



## **CLASSIFIED COMPENSATION PROGRAM**

At UTMB, we recognize that our employees make us who we are, and we strive to attract and retain the best and brightest employees possible.

### **UTMB'S CLASSIFIED PAY PHILOSOPHY**

The objectives of our compensation policies, programs and practices are:

1. Performance-based – Employee salary progression within a range depends on the individual's performance.
2. Flexible – Our programs adapt easily to changes in business and work as well as changes in the market.
3. Externally Competitive – Our salary ranges are established at levels that allow us to attract and retain exceptional people. Our salaries are competitive with the appropriate job markets.
4. Internally Equitable - Our job evaluation system identifies, analyzes and measures jobs against consistent criteria. The relative contributions of all work are measured in a uniform and objective manner.
5. Fiscally Responsible – The financial impact on UTMB is considered in every program design, policy development and practice administration recommendation.

### **MARKET POSITION IN RANGE**

To ensure that our salaries are market competitive, we measure and track the progress of individual and groups of employees against the market by reviewing the compa ratio, defined below:

- Compa-Ratio - an individual's salary expressed as a percentage of the midpoint of the salary range.
- Midpoint is 100% compa-ratio and represents the market median salary for the job.
- $\text{Compa Ratio} = \text{salary} / \text{midpoint} \times 100$ .

### **TYPES OF PERFORMANCE-BASED PAY ADJUSTMENTS**

#### **MERIT INCREASE**

- A merit increase is an increase to base pay and is a reward for individual performance based on the performance standards established for your job.
- Merit increases are designed to differentiate pay based on differences in work performance.

- Higher performing employees receive higher merit increases.
- Your job performance determines how fast and how far your pay will move through the salary range of your job.
- Your salary as a percent of midpoint (compa-ratio) and internal equity within your work area also factor into the amount of the merit increase award.
- Merit increases are for the current performance period. Future merit increases may be available based on your future performance outcomes (behaviors and work outcomes).

#### **NON-RECURRING MERIT**

- A non-recurring merit is a one-time lump sum payment.
- Non-recurring merits are intended to reward individual contribution rather than group achievement of goals.
- You may receive a non-recurring merit in lieu of a regular merit if:
  - Your current salary is at or above the salary range maximum;
  - You have received a regular merit within the current fiscal year; or
  - Your compa-ratio is at or above 100% with Consistently Meets or Occasionally Exceeds overall performance.

#### **NO MERIT (INCREASE TO BASE PAY OR NON-RECURRING)**

- If you are not fully performing the job or meeting established performance measures, merit awards are not appropriate.
- If you are meeting job standards but not exceeding them, a merit award is not required.
- The criteria used to determine why you are not receiving a merit should be explained to you by your supervisor.
- Reasons why a merit may not be given include:
  - Overall performance level as documented on most recent performance evaluation (Does Not Meet or Occasionally Meets standards);
  - Performance improvement needed;
  - Documented disciplinary action during performance period;
  - The entity/department Salary Administration Plan may only provide merit increases to employees with a certain level of performance or higher, or only to the top performers;
  - Not being current on all required training and licensure;
  - Receiving a merit increase within the past 6 months.

#### **MARKET ADJUSTMENT**

- Market adjustments may be needed if your salary is not in alignment with the market value for the work being performed, based on your individual job performance and experience.
- Your salary relative to the market value of the job (midpoint) is dependent on your job performance (behaviors and work outcomes), years of relevant work experience, job knowledge and skills, education, professional credentials, and licensure.
- A market analysis of jobs is conducted annually by the Human Resources Compensation Department to ensure we are competitive with the market. To remain competitive, salary ranges for certain jobs may be adjusted.
- Each job has a salary range with a range minimum, midpoint, and maximum. The range midpoint represents average market pay for an employee who is fully contributing in his or her role and is a solid performer.
  - **Fully functional employees who are solid performers** - - should be paid at or near market, with a compa ratio of 92 to 104%.

- **Seasoned and high-performing employees** with requisite knowledge, skills, and abilities and prior work experience, or who have special/unique skills - - should be paid above market (104% compa-ratio or higher).
- **Employees who are new in their roles and still developing job content expertise** - - should be paid between the range minimum and 92% compa ratio.

If you have specific questions about your pay and/or your performance, you should discuss them with your supervisor.

### **OTHER TYPES OF SALARY ADJUSTMENTS**

**INTERNAL EQUITY INCREASE** – salary increase due to pay being lower than internal salaries for comparable level work and performance.

