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DESIGNING A POLITICALLY SAFE PROCESS FOR CHANGING FACULTY COMPENSATION SYSTEMS

Posted on August 1, 2015

Changing a salary system involves risks. Sometimes they are enormous. However, the process of exploring options can be invigorating, intellectually exciting, and can be community building.

In previous articles, this Newsletter has focused on the following themes relating to designing or modifying a faculty compensation system:

1. Tying it to school mission and an underlying philosophy of compensation;
2. Building in elements of flexibility, equity and predictability with respect to a teacher's career earning potential;
3. Combining it with creative flexible benefits;
4. Staying within school budgets.

Key to any major change in compensation systems is how to accomplish desired change while creating "win-win" outcomes for all parties. If the goal is solely to cut budgets or reduce the automatic upward march of lock step faculty salary systems, the task will be challenging indeed. If the goal is to build more flexibility into rigid systems and more predictability and fairness into overly discretionary systems, then the task is easier. In either case, this article outlines how to effect this change. This is a proven, very effective and customized approach designed to garner the trust and acceptance of teachers who inherently avoid risk and fear change yet crave the ability to influence their future earning power.

Littleford & Associates has worked with almost 700 schools world wide in helping them design and improve salary systems in ways that meet the needs of the board, the administration and the faculty. A teacher at a client school, Convent of the Sacred Heart (CT) recently stated:

"Yesterday's faculty compensation workshop was inspiring! I felt energized and grateful to be part of the community. Our mission is not only about assisting students to realize their potential and the fact that they each have value- it extends to the faculty and staff as well. I have never felt as valued, cared about or felt as much a part of the process by an employer as I do here. Thanks for all you do!"



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From the Head's perspective:

"There are many consultants who come in and present their canned version, no matter what the needs of their client. You spent the time and interest with our faculty to present us with an agenda to formulate a new and improved salary structure." James Stewart, Head of School- Malvern Preparatory School, PA

1. I. One School's Successful Experience

For many years, Lake Highland Preparatory School in Florida had a negotiated salary system like those in about 50% of US independent schools and 10% of international schools. The negotiated entry level salary would be as close to the public school scale equivalent as the School could afford. That salary, highly dependent upon the negotiating skill of the teacher, increased annually by the same percentage for all teachers. Any market based swings in demand for specific types of teachers and any inequities remained embedded in the system. Many schools rely on this across the board tool, which compounds unfairness over time as those at the higher end earn much more than those at the lower levels.

The new President of Lake Highland Preparatory School wanted a salary system with more fairness and transparency as well as inherent incentives that would make the "playing field" mission driven. He retained Littleford & Associates to conduct confidential interviews with key administrators, several trustees and a cross-section of the faculty (K-12) followed by a workshop attended only by the interviewees.

The interviews enabled the firm to understand individual needs, School culture, and personal aspirations, and to build trust and rapport with the participants. After the workshop, this group felt unified, enthusiastic and much more knowledgeable about the theory and reality of compensation practices in the region and around the world.

These workshop participants, organized in three subcommittees, engaged in thoughtful discussions of salary system redesign, evaluation improvement and benefits review. Working together, they developed a new salary/evaluation/benefits system that the Board, the Faculty and the Administration supported. They moved to a system with "bands" and "ranges."

Following the work of the three committees, Littleford & Associates conducted a workshop for the entire faculty to provide the same compensation information that the initial workshop group received and to ensure "buy in" to the new system. This led to an evaluator training workshop, training every teacher about evaluation criteria and providing them with the skills for each to serve as a member of a three member evaluation team. Every teacher would be evaluated by such a team according to the criteria and cycle that were developed and agreed upon by all.



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The system has now been in place for two years. All parties are pleased although still learning and growing in their understanding of how to utilize the new system. The process was, as always, as important as the "product." Helping teachers, Board members and administrators understand how compensation motivates, rewards, or penalizes teachers is crucial to creating fair and competitive practice in both compensation and evaluation. Trustees involved in this process have become more committed to competitive salaries, and teachers now understand better the issues trustees confront as well.

The President, Warren Hudson commented:

"Your meeting with the faculty was a virtuoso performance, as was the workshop that you led with designated faculty. Faculty compensation can be such an explosive issue. Your instant credibility helped defuse any potential problems. You not only "swept the mine field", you gave us insight into an innovative way to structure our pay delivery system so that we can attract and retain the best faculty in the nation."

