



# STAFF COMPENSATION UPDATE

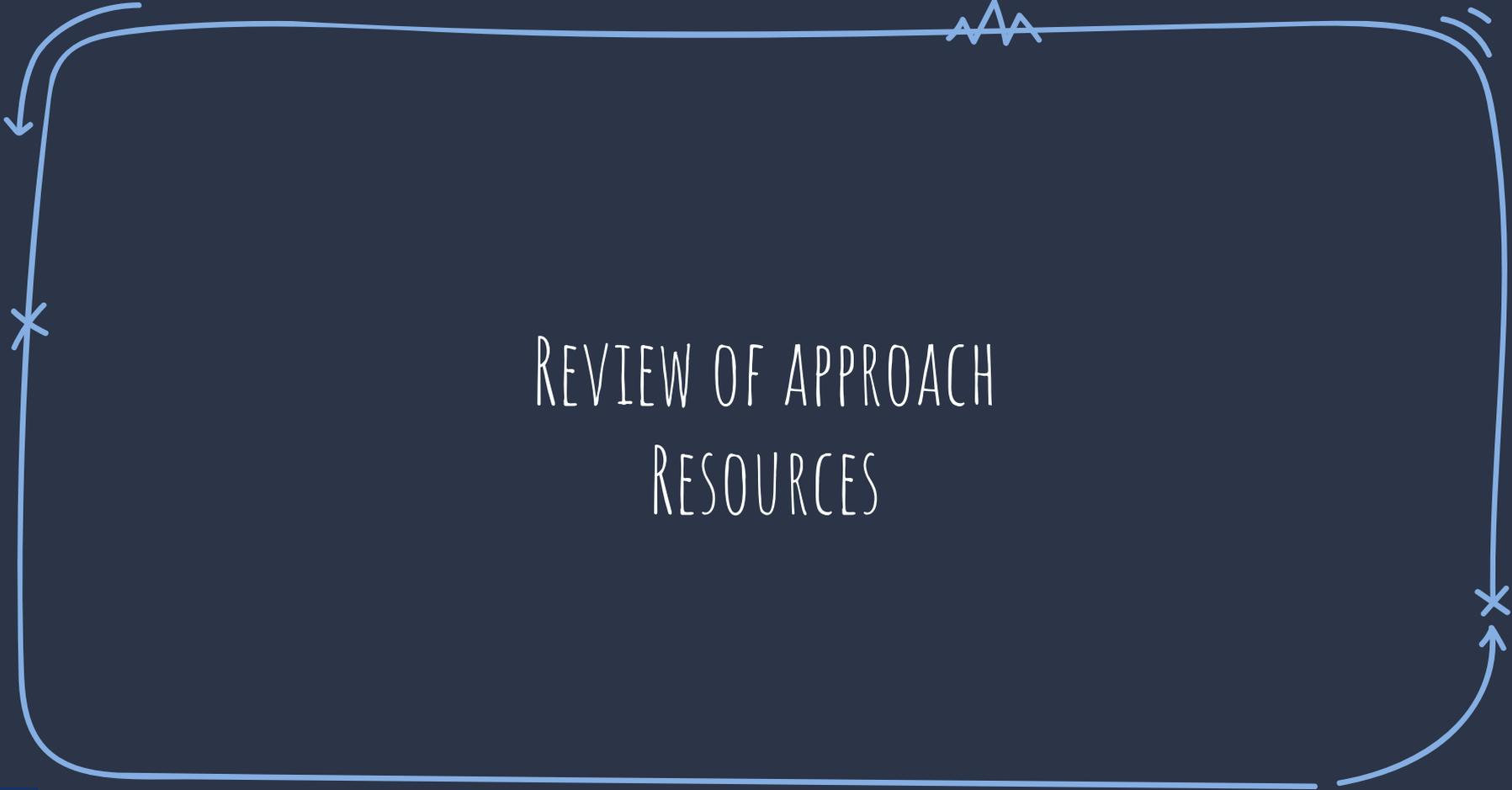
MAY 2023



# WHAT WE'LL COVER IN THIS UPDATE

- X Quick review of approach and resources
- X Investment for FY24
- X **MARKET** updates – comparison market, market increases and **\*NEW\*** market verification
- X **SKILL MATRIX** updates
- X **DISCRETION** updates
- X Timeline





