

# Staff Pay Administration Guidelines

2024

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# Introduction

The following Pay Administration Guidelines serve as a framework for managing compensation at Southern Methodist University. The compensation program has been designed to provide competitive, fair, and equitable compensation in order to attract, retain, and engage qualified employees. To this end, Southern Methodist University (“SMU” or the “University”) will:

- Provide pay opportunities that:
  - Are based on job responsibilities
  - Are competitive within the markets in which SMU competes for talent<sup>1</sup>
  - Promote internal equity with jobs that have similar duties and scope
  - Consider the financial resources of SMU
- To reward meritorious performance by focusing salary increases on individual achievement and contribution.
- To pay equal pay for equal work. To develop consistency in salaries paid for persons performing equal work for jobs that require equal skill, effort, and responsibility.
- To operate within the budget established by the University for standard compensation.
- Ensure understanding of the compensation program through open and clear communication, accessible information, and continued education & training for leaders, managers, and employees on key components of the program.
- Comply with applicable federal laws such as the Equal Pay Act, the Fair Labor Standards Act, and any other applicable state and federal laws and regulations

These guidelines are intended to be a reference for ongoing administration of salaries and wages in a manner consistent with the program. The Department of Human Resources (“Human Resources”) is primarily responsible for administering the program. SMU will update this program regularly (e.g., market adjustments to salary structure and benchmarking reviews) in order to keep it current.

These guidelines, as well as the attachments and all subsequent revisions, supersede and/or replace all policies, rules, and compensation program descriptions issued previously.

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<sup>1</sup> Refer to the “Aspirational and Peer List” located in Appendix B.

# Roles and Responsibilities

To ensure that the program is administered in a consistent, impartial manner, the roles and responsibilities for key stakeholders involved in compensation decision-making are defined in the table below. In cases where Human Resources and managers do not agree on aspects of these guidelines, the appropriate Vice President will engage and make the final decision.

<b>SMU Leadership (VP/Dean)</b>	<ul style="list-style-type: none"><li>• Communicate openly, regularly, and clearly with SMU’s employees on compensation-related matters</li><li>• Endorse compensation program design and implementation processes</li><li>• Establish and communicate institutional market strategy and goals to the community</li><li>• Set the standard for performance planning, coaching and feedback, and hold direct/indirect reports accountable for the same</li><li>• Review and endorse updates of the salary structure, as appropriate</li><li>• Within the constraints of limited resources and the prioritization process for the annual operating budget, provide the resources needed to maintain the compensation program</li><li>• Hold other leaders and managers accountable for adhering and upholding the principles of the compensation program and effective, consistent compensation management</li><li>• Approve relevant pay actions, where applicable, ensuring consistency of application not only within functional area, but across SMU</li></ul>
<b>Human Resources</b>	<ul style="list-style-type: none"><li>• Provide leaders and managers with the tools and resources needed to make pay recommendations for staff and faculty (market data, hiring ranges, federal/state policies, etc.)</li><li>• Collaborate with leaders and hiring managers to establish and maintain appropriate pay</li><li>• Design, develop, and maintain the compensation program, including pay guidelines, and ensure fairness in and consistency of application</li><li>• Provide strategic and operational advice to University leadership on compensation issues, market trends, and relevant regulations</li><li>• Regularly collect market data from the appropriate sources, assess pay competitiveness, and recommend adjustments to the salary structure as well as individual compensation</li><li>• Regularly monitor the effectiveness of the compensation program and practices, its continued competitiveness, and on-going equity</li><li>• Communicate the compensation program and ensure understanding within the community</li><li>• Work with department heads, managers, or appropriate individuals to ensure job descriptions are current and accurate</li><li>• Conduct compensation program training to ensure understanding of program components</li><li>• Take a lead role in facilitating the review of pay decisions and changes,</li></ul>

