GUIDELINES FOR
THE COMPENSATION POLICIES & PROCEDURES
October 1, 2002
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PROGRAM OBJECTIVES

Oakland University’s Guidelines for the Compensation Policies & Procedures serve as a framework for achieving the following key program objectives:

- attract and retain high-quality employees who contribute to the organization’s success;
- assist in achieving the University’s “2010 Vision”;
- be market-based;
- recognize individual achievement;
- be linked to the University’s performance management system;
- support our collaborative work environment;
- be easy to understand and simple to administer.

Inherent in these objectives is a desire to encourage and reward employees for acquiring and applying their knowledge, skills, and abilities, and contributing to the ongoing success of the organization.

The Guidelines for the Implementation of the Compensation Policies & Procedures are designed to assist in the consistent, equitable and effective administration of the Compensation Policies & Procedures.

- The guidelines apply to all non-academic professional employees of Oakland University and Excluded CTs, and shall be administered in compliance with all relevant local, State and federal laws, rules and regulations.
- While Oakland University is committed to the guidelines described herein, they may be changed at any time.
- These guidelines are not intended to create, nor are they to be construed to create a contract between Oakland University and any of its Employees for either employment or the provision of any benefit.
- The elements of these guidelines must be implemented within Oakland University’s budgetary guidelines.
COMPENSATION PHILOSOPHY & STRATEGY

The quality of education and service that Oakland University provides is a direct result of the skills, abilities, and resulting performance of its employees. In support of this philosophy, we have established Guidelines for Compensation Policies & Procedures to:

- recognize our employees as Oakland University’s most important asset;
- be sensitive to the market supply and demand for a qualified workforce within a labor intensive environment;
- project, when financially feasible, a competitive compensation strategy to aggressively recruit and compensate qualified personnel;
- support positive, clear and individually pertinent communication of the Compensation Policies & Procedures to all employees;
- annually audit the salary administration program to measure its continued effectiveness in maintaining external and internal equities and overall compensation strategy and objectives;
- pay salaries that are competitive in the various labor markets in which we recruit;
- reward employees for their achievements in relation to established performance standards;
- provide a management system for consistent and equitable salary administration throughout the organization; and
- provide opportunities for increases in pay and advancement in full compliance with all relevant local, State and federal laws, rules and regulations.

The success of the Guidelines for the Compensation Policies & Procedures requires commitment from all levels of management. Proper administration and communication will result in the organization’s attraction and retention of the best employees. This, in turn, will enable us to provide the highest quality services to the community we serve.
SALARY ADMINISTRATION POLICY

The objectives stated in the Compensation Policies & Procedures will be accomplished through the following elements:

- A salary structure that is externally competitive at the market median within the local area, the statewide market, and/or with other public and private sector employers in the Midwest, and is applied in an internally equitable fashion.

- Different compensation strategies for different job groupings for recruiting, retention, and economic reasons:
  - Non-represented Clerical/Technical - market shall be the local area.
  - Administrative/Professional - market shall be the local area, the state and, in some special cases, the Midwest.
  - Management - market shall be the state and the Midwest.

- Utilization of market median compensation data from the most recent public and private surveys conducted by compensation professionals for the defined market. Where applicable, market data shall be projected forward to the next budget year.

- Internally consistent implementation of the Compensation Policies & Procedures that accurately reflect differences in job responsibilities, skills, and working conditions.

- The Guidelines will also guide management in administering the program consistently throughout the organization.

- On-going review of the salary structure with range minimums, midpoints, and maximums designed to include all the jobs in the organization.

- Communication to each employee regarding his/her job’s salary range, the methodology used in placing their job, salary range of jobs for career planning purposes, and any other pertinent information regarding salary administration.
- A performance management system that establishes expected performance standards and facilitates the evaluation of employee performance relative to those standards.
RESPONSIBILITY FOR ADMINISTRATION

University Human Resources

University Human Resources is responsible for the ongoing administration and maintenance of the compensation program. Managers and supervisors are responsible for day-to-day implementation and communication of the program, with assistance provided by University Human Resources, as necessary.

