



Friday, July 16, 2004

## Compensation next step in process

The next step in Oakland's performance development process is determining compensation increases based on market adjustment and performance appraisals for regular, non-represented employees. Salary increases are effective July 1 and will appear in July 30 checks.

This year's total pool amount available is 2.6 percent of salaries, based on approval of the Board of Trustees in early June.

Employees compensated through the AP structure will have their compensation increase calculated in two separate components:

- market adjustment, paid as a percent of band midpoint;
- merit, based on the employee's performance appraisal and calculated on each employee's individual annual salary.

This year, the market adjustment will be 1 percent of band midpoint for AP employees who fall under the AP compensation structure, unless performance does not warrant an increase. In most cases, employees can estimate their market adjustment increase by reviewing the **salary bands** posted on the **University Human Resources** Web site and multiplying the midpoint of their individual band by 1 percent.

Merit increases, from the pool allocated by the Board of Trustees, will reward those employees whose performance deserves recognition with additional compensation. The merit component will be calculated based on each employee's current annual salary.

"Oakland takes a two-pronged approach to compensation increases," said Ron Watson, assistant vice president of human resources. "The market adjustment component facilitates OU employee salary progression toward the midpoint.

"The merit portion means those employees whose performance deserves added recognition will receive it in the form of an additional salary increase. Our two-pronged approach recognizes changes in the marketplace while reinforcing employee contributions as highlighted during the performance appraisal process."

In addition, based on market surveys, Oakland University will be increasing the salary structure bands by 2 percent, which means all minimum, midpoint and maximum salary figures are increased by 2 percent, effective July 1, 2004. The 1 percent market adjustment component for 2003-04 will be based on the new midpoints.

For those non-represented employees not compensated through the AP structure, increases will be based on merit and determined within each division. Answers to other compensation-related questions also are available on the **University Human Resources** Web site.

### SUMMARY

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Modified by CareTech Administrator (webservices@caretechsolutions.com) on Friday, July 16, 2004

Article Start Date: Friday, July 16, 2004