	in partnership with leadership
<b>Managers</b>	<ul style="list-style-type: none"> <li>• Provide Human Resources with the necessary information to establish and maintain appropriate pay</li> <li>• Understand job responsibilities and requirements of jobs in area(s) of responsibility, and the skills, knowledge, experience, and performance levels of employees in their areas</li> <li>• Maintain accurate and current job descriptions</li> <li>• Set performance expectations, provide clear and helpful feedback, and evaluate performance</li> <li>• Communicate openly with employees about compensation topics</li> <li>• Help employees understand career development and progression opportunities within their functional area(s)</li> <li>• Provide input on suggested pay actions to the Department of Human Resources</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Understand own job responsibilities, requirements, and expectations</li> <li>• Work with manager to ensure job description is current and accurate</li> <li>• Actively participate in education on the specifics of the compensation program (attend trainings, become familiar with tools and other resources available, etc.)</li> <li>• Proactively reach out to manager to obtain feedback on performance</li> <li>• Communicate openly and regularly with manager to address any issues and concerns</li> <li>• Seek opportunities for development and advancement through outreach to manager, functional leader, and/or Human Resources</li> </ul>

# FLSA Wage & Hour Guidelines

SMU administers its compensation program so that it is in compliance with all state and federal guidelines. One key federal law that governs pay is the Federal Labor Standards Act (FLSA). It is very important that those who manage employees and approve timesheet submissions to payroll be well-versed in this law.

This legislation places all employees into one of two designations, upon meeting specific criteria. In accordance with legal requirements, the classification of a job as exempt or non-exempt depends on the content of the job as outlined in the federal regulations. Criteria include type of job responsibilities, reporting relationships, and/or qualifications of the person. It does not depend on how the staff member (or manager/supervisor) wants to classify the job. The Department of Human Resources will make the final decision as to whether a job meets the regulatory criteria to be classified as exempt or non-exempt based on an analysis of the job as compared to federal regulations.

1. An **exempt** employee is one who passes all exemption tests under FLSA and is not required to be paid overtime pay.
2. A **non-exempt** employee is one who does not meet criteria for exemption under FLSA and is eligible to receive overtime pay (1½ times regular hourly rate for any time worked over 40 hours per week).

Federal and state laws require that employees in non-exempt jobs be paid for all the time they work. According to FLSA, SMU can be penalized for failure to pay for unauthorized time worked.

It is the responsibility of the manager to communicate when overtime is and is not appropriate for an employee. In order to adhere to the budget, managers must inform employees in advance of restrictions in the number of overtime hours worked.

It is the responsibility of the employee to follow managerial guidance and to work overtime only when it is approved by his or her manager.

Further detail on FLSA can be found on the Department of Labor's website:  
<https://www.dol.gov/agencies/whd/flsa>

# Market-Based Pay Grades

SMU maintains a market-based compensation program that supports the institution's strategic vision, mission, values, and its diverse staff population. The staff salary structure was developed using external survey pay information gathered from market benchmarking and contains market competitive, differentiated pay grades. These grades are intended to:

- Require less frequent maintenance and reevaluation of jobs
- Increase flexibility in job movement and pay progression
- Balance pay considerations for both the job and the person

Periodically, SMU will conduct a comprehensive market assessment to evaluate the staff salary structure's competitiveness and alignment with SMU's mission and objectives. SMU's leadership will review and approve changes made to the salary structure in light of the financial resources of the institution.

SMU's market-based salary structure consists of a series of pay grades that represent a continuum of pay based on the external market. The chart in Appendix A provides the most recent salary structure for staff, including each pay grade minimum, midpoint, and maximum.

Benchmark jobs are assigned to pay grades primarily based on their market value. This is defined as jobs with similar responsibilities and skill requirements that are typical in the market and where reliable pay data can be found in published surveys. The pay grade is then assigned by taking the market median and aligning it to the closest midpoint of a paygrade.