University Human Resources will review the program on an annual basis and recommend appropriate updates to ensure the program’s integrity. As the program is updated, University Human Resources will communicate any material changes in writing and/or via the Internet (UHR Website).

Assistant Vice President, University Human Resources

The Assistant Vice President, University Human Resources (AVP, UHR), working with the Cabinet, will have responsibility for determining the overall Oakland University compensation budget guidelines.

Benefit & Compensation Services Manager

The Benefit & Compensation Services Manager, working with the AVP, UHR and the Cabinet, is the management authority on salary administration issues. Specific responsibilities include:

- Finalizing the overall salary administration program objectives and general policies;
- Recommending the structure adjustment percentage;
- Reviewing and approving salary band or level assignments for all new or revised jobs; and
- Ensuring the overall salary administration program is administered in accordance with the Compensation Policies & Procedures.
Benefit & Compensation Analyst

The Benefit & Compensation Analyst is responsible for participating in the ongoing maintenance of the salary administration program. Specific responsibilities include:

- Reviewing, approving, and maintaining Position Information Questionnaires for all jobs;
- Recommending salary band and range assignments for new or revised jobs;
- Reviewing salary adjustments for all employees covered by the market based salary structure;
- Administering the salary administration program in accordance with the Compensation Policies & Procedures;
- Producing reports.

Managers and Supervisors

University Human Resources has ultimate accountability for maintaining the compensation structure. Responsibilities of managers/supervisors include:

- Evaluating functions of positions;
- Requesting the review of the assignment of positions necessitated by changes in compensation levels in the market over time;
- Establishing new position information questionnaires or changes to existing position information questionnaires and titles in review with University Human Resources and with the approval of the appropriate division head.
  - Developing Position Information Questionnaires for new/revised jobs within his/her area(s) of responsibility, in conjunction with University Human Resources;
  - Recommending an appropriate starting salary for a new hire;
  - Completing performance appraisal(s) for his/her direct reports;
  - Administering the salary administration program in accordance with these guidelines; and
- Recommending salary adjustments during the annual salary review process.

**Individual Employees**

Individual employees are responsible for working with managers and supervisors to maintain and revise their Position Information Questionnaires (sometimes referred to as PIQs), as necessary. Employees are also responsible for submitting the updated Position Information Questionnaires—with manager/supervisor approval—to University Human Resources.
ELEMENTS OF DIRECT COMPENSATION

- **Base Salary** Base Salary is the fixed payment to employees, on a monthly basis, for services rendered as described in that employee’s Position Information Questionnaire.

**Base Salary**

The Oakland University job evaluation system is market-based. Base salary for all positions will be targeted at the 50\(^{th}\) percentile (median) of comparable positions within the defined market for that job grouping (i.e. Administrative and Professional, Senior Management, ). The 50\(^{th}\) percentile represents the midpoint of the range. Oakland University has elected a traditional base pay structure. The Administrative/Professional bands themselves have a 50% “spread,” meaning that a given band maximum minus the same band’s minimum represents 50% of the actual band minimum. The Excluded CT levels have a 40% “spread,” meaning that a given level maximum minus the same level’s minimum represents 40% of the actual level minimum.
THE SALARY STRUCTURE

The salary structure is a series of salary bands—for Administrative/Professional positions—or salary levels for Excluded CT positions into which each job is assigned. The salary structure provides Oakland University with a means for administering the salaries of its employees in a manner that is internally fair and equitable, and externally competitive.

The Administrative/Professional salary structure at Oakland University consists of fourteen salary bands. The Excluded CT salary structure at Oakland University consists of five salary levels. The number within each structure is sufficient to support the compensation levels required for the total hierarchy of positions, as well as to allow for job differentiation. Compensation bands/levels overlap, allowing for an individual who is at the maximum of one range to have a salary which is at or above an individual who is near the minimum of a higher range, if appropriate. All Oakland University positions are placed within the salary structure based on:

- Salaries paid to positions with similar responsibilities in the competitive marketplace, while considering internal equity factors if and where applicable;

A compensation band or level facilitates control over fixed compensation expenses, aids in planning and budgeting, and provides for compensation growth for an employee commensurate with performance.

