

# Kenyon College



2013

## Compensation Market Analysis



- Process
- Objectives of Review
- Administrative Exempt staff market analysis
- Administrative Non-exempt staff market analysis
- Preliminary Recommendations



### Process:

#### June – December 2012

- Met with PACT to review market analysis and get feedback.
- Announced scope and intent of review at Town Hall meeting
- Met with Department heads and managers across all divisions to review and confirm benchmark matches from published surveys.
- Completed a dedicated salary survey of non-exempt positions among mid-west private liberal arts institutions
- Compiled salary data from other published sources
- Prepared comprehensive market analysis report.
- Met with college president and senior staff to present market analysis and preliminary recommendations
- Met with PACT to present market analysis and recommendations.



### Objectives

- Review competitiveness of Kenyon’s non-faculty base salaries with relevant labor markets.
  - Exempt administrative salaries will be compared with National and relevant Midwest private liberal arts institutions.
  - Non-exempt support staff salaries will be compared with relevant Midwest private liberal arts institutions and regional/local employers. Includes the following job families:
    - Clerical support staff
    - Accounting Assistants
    - Library Assistants
    - Bookstore positions
- Review current non-exempt staff pay structures and classifications, and develop recommendations for any adjustments to pay structure.
- Based on market analysis, identify positions that may require market adjustments and if so, recommend a strategy for implementation.
- Present market analysis findings and recommendations to campus constituencies.



### Market Data Base Salary Sources – Exempt Positions

- CUPA - Administrative and Mid-level compensation surveys
  - Data cut - Cohort Group of 85 Institutions
  - Comparison based on annualized salaries
- Higher Education Information Technology Services Survey (HEITS)
  - Data cut - operating budgets less than \$100 million
- National Association of College Stores Salary & Benefits Survey
  - Data cut – National college bookstores institutionally owned.
- North Coast Athletic Conference Salary Survey
  - Assistant coach salaries only



### Exempt Positions – Comparison Group:

85 national private liberal arts institutions including members of the following groups

- Oberlin Group Institutions
- Consortium of Liberal Arts Colleges
- GLCA (Great Lakes College Association)
- Associated Colleges of the Midwest.

Cohort Group	Total Operating Budget	Total Faculty FTE	Total Staff FTE	Total Student FTE	Operating Budget per UG Student FTE
Average	\$94,170,582	192.6	420.8	1,934.8	\$51,570
Median	\$91,326,000	192.5	391.5	1,862.6	\$46,831

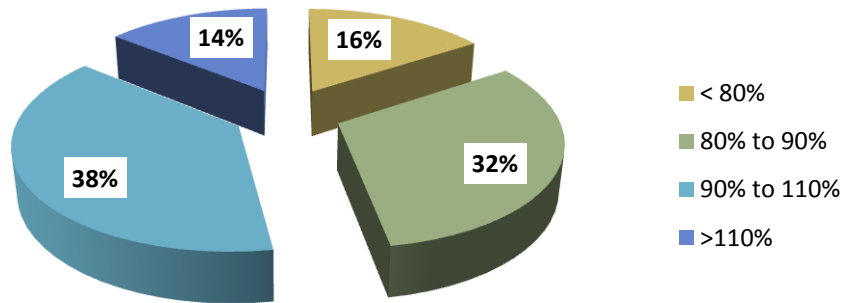
<b>Kenyon College</b>	<b>\$79,041,000</b>	<b>171</b>	<b>391.6</b>	<b>1,649.30</b>	<b>\$47,923.97</b>
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### Results - Exempt Positions

