



EAB

RESEARCH BRIEF

# Compensation Structures and Professional Opportunities for Staff at Community Colleges

# Community College Executive Forum

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# 1) Executive Overview

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## Key Observations

**Three of five profiled institutions use the Hay Group Job Evaluation to determine salaries for staff.** The Hay Group Job Evaluation is one of the most widely used job evaluations in the world because it allows organizations to adapt the framework according to their needs. Thus, each profiled institution that uses the Hay Method employs it differently. Administrators typically re-evaluate compensation structures every two to five years.

**Profiled institutions offer limited performance-based pay; staff typically start at the first pay level for their position and progress to the next level each year provided they meet expectations for their role.** Once staff reach the top payment level for their role, they receive an annual cost of living increase. Staff do not receive cost of living increases until they reach the top of their compensation ladder. At **Institution A**, several committees (e.g., human resources committee, compensation committee, benefits advisory committee) composed of eight to 10 members each update the salary grade of staff by discussing and re-evaluating each position's competency areas. The committees hold these discussions on an ad hoc basis. Administrators at profiled institutions use surveys to determine staff satisfaction with compensation levels, and attribute low turnover to high staff satisfaction with compensation and benefits packages.

**Offer staff without opportunities for promotion increased responsibilities, access to leadership institutes, professional development training workshops, and tuition reimbursements.** Contacts at profiled institutions recognize that there is a need to offer staff continual opportunities to develop and diversify their skills and experience. Staff may take classes at institutions free of charge, and three of five profiled institutions offer tuition reimbursements for courses and conferences that other colleges or organizations offer. Keynote speakers from the community and colleges typically lead in-person professional development workshops and courses. Staff also access to classes online to supplement institutional offerings. Administrators use surveys and focus groups to assess staff satisfaction with professional and career development opportunities. At **Institution B**, \$78,000 are dedicated to staff professional development programs.

**The interview process for internal and external candidates is nearly identical at all profiled institutions.** All applicants interested in a position must submit their resume and recommendation letters to the hiring manager. The hiring manager then conducts phone interviews with qualified external candidates to determine which candidates to interview on-site in addition to all qualified internal candidates. The hiring manager creates an interview committee of staff and faculty based on the position he or she is hiring for, and this committee interviews all candidates. The hiring manager and the committee discuss the strengths and weaknesses of each candidate, and the hiring manager makes the final decision. Contacts assess staff satisfaction with the internal hiring process via a climate survey or during exit interviews.

**Most profiled institutions do not have the funds to offer early incentivized retirement for staff.** The only institution to offer an early separation incentive is **Institution B**. The administration offers this incentive on a case by case basis across departments. The president decides what to offer the staff seeking incentivized early retirement (e.g., a fixed dollar amount, a percentage of the individual's salary). The staff member chooses his or her last day of work and cannot work for any other institutions within the Minnesota State Colleges and Universities System for one year after an incentivized retirement.

## 2) Staff Compensation Structure

### Hay Method Job Evaluation

### The Majority of Profiled Institutions Use the Hay Method Job Evaluation to Determine Salaries

The Hay Method is popular among profiled institutions because organizations can adapt and apply it according to their needs.<sup>1</sup> Organizations that use the Hay Method can benefit in the following areas<sup>2</sup>:

- Rank and define jobs
- Define job-based pay ranges
- Develop job grading structures
- Compare with external prices

The Hay Method is based on the following premises: any job within an organization exists to provide a contribution – also known as its *accountability*. Accountability is reliant on an individual's input of knowledge and skills, or *know-how*, and turning know-how into results requires *problem-solving*. Additionally, an individual's *working conditions* must be taken into account in order to assess the risks he or she faces on the job.

### Four Components of the Hay Method<sup>3</sup>



#### Know How

- Procedures, knowledge, specialized techniques
- Planning, coordinating, directing, or controlling activities and resources
- Human relationship building



#### Accountability

- Degree of decision-making or influence
- The unit or function most clearly affected by the job and the nature of that effect



#### Problem-Solving

- Factor that measures thinking required on the job
- The environment in which the thinking takes place
- Challenges presented by the thinking



#### Working Conditions

- Levels of physical activity that contribute to physical stress and fatigue
- Degree of exposure to environmental risks that increase the risk of accident, illness or discomfort
- Levels of sensory attention
- Mental stress levels

Evaluations result in Full Point values which can be related to different types of pay (internal and/or market comparisons; base salary plans, base + incentive, etc.)

