

# Non-Faculty Compensation the Modified Structure

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# Today's Topics

- ▶ Total Compensation Framework
- ▶ Skidmore's Compensation Practices
- ▶ Background for the changes
- ▶ Overview and discussion of the modified structure
- ▶ Questions and Answers



Skidmore College affirms the importance of each employee's contribution to its educational mission and accordingly is committed to providing appropriate compensation – the combination of direct pay and benefits – to everyone who works at the College.

# Notes

# Total Compensation Framework

## SKIDMORE COLLEGE TOTAL COMPENSATION FRAMEWORK

Fall 2003

Skidmore College affirms the importance of each employee's contribution to its educational mission and accordingly is committed to providing appropriate compensation – the combination of direct pay and benefits – to everyone who works at the College. This commitment is grounded in two principles: First, Skidmore College adheres to basic values of fairness and equity (both internal and external) in the workplace. Second, the College can fulfill its mission only by hiring and retaining members of its faculty, staff, and administration who are capable of meeting the highest standards of performance and are motivated to do so.

The College also strongly believes that working at Skidmore should be rewarding not only because of compensation but also because of

- the advantages of association with a vibrant liberal arts college noted for its unique sense of community,
- the nature of the work itself,
- working conditions,
- opportunities for continuing education and professional development,
- educational opportunities extended to dependents, spouses, and domestic partners,
- where possible, opportunities for career advancement within the College, and
- opportunities to participate in institutional governance.

For these reasons, the College will strive both to maintain externally competitive and internally equitable levels of compensation and to consider other factors affecting job satisfaction in strategic planning, in budgeting, and in other areas of institutional decision-making.

To address issues of compensation, the College will identify overall goals for compensation and then develop specific targets for the discrete elements of total compensation for different employment categories and, in some cases, for individual positions. In establishing such targets, the College will take account of appropriate external benchmarks while attending to considerations of internal equity. The College will also aim to provide individual choices, where possible, for managing health and welfare benefits. Targets for both salary and benefits will be reviewed regularly and modified as necessary. The College will also regularly explore alternative approaches to benefits. Such decisions will necessarily be informed by constraints on resources and other budgetary considerations. In all cases, the Board of Trustees retains final authority to approve budgetary principles, as well as annual budgets and projected expenditures.

This total compensation framework is predicated on the ideas that the community spirit of the College is paramount and that compensation programs should reflect the needs of both the College, as an institution, and its employees. The College community will continue to be involved in providing input regarding the design and assessment of programs through focus groups, interviews, representation on governance committees, and in general meetings. The elements of the framework itself, specific goals and targets, and the College's progress in meeting them will be reviewed regularly by the College administration in collaboration with appropriately constituted governance bodies. The results of such analyses, any ensuing changes in the compensation system (along with the reasons for such changes), and their implications for employees, will be communicated in a clear and timely manner.

The following principles will inform the College's decisions regarding compensation:

### Goals for External Positioning

Within the constraints of its financial resources, Skidmore College will aim to

- Align salary ranges at the median of comparator markets (as described below), with individuals' base salaries generally extending over the middle third of those ranges (assuming satisfactory performance);
- Ensure that hourly wage levels are positioned at or above the current "living wage" level for the region;
- Provide annual salary and wage increases to maintain market competitiveness and, where possible, to improve such positioning relative to external benchmarks.
- Target benefits near the middle third of our peer institutions (where such comparisons can be made).

### Market Comparisons

*Comparator markets* – markets against which the elements of compensation will be compared – will be identified on the basis of criteria including the nature of the position, knowledge and skills required to perform the work, areas of recruitment (national, regional, local), the nature and size of comparable institutions or employers, the financial resources of comparable institutions (in relation to the financial resources of the College), and (where relevant) location. More specifically, the following comparator groups will be utilized.

- Faculty members, senior administrators, and higher-ed-specific mid-level administrators: A peer group of schools that are comparable in size, financial structure and mission as well as national data (e.g., the annual AAUP faculty survey).
- Administrators with comparable jobs in industry: The peer group as described and regionally based and comparably sized general industry companies.
- Members of the support staff: Businesses in the region.

### Internal Equity

In order to recognize the contributions of individual employees while treating everyone with fairness and respect, the College will

- Establish ranges of compensation for different positions based first of all upon a systematic analysis of factors such as responsibilities and the levels of education, skills, and experience required to perform a given function, with the goal of providing equitable compensation for comparable work.
- Acknowledge an employee's individual contribution to Skidmore – as reflected both in current levels of skill and the history of performance at the College – when determining individual positioning of salaries within the salary range.