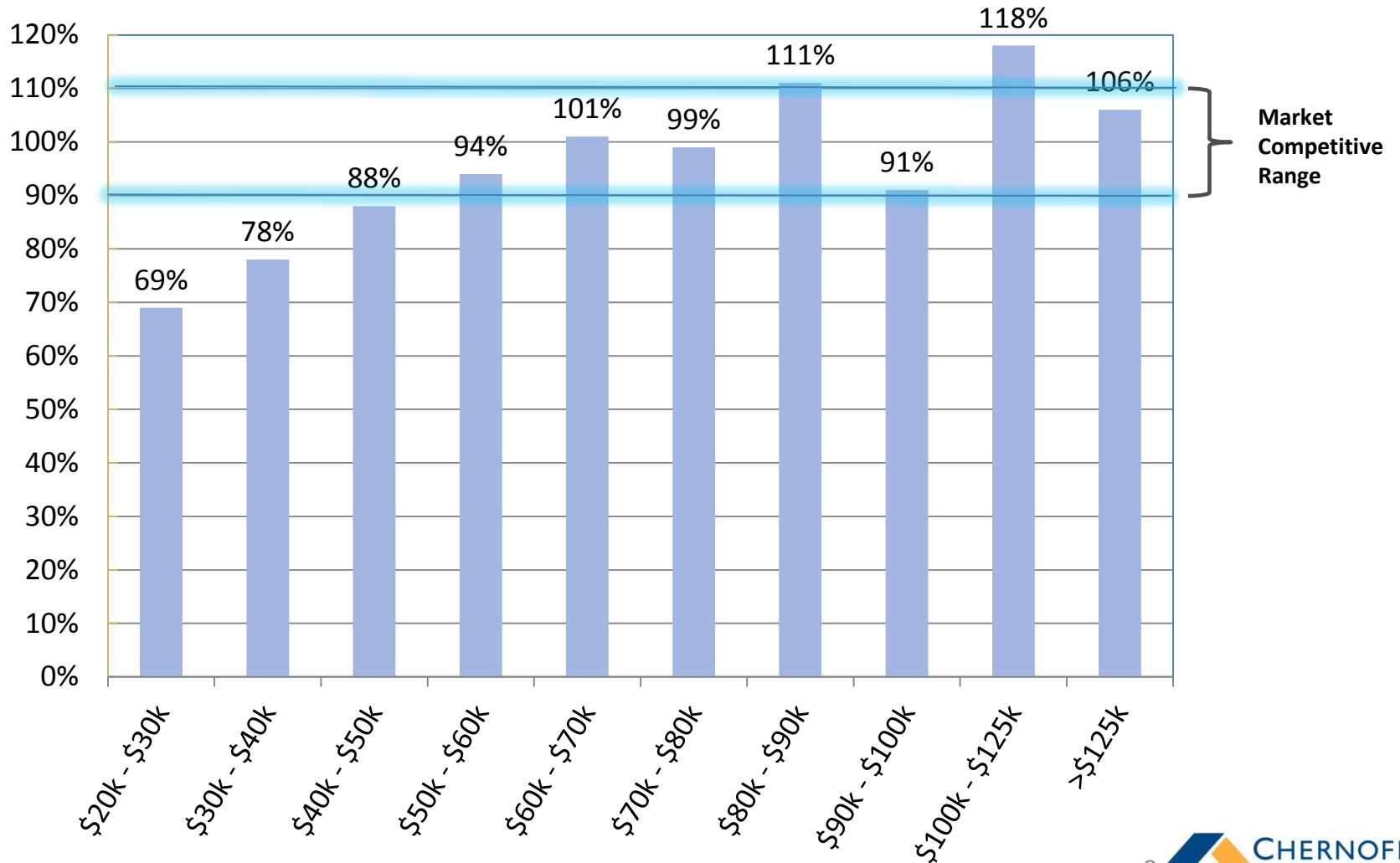
- A total of 87% of exempt positions have been benchmarked
- Overall Average Compensation ratio of **94%** falls within the competitive range (+/- 10% of the median)

**Base Salary Comparison to Market Distribution - Exempt Positions**



Compa Ratio	% of Exempt	Median Years in Position
< 80%	16%	5.8
80% to 90%	32%	7.1
90% to 110%	38%	6.8
>110%	14%	11.3

## Results - Exempt Positions Base Salary Comparison by Salary Band







### Results - Exempt Positions Base Salary Comparison by Salary Band

Salary Band	Years in Position	Average Compa-Ratio
\$20k - \$30k	2.3	69%
\$30k - \$40k	4.8	78%
\$40k - \$50k	7.9	88%
\$50k - \$60k	8.4	94%
\$60k - \$70k	14.1	101%
\$70k - \$80k	10.4	99%
\$80k - \$90k	6.8	111%
\$90k - \$100k	13	91%
\$100k - \$125k	13.6	118%
>\$125k	10.9	106%



### Market Data Base Salary Sources – Non - Exempt Positions

- Dedicated Survey of Comparable Midwest Institutions
  - 12 participating Institutions, 4 rural, 4 urban, 4 suburban
  - Survey data adjusted for size of operating budget and endowment
- Compdata Surveys
  - Data cut - Statewide for organizations with operating budgets between \$20-\$150 million
- Kenexa Comp Analyst
  - Administrative Assistant data extrapolated for Mount Vernon, OH using proprietary mathematical model.
- Economic Research Institute – Salary Assessor
  - Administrative Assistant data imputed for Knox County, OH using regional and national averages and then applying geographic differential.
- Bureau of Labor Statistics – Occupational Wage Survey Estimates, Ohio
  - Data cut – Mansfield Statistical Area

