

To: Montgomery College Employees

From: Krista Leitch Walker, Vice President/Chief Human Resources Officer
Office of Human Resources and Strategic Talent Management

Subject: **FY21 Staff and Administrator Compensation Market Study – Findings and Recommendations**

Date: October 12, 2021

In spring 2021, the Office of Human Resources and Strategic Talent Management (HRSTM) commenced a market study of the College's compensation system with the expectation that administrator and staff findings with a recommended implementation plan would be communicated at the conclusion of the study. The purpose of this memorandum is to convey the overall findings and next steps for this work.

Throughout this study, the HRSTM classification and compensation team focused on communication and employee engagement in the following ways:

- Created outreach and employee engagement opportunities including: nine (9) meetings with councils, bargaining groups, and other stakeholder groups, four (4) advisory committee meetings with future meetings planned, and two (2) information sessions open to all employees (recording available on the HRSTM website [FY21 Compensation Market Study](#)).
- Conducted a rigorous analysis ensuring the benchmark jobs reflect a cross-section of our workforce, collected and analyzed robust external market data, and aligned job classes based on internal relationships.
- Created compensation resources enabling transparent and accessible information available on the [market study webpage](#).

Compensation Market Study Findings

Segal, our consulting partner, was asked to compare MC's current salary structure (salary ranges) and benchmark jobs for staff and administrator positions with relevant external market data. Data was collected from three market segments: 1) *higher education* (the College and University Professional Association for HR), 2) *public sector* (MCPS and Montgomery County government), and 3) *private sector* (third-party professional surveys).

The overall findings include the following:

Staff

- Of the College's current 1,162 staff positions, 126 titles were identified as "benchmark jobs" that represent 62% of the College's staff (above 50% is a standard practice, target representation). Of these 126 benchmark titles, we were able to obtain market data for 116 titles, representing 56% of staff.
- MC's pay range minimums are 101% of the overall market average—which indicates that starting salaries for staff positions are 1% above market. Similarly, pay range midpoints and maximums are 3% and 2% above the market average, respectively. Between 90% and 110% represents alignment with the market.
- Some variations from market data were found among the benchmark jobs:
 - 9 benchmark job titles are more than 10% **below** the market average at the range midpoint;
 - 73 benchmark job titles are **consistent** with the market average and,
 - 34 benchmark job titles are more than 10% **above** the market average at the midpoint

Administrators

- Of the College's current 32 administrator job titles, 18 "benchmark jobs" were selected for the market comparisons. Of these 18 benchmark titles, we were able to obtain market data for 16 titles, (above 50% is a standard practice, target representation) representing 56% of administrators.
- MC's salary structure minimums for administrator grades are 103% of the overall market average, which indicates that starting salaries for administrator roles are three percent (3%) above market. Salary structure maximums are 93% of the market average, which indicates that the top of the scale for these positions lags the market by about 7%. Between 90% and 110% represents alignment with the market.
- Some variations from market data were found among the benchmark jobs:
 - 1 benchmark job title is more than 10% **below** the market average at the range midpoint;
 - 7 benchmark job titles are **consistent** with the market average and,
 - 8 benchmark job titles are more than 10% **above** the market average at the midpoint

Recommendations Accepted by Senior Leadership (senior vice presidents and chief of staff/ chief strategy officer)

- Overall, the College's salary structure is market competitive across all administrator and staff benchmark jobs. No adjustment to the current salary structure is warranted at this time. Therefore, the salary structure will remain the same.
- The realignment of certain job classes is necessary to maintain alignment with market data and/or internal relationships. There will be 35 job titles with grade adjustments: 11 job titles with grade increases and 24 job titles with grade decreases.
- An employee's pay that is below the minimum of the newly assigned grade salary range will be increased to the minimum of the pay range. An employee's pay that is above the maximum of the newly assigned grade salary range will be frozen until their pay falls below the maximum of the salary range. There will be no reduction in the salaries of these employees.
- Recommendations will be implemented October 30, 2021. Employees in jobs with grade changes will be notified on October 20th.
- The moratorium on individual classification reviews will be lifted effective October 30, 2021.

Next Steps: Notification to Impacted Employees and their Supervisors

Administrators and supervisors will be notified of the employees in their department whose grade will be impacted as a result of this study. Administrators and supervisors are encouraged to have direct conversations with employees, particularly those who are impacted by the results of this study.

Impacted employees will be notified of a grade change in a letter via email on October 20th. It is important to remember that a grade change is not a reflection of employee performance or level of contribution. Employees are encouraged to review reference materials on the HRSTM website [FY21 Compensation Market Study](#) to gain a better understanding of this study.

Full-time Faculty and Department Chair Studies

Work on the study of full-time faculty and department chair compensation has commenced and is expected to be completed by the end of this calendar year. Information regarding the overall findings and recommendations on this phase will be shared with the College community in spring 2022.

If you have questions, please email the [classification and compensation team](#). Thank you for supporting this important initiative.