

## **Job Classification and Compensation**

*Effective as of: 03.04.2014*

*American University of Armenia*

*Policy for Publication*

*Policy Number: HUMR20140013*

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All AUA staff Employee positions are ranked on the basis of the AUA Job Classification System. Positions with similar duties and responsibilities are grouped together in one classification, regardless of the Employee's departmental affiliation and title.

The AUA Job Classification System is intended to evaluate each position on a broad range of factors that include but are not limited to the following:

- education
- work experience
- knowledge of languages
- knowledge of information technology
- work conditions
- work demands
- work schedule
- level of knowledge in the professional field
- complexity/creativity
- communication
- leadership/management
- latitude of authority

AUA staff positions are grouped in the classifications approved by the Board of Trustees (the Pay and Classification Plan is available in the HR department).

The positions are classified into the following groups:

- Managerial positions: Managers are considered to be those Employees whose work at AUA is connected with mental, creative and organizational functions. Overtime work exceeding their regular work hours is not considered to be overtime. The list of managerial positions is approved by the Board of Trustees and is available in the HR department,
- Non managerial positions.
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## **Salary Ranges**

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A monthly salary range is set by the AUA Administration for each classification in accordance with fiscal budgetary limitations and on the basis of internal and external equity. Within each level of job classification, the AUA Administration sets the minimum and maximum compensation amounts, as well as the natural midpoint. The Employee's specific compensation amount within the given salary range will be determined on the basis of salary history, job performance and any classification requirements specific to the position. Salary ranges are intended to provide flexibility to reward Employees in accordance with their performance and provide them with a financial advancement incentive.

## **Compensation Methods**

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All AUA administrative staff Employees shall be compensated on a fixed salary basis.

AUAF withholds and contributes income tax and social security payments from Employee salaries as required by Armenian law.

Salaries at AUAF are paid in Armenian Drams, once a month during the first week of the month, for the work performed during the previous month. Salary can be transferred to an Employee's bank account or in cash.

## **Salary Adjustments and Increases**

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### External Equity Adjustments

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An external equity adjustment may be implemented for an Employee whose job classification is falling behind the external market salary comparison for that classification. While such an adjustment may be limited by available AUA funds, the first priority will go to such adjustments. Normally, external equity adjustments will be made every other year following a survey of the external market.

### Internal Equity Adjustments

An internal equity adjustment may be implemented to reflect any additional duties and responsibilities in the work performed. If an Employee has started working at the minimum of the salary range, but the job content is sufficiently routine enough to master with high quality in a relatively short period, his/her supervisor may recommend an internal equity adjustment to minimize the gap between the base salary of that Employee and the prevailing rate of other Employees in the same classification group.

### Performance or Merit Increases

The AUA creates a salary adjustment pool, which is dependent upon available funds. While the first priority is awarded to equity adjustment, the remaining pool funds are allocated for performance adjustments. Each department or unit is allocated a percentage of its payroll for performance adjustment. That percentage for all units will be the same. Department or unit heads allocate increases within the limits of the salary pool for their respective units. It is expected that heads of units will vary the percentage increases to correspond to performance evaluations. Thus, if the salary pool for performance adjustments were 1%, some Employees might receive more than 1% and some less. This process will typically occur annually. The AUA strives to translate AUA wide salary savings into performance adjustments.

### Promotional Increase

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Promotional increases occur when an Employee has been promoted to a different position, either within the same job classification or another job classification, and a new position is offered to the Employee with a higher level of compensation.