# REVIEW OF APPROACH RESOURCES



# APPROACH TO STAFF COMPENSATION

## Informed by Market

Rates and ranges are based on market

Includes peer institutions, similar jobs, geography

## Collaborative

Opportunity for department leadership to weigh in on market data and how roles are benchmarked

## Fair & Competitive

Investment to increase starting wages

Competitive for all

## Standard & Simple

Easily explainable and applicable to all staff

## Career Progression

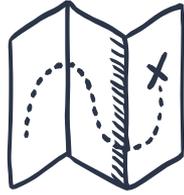
New system not directly tied to annual performance or minor adjustments to role

Focus on development

## Repeatable

Something we can use this year AND going forward on an annual basis





ROLE

Role mapped to market and min/max range established

Agnostic to individual



INDIVIDUAL

Skill matrix based on ownership and impact drives where individual falls into range



DISCRETION

Final layer of discretion based on VP/Manager functional expertise

Guardrails in place

# INVESTMENT FOR FY24



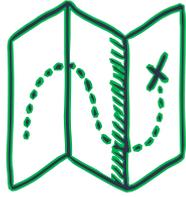
# BY THE NUMBERS

	\$ Total amount
FY23 total staff salaries	\$62,308,203
Total pool for July 1 increases	\$3,115,410
FY24 total staff salaries	\$65,423,613
Step 1: ROLE – market increase	\$2,027,290
Step 2: SKILL MATRIX – individual increases	\$709,931
Step 3: DISCRETION	\$378,189
Total pool for July 1 increases	\$3,115,410



COMPARISON MARKET  
MARKET INCREASES  
\*NEW\* MARKET VERIFICATION





ROLE

Role mapped to market and min/max range established

Agnostic to individual



INDIVIDUAL

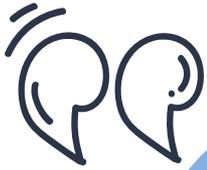
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# COMPARISON MARKET

After careful consideration of alternative market comparison groups, including NESAC, Middlebury will continue to use the factors of institution size and budget to determine our comparison group. The market data for our wide array of positions varied amongst the other alternatives with some positions benefiting and others not. Overall, we believe there are significant benefits to maintaining the same market group for at least the first three years of our new system.





## ALL ROLES WILL RECEIVE A 3.5% MARKET INCREASE

This step is based on the overall market movement and applies across the board. Individuals in range will receive a market increase to remain aligned with the range movement.

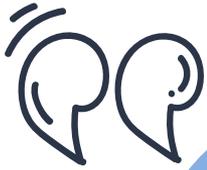
It *also* looks at if any specific roles that have shifted significantly and moved from one grade to another. 17 specific roles shifted based on the market this year.

Note that any individuals over the range maximum will not receive an increase but will be eligible for a one-time payment in discretion step.



FY24 PAY RANGES NOW PUBLISHED





# MARKET VERIFICATION

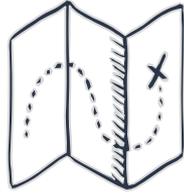
HR has completed a review the market and placement of all roles as a part of the annual market review process. An option has been added for leaders to request a *Market Verification* if there are outstanding questions/issues with a particular role.

Of the 41 reviews requested 10 changes were support by the market data and approved by the Ways and Means Committee. Approved changes will be communicated directly to individuals via your supervisor and reflected in the July 1 increase.



# SKILL MATRIX UPDATES





ROLE

Role mapped to market and min/max range established

Agnostic to individual



INDIVIDUAL

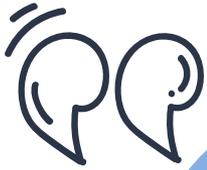
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## SKILL MATRIX CHANGES

Those who have achieved significant career progression in the past year in terms of ownership and impact will shift up a level in the skill matrix. All others will remain in the same place but will still be eligible for a raise through Step 1: ROLE (based on market) and Step 3: DISCRETION (as available/allocated).



