees, or reclassified employees higher than other employees in the same classification unless the newly employed/reclassified person has stronger skills and experience. One exception to this may be positions with a highly

competitive skill set and market rate, where a higher salary is required in order to recruit and fill the position. In such cases, Managers should make every attempt to address internal equity situations as promptly as possible.

3. External market, as evidenced by market surveys and recruitment experience

Consideration should be given to the competitiveness of the employee's position, particularly with regards to turnover, recruitment challenges and retention experience of comparable positions on campus. External market data, when available, should be reviewed to help validate recruitment and retention issues. HR may be consulted to help gather external market information and understand current campus recruitment and retention issues.

C. HR Consultation

Human Resources shall provide consultation as needed, including:

1. Market data analysis: Annual reports to Vice Chancellors; ad-hoc as needed
2. Internal equity analysis: Annual reports to Vice Chancellor; ad-hoc as needed
3. Salary placement in range recommendation: Ad-hoc as needed

IV. Equity Increases

A. Background

Equity guidelines exist as another means of giving salary increases (in addition to merit increases, reclassification increases and promotion increases). They are intended to be used only in cases where salary inequity exists. Note, due to the adoption of a decentralization process, Local Personnel Policy for Staff Members (PPSM) 30.B.7 (Equity Increases) has been revised for MSP staff only.

B. Criteria

1. Internal salary inequity, defined as a significant salary disparity between employees in the same job title on campus or between new hires and current employees in the same job title in a particular department, division or college.
2. External market inequity, as evidenced by one or more of the below situations:

- a) Valid market data showing that our competition pays higher salaries for similar work
 - b) Recruitment difficulties
 - c) Sharp increase in turnover for similar work on campus
3. Immediate retention concerns, such as an external job offer made to an employee.
 4. Salary compression between supervisors and those whom they supervise.

C. Process

Approval of individual equity increases (excluding Special Equity Programs), is decentralized from HR to the Vice Chancellor. The Vice Chancellor may choose to delegate authority down to the AVC, Dean, Department Head or Control Point if he/she desires. Such delegations of authority shall be in writing and reside with the Vice Chancellor office. A copy of the delegation of authority for individual equities shall be provided to HR.

1. Identify reason for equity increase (by Supervisor/Manager), and informally consult with the Control Point.
2. Collect supporting documentation including approval for salary increase funding (by Supervisor/Manager)
3. Draft request memo (by Department Submitter, usually Supervisor/Manager)
4. Obtain department approvals as needed (by Department Submitter, usually Supervisor/Manager)
5. Obtain approval from Vice Chancellor or Vice Chancellor's delegate (by Department Submitter)
6. Approve action (Vice Chancellor or Vice Chancellor's delegate). **Note, the Chancellor approves all equity decisions for positions that report directly to him.**
7. Forward final approval to PPS Preparer and Department Supervisor/Manager
8. Complete fiscal year-end Divisional Equity & In-Grade Salary Movement Log (by Vice Chancellor or Vice Chancellor's delegate)

D. HR Consultation

HR shall provide consultation as needed, including:

1. Market data analysis: Annual reports to Vice Chancellors; ad-hoc as needed
2. Internal equity analysis: Annual reports to Vice Chancellors; ad-hoc as needed
3. Salary placement in range recommendation: Ad-hoc as needed

V. In-Grade Salary Movement

A. Background

A need exists to provide salary increases to employees for reasons that expand beyond the traditional Equity Guidelines. In 2006, the Equity Guidelines were revised to include reasons of “additional duties and/or responsibilities”. This criterion was added to address campus concerns about in-grade pay movement but never quite fit in with the other, more traditional “equity” criteria. It is now appropriate to formally remove this criterion from the Equity Guidelines and add it as one of the criteria to the new In-Grade Salary Movement guidelines.

B. New Criteria

1. Additional duties and/or responsibilities have been added to the position such that the complexity or scope is increased but does not warrant a reclassification. In-grade salary increases are not meant to replace or supplement merit increases, nor are they given on the basis of longevity.
 - a) Changes to the job must be substantial and ongoing and will typically represent at least 20% of the overall position
 - b) Request must be accompanied by an updated job description showing the additional duties and/or responsibilities.
2. Position-related skill acquisition that represents more than normal job growth.

