RECOMMENDED DBM JOB EVALUATION & COMPENSATION – AN INTEGRATED APPROACH

The focus of job evaluation is on the inherent duties, decision-making requirements, responsibilities, tasks, impacts, working conditions, etc of each classification. The title, current salary grade or gender composition of the classification is irrelevant. The evaluation process always deals with classifications, not individuals or positions. The person performing the work and whether or not it is being done well is not relevant. Therefore, job evaluation must look at classifications the way they are described in the classification specifications – not the way they might be or should be, or the way someone would have them be. Furthermore, it is not a process for assessing the appropriateness of staffing levels or workload, or for rewarding for efficiency or punishing for ineffectiveness. Additionally, as job evaluation focuses on the content of the classifications, it necessarily focuses on the minimum level of job requirements essential at the entry level of a classification. Job evaluation should not be used as a means of reward by increasing the rating and thus, the salary grade. It is solely to be used for establishing the relative worth of jobs within an organization, or internal equity.

The Decision Band Method (DBM) methodology recognizes six levels of decision making within an organization, from A Band decisions that affect the manner and speed in which an individual task is completed to F Band decisions that affect the overall goals and direction of the institution. A description of each band, or level of decision, is summarized below. All proposed classifications reviewed for this study will likely fit within Bands A and B.

BAND F (POLICY DECISIONS)
These are decisions that determine the scope, direction, and the overall goals of the institution. They are subject to few constraints other than those imposed by law, regulations, or economic conditions. They take into consideration all the major functions of the enterprise. Such decisions also set the goals of the major institutional functions, the limits of funds and the scope of programs of the entire institution. The University President would generally be an example of a Band F position.

BAND E (PROGRAMMING DECISIONS)
Band E decisions deal with the means of achieving the goals established at the Band F level. These decisions are concerned with formulating or adjusting programs for major functions, specifying goals for the constituent functions of these major functions, and allocating resources (people, money, materials, facilities)
among these constituent functions. Positions at this level tend to be executives that head up multiple and/or major functions, such as the Vice Presidents.

**BAND D (INTERPRETIVE DECISIONS)**
At Band D, the decisions involve interpretation and carrying out the programs and/or goals established at the Band E level. These decisions specify what is to be done by lower Bands and how allocated resources are to be deployed. If circumstances change, or there is uncertainty about information or outcome, a Band D decision is required to establish what is to be done in similar circumstances in the future. Positions in this group would typically include senior managers that control multiple programs within a department or business unit with authority to establish precedent and allocate resources among the various programs under their control. Examples here would be the Associate Vice Presidents and Academic and Administrative Directors.

**BAND C (PROCESS DECISIONS)**
Decisions in Band C involve the means or process of achieving the ends established by Band D decisions. They are subject to the limitations imposed by available technology and resources, and to the constraints set by Band D. Selecting the process is a decision that must proceed the carrying out of the operations that constitute that process. The process decision specifies what is to be done at the Band B level. Positions at this level would include professional and manager jobs and typically meet the criteria for exemption from the overtime requirements of the Fair Labor Standards Act.

**BAND B (OPERATIONAL DECISIONS)**
These decisions focus on how to carry out the operations of a process specified by a Band C decision. There is, within the limits set by the process, a choice as to how the operations are carried out, but not as to what operations constitute the process. Jobs at this level will typically be non-exempt under the Fair Labor Standards Act, although there may be some exceptions to this such as with certain supervisory classifications. Included in this group would be skilled, non-exempt technical jobs and skilled office positions.

**BAND A (DEFINED DECISIONS)**
Band A decisions are confined to the manner and speed of performing the elements of an operation. There is, within the limits set by the prescribed operation, a choice as to how the elements are performed, but not as to what elements constitute the operation. Jobs at this level will be non-exempt under the Fair Labor Standards Act. This group consists of entry level and semi-skilled positions.

Bands F, E, and D are what are known as "adaptive decisions" in that they deal with decisions which involve deciding how the entire institution, different parts of the institution, or major functional areas within the institution will deal with new circumstances or events. The lower three Bands (C, B, A) are described as
"instrumental decisions" primarily dealing with the actual carrying out of decisions made at Band D or above. The actual process of determining the relative internal value of each job is as follows:

**BAND**
The process of evaluating each classification consists of a review of the typical class responsibilities and, where appropriate, the career-level specific responsibilities of each classification and determining the appropriate decision band and grade. This is done by analyzing each responsibility in relation to the definition for each decision band. The definition most closely fitting the level of authority exercised in performing the responsibility becomes the band for that specific class responsibility. In effect, the individual incumbents that comprise a broad classification either have a certain level of authority/decision making responsibility in performing a responsibility, or they do not. In addition, since the highest banded responsibility determines the decision band for the classification, incumbents are not penalized for performing additional responsibilities that might be evaluated at a lower band.