1) The Hay Method of Job Evaluation. Word Document. Accessed 9 November 2015.

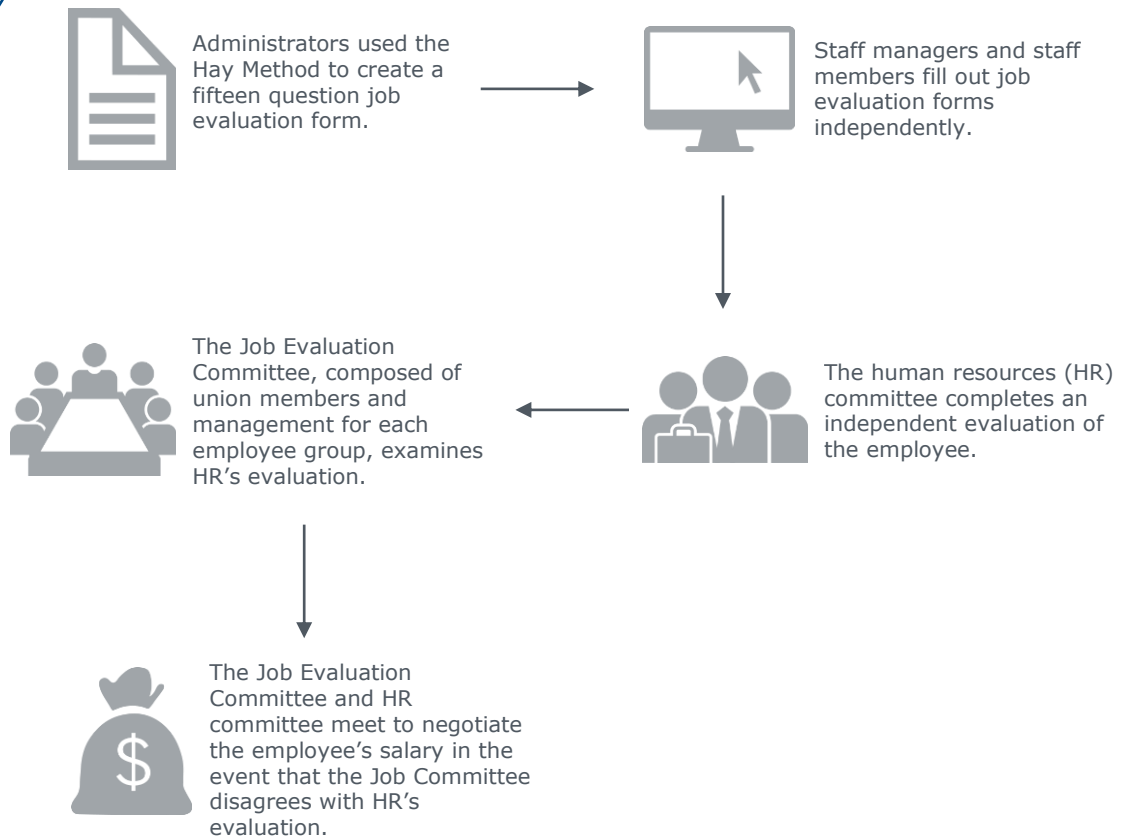
2) Hay Group Guide: Chart-Profile Method of Job Evaluation. Accessed 12 November 2015. PDF. Accessed 12 November 2015.

3) Hay Measurement. *The Hay Guide Chart-Profile Method of Job Evaluation*. Accessed 9 November 2015. [http://www.psc.gov.yk.ca/pdf/hay\\_summary.pdf](http://www.psc.gov.yk.ca/pdf/hay_summary.pdf)

To implement the Hay Method at **Institution D**, staff members and their supervisors fill out job evaluation forms annually to ensure that staff are adequately compensated for their work. Administrators contracted an external consulting group to create a 15-question survey that supervisors and staff members fill out, and there are three to five possible responses for each question. The consulting group used the Hay Method to assign point values to each of the answers in the questionnaire; using this information, administrators at the College create a point total that corresponds to each staff position, which allows them to determine the salary schedules for each staff position.

### Job Evaluation Process at *Institution D*

Administrators use an external compensation company, Seagull Consulting, to conduct a market analysis of administrative salaries and recommend a placement on the salary schedule.