For other jobs, market data may not be available; these are called "non-benchmark" jobs. Non-benchmark jobs include jobs that are created to meet a unique need at SMU, jobs that are a blend of multiple functions, and jobs for which viable survey data are not available. Non-benchmark jobs are assigned to pay grades through a process of comparing them to similar benchmark jobs by considering:

- **Education/experience:** Formal education and experience that would be the minimum requirements for the job. *Example: Bachelor's degree in accounting or a related field with at least five years of experience*
- **Skills, Knowledge, and Competencies:** The formal/informal expertise needed to perform the duties of the job on a day-to-day basis. *Example: Accounting rules, standards, and procedures*
- **Impact:** The impact that a job has on key institutional imperatives. *Example: Financial health or effectiveness and quality of services provided within the institution*
- **Scope of Responsibility:** The breadth or range of the job's operational influence within the institution. *Example: Institution-wide, division, or department*

Human Resources works with SMU leadership to ensure a review of internal equity of all jobs to ensure appropriate pay grade placement.

# Managing Individual Pay

The compensation program's pay grades are wide enough to accommodate a variety of experience, qualification, and performance levels, and generally, all staff can expect to be paid within the salary structure associated with their job's grade.

All job descriptions submitted to Human Resources are reviewed and aligned with a specific pay grade. If the job is a benchmark job, refer to the "Market Pricing Guidelines" section for guidelines on benchmarking the job and reference the resulting survey data to assign the job to the most appropriate pay grade (i.e., the pay grade with the midpoint closest to the survey market median).

If the job is a non-benchmark job, HR and the supervisor will evaluate the job relative to the closest comparable job at SMU based on:

- Education/experience
- Knowledge and Skills
- Impact
- Scope of Responsibility

**Setting Starting Pay**—once the pay grade for the job has been determined, the starting pay will be set at a minimum of 90% of the market median. Determining actual pay for an individual will be done in conjunction with Human Resources.

**Review Internal Equity**—before any pay is finalized for new hires, promotions, or reclassifications, Human Resources will conduct a review of salaries of current staff members in similar jobs to ensure internal equity.

**Final Approval of Pay**—final pay recommendation will be submitted to Human Resources and the department head for review and approval. The pay grade and salary must be approved by the appropriate Vice President or Dean.

As noted previously in the roles and responsibilities, if Human Resources and the manager do not agree on these and other related compensation guidelines, the appropriate Vice President will make the final decision.

## Managing Pay within a Pay Grade

The salary structure consists of a series of pay grades that are designed to provide competitive pay opportunities for the responsibilities and requirements of jobs at SMU. Individuals within a job will progress through the pay grade based on growth in their knowledge and experience as well as performance.

All incumbents can generally expect to be paid within the guidelines associated with their job's pay grade. As a general policy, no one should be paid above the pay grade maximum or below 90% of the market median for the assigned job title. Each pay grade provides a range of pay opportunities for jobs assigned to that pay grade. Pay for individual incumbents will be determined by their skills, knowledge, experience, and performance within their new pay grade.

## Annual Pay Increases

While it is the intent of SMU to provide pay increases when finances permit, the institution cannot guarantee that such increases will occur every year.

SMU's Leadership will annually determine pay increases dependent upon funding provided by SMU's own financial situation. This will also take into consideration market trends and overall University strategy and goal achievement.

## Extra Compensation

The University recognizes that staff may be entitled to compensation in addition to their normal base pay. This type of compensation is a supplement to base pay called "Extra Compensation."

Staff can be compensated for assignments for which they are specifically qualified but fall outside the expectations associated with the employee's current job description. Activities that qualify for Extra Compensation include credit instruction, non-credit instruction, temporary assignments to sponsored projects, and other temporary arrangements normally across departmental lines. To avoid conflict of commitment, the additional duties must be feasible and must not interfere with or diminish the staff member's capacity to meet the expectations of the primary job duties. In addition, staff receiving extra compensation for instructing an academic course during administrative and general office hours must take time from their vacation accruals and report time as vacation. (See [Staff Vacation Policy 7.14](#))

Non-exempt employees are compensated for all hours worked based on an hourly rate of pay. Non-exempt employees are required to record all hours worked in the university's timekeeping system. All hours worked (including tasks that are eligible for Extra Compensation) will be combined to determine overtime calculations.

