

# MERCER



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Indiana State  
University

More. From day one.

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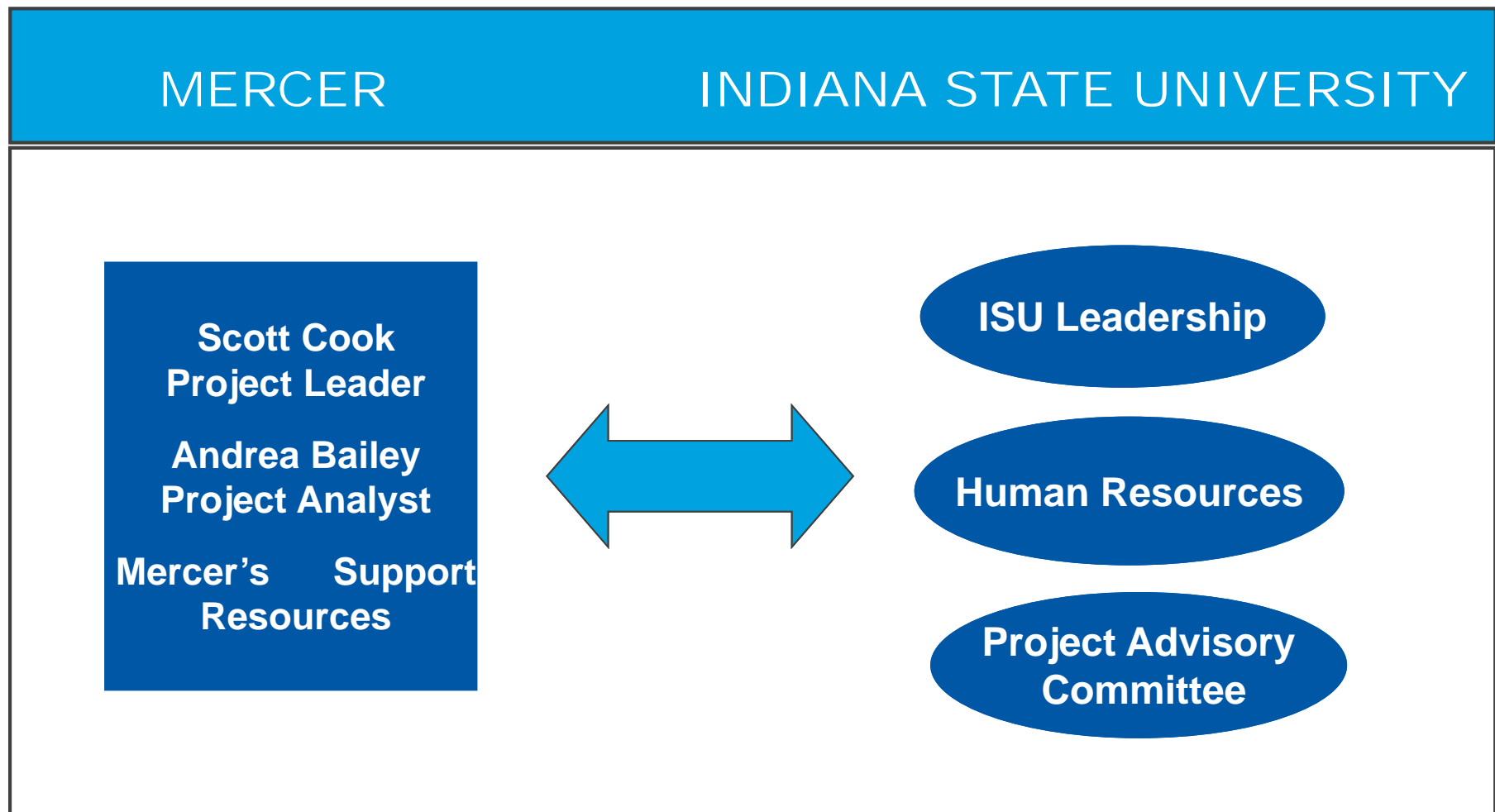
# Staff Classification and Compensation Study

## *Development of the New Plan*

Presentation to Staff

Scott Cook  
Principal

# A Collaborative Effort



# Study Purpose and Goals

***Purpose:*** To develop an equitable, consistent and competitive classification and compensation plan that allows for the attraction and retention of qualified individuals and opportunities for growth and development within an appropriate salary structure framework

