Southeast Missouri State University

2013 Compensation Study

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Kathy Hagedorn – President, The Hagedorn Institute
Scope of Study

- Analyze Southeast’s peer institutions’ pay practices and salaries for Faculty
- Analyze Southeast’s pay practices and salaries benchmarked against appropriate peer institutions and regional/local data for Staff
- Establish a compensation philosophy sensitive to University variables including College, position, difficulty in recruiting or retaining incumbents, and industry best practices
- Identify outliers in newly benchmarked Faculty and Staff pay structure
- Recommend a feasible implementation plan over a multi-year period
Input from Stakeholders

Faculty Senate:
- Several years of no pay increases has resulted in further wage compression.
- Family healthcare benefits are expensive.
- It is difficult to retain Chairpersons because of low pay and the administrative duties of the position.
- Faculty nursing recruitment is difficult because of low pay and a nationwide lack of candidates.

Administrative Council:
- Pay compression and pay inversion are of concern.
- It is difficult to hire qualified PhD’s in nursing because of low pay.
- Family healthcare benefits are expensive.
- Revisions to the MOSERS plan (4% contribution and vesting change) have a negative impact on new hire pay.
Input from Stakeholders

Professional and Administrative Council:
- Pay compression is a concern.
- Little flexibility in starting pay has resulted in lost candidates.
- Job duties continue to increase without a re-evaluation of the position.
- The performance management system does not allow for differentiation of top performers.
- Revisions to MOSERS plan (4% contribution and vesting change) have a negative impact on new hire pay.

Clerical, Technical, and Service Council:
- Lack of transparency in the University’s pay system is a concern.
- Inequity, unclear criteria, and lack of transparency of merit pay awards are a concern.
- Administrative Assistant job titles and duties vary significantly.
- Low pay, minimal increases, and payment of a “living wage” are a concern.
Agenda

- Compensation Philosophy

- Summary of Analysis - Faculty
  - Process
  - Benchmarked Institutions
  - Market Data
  - Pay Parameters and Recommendations

- Summary of Analysis - Staff
  - Process
  - Benchmarked peer group comparisons
  - Market Data
  - Pay Parameters and Recommendations

- Implementation and Sustainability

- Future Considerations
Key Components of Compensation Philosophy

- **External Competitiveness:** Allows the University to recruit, reward, and retain the level of talent required to achieve its mission.

- **Internal Equity:** Promotes fairness and consistency in pay practices throughout the University through objectively evaluated, defined pay structures and guidelines.

- **Employee Growth and Potential:** Encourages maximum productivity by incentivizing and rewarding Faculty and Staff contributions to the University’s mission.

- **Administration and Communication:** Provides structure to ensure that compensation decisions are administered within established guidelines and to effectively communicate program guidelines to ensure transparency and understanding by Faculty and Staff.

- **Adaptability and Sustainability:** Provides a program that is financially affordable, allowing for change based on institutional needs and external market influences, while ensuring compliance with applicable laws and regulations.
Key Definitions

- **Market Median**: Common measure used in compensation studies that generally reflects median pay in the *competitive labor market*; e.g., half are paid more, half are paid less

- **Compa-Ratio**: Ratio of a specific pay rate to the midpoint of a salary band or the median of the market *(exact match = 1.0 or 100%)*

- **Pay Band**: Consolidation of diverse staff jobs with similar pay levels into a band with a minimum and maximum pay rate

- **Pay Range**: Minimum to maximum dollars of a pay band that encompass the wide range of staff jobs and dollar values the market places on them
Summary of Analysis
Faculty
Faculty - Process

- Determined benchmark based on the following:
  - Rank (tenure and non-tenure track)
    - Instructor
    - Assistant Professor
    - Associate Professor
    - Professor
  - Discipline (CIP = Classification of Instructional Programs)
- Benchmarked 100% of University positions
- Identified outliers in the pay structure (i.e., not applying when eligible for promotions, post-professorial merit, or not receiving annual merit)
Benchmark Institutions - Faculty

- Carnegie Classification (Master’s Large or Master’s Medium)
- Central part of United States
- Size of Endowment, Budget, Enrollment, Faculty FTE’s
- Association to Advance Collegiate Schools of Business (AACSB)
- American Association of College of Nursing (AACN)
Benchmark (Peer) Universities