# Job Reclassification for Staff

## Job Reevaluation

It is essential to distinguish between a change in the job content and a change in the incumbent's skills, knowledge, or performance. This section applies only to job content changes.

During the normal course of operations, changes in primary/essential responsibilities may make it necessary to rewrite or update the job description. If there are substantial changes, the modifications should be noted and forwarded to the manager for review and approval. In conjunction with Human Resources, the manager should review changes to ensure equitable distribution of departmental workloads and appropriate assignment of tasks. When both the manager and Human Resources are satisfied with the revised job description, the position will be evaluated for pay grade assignment by Human Resources.

The following are examples of situations that may warrant a job reclassification:

- Department reorganization and job restructuring
- Addition of full-time employees reporting to the job
- Addition of new and significant area(s) of responsibility
- Major change in level of authority and accountability

Small changes in a job do not influence market value or the job's core role at SMU and, therefore, would not warrant reclassification (e.g., different software to handle same job responsibilities, procedural changes to existing work). In addition, a job would not be reclassified if the incumbent earns a degree or achieves another educational milestone, unless this results in changes in the job, level of authority, scope of responsibility, etc.

Requests for reclassification should be made by the manager to whom the job reports, and not by individual employees. If an employee believes that their job needs to be reclassified, they should discuss this with their manager, who will review the request with Human Resources to determine the appropriate course of action. If the manager agrees with the request, they can forward the request to Human Resources for review. In the case of a re-organization, Human Resources can initiate the re-evaluation process.

## Movement to a Job in the Same Pay Grade

Not all career advancement opportunities are promotions. An employee can also advance in their career by taking a different job in the same pay grade. This enables the employee to become broadly skilled, therefore enhancing their ability to contribute to SMU and may eventually lead to promotion to a job in a higher pay grade.

The impact of a lateral pay grade move on an incumbent's pay level will be reviewed by Human Resources and their manager. Managers, in consultation with Human Resources, may recommend a pay increase within the pay grade based on the incumbent's skill, knowledge, experience, performance, and current position within pay grade. Final decisions regarding changes to pay must be reviewed by Human Resources and approved by the appropriate Vice President.

## **Movement to a Job in a Higher Pay Grade**

Typically called a “promotion,” this involves taking on a job that is assigned to a higher pay grade. Such a move generally warrants an increase in pay to recognize these additional responsibilities and to ensure that pay for the new job is consistent with market and internal equity. An exception may occur if the incumbent’s current pay is very high in the grade for his or her current job.

Human Resources and managers will collaborate to determine an appropriate pay within the pay grade, based on the individual’s skill, knowledge, experience, and performance. The manager will recommend a pay adjustment, which HR will review and approve, with SMU leadership, as appropriate. Since circumstances vary and each individual has a different pay history, it is important to consider multiple factors when making pay decisions related to promotions.

## **Movement to a Job in a Lower Pay Grade**

At times, an individual may be reassigned or choose to move to a position in a lower pay grade. This most likely will occur as a result of a more appropriate fit between the individual’s capabilities and the skills and expectations of a different job. When an employee either applies to a job or chooses to move to a job in a lower pay grade, the incumbent’s pay may be adjusted to reflect the responsibilities of the new job. In cases where a position is reassigned to a new grade due to a reorganization or restructuring, Human Resources, the supervisor, and if appropriate, SMU leadership will evaluate these situations on a case-by-case basis to determine if any pay adjustments are necessary and appropriate.

## Temporary Assignments/Interim Appointments

From time to time, it may be necessary for employees at SMU to take on additional or different responsibilities temporarily or on an interim basis. Depending on the nature of these assignments, corresponding changes to pay may be warranted. All exempt staff who are currently paid by SMU, in a full-time capacity may be eligible for additional compensation for taking on temporary or interim assignments in the form of extra compensation. This additional compensation is not part of the incumbent's base pay.

