Staff Compensation

Update to staff | March 2022
This used to be a place that cared about people—by compensating them fairly—that does not seem to be the case anymore.

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.
There are disparities in position placement and pay...hoping that the recent compensation study will help rectify that, yet it does not feel promising.

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.
People on the lower end of the pay scale aren’t appreciated...fix the pay. A person should be able to support their family if they work hard.

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.
I’m concerned about lowest paid/service employees...and hope those roles are properly attended to...so that employees can make a livable wage.

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.
Annual pay increases either don't keep pace with, or just barely match, inflation.

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.
We hear you.

It’s time to refresh our staff compensation program.

We’re here to share what’s next...
WAIT, WHAT?

I’M STILL WAITING TO HEAR ABOUT THE MERCER STUDY...
The Staff Compensation Road—Then to Now

1. Feb 2020 Mercer shares initial market analysis
2. May 2020 Mercer design discussions and modeling
3. June 2020 Project put on hold due to COVID
4. February 2021 Project re-boot and then paused again with VPHR departure
5. October 2021 Project re-started with commitment to deliver in July 2022
6. January 2022 SLG alignment to new approach and launch of pilots
7. July 2022 New rates and program in place
Benchmark data is from the following institutions:

### Comparison Market Analysis
#### Primary Comparison Market (N=39)

<table>
<thead>
<tr>
<th>College</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelphi University</td>
<td>Johnson &amp; Wales</td>
<td>NJ</td>
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<tr>
<td>Babson College</td>
<td>Lafayette College</td>
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<td>Barnard College</td>
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<td>New York Institute of Technology</td>
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<td>Colgate University</td>
<td>Pratt Institute</td>
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<tr>
<td>College of the Holy Cross</td>
<td>Providence College</td>
<td>RI</td>
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<td>Fairfield University</td>
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<td>Roger Williams University</td>
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<td>Ithaca College</td>
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### Comparison Market Analysis
#### Secondary Comparison Market (N=66)

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<td>Furman University</td>
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<td>Brown University</td>
<td>Cardiovascular Institute</td>
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<td>Bradley University</td>
<td>Illinois Institute of Technology</td>
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<td>Ithaca College</td>
<td>NY</td>
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<td>Creighton University</td>
<td>Loyola University</td>
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<tr>
<td>Drake University</td>
<td>Marietta College</td>
<td>GA</td>
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HOW BENCHMARKING WORKS

Employers (like Middlebury) complete salary surveys with the pay information for particular positions, for example Admissions Counselor.

The survey has a brief job summary to use to match jobs.

Survey results are used to determine the average pay for a position. That average becomes the market rate.

Organizations (like Middlebury) use market rate information to place a position in a pay grade with a midpoint closest to the market rate.
AND IF A JOB ISN’T BENCHMARKED...

✗ For jobs that don’t have market rate data, we then compare with other similar jobs or jobs in that department.

✗ Consider factors below and slot the job in a grade:
  ✓ Complexity of work, relationship between positions
  ✓ Level of influence and responsibility
  ✓ Degree of independence and decision making
  ✓ Required education and experience
Executive Summary
Variance from Market

- Benchmarked 186 unique jobs representing 726 employees
- Overall, Middlebury College’s budget allocation for salaries is approximately 10% below the market median, with variation by VP Area:
  - Salaries in 7 VP areas are within 10% of the median
  - Salaries in 4 VP areas are 10% or more below the median (average percent in parentheses):
    - Admissions (18%)
    - Athletics (22%)
    - Finance & Admin (12%)
    - Advancement (>10%)

1 In some cases, benchmark jobs are found in multiple VP Areas, therefore, the overall count of unique benchmark jobs is different than the total number of unique benchmark jobs in each VP Area.

Note: Exhibits above reflect benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)
Market Pricing Results (Benchmark Jobs)
Overall Distribution of Salary Positioning

- A little under half (46%) of benchmarked salaries fall within the 15% range of the market median.
  - Mercer considers a range of 15% around the market median is considered competitive for incumbents who demonstrate a range of knowledge, skills, experience and performance necessary to handle job responsibilities.
  - Salaries below this range would be appropriate for inexperienced incumbents and salaries above this range would be appropriate for highly experienced incumbents who are strong performers.
- At the overall College level, we would expect to see more of a ‘normal distribution’. Middlebury’s distribution shows a larger portion of the population paid below the competitive range than we would expect.
- The pages that follow show the distribution of salaries by VP Area and also by Job Family.