- Arkansas State University *
- Austin Peay State University
- Eastern Illinois University**
- East Tennessee State University**
- Illinois State University**
- Indiana State University *
- Jacksonville State University**
- Missouri Southern State University *
- Missouri State University **
- Morehead State University **
- Murray State University**
- Northwest Missouri State University
- Southern Illinois University Carbondale *
- Tennessee Technological University**
- University of Southern Indiana **
- University of Tennessee at Martin *
- Western Illinois University **
- Western Kentucky University **

* Denotes AACSB Accreditation
* Denotes AACN Accreditation
### J.W. Terrill Data Adjusted for FY 14 Increases

<table>
<thead>
<tr>
<th>College/% to Peer Median</th>
<th>Professor</th>
<th>Associate Professor</th>
<th>Assistant Professor</th>
<th>Instructor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Health and Human Services</td>
<td>93.65%</td>
<td>101.79%</td>
<td>98.04%</td>
<td>108.70%</td>
<td>101.00%</td>
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<tr>
<td>College of Science, Technology &amp; Agriculture</td>
<td>98.50%</td>
<td>105.06%</td>
<td>96.19%</td>
<td>108.09%</td>
<td>101.49%</td>
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<tr>
<td>College of Education</td>
<td>94.13%</td>
<td>99.14%</td>
<td>112.78%</td>
<td>102.50%</td>
<td>98.11%</td>
</tr>
<tr>
<td>College of Liberal Arts</td>
<td>93.69%</td>
<td>97.26%</td>
<td>101.16%</td>
<td>104.60%</td>
<td>98.46%</td>
</tr>
<tr>
<td>Harrison College of Business</td>
<td>94.37%</td>
<td>109.61%</td>
<td>136.57%</td>
<td>102.37%</td>
<td>103.83%</td>
</tr>
<tr>
<td>Kent Library</td>
<td>111.76%</td>
<td>74.31%</td>
<td>N/A</td>
<td>107.56%</td>
<td>100.85%</td>
</tr>
<tr>
<td>Total Overall Average</td>
<td>95.99%</td>
<td>100.93%</td>
<td>105.51%</td>
<td>106.00%</td>
<td>100.51%</td>
</tr>
</tbody>
</table>
J.W. Terrill Data Adjusted for FY 14 Increases

<table>
<thead>
<tr>
<th>College/ % to Peer Median</th>
<th>Professor*</th>
<th>Professor (W/Potential Post-Prof increases added)**</th>
<th>Associate Professor</th>
<th>Assistant Professor</th>
<th>Instructor</th>
<th>Total</th>
<th>Total (W/Potential Post-Prof)</th>
</tr>
</thead>
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<tr>
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<td>98.11%</td>
<td>98.36%</td>
</tr>
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<td>98.46%</td>
<td>99.29%</td>
</tr>
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<td>109.61%</td>
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<td>102.37%</td>
<td>103.83%</td>
<td>104.80%</td>
</tr>
<tr>
<td>Kent Library</td>
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<td>74.31%</td>
<td>N/A</td>
<td>107.56%</td>
<td>100.85%</td>
<td>108.34%</td>
</tr>
<tr>
<td>Total Overall Average</td>
<td>95.99%</td>
<td>97.94%</td>
<td>100.93%</td>
<td>105.51%</td>
<td>106.00%</td>
<td>100.51%</td>
<td>101.40%</td>
</tr>
</tbody>
</table>

*Total Professors/Eligible for Post-Professorial: 132/82
**Total Professors eligible but did not apply for Post-Professorial: 24 of 82 (29.3%)
Parameters for Faculty Equity Pay Adjustments  (JWT Recommendations)

Goal: Bring the following Individual Faculty to at least 90% of market with overall group average at 100% of market

- Eligible Individuals:
  - Professors who have received satisfactory evaluations AND have received timely Post-Professorial merit awards
  - Associate and Assistant Professors who have received satisfactory evaluations AND who have 6 or fewer years in current rank
  - RNTT Faculty who have received satisfactory evaluations AND timely RNTT merit award(s)
## Number of Faculty Eligible for Equity Pay Adjustments
(JWT Recommendations)

<table>
<thead>
<tr>
<th>College</th>
<th>Instructor</th>
<th>Assistant Professor</th>
<th>Associate Professor</th>
<th>Professor</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col of Hlth &amp; Hum Svcs</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Col of Sci, Tech &amp; Ag</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Col of Education</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Col of Lib Arts</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>Col of Business</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Kent Library</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

|                       |            |                     |                     | Total Full Time Faculty: 395 | 67     |

**90% of Peer Median**

Assistant and Associate Ranks Six or Less Years

Timely Promotions for Post-Professorial and RNTT Merit
Pay Recommendations Going Forward

- Newly hired Faculty will generally be paid at 90% of market median for that rank.