### Staff Salary Increases at *Institution D*

When there is a surplus budget, the administration at **Institution D** provides an across-the-board salary increases for all staff, typically between one percent and 2.4 percent. However, the administration has not been able to provide increases for the last three years.

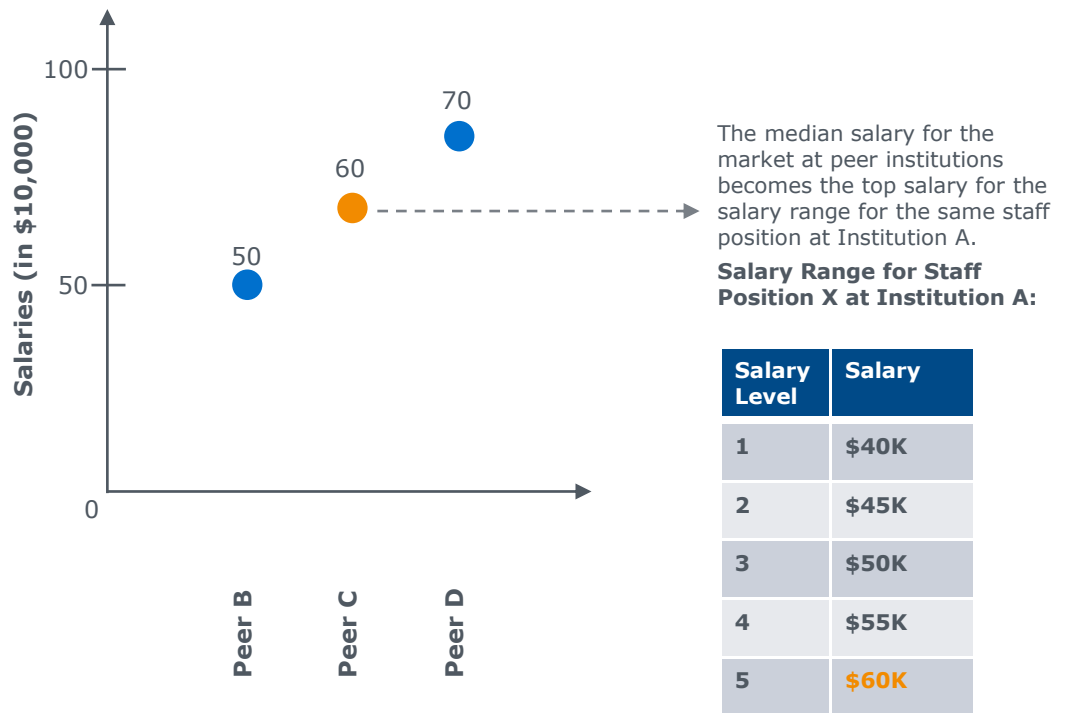
## Alternatives to the Hay Method

### Create Staff Salary Levels Based on Compensation at Peer Institutions

Not all institutions use the Hay Method. Administrators at **Institution A** developed their own system to determine compensation levels for staff. There are five levels of compensation within the salary grid for each position, and all new employees start at level one. Although there is no performance-based evaluation, if staff perform satisfactorily within their jobs, they move up from level one each year. Employees on improvement plans cannot move salary levels until they resolve performance deficiencies.

Administrators created the Compensation Classification Project to determine the salary ranges for staff: the administration created a sample market by benchmarking schools that were similar in budget and student size to Institution A. The median salary of the market for each staff position became the highest salary for staff salary ranges at Institution A.

#### Salaries for Staff Position X among Institution A's Peers








## Ensure Competitive Staff Salaries

### Increase Base Pay Annually for Staff Meeting Expectations

Because staff cannot earn bonuses based on performance evaluations at profiled institutions, administrators ensure that staff meeting expectations progress to the next salary level.

#### Staff Salary Progressions at Profiled Institutions

- Institution D**  → If an employee, supervisor, or a representative from the union feels that a staff member's job has changed in terms of responsibilities and complexity, any of these parties may request a job evaluation.
- Institution C**  → If administrators find increases in an employee's skills, ability, and leadership, they increase the employee's pay accordingly.
- Institution B**  → Staff job categories have up to 12 levels of salary progression. Staff who do not start at level one of the salary schedule will reach the twelfth steps faster. For staff who hit the twelfth step, administrators award an annual cost of living increase.
- Institution E**  → Administrators use surveys from the Ohio Association of Community Colleges to determine salaries based on the market. Leadership may also contract an external compensation consulting group to determine salaries for positions that they feel require further market analysis.
- Institution A**  → Administrators purposefully chose salary values that represent the midpoint of the market to indicate that they are a fiscally responsible public institution.