Note: Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)
Market Pricing Results (Benchmark Jobs)
Distribution of Salary Positioning by VP Area

The graph below shows the distribution of salaries within each VP Area. Several VP Areas show a similar distribution of employee salaries to the overall College. There are several VP Areas with salaries that are considerably below the competitive range.

Notes:
Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey, and Washington D.C.)
Total may not equal 100% due to rounding

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Market Pricing Results (Benchmark Jobs)
Distribution of Salary Positioning by Job Family

When analyzing salaries by job family, regardless of reporting relationship or VP Area, we see considerable variation in the degree of competitiveness.

Notes:
- Head Coaches are excluded.
- Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.).
- Totals may not equal 100% due to rounding.

From Mercer

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So what happens with this market data?

- For benchmark jobs, the median of the data will help determine what grade it goes into...

- Using the market median, a position is placed into the grade that has a midpoint closest to the market median.
So where did the new structure come from?

- We created our grade structure with the following in mind:
  - Accommodates the market variation of our positions
  - Ranges wide enough to accommodate variation of expertise and experience
  - Narrower at entry levels and wider for more complex roles

- Results led to a structure with 13 grades, range widths from 40-70% and midpoint differences between grades of 10-25%.
What about geography differences?

- Most of our positions are based in Vermont so that is the baseline for our grades.

- We used national labor market statistics to understand the difference between the Vermont labor market and the markets in California and Washington D.C.

- There is currently a 15% difference between VT and CA and Washington D.C. markets. This difference will be reviewed along with the market, annually.

- Employee's working in other areas of the U.S. will be paid using the structure associated with their anchor function.
Okay... Yeah... So how does it really work?

(We’ll show you how it works with silly job titles, because we can’t walk through specific info)
Example: Maple Syrup Time

- We have three positions in this department
  - Dean of (Maple) Sugaring
  - Supervisor, Mud Season Sap Collection
  - Coordinator, Sugar on Snow Events

- We participate in the Vermont Maple Sugar Association salary survey every year and it includes good matches for the Coordinator and the Dean but not the Supervisor

- We have 2 benchmark jobs in this department
The survey says...!

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<th>Market Median</th>
<th>Closest Grade Midpoint</th>
<th>New Grade</th>
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<tr>
<td>Dean</td>
<td>$80,000</td>
<td>$76,000</td>
<td>7</td>
</tr>
<tr>
<td>Supervisor</td>
<td>No data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinator</td>
<td>$40,000</td>
<td>$45,860</td>
<td>4</td>
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</tbody>
</table>
What about the Supervisor?

X The Supervisor runs the operation, with autonomy and independence.

X The Dean does marketing but otherwise this role is primarily responsible for staff and production.

X Compared to other supervisory roles on campus which are benchmarked in grade 5, this role has more autonomy and requires more knowledge, skills and experience.
The result is...!

First HR will recommend a grade, then the leader for the area will review and have an opportunity to request adjustments.

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EMPLOYEE FEEDBACK + MARKET DATA

= BUILD A NEW PLAN
**Goals of the new 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

**Repeatable**
Something we can use this year AND going forward on an annual basis
Pilot participants
Admissions, Custodial, HVAC, Public Safety, Center for Nonproliferation Studies, IT

SLG + Leadership Alliance + Staff Council
Sharing direction, kicking the tires, questions, suggestions

Compensation team digging in
to deliver for July
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 at functional level

Guardrails in place
Questions that may be top of mind

- Is anyone’s pay going to go down because of this? No.

- How does this map to the current structure? It doesn’t. It’s completely new.

- Is everyone’s pay going to go up? No. This is not like an across-the-board percent raise. Some people may see a significant increase, and some may see nothing or something relatively small. All based on the new methodology and tied to market. More to come next month on each part of this approach.

- Are only some positions/departments/teams being reviewed? No, all staff positions are being reviewed for market.

- What’s my specific raise going to be? We don’t know yet. We’re still working on finalizing the budget and carrying out department then institution-wide review.
Next steps

- Every month from now through June, HR will share a recorded presentation building out more information and detail as well as a quick reference poster that captures the main points.

- All content will be posted on HR website.

- Form to submit any questions—HR will reply to all individuals and post a public FAQ.

- Department leaders will also be sharing information and discussing with teams.
Next steps & timeline

April
- Share details on how ROLE and INDIVIDUAL sections work in new program
- Share approach and details on fair and competitive wages
- HR-Managers begin to work on specifics

May
- Share details on how DISCRETION section works in new program
- Go over pathways for growth year over year
- Department and institutional review

June
- Share examples of common scenarios
- Preview what is to come
- Discuss this year vs. future years
- Finalize details

July
- Effective July 1
- Share options and pathways for discussion going forward
- Action!