

Frequently Asked Questions (FAQs)

Questions on the Proposed Compensation Program

Program Design

Q: Why are we exploring revisions to our Compensation Program?

A: In the Spring of 2003, as the Wage & Salary committee concluded the “Repricing Project”, the committee to request support for a complete program review. Some of the issues the committee noticed were:

The benchmark program had some unintended negative consequences (it could be a disincentive to transfers or “wipe-out” merit increases).

The benchmark program did not take full advantage of the market data available and lumped together positions for market comparison that were not related to one another.

The program did not support new career ladders and role changes within the College.

The goal was to develop a program that best met the needs of staff and supported the strategic direction of the college.

Once the review began, the committee started their work by collecting feedback from staff. Input was collected via focus groups and a campus-wide staff survey.

Q. What are Career Bands and Career Levels?

A: Career Bands are a way of grouping similar Middlebury jobs based on the type/nature of work performed on campus. Preliminarily, Middlebury has four career bands:

- 1) Support - Primary contribution is in an administrative or service capacity;
- 2) Specialist - Primary contribution is in applying specialized knowledge;
- 3) Management - Primary contribution is managing other people; and
- 4) Administrator - Primary contribution is managing the strategic direction of the College.

This Program provides a framework for administering salaries to assure competitive pay opportunities are linked to employee performance. We will use Career Banding to define competitive salary levels and administer salaries. In addition, the new Program serves as a roadmap that distinguishes career paths for both individual contributors and managers and marks career milestones called Career Levels. Each Career Level will be defined through a series of “dimensions:” scope of responsibility, problem complexity, autonomy, influencing/people leadership, organizational knowledge, and minimum background/experience.

Q: One of Middlebury College’s guiding principles is to target base salaries for good performance at the market 80th percentile. What does this mean?

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A: Middlebury strives to position base salaries for experienced, well-performing staff members at the market 80th percentile. The market 80th percentile means that Middlebury strives to pay better than 80% of the market. For example, out of 10 organizations, Middlebury targets to pay better than 8 of those 10.

Q: **How are Career Bands different than our existing salary grades?**

A: Career Bands differ from salary grades in several ways:

- They are broader than typical salary grades;
- They incorporate a career development and growth focus; and
- They reflect a focus on similarities between positions rather than incremental differences based on length of service.

Q: **How will this Program improve internal equity at Middlebury?**

A: Jobs are slotted into Middlebury's current W&S Program based primarily on market. The new Program will allow staff to slot jobs based on the content of the position. The slotting process will entail managers and staff using the same criteria to slot jobs with Human Resources providing support and reviewing slotting from an institutional perspective. We hope this process and the career dimensions that define each level will improve internal equity.

This program also brings additional advantages. First, through clustering jobs based on role content and responsibilities, positions within individual levels are more closely connected to the appropriate external marketplace 80th percentile. Second, the compensation program will provide more of a link between pay and performance. Third, Career Bands and Levels will eventually provide a framework for developing detailed career paths.

Q: **How will jobs be slotted into the new Program?**

A: Together, managers and staff with support from HR, will slot their jobs into the appropriate Career Band and Career Level. After managers and staff slot their jobs, HR will review and approve all job slottings to ensure overall consistency. Managers and staff members will receive the "dimension" criteria to use in slotting jobs. This criteria outlines the scope of responsibility, problem complexity, autonomy, influencing/people leadership, organizational knowledge, and minimum background/experience demonstrated at a given level. In addition to the dimensions, HR will provide managers and staff with instructions and guidance to assist in the slotting process.

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Q: How do Career Bands impact pay?

A: Each **Career Band** has a minimum and a maximum salary level.

This range is based on how comparable jobs are paid in the relevant external marketplace. We determine position value through a process called market pricing and conduct this review every year to ensure our salaries are competitive with our desired market 80th percentile positioning.

Q: Will all jobs in the same Band have the same pay?