The following definitions apply to Oakland University’s salary structure:

- **Salary band:** A salary band is a group of Administrative/Professional jobs that are approximately equal as determined by the market pricing/job placement process. The jobs in a salary band are treated alike for salary administration purposes, even though the individual job incumbents may earn different salaries and have different responsibilities.

- **Salary level:** A salary level is a group of Excluded CT jobs that are approximately equal as determined by the market pricing/job placement process. The jobs in a salary level are treated alike for salary administration purposes, even though the individual job incumbents may earn different salaries and have different responsibilities.

- **Salary Range:** A salary range is the dollar value of the spread from the minimum salary to the maximum salary of the band, divided by the dollar value of the midpoint. All salary ranges have a minimum, midpoint, and maximum. Incumbent salaries are to be administered within the established range for the band or level.
- **Salary Range Minimum**: The salary range minimum represents the lowest salary or entry level salary that Oakland University would ordinarily pay for jobs in the band or level. Typically employees with beginning skill-level for a job are paid close to this amount.

- **Salary Range Midpoint**: The salary range midpoint falls halfway between the salary range minimum and maximum. The salary range midpoint approximates the median salary paid in the labor market for similar jobs. Typically employees with well-developed skills for a job are paid in this range.

- **Salary Range Maximum**: The salary range maximum represents the highest salary that Oakland University would pay for jobs in the band or level.
STRUCTURE REVIEW PROCESS

In order to promote the maintenance of competitive salary bands and levels, the salary structures will be reviewed on a periodic basis and updated if the budget allows. In order to determine if range movement is necessary, survey data will be collected and analyzed for benchmark jobs periodically. Survey data are obtained and analyzed from area employers.

Benefit & Compensation Services will develop the structure adjustment percentage, as appropriate. The size of the adjustment will be based on an analysis of labor market salaries and salary ranges, current labor market trends, Oakland University’s financial resources, etc.

The following statements describe the regular and periodic review process that will be followed in maintaining the salary structures.

**Annual Review Process**
- Every year 1/3 of the benchmark positions should be resurveyed to ensure the structures remain consistent with the market.
- The Benefit & Compensation Services Manager will review the salary structure with the Assistant Vice President University Human Resources and the Cabinet for ongoing program maintenance purposes.

**Comprehensive Review Process**
- Benefit & Compensation Services will periodically conduct a comprehensive review of the salary structures. This review will ensure the placement of Oakland University’s jobs is still appropriate given other Oakland University jobs and the then-current market practices.
**DETERMINING SALARY BAND OR LEVEL ASSIGNMENTS FOR NEW JOBS/HIRES**

**New Jobs**

The process of determining salary bands for positions involves the following steps:

- A Position Information Questionnaire is prepared by employees, in conjunction with managers/supervisors, to document current information on position purpose, key responsibilities, knowledge/skill requirements and scope of accountabilities;
- For jobs commonly found in the market, Oakland University uses available published compensation surveys to identify base compensation levels for positions with comparable responsibilities in the competitive market;
- The results of the review of market based compensation levels are used to determine the assignment of an Administrative/Professional position to a compensation band or a Excluded CT position to a compensation level;

When a new position is created or a position has a significant change in responsibilities, the manager/supervisor needs to update or prepare a Position Information Questionnaire. University Human Resources representatives will then work with the manager/supervisor to determine a compensation band or level based on a review of market based compensation levels. A position with additional responsibilities will not necessarily warrant a change in band or level assignment, since the widths of the ranges should allow for significant job growth.

