

**CREIGHTON UNIVERSITY**  
**COMPENSATION GUIDELINES AND PROCESSES**  
Effective July 1, 2007

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**INTRODUCTION**

Creighton University strives to provide a balance of competitive compensation, benefits, and employee-related programs. *Creighton's compensation philosophy is to pay competitively in the market, specifically, within higher education, health sciences and the local labor market, in order to attract and retain staff, administration and faculty.* Creighton's compensation guidelines were developed around the following principles:

- a. A competitive compensation/benefits analysis of comparable positions and organizations in the market place;
- b. The trend in market salary budgets;
- c. Fairness and equity for all university positions;
- d. The Creighton University mission; and
- e. Market supply/demand.

**COVERED EMPLOYEES**

The compensation guidelines apply to all benefit eligible faculty and staff employees in both exempt and non-exempt positions.

**EMPLOYEE CLASSIFICATION**

**The determination of status is based on the federal guidelines under the Fair Labor Standards Act.**

<b>Classification</b>	<b>Pay Frequency</b>	<b>Overtime Eligible</b>
<b>Exempt</b>	<b>Monthly</b>	<b>No</b>
<b>Non Exempt</b>	<b>Bi-Weekly</b>	<b>Yes</b>

- Employees classified as non-exempt are required by law to be compensated at 1.5 times their hourly rate for all hours actually worked over 40 hours in a work week.
- Comp time is not allowed between work weeks.
- Creighton defines a work week as Saturday through Friday.

**SALARY ADMINISTRATION**

Salary ranges establish the general framework for setting compensation and market-based pay decisions. An adjustment in the salary structure does not mean automatic adjustments to individual base salaries. Individual salaries and salary ranges will be reviewed on an ongoing basis to determine if adjustments are appropriate. Creighton University's salary ranges consist of a range minimum, midpoint and maximum.

<b>Salary Range Minimum</b>	The minimum salary rate established for a particular job assigned to the range. Most likely less than the market 25 <sup>th</sup> percentile.
<b>Salary Range Midpoint</b>	The middle or (median) point of a salary range. Most likely +/- 10% of the market median (50 <sup>th</sup> percentile).
<b>Salary Range Maximum</b>	The maximum salary rate established for a particular job assigned to the range. Most likely more than the market 75 <sup>th</sup> percentile.

Depending on a variety of factors, it is difficult to project how long it might take an employee to reach the different levels of the salary range they are assigned. These factors include:

- Experience & Education
- Performance
- Width of salary range
- Competence
- Organization's philosophy

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Knowing that all of the factors above contribute to pay and placement in the salary range, consider the following:

- A person with little to no experience should be paid close to the minimum of the salary range, which can be less than the 25<sup>th</sup> percentile in the market.
- A person with strong performance and fully competent (met entire learning curve) should be paid between the 25<sup>th</sup> and 50<sup>th</sup> percentiles or between the minimum and the midpoint of the salary range.
- A fully competent person with strong performance who has been in the same position for many years may be paid at or above the range midpoint or above the 50<sup>th</sup> percentile in the market (market median or target).

**Market targets are not exact pay rates for positions; they are simply guides and can vary +/- 10% depending on the factors described above.**

