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COMPENSATION BRIEFING

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COMPENSATION BRIEFING

Tuesday, April 17, 2007 and

Thursday, April 19, 2007

Department of Human Resources

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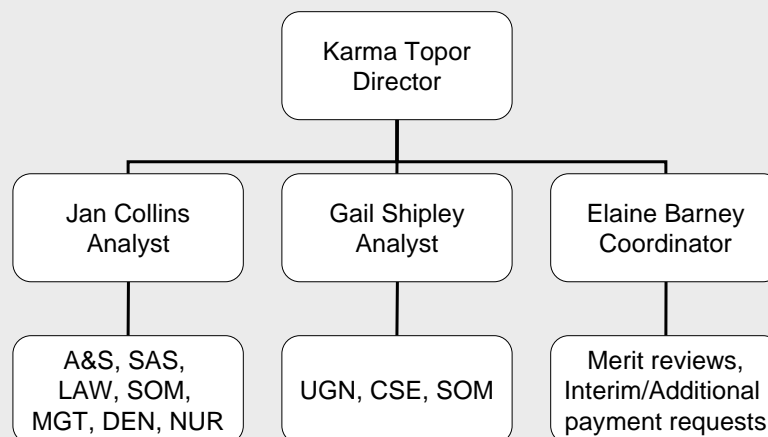
Agenda

- Compensation office
- Compensation philosophy
- Job descriptions
- Job evaluation process
- Fair Labor Standards Act (FLSA)
- Internal equity considerations
- Salary structure
- Alternative reward options
- Online resources
- Questions and answers

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Compensation Office



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Compensation Office Role

Provide administrative guidance to supervisors in paying employees competitively for the contributions each employee makes toward the success of the individual departments and the university as a whole.

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Compensation Philosophy

Case Western Reserve University is committed to

- Treating employees fairly and equitably
- Providing a total compensation package (salary, benefits, work environment) that will attract, retain, and motivate employees at all levels

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Compensation Philosophy Characteristics

Recognize and accommodate the diversity of the workforce without compromising equity and consistency across campus (internal equity).

Strive to be competitive with the markets in which we compete and recruit (external equity).

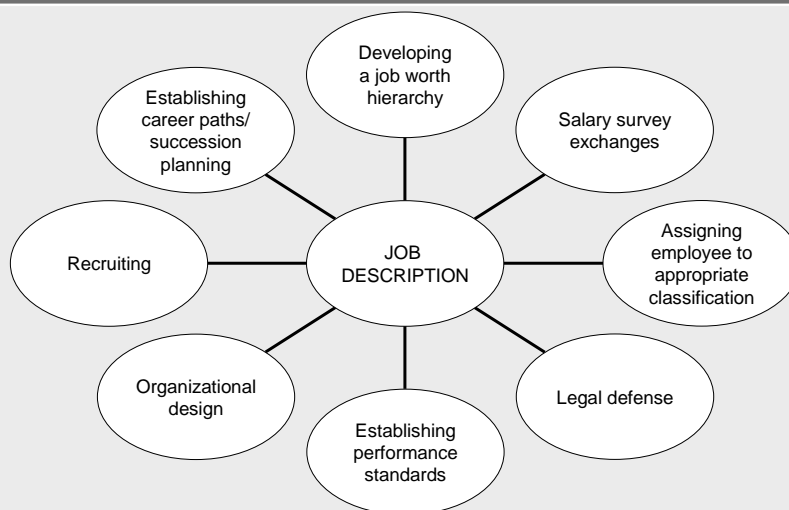
Provide annual performance review for each employee and possible salary increase based on merit (within university/department salary budget guidelines).

Provide ongoing communication to develop and/or maintain an understanding of the compensation program and how it is administered.

