



Compensation

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Today You Will Learn...

- Why it's important to keep job descriptions up-to-date
- How hiring salaries are determined
- When employees receive overtime pay
- How to determine annual increases
- When and how to promote an employee
- How to give a bonus
- When and how to change a title



Job Descriptions – What to Include

Q. What should be included in a job description?

A. The job description should include:

- Overall summary of the responsibilities of the position
- A bulleted list of essential responsibilities
- Information on required experience, education, certifications, etc.
- Working conditions such as travel, lifting heavy objects, weekend/evening work, etc.
- Template is available if needed



Importance of Job Descriptions

Q. Why are job descriptions so important?

A. Job descriptions are important because they:

- Outline the responsibilities of the position to the employee
- Convey to Compensation what the position is responsible for at the College
- Are utilized to understand market comparables which determine appropriate pay for that type of position



How a Hiring Salary is Determined

Q. How are hiring salaries determined?

A. Hiring salaries are determined by the following:

- Market comparables (external focus)
- Comparable positions at Babson (internal focus)
- Amount of money available in the budget
- Candidate experience/education/abilities vs. the requirements of the position



Market Data Sources

Q. What are the sources used to collect external market data?

A. The sources used for market research are:

- Other colleges/universities
- Corporate comparables, when appropriate
- Reputable survey companies that provide data for a cost

Market data is adjusted for geographic differences when applicable and a match is only made to our positions when the match is 80% or greater.



Overtime Pay

Q. When is an employee eligible for overtime pay?

A. An employee is eligible for overtime pay if:

- They are in a non-exempt (hourly) position AND
- They work more than 40 hours in a work week (Sun–Sat).

If an employee works above 35 hours but under 40, they get paid for hours worked at their current rate. Once an employee works more than 40 hours they are paid at time and one half.

Please note that extra hours and/or overtime must be approved by the employee's supervisor.



Determining Annual Salary Increases

- Q. How is an employee's annual salary increase determined?
- A. The steps for the annual increase process are as follows:
- The salary pool is determined by the Board of Trustees. Babson does not provide across-the-board increases or cost-of-living increases.
 - Cabinet is provided a spreadsheet with job, salary, and market information in June to make decisions based on the salary pool for the year.
 - Each manager should work with their cabinet member in June to recommend a merit increase for their employees.

Merit increases are effective July 1st each year.



How to Give a Promotion

Q. How does a manager promote an employee?

A. The steps to determine whether it is appropriate to promote an employee are:

1. Meet with Compensation and your Employment Representative about whether this makes sense before telling the employee you want to do it! There are posting requirements, etc. that need to be met in some instances.
2. Update the job description and get it to Compensation for a market review
3. Talk to Compensation about an appropriate increase for the promotion, determine the funding for the promotion, and the start date for the new role



Bonuses

- Q. How does a manager give a bonus to an employee?
- A. It is appropriate to give a bonus to an employee to recognize extraordinary performance or other significant contribution. Before telling an employee about a potential bonus:
- Contact Compensation to discuss
 - Complete the bonus form on the HR website and return to the Compensation Manager. Bonuses should be 3-5% of base salary.
 - Compensation will contact you once/if the bonus is approved and then it is appropriate to tell the employee about the upcoming, one-time payment.



Job Titles

- Q. How does a manager change a job title for an employee?
- A. A job title has nothing to do with the salary of a position so changing the title does not impact salary. If you think a job title needs changing please do the following:
1. Contact Compensation before telling the employee you are changing their title
 2. If the title change is approved, the job description is updated and a title change letter is completed.

Not all requests for title changes are approved, as we have title guidelines in order to maintain consistency across titles and avoid title inflation issues.



Questions?