- Goals:***
- To ensure the program supports sound principles of compensation design
  - To create consistent titling, clearer career paths, and recognizable differences between the jobs
  - To establish objectivity and fairness in evaluating and compensating staff
  - To ensure internal equity between positions
  - To achieve a competitive pay relationship with the market

# Key Project Steps

## Step 1

### Planning & Information Gathering

- Review current state
- Conduct meetings
- Define compensation philosophy

## Step 2

### Job Analysis & Classification Review

- Document duties via questionnaires
- Review jobs to determine classification and title
- Develop job descriptions

## Step 3

### Market Benchmarking

- Establish market definition
- Compare benchmark jobs to market
- Assess competitiveness of pay practices

## Step 4

### Pay Structure Design & Job Evaluation

- Create pay structure and ranges
- Evaluate jobs for grade placement

## Step 5

### Implementation Strategy

- Review current salaries relative to pay ranges
- Develop plan for implementing results

# Compensation Philosophy

- A compensation philosophy is being developed as part of the University's Strategic Plan
- The purpose of the philosophy is to establish a foundation for a compensation plan that reflects:
  - The relationships among positions as measured by market factors and internal equity considerations
  - The principles of an equitable compensation program
  - The competitive pay policy position for the University as compared against defined external markets
- In supporting the philosophy, the new compensation plan will:
  - Offer employees a comprehensive program including direct compensation, benefits, career opportunities and a positive culture and work environment
  - Respond to market influences in setting the framework for competitive salaries
  - Ensure an environment of internal equity
  - Promote opportunities for growth and development

# Job Analysis & Classification Review

- 1,200+ position information questionnaires were completed by employees and supervisors to document duties, responsibilities, and requirements
- All questionnaires were reviewed by Mercer
  - Similar functioning positions were grouped under the same classification and title
  - Titling was based on nature of work performed while reflecting typical market practices
- The process was a collaborative effort
  - Mercer took the lead in establishing the initial classification structure
  - Human Resources reviewed the recommendations relative to internal equity, consistency, and understanding of the jobs
- It is important to note that this review focused on positions and not individuals