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Role of Job Descriptions



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Job Descriptions

Over 2500 descriptions on file

Job description should be reviewed and updated annually during performance review process

- Job Description Outline

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How to Write a Job Description

Position objective

- Briefly describe scope and role of position
- Details why the job exists
- *Employment will focus on this and the requirements section to generate the job posting*

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How to Write a Job Description

Essential functions

- Action statements to achieve the position objective
- List in descending order, most important function first
- Describe the work performed in its current state
- *Compensation will focus on this and requirement sections when evaluating the job*

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How to Write a Job Description

Non-Essential functions

- Marginal or infrequent functions
- Standard – Other duties as assigned

Contacts

- Indicate who the position will have contact with, the frequency and purpose of contact

Supervisory Responsibility

- List the number and type of positions that will be directly supervised

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How to Write a Job Description (continued)

Requirements

- Experience and education - list the minimum years and educational level needed to be successful
- Essential and technical competencies - list those measurable or observable knowledge, skills, abilities and behaviors critical to success in the essential functions

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How to Write a Job Description (continued)

Working Conditions

- Describe the working environment (office, field, indoors/outdoors, exposure to risks, safety requirements, etc), and
- List anticipated variation in working hours (such as flexible schedules, some evening and weekend work, occasional travel, etc.)

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Reasons to Request a Job Evaluation

1. Create a new job description (job posting)
2. Revise a job description for a current, vacant position (job posting)
3. Revise a job description for a current incumbent (in-position promotion)
 - Use the Request for Promotion form

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Job Evaluation Process (Department)

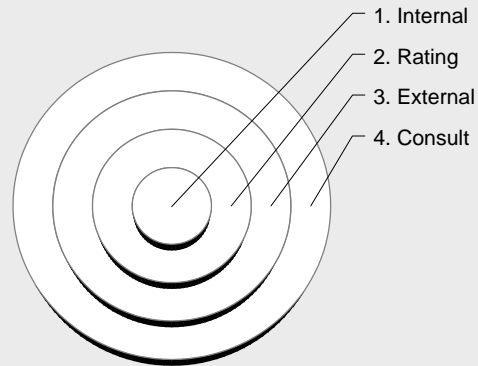
1. Employee/supervisor generate a new or revised job description
2. Submit the description and appropriate request form through the approval channels
3. Compensation office review - normal evaluation time is 5 business days

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Job Evaluation Process (Compensation)

Job evaluation is a formal process to determine the relative value of jobs within the university. The end product is to assign each job to a salary pay grade. Four step approach to determine salary grade and exemption status



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Job Evaluation Process

1. Internal evaluation

- Review organization chart for department or management center
- Compare the scope, functions, and requirements of the position against other jobs within that area
- Compare to similar jobs across the university

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Job Evaluation Process

2. Rating Process one of two computer-assisted job evaluation programs designed specifically for the university

- Compensable factors for professional, administrative, and managerial (exempt) positions
- Compensable factors for clerical, service, technical, and administrative support (nonexempt) positions

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Job Evaluation Process

Compensable factors for professional, administrative, and managerial (exempt) positions

- **Scope:** represents the level of responsibilities for the position
- **Authority:** takes the form of decision making and the extent of impact
- **Education/experience:** minimum educational level and years of experience necessary to succeed in job

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Job Evaluation Process

Factors for exempt positions

- **External contacts:** responsibility for personally dealing with individuals outside the university, taking into account the difficulty or amount of controversy involved and the presence/absence of guiding practices, procedures and/or goals

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Job Evaluation Process

Factors for exempt positions

- **Internal contacts:** degree to which the employee deals with individuals within the university, but outside the direct line of authority such as business meetings, telephone and correspondence contacts; contacts that involve project management, technical overview or functional direction

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Job Evaluation Process

Factors for exempt positions

- **Supervision** (defined as direct responsibility to hire, fire, write performance evaluations and initiate corrective action plans): number of employees directly supervised and level of those positions

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Job Evaluation Process

Factors for exempt positions

- **Investigation/ fact finding:** responsibility for initiating, determining the need for and/or conducting investigations, studies, surveys or tests for the purpose of finding factors or developing ideas, designs or processes

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Job Evaluation Process

Factors for exempt positions

- **Planning/scheduling/ forecasting:** deals with the complexities or relative difficulties of schedules, plans, and/or forecasts and the variety and relative importance of these plans
- **Student impact:** does the position provide activities or services that support the university at large or are they directly related to the purpose of education and research

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Job Evaluation Process

Compensable factors for clerical, service, technical and administrative support (nonexempt) positions

- **Knowledge:** minimum level of formal education normally required for an employee to perform the job
- **Skill:** manual and physical skills required to perform the job
- **Work complexity:** necessity to exercise judgment, initiative and ingenuity

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Job Evaluation Process

Factors for nonexempt positions

- **Contact with others:** extent to which the successful performance of the work requires the cooperative dealing with other
- **Property protection and use:** responsibilities job has for storing, issuing, safeguarding and assuring proper handling of university funds or property