## Assess Staff Satisfaction Levels with Compensation

Three out of five profiled institutions report low levels of staff turnover, and contacts indicate that staff frequently stay with an institution for 20 to 40 years.

### Distribute Surveys to Faculty to Determine Staff Satisfaction Levels with Compensation

Profiled institutions attribute high staff satisfaction levels and low turnover to competitive salaries and benefits packages. Contacts at **Institution C** report that some job applicants spend many years re-applying for positions at the College because of its reputation.

Administrators at **Institution B** emphasize staff compensation assessments, because in a unionized environment the College has no influence on staff salaries, yet is responsible for staff satisfaction. Contacts contract the Neely Group to distribute an employee satisfaction and engagement survey every two years. At **Institution A**, administrators assess staff satisfaction with compensation levels as part of the employee engagement survey that they must administer to maintain accreditation with the Higher Learning Commission. Contacts at both Institution A and Institution B report positive feedback from the surveys.



At Institution C, administrators do not actively assess staff satisfaction levels with compensation, but do allow staff to express any concerns via the human resources department.

### Sample Staff Compensation Satisfaction Survey Questions

	Strongly Agree	Agree	Disagree	Strongly Disagree	Unsure
I feel that I am adequately compensated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My skills, education, and experience reflect my compensation level.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have access to stretch roles and professional development opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The annual cost-of-living increases are adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 3) Professional Development Opportunities

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### Leadership Opportunities

#### Staff without Promotion Opportunities may Request Increased Responsibilities and Access Leadership Workshops

All career and professional development opportunities at profiled institutions are optional; the only trainings required are those that pertain to new employee orientation and training (e.g., sexual harassment policies).

Supervisors help staff create development plans at the beginning of each year to identify and achieve professional goals.

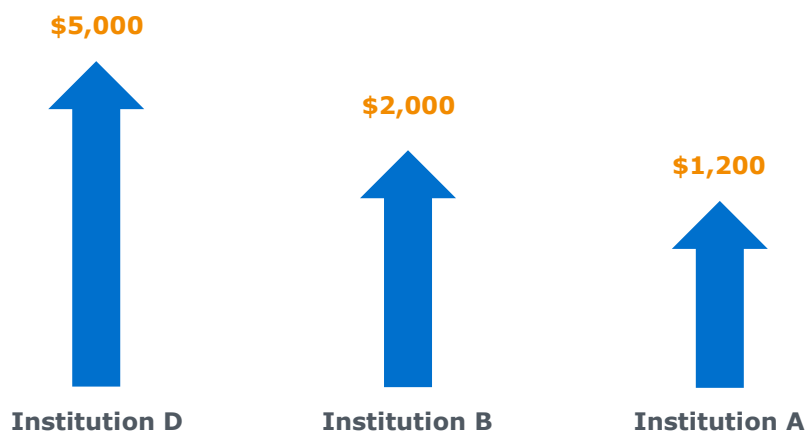
At **Institution B**, administrators allow staff to take on additional responsibilities when employees express interest in developing new skills. Supervisors may also nominate staff to the Leadership Institute offered through the Minnesota State Colleges and Universities System. At **Institution C**, the administration pays for staff to attend the Staff Leadership Institute, an institution-run endeavor which helps staff develop the necessary skills to advance into leadership positions at the College. In addition to the Leadership Institute, supervisors work with staff to fulfill their goals in their development plans.

## Professional Development Opportunities

### Offer Trainings, Workshops, and Tuition Reimbursements for Staff without Promotion Opportunities

Staff can take courses at each profiled institution free of charge, and three profiled institutions also offer tuition reimbursement should staff wish to take courses at other institutions or organizations.