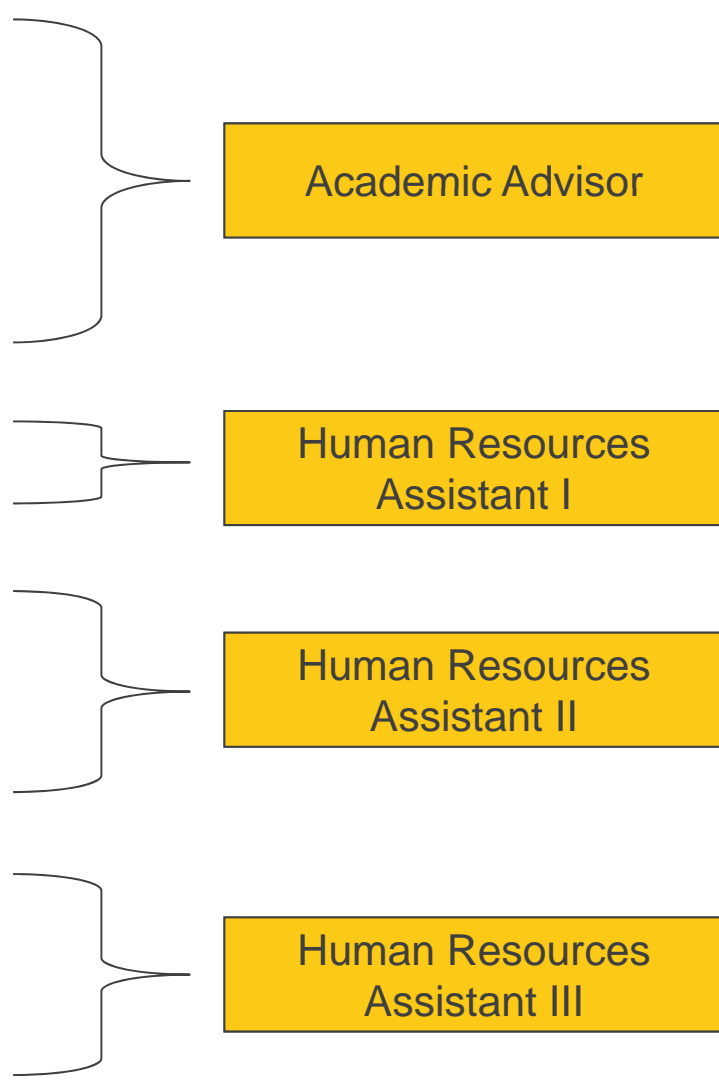
# Job Analysis & Classification Review

## Classification Example

### 1. Analyze individual positions



### 2. Classify into jobs and create titles



### 3. Job descriptions prepared to reflect new classification structure

XYZ Company  
Job Description

**JOB TITLE:** Office Manager

**FLSA STATUS:** Exempt

**REPORTS TO:** Administrative Services Manager

**GENERAL SUMMARY**  
Under general supervision, performs a variety of general office activities that are administrative, secretarial, and managerial in nature. Performs various bookkeeping duties. May supervise part-time administrative staff.

**ESSENTIAL ACCOUNTABILITIES**

1. Analyze and organize office operations and procedures such as bookkeeping, preparation of payrolls, personnel, information management, filing systems, requisition of supplies, and other clerical services.
2. Establishes and implements uniform correspondence procedures and style practices.
3. Formulates procedures for the systematic retention, protection, retrieval, transfer, and disposal of company records, files and databases.
4. Maintains and reviews personnel files to ensure their completeness, accuracy and timeliness.

**WORKING CONDITIONS**  
This work is performed in a general office environment.

**EDUCATION AND EXPERIENCE**  
The incumbent must:

- Have a high school diploma or GED plus three years of relevant experience. A combination of education and experience may be substituted when skills are demonstrated.
- Have strong communication, administrative and organizational skills, and the ability to coordinate multiple projects and programs.

Reasonable accommodations may be made to those who are able to perform the essential duties of the job.

**SPECIALIZED SKILLS AND KNOWLEDGE REQUIRED**  
Experience working with word processor, spreadsheet, database, desktop publishing, and presentation applications and/or software.

Approved: \_\_\_\_\_

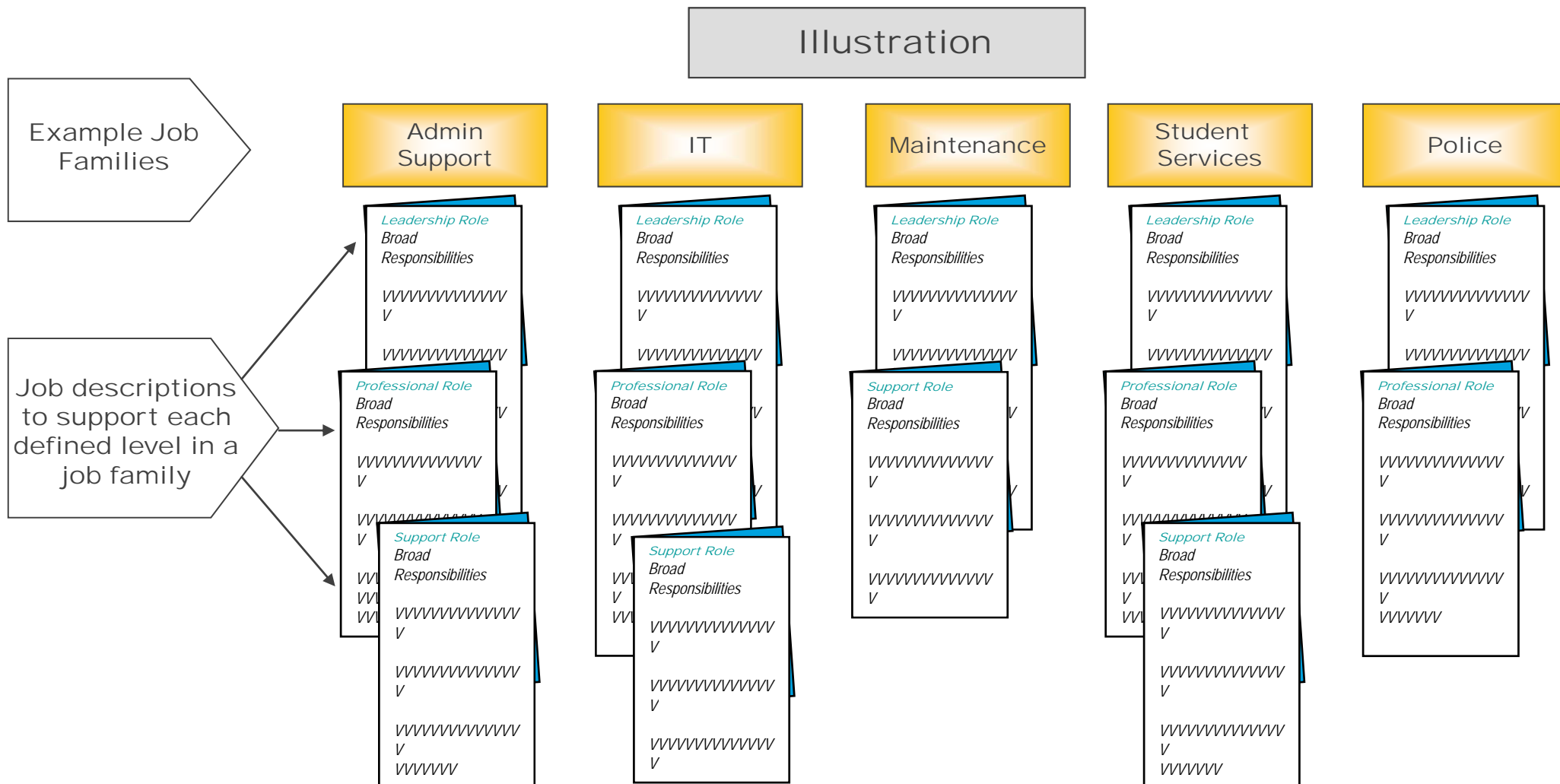
Employee \_\_\_\_\_ Date \_\_\_\_\_ Supervisor \_\_\_\_\_ Date \_\_\_\_\_