Oakland University’s guidelines for determining salary range assignments for new jobs are described below:

- A Position Information Questionnaire for a new job will be developed by position’s immediate supervisor with the approval of the department manager/supervisor;
- The completed Position Information Questionnaire will be reviewed and approved by Benefit & Compensation Services;
- University Human Resources will evaluate the job by gathering and analyzing labor market survey data or utilizing external consultants, as appropriate.
All placement recommendations will be submitted to the Benefit & Compensation Services Manager for final review and approval.

University Human Resources will notify the department manager/supervisor of the recommended band or level for the new job.

If department management and University Human Resources reach agreement on the matter, no further review will be necessary.

If department management is unable to reach agreement with University Human Resources, the issue will be given to the Evaluation Committee, comprised of a cross section of designated University representatives established for the purpose of position evaluation.

New Hires

The compensation decision at the time of hire is important. It establishes value and provides a visible compensation measuring point. Judgment must be used to evaluate a new employee’s prior education and work experience. This helps to determine how fully the individual may perform the requirements of the job. A newly hired person with considerable experience is more valuable in the market than one with minimal prior work experience. New employees with less experience generally receive a starting compensation within the lower end of the salary range.

The guidelines for determining the salaries for new hires are:

- New hires will not be paid below the minimum of the salary range to which their jobs are assigned;
- New hires possessing the minimum qualifications for their jobs should receive starting salaries equal to the minimums of the ranges assigned to their jobs;
- Starting salaries above the range minimums may be offered based on an assessment of the candidate’s qualifications including:
  - prior related education and work experience;
  - other market demands;
  - the current salaries of incumbents occupying identical or similar jobs;
- the salary levels of the immediate supervisor and subordinates, if any; and
- any special needs of Oakland University.

New hires, who are well qualified for their jobs (above the amount of years of related experience required in the job description), should receive starting salaries that are market competitive (approximately the range midpoint) for their jobs.

Benefit & Compensation Services, in conjunction with department managers/supervisors, will develop an appropriate starting salary for the new hire based on an analysis of the candidate’s qualifications, labor market conditions, and the salaries of relevant Oakland University incumbents.

University Human Resources will review the placement of jobs with similar levels of knowledge, skills, abilities and responsibilities for an internal comparability check.

Special recruiting situations are those in which market conditions make it necessary to offer starting salaries that are higher than recommended guidelines. University Human Resources needs to coordinate a response to these situations on a case-by-case basis.
JOB ANALYSIS

Oakland University's Position Information Questionnaires represent the primary source for job information. Position Information Questionnaires define the specific duties and responsibilities associated with each position and form the foundation of Oakland University’s compensation program.

Position Information Questionnaires include:

- Position Details (title, department, exemption classification, etc.);
- Position Summary;
- Specific Duties & Responsibilities (including essential job functions);
- Minimum Qualifications;
- Certificates/Licenses Required.

Oakland University’s jobs will change as new organizational strategies are introduced and more efficient work procedures are implemented. When there is a significant increase or decrease in responsibilities, or a major shift in focus, the job description will be updated and the market data for the job may be re-evaluated.

Position Information Questionnaires define the ongoing duties and responsibilities for each job, but they do not define the goals the job incumbent is expected to achieve. Employee goals or performance expectations should be outlined in the Performance Development Program process. Supervisors and employees should jointly review and update the agreed-upon goals and track performance progress throughout the year.
POSITION INFORMATION QUESTIONNAIRES

A Position Information Questionnaire is a written statement of the essential functions of a job. These descriptions also contain information regarding the skills and abilities required to perform the essential functions of a job as well as information concerning reporting relationships and working conditions. The information contained in the Position Information Questionnaire will also serve as the basis for internal and external job postings.

Employees, each with the support of his/her respective Manager/Supervisor, are responsible for providing University Human Resources with a current Position Information Questionnaire.

Position Information Questionnaires will be developed by the appropriate manager/supervisor and reviewed by the Benefit and Compensation Analyst to ensure consistency, accuracy, thoroughness and compliance with all applicable legislative and regulatory requirements.

