

# **Indiana State University**

## ***Compensation Philosophy***

### ***Staff Personnel***

***Effective 2/16/2010***

#### **Introduction and Rationale**

In accordance with the mission and values of the University, Indiana State University will offer employees a comprehensive program including direct compensation, benefits, career opportunities and a positive culture and work environment. The University intends to maintain a program that is fair and competitive without regard to race, color, religion, gender, age, national origin, sexual orientation, the presence of a disability, or political affiliation.

#### **Purpose and Objectives**

The purpose of the compensation philosophy and supporting strategies is to establish a foundation for a compensation program that reflects:

- The relationships among positions within the University as measured by market factors and internal equity considerations.
- The principles of an equitable compensation program.
- The competitive pay policy position for the University as compared against defined external markets.

#### **Indiana State University Mission Statement**

Indiana State University combines a tradition of strong undergraduate and graduate education with a focus on community and public service. We integrate teaching, research, and creative activity in an engaging, challenging, and supportive learning environment to prepare productive citizens for Indiana and the world.

Furthermore, the compensation philosophy will support the University's values:

1. The University values high standards for learning, teaching, and inquiry.
2. The University provides a well-rounded education that integrates professional preparation and study in the arts and sciences with co-curricular involvement.
3. The University demonstrates integrity through honesty, civility and fairness.
4. The University embraces the diversity of individuals, ideas, and expressions.
5. The University fosters personal growth within an environment in which every individual matters.
6. The University upholds the responsibility of University citizenship.
7. The University exercises stewardship of our global community.

Because of the importance of equitable and competitive compensation to the University and its employees, the Board of Trustees and President have established a compensation program that will attain the following:

1. External Competitiveness—to provide a pay range for each position that will enable the University to attract and retain the level of talent required to achieve University goals while assuring that the jobs are valued to reflect the applicable markets as defined by the University.
2. Internal Equity—to ensure that each job has been fairly and objectively evaluated and placed within the pay hierarchy based on how it relates to other jobs within the University community.
3. Growth and Development—to recognize employees for their dedication as well as individual efforts through a variety of rewards while providing access to training and development to enhance opportunities for possible career advancement within the University.
4. Effective and Timely Administration—to ensure that salary decisions and actions are rendered in a consistent and fair manner while operating within appropriate parameters.
5. Sustainable Wages—to ensure that individuals are paid a living wage that allows them to meet their basic needs in today's economy.
6. Adaptability to Change—to provide a plan that is capable of recognizing changes in job design and external market influences through:
  - a. revision of job descriptions and evaluations where job content has substantially changed;
  - b. periodic review of positions in relation to the market and internal equity factors;
  - c. at least every five years an external review of pay ranges in relation to market trends to stay abreast of changing market conditions with the goal of remaining competitive with the University's defined markets.

### **Guiding Principles**

1. The University will maintain a compensation program that is competitive with other regional and national employers and comparable colleges within the University's defined recruiting markets. The University goal is to be positioned at 90% of the median of the market for institutions of comparable classification and size and in conjunction with the local and regional general industry markets for which Indiana State University competes for talent.
2. In view of the diversity of jobs within the University community, it is recognized that a single recruiting market does not exist. Therefore, for purposes of defining the "market", the following guidelines will apply:
  - For management/executive positions, peer institutions of comparable classification and size covering the nation and/or broad geographic region will serve as the market.
  - For professional and administrative staff, peer institutions and general industry employers within the geographic region, where applicable, will serve as the market.
  - For non-exempt staff, general industry employers within the local and regional areas will serve as the market.

3. The pay grade for positions within the salary structure will be primarily determined as follows:
  - As a principle, market compensation data for benchmark jobs will establish the framework for determining a particular job's grade assignment.
  - The market will drive how the pay ranges will be set with each position assigned to a grade in accordance with external market data, where available, and/or internal equity with similar jobs.
4. Upper and lower salary limits will exist for each position through established pay ranges.
  - University employees will be paid at least the published minimum of the pay range for their given position level within the salary structure. Starting salary placement within the range will be dictated by the individual's credentials in terms of education, prior related experience, and special skills that may be needed for the job.
  - Salaries may not exceed the maximum of the range established for the position. However, the pay ranges will be periodically adjusted to keep pace with the market so that opportunities for future salary growth may continue to occur in conjunction with range movement. Should the range maximum be reduced as a result of this process an employee's salary will not be lowered.
5. The University recognizes the importance for employees to develop within their jobs and enhance their career growth through promotional opportunities. Salary growth may therefore be influenced by a number of factors:
  - Pay increase adjustments within the range based on service and performance with the University. Funding for pay increases will be determined by market factors and the budget.
  - Pay increase adjustments associated with increased responsibilities that result in job movement to a different grade.
  - Recognition of professional development, and or increasing credentials relevant to their position.
  - Special recognition awards for individual or team contributions in the form of a cash bonus or non-monetary award. Such awards would be associated with a special project, program or function to recognize extraordinary contribution, which can be measured and documented.
6. The University will communicate compensation policies and procedures to all employees in a manner that will enable them to understand how the compensation program operates, the means by which it is maintained and updated in the future, and how it will affect them individually.
7. The University will openly communicate the following information about the compensation program to employees and supervisors:
  - Personal base salary information;
  - The minimum and maximum of the salary range to which the job is assigned;
  - Compensation program policies (including job descriptions) for non-faculty personnel;
  - The University's defined recruiting markets.