

Serving People Needs @ OSU



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Compensation Benchmarking or Market Pricing

Do you wonder how a position is assigned to one of the 13 salary grades in the OSU Professional Faculty salary structure? Read on to find out!

First comes Classification

Through a series of steps, information is gathered and analyzed to determine the duties, scope, and impact of decision making for each position. The position is then assigned to a Job Family, Job Level, and a Position Profile so that it is aligned with other positions on campus performing similar work.

Note: A Position Profile does not take the place of a position description, which is used to identify the specific duties, supervision, and minimum qualifications required to do a specific job.

Then comes Compensation

OSU positions profiles are compared to market data based on industry (Higher Ed, Public sector, Private sector); size (similar budget and student FTE as OSU); and geography (local, regional, or national). These factors are called scope cuts.

Once the appropriate scope cut is identified for a position profile, we use qualified salary survey sources to identify other similar positions in the market. A market position must match at least 70% of the responsibilities of the OSU position to be considered a match, and a position with a direct market comparison is called a benchmark position.

For benchmark positions, the median market salary is matched to the closest midpoint in the OSU salary grades, and that is how the salary grade is assigned for the position profile. For



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Compensation Benchmarking (Cont.)

example, if the market median salary for a position profile is \$47,000, that position profile will be assigned to Salary Grade 3 because the midpoint of Salary Grade 3 is \$48,900.

If there is not a direct benchmark for a position profile, the profile will be leveled against a known benchmark position. Leveling involves the comparison of knowledge, skills, scope, and impact between the non-benchmark position and the benchmark position. The non-benchmark position is scored either lower, equal, or higher than the benchmark position and is then assigned to a lower, equal, or higher salary grade than the benchmark position.

For more information on the Benchmarking Process at OSU, go to:

<http://hr.oregonstate.edu/job-category-and-compensation-program/benchmarking-process>

Be sure to click on the links on the right to read the market pricing steps and OSU's scope cuts.

The OSU Classification and Compensation Team is currently in the process of re-benchmarking all of the current professional faculty positions for 2016. Benchmarking is typically done every 3-4 years to make sure that the positions are still paid competitively to the mark