A Position Information Questionnaire will be developed/updated under the following circumstances:

- When a new job is created; or
- When an existing job has significantly changed.

Annually, typically during the performance appraisal/merit increase review, department management will review Position Information Questionnaires. During this process, managers are to ensure the Position Information Questionnaires adequately describe the jobs including, but not limited to, the essential functions of the job and any specific duties, responsibilities and skills required. The department management will notify University Human Resources of any significant changes or modifications to the Position Information Questionnaires, reporting relationships, etc.

Official Position Information Questionnaires used for position assignment to bands or levels will be on record with University Human Resources.
JOB EVALUATION

The following statements describe Oakland University’s policies and procedures regarding the reevaluation of jobs.

An employee’s job will be re-evaluated and reassigned whenever it becomes evident that:

- The market has changed significantly for this job, warranting a change in band or level assignment,

  or

- The employee’s duties and responsibilities have changed to such an extent that the job has increased or decreased enough overall relative to the market to warrant a change in the assignment of the job,

  or

- The salary band or level to which the job was initially assigned was incorrect.

The salary range to be assigned to the re-evaluated job is to be determined in accordance with the guidelines for Determining Salary Band or Level Assignments for New Jobs/Hires found on page 13 of this document.

If an employee’s job is re-evaluated to a higher band or level, his or her salary will be reviewed in accordance with the policy for Promotion Increases. Re-evaluation of a position to a higher range does not guarantee an adjustment in the employee’s base pay.

If an employee’s job is re-evaluated to a lower band or level, the implications on his or her salary will be studied on a case-by-case basis. Employees with salaries over his or her new range maximum may not be eligible for increases to his or her base salary until it falls to the range maximum, although he or she may be eligible for discretionary lump sum payments in lieu of base salary increases.

If a salary adjustment is warranted, it will become effective the first day that the request for evaluation was submitted.
BASE PAY ADJUSTMENTS

Market/Equity Adjustments
Since Oakland University has chosen to target pay at the 50\textsuperscript{th} percentile of market, a portion annual increase (an across-the-board component) for an employee whose performance meets expectations will be calculated as a percent of midpoint. The intent is that ultimately all employees whose performance meets expectations will earn the midpoint of the assigned range; salaries above midpoint will be in recognition of meritorious performance. Employees whose performance does not meet expectations will be addressed by management and potentially jeopardize any compensation adjustments in this same year.

Evaluating and Reviewing Performance
A performance review provides an opportunity for an open discussion between an employee and his/her direct supervisor. Using the Performance Development Process (“PDP”), the review provides the employee feedback on his/her performance as well as coaching on goals and competencies in order to improve performance and develop the individual. The performance review contributes to the determination of the merit increase. The performance period is April 1\textsuperscript{st} of any given year to March 31\textsuperscript{st} of the following year. Each employee will be evaluated annually and any compensation adjustments will be effective at the start of the new fiscal year.

Merit Increase Guidelines
The amount of annual merit increase awarded to an employee is a function of the following:

- outcome of overall performance
- positioning of the individual’s compensation within the band or level, i.e., whether the compensation is within the first, middle or top zone of the range.

If the employee did not meet performance expectations, that employee will not receive a merit increase. If an employee’s compensation is at or above the maximum of the assigned compensation range, that employee may receive a merit increase in the form of a lump-sum bonus, not added to the employee’s base salary. Merit will impact the pace at which
an employee earning below midpoint attains a salary at or above the band midpoint, and allows an employee earning above the midpoint to continue to move through the band in recognition of meritorious performance.

Promotional Adjustments

The policies for determining promotional adjustments are detailed below.

**Promotion Increases**

Promotion increases are to be granted when an individual is promoted to a job in a higher salary band or level. Normally these increases will be granted concurrently with the employee's assumption of his or her new job.

