

2011-12 Institutional Outlook
Thursday, May 19, 2011

Hosted by Webster Staff Alliance (WSA)

Guest Panelists (*in order of seating*):

Nancy Hellerud, Provost Julian Schuster, and Greg Gunderson

Introduction: Michelle Loyet, WSA Chair

For the Webster Staff Alliance (WSA) and I wanted to just take a moment and ask everyone to give themselves a big round of applause, there was some much interest we had to move into another room, so thank you everyone (applause). So we have a few house keeping items to do today before we get to the meat of our event. The first thing that we have is that we have a couple of announcements and updates from our various committee chairs. Bethany said that she will defer her updates from the compensation committee until we get everyone up. I do have one announcement to let you know that in the coming year that we're going to be asking your input regarding adding an extended campus representative to the WSA board. You may have noticed that in the elections this year, we had two extended campus members who were interested in participating. I think that it is definitely consider how it is we representatives our extended campuses and how we want to include those members in the participation of the WSA, so we will be asking for your input as we move ahead and as we are trying to address that. The other committee members, does anyone else have updates.

Merideth Daly, Special Events: Hi there, I'm Merideth Daly the Special Events Chair for a couple more weeks. Couple of quick announcements, in the coming days, we are going to be having a WSA participation and satisfaction survey coming out. I would encourage all of you to fill that out, and would appreciate that. Also, I want to let you know that on the WSA connections group, we've added a number of things that will help you at the various professional development events. We have done podcasts, we've done some video recording, and of course we have a number of different handouts. You will find a lot of those pieces have been added, and we will continue to add those to the WSA connections group, and please visit it, if you have any questions about how to use those you are welcome to contact me, some of them there are down arrows that you have to click on to find them but there are a lot of pieces that are there now and they will continue to be added.

Loyet: Thank you very much Merideth and why don't you just stay up here since next on my agenda is thanking our retiring board members. So as you know, the WSA has six board members, every year three are elected. This year, Merideth Daly will be finishing her second year as special events chair, Ron Van Fleet will be completing his second year as membership chair and Debbie Ray will be finishing her second year as associate chair. If I could ask them all to come up here, and if you would, please thank them for their service to the Webster staff. (applaud). And before they go, it's Ron's birthday, and Debbie's. and on three, One, Two, Three, Happy birthday to you, happy birthday to you, happy birthday dear Ron and Debbie (laughing), happy birthday to you. (Applaud).

Thank you very much all three of you, we appreciate your support of the WSA and service to Webster staff more than you know. With that, that does bring us to something, I'm sure some of us in the room have been waiting eagerly for and that is the introduction of new board members. This year we have a new associate chair, special events chair and a new membership chair. For those that are with us:

Jennifer Holtmann will be our *new associate chair*, will you please join me up front (applaud). **Sarah Nandor** will be our *new membership chair* (applaud), and our *new special events chair* will be **Tyann**

Cherry (applaud) who unfortunately cannot be with us today because she has had her tonsils out. So she is home enjoying ice cream. But I would like to welcome our new board members for the next two years; we will have these wonderful ladies serving us. If you would - a big round of applause for our new members. (applaud) Thank you so much, welcome to the WSA.

Next on the list they have provided me with, we would like to honor our staff graduates. If all of our staff graduates would come up, the officers have a gift for each of you. (members who graduate line up.) So congratulations to all of our staff graduates, everyone, please a round of applause for their accomplishment (applaud). Let us all gather together for a picture. And I have to say that I am an extra proud momma, since one of the graduates is actually my advisees. So congratulations everyone.

Finally, I do want to say a word of thanks to marketing for managing the live streaming and being endlessly flexible with us as we moved locations, and also thank you so much for the folks at Sodexo again for their flexibility not only in having the location change, but also in the number of attendees change. Thank you very much, both marketing and Sodexo (applaud). So I am going to turn the floor over to Bethany Keller, our compensation chair.