- Consider start-up package options for newly hired Faculty when needed for recruitment.

- Continue using CUPA Market Data and appropriate CIP codes for new Faculty salary placements.

- Promotion to a new rank, merit, post-professorial merit, or Doctoral completion should continue to result in pay increases.

- Freeze current summer and intersession Faculty pay, and review those as well as overload pay, compared to peers.
Summary of Analysis
Staff
Staff - Process

- Determined best position benchmark (match) based on duties, responsibilities, and level within the University
- Able to benchmark 75% of University positions
- Identified median of the market for individual positions (compa-ratio)
- Analyzed actual University Staff pay against respective market medians
- Analyzed University’s existing Staff pay structure and revised to create “pay bands”
- Identified outliers in the pay structure
Benchmark Surveys - Staff

Administrative and Professional Positions:
- College and University Professional Association for Human Resources (CUPA-HR) 2012-2013 National Salary Survey (Source used for 70% of Professional positions)

Professional and CTS Positions:
- Bureau of Labor Statistics (BLS) – St. Louis, MO-IL
- O*Net – State of Missouri
- Business and Legal Resources (BLR) – Colleges, Universities and Professional Schools
- Economic Research Institute (ERI) – Cape Girardeau, Public Education
# Administrative Professional Market Data

<table>
<thead>
<tr>
<th>Hay Points</th>
<th>Average Southeast Salary</th>
<th>New Market Median</th>
<th>Total Average % to New Market Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin/Prof Hay 200’s</td>
<td>$34,033.05</td>
<td>$32,894.46</td>
<td>103.46%</td>
</tr>
<tr>
<td>Admin/Prof Hay 300-350</td>
<td>$39,325.99</td>
<td>$39,742.28</td>
<td>98.95%</td>
</tr>
<tr>
<td>Admin/Prof Hay 350-400</td>
<td>$47,512.25</td>
<td>$46,590.09</td>
<td>101.98%</td>
</tr>
<tr>
<td>Admin/Prof Hay 400’s</td>
<td>$57,006.35</td>
<td>$60,764.90</td>
<td>96.53%</td>
</tr>
<tr>
<td>Admin/Prof Hay 500/600/700’s</td>
<td>$71,243.41</td>
<td>$75,183.29</td>
<td>95.91%</td>
</tr>
<tr>
<td>Admin/Prof Hay 800-900</td>
<td>$88,174.34</td>
<td>$92,614.39</td>
<td>96.46%</td>
</tr>
<tr>
<td>Admin/Prof Executive</td>
<td>n/a – market</td>
<td>n/a – market</td>
<td>n/a – market</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>98.05%</td>
</tr>
</tbody>
</table>
Parameters for Staff Equity Pay Adjustments (JWT Recommendations)

Goal: Bring eligible Staff to at least 85%-90%-95% of market with consideration for capping individual salary adjustments

- Eligible Individuals:
  - Staff who have documented satisfactory performance 3 years prior
  - 50% of extra merit award(s), received by staff in past 6 years, will be included in that employee’s market salary comparison
  - Years of service at the institution
## Administrative Professional Market Data – Approximate Results