## Compensation Market Analysis



### Non-exempt positions – Participants in the Dedicated Survey of Midwest Institutions:

Institution	Affiliation	Setting	2010 Endowment (US News)*	Total Operating Budget*	Total Student FTE
Allegheny College (Meadville, PA)	GLCA	Suburban	\$134,557,798	\$106,250,000	2,098.2
Beloit College (Beloit, WI)	ACM	Urban	\$99,793,932	\$56,489,750	1,397.0
Carleton College (Northfield, MN)	ACM	Rural	\$563,438,740	\$120,289,000	2,018.0
Central College (Pella, IA)		Rural	\$64,144,344	\$44,967,889	1,588.0
Denison University (Granville, OH)	GLCA	Suburban	\$573,077,153	\$100,100,000	2,145.0
DePauw University (Greencastle, IN)	GLCA	Rural	\$435,053,793	\$104,800,000	2,338.0
Earlham College (Richmond, IN)	GLCA	Urban	\$276,585,611	\$42,000,000	1,166.0
Grinnell College (Grinnell, IA)	ACM	Rural	\$1,264,834,000	\$86,825,586	1,661.5
Hope College (Holland, MI)	GLCA	Urban	\$134,972,981	\$119,755,689	3,126.3
Illinois Wesleyan (Bloomington, IL)		Suburban	\$166,211,802	\$87,600,000	2,086.4
Kalamazoo College (Kalamazoo, MI)	GLCA	Urban	\$131,557,148	\$65,813,568	1,403.0
Oberlin College (Oberlin, OH)	GLCA	Suburban	\$645,175,092	\$169,891,583	2,948.3

<b>Average</b>	\$374,116,866	\$92,065,255	1,998.0
<b>Median</b>	\$221,398,707	\$93,850,000	2,052.2

<b>Kenyon College (Gambier, OH)</b>	<b>GLCA</b>	<b>Rural</b>	<b>\$158,752,274</b>	<b>\$79,041,000</b>	<b>1649.3</b>
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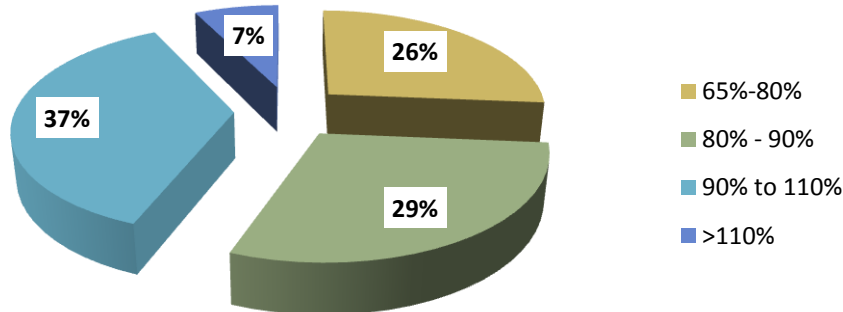
\* Kenyon endowment ranks 8 of 12, Operating Budget 9 of 12



