



FAQ: Developing a Sustainable and Competitive Total Compensation & Multiyear Financial Plan

Step 1: Compensation Study

Step 2: Development of Multiyear Financial Plan

Step 3: Year 1 Implementation of Compensation Adjustments

Year 1 Development and Implementation of Guidelines, Policies, Structures and Strategies to Support Sustainable

1. Why Segal?

The Segal Group has been a leading, independent firm of benefit, compensation, and human resources consultants since its founding in 1939. Their Higher Education Practice has a dedicated team of consultants who have advised and partnered with colleges and universities for over 60 years in the following areas: organizational effectiveness, compensation and career strategies, retirement, health, and communications. Segal has worked with over 300 institutions, and typically conducts approximately 30 – 40 compensation studies a year.

2. How will a peer or comparator group be defined? Will we also look at an aspirant group?

A significant component of defining Oberlin's total compensation philosophy is the development of the appropriate comparison market(s) and peer groups for compensation benchmarking. Segal will work with Oberlin to identify and define the broader comparison market(s) (e.g., higher education, general industry, non-profit, arts/music, etc.) and the scope of these markets (e.g., employee/staff size, revenues, etc.) for each survey used in the assessment. These comparison markets will also consider local or regional geographic differences and can be specific to employee levels, departments, functional areas/disciplines, etc.

Segal will also assess the College's current peer group for appropriateness and expand as needed or develop a separate peer group to be used for the market compensation assessment. We will consider both peer and aspirant institutions in this peer group and review key qualitative and quantitative factors of each of the potential peers. Factors that may be considered in developing the higher education peer group include:

- *Carnegie classification*
- *Affiliation (private/public)*
- *Academic disciplines/programs (e.g., Arts & Sciences vs. Conservatory)*
- *Operating budget/expenses*
- *Staff, faculty, and student FTE*

- *Geographic location*
- *Funding sources*

3. How will the campus community be engaged?

The campus community will be informed about the key project phases, deliverables, and estimated timing at the beginning of the study. Progress updates will be provided throughout the year. Key stakeholders will be involved in different phases of the study. As an example, in the job description review and development phase, employees will work with their supervisors/managers to review and update their job descriptions.

4. Which positions will be studied?

The scope of the study is approximately 700 employees (350 exempt A&PS and 350 full-time faculty (both A&S and Conservatory)).

5. How will the study align with One Oberlin?

It is critical for the compensation study to align with the College's vision of "One Oberlin". The faculty and A&PS employees are an important factor in achieving the plan's recommendations on enhancing student learning outcomes and supporting academic & artistic excellence, while being financially resilient and sustainable. To be able to attract, retain, and engage the faculty and A&PS talent that the College needs to achieve its vision, it will be important for Oberlin to have a market competitive compensation program that reflects the values and perspectives of its employees. The vision's principles will be embedded in the total compensation philosophy, structure, processes, recommendations, and tools/resources stemming from this study.

6. How long will this process take?

A comprehensive study of this nature will typically take between 10 - 14 months to complete. Implementation of the study results will likely be a multi-year/phase process based on the total costs and financial resources available.

7. What are the key objectives of the study?

- Develop a strategic, achievable, and financially responsible compensation philosophy*
- Have competitive total compensation to retain and attract high quality faculty and staff*
- Provide sustainable, market-competitive, transparent compensation structure(s) and guidelines*
- Ensure internal equity*
- Investigate a merit or performance-based compensation structure, understanding the feasibility and implications of moving towards such a structure*
- Establish a multiyear financial plan to support the results of the study*

8. How will the results of this study impact my compensation?

- Will my salary change due to this study? If the study suggests that my pay is too high, will my compensation be reduced?**

No one will see a pay reduction as a result of this study. A salary adjustment may be warranted depending on considerations such as market levels, each individual's skills,

knowledge and expertise, years in position, internal wage compression, equity and performance relative to the market results. These adjustments would be in addition to any annual salary increase budgeted for the year.

b. Will any jobs be added or eliminated as a result of this study?

No jobs will be added or eliminated as a result of this study. The study will analyze Oberlin's current compensation levels against the market, but no staffing or organizational structure decisions will be made as result of this study.

c. What is the estimated timing of any salary adjustments?

The first set of investments are anticipated in January 2023, with a likely initial focus on internal equity adjustments.