♦ XYZ Company reserves the right to revise this Job Description, as it deems necessary.

# Job Analysis & Classification Review

## Career Paths Identified

Distinct levels were created, where possible, among various job families to support opportunities for possible career growth within the University



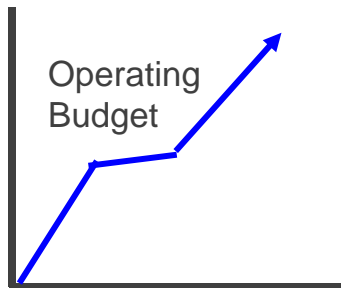
# Market Benchmarking

## Defining the Market



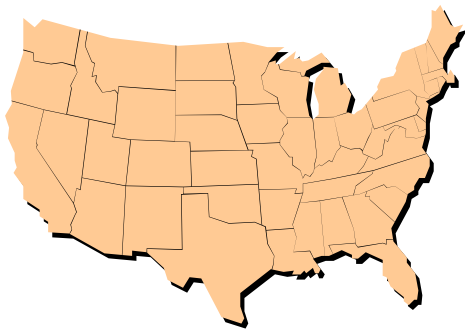
### Industry Type

Higher Education and General Industry



### Institutional Classification

Colleges and Universities Comparable in Size



### Geography

National, Regional and State

# Market Benchmarking

## Multiple Survey Sources

### Higher Education Surveys

- CUPA\* Administrative Compensation Survey
  - Public institutions (excluding east and west coast and community colleges) with comparable budgets )
  - Doctoral Intensive Public institutions (excluding east and west coast) with comparable budgets
  - Public institutions (excluding east and west coast and community colleges) with similar enrollments)
- CUPA\* Mid-Level Administrative & Professional Salary Survey (Midwest)
- Watson Wyatt College and University Personnel Compensation Survey (Great Lakes States)

*\*College and University Professional Association  
for Human Resources*

### General Industry Surveys

- Compdata Indiana Survey
- Employers Advisory Group National IT & Engineering Compensation Survey
- Indiana Workforce Development Occupational Employment Statistics
- Mercer Benchmark Database
- Watson Wyatt Surveys
  - Middle Management Compensation
  - Office Personnel Compensation
  - Professional Personnel Compensation
  - Supervisory Personnel Compensation
  - Technical and Skilled Personnel Compensation

