



Compensation Placement Guide

Purpose of the Compensation Placement Guide

The **Compensation Salary Guide** serves as a resource for managers to assist with offering and providing **fair** and **equitable** compensation for new and current employees. The guide aims to empower hiring managers with the tools to make informed salary decisions, while considering factors such as an individual's qualifications, experience, skills, internal equity, organizational budget, and compensable position factors.

When a manager is tasked with hiring a **new** team member, it is crucial to consider the salary range to strike a **balance** between budget constraints and attracting top-tier talent. The following should be carefully assessed when determining their placement in the salary range.

- The candidate's qualifications, experience, and the specific responsibilities of the role
- The candidate's skillset and expertise, and its alignment with the demands of the position.
- How the candidate's contribution will positively impact the team and organization
- The offered salary is within the specified range that reflects the candidate's experience and the market value for similar roles. Striking this equilibrium ensures that the organization remains competitive in the talent market while being fair and fiscally responsible.

The result of this thoughtful consideration of the salary range will ultimately contribute to building a **motivated** and **capable** team.

When determining where to place a **current** employee within a salary range, a manager should consider the following factors that reflect their performance, contributions, and experience.

- The individual's skill growth, accomplishments, professional development, and the value they bring to the team
- Evaluating how an employee's responsibilities have evolved and whether they have taken on new challenges or leadership roles.
- Aligning the employee's compensation with market standards for their position and industry to ensure fairness and competitiveness.

This approach fosters a sense of appreciation, **motivates** the employee, and contributes to overall team **satisfaction**.

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The Compensation Salary Guide serves as a resource for managers to assist with offering and providing fair and equitable compensation for new and current employees. The guide aims to empower hiring managers with the knowledge and tools to make informed salary decisions while considering factors such as an individual's qualifications, experience, skills, internal equity, organizational budget, and compensable position factors.

When a manager is tasked with hiring a new team member, it is crucial to consider the salary range to strike a balance between budget constraints and attracting top-tier talent. The manager should carefully assess the candidate's qualifications, experience, and the specific responsibilities of the role. A candidate's skillset and expertise should align with the demands of the position, and the manager should gauge how their contribution will positively impact the team and organization. It is essential to offer a salary within the specified range that reflects the candidate's experience and the market value for similar roles. Striking this equilibrium ensures that the organization remains competitive in the talent market while being fair and fiscally responsible. A thoughtful consideration of the salary range ultimately contributes to building a motivated and capable team.

When determining where to place a current employee within a salary range, a manager should consider various factors that reflect the employee's performance, contributions, and experience. Assessing the individual's skill growth, accomplishments, and the value they bring to the team is essential. It is also crucial to evaluate how an employee's responsibilities have evolved and whether they have taken on new challenges or leadership roles. Aligning the employee's compensation with market standards for their position and industry is also essential to ensure fairness and competitiveness. Ultimately, placing a current employee within a salary range involves recognizing their achievements, considering their professional development, and acknowledging the market value of their role. This approach fosters a sense of appreciation, motivates the employee, and contributes to overall team satisfaction.

Evaluation Criteria for Compensation Decisions

1 Relevant Experience

Professional background, expertise, and achievements that demonstrate the practical knowledge, skills, and abilities to perform tasks and responsibilities associated with the position.

2 Years of Experience in Similar Roles

Reflects the depth of knowledge and proficiency in performing the specific tasks and responsibilities associated with the role.

Those with greater years of experience are more likely to have encountered various challenges and situations, developing a level of expertise that can contribute to the organization's success.

Ensures that employees are fairly compensated for their expertise and contributions, aligning their remuneration with their level of proficiency and the market value for similar roles and properly aligning with those internally based on the same characteristics.

3 Specialized Skills and Expertise

Professional background, expertise, and achievements that demonstrate the practical knowledge, skills, and abilities to perform tasks, and responsibilities associated with it, refers to a person's advanced, specific, and often unique abilities in a particular field or area of knowledge.

These skills go beyond the basic competencies and are honed through training, experience, and a deep understanding of a specific subject or industry.

4 Education

Contribute to an individual's qualifications, expertise, and overall value in the job market.

Advanced education may indicate a deeper understanding of a particular field or industry.

5 Certifications

Demonstrate proficiency and competency in a specific skill or area.

Used as evidence of special training and expertise.

6 Internal Equity

Compare the intended pay rate with the existing team to ensure consistency with salaries in similar roles.

Ensures the team is fairly compensated based on experience, skills, and responsibilities.

Immediately addressing significant disparities to maintain internal equity requires a strategic and transparent approach.

Salary Range

Where in the salary range should I place a new or current employee?

The rubric below should be used as a general guideline when hiring, reallocating, promoting, or assessing market and peer equity.

Considering the Evaluation Criteria is essential when placing an individual within the established range assigned to the position.

Minimum

Meets minimum qualification, may not have prior experience, requires additional training to build skills and knowledge

Individuals may have general and minimal related experience.

1st Quartile

Previous related experience, demonstrated ability to perform duties, may require additional training to perform duties independently

Individuals should typically have 5+ years of related experience beyond what is minimally required.

Midpoint

Subject Matter Expert, exhibits broad and deep knowledge of the job functions and related areas, senior-level job expertise with no training required

Individuals should typically have more than 7 years of direct experience in the position's primary functions beyond what is minimally required.

Above Midpoint Up to 3rd Quartile

Hiring above the midpoint/market should be rare but may be justified by the following:

- Difficult to recruit applicants for the position
- Highly qualified with industry-leading expertise
- Sought-after educational background or certifications

Individuals should typically have 15 years or more of direct experience in the position's primary functions beyond what is minimally required.

**Requires justification and Compensation approval*

Additional Tips and Resources

Evaluate

Experience and Skills: If the individual has extensive experience and a robust skillset that aligns with your needs and there are documented hiring challenges and retention concerns, the manager may need to consider a salary placement higher in the range. Managers may contact their Compensation Consultant for guidance.

Budget Constraints: Consider your budget constraints and the overall financial health of your organization. Be mindful of not overextending your resources.

Individual's Value: Assess the potential value the individual brings to your team and how their unique skills or experience can significantly contribute to your organization's success.

Negotiation Room: When hiring, consider that candidates may negotiate, so consider leaving some room for discussions while staying within your budget limits and the established salary range for the position. It is also essential to evaluate internal salaries of similar positions to avoid disparities in pay with current employees.

Compensation Resources

LSU's Policy Statement-20 (PS-20) provides additional information about Title, Position, and Salary Control for Unclassified Staff, Other Academic Employees, and Faculty Administrators.

The [Office of Human Resource Management \(HRM\) website](#) contains salary ranges for benchmark positions.

Collaborate with HRM

For additional support related to compensation placement, please contact a member of the Compensation Division within HRM.

A list of contacts can be found on the LSU HRM [LSU HRM website](#).