All non-exempt staff employees who are currently paid by SMU in a full-time capacity may be eligible for additional compensation for taking on temporary or interim assignments in the form of an adjusted hourly rate. The manager will recommend a new hourly rate, which Human Resources will review and approve with the appropriate Vice President. To comply with FLSA overtime pay rules, this temporary increase in compensation will be part of an incumbent's base pay. <https://www.dol.gov/agencies/whd/overtime>

### Temporary Short-Term Assignments

When a staff member is temporarily assigned to a job requiring a higher or lower level of responsibility on a short-term basis (typically less than 90 calendar days), the individual should continue to be compensated at his or her regular rate.

### Interim Appointments

An interim appointment is when an individual is appointed (in writing) to a different position (either in the same grade or in a higher grade) where there is a vacancy expected to last for an extended period of time. The individual will be held accountable for the scope of the interim role that is identified at the time of the Interim Appointment. Potential compensation is as follows:

- **Interim Appointment in the Same Pay Grade:** Since the interim position has the same pay potential as the individual's own position, base pay for the individual will not change, although the incumbent may be eligible for extra compensation, depending upon the duration of the appointment, the degree of complexity and/or importance of the additional work, and the level of performance demonstrated. Human Resources and the appropriate leadership member(s) will evaluate these situations on a case-by-case basis to determine if any extra compensation is necessary and appropriate.
- **Interim Appointment in a Higher Pay Grade:** Since the interim position has a higher base pay potential than the individual's own position, an individual taking on such an appointment may be eligible for a temporary increase in pay, determined under SMU's promotional guidelines as if the individual were being promoted to this position, and remaining in effect until the appointment is completed. Upon returning to their position, the employee will receive the pay they had been earning prior to the interim appointment, adjusted for any intervening pay increases (annual increases, increases due to market or internal equity, etc.). Human Resources and the appropriate SMU leadership member(s) will evaluate these situations on a case-by-case basis to determine if any extra compensation is necessary and appropriate.

In both cases, the manager will work with Human Resources and the appropriate SMU leadership to ensure the proper documentation and paperwork have been submitted for the change to be effective.

## **Pay Above Pay Grade Maximum**

Employees with pay above the maximum of their pay grade may not be eligible for increases to base pay. For these employees, any additional increases, if appropriate, will be provided from the annual 1% bonus pool. Employees whose pay is close to the maximum may receive an adjustment in two components: (1) partially as an increase to base pay, and partially as a lump sum from the annual 1% bonus pool. As pay grades are adjusted for inflation and/or market pressure, employee pay previously above the grade's maximum may again fall within the structure. Beginning with the merit cycle for FY26, there will not be a salary cap for those earning at or above the maximum .

## **Earning a Degree or Certification**

Earning a degree, certification, or accreditation, including an advanced degree, does not generally warrant a pay increase unless the current job requires the degree or job responsibilities change as a result of the degree attainment resulting in a movement of the job to a higher grade.

# Program Maintenance

## Job Descriptions

Job descriptions are an essential management tool and can be used for many purposes, including recruitment, organizational planning, pay benchmarking, FLSA classification, ADA (Americans with Disabilities Act) compliance, and conveying expectations for job duties and performance. Since jobs are assigned to pay grades based on their content, role, and responsibilities, it is important that job descriptions be current, accurate, and complete. Annually, managers should review job descriptions with their employees during the performance evaluation process and whenever a job is vacated.

For every job, a job description will be developed by the manager and approved by the Department of Human Resources. Job descriptions should not be viewed as an exhaustive list of tasks, but rather as an overview of the duties and responsibilities of the role. Human Resources will provide a job description template to managers for this process. Human Resources is responsible for archiving current job descriptions for all staff jobs.

## Maintaining the Pay Grades

The salary structure's pay grades (minimum, midpoint, and maximum) will be reviewed regularly and potentially adjusted to keep up with the market. The pay grades may be increased periodically based on the average annual pay range adjustments within education and general industry. This information is published by compensation planning resources such as WorldatWork, CUPA-HR, Society of Human Resources Management (SHRM). Note that this adjustment is to the pay grades, not individual pay. Individual pay changes will follow the guidelines above. Any changes to the pay grades are subject to the availability of financial resources of SMU and must be approved by the President's Executive Council.