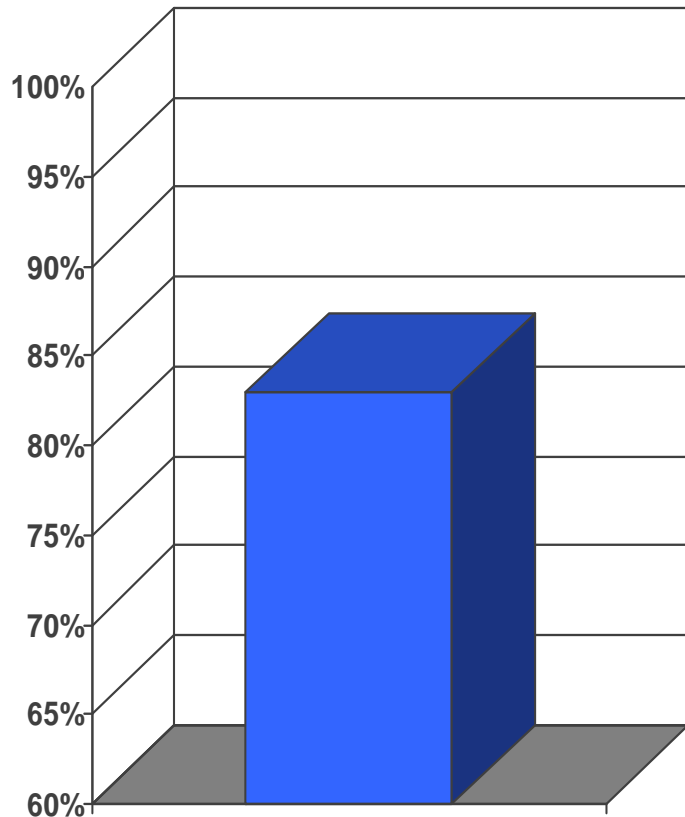
# Market Benchmarking

## Methodology

- Market salary data was collected on 131 benchmark jobs
  - Jobs reflect various job families, levels, and departments throughout the University
  - Focus was on those jobs that typically exist among other organizations and are commonly surveyed
  - Represents approximately 45% of the staff population
- In matching the staff jobs, comparisons were based on job content and requirements—not on job titles or incumbent-related factors
- Survey data was largely reflective of the typical recruiting markets for staff—the local and regional area for support jobs and a broader region and/or national market for professional and management jobs