C. Process

Approval of in-grade salary movement is done by each divisional Vice Chancellor. The Vice Chancellor may choose to delegate authority down to the AVC, Dean, Department Head or Control Point if he/she desires. Such delegations of authority shall reside, in writing, with the Vice Chancellor office. A

copy of the delegation of authority for in-grade salary movement shall be provided to HR. **Note, the Chancellor approves all in-grade salary movement decisions for positions that report directly to him.**

1. Identify reason for in-grade salary movement (by Supervisor/Manager) and informally consult with the Control Point.
2. Collect supporting documentation including approval for salary increase funding (by Supervisor/Manager)
3. Draft request memo (by Department Submitter, usually Supervisor/Manager)
4. Obtain department approvals as needed (by Department Submitter, usually Supervisor/Manager)
5. Obtain approval from Vice Chancellor or Vice Chancellor's delegate (by Department Submitter).
6. Submit Updated Job Description to HR via OACIS (by Department Submitter)
7. HR advises Vice Chancellor or Vice Chancellor's delegate regarding amount of job growth
8. Approve action (Vice Chancellor or Vice Chancellor's delegate). **Note, the Chancellor approves all in-grade salary movement decisions for positions that report directly to him.**
9. Forward final approval to PPS Preparer and Dept Supervisor/Manager
10. Complete fiscal year-end Divisional Equity & In-Grade Salary Movement Log (by Vice Chancellor or Vice Chancellor's delegate)

D. HR Consultation

HR shall provide consultation as needed, including:

1. Market data analysis: Annual reports to Vice Chancellors; ad-hoc as needed
2. Internal equity analysis: Annual reports to Vice Chancellors ad-hoc as needed
3. Salary placement in range recommendation: Ad-hoc as needed

VI. Maintenance and Integration of Market Data

Market data is maintained by HR and distributed to the Vice Chancellors on an annual basis.

A. Process

1. HR reviews the survey job descriptions and performs initial matches to UCSB positions.
2. HR convenes the MSP Survey Validation Workgroup to review and validate job matches (for MSP positions) for each survey. The MSP Survey Validation Workgroup consists of at least one Vice Chancellor appointed representative from each Division.
3. HR participates in published salary surveys, receiving copies of results in return for a fee.
4. HR receives survey results and enters into a centralized HR Market Survey Database.
5. Annually, on June 30th, HR reviews aggregate market data and market positions.
6. HR and the MSP Survey Validation Workgroup meet to discuss the market benchmarking results.
7. In July/August, the Compensation Advisory Committee convenes to discuss the results of the MSP Survey Validation Workgroup, possible range adjustments, impact to campus, and communication plans.
8. In August/September, the Compensation Advisory Committee recommends to the Vice Chancellors any proposed range adjustment. Range adjustments, if needed, will be effective October 1st.
9. On an annual basis, HR publishes market data summary information for the Vice Chancellors, who will determine how to distribute the information to their management team.

B. Data

1. Market data summary information includes data such as position title, title code, average salary of current incumbent(s) and market data average.
2. Data is aged to a single point in the fiscal year – July 1st.

3. Data may be adjusted to account for the strength of the match to the UC job. Decisions regarding quality and strength of the match are determined by HR, with consultation from management when needed.
4. Only surveys that are reliable and valid will be used. Based upon the survey methodology used, number of data points, and type of companies surveyed, HR may determine that it is not appropriate to use a certain survey.
5. Consideration of the position's labor market is made in deciding which market source(s) to use.
6. Every attempt is made to use multiple survey sources for each position in order to ensure consistency and integrity of the data over multiple years.

C. Use

1. Market data information is proprietary and is not considered "public information". Data is not distributed to employees unless that distribution is done to aid in salary setting and slotting decisions.
2. Care is taken to ensure the confidentiality of market data reports given to the Vice Chancellors and, in turn, to the Vice Chancellor's management team.
3. Management may contact HR at any time to discuss market data and how that data relates to salary setting for employees. HR may provide individual position data over the phone or via email to managers who need assistance with setting salary for hiring, promotions, reclassification, equity increases, or in-grade salary movement, but annual reports are distributed through the manager's Vice Chancellor.