**Promotion Increase Guidelines**

Promotion increases will be granted based on the incumbent's qualifications including any related prior experience, the magnitude of the promotion and any pay equity issues that may exist. Typically, a promotion increase will be determined using the established guidelines for increases based on difference at midpoint and the guidelines for determining starting salaries. In no case, however, will an increase be granted which would place an incumbent's salary below the minimum or above the maximum of the salary range for the job. A promotional increase cannot exceed a 10% salary increase per band or level increase except in those instances where a greater increase is necessary to bring the incumbent's salary to the minimum of the range. In this case, the incumbent's salary will be brought to the minimum of the range.

**Promotion Increase Approval Procedures**

All promotion increases at the manager level or below must be approved by the Benefit & Compensation Services Manager. All requests for exception must be presented by the appropriate division head to the Vice President for Finance and Administration for review and approval.

**Temporary Assignments**

Employees may be eligible for temporary increases for accepting temporary assignments to a higher level of responsibility. Whenever possible, market data should be gathered for the temporary position. Compensation for
temporary assignments will be reviewed and approved by the Benefit & Compensation Services Manager. Compensation increases for temporary assignments will not exceed 10% of the midpoint of the salary band or level of the position from which the temporarily assigned duties were assumed.

**Lateral Assignments**

A lateral transfer occurs when an employee transfers to a different job inside or outside of his or her department in the same salary band or level. Lateral assignments are typically not accompanied by an increase in pay at the time of the transfer.

**Rehires**

Rehire compensation will be determined according to the new hire policy found on page 14 of this document.

**Reduction in Salary Band or Level**

Employees, for various reasons, may be assigned to jobs with lower salary bands or levels than jobs they held previously. Those situations will be reviewed on a case-by-case basis.

In the case of reassignment to a lower band or level, all salary change documentation must be recommended by the Benefit & Compensation Services Manager and approved by the division head. If a reduction in salary is warranted, the reduction will be effective the date of the reassignment.

If an employee is demoted to a job with decreased responsibility because of poor performance, changes to compensation will be recommended by the Manager/Supervisor and approved by the Benefit & Compensation Services Manager.

If an employee chooses to take a position with decreased responsibility, Benefit & Compensation Services will complete a market-based assessment of the new position. The assessment may result in a decrease or freeze in salary.
Exceptions to Policy

On rare occasions, it may be necessary to make decisions that differ from merit increase guidelines. University Human Resources will work with the appropriate supervisor in responding to these situations on a case by case basis. All requests for exception must be presented by the appropriate division head to the Vice President for Finance and Administration for review and approval.
**RED CIRCLE CONDITIONS**

An employee whose salary is above the maximum of the salary range for his or her job is designated as having a “Red Circle Rate.” There will be no increases to base pay until the salary falls below the salary range maximum.

Lump-sum payments, in lieu of base pay increases, will be paid to employees having a Red Circle Rate whose performance meets or exceeds expectations.
PROGRAM COMMUNICATION

Oakland University is committed to educating all affected employees regarding its Compensation Policies and Procedures. The policies and procedures to be carried out in this regard are described below.

- Employees are informed by their department Manager/Supervisor of their assigned salary bands or levels and ranges. The department management will also inform employees of changes to those assignments. They are also responsible for answering any other salary administration related questions their subordinates ask. If a department management representative is unsure of the answer to a subordinate’s question or if the employee’s request information concerning the assignment of another job, the department management should contact the Benefit & Compensation Services Manager who will (a) provide the answer for the department management to give the employee, or if necessary, (b) directly contact the employee with a response.

- Employees will be informed of the salary structure.

- Employees will also be informed in writing and verbally, as necessary, about changes in the Compensation Policies and Procedures. Typically these will be in advance of any changes becoming effective.

The information in this document is primarily for use by those who must recommend, administer and communicate compensation actions. The distribution of copies is the responsibility of University Human Resources.

Each supervisor with responsibility for recommending compensation increases should be aware of the salary ranges for the employees reporting to him or her. Supervisors should also know the salary ranges for positions to which their reports may reasonably aspire. The supervisor should inform employees of compensation changes after proposed compensation changes have been completely approved and notification of the approval has been received from University Human Resources.

