

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Human Resources
AREA: Compensation

Number: 02.01.02

SUBJECT: Classification of Staff Jobs
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I. PURPOSE AND SCOPE

This document establishes general guidelines to be used in the establishment, auditing, re-evaluating or revising staff job classifications of benefits-eligible staff jobs at the University of Houston. This directive is prepared in compliance with System Administrative Memorandum 02.B.01, the laws of the State of Texas, and applicable federal and local rules and regulations. It applies to all benefits-eligible staff jobs, regardless of the source of funds from which paid, but do not apply to faculty, professional librarians, or commissioned law enforcement jobs.

II. POLICY STATEMENT

- A. It is the policy of the University of Houston to maintain an objective, job classification system with competitive pay ranges that provide for different rates of pay for jobs requiring different levels of responsibility, experience, skill, and knowledge. The job classification system shall provide a fair and equitable method for preparing and updating job descriptions, for assigning jobs to pay grades, and for compensating staff employees holding benefits-eligible jobs at the University of Houston.
- B. The Human Resources Department shall periodically conduct job audits and reviews to ensure that jobs are properly classified and, if necessary, take corrective action.
- C. No new staff job may be established and filled, nor may an existing job be reclassified, without prior evaluation and approval by the Human Resources Department.

III. DEFINITIONS

- A. Benchmark job: A job with characteristics that can be found in other job classifications so that it can serve as an anchor for related jobs above or below, or comparable to it. Typically, benchmark jobs are used for making pay comparisons either within the organization or to comparable jobs outside the organization.
- B. Demotion: A change in duty assignment from a job in one classification to a job in another classification in a lower pay grade. Such a demotion may involve a decrease in compensation.

- C. Exempt job: A job that is not subject to the overtime provisions of the Fair Labor Standards Act. Exempt employees include professionals, administrators, and executives.
- D. Job: A collection of tasks, duties, and responsibilities that constitutes the assignment for one or more individuals whose work is of the same nature and that requires essentially the same qualifications. Each job has an official university job title and is assigned to a pay grade based on job evaluation factors. There may be many jobs with the same job title.
- E. Job Analysis Questionnaire (JAQ): A data collection questionnaire used to gather job information.
- F. Job classification: Assignment of a job title to a pay grade based on a quantitative evaluation of the job. As a management tool, job classification provides uniform titles for use in personnel administration, budgets, payroll, and other official records; serves as the basis for establishing fair pay levels for staff employees; and establishes the requirements of jobs for promotional, recruitment, and training purposes.
- G. Job description: A summary of the most important features of a job, including the general nature of the work to be performed, job duties, and job requirements. Job descriptions are written in a generic manner using a uniform format for applicability throughout the university.
- H. Job description addendum: An optional form used to submit additional job information for job posting purposes. The job description addendum allows departments to tailor the generic job description to meet their specific needs.
- I. Job title: The official title of a university job that shall be used on all personnel documents and records. (A different functional title may be used by departments for internal purposes, provided it is not an approved, official university job title.)
- J. Job re-evaluation: The review of a job evaluation that may result in reassignment of the job to a higher or lower pay grade as a result of significant changes in responsibilities, duties, and/or requirements.
- K. Job hierarchy: A result of job evaluation process where jobs are evaluated either by market data analysis, use of an objective job evaluation methodology or a combination of both. The job hierarchy is the foundation for how jobs are placed on the pay grade structure and is a reflection of job value by the organization.