9. What is a compensation philosophy?

A total compensation philosophy is a formal statement documenting the College's position about employee compensation and benefits. It documents pay strategy and explains the "why" behind employee pay and benefits. It also creates a framework for consistency. A well-designed compensation philosophy will support the College's strategic plan and initiatives, goals, competitive outlook, operating objectives, and compensation and total reward strategies.

10. What is a Position Description Questionnaire (PDQ)? *The College will use a Position Description Questionnaire – PDQ for short – to collect information about employees' current duties and responsibilities in order to update position descriptions. The PDQ asks questions about your everyday job duties and about how your position supports the College's mission and goals. In addition, the questionnaire asks your opinion about the appropriate qualifications and skills needed to do your work. This will also be reviewed by an employee's supervisor. The information you provide in the PDQ will help us compare and consolidate similar positions in jobs, where applicable, and develop detailed job descriptions. The job descriptions will then be used in the market assessment phase of our study.*

11. How will this differ from prior studies with results that were not fully implemented? *The last comprehensive compensation study was performed at Oberlin College in 1993. The work was limited to creating a salary classification system for only A&PS employees. The goal at that time was to create a system that demonstrated both internal equity and sensitivity to market influences. In contrast, the 2022 study will be a much more comprehensive endeavor. The College now has engaged a consultant to perform a classification and compensation study affecting approximately 700 employees (350 exempt staff and 350 faculty). These 700 employees represent salaried administrators and professional staff, confidential employees, and full-time tenured/tenure-track faculty. The College wishes to be proactive in assuring its competitive ability for the future. An overall goal of this study is to increase trust and transparency in the compensation and classification program; create sustainable policies and procedures; and to ensure and demonstrate to employees that the program is fairly and consistently applied across the institution. There is also a strong desire to have pay ranges and guidelines to help administer pay and ensure appropriate equity. This updated program will align with the institution's mission, values, culture, and its strategic objectives.*

12. How will the study take into consideration positions/jobs and what an employee brings to the role?

The study will focus on the evaluation of the position/job first based on the role's primary responsibilities and minimum required qualifications as compared to similar positions in the external market. After a compensation structure has been developed and each job has been assigned a specific pay range, the next step will be to review individual employee factors to determine the appropriate pay within the range. Key factors that may be considered are employee qualifications, time in role, etc.

13. How will faculty and staff learn about and engage in this process?

There will be information sessions held as well as email/memos sent to the Oberlin community throughout the project. Updated information and announcements related to the project will be posted and archived on the Oberlin.edu webpage. Additionally, a dedicated website that faculty and staff can look to for information about the study will be created. In addition, key stakeholders will be involved in various phases of the study. As an example, during the job description review and development phase, employees will work with their supervisors/managers to review and complete their job descriptions.

14. Why are we not including unionized positions in this analysis?

The unionized positions are subject to provisions within the respective union's collectively bargained agreements.

15. Who should I contact if I have questions about the study? *The established working group and a group from Finance and Administration's information will be published for questions.*

16. What the "Compensation Study Working Group"? *We have appointed a Compensation Study Working Group that supports this study and its development of a compensation structure that is market competitive, internally equitable, transparent, and understandable; aligned with Oberlin's mission, values, culture, and strategic objectives; and is financially sustainable. The committee consists of a diverse group of 11 members representing the faculty, staff, and administration. This group's work is an important piece of the College's strategy to develop a strong compensation program that includes competitive salaries. The Compensation Study Working Group acts as an information liaison for project coordination and execution in close collaboration with Segal, a benefit, and human resources consulting firm. Their collective work clarifies current practices, identify issues, and provide feedback and guidance on key decisions.*

17. Who are the members of the Compensation Study Work Group? *Chair, Rebecca Vazquez-Skillings, Vice President for Finance & Administration. Faculty Leadership includes: Corey Barnes, Associate Professor of Religion (Chair, Compensation Committee); Ron Cheung, Professor of Economics (Member of Compensation Committee); Erik Inglis, Professor (Member of College Faculty Council); Joe Lubben, Associate Professor of Music Theory (Member of Compensation Committee); and Alexa Still, Associate Professor of Flute (Member of Conservatory Faculty Council). Administration & Professional Staff Council Leadership includes: Lori Ebihara, Manager*

Academic Operations (Member of A&PS Council); Thom Julian, Associate Dean of Students (Member of A&PS Council); David Kamitsuka, Dean of the College of Arts & Sciences; Bill Quillen, Dean of the Conservatory; Greta Williams, Manager of Academic Operations (Member of Compensation Committee).