Executive Summary

Swarthmore College has long been committed to competitive, fair and equitable salaries for our staff. To that end, we periodically conduct market studies to ensure that our salaries are appropriate.

From time to time it is necessary to conduct a more comprehensive review of all aspects of the compensation program, to ensure that our salaries, as well as our ranges and pay policies, reflect the College’s needs and effective market practices.

We recently engaged Mercer, one of the top human resources consulting firms in the country, to conduct this review. The consultants we worked with have considerable experience in working with other academic institutions (including many of our peers), so they bring deep expertise to Swarthmore. Mercer and the HR team worked closely through this engagement.

Project Overview

This review was intended to ensure that the staff compensation program continues to be structured and administered appropriately. The consultants:

- Reviewed the methodology for salary benchmarking used in prior studies and by HR
- Assessed the market positioning of current staff compensation levels
- Evaluated the appropriateness of the current salary structure and provided suggestions for enhancement
- Reviewed current process for job evaluation and grade assignments
- Made recommendations for implementing and administering the structure
- Prepared draft pay administration guidelines for the College to customize, to ensure consistent and fair salary decisions

Findings and Recommendations

Competitiveness of salaries
Salaries were benchmarked to the multiple markets within which the College competes for staff. Data was collected from higher education, not-for-profit, and general industry in the local Philadelphia area as well as regional and national when appropriate. For positions where the College competes with a specific industry, such as healthcare, industry-specific data was also collected. Over half of the staff were benchmarked in the study, which is consistent with best practices. HR has also been benchmarking positions as vacancies occur as well as when position descriptions change.

Mercer found half of staff salaries are within 10% of the market median. This is the midpoint of the market and considered to be the competitive range for experienced staff; 43% of salaries are higher than this range. Only 7% of salaries are paid lower than this range; these jobs and individuals will be reviewed to determine if we’ve interpreted roles and responsibilities correctly, or if there are underlying explanations. Where salaries are falling below the market median, and adjustments SHOULD be made, they will be.

This finding is good news, because it shows that our regular attention to market data has kept our salaries very competitive.

*Program administration*

We are proud that Mercer confirmed HR has been administering the current program correctly, specifically the following:

- Our current salary benchmarking methodology is sound and consistent with market best practices
- The surveys we use for benchmarking are appropriate and highly reliable
- Our approach to assigning jobs to grades is consistent with best practice (HR examines market data if available, other similar jobs within the College and considers the roles and responsibilities of the job in comparison to a set of job evaluation criteria)

Since practices evolve over time as employer and employee needs change, Mercer suggested the following refinements to help modernize our program:

1. **Streamline the salary structure**
   
   i) Simplify the salary grade ranges. Use minimum, midpoint and maximum as reference points for making pay decisions

   ii) Align midpoints with market salaries to ensure that ranges are competitive

2. **Modernize the job evaluation approach**
i) Update the job evaluation criteria to be more consistent with a contemporary workplace

ii) Formalize the practice of considering multiple factors for evaluating jobs, including market value, responsibilities and requirements of the job, and comparison with other roles within the College

3. **Finalize and Use Administrative Guidelines**

i) Develop and use guidelines that apply to common employment situations (starting salaries, promotions, transfers, etc.) to help ensure consistency in how pay decisions are made across the College and help maintain integrity of the program (*coming soon...*)

4. **Maintain a regular review process to ensure continued market competitiveness and equity**

i) While Swarthmore has reviewed the market regularly, the cycle hasn’t been formalized

ii) Salary ranges should be reviewed annually and updated as necessary

iii) Formal market assessments and internal equity reviews should be conducted every 2-3 years College-wide, and market and internal equity should both be considered throughout the year as salary actions occur