GOAL

# Total Compensation Framework

## Work Satisfaction and Career Development

The College is committed to the principles that work should be satisfying in its own right, that employees should find that they are able to employ their skills effectively, to contribute thoughtfully to the advancement of institutional goals, and that their time on the job is well spent. To implement these principles, the College will

- Give proper attention to training and oversight of those employees in supervisory and administrative roles.
- Provide employees with opportunities to develop their professional skills and increase their knowledge in ways that contribute both to professional and personal growth.
- Provide opportunities, where possible, for employees to enhance both their personal satisfaction and their contributions to the College through lateral moves to new areas or involvement, promotion, or involvement in new areas of work through participation on committees or task forces.

## Acknowledgement of Individual Performance

In all cases, the expectations and ways of assessing individual performance should be clear and consistently applied and should support the College's values and mission. Fair and helpful performance review should be an integral aspect of work at all levels within the College. Where possible, the College will develop ways of acknowledging high levels of performance, individual contribution, or achievement.

In some instances, the College will be able to acknowledge with stipends or other forms of supplemental pay the work of employees who have taken on additional responsibilities or time commitments that substantially exceed the normal expectations of their positions. Where possible such additional compensation will be standardized to ensure that employees performing comparable work will receive equitable pay.

# Background for the Changes

- ❖ Conducted the Staff Survey Spring 2014
- ❖ Have been working on a number of changes based on the feedback
- ❖ There have been negative reactions in our community to former differentiations between exempt and nonexempt staff
- ❖ We wanted a system that would support ALL staff, regardless of roles and responsibilities
- ❖ Assessment from several years ago indicated we have significant overlap between the then support staff and administrative professional structures

# Skidmore's Compensation Practices

## ▶ The Position Questionnaire (PQ) process

- ❖ The PQ process was developed back in 1994 and was based on a point factor system
- ❖ We have five factors:
  - responsibility for results,
  - complexity,
  - relationships,
  - application of knowledge and
  - environmental elements for nonexempt staff and resource management for exempt staff
- ❖ Each factor has degrees within it from 1-5 or 1-6 which indicate the degree of responsibility, complexity, etc.
- ❖ ***The PQ committees determine the degree (or points) of each factor assigned to each position***

# Skidmore's Compensation Practices (Cont.)

- ❖ Each factor has a weighting assigned to it – for example, complexity is valued higher than environmental elements and so on. The degree points are multiplied by the weightings and the final number is the position's rating/profile
- ❖ Each band has a range of points attached and each position's rating/profile fits into one of those ranges. This is the mathematical equation that determines the bands for each position
- ❖ Each position is rated based on the factors and not in comparison to other positions

# Skidmore's Compensation Practices (Cont.)

- ▶ **There are salary ranges attached to each band**
  - ❖ Looking at last year's ranges, you will notice the overlap between the lower level AP grades and the upper level SS grades
  - ❖ It's important to note that no one is being disadvantaged with the new salary structure.
  - ❖ The midpoints indicate the median of the "market". A person's pay rate is determined in relation to the range midpoints and taking into consideration time in position. If the midpoint is raised, there is greater potential for earning more because as we strive to get to the midpoint by year 7 (as long as the College has the funds to do so), if the midpoints are higher, then our salaries will be proportionately higher as well.

# Skidmore's Compensation Practices (Cont.)

- ❖ In this process we've made sure all new midpoints have either remained the same as the prior corresponding midpoint or been raised for each band range
- ❖ The money in the equity pool is used to move people to that midpoint by year seven. This goal remains the same