12%

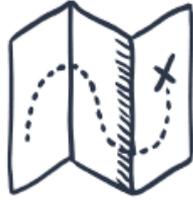
OF POPULATION WILL SHIFT  
THIS YEAR

- X We expect roughly 10% of staff will shift in career progression and therefore skill matrix placement each year
- X This will be tracked/monitored when SLG members complete skill matrix placement in Axiom leading up to final decisions—and this will be reviewed institutionally by SLG and HR
- X This is not intended to calibrate or hold people back in a pre-defined way, but rather is a realistic and necessary target to name and check ourselves to ensure consistency within and across divisions and not over inflate movement in a way that risks the overall approach
- X This year, 12% of the staff population will shift in their skill matrix, recognizing significant career progression for those individuals



# DISCRETION UPDATES





ROLE

Role mapped to market and min/max range established

Agnostic to individual



INDIVIDUAL

Skill matrix based on ownership and impact drives where individual falls into range



DISCRETION

Final layer of discretion based on VP/Manager functional expertise

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# DISCRETION

- X Good news! We were able to fund discretion with \$378,189.
- X Process:
  - X SLG/designees received final Step 1 and Step 2 rates with discretion pool to allocate
  - X Guardrails established:
    - From \$500-\$3,000 in increments of \$500
    - Can't go above maximum for range
    - If the individual is over the maximum, instead of it being a base compensation increase, the discretionary amount will be paid as a one-time payment in lieu of increase to base pay (\*NEW this year based on feedback)
    - Must stay within established discretion pool by area



# TIMELINE



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NOVEMBER

Kick off job description update project

Review and analyze options related to market parameters

Share details on process and approach

JANUARY

Complete job description update project

New job description library available

Outreach and training with leaders on skill matrix placement

MARCH

Updated market data available

Decisions on market parameter adjustments

Prep for launch of skill matrix and discretion input process in mid-April

MAY

Market adjustments determined

Budget finalized

By end of May, all input gathered from leaders for skill matrix placement and discretion

JULY

New compensation details communicated to individual employees in June and effective July 1

WE'LL SHARE AN UPDATE EVERY OTHER MONTH ALIGNED TO THIS TIMELINE



## WHERE WE ARE & WHAT TO EXPECT IN THE NEXT FEW WEEKS

- X HR has completed a market review for staff roles. Requests for promotions and market verifications have been reviewed and Ways and Means Committee decisions communicated to SLG members. FY24 budget is finalized.
- X New skill assessments have been assigned to employees who have had a significant change in their career progression. HR has reached out to discuss reassessment of skill matrix for anyone receiving a promotion.
- X June 6: SLG/designees complete discretion allocations
- X June 9: All FY24 compensation finalized. SLG/designees will receive final compensation details by individual for FY24 and will be able to share and discuss directly with supervisors and staff.
- X June 19-21: Employee letters sent
- X July 1: Effective date of new pay rates & one-time payments, will be reflected in July 14 paychecks (please note that July 1 is mid-way through the pay period so the new rate will only apply for time worked from July 1st forward, which is roughly half the pay period)



# MORE DETAILS

## EXPLORE OUR FRAMEWORK.

Take a deeper dive into each step of our compensation program.

### Role

Each role is placed into a grade based on market benchmarking and internal review. This sets the min/max range for a role.

### Individual

The skill matrix is a tool to place individuals into the range based on career progression.

### Discretion

When funds are available, department leadership can distribute supplemental increases.

To learn more about how this program was developed, you can see materials that were shared with our community leading up to the rollout [here](#).

Visit the [Staff Compensation](#) section of the HR website for more information including ranges, skill matrix tables, previous presentations and FAQs...

...and we'll be back in July with a final summary of this year's program!

