Guidelines for Determining Salaries

Established by: School of Medicine HR Management Center & Human Resources Rewards and Recognition

The following is a summary of guidelines used by the School of Medicine and Human Resources for setting salaries.

I. Guidelines for determining Starting Salaries for externally hired candidates

Establishing competitive and appropriate hiring offers must be based on a comparative analysis of each of the following guidelines:

1. Salary Range placement guidelines:
   
   A. 1st quartile:
      - Lesser Experienced Candidates
      - meets the minimum requirements of the job description
   
   B. 2nd quartile:
      - Fully qualified to perform all duties and responsibilities of the position
      - Possesses requisite skill, competencies and capabilities beyond the minimum required
   
   C. 3rd quartile:
      - Experienced professional with proven performance
   
   D. 4th quartile:
      - Substantial experience/seniority
      - Possesses high skill sets and performance capabilities

2. Knowledge, Skills and Abilities compared to others in the workforce:

   A. Individuals who are comparable in knowledge, skills and abilities should be paid comparably as a starting point:
      - Identify key and relevant qualifications related to the job
      - Compare these qualifications with like incumbents
   
   B. Comparison Factors:
      - Years of applicable/relevant experience *
      - Educational Level *
      - Skill proficiency
      - Licensure and certifications

3. General Market Conditions – competitive rates in the labor market should be identified:

   A. Human Resources Rewards and Recognition is responsible for determining appropriate competitive market rates for a position:
      - Gather information on the position duties
      - Define the labor market for the position
      - Identify the external sources and obtain relevant market data
      - Analyze and determine appropriate salary ranges
      - Share data with managers

*Applicable and relevant education and experience can be substituted for each other on a one for one basis except in professional categories.
B. A preliminary assessment should be completed at an early stage in the applicant’s evaluation and screening process to determine whether a competitive attractive and equitable offer can be extended:
   - This assessment will provide a reference point for determining new hire starting salaries
   - The starting rate must present sufficient attraction or incentive for the new employee
4. Other influences and considerations:
   A. Federal laws and state regulations:
      - EEOC – all salary decisions must be made without regard to race, creed, color, religion, national origin, gender or age
      - It is unlawful to discriminate on the above criteria either knowingly or unknowingly
   B. Overall Budget constraints:
      - Managers are accountable for investing their salary dollars wisely and managing within a budget
II. RACI Classifications
All RACI classification salaries should be reviewed and approved by the School of Medicine HR Management Center.

III. Guidelines for determining Starting Salaries for Duke Transfer candidates
While hiring managers should use the Guidelines outlined in I. above to assist with all hiring decisions, additional guidelines apply when considering Duke employees applying for transfer:
   1. Promotional Increases may not exceed 5% per level or 10% overall without approval from School of Medicine HR Management Center.
   2. Lateral Transfers must not include any salary increase without approval from School of Medicine HR Management Center. (This is to discourage and guard against the practice of recruiting employees from other areas by offering more money to do the same job.)
   3. Any Pay Decrease must be signed by the employee to verify their acceptance of the terms.
   4. Transferring Employees outside of Company 10 must follow the cross-walk formula developed by Rewards & Recognition when determining if the transfer would be considered a promotion, demotion or lateral transfer.

   https://hr.duke.edu/policies/hiring/transfers-promotions

IV. Out of Cycle Increases and Salary Equity Adjustments
A justification to support an out-of-cycle increase should be reviewed and approved by the Business Managers of the division/department. The employee’s education, experience and/or specialized skills that support the special salary request, as well as information regarding equity of the request based on other employees in the same job classification, should be documented when the out-of-cycle increase is being submitted for approval to the School of Medicine HR Management Center. This detailed information should be included in the request to the School of Medicine HR Management Center.

V. Decision Making Authority and requirements
The following decisions require justification to and approval by School of Medicine HR Management Center.
Please allow several days for a response:
   1. Offers to external (outside of Duke) candidates above the salary range midpoint. Justification should include the following documentation with the request:
      - Attach all related resumes
      - Attach salary equity reports for the job classification
      - Identify all related information that influences the salary offer
2. Offers exceeding the guidelines for internal transfers. Justification should include the following documentation with the request:
   - Attach all related resumes
   - Attach salary equity reports for the job classification
   - Identify all related information that influences the salary offer

3. All out of cycle or salary equity increases. Justification should include the following documentation with the request:
   - Attach all related resumes
   - Attach salary equity reports for the job classification
   - Identify all related information that justifies the need for the raise

Example: Justifications may be in the form of an e-mail with attachments sent to the School of Medicine HR Management Center to the attention of Cindy Day (day00013@mc.duke.edu) with the pertinent information outlined below:

   - Identify the request in the subject field: “Hiring rate for Jane Smith”
   - Requisition #
   - Name of Candidate
   - Job Code, Title and level
   - Salary Range
   - Requested rate and percent of range
   - Attach Candidate’s and/or other resumes
   - Attach Salary Equity Report if applicable
   - Justification/Explanation for the request