**EMPLOYEE ACTIONS**

Action	Description	Example:	Documentation/Action	Effective Date	Increase
<b>Promotion<sup>1</sup> Competitive</b> (Inter-Department or Intra-Departmental)	Employee has applied for the higher level job through the job posting system and has been selected among all candidates for the position. The employee may be transferring to a new department or remaining in the same department.	Accountant to Billing Manager	<b>Hiring Proposal</b> <b>Performance Evaluation</b> if more than 6 months since last review (Outgoing Manager)	Effective the pay cycle following submission to HR (no retro-active promotions)	<b>5- 10%</b> or new grade minimum (Depends on experience, position in salary range, market, & internal equity)
<b>Promotion<sup>1</sup> Skill Dependent</b> (Intra-Departmental)	Promotion to a position that is a higher grade level, as a result of attaining a certification or additional specific experience. Example: Processor to Senior Processor or Coder to Certified Coder. Employee is not changing departments.	Accountant to Sr. Accountant  Cardiac Tech II to Cardiac Tech III	<b>EAF</b> <b>Performance Evaluation</b> if more than 6 months since last review (Outgoing Manager)	Effective with upcoming pay cycle per job status (M or B) *must adhere to documentation deadlines	<b>5- 10%</b> or new grade minimum (Depends on experience, position in salary range, market, & internal equity)
<b>Transfer/Lateral Move</b>	Transfer to another position in the same or another department. The position is the same grade level.	Senior Specialist/G to Associate Manager/G	<b>Hiring Proposal</b> <b>Performance Evaluation</b> if more than 6 months since last review (Outgoing Manager)	Effective with upcoming pay cycle per job status (M or B) *must adhere to documentation deadlines	No increase
<b>Demotion<sup>2</sup>/Step Down</b>	Demotion due to performance or employee has chosen to move into a position at a lower grade level.	Accounting Manager to Accountant	<b>Hiring Proposal</b> , <b>Performance Evaluation</b> if more than 6 months since last review (Outgoing Manager) and <b>Performance Improvement Plan</b>	Effective with upcoming pay cycle per job status (M or B) *must adhere to documentation deadlines	Salary decrease, contact Compensation Manager for recommendation
<b>Salary Change</b> (Not annual merit)	Increase or decrease in salary or change from bi-weekly to monthly and vice versa	Reclassification, market, etc.	<b>1. Reclass &amp; Market Adjustment:</b> Input new description in People Admin for Comp Review.  <b>2. EAF:</b> Once approved by Compensation, submit the EAF	Effective with upcoming pay cycle per job status (M or B) *must adhere to documentation deadlines	Varies
<b>Annual Merit</b> (effective with fiscal year)	Increase as a result of annual performance evaluation process.		Enter into budget system, Changes in title/grade, costing, status (FT,PT, Monthly, Bi-weekly) require an EAF	Effective with 1 <sup>st</sup> pay cycle in Fiscal year (on or around July 1)	Based on merit matrix, typically up to 5% depending on performance.

1. **Promotional increases should be based on performance, experience, external market and internal equity. The outgoing manager should complete a “close-out” review with the employee if a review has not been completed within the last six months of the promotion date.**
2. **You should consult with a representative from Human Resources in the case of a demotion to ensure proper documentation and that a performance improvement plan has been established.**

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**PERFORMANCE EVALUATIONS/MERIT INCREASES**

Creighton University’s performance rating structure and merit matrix align merit increases with performance and the merit budget. The merit budget is determined from studying merit increase trends in the market and may change from year to year. Based on the employee’s overall rating of *Needs Improvement*, *Meets Objectives* and *Exceeds Objectives*, the following recommendations apply when granting merit increases. You should always take current pay in relation to the current salary range and/or market when granting increases.

<b>Needs Improvement</b>	<b>Meets Objectives</b>	<b>Exceeds Objectives</b>
<b>0%</b>	<b>2% - 4%</b>	<b>3% - 5%</b>

- Departments must remain within their overall salary budget and increases are subject to availability in the budget.
- New hires with a start day on or after April 1 should be evaluated 6 months from hire date to determine if an increase is appropriate. Any increase should be pro-rated for the 6-month time period.
- Employees rated “Needs Improvement” may be evaluated again in 6 months to assess performance level and determine if an increase is appropriate at that time. Increase will not be retro-active to the fiscal year.

**POOR/FAIR PERFORMANCE**

Any employee with an overall rating of Needs Improvement will not be eligible for an increase. The employee should be on a performance improvement and/or progressive discipline plan if scoring at this level. Managers should collaborate with a representative from Human Resources to develop appropriate documentation for the performance improvement and/or progressive discipline plan. It is important for employees to know where their performance is marginal or less than satisfactory. Managers must work with the employee to attain a better level of performance. In some cases, if an employee has made significant improvement throughout the year, a manager may consider a prorated merit increase to recognize progress. The increase will not be retroactive to the fiscal year and may be lower than guidelines.

If written notice or probation is warranted, the manager should consult with a representative from Human Resources to assure proper documentation. Any increase should be delayed until the employee is no longer on written notice or probation. Once performance is brought to an acceptable level, an increase may be awarded at a rate less than the guidelines and will not be retroactive to the fiscal year.

**SALARIES ABOVE MAXIMUM**

An employee whose salary is at or above maximum of the current salary range normally will not be eligible for a merit increase. This employee is being compensated at the “top of the market” for comparable positions. Some situations may warrant a lump sum merit award, which does not increase the employee’s base salary, but still rewards performance. Please consult with the Compensation Manager to determine if a lump sum award is appropriate.

