

January 21, 2005

Memorandum

To: Katherine T. Bartlett
Douglas T. Breeden
Stephen A. Cohn
Deborah Jakubs
Kristina M. Johnson
L. Gregory Jones
George L. McLendon
Larry Moneta
Martha Putallaz
William H. Schlesinger
Lewis Siegel

From: Peter Lange

Re: Administration of Staff Personnel Matters

In the fall of 1999, I outlined a number of procedures for the administration of staff personnel actions with the intent of improving efficiency and effectiveness, while still ensuring appropriate review. In general, these procedures provide greater authority to you as Deans and Directors, while post-audit review assures compliance with equity standards and other university norms. With only minor modification, we will continue the practices as outlined in my memo dated September 30, 1999.

As you may know, plans for a new pay and classification "broad banding" program are underway this year similar to the approach used in the last several years for information technology job classifications. These new approaches will provide even greater latitude to calibrate individual compensation arrangements to the needs of your school and the particular market context we face. We will revisit the practices outlined in this memo when such an implementation is complete.

You may remember that Clint Davidson collaborated with us in defining these procedures and has prepared his staff to support your needs without prior Provost's Office review. You and your staff will want to consult with members of the Recruitment Office and Rewards and Recognition team to obtain information about internal and external market conditions for particular positions to help guide your salary decisions.

Within the framework of the overall programmatic and budgetary responsibility and accountability associated with your leadership roles as deans of schools or directors of major

units, each dean or director will have the authority, working as appropriate with the staff of the university Human Resources office, over the actions listed below. This authority applies to both nonexempt and exempt staff employees, subject to the constraints noted:

- Creation of new positions, subject to formal job classification study and recommendation from the Rewards and Recognition department of Human Resources.
- Determination of initial hiring rates, subject to the pay range minimum and maximum published each year by Rewards and Recognition for each job classification.¹
- Reclassification of positions, subject to job classification studies and recommendations prepared by Rewards and Recognition.
- Individual out-of-cycle salary adjustment, whether to reflect formal promotion, performance, equity or market adjustments, subject to pay range minimum and maximum published by Rewards and Recognition for the employee's job classification.
- Temporary salary adjustments to reflect temporarily increased responsibilities for specific time periods, subject to the pay range minimum and maximum established by Rewards and Recognition for the employee's job classification.

In general, we would recommend that you be guided by long-standing norms in making specific salary decisions. Among these norms are the following general guidelines:

- New hires are normally brought into the lower half of the pay range.
- Promotional adjustments are normally in the 5 to 10% range for one or two level increases.
- Temporary pay premiums for taking on additional responsibilities are typically in the 5 to 10% range and should normally be provided only by prior arrangement and for sustained, planned assignments documented in writing involving a month or more of effort.

Under the approach outlined in this memo, you may determine when exceptions to these guidelines are warranted.

Occasionally, it may be appropriate to consider payment of bonuses or supplements to reward outstanding performance or to recognize one time tasks. Granting a bonus or supplement greater than \$1,000 will require advance consultation and written approval of the Provost's Office.

¹Apart from the procedures described here in setting initial hiring rates, the recruitment and employment process is not affected by this memorandum. Schools will continue to work with the Recruitment Office to identify and screen candidates and for pre-hire review to comply with EEO policies in certain job families.

Finally, there are several areas of personnel activities that we will continue to regard as exceptional and that will require advance consultation and written approval of the Provost's Office. Due to strong policy constraints, there will be few, if any, exceptions granted to the items listed below. These include:

- Initial salary offers or salary increases that exceed the pay range maximum established by Rewards and Recognition.
- Offers of salary increases to employees transferring laterally within Duke who will remain in the same job classification and/or level.
- Offers to supplement formal Duke compensation and fringe benefit programs, e.g., to make up for gaps in eligibility for Duke's tuition assistance program.
- Permanently altering the standard review, salary setting and salary adjustment cycle for individual employees or groups of employees.

Written requests for exceptions to any of the constraints or policies noted above should be directed to Jim Roberts, Executive Vice Provost for Finance and Administration, who will consult with me and Human Resources staff as appropriate. Such a request should be submitted before committing to the payment and should outline the specific situation, the amount of payment requested and when it is to be paid.

We hope you have found these procedures a constructive step forward. We know that we can count on you to be wise stewards of your resources. We will be glad to consult with you on the overall thrust of these changes and on individual cases as they arise.

PL/hc

xc: Richard H. Brodhead
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James S. Roberts
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School Business Managers