Approximately every two years, SMU will complete a market check analysis, including a market assessment of benchmark jobs to gauge significant changes in the market. This may result in some additional adjustments to the structure or grade assignments.

## Market Adjustments

The Department of Human Resources will review survey data and internal pay periodically.

- **Market Adjustment:** an adjustment that is made to recognize changes in the competitive market pay for a job during the market check. Market adjustments are unlikely to occur often because the compensation program is based on benchmarking and is updated regularly to ensure continued competitiveness. Occasionally, however, unusual market circumstances may warrant an adjustment.

All ad-hoc individual adjustments will be approved by the appropriate Vice President and Human Resources before implementation. The President's Executive Council will approve any institution-wide adjustments. Competitive offers will not necessarily dictate pay changes or result in counter offers.

While we intend to lend stability in our policies and practices, SMU reserves the right to interpret the policies, rules, sections, and provisions contained in these guidelines, as it deems appropriate in its sole discretion. SMU also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate, or withdraw any or all of the policies, rules, sections, and provisions of these guidelines at any time, unilaterally, with or without prior notice in accordance with applicable governing laws and regulations.

# Market Pricing Guidelines for Staff

SMU adheres to the following steps when conducting market pricing:

## Step 1: Identifying Benchmark Jobs

- A benchmark job is a job that is commonly found in other organizations. *Examples of benchmark jobs are Accountant, Financial Aid Counselor, and Custodian.*
- Not all jobs at SMU will be benchmark jobs. At least 60-70% of jobs should be benchmarked to provide adequate data to develop a market-based pay structure.
- Benchmark Job Characteristics.
  - Jobs are well known and can be found in similar form (at least 70% match) in multiple survey sources.
  - Jobs that represent the institution across job families, departments, and pay levels.

## Step 2: Identify Appropriate Survey(s)

- Survey sources should be legitimate, relevant, and contain the appropriate job, compensation, and participant information. These survey sources are conducted and published on a regular basis by reputable, independent survey firms. These surveys collect and analyze data from multiple markets including higher education institutions, as well as general industry.
- Often times, managers and employees will cite market data as justification for higher salaries when in actuality the data being presented is crowdsourced data. Crowdsourced data differs from regulated salary surveys in the three main differences:
  - Salary based on Title vs Duties and Responsibilities.
  - Unvalidated Salary Submissions vs Clearly Defined Submission Requirements.
  - Lack of sample size to ensure salary data has not been skewed.

## Step 3: Match SMU Jobs to Comparable Jobs in Surveys

- Match jobs based on job accountabilities, responsibilities, experience/education requirements, and the reporting structure, not based on title alone.

# Appendix A

## 2024 Staff Salary Structure

Salary Grade	Minimum	Midpoint	Maximum	Midpoint Differential	Range Spread
33	\$37,000	\$44,400	\$51,800	N/A	40%
34	\$40,700	\$48,800	\$57,000	10.0%	40%
35	\$44,800	\$53,700	\$62,700	10.0%	40%
36	\$49,300	\$59,100	\$69,000	10.0%	40%
37	\$54,200	\$65,000	\$75,900	10.0%	40%
38	\$58,200	\$72,800	\$87,300	12.0%	50%
39	\$65,200	\$81,500	\$97,800	12.0%	50%
40	\$73,000	\$91,300	\$109,500	12.0%	50%
41	\$81,800	\$102,300	\$122,700	12.0%	50%
42	\$89,700	\$116,600	\$143,500	14.0%	60%
43	\$102,200	\$132,900	\$163,500	14.0%	60%
44	\$116,500	\$151,500	\$186,400	14.0%	60%
45	\$132,800	\$172,700	\$212,500	14.0%	60%
46	\$151,500	\$196,900	\$242,400	14.0%	60%
47	\$169,200	\$228,400	\$287,600	16.0%	70%
48	\$196,200	\$264,900	\$333,500	16.0%	70%