**NEW HIRES**

A new employee will be hired at an appropriate salary within the grade established for the position based on experience, qualifications and market. Generally a new hire is hired between the minimum and midpoint of the job grade. If circumstances demand that a salary be offered above the midpoint of the job grade, approval must be obtained from the Compensation Manager. Appropriate documentation will be requested. Managers need to plan and budget to ensure new hires join the organization at an appropriate salary level. New hires with a start date on or after April 1 should be reviewed six months from hire date to determine if an increase is appropriate.

**LEAVES OF ABSENCE**

If an employee is on an authorized Leave of Absence at the time of review, or has been on leave during the previous 12-month period, contact the Compensation Manager to determine how the situation should be handled. In most cases the employee will be eligible for an increase upon return from LOA.

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**ADMINISTRATIVE NOTES**

- Performance reviews without performance level ratings will be returned to the manager for completion. No merit increase will be approved without a completed performance review.
- If there are exceptions to guidelines, written justification needs to be attached. The Compensation Manager will contact the appropriate department or division head regarding approval.
- Salary adjustments, transfers and/or promotions will generally not be approved if the position has not been evaluated or lacks a job description.
- Compensation guidelines and processes are reviewed regularly and may be revised at any time to meet business objectives.

**IMPLIED CONTRACTS**

At no time should a manager share with an employee a salary review that includes an oral or written statement of a promised grade, title, and/or salary without the approval from the next level manager and Human Resources. Such action may severely impair the EEO and business objectives of the University particularly if outside salary guidelines. Wait for approval before discussing any action with a particular employee.

***THE COMPENSATION MANAGER AND EXECUTIVE DIRECTOR OF HUMAN RESOURCES MUST APPROVE EXCEPTIONS TO ANY OF THE ABOVE.***

**Frequently Asked Questions and Answers are included on the next page for reference.**

## **Frequently Asked Questions**

**Question:** If I apply for an internal position that is a higher grade level, what kind of salary increase should I expect?

**Answer:** It depends on your qualifications for the position. Typically a 5-10% salary increase is awarded, but is not guaranteed due to a variety of factors including experience, education, budget, and internal equity.

**Question:** If I am on leave of absence at the time of my performance evaluation, when will I receive it?

**Answer:** Your manager should review your performance upon your return from leave.

**Question:** I scored “Exceeds” on my review, but only received a 3% increase. According to the chart, I should receive 4-5%.

**Answer:** Due to the rating distribution of other employees in your department and the budget, you may or may not receive what is recommended in the merit matrix. The merit matrix is a tool that assists with merit increase differentiation. Managers still have to adhere to their overall target budget.

**Question:** I’ve worked here for over a year and haven’t received a performance evaluation.

**Answer:** All employees should be reviewed in the January/February timeframe. You should contact Human Resources if you haven’t received a formal performance evaluation.

**Question:** Is there a specific target such as the 50<sup>th</sup> percentile that all employees will be paid at?

**Answer:** No, individual salaries are reviewed on an ongoing basis to determine the fair market rate based on performance, experience, internal equity and external market.

**Question:** How many years should it take for me to get to the midpoint of my salary range?

**Answer:** Depending on the width of the salary ranges (difference from minimum to maximum), performance, experience, etc. there is not an exact number of years that it takes employees to reach the midpoint of the range. It also depends on if the salary ranges are adjusted each year. Individual salaries are reviewed on an ongoing basis to ensure internal and external equity.

**Question:** Should all employees be paid at the minimum?

**Answer:** Depending on experience, performance, range width, etc. it is possible to be paid below the minimum of the salary range. However, a plan should be developed to move an individual further in the range.

**Question:** How often does Creighton review market data to determine if it is paying employees competitively?

**Answer:** Compensation plans to review most positions annually and some positions every other year to ensure a competitive position in the marketplace.

**Question:** Why isn’t my salary adjusted when the ranges are adjusted?

**Answer:** Salary range movements do not equate to individual salary adjustments. Employees are eligible to receive annual increases based on performance. Creighton does not have a policy in place that grants across-the-board pay adjustments for salary range movement, specific market adjustments and/or cost-of-living adjustments.

**Question:** What is considered market? How do you determine the market for each position?

**Answer:** Creighton participants in several compensation surveys that include data from peer organizations including higher education, health sciences as well as our local labor market. For example, we look at data from the Health Sciences industry for nursing positions. We look at higher education for faculty and like positions and we look at our local labor market across all industries for positions in Information Technology, Finance, Marketing, etc.