A: No. Since there is a wide range of jobs within a given Band, our market pricing shows that competitive salaries vary between jobs at different **Career Levels**. Accordingly, each Career Level will have a salary range – that is, a minimum (the bottom of the salary range), a midpoint (the middle of the salary range), and a maximum (the top of the salary range). This salary range defines the typical range of pay for jobs in that particular Career Level.

Q: How will new hires be brought into the new Program?

A: Middlebury values experience that new hires bring to effectively apply to their new role. New hires will be brought into the Program based on where their job is slotted. HR will work with managers utilizing the Career Level salary ranges to position a new staff member's salary based on a number of factors: 1) His/her expertise and skills for the new job; and 2) The salaries of current incumbents within that job at Middlebury. HR will be providing managers with salary administration guidelines to help them manage pay of current staff and new hires on an ongoing basis.

Compensation and Pay Administration

Q: Would a staff member's salary be capped if he/she reaches the maximum of the salary range for the Career Level or Career Band?

A: Although the guidelines do serve to accommodate most staff member salaries (since the ranges are based on job market data), the Wage & Salary Committee is recommending that staff salaries **not be capped**.

Q: What happens if the market value of a job goes up significantly?

A: HR will be reviewing and updating, as needed, Career Bands and Level Salary Ranges against the external marketplace. Market adjustments will be made as needed. Individual pay adjustments will generally be reflected in the annual merit review.

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Q: What will happen if current pay is below the minimum for an employee's new Band or Career Level?

A: Middlebury is committed to paying competitive salaries, so employees whose salaries fall below a Band or Career Level minimum will receive a salary adjustment to bring them up to the appropriate minimum.

Q. Will there be any pay decreases to individual salaries as a result of this Program?

A: No.

Q: What is the difference between merit increases and market adjustments?

A: A *merit increase* is an *annual increase* (provided as a % of base salary) that is available to all employees who perform at acceptable performance standards. These increases vary by employee based on the performance management rating they receive in discussions with managers. *Market adjustments* will be initiated by Human Resources *on an as needed basis*. A market adjustment is a salary increase that is provided to staff members whose jobs fall *well below* market levels. This type of adjustment would be determined by HR in its annual market review of Middlebury jobs. Based on this review, HR will work with the department to discuss the findings and communicate the salary increase adjustment to that staff member. Again, market adjustments will only occur if a particular staff member's salary or a particular set of jobs are not positioned within our salary guidelines.

Q: How does the market reflect experience for certain jobs?

A: The "market" includes compensation data for all employees in a job, regardless of the length of service; accordingly the market does not clearly distinguish different service levels, and the emphasis is on the job content.

Q: How will pay be differentiated in the proposed Program? In our current Program it is based primarily on length of service.

A: The proposed Program will provide staff members the opportunity to increase their earnings potential through the annual merit increase process and promotional opportunities (defined as "career progression increases"). It is important to note that dollars the College had previously spent on benchmark adjustments will be allocated to the merit pool to better enable managers to reward staff performance.

As mentioned above, career movement, both across and up Middlebury's Career Levels, will also offer the opportunity for growth in an employee's salary. Middlebury values career progression, both within a Career Level and across a

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Career Level or Band; accordingly, our organization is committed to recognizing these career moves through base salary increases.

Q: Cost of living was a key issue raised in the staff survey conducted last year. Why are cost of living increases not a part of the new Program?

A: Middlebury College considers cost of living as *one* factor in determining the overall annual merit increase budget. In addition to this factor, it *also* considers the College's budget, and the pay increase budgets of local and regional employers and peer institutions to ensure it keeps up with the supply and demand for qualified staff.

Q: How does the merit process work now and will it be the same under the proposed system?

A: Currently managers are asked to assess an overall performance level, based on a 5 point scale, for all staff members. Once all the performance data is collected, the % increases are determined for each performance level. This change was implemented in 2005 in order to improve consistency across campus. The Wage & Salary committee is considering the feedback heard during the opening meetings and will be exploring ways in which the merit process could be refined to respond to staff concerns in the proposed system.