### Results – Non - Exempt Positions

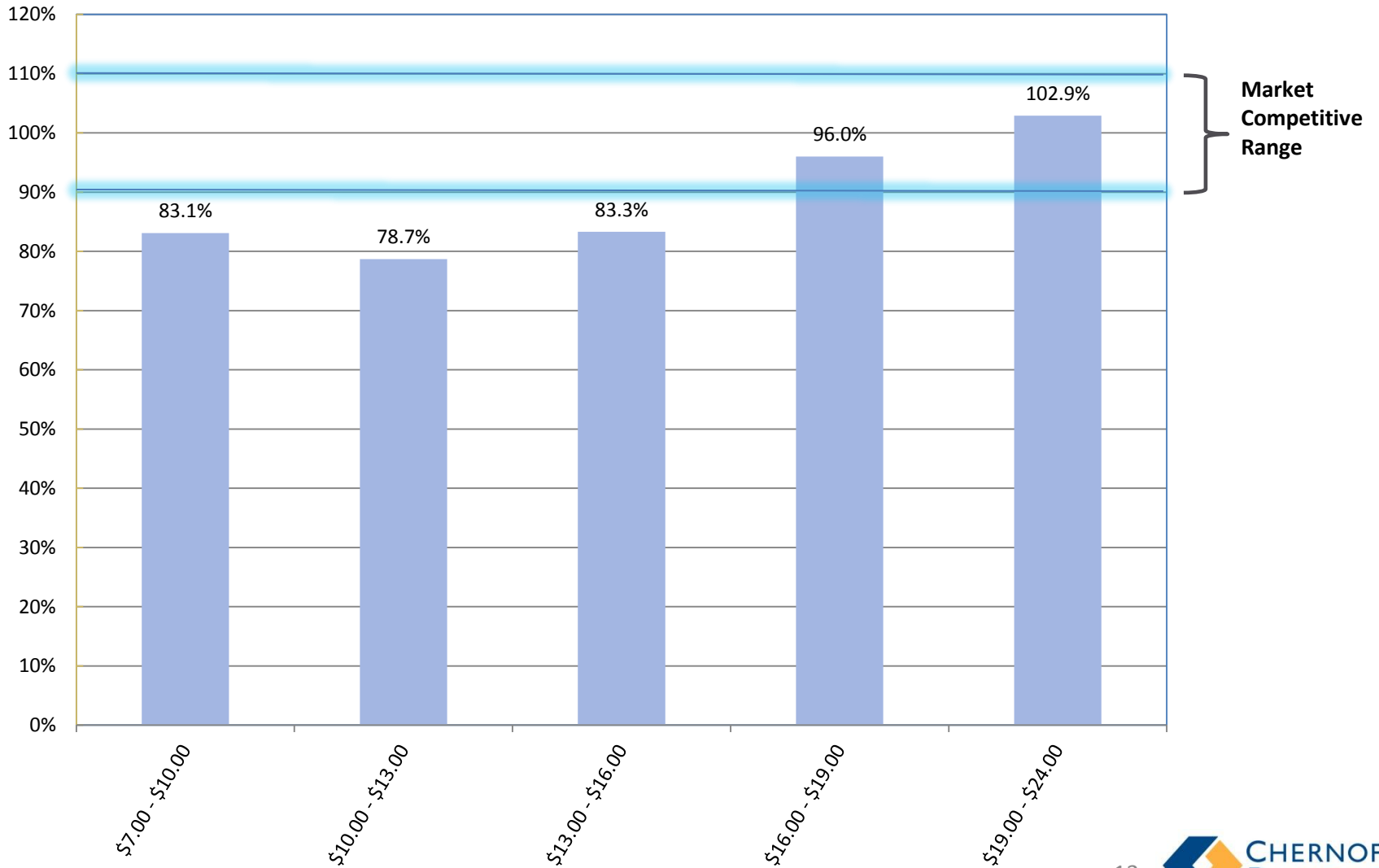
- A total of 82% of non-exempt positions have been matched to 15 benchmarked positions from the market data sources.
- Overall Average Compensation ratio is **89%** of the base pay from the available market data.

**Base Salary Comparison to Market Distribution - Non - Exempt Positions**



Compa Ratio	% of Non Exempt	Median Years in Position
65%-80%	26%	1.8
80% - 90%	29%	8.3
90% to 110%	37%	11
>110%	7%	25

## Results - Non-Exempt Positions Base Salary Comparison by Salary Band



## Non-Exempt Positions Base Salary Comparison by Salary Band\*

Hourly Salary Band	Median Years in Position	Compa Ratio
\$7.00 - \$10.00	3.6	83.1%
\$10.00 - \$13.00	3.8	78.7%
\$13.00 - \$16.00	6.4	83.3%
\$16.00 - \$19.00	12.1	96.0%
\$19.00 - \$24.00	17.1	102.9%

\* Excludes collectively bargained employees (maintenance and campus safety)

## Non-Exempt Positions Base Salary Comparison by Salary Grade\*

Salary Grade	Median Years in Position	Compa Ratio
3	6.7	97.7%
4	7	84.7%
5	6.6	85.5%

\* Excludes collectively bargained employees (maintenance and campus safety), bookstore.



### Non - Exempt Positions

- Approximately 34% of non-exempt positions have less than five years of service in their position at the college
- In the last few years, modest salary increases have prevented staff hired at the minimum from progressing further along the pay range.
- Benefits offered to Kenyon's non-exempt staff are more generous than benefits typically offered by local/regional non-higher education employers. These include:
  - 9.5% matching contribution into the retirement plan
  - 84% employer contribution toward health insurance (for employees earning less than \$43k)
  - Employer paid life and LTD benefits
  - Tuition benefits for employees and dependents.