- L. Lateral transfer: A move to another job with the same pay grade and pay range, normally with no change in pay.
- M. Midpoint: The pay level midway between the minimum and maximum rates of the pay range.
- N. Non-exempt job: A job deemed to be non-exempt according to the Fair Labor Standards Act and, therefore, subject to the overtime provisions of the FLSA. Non-exempt jobs include jobs formerly designated in the University of Houston compensation plan as Office and Clerical (O&C) or Technical, Service, and Crafts (TS&C), and who are paid biweekly on an hourly basis.
- O. Pay grade: A pay level into which jobs of the same or similar value are grouped for compensation purposes. All jobs in a pay grade have the same pay range.
- P. Pay range: The range of pay rates established for a pay grade. The minimum and maximum of each pay range represent the minimum and maximum values, respectively, to the university of all jobs assigned to that particular pay range.
- Q. Pay rate: The specific salary or hourly rate within the pay range that is paid to the employee. Under terminology provided in federal law, exempt employees are paid salaries, and non-exempt employees are paid an hourly rate.
- R. Pay structures: The structures of pay grades and pay ranges, each with a minimum, midpoint, and maximum rate, developed by the university for regular benefits-eligible staff jobs. Specific information on pay structures is available from the Human Resources Department upon request.
- S. Position: A placeholder specific to a department or division for an individual employee, used to track full time equivalency. Typically used in organizations for budgetary control of FTE or employee counts within a specific department or division. Many positions may be assigned to the same job code and title.
- T. Promotion: Movement from one job in a career path to a new job in a higher pay grade, which involves a higher level of responsibility and higher job requirements, and which usually involves an increase in pay. Generally, promotions are movement within the same job family or following a defined career path. Exceptions to this must be approved by HR.

- U. Position Request Form: The official university form used for staffing purposes to request (1) replacement of an employee in an existing vacant position, (2) creation of a new job, or (3) reclassification of a job title.
- V. Quartiles: The four equal parts of the pay range. Typically, position in the pay range is related to factors such as performance and years of service. This is typically referred to as the “compa-ratio” of the individual.
- W. Reclassification: A change in a job's title and/or grade level based on a significant change in the duties of the job and level of responsibility.
- X. Transfer: A move by an employee from one university job to another vacant job, resulting from voluntary application for the job by the employee. A transfer may be a promotion, a lateral move, or a demotion, depending upon whether the job transferred into is assigned a higher, the same, or a lower job classification and pay grade.

IV. PROVISIONS

- A. The Assistant Vice President for Human Resources or designee is responsible for administration and maintenance of a quantitative job and classification system for university staff employees and for the development and maintenance of related compensation programs, procedures, and practices.
- B. Jobs that involve substantially the same kind of work, equivalent levels of complexity and responsibility, and require comparable knowledge and experience will be grouped together into the same job title.
- C. Each staff job shall have a job description that includes the official job title, a description of the job function, examples of job duties, and job requirements. Job descriptions shall be written in a generic manner using a uniform format for applicability throughout the university.
- D. The job title assigned by the Human Resources Department to each job in the job classification system will be used for official university purposes. This job title shall be used on all personnel documents and records. A different functional position title may be used by departments for internal purposes with the approval of division administration; the functional position title is not the same as an approved, official university job title.
- E. All wage and salary funds received by the University of Houston are subject to university regulation and control, regardless of the original source of funds. The origin of wage and salary funds has no bearing on the pay grade assignment or pay rates established for jobs and positions.

V. JOB DESCRIPTIONS

- A. The duties, responsibilities, and job requirements of all jobs in the university's job classification system are documented in writing by means of a job description. Job descriptions are necessary for the following reasons:
1. To evaluate and classify jobs to determine appropriate internal job relationships;
 2. To communicate to new or existing employees their fundamental duties and responsibilities;
 3. To provide job information that can be used to determine competitive pay relationships in the labor market;
 4. To provide job information that can be used in the recruitment and selection process;
 5. To provide job information that can be used in employee relations matters, such as performance appraisals, employee orientation, grievance resolution, and identification of training and development needs; and
 6. To ensure compliance with government legislation.
- B. The Human Resources Department is responsible for preparing and updating job descriptions for all benefits-eligible staff jobs using a uniform format. The job description format may be revised from time to time to better meet the needs of the university and conform to changing legal requirements.
- C. Official job descriptions for all university staff jobs are maintained by the Human Resources Department. Current job descriptions are also available electronically on the UH Human Resources web pages.
- D. Changes in the duties or responsibilities may require re-analysis and re-evaluation of a job. Where changes are judged to be significant by the supervisor and/or manager, he or she should complete a JAQ and solicit review by the appropriate college or division business administrator. If the administrator concurs, he or she signs the JAQ and forwards it to the Human Resources Department where it will be reviewed according to established procedures.