Forum facilitated by Bethany Keller, Compensation Chair:

Thank you so much Michelle. So I deferred giving an update on compensation just a few moments ago, because it's been a really busy year for compensation as you are all aware. I wanted to thank all of those that were able to attend the forum last week. We had a good crowd over 125 staff at the Sunnen Lounge to share information and receive some answers to questions that we have all had. I wanted to thank you all again for coming today to celebrate our end of the year. We have some very special guests with us today, and would like to ask you to join me in welcoming Dr. Gunderson, Dr. Schuster and Nancy Hellerud to our table. We are going to talk with them a little bit. They are going to talk to us a little bit about the institutions outlook for next year, the budget and compensation related issues. We did solicit your questions in advance, so I have a list of questions that we will be asking on behalf of staff, and I would ask your attention in listening to our administrators who've joined us today during a very busy week, so thank you. (applauds)

Dr. Julian Schuster, Provost and Senior Vice President: Good afternoon everyone and it gives me tremendous pleasure to be here, to be invited along with my colleagues, Dr. Gunderson and Nancy Hellerud and to simply in one, I would say less than formal atmosphere learn more about things which make this university what it is. And what makes the university what it is, is of course many things, but the people are always number one, and just to cut to the chase is they say the most populous besides the students, the most populous part of the Webster Universities are, is our staff, it's you, and without us being here, and with out us together, working to address the burning issue of this university, the university will not be successful. And I would like to thank you on behalf of the President, my own, and the entire administration for your hard work in the past year. That's ok to clap, yes. (applaud and laugh). Lately, I noticed that people are really reluctant to clap when I speak, and I don't know, is it me, or what I say (laugh), or both, so and in one of the recent speeches I said you can clap when ever you want you know. So that is perfectly ok. (laugh). I know that there are a lot of questions that can be addressed, and we will try to address today, many of them, or as many as we can. Again, these questions and answers are always our aim for one thing, to learn and to understand the environment in which we operate and to make it better next year, so without any further ado I would like to again ask my associates if they would like to add something and then I will go into the Q&A sessions and try to address the burning issues of the questions that are here. Greg.

Greg Gunderson, Vice President and CFO, Finance: Good morning everyone, if I would have known we were having churros, I would have worn a different suit. It's not churro friendly (laugh). In all seriousness, I also wanted to thank you for the invitation to be here today. One of the things that you will

see with our Provost and our senior management team is that there is real focus on linking everything we do to our core missions, our academic success and you're essential in that. We can't recruit students, we can't retain students, we can't find good faculty, we can't have good facilities, we can't have efficient programs without your efforts, so one of the comments which I made in the beginning is we appreciate everything that you do, and how absolutely essential it is for institutional success. (applaud)

Nancy Hellerud, Associate Provost: Thank you. Again, I also want to thank you, not just for the invitation to be here today, but for the welcome I've received to Webster. I've been here four weeks now, so I figure I have a couple more days of not knowing the answer, and after that I'll be held to something. It was a great time I think to arrive at Webster because I came at the point to see, frankly what the staff, and everyone at Webster can do together which is put on a commencement ceremony as large as the one that was held. That was very impressive, and I'm really glad to see as I came in here, how many people I have actually met in just the short time I have been here, either at meetings or just kind of walking around campus, so I'm looking forward to the supposed slow time of summer, to get to know people a little bit better, but as I said, the welcome to Webster could not have been better. I've been first most closely working with the staff in academic affairs, and one of the things that attracted me to Webster is the obvious hard work and entrepreneurialism and just good programs that are coming forward with the efforts of everybody together at Webster, and so I am very glad to be here. Thank you. (applaud)

Provost Schuster: So one of the questions I remember that was asked was about changes in the leadership, and how the new changes reflect on the functioning and operations of this university. So let me provide a little perspective on that. Two years ago we had successfully concluded the presidential search and recruited Dr. Beth Stroble to become our President. After that, very soon we got the new Vice President for the Enrollment Management and Student Affairs, and then Dr. Stroble, President, noticed something, and will see as I go, something you know which was operative in functioning of this university. But I would immediately caution, not only this university, many other universities, and that is, I would say strong divisional focus. That is a nice word for the silo approach. What that means, if person works in the area A, that he or she deals with the person in the area B, only when he or she has to, and that has to is not necessarily pleasant, it's always when we have to do something that usually you know we try to avoid. That's a natural human reaction, if you do not need to do something or have to do something, you don't do it. This of course is one model. That model can be perhaps applicable in the circumstances which are not Webster circumstances. This Webster as you know is an extremely complex place, in which silo approach, or the approach which is self centered does not work. It creates, which I said, silos and then usually it becomes inward focus, not focused on the customer, not focused on our primary mission, and that is to be a student centered university, but to be focused on ourselves, what we do. So, Academic Affairs, Finance, Development, Information Technology, you name it, Student Enrollment Management. We had, we've all dealt with ourselves than we dealt among ourselves. That organizational structure was part of the Webster culture. And as you can see, I am very interested in the observation which was made, which was not made by the people who came here from the outside, of which I am one. It is made by our clients, it is made by our customers, it is made by our primary focus, and that is our students.