Each employee should know the salary range for his or her own position. Supervisors should be able to adequately respond to employee questions regarding the compensation review and decision process.
INTERPRETATIONS AND EXCEPTIONS

Oakland University’s position with respect to the ongoing administration for the Compensation Policies and Procedures is described below.

All questions regarding the interpretation of the Compensation Policies and Procedures are to be first directed to the appropriate department Manager/Supervisor. If the employee has discussed the issues with his or her supervisor or manager and still has questions, they should then submit their requests in writing to Benefit & Compensation Services.

All requests for exception must be presented by the appropriate division head to the Vice President for Finance and Administration for review and approval.
Glossary of Terms

Administrative/Professionals. Non-academic professional employees of Oakland University, excluding skilled trades and technical support personnel.

Band, Salary. See Salary Band.

Base Salary. Base Salary is the fixed payment to an employee, on a monthly basis, for services rendered as described in that employee’s Position Information Questionnaire.

Excluded CT. Non-academic, non-represented clerical employees of Oakland University, excluding skilled trades and represented clerical/technical support personnel.

Level, Salary. See Salary Level.

Market-based. A compensation strategy that strives to create a salary structure which is competitive to what is paid to employees in comparable positions in the applicable market.

Maximum, Salary Range. See Salary Range Maximum.

Midpoint Progression, Salary. See Salary Midpoint Progression.

Midpoint, Salary Range. See Salary Range Midpoint.


Performance Development Process. An administrative process that provides an employee feedback on his/her performance as well as coaching on goals and competencies in order to improve performance and develop the individual.


PIQ. See Position Information Questionnaire.
**Position Information Questionnaire.** Position Information Questionnaires (“PIQs”) represent the primary source for job information. Position Information Questionnaires define the specific duties and responsibilities associated with each position and form the foundation of Oakland University’s compensation program. PIQs include information about position title, department, exemption classification, specific duties and responsibilities, essential job functions, minimum qualifications, and certificates/licenses required.

**Range, Salary.** See *Salary Range*.

**Red Circle Condition.** Occurs when an employee’s salary is above the maximum of the salary range for his or her job.

**Salary Band.** A salary band is a group of Administrative/Professional jobs that are approximately equal as determined by the market pricing/job placement process. The jobs in a salary band are treated alike for salary administration purposes, even though the individual job incumbents may earn different salaries.

**Salary Level.** A salary level is a group of Excluded CT jobs that are approximately equal as determined by the market pricing/job placement process. The jobs in a salary level are treated alike for salary administration purposes, even though the individual job incumbents may earn different salaries. **Salary Midpoint Progression.** This is the percentage difference between each Salary Range Midpoint as you move upward in the structure. The average increment between Administrative/Professional bands is 11%; for Excluded CT levels it is 15%.

**Salary, Base.** See *Base Salary*.

**Salary Range.** A salary range is the dollar value of the spread from the minimum salary to the maximum salary of the Administrative/Professional band or Excluded CT level, divided by the dollar value of the midpoint. The current Oakland University structure averages a range spread of 50% for Administrative/Professional bands and 40% for Excluded CT levels. All salary ranges have a minimum, midpoint, and maximum. Incumbent salaries are to be administered within the established range for the band or level.

**Salary Range Maximum.** The salary range maximum represents the highest salary that Oakland University would pay for jobs in the band or level.
**Salary Range Midpoint.** The salary range midpoint falls halfway between the salary range minimum and maximum. The salary range midpoint approximates the median salary paid in the labor market for the jobs assigned to the band. Typically employees with well-developed skills for a job are paid in this range.

**Salary Range Minimum.** The salary range minimum represents the lowest salary or entry level salary that Oakland University would ordinarily pay for jobs in the band or level. Typically employees with beginning skill-level for a job are paid close to this range.

**UHR.** (Acronym) University Human Resources.