

PROJECT 1

Grading Rubric

Econ 607

The overall grade for the final project (Excel file + memo) are graded *analogously to a term paper*; i.e., it's basically the totality of the project. The rubric below gives you a general sense of the key evaluation parameters I use, and relative importance of each.

1. *Technical Mistakes:**

- a. Any outright technical mistakes will be deduction — purely as examples as there are too many to list here:
 - i. the point schedule is incorrect given the weights
 - ii. the CFs
 - iii. the policy lines are the wrong regression
 - iv. benchmarking has obvious match errors
 - v. pay equity analysis is incorrect
- b. As discussed throughout the course, keep in mind that you cannot be wrong on *decisions* (as opposed to *calculations*) where there is no absolute correct answer including the job ratings themselves (other than the objective CFs such as education, etc.) nor the benchmarking. Of course, most of the subjective decisions –while there may be no right answers—can have a wrong answer.

2. *The Hierarchy**

- a. Direct reporting relationships that are violated. These would qualify as fatal flaws—big deductions.
- b. Indirect reporting relationships that are violated. These are trickier and thus are considered carefully in the grading (plus I look at your assumptions and analysis where indirect reports are not 100% clear in the PAQ or questionable data).
- c. Promotion paths with unreasonable gaps in grades. As illustrated in Assignment 4, these are tricky and sometimes there is not a right answer but there certainly are cases in NESPA where there is a *wrong* answer. These are considered in the grading in a similar manner to indirect reporting relationships. I also look, in particular, at the methodology you develop to

3. ****Presentation Issues:** The overall presentation of the Excel file will absolutely be considered. This is actually a key issue a manager looks at in real world consulting. If I struggle to find the information (just as one example) I need it will be a non-trivial deduction. This is pure presentation – not issues around formula mistakes/completeness of formulas etc. (those are under #1 above).
4. ***Compensation Implications:** Grading also considers i) Minimizing red and green circles and ii) minimizing pay equity adjustments (<3% on each).

Final Project Deliverable Requirements:

The final project is the completed salary structure and all accompanying analysis. This should consist of: 1) a single Excel file with worksheets that correspond to each step in creating the structure; and 2) a memo-to-file (informal, bullet point) outlining what you believe are the most salient points of your overall analysis including any assumptions (in places where you felt the data was not sufficiently clear) and justifications.

The final Excel File must contain the following components (these are minimum components, you may have additional components from various robustness checks, assumption checks):

- (i) Final ratings that were used to creating the final structure
- (ii) Final weighting regression, weights, points schedule, and total points
- (iii) Final job hierarchy/clustering/pay grades
- (iv) Benchmarking and Policy lines (including all relevant sub-components)
- (v) Final pay structure, compa-ratios, red/green circles, any salary adjustment total
- (vi) Pay Equity Analysis and any salary adjustment total