So, what has been decided is to put a little bit more of integration, and Greg just made a reference to it. Our integrated process is into the functioning of this university, and post of the provost and the senior vice president has been created. That post had among many other things has one principle role to provide more integration and more coordination in the function of the various parts of this great university. Consequently, we will not, we are trying to move away from divisional bargaining or transactions between academic affairs and finance rather that we learn to now work together in which people from the academic affairs will work together with the people from finance. And I'm using this example because Greg is here. That applies for information technology as well. That applies, and will apply to the greater

and greater extent to the enrollment management as well. Basically this is the model in which internal operations will become a corner stone of this university and they will operate more or less intact, not separate from each other. So, as a result we had hiring of the new provost and senior vice president, I happen to be fortunate to be one of the candidates invited, and the candidate who was selected. That gave us the opportunity then to assess the future changes so what happened is we were extremely fortunate to launch the successful search for our vice president for finance and chief financial officer, Dr. Greg Gunderson who joined us from University of Nebraska, and then we also hired the interim chief information officer, so along with that we also hired associate provost for administration and planning, which was known as academic affairs and now it is known as office of the provost. We are also hiring and she is going to start on June 1st, chief communications officer, Barbara O'Malley, who is going to join us from University of Akron. There are also numerous other changes we hired, and I think you know our internal auditor Greg Mundle. Greg, you are somewhere in the audience, because I say to you, thank you.

So, with all of those changes, the question is, who reports to whom. We can answer that question, but I would like you to shift your attention from that, to the attention that we all work together toward the common goal. And the common goal is to serve students better and to contribute to their well being through the development and growth of this great university. So, instead of posing the questions in a vertical way, think about concentric circles, or think about neural networking, which each and every part depends on each other, on the other part. Without interdependence, we are not going to be successful.

So let me talk about the most obvious division that exists in almost every university, and we were not exception. That is the division between faculty, division between staff and division between administration. We will do whatever we can in our power to minimize division. To minimize the differences in treatment, the differences in the attitude and the differences if those ever existed it so call perceived importance of the members of this community. We are all members of the Webster community and we cannot afford to be treated as administration, and to be better because we are administration and we can choose what we are going to do. We will set an example of integration and we will ask that this example provides model for integrating division, integrating client that are now going to be graduate, undergraduate, part time, full time, they are all our students, they are all our primary focus. We are all equally important here. There is no one person whose more important that the other person. Yes, there are difference in the division making, authority and process, and that is a natural for each and every organization, and it is natural for human order, however, that doesn't mean that the person on the third floor is more important that the person in the basement, or the person on the fourth floor. So, that is going to be our guiding light, to provide that by setting an example, to provide an environment in which each and every member of this great university will be enable to grow personally and professionally. That is our unwavering determination and we are not going to budge. (applaud) That was a long answer to a very simple question. So, perhaps I should give up floor to other people, that they maybe more efficient that I am.

Keller: I would just like to thank you for your candid remarks and for addressing a question that has been on the minds of many of our staff. I have a couple of follow-up questions related to the Mercer study. I know we've all been looking over the details of this compensation study done for the institution. The first question that I have is regarding the Mercer study itself. The question is: What were comparable stats for faculty and administration if staff costs were \$233,000, and for minimums and the cost to reach years of service targets was \$973,000, what were the comparable stats for faculty and administration. Do you know the figures on that?