#### Annual Tuition Reimbursement Caps at Profiled Institutions<sup>5</sup>



In addition to tuition reimbursement, some institutions offer staff virtual classes. For example, administrators at **Institution C** grant individuals access to Star 12, a virtual employee and development training library. The Star 12 database has over 1,000 courses, and administrators help staff select appropriate courses to enroll in based on their interests and professional development goals. At **Institution D** administrators built a Center for Teaching and Learning, a space where volunteers teach classes and workshops on their areas of expertise and faculty, staff, and administrators may collaborate on professional development projects. In addition to experiential in-person classes and workshops, the Center offers online classes for staff.

#### Professional Development for Staff at *Institution B*

**Institution B** has a wellness committee composed of individuals from the human resources department, employee development center, and other volunteers that organizes fitness events for staff and faculty (e.g., walking club).

1

##### Course Offerings and Tuition Reimbursement

- After three years of service, staff and dependents may take any course for free
- Staff receive up to \$2,000 per year to use toward courses at other institutions or other professional development opportunities (e.g., conferences and networking events)

2

##### Employee Development Center

- Provide space where community leaders speak and offer classes and workshops to employees (free of charge for employees)
  - Topics in the past have included Excel, leadership, mental health, and financial literacy

4) Figures denote annual cap per individual.

## Assessing Professional Development Opportunities

### Use Focus Groups and Surveys to Assess Staff Satisfaction with Professional Development Opportunities

At **Institution B**, administrators distribute surveys after each workshop or class to gather participant feedback. Administrators at **Institution D** and **Institution C** also distribute surveys to staff to assess satisfaction with professional development opportunities, but on an annual basis.

Institution D also has a Professional Development Advisory Committee. Members include employees and faculty, and the vice president of academic affairs invites them to serve on the committee for two years. The Committee selects programs, courses, and workshops to offer. For example, the surveys indicated that staff wanted more workshops regarding retirement planning. The human resources supervisor invited a financial planner to implement a series of retirement planning events. However, attendance was low at these events despite previously expressed interest in the topic.

The only institution to use focus groups to determine staff satisfaction with professional development opportunities is **Institution E**. Administrators solicited volunteers to participate in the focus groups and analyzed feedback based on these group discussions.

#### Sample Staff Professional Development Satisfaction Survey Questions

	Strongly Agree	Agree	Disagree	Strongly Disagree	Unsure
I have developed new skills or interests based on professional development opportunity offerings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional development opportunities are varied.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have access to the right resources to advance my career.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My supervisor helps me find the right opportunities to meet the goals in my development plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