# Kenyon College



2012

## Preliminary Compensation Recommendations



### Exempt Positions

1. Review benchmark positions and implement market adjustments (if warranted).
  - Non-benchmark positions should be reviewed to maintain internal equity
2. Initial review should focus on:
  - Any position where the incumbent is not/ or is unlikely to reach the market competitive range (+ or – 10% of market median) with 10 years of time in position.
  - Any position where the incumbent is currently more than 25% from the market median.
3. After the initial review, market adjustments should be considered on a case by case basis and factor in experience and qualifications, degree of benchmark match etc.
  - Market competitive position will not be the sole determining factor



### Exempt Positions

- Preliminary independent review of positions that fall within the initial review parameters indicate a total of approximately \$250k may be warranted.
- These adjustments represent less than 2% of exempt staff payroll.
- Approximately 20% to 30% of exempt staff may be impacted.
- Final determination of market adjustments subject to internal review and discussion with college leadership, division/department heads; and approval of the proposed budget by the Board of Trustees.



### Non-Exempt Positions

- Non-exempt pay structure should be adjusted to realign with the local and regional market data.
  - Market alignment should be based on goal of being competitive in terms of total compensation.
  - Base salary grade midpoints should take into account the richness of the Kenyon benefits package relative to benefits offered by other local/regional employers;
- Market adjustments should be implemented to ensure staff remain at or above the grade minimum taking into account their time in position.
  - **Adjustments will only be made for staff below the salary grade midpoint**



### Non-Exempt Positions

- Adjustment Formula:
  - Grade minimum;*
  - Plus years in position times 2.5% of grade minimum;*
  - Minus current hourly rate.*
- Recommended total adjustments are about \$130k or 6% of non-exempt staff payroll for these positions
- Market Adjustments would impact between 55% to 62% of non-exempt staff (excluding collectively bargained employees)
- Market adjustments subject to internal review and approval of the proposed budget by the Board of Trustees.



### Non-Exempt Positions

#### Adjustment Example:

(Grade 4 employee with 2.3 years in grade, current rate of \$13.02)

Grade 4 minimum	\$13.31
2.3 years in Position x .33(2.5% of \$13.31)	<u>+ .76</u>
	\$14.07
<u>Current hourly rate</u>	<u>- 13.02</u>

Total adjustment (hourly) **\$1.05 an hour**

Total special adjustment (annual) **\$1,920**

(based on 35 hour week)



### Non-Exempt Positions

- Payroll administration should be standardized for all non-exempt employees
  - Payroll for non-exempt employees is not consistently processed; some staff currently paid in the same way as exempt employees, others paid bi-weekly.



### Non-Exempt Positions Market Adjustments

<b>Clerical, Library and Financial Assistants</b>	<b>Total Adjustments</b>
Grade 3	\$12,177
Grade 4	\$26,601
Grade 5	\$70,714
<b>Bookstore</b>	<b>\$21,156</b>
<b>Total*</b>	<b>\$130,648</b>

\* Excludes collectively bargained employees



## Compensation Preliminary Recommendations



### Non-Exempt Pay Structure: Clerical, Library & Financial

#### Current: 2012-13

	Minimum	Midpoint	Maximum	Midpoint Differential	Range Spread
<b>Grade 1</b>	\$8.80	\$10.55	\$12.30		40%
<b>Grade 2</b>	\$9.85	\$11.82	\$13.78	12%	40%
<b>Grade 3</b>	\$11.05	\$13.25	\$15.45	12%	40%
<b>Grade 4</b>	\$12.38	\$14.86	\$17.31	12%	40%
<b>Grade 5</b>	\$13.87	\$16.64	\$19.39	12%	40%

#### Proposed:

	Minimum	Midpoint	Maximum	Midpoint Differential	Range Spread	% Change to Minimum
<b>Grade 3</b>	\$11.38	\$13.63	\$15.88		40%	2.9%
<b>Grade 4</b>	\$13.31	\$15.94	\$18.57	17%	40%	7.3%
<b>Grade 5</b>	\$15.58	\$18.66	\$21.74	17%	40%	12.1%



### Non-Exempt Pay Structure: Bookstore

#### Current: 2012-13

	Minimum
Grade B1	\$7.55
Grade B2	\$8.65
Grade B3	\$9.68

#### Proposed:

	Minimum	% Change
Grade B1	\$8.11	7.4%
Grade B2	\$11.00	27.1%
Grade B3	\$14.94	54.3%



- Questions?