

Maintaining a Classification System

Full-blown classification studies are cumbersome, disruptive and... necessary once in a while. A well maintained classification system has many advantages:

- Keeps an organization compliant with all Federal and State Laws, regulations and University policies
- Ensures fair an accurate evaluation to determine if employees are paid an appropriate wage for the work they perform
- Fosters a perception of fairness and equity among and between positions
- Facilitates the collection and application of accurate market data
- Delays the need for a comprehensive study for 7-10 years as opposed to every 2-4 if the system is not maintained
- Demonstrates one of our due diligence compliance requirements to outside agencies like the EEOC and OFCCP.

Classification systems, and the related salary ranges are maintained in three key ways.

Reclassifications

Having a strong centrally-managed job analysis system in place and consistently-applied reclassification decisions is a must to maintaining the integrity of the classification system and to protect the institution. Some organizations, especially when pay lags behind the market, use reclassifications to reward their top performers. This is exactly the wrong thing to do if the job description is inaccurate or exaggerated. This hurts the integrity of the system and angers surrounding employees. One tool used by a good HR department is to conduct a desk audit for most reclassification requests to fully understand the position and ensure job descriptions are accurate.

Periodic Small Group Classification Reviews

Each year, the HR department should request updated job descriptions from select groups of positions, engage in a classification review process and typically, a market survey to match. This can be done by job families or even smaller subsets like lone classifications – especially if there are particular positions for which our salary ranges are unable to attract qualified applicants. This is a labor-intensive and moderately expensive (salary surveys) exercise which makes prioritizing this task and allocating sufficient resources important. If done well, all of the classifications should have had a review once every 4 or 5 years. The added advantage to this process is to keep job descriptions updated.

The institution has to accept that in a review process like this, some positions periodically will go down (and the incumbents held harmless) or up meaning additional resources may be necessary to cover the higher pay rates. A supervisor always has the opportunity to remove duties to balance out the classification level if budgets become an issue.

Classification Reviews at Turnover

HR automatically reviews job descriptions (when a position is vacant) prior to posting the job to establish whether the position fits appropriately within its existing classification or if a further review may be necessary. Classifications can change at the point of turnover to help maintain the classification system.

Keeping up with the Labor Market

Along with a classification review, periodic comparisons of the reviewed classification to the labor market help an institution understand and hopefully respond to the how the salary ranges correspond to the relevant job markets. Outcomes from this exercise may involve changing some or all of the salary ranges, or considering a classification change or temporary pay premium for a particular classification if warranted.

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