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Job Evaluation Process

Factors for nonexempt positions

- **Work leadership:** responsibility for directing, instructing and training others, may also assign work
- **Working environment:** considers the physical conditions associated with the work performed
- **Student relations:** amount and type of student interaction

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Job Evaluation Process

3. External evaluation (depends on job being evaluated)
 - Third party market surveys
 - Peer institutions
 - Local companies

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Job Evaluation Process

4. Consult with supervisor/manager to finalize evaluation, title and if appropriate the pay.

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FLSA Considerations

Fair Labor Standards Act – Federal law

- Enacted 1938, updated Aug 2004 and governs:
 - Minimum wage
 - Overtime
 - Record keeping
 - Child labor standards
- Exemption status is based on job duties, job responsibilities, and salary (not based on job titles)

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FLSA Considerations

Employees classified as exempt are *exempt* from the law

- Employees are compensated with a set salary rather than hourly
- No requirement to pay overtime premiums
- Classified as executive, administrative, professional, outside sales or computer professionals

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FLSA Considerations

Examples of exempt duties and responsibilities

- Hiring, firing, disciplining and evaluating employees
- Planning work
- Determining policies and procedures
- Authority to negotiate and sign contracts

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FLSA Considerations

Employees classified as nonexempt are governed by the law

- Employees are compensated on an hourly basis
- Must be paid time and a half (1½) for hours in excess of 40 hours worked in a standard work week

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FLSA Considerations

Examples of nonexempt duties and responsibilities

- Animal care
- Typing or word processing (includes updating web content)
- Preparing payroll
- Bookkeeping
- Answering phones

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FLSA Considerations

Determine FLSA status for position during job evaluation process

In addition to job description supervisor/department might be required to complete

- FLSA questionnaire

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Equity Review

Equity reviews may be requested for an employee if his/her salary is low in comparison to others doing the same or similar work within the university

Initiated by supervisor by completing the

- Request for Equity Review of Salary

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Equity Review

Compensation reviews and compares educational and experience levels of other employees in similar jobs/salary grade

Normal evaluation time 5 business days

Approved increases effective the first of the next month

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Salary Structure

1. Exempt structure based on 40-hour work week (2080 hours annually)
2. Nonexempt structure based on 37.5-hour work week (1950 hours annually)

Salary Structure

Minimum – lowest salary paid to an employee, usually with no or limited experience

Maximum – highest salary paid to an employee, usually exceptional employees with many years of experience

Midpoint – the market or average wage paid to a fully qualified employee performing the full range of duties

Salary Structure

Structures are adjusted annually with effective dates of July 1 through June 30

Chief Financial & Administrative Officer determines if and how the structure will be adjusted and the merit budget guidelines

Proposed structure for fiscal year 2007-08

- Movement to current salary grades
- Not yet approved

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Salary Structure

Current merit budget guidelines for FY07

- Typical increases should range from 0-2 percent
- Employees earning \$100,000 or more, not eligible for merit increases
- Employees with below standard ratings are not eligible for merit increases
- *Increases are based on budget considerations, individual schools might have lower allowable increases*

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Alternative Reward Options

There are numerous ways to reward employees and say thank you for doing great work.

1. Recognition
2. Tangible items
3. Benefits

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Alternative Reward Options

Recognition

- A visit or e-mail from the president saying “thank you”
- Letter of recognition in employee’s personnel file
- Highlight employee in Case daily or picture on bulletin board
- Trophy or plaque
- Lunch with management team
- Recognition at department meeting
- On-the-spot public praise

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Alternative Reward Options

Tangible items

- Flowers, Balloons
- Care package to family of employee
- Lottery tickets
- Treats (favorite snack)
- Gift certificates – restaurant, gas, movies, books, CDs
- Mugs, pens, t-shirts from university bookstore

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Alternative Reward Options

Benefits

- Come-in-late or leave-early privilege
- Wash employee's car
- Special parking space
- Professional development of employee's choice
- Time off with pay and/or alternative work schedules

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Online Resources

Staff salary plan

Salary administration policies

Salary structures (exempt and nonexempt)

Benchmarks for selected job families

Payroll cutoff dates

HR Forms

- www.case.edu/finadmin/humres/comp/

Questions