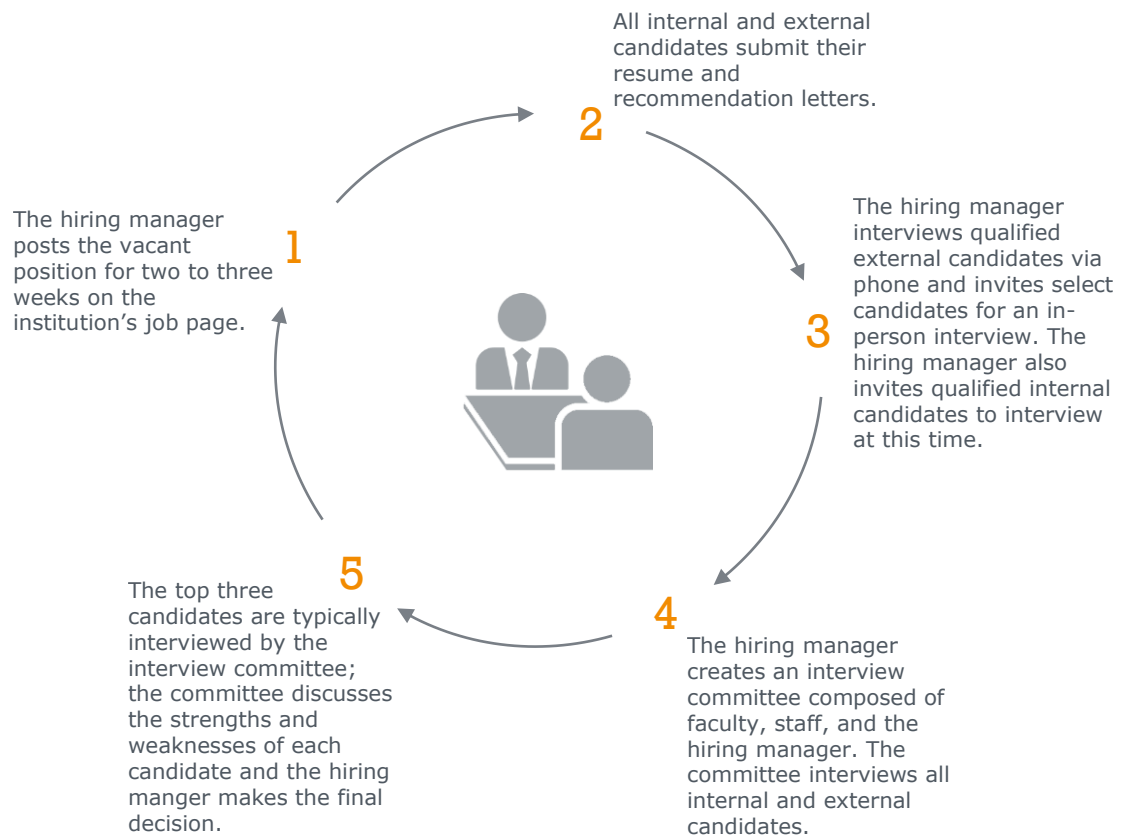
## 4) Staff Interview Process

### Internal vs. External Candidates

### The Interview Process for Internal and External Candidates Is Similar

The only different between internal and external hiring process at all but one profiled institution is a phone screen that the hiring manager conducts with external applicants to select participants for in-person interviews. The hiring manager invites qualified internal candidates to interview for the position during this time.

### Hiring Process for Internal and External Candidates at Profiled Institutions



At **Institution B** staff positions are unionized, and specific rules exist for filling staff vacancies. In the event of a vacancy, any qualified internal applicant who is interested in the position places a bid (i.e., submits an application) for the vacant position. The candidate then undergoes informal interviews with the hiring supervisor and a search committee to confirm that the internal candidate is qualified for the job. If the hiring supervisor and search committee deem that the applicant meets the criteria to fill the position then the candidate receives a job offer. When more than one candidate places a bid on a position, the supervisor and search committee award the position to the candidate with the greatest seniority. If the hiring supervisor receives no internal bids they post the job for external candidates.

## 5) Research Methodology

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### Project Challenge

Leadership at a member institution approached the Forum with the following questions:

- How do contacts structure compensation levels for staff, and how often do contacts re-evaluate their compensation structures?
- How do administrators ensure that compensation levels are competitive with the current market?
- How do administrators ensure that compensation is consistent across job levels?
- How do administrators they ensure that employees without opportunities for increased staff or budget management responsibilities receive competitive compensation?
- By what means do contacts assess employee satisfaction with compensation levels?
- What connections, if any, exist between compensation levels and staff attrition and compensation levels and hiring yield rates?
- What are best practices in regards to performance evaluations, and how do they tie into compensation and professional development?
- What resources exist for employees at contact institutions who wish to pursue other roles or promotion at the institution?
- What steps are involved in the interview process for current staff, and how do these processes differ for external candidates?
- How do contacts assess employee satisfaction with the internal interview process?
- For employees in roles without opportunities for promotion, which career development opportunities are available within their current position?
- What types of professional development or training opportunities do contact institutions provide for staff? Which of these programs are required or optional?
- What is the cost of offering professional development and training programs, and what additional resources are required to conduct these programs?
- How do contacts evaluate employee satisfaction and gather feedback about professional development programs?
- Through what types of programs or initiatives do contact institutions incentivize early retirement?

## Project Sources

The Forum consulted the following sources for this report:

- EAB’s internal and online research libraries (eab.com)
- The Chronicle of Higher Education (<http://chronicle.com>)
- National Center for Education Statistics (NCES) (<http://nces.ed.gov/>)
- Hay Measurement. *The Hay Guide Chart-Profile Method of Job Evaluation*. Accessed 9 November 2015. [http://www.psc.gov.yk.ca/pdf/hay\\_summary.pdf](http://www.psc.gov.yk.ca/pdf/hay_summary.pdf)

## Research Parameters

The Forum interviewed human resources administrators at the following institutions:

### A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment	Classification
Institution A	Midwest	4,700	Associate’s
Institution B	Midwest	10,000	Associate’s
Institution C	Midwest	12,300	Associate’s
Institution D	Midwest	9,700	Associate’s
Institution E	Midwest	15,000	Associate’s