

## **Job Classification and Compensation**

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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.

Those employees are considered to hold a managerial position who, as a result of their official status, perform general administration of the current activities of the Employer or are the heads of any structural or local or separate unit (administration, department, division, office, branch, representative office or other unit) of the Employer, except for the heads of departments performing service and technical support functions that are not directly included in the implementation of the Employer's duties, unless otherwise provided by law.

## **Salary Ranges**

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**

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

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

Salaries at AUAF are paid in Armenian Drams, at least 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.

## **Salary Adjustments and Increases**

### External Equity Adjustments

An external equity adjustment may be implemented for an Employee whose job classification lags behind external market salaries for that classification. While such an adjustment may be limited by available AUA funds, it takes priority over other types of adjustments. Normally, external equity adjustments are considered every other year following a compensation survey of the external market.

### Internal Equity Adjustments

An internal equity adjustment may be implemented to reflect any additional duties and responsibilities related to the assigned work. If an Employee has started working at the minimum of the salary range, but the job content is sufficiently routine to enable reaching high quality performance, his/her supervisor may recommend an internal equity adjustment to minimize the gap between the base salary of that Employee and the prevailing pays of other Employees in the same classification group.

### Performance or Merit Increases

AUA develops a salary adjustment pool, based upon available funds. While top priority is given to increases for equity adjustment, the remaining pool of funds are apportioned to adjustments based on performance. Each department or unit is allocated a percentage of its total payroll for performance adjustments. That percentage is the same for all units. Department or unit heads allocate salary increases within the limits of the funding made available to their respective units. It is expected that heads of units will vary the percentage increases among staff to reflect 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 based upon available funds. AUA strives to direct AUA-wide salary savings to performance adjustments.

Promotional Increase

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.