### J.W. Terrill Data Adjusted for FY 14 Increases

<table>
<thead>
<tr>
<th>Hay Points</th>
<th>Average Southeast Salary</th>
<th>New Market Median</th>
<th>Total Average % to New Market Median</th>
<th># of Eligible Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin/Prof Hay 200’s</td>
<td>$34,767.72</td>
<td>$32,894.46</td>
<td>105.69%</td>
<td>16</td>
</tr>
<tr>
<td>Admin/Prof Hay 300-350</td>
<td>$41,067.23</td>
<td>$39,742.28</td>
<td>103.33%</td>
<td>24</td>
</tr>
<tr>
<td>Admin/Prof Hay 350-400</td>
<td>$48,483.73</td>
<td>$46,590.09</td>
<td>104.06%</td>
<td>20</td>
</tr>
<tr>
<td>Admin/Prof Hay 400’s</td>
<td>$60,853.62</td>
<td>$60,764.90</td>
<td>100.15%</td>
<td>19</td>
</tr>
<tr>
<td>Admin/Prof Hay 500/600/700’s</td>
<td>$73,634.50</td>
<td>$75,183.29</td>
<td>97.93%</td>
<td>11</td>
</tr>
<tr>
<td>Admin/Prof Hay 800-900</td>
<td>$92,128.49</td>
<td>$92,614.39</td>
<td>99.48%</td>
<td>3</td>
</tr>
<tr>
<td>Admin/Prof Executive</td>
<td>n/a – market</td>
<td>n/a – market</td>
<td>n/a – market</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>N/A</strong></td>
<td><strong>N/A</strong></td>
<td><strong>100.90%</strong></td>
<td><strong>94 (out of 375)</strong></td>
</tr>
</tbody>
</table>
### J.W. Terrill Data Adjusted for FY 14 Increases

<table>
<thead>
<tr>
<th>Pay Ranges</th>
<th>Average Southeast Salary</th>
<th>New Market Median</th>
<th>Total Average % to New Market Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTS Ranges 80-83</td>
<td>$10.67</td>
<td>$9.66</td>
<td>110.41%</td>
</tr>
<tr>
<td>CTS Ranges 24-25, 84</td>
<td>$11.82</td>
<td>$13.07</td>
<td>90.43%</td>
</tr>
<tr>
<td>CTS Ranges 25-27, 85</td>
<td>$14.57</td>
<td>$16.31</td>
<td>89.31%</td>
</tr>
<tr>
<td>CTS Ranges 27-30, 86-87</td>
<td>$20.34</td>
<td>$21.85</td>
<td>93.07%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>N/A</strong></td>
<td><strong>N/A</strong></td>
<td><strong>92.45%</strong></td>
</tr>
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</table>
# Clerical, Technical, and Service (CTS) Market Data – Approximate Results

<table>
<thead>
<tr>
<th>Pay Ranges</th>
<th>Average Southeast Salary</th>
<th>New Market Median</th>
<th>Total Average % to New Market Median</th>
<th># of Eligible Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CTS Ranges 80-83</strong></td>
<td>$10.67</td>
<td>$9.66</td>
<td>110.41%</td>
<td>0</td>
</tr>
<tr>
<td><strong>CTS Ranges 24-25, 84</strong></td>
<td>$12.28</td>
<td>$13.07</td>
<td>93.96%</td>
<td>46</td>
</tr>
<tr>
<td><strong>CTS Ranges 25-27, 85</strong></td>
<td>$15.56</td>
<td>$16.31</td>
<td>95.40%</td>
<td>33</td>
</tr>
<tr>
<td><strong>CTS Ranges 27-30, 86-87</strong></td>
<td>$21.17</td>
<td>$21.85</td>
<td>96.89%</td>
<td>11</td>
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<tr>
<td><strong>Total</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>98.01%</td>
<td>90 (out of 208)</td>
</tr>
</tbody>
</table>
Additional Pay Recommendations

Managing New Pay Structure

- Newly hired Staff will be paid at least at the minimum of pay band for position.
- Living wage for regular full time Staff will be at least $9.50/hour.
- Re-evaluation of job by HR due to major change in responsibilities may result in pay band change, but not always.
Additional Pay Recommendations

Managing Merit Increases

- Standardize and document the system for extra-merit pay for Staff, so that these awards are based on documented performance and reviewed in a process to calibrate all nominations.
- Job related certifications (e.g. CAPS) combined with good performance would be considered.
- No increase for marginal performance.
Overall Implementation and Sustainability
Implementation and Sustainability

- Faculty will be apprised of individual salary in relation to peer median.
- Staff will be apprised of individual position’s salary in relation to market median.
- Implement first phase of recommendations beginning January 2014.
- Concerted effort to address compression and inversion for Staff and Faculty.
- Commitment to re-evaluate Staff and Faculty pay compared to market data every 3-5 years and if/when unforeseen market changes dictate.
Future Considerations

- Continued analysis by Human Resources of MOSERS plan changes/impact.
- Expand incentives aimed at recruiting/retaining high-demand PhD’s.
- Re-evaluate and revise performance management program to recognize high performers.
Feedback