Wage and Salary Administration

Section 4.1

Dept: Human Resources

Revised: March 1, 2007

Wage Structure

The Biola method of job evaluation is the job classification method. Each staff position is assigned to 1 of 11 general position classifications like "J" for janitorial jobs, "S" for secretarial jobs, "E" for executive positions, and so on.

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<th>AE</th>
<th>Administrative, Exempt</th>
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<td>AN</td>
<td>Administrative, Nonexempt</td>
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<td>C</td>
<td>Clerical</td>
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<td>E</td>
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<td>J</td>
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<td>R</td>
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<td>S</td>
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<td>T</td>
<td>Technical</td>
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Within each classification are levels. The levels designate increasing degrees of skill and responsibility. For example, "J2" denotes a higher level position than does "J1." These levels are defined within each classification. Each position, based on its job description and other pertinent information, is assigned a level within its appropriate classification. There are 3 to 6 levels in each of the 11 classifications.

Each classification level is then assigned a pay grade based on salary surveys, local job market forces, Biola's estimation of the position's impact on the institution, and Biola's ability to pay for the job. The exempt (salaried) grade table expresses the monthly pay ranges (minimum, midpoint, maximum) for positions through grade 22 and the nonexempt table, which expresses these same pay ranges in hourly form for non-exempt positions, through grade 15. On the far right side of each table are the classification levels assigned to each pay grade.

Minimum, midpoint, and maximum are defined as follows:

- **Minimum**: The rate of pay for an employee who meets the minimum qualifications for the job.
- **Midpoint**: The rate of pay for an employee performing 100% efficiency under normal supervision (and the middle point between the minimum and maximum rates). The "average" worker will usually top out at the midpoint unless additional job responsibilities are assumed or the performance level becomes "above average."
- **Maximum**: The highest rate of pay for a job grade. Normally this would be paid only to an employee who performs duties well in excess of those called for in the job description and performs them at the greatest possible efficiency for many years. In other words, the space between midpoint and maximum allows room to recognize employees who perform beyond the call of duty.

A general wage and salary administration rule is that the spread (the distance between the minimum and maximum rate) is expressed as a percentage of the midpoint, and this percentage increases from...
lowest to highest grade. Also, the distance between midpoints (from one grade to the next) often increases as the grades increase. The increasingly wider spread within grades and the increasingly greater distance between midpoints is necessary because promotions or transfers to new jobs occur less frequently for employees in higher grades. In other words, these employees will need, on average, to spend more time in their grade and, therefore, need to have more room to grow. Also, when promotions do come, pay increases will need to be more substantial. This can compensate for the long wait and reflects the more substantial increases in responsibility that occur with promotions at this level of responsibility. Another way to look at the wider spread is to consider the fact that there is a greater difference between marginal and excellent performance at the higher graded jobs than at the lower graded jobs. The difference in degree of impact on the department made by a file clerk performing at a "marginal" level as compared to a file clerk performing at an "excellent" level is less than the difference in department impact caused by a marginal manager and an excellent manager. As the grades increase, this greater potential difference in performance level impact is reflected in a wider spread.

The rates expressed in the pay grade tables are normally adjusted for inflation each year. The new rates are effective on the first of January.

**Hiring Offer Policy: New Employees**

Employees are generally understanding about an organization's honest inability to be truly competitive in pay with certain other employers. Employees are far less understanding, however, when internal pay inequities exist, since employees feel that this area can (and should) be within the organization's control.

To help insure more consistency between departments in starting rates for new employees and to aid in budgeting for new positions, we have established a "university hiring range" which extends from the grade range minimum to the midpoint. Most offers of new employment are made in the first half of the university range (first quartile of the full range). When qualifications and skills warrant, the entire university hiring range can be used for making offers.

Offers are jointly determined by the department head and the Employment Manager. Offers above the midpoint also require the approval of the Sr. Director of Human Resources. It is important to recognize that only the most experienced and qualified new hires are brought in at the midpoint (e.g., a highly qualified candidate, with excellent references and generally 10 years of related experience).

Human Resources will extend all offers of employment and will transmit a confirming offer letter to the person.

**Offer Policy: Transfers**

The transfer of an employee from a job in one department to a job of the same grade in another department should not result in an increase in pay rate, unless the transferring employee's prior position was underpaid. For any such laterally-transferring employee, Human Resources (in concert with the department head) is authorized to set a rate which exceeds that person's current rate of pay.
This transfer policy is based on the premise that, in most instances, a lateral move does not call for an increase in pay since both positions are of the same "weight." To offer higher rates could encourage transfers to jobs "for the money" and, perhaps, not provide significant enough career growth opportunities to employees to justify the trauma to their old departments, which most likely would occur if experienced employees were lost. Also, departments with deep pockets could (unintentionally or intentionally) entice workers away from other departments to the detriment of those departments (and Biola), not to mention the potential for morale problems that would result from a transferring employee's announcement of his/her "raise" to co-workers with similar jobs in the old department.

If a transfer results in attaining a higher-graded job, department heads may offer a higher salary, with the approval of Human Resources.

**Release of Compensation Information**

Employees may be given information about the job levels and grades and about the hiring pay ranges and the full ranges of any classification levels through E8. For example, an employee may wish to know the full range (minimum to maximum) for the J2 level. This employee may obtain such information from his/her department head or from Human Resources. Information about classification levels, ranges, or grades for all Biola position titles through level E8 is available from Human Resources. The specific rate being paid to an employee will remain confidential.

The complete wage structure will not be posted or duplicated for general distribution either inside or outside of Biola. Copies of the wage structure are provided to managers/supervisors each year when they are updated. Non-supervisory employees who wish to see the wage tables can do so with their supervisors or in Human Resources but are not provided with copies, unless their job warrants having a copy.

Only the Human Resources department is authorized to report wage structure information to outside organizations (surveys, etc.). It is important, we believe, to have such information reported by one knowledgeable source within Biola to insure accuracy and consistency in reporting and guarantee the necessary degree of discretion.

**Salary Increases/Promotions**

When budgetary conditions allow, salary increases are granted to regular employees at the beginning of the calendar year. Salary increase budgets are provided to each division for this purpose. Salary plans are reviewed and approved by the Sr. Director of Human Resources, prior to implementation of the action and notification of the employee. Salary adjustments may be granted on an individual basis during the year when there is evidence of internal or external inequity. The department head and the Sr. Director of Human Resources must jointly approve such adjustments in advance.

Promotions occur when there is a significant change in an employee's responsibility, such that the new job description is consistent with a higher pay grade. While not guaranteed, promotions are normally accompanied by a commensurate increase in base salary. The Sr. Director of Human Resources must approve all non-faculty promotions and associated pay increases, prior to implementation and notification of the employee. A copy of the new or revised job description will normally be required for this approval.