Q: How will eliminating the benchmarks provide more money for merit increases?

A: Each budget year the Board of Trustees approves a single pool of dollars for staff increases. Before the merit pool can be determined from this amount, money must first be removed to cover benchmark increases. This reduces the amount left for merit. For example, last year the total pool for staff increases was 4.5%, 0.7% was removed for benchmarks, leaving 3.8% for merits.

Career Development and Career Progression

Q: Will a career path be developed just for my department?

A: It is our intention that once we implement the College-wide Program we would work with interested departments to develop detailed career paths. These career paths would detail key responsibilities, technical skill requirements and competencies for department jobs within Career Levels and Bands. In addition, this process would entail developing "in-role" levels for specific jobs. Jobs which may lend themselves to in-role levels may include: jobs which require certifications in order to progress from one career level to another; size of

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expense budget or revenue responsibility; size and type of teams managed; and/or jobs which require more responsibility and function with less direct supervision.

Q: How can I progress through the Career Bands and Career Levels?

A: There are multiple ways to grow and be rewarded under Career Banding. You can advance your career by:

- 1) *An in-role move within a Career Band;*
- 2) *Taking a new job within the same Career Band at the same or higher Career Level; and/or*
- 3) *Taking on a new job within a new Career Band at the same or higher Career Level.*

All three opportunities are based on your qualifications and ability to demonstrate growth and development. In the sense that all three work to advance your position in your Career Band, each can be thought of as career progression (i.e., promotion).

In-role development (#1 highlighted above) is a natural progression of one's current job based on expansion of job content and sustained performance/competency.

Taking on a new job (#2 and #3 highlighted above) whether within a Band or to a new Band requires a vacancy resulting from add-to-staff or turnover. These opportunities become available through the College's job posting process. Progression to new jobs, like a promotion today, is not automatic; it depends on the availability of a job in that Band for which you are qualified and selected. These jobs will be filled on an as-needed basis during the year.

All career progression moves will be reviewed by HR to determine if a salary increase is warranted.

Q: How will I be rewarded if I want to stay in my current position versus moving into a new role at a higher career level?

A: Middlebury rewards staff performance through its annual merit increase program. This Program is available to all employees, regardless of whether they are interested in moving to a new job or not. If a staff member's performance meets or exceeds expectations, he/she will continue to receive salary increases through the merit program. Middlebury reviews the competitiveness of its jobs on an annual basis, so any changes in market practices are automatically reflected in adjustments to the salary ranges.

Q: What happens if a position changes in a way that indicates it should be in a higher Career Level?

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A: If a position has changed in a way that it meets the career dimension criteria for a higher Career Level, the manager and staff member should revise the job description. Department Management should then provide HR with the revised job description, highlighting the key differences, and recommend a new Career Level as a result of this change in responsibilities and job scope. HR will work with Department Management to review and approve the change.

Q: How does Career Development differ from what I am doing today with my development?

A: Middlebury's Career Bands and Levels are meant to add to resources that you are already using to assess your performance and development and discuss your career with others. The Career Banding Program provides an opportunity for you to begin reflecting about your strengths, development needs, and what you want from your career. They are meant to provide a common context for how staff talk about jobs, development and career opportunities. While Middlebury will provide you with career-related resources, you will work collaboratively with your manager to take ownership of your career and create development plans that support your personal objectives and are balanced with the College's needs

Transition Plan from Current W&S Program to Proposed Program

Since this Program is still preliminary, a formal transition plan has not been developed to-date. The W&S Committee is currently discussing feedback from the Open Staff Forums and what changes could potentially be made to the preliminary Program based on this input. Once any changes are finalized and approved by the President's Staff, a formal transition plan will be developed and communicated to Staff. We will continue to keep the campus informed on our progress.