**LATERAL TRANSFER** – no change in job grade, change in position number, usually no change in salary.

**PROMOTION** – increase in job grade and change in position number; usually accompanied by a salary increase, typically 3-10%, depending on whether the job is increasing one or two grades. Promotions higher than two grades are considered on a case-by-case basis.

**RECLASSIFICATION** – change in job code and no change in position number. Reclassifications may be within the same grade, to a higher grade or a lower grade; may be accompanied by a salary increase if moving to a higher grade or a decrease if moving to a lower grade.

**STAFF INCENTIVE** - an incentive, or one time payment, made to employees based on the achievement of pre-determined group goals.

**TEMPORARY INCREASE** – salary increase due to additional responsibilities for a limited period of time.

### **HIRING SALARIES**

Hiring salaries for external and internal candidates are established based on an individual's education, experience, and qualifications relevant to the job value as expressed by the midpoint of the salary range. Hiring salaries are determined based on internal equity (comparison to other individuals at UTMB performing the same or similar job) and external equity (market value expressed in terms of the midpoint of the salary range for a fully-functional employee). Hiring salaries are determined using the Salary Determination Worksheet for all hires, promotions, and transfers. Lateral transfers to a job in the same salary grade are not eligible to receive salary increases except with prior approval by the entity leader and the Chief Human Resources Officer.

## **SALARY PLANS**

Similar jobs at UTMB are grouped together into a salary plan containing jobs in the same job family which form a hierarchy of jobs. Salary plans for UTMB are listed below:

<b>Job Family</b>	<b>Description</b>
<b>Administrative Support (ADM)</b>	Non-exempt administrative, clerical, and office support positions (eligible for overtime pay)
<b>Clinical (CLE and CLN)</b>	Exempt and nonexempt primary healthcare and clinical support positions
<b>Clinical Premium (CEP and CNP)</b>	Exempt and nonexempt primary healthcare and clinical support positions. On a grade by grade comparison, these positions have a higher market value than the positions in the Clinical (CL) job family
<b>Engineering/ Technical (ET)</b>	Exempt technical/professional positions and nonexempt technical positions engaged in the design, development, maintenance, and repair of equipment, technologies and/or facilities
<b>Information Technology (IT)</b>	All exempt and nonexempt positions engaged in the design, development, implementation, and maintenance of information systems
<b>Nursing (NSG)</b>	Exempt, primarily direct, healthcare provider positions in nursing field (RN only)
<b>Operations Services (OPS)</b>	Non-technical support positions engaged in providing operational support such as supply management, laundry, building management, childcare and other non-degreed professions (may be eligible for overtime)
<b>Pharmacy (PHM)</b>	All exempt pharmacy positions
<b>Police (POL)</b>	All exempt and nonexempt law enforcement and security positions
<b>Staff (STF)</b>	Exempt professional/administrative positions engaged in general business operations, usually requiring a degree
<b>Research (RSC)</b>	All exempt and nonexempt classified positions engaged in providing and supporting scientific research

## **MARKET ANALYSIS OF INDIVIDUAL JOBS AND SALARY RANGES**

Each year, UTMB conducts a full market analysis of all classified and A&P job groups. This analysis continues throughout the year on individual jobs and occurs annually on a formal basis for review of the market competitiveness of our salary range midpoints.

### **ONGOING ANALYSIS**

Human Resources reviews all job descriptions and collects relevant salary market data through participation in national, regional, and local salary surveys by third party survey administrators (generally human resources consulting firms). Salary markets vary based on position type, i.e., healthcare market for nursing and allied health positions, "all industry" market for accounting, audit, and human resources positions. Individual salaries are reviewed for market competitiveness by human resources and department managers according to their compa-ratios (an individual's salary compared to the midpoint of the salary range, i.e., 100% compa-ratio is equal to midpoint).

## **ANNUAL ANALYSIS**

Starting each fall, Human Resources conducts a formal analysis of market data collected throughout the year. The steps of the process include:

- Assessing market median trends for each salary plan;
- Comparing current salary ranges to the market; and
- Comparing current actual salaries to the market.

This information is used to provide the basis for creating new salary structures using the market data in a linear regression analysis. Once completed, the institutional impact is determined, including cost, changes in salary administration guidelines, as well as necessary communication to leadership and employees.

Human Resources provides recommendations to the Institutional Compensation Steering Committee and the Institutional Budget Committee.

The final step of the process is implementing the new salary ranges. These are created based on salary grades and midpoints using 50% spreads for non-exempt (FLSA) classifications and 65% spreads for exempt (FLSA) classifications.

This salary planning process is a very thorough analysis, with over 300 position matches to approximately thirty salary surveys. The salary structures are created in a consistent manner, using strict criterion and the process is replicated each year to provide consistency in salary administration from year to year.