- E. To ensure that job descriptions are maintained and current, the Human Resources Department will review new jobs each year, plus those jobs for which re-evaluation is requested. An annual review of the university's jobs and pay structures will be made by the Human Resources Department.

VI. JOB EVALUATION AND CLASSIFICATION

- A. Most benefits-eligible staff jobs will be assigned to pay grades using the UH job evaluation plan. The job evaluation plan consists of compensable factors such as education, experience, complexity, problem-solving, customer service, leadership, etc. Each job factor has been assigned a numeric weight (points) and jobs are assigned to pay grades based on their total number of job evaluation points. More detailed information on job evaluation methodology and the university's job evaluation plan is available in the Human Resources Department and on the HR web site.
- B. New or significantly revised jobs must be reviewed by the Human Resources Department in order to classify them into their appropriate pay grade. When a new job is created or an existing one is substantially revised, a JAQ should be completed and submitted through the college or division business administrator to the Human Resources Department. A transmittal memo explaining the request must be included with the JAQ. To assist in expediting the request, colleges/divisions should include all pertinent information, including organization charts. (Detailed information concerning requests for evaluation or re-evaluation of jobs is found in the manual, "University of Houston Compensation Program Administrative Guidelines.")
- C. Based on information contained on the JAQ, the Human Resources Department will perform the following tasks:
 - 1. Coordinate the gathering of all necessary supplementary job data to achieve a detailed understanding of the job, including supervisor and incumbent input;
 - 2. Work with the department or division to prepare a new job description, if justified;
 - 3. Where necessary, evaluate the job using the job evaluation plan; and
 - 4. Assign the job to the appropriate pay grade according to the job evaluation results.

- D. When a new job title is created or an existing job is re-evaluated, the Human Resources Department will work with the department or division to develop a draft job description for the college or division business administrator(s) to review and notify him or her (or as many business administrators as may be affected) of the job evaluation rating. After comments are obtained from the administrator(s), the new or revised job description will be finalized and a formal determination on pay grade assignment will be made by the Human Resources Department.
- E. Once a formal determination on pay grade assignment has been made by Human Resources, the department may challenge the determination with appropriate documentation (including but not limited to descriptive job documentation) with approval from the division Vice President. For record purposes, the vice president must submit a written rationale for the exception for the official job file. In the event the department and HR cannot reach an agreement, the Compensation Committee shall be consulted.
- F. A Position Request form must be processed by the college/division whenever a new job is created. A copy of the approved job description should be included, as well as a job description addendum, if necessary.

VII. PAY STRUCTURES

- A. The University of Houston uses three pay structures to establish compensation limits for most benefits-eligible, staff jobs. Copies of pay structures are available in the Human Resources Department and on the HR website.
 - 1. UHN - pay structure for most non-exempt jobs;
 - 2. UHE – pay structure for most exempt jobs;
 - 3. TDS - pay structure for trades and skilled craft jobs;
 - 4. PRJ – pay structure for PeopleSoft IT jobs assigned to PeopleSoft projects;
 - 5. RSE - pay structure for research jobs; and
 - 6. UHX – pay structure for management jobs that do not fit in the UHE pay structure.

