The Fundamentals of Compensation

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Agenda

- Best Practices
- Review Compensation Program Goals
- Compensation Philosophy and Practices
- Review of Grade Structure
- Salary & Classification Guidelines
- Characteristics of a Compensation Program
- Career Development
- Total Compensation
Best Practices
Compensation and Classification in Higher Education

- Flat salary budgets of 2.5% – 3%
- Increased sensitivity to pay optics
- Competition for talent
- Continued employment mobility and market changes

- Increased external benchmarking
- More centralized pay administration processes
- More sophisticated pay and classification structures
- Strategic investments
- Shift to contemporary performance management/performance development programs
- Focus on career frameworks/paths, learning and development
- Ongoing pay equity analysis and remediation
- Increased, carefully crafted, pay transparency ("pay brand")
- Programs supported by technology
The Compensation & Classification Framework

- Institutional Strategy
  - Mission
  - Values
  - Goals
  - Strategies
  - Desired Behaviors

- Market Strategy
  - Talent Markets
  - Market Positioning
  - Internal / External Valuation

Classification Structure
- Job/Work Design
- Job Families
- Classification Definition
- Reporting Relationships
- Titles
- Job Documentation
- Evaluation Criteria and Process
- Internal vs. External Value

Job Evaluation

Base Pay Delivery
- Pay Mix (if variable applies)
- Pay Progression
- Performance Management
- Pay Administration and Decision Rights

Salary Structure
- Market Competitiveness
- Salary Levels and Ranges
- Control Mechanisms
- Link to the Market
- Structure Movement

Institutional Outcomes
- Improved Satisfaction
- Improved Commitment
- Improved Productivity
- Improved Recruitment/Retention
Swarthmore College’s staff compensation program is designed to:

- Attract, retain, and motivate a highly talented workforce
- Assess positions consistently to ensure internal equity
- Evaluate and use external market data to adjust salary structures accordingly
- Align staff positions in appropriate pay grades and salary ranges that are competitive with the marketplace for comparable jobs
- Be inclusive, fair, and non-discriminatory
Pay practices

- The college has committed to regularly conducting a living wage review.

- In 2018, the college moved the minimum Swarthmore wage to $13.00/hr.

- In 2019, the minimum Swarthmore is $13.50/hr.
Compensation Philosophy and Practices

- Maintain competitive compensation structure
- Deliver strategic and equitable administration
- Ensure compliance with federal and state statutes
- Conduct regular review of market data
Maintain Competitive Compensation Structure

- Annually review the grade structure against current market data* aligning positions with grades

*market data: data taken from valid, reliable, and well established sources representing the different geographical markets, business sectors. Salary market data reflects where the college typically competes to recruit and retain staff in the benchmark jobs.
Ensure Compliance with Federal and State Statutes

- The FLSA, Fair Labor Standards Act, sets minimum salary thresholds for exempt positions. Exempt status is not just about the salary for a position, but the job content as well.

  1. Evaluate salaries to make sure they meet the minimum salary exemption

  1. Current salaried threshold is $455 per week ($23,660 annually)

  1. New regulations will be increasing the salary threshold to $684 per week ($35,568 annually)
Deliver strategic and equitable administration

Best Practice: Pay Equity
Grade Structure

**IS**
- General guidelines of the relative complexity of the College’s positions that reflect the external market for those positions

**IS NOT**
- Rigid salary progression guidelines
- Representative of a position’s competitive market (in and of themselves)
Grade Structure: Hourly

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## Grade Structure: Salary

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Salary & Classification Guidelines

What happens if my job responsibilities have changed?

- Add Pay
- In-grade Adjustments
- Job Reclassifications
- Promotion
- Internal Transfer
How do we evaluate a position?

Step 1: Request an updated position description

Step 2: Evaluate the description to see how the position has changed (if not an entirely new position)

Step 3: Use the position description to collect market data

Step 4: Looks at internal equity in department and institutionally

Step 5: Establish appropriate salary for the position
Total Compensation

Tangible

Base Salary
Benefits:
  - Retirement
  - Health care

Intangible

College Mission & Values
Staff Development Opportunities
Employee Recognition

Events

  - Short Term Disability
  - Health Advocate
  - Life Insurance
  - Long Term Disability
  - Time off with pay
  - Tuition Assistance
  - Wellness Initiatives
  - Employee Assistance Program
Career Development

Who’s driving the car?
Growing Your Career

To grow yourself, you must know yourself.

John C. Maxwell

Only you know -

• Your interests, passions and dreams
• Your life circumstances
• Your priorities
The Keys to Successful Career Development

Evaluate Your Situation

**Success in Current Position** - review your recent performance evaluations

**Areas of Interest** - take a skills assessment test to further identify areas of interest and areas of aptitude

**Opportunities Available** - what openings are currently available now or in the future

**Seek Out Feedback** - actively solicit input from your manager and your peers, fellow committee members, project participants
Steps To Develop Your Career

Step 1
Identify your goals and career aspirations

Step 2
Evaluate your current skills to identify any skills gap

Step 3
Create a timeline with specific actions and realistic deadlines and communicate to increase accountability

Step 4
Close skill gaps through continuing education, online/in person classes, certifications, etc

Step 5
Celebrate accomplishments and reassess plan for modification
Networking

- Networking efforts should be deliberate and intentional
- Access professional associations for access to individuals in your chosen area
- Join LinkedIn groups to meet other professionals with similar areas of expertise and interest
- Utilize time at conferences to access panelists and other subject matter experts to connect with
- Utilize opportunities at neighboring institutions to network with other local professionals
- Find a mentor
  - can be informal
  - can be in an unrelated field
  - can be off-campus
Being a continuous learner is a critical component of career advancement.

Learning happens both inside and outside of the classroom.

Options to explore -

- LinkedIn Learning
- Formal educational courses - online or in person
- Conference/Seminars
- Professional Associations
- LinkedIn Groups affiliated with your area of expertise
Questions?