# Market Benchmarking

## Salary Competitive Findings



In aggregate, staff jobs are 83% of survey data market median

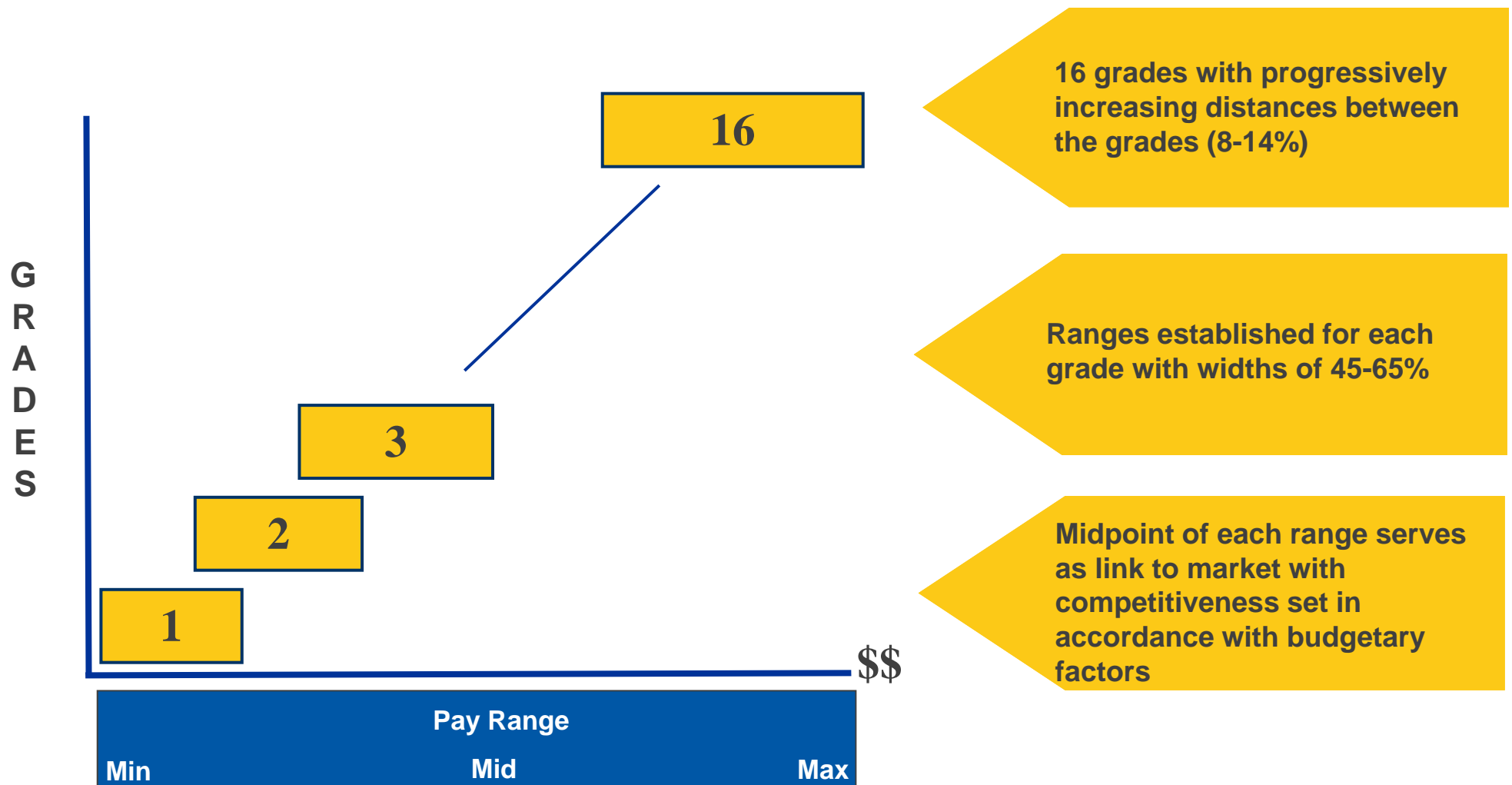
The findings indicate that staff salaries are somewhat below market, on average

However, other factors such as benefits, job security, and work/life balance were not assessed which can often serve to enhance the overall picture in higher education when compared to the private sector

# Salary Structure

## New Design

- An integrated salary structure applicable to all staff has been developed to reflect design changes consistent with sound practices



# Salary Structure Development

## New Salary Structure

GRADE	MINIMUM	MIDPOINT	MAXIMUM
1	\$15,678	\$19,208	\$22,718
2	\$16,848	\$20,729	\$24,629
3	\$18,155	\$22,484	\$26,813
4	\$19,676	\$24,473	\$29,289
5	\$21,392	\$26,774	\$32,136
6	\$23,361	\$29,387	\$35,412
7	\$25,623	\$32,390	\$39,156
8	\$28,197	\$35,841	\$43,485
9	\$31,161	\$39,819	\$48,477
10	\$34,593	\$44,421	\$54,249
11	\$38,552	\$49,745	\$60,957
12	\$43,115	\$55,946	\$68,757
13	\$48,438	\$63,141	\$77,864
14	\$54,620	\$71,565	\$88,530
15	\$61,815	\$81,432	\$101,030
16	\$70,259	\$92,996	\$115,752

Structure has been initially set below a fully competitive market level due to funding limitations

However, as part of the University's Strategic Plan, the goal is to improve market competitiveness over the next five years