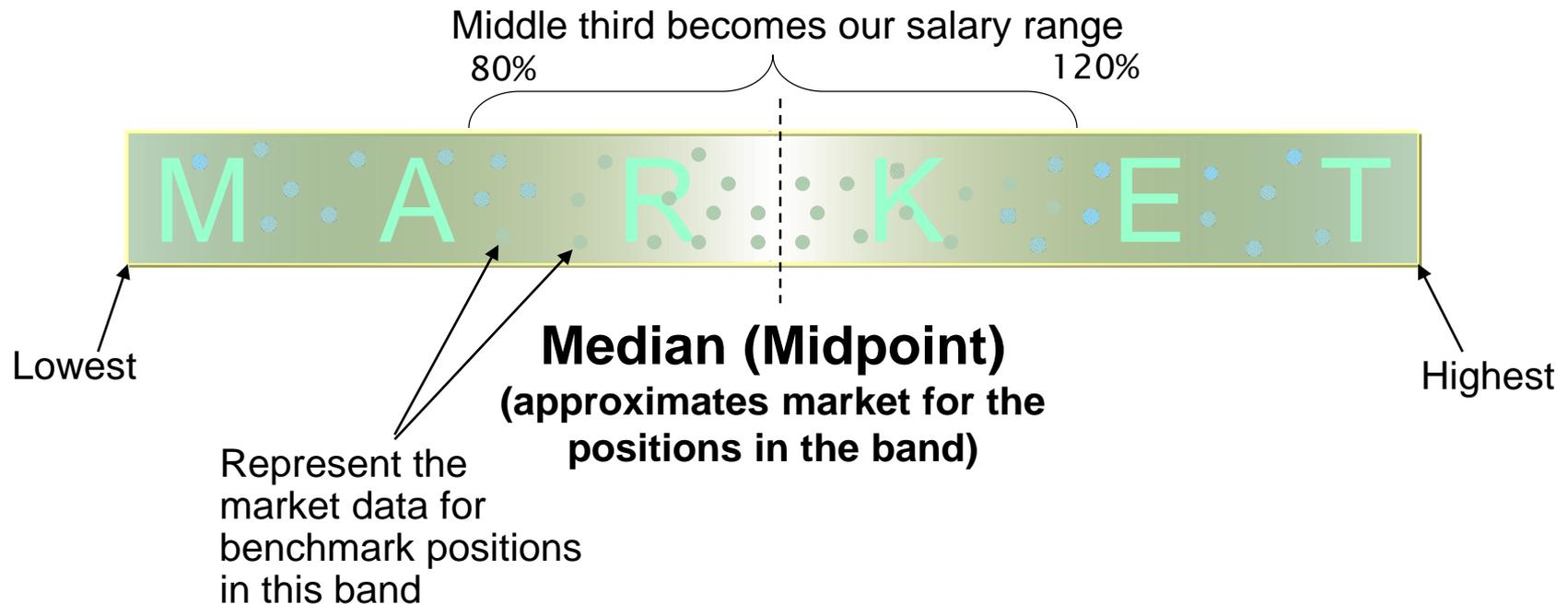
# Skidmore's Compensation Practices (Cont.)

## ▶ The creation of the salary ranges

- ❖ Ranges are analyzed every 3 or 4 years where we compare our position pay rates to like positions in compensation surveys. Only survey data is used to determine pay ranges – this is best practice in compensation administration
- ❖ Surveys average the salary data they receive to determine the “market” pay rate for a position. We participate in local surveys when possible. The national HR association – CUPA-HR (College and University Professional Association for Human Resources) – conducts annual surveys that we participate in. They have a survey for the higher level exempt positions, one for the mid-level exempt positions and one for the nonexempt positions. We have participated in all three and we are able to get peer average data for our positions

# Ranges

- ❖ Preliminary ranges are developed around clustering of market data as shown below
- ❖ Once the Midpoint is developed, it is the comparison point for all positions



# SO....

- ❖ We developed a structure to address these changes
- ❖ Merged the current 12 exempt and nonexempt bands into on structure of 8 bands
  - The bottom 2 bands in each group are merged together with each other and the lower level exempt bands are combined with the upper 2 nonexempt bands
  - Some of the bands now have both exempt and nonexempt positions
  - The “clock” does not start over!
  - At this time, all positions retain their exempt or nonexempt category

# New Position Band Distribution for Staff

Grade	# of Incs	Current Non-Exempt Grades				Current Exempt Grades							
		13	14	15	16	25	26	27	28	29	30	31	32
110	39	19	19										
120	120			109		2	9						
130	84				56			28					
140	107								107				
150	73									73			
160	38										38		
170	11											11	
180	6												6

# FY 15-16 Salary Ranges for Exempt and Nonexempt Staff

Grade	Min	Mid
SS16	32,305 (17.75)	39,258 (21.57)
SS15	27,937 (15.35)	34,107 (18.74)
SS14	24,279 (13.34)	29,630 (16.28)
SS13	21,240 (11.67)	25,972 (14.27)
AP32	143,514	193,086
AP31	102,510	137,904
AP30	73,236	98,532
AP29	54,060	72,930
AP28	42,534	57,222
AP27	33,456	45,084
AP26	27,336	36,720
AP25	22,236	29,886

# New Salary Structure for Staff

FY 16-17

Grade	Min	Mid
110	28,000 (13.46)	35,000 (16.83)
120	33,000 (15.87)	41,300 (19.86)
130	36,100 (17.36)	48,700 (23.41)
140	45,100 (21.68)	60,900 (29.28)
150	56,400 (27.12)	76,100 (36.59)
160	73,300 (35.24)	98,900 (47.55)
170	102,600 (49.33)	138,500 (66.59)
180	143,600 (69.04)	193,900 (93.22)

Annual salaries  
are based on a 40  
hour work week

# Next Steps

- This year's general salary adjustment is 2.5%
- Salary Letters will be mailed to staff on or around May 20, 2016
- Pending Board approval at the May, 2016 meeting, the 2016-2017 pay adjustments will be effective May 21, 2016 and reflected in the paycheck of June 10, 2016
- Questions regarding your specific salary adjustment should be directed to your supervisor or Dean/VP

# Questions

# Notes