# Appendix B

## SMU Aspirational and Peer Group (n=24)

American University	Syracuse University
Baylor University	Texas Christian University
Boston College	Tufts University
Boston University	Tulane University of Louisiana
Brandeis University	University of Denver
Carnegie Mellon University	University of Miami
Emory University	University of Notre Dame
Fordham University	University of Rochester
George Washington University	University of Southern California
Lehigh University	University of Tulsa
Northeastern University	Villanova University
Pepperdine University	Wake Forest University

# Appendix C

## Compensation Term Definitions

### ***Aging Factor***

A factor applied to survey data to bring the data to a consistent point in time. This factor is an estimated percentage representative of wage movement (i.e., salary increases) for the appropriate comparison market(s).

### ***Base Pay (Base Salary)***

The fixed rate of pay for a specific work period (typically expressed as an hourly rate or as a weekly, monthly, or annual salary) or job. It does not include other additional pay or allowances such as benefits, incentives, shift differentials, etc.

### ***Comparison Markets/Peer Groups***

Defines groups of institutions/organizations and/or geographies for market assessment purposes. Comparison markets are defined based on where the institution competes for talent and may vary by type of job. Markets may include higher education institutions as well as general industry organizations for jobs that also exist outside of higher education.

### ***Market Strategy***

A philosophy adopted by an institution that serves as a foundation for total rewards programs and benchmarking and decision-making.

### ***Market Assessment***

The process used by Segal and the SMU Project Team to analyze salary rates paid in the market for similar jobs. Market data may be local or national and may include higher education and general industry data depending on the type of job and the defined comparison markets/peers groups (see above).

### ***Compression***

Compression, also known as wage compression or salary compression, is a condition where there are negligible differences in pay between individuals with varying skillsets. Examples include when newer hires are paid more than individuals with more seniority or when a direct report is paid more than their supervisor.

### ***Benchmark Job***

A job used to make pay comparisons to similar jobs that exist in other organizations. Pay data for these jobs are readily available in valid and reputable published salary surveys.

### ***Internal Equity***

Principles that fairly establish levels of pay and subsequently correlate to each job's relative value within an organization.

### ***Job***

A generic role within an institution that is independent of any single individual.

**Job Classification**

A system of jobs usually arranged into various hierarchical classes or pay grades according to some form of job evaluation.

**Job Description**

A general description of the job, including work performed and skills, effort, level of responsibility, and working conditions of the work performed that is used to help inform and qualify potential candidates.

**Job Evaluation**

A formal process used to accurately and objectively determine the relative value of a job within an organization. The end result typically consists of an assignment of jobs to a particular hierarchy or structure.

**Job Family**

A group of jobs affiliated with one another that involve similar duties and require similar skills, knowledge, training, or expertise.

**Market Rate**

The rate of pay for a job based on the market data from salary surveys.

**Salary Structure**

A management tool designed to define pay levels that are internally equitable and externally competitive. A salary structure consists of a series of pay grades that group jobs of similar external and/or internal value.

**Salary Survey**

Salary surveys compile and report salary information for a variety of jobs across many industries. Data from salary surveys are typically used by organizations to determine competitive salary rates for jobs. Each survey contains pay data reported by Human Resources from many employers.

**Pay Grade Minimum**

An established minimum rate, or entry pay, for an individual in any given job.

**Pay Grade Midpoint**

The middle of each pay grade, which commonly represents pay for a fully competent and contributing individual in a given job.

**Pay Grade Maximum**

An established maximum rate for an individual in any given job.

**Pay Grade Width (Pay Grade Spread)**

The breadth of salary range. i.e., the percentage distance between the bottom and top of the salary range.

**Pay Administration Guidelines**

A management tool that provides guidance on managing pay for employees (e.g., new hires, promotions). Pay administration guidelines are developed to ensure consistent, fair, and equitable compensation management and identify governance responsibilities as shared by senior leadership, supervisors, and the Classification & Compensation department.