Structure will be reviewed for future adjustments on an annual basis

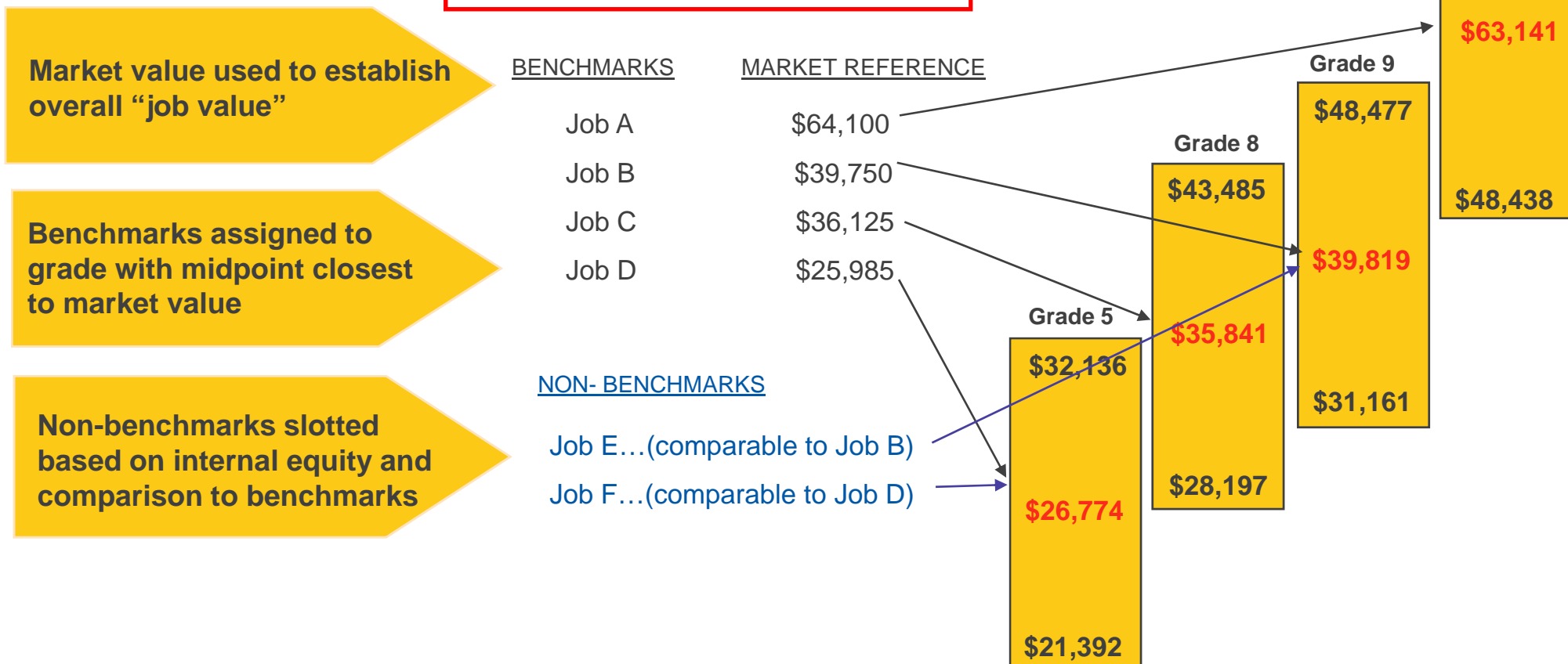
Note: Range values based on a 12 month period and assume a full-time work week

# Job Evaluation

## Assignment of Jobs to Grades

- Each benchmark job has been assigned to a grade where the range midpoint is aligned closely to the job's market rate
- Non-benchmark jobs have been assigned to grades based on internal equity factors and direct comparisons to the benchmarks

### Illustration Only



# Implementation Plan

- **Purpose**

- To develop a consistent approach for addressing the most severe salary inequities
- To equitably set individual salaries within the assigned pay ranges

- **Methodology**

- First priority is to ensure that all employees are paid no less than the range minimum
- Second priority is to consider in-range adjustments for employees who continue to be low in the range for their amount of experience

# Implementation Plan

## How the New Plan Will Be Implemented

- The new compensation plan will become effective January 1, 2010
- At that time, market adjustments will be forthcoming to those employees whose current salaries are below the minimum of their new range
- Note that no one's salary will be decreased as a result of this study
- Based on funding availability, future salary adjustments will be considered and based on a prorated basis for staff below the midpoint in order to maintain equity and minimize issues of salary compression
- Letters will be distributed to staff before the winter recess detailing individual results from the study
  - Job classification and title
  - Grade and salary range
  - Salary
- Supervisors are encouraged to meet with employees to discuss the specific results and address questions
- Job descriptions are being developed on all staff jobs and will be accessible for employees to view by or before the end of the first quarter

## Q & A



**Staff having questions after receiving their individual letters are encouraged to consult with their supervisors**

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