1. The Keys to A Successful Outcome

Littleford & Associates has found that the following process delivers a result that addresses the unique culture of each school and has the greatest potential for "buy in" on the part of the school community. These are the key ingredients:

- Select a cross section of teachers to participate in a workshop on compensation theory and practice. Include in this mix key academic administrators, the business manager and four to six influential and financially oriented trustees. Do not choose volunteers, as they may have a narrow or personal agenda.
- Conduct a workshop by an outside consultant or objective facilitator that focuses on three related components:

Models of salary systems worldwide: Explore and review through the website of Littleford & Associates, NAIS, ECIS, CIS and others examples of how other good schools have delivered scarce salary dollars to their teachers with creativity and flexibility.

Flexible and Competitive Benefits: How does your school compare to others in the competitiveness, range, and flexibility of benefits, and does your plan mesh with the salary delivery system? Is there a common philosophy to both benefits and salary delivery that teachers understand and which reinforces the school's mission?

Effective Evaluation: How does evaluation function in good schools? How is it working in your school now? Is it substantive? ALL compensation is connected to evaluation in some way or



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another, whether explicitly stated or not.

- Examine the culture of the School to ensure that any salary system design or benefit change fits within the mission and culture as understood by the board, administration and especially the teaching faculty.
- Form two or three subcommittees (benefits, faculty salary structure, evaluation and/or school culture) made up of those who attended the workshop. Assign to these committees volunteers from the workshop group and appoint co chairs of each, preferably a trustee and a teacher with an administrator assigned as liaison. The committees should follow some clear rules of operation: Focus only on the workshop topics and recommendations; meet only when both co chairs can be present; have no more than five 90 minute meetings over a three month period to ensure the process does not become a burden; and coordinate committee efforts so that all themes are covered.
- The committees review the recommendations that relate to their area of focus and come to a consensus. Each group is responsible for persuading all of the workshop participants of its recommendations. In this way the full contingent signs off on everyone's work.
- Upon completion of the committee work, the co chairs of the committees report their recommendations first back to the full board for any policy related questions and then present to the entire faculty for review and additional input.
- In presenting to the faculty as a whole, it is important that the subcommittee chairs take no questions from the audience at this time. Following each subcommittee presentation all teachers meet in pre assigned mixed school groups of five individuals or less (to avoid meeting within established cliques). In these small feedback sessions, the facilitators are the workshop members and the co chairs who have shepherded the process.

To summarize, the process outlined above helps to ensure that the teacher perspective of salary system and benefit design is heard and understood by the policy makers: the board. It also helps to ensure that teachers hear a trustee perspective on tuition setting, parent feedback, public policy and the politics of the community.

The head of the school is ex officio on all of these committees and represented on each committee by his or her key senior administrators. The head should not expend valuable political capital in this process.

These steps, if prepared for and followed up properly, can make the entire process fully as



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important, if not more important, than the actual outcomes. It can help trustees, teachers and administrators understand the complexities of teacher compensation planning and the strong emotions involved on all sides. In fact, this is a very worthwhile exercise to undertake at a school periodically, even if no major changes result.

1. The Benefits of the Interview Process

If the School employs an outside consultant or facilitator to assist in the process, the workshop should be preceded by confidential interviews between the workshop leader and those individual who have been chosen to participate in the process.

The interview process will determine:

- External and internal pressures affecting the school's compensation system
- The role that might be played, if any, by bonus plans or incentives
- Staff's current sense of well-being
- Faculty attitudes toward change
- Financial realities defining possible alternatives
- Current and future compensation philosophy and the corollary salary outcomes
- School culture and mission which should shape the desired compensation plans
- Compensation designs likely to be accepted by all parties
- Timing and implementation strategies for a plan or plans, once adopted
- Alternative compensation structures, such as "bands" or "range" concepts

These teachers at Presbyterian Day School (TN) commented about Littleford & Associates' interview process and workshop:

"You are a dynamic speaker who kept my attention for three hours. I thoroughly enjoyed learning about a new salary structure and evaluation system. It is exciting to think that our committees will be putting new structures into place that will be here at PDS long after we have left. I have been appointed to serve on the Salary Structure Committee which was my first choice. I am eager to begin this process."

"Visiting with you was an absolute pleasure. Besides hearing so much about compensation, I was truly entertained!! Thank you for your guidance, encouragement and support. I felt very honored to be a part of this process."

The interview and workshop together ensure that the outcome is a compensation delivery system more compatible with the school's unique mission and philosophy, AND often allows the school to realize an important collateral benefit in the form of improved school climate and morale. As



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Warren Hudson stated:

"What we are doing at Lake Highland is nothing short of changing the culture. The most basic element of changing that culture is our faculty believing that they are valued and are being fairly, professionally and objectively evaluated. Your help in that process last year and your follow-up visit this year have set us up and now it is up to us to spike it."

John Littleford

Senior Partner