- B. Pay structures are based on competitive practices and internal equity considerations and provide the possibility for progression to more responsible jobs with higher and broader pay ranges. The structures are intended to accomplish the following functions:
1. Define the competitive pay for the university to the relevant external market for jobs and job families;
 2. Establish differential pay levels between jobs to recognize differing demands; and
 3. Establish lower and upper limits of value for each job.
- C. Midpoints of the pay ranges represent the university's desired competitive policy line or position to the external market. Midpoints are determined by a statistical calculation based on external pay survey data for benchmark jobs in each pay grade. The minimum and maximum of each pay range represent the minimum and maximum values, respectively, to the university for all jobs assigned to that particular pay range.
- D. In most cases, the first quartile is considered the range of value for a newly hired employee who meets the minimum qualifications of the job. Thus, most new employees should be hired within the first quartile of the range, but colleges and divisions have full authority to hire or promote into jobs at rates up to midpoint. Hiring employees above the first quartile requires the prior approval of the Human Resources Department.
- E. Hiring employees at salaries below the minimum of the pay range is contrary to university policy and is not permitted. Conversely, the maximum of a pay range is the upper limit of pay for a job. An employee's rate of pay may not normally exceed the maximum of the pay range for his or her job.
- F. During the first quarter of each year, as part of the budget process, the Human Resources Department will review the competitiveness of the university's pay structures. The review will include (1) comparisons of the competitive status of the university's pay ranges to the relevant external markets, and (2) a review of anticipated average movement of pay structures by peer and comparison organizations. Based on the findings of the review, a recommendation will be made concerning adjustments to the pay structures. The recommendation will include detailed cost analyses.

VIII. RECLASSIFICATIONS

- A. Significant changes in the duties and level of responsibility of a job may result in a change in job title and/or pay grade level.
- B. Requests for reclassification of jobs, filled or vacant, should be submitted to the Human Resources Department on a Job Request form. The Job Request should be accompanied by a transmittal memo explaining in detail the basis for the proposed reclassification and a copy of the job description for the proposed job.
- C. On requests for reclassification of a filled job, a JAQ must be completed and signed by the incumbent. The immediate supervisor and manager must also sign the JAQ to indicate their review and concurrence. The completed JAQ should be submitted with the Job Request, transmittal, and proposed job description. Other pertinent information, such as organization charts, similar functions in the organization, etc., should be included if it will aid in understanding the request.
- D. The Human Resources Department will review the request and determine whether sufficient information exists to make a determination. If necessary, a meeting will be scheduled with the incumbent to obtain additional job information and reach a better understanding of the job.
- E. After review of all relevant information, Human Resources will make a preliminary determination and discuss it with the college or division business administrator to obtain his or her input. Shortly thereafter, a final determination will be made and communicated formally in writing to the college or division. Once a formal determination on pay grade assignment has been made by Human Resources, the department may challenge the determination with appropriate documentation (including but not limited to descriptive job documentation) with approval from the division Vice President. For record purposes, the vice president must submit a written rationale for the exception for the official job file. In the event the department and HR cannot reach an agreement, the Compensation Committee shall be consulted.
- F. An employee whose job is reclassified to a job having increased responsibilities or complexity of duties and in a higher pay grade, and who is eligible to remain in the job, is considered to have been promoted as a result of the reclassification. Compensation for such reclassification will be in accordance with the university's policies and procedures governing promotions.

- G. An employee whose job is reclassified to a job having decreased responsibilities and complexity of duties, resulting in a lower job classification and pay grade is considered to have been demoted as a result of the reclassification.
- H. An employee whose job is reclassified to another job assigned to the same pay grade is considered to have received a title change (lateral reclassification) as a result of the reclassification. Normally there will be no change to the base pay rate of an employee who is laterally reclassified.

IX. REPORTING

Each November, Human Resources will prepare a report that cites all vice presidential overrides for the previous fiscal year. Such report will be forwarded to the Vice President for Administration and Finance.

- X. Responsible Party: Assistant Vice President for Human Resources

Review: Every three years, on or before September 1

XIII. APPROVAL

John Rudley
Vice President for Administration and Finance

Jay Gogue
President

Effective Date: November 30, 2006

XII. REFERENCES

UH System Administrative Memorandum 2.B.01

MAPP Policy 2.01.02

Index Terms:

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