**GRADE**
The second step is determining the grade for the classification, which, in the most simplistic of terms, is accomplished by assessing the supervisory authority of the classification. Each decision band has two grades, outlined as follows:

- **Band A** - Grades 0 (rarely used) and 1
- **Band B** - Grades 2 and 3
- **Band C** - Grades 4 and 5
- **Band D** - Grades 6 and 7
- **Band E** - Grades 8 and 9
- **Band F** – Grades 10 and 11

A classification is only assigned to the higher of the two grades (at Band B and above) if it has formal supervisory authority for work performed by other classifications that are banded at the same level. For example, if a classification is regularly responsible for the supervision of incumbents assigned to a classification that is Banded at the same level, the supervisory position would be Banded and Graded in the higher grade while the lower level position would be Banded and Graded in the lower grade (e.g. 'B3' for the supervisor, and 'B2' for the lower level staff). Classifications that coordinate, delegate, or lead the work of lower level employees, but do not perform formal supervisory duties, are generally placed at the lower Grade of the Band. These coordinating-related responsibilities are generally recognized during the sub-grading process consistent with the career leveling of the classifications.
**SUBGRADE**
The third and final step in the job evaluation process is sub-grading. Sub-grading can be defined and applied in a number of ways depending on the organization’s classification structure, the desire for internal equity, the type and amount of compensation data that will be collected, and whether or not career leveling has been applied.

In cases where a narrow classification structure is used, sub-grading is generally based on the relative complexity and difficulty of each classification in relation to other classifications that have been Banded and Graded at the same level. For example, if UMS did not utilize career levels and therefore had a large number of B-2 rated classifications, all of these classifications would be evaluated against one another to determine the sub-grading. In determining sub-grades, we would look at the number of essential responsibilities on each classification specification that has been banded at the highest level, the homogeneity or heterogeneity of the responsibilities at the highest level, and the overall complexity of the duties that are performed. Those with a greater percentage of highest banded responsibilities would typically be sub-graded at a higher level than those with only one or a few responsibilities that are banded at the highest level. For example, a classification with only one or two B level responsibilities would typically be sub-graded lower than a classification with seven or eight B level responsibilities.

When a broader, career-leveling classification structure is used, the sub-grading process is greatly simplified since the definitions behind each career-level are generally a reflection of the standard sub-grading criteria discussed above. As a result, the sub-grading is typically accomplished by mirroring the number of career levels that exist on the classification specification. For example, if a B-2 rated classification has three career levels, the sub-grading would match those career levels as: B-2-1, B-2-2, and B-2-3. One benefit of using this simplified sub-grading methodology is that it allows the market compensation data to drive the recommended salary ranges for each sub-grade, and thus each career level. In addition, if there is insufficient data available for a specific career level, the aggregated data for adjacent career levels can be used to determine appropriate market rates.

**GUIDELINES & CONSIDERATIONS WHEN REVIEWING DBM RATINGS**

Following are a few guidelines and considerations to assist with your review of DBM ratings.

**FLSA Status** - When conducting DBM evaluations, we generally find that most of the “C” Band jobs are designated as exempt under the Fair Labor Standards Act (FLSA), while the “B” Band jobs are generally non-exempt. Although the DBM
Band is not a determinate of a position’s FLSA designation, our experience has shown that there is a general relationship between the two. As a result, we can be confident that most, if not all, of the proposed classifications for the hourly employee groups would fall in the A and B Bands.

**Reporting Relationships** – As discussed in the DBM overview, reporting relationships are a critical determinate when assigning the Grade to a classification. Specifically, for a classification to be evaluated at the higher of the two Grades in a Band, the classifications must be responsible for the supervision of jobs in the lower Grade of the same Band. If the classification provides supervision only for jobs that are evaluated at a lower Band, it must be assigned to the lower Grade. We encourage the University to carefully consider the reporting relationships of each classification when reviewing the recommended DBM rating.
Can we see an obvious trend? How much variance do we see within DBM levels?
Step 1a - Building Salary Ranges (all job families combined)

New salary ranges are anchored against the market trend line - How well does the data fit?
Step 2 - Determining Job Family Groupings

Groupings of data will become obvious. We can look for the obvious groupings, or use a test of statistical variance (either approach works).

Note: Dotted lines represent UMS salary trends; solid lines represent market trends.
Step 3 - Building Salary Ranges (using groupings of similar job families)

New salary ranges fit the data much better than the single salary structure approach.

Note: Dotted lines represent UMS salary trends; solid lines represent market trends.