Gunderson: Well, I think the important question is that the same methodology was applied to both instances, all instances. What the Mercer study is, has established disciplines that a person exist in. It

looked at peer institutions that were selected to know what the average compensation was for individuals, what the range of compensation was, and using that we completed the very first step in the Mercer process, which was bringing people who were below minimums of their grade and bringing them up to minimum, and that of course results in very different dollar amounts for individuals, based on where they work compared to their peer group, how their discipline was compensated, and for years of service. All those things fell into that calculation and so they were not treated, they were treated identically in terms of process, but with different results. Some people received no adjustments for moving to minimum, because they were above minimum, and some people were significantly below and required larger adjustments. But the vast majority, more than half of the money of the Mercer study was spent on staff lines. That is where the majority of the money went, even though proportionately, I can't talk about the mixes to proportion of faculty based to faculty increases, how that compared, but the majority of the dollars that were put forth in the first step went to staff. And if you were to continue the Mercer study as it is currently configured. That will continue the model doesn't change. The majority appears to be directed in terms of absolute dollars to staff.

Keller: Thank you Dr. Gunderson. A follow up question on this is also in regard to benchmarking and the length of service adjustments that have not been approved for this year. The question is, how is it possible to reach benchmarks or to stay competitive if the institution does not implement full Mercer recommendations at this time?

Gunderson: Well, there are a number of things we have to take into consideration, and one of them is simply financial resources, and of course, everyone in this room would like to implement Mercer to its entirety today, but it is a question of financial resources we have, and I would preface my response with two comments. The first is, we shouldn't lose sight of the progress that we've made as an institution. Commitment was made by a Board of Trustees, and by our President and Provost to examine peoples' compensation in an equitable and fair manner to determine where we need to go from here, and that's a major step forward. And I should also add that we shouldn't lose sight of where the rest of higher education is today. Most people gathered in rooms like this throughout the public institution sector and are not having a pleasant conversation today about extra dollars. I'm reminded of a story that President Lincoln once told of a woman he ran across who had a dead horse in her front yard. And he asked her what had happened, and she said that everyday she fed him one piece of grain less. If he would have only lived two more days, she would have been able to operate him for free. (laugh) That's as good a joke an accountant gets, so (laughs continue).

But the point being, that the fact that we are able to address this critical need, and the current economic environment of the United States is remarkable and it reflects quite honestly the real great job you have done in a great institution has been successful. And to continue forward with the Mercer study, to be able to address more is going to take additional growth and the administration has committed this as part of this year's budget. If we're able to beat our enrollment projections for this year, and generate new sources of revenue that we will look at ways of expanding early on Mercer study to begin to implement further progress, but further progress being perfectly frank is predicated in large measure to an institution to continue success and advancement of our enrollments and retention of our students of which you are absolutely essential, and the advancement before on Mercer is going to require everyone in this rooms effort and all of our combined efforts to create that financial base. But you know we made progress this year, and we plan to make more progress.

Provost Schuster: Let's keep that into perspective. Since the arrival of the President Stroble, we do have two consecutive years, and last year it was a 4% increase, and this year is going to be a 3% merit increase. This is an annually, not exactly I don't want to be called mathematically, but lets say it is a 7% over two years. In the landscape of the American higher education, very few if any institution was able to

achieve that. In addition to these increases, which are (A) first of all to alleviate something which Mercer study have established, to alleviate the fact that a number of our employees, hard working employees, have been underpaid when compared to the reference and competitor set institutions.

So, we are going to proceed on two fronts: (1) is as Greg said, we are committed, President Stroble is committed, and her team, we are committed to seeing the implementation of the Mercer findings, and especially to alleviate the most aggressive disparities in pay for our employees, so we are going to implement the system which is always going to address the needs of those who are most adversely affected with the present state of affairs. Along with that, we are committed with the implementation of the Mercer study, we are committed in general furthering the betterment of the employees and the members of the community of Webster University, that's this year we have a 3% Merit increase, this is in addition to the Mercer adjustments, pending successful performance of this university, and you know that we are 94% tuition driven and tuition dependent university.

So our enrollments, and taking care of our enrollments is job number one for us, pending successful year, we are going to evaluate our ability to move to the next step into the Mercer implementation. So Mercer, the implementation as Greg said, implementation of the Mercer recommendation has two components. One component is the finding, the other component is what we can objectively afford without endangering the well-being and financial vibrancy of this institution, and that is what we have done.

So stay tuned, we are going to continue to communicate with you both directly and via our representatives about our plans of implementing the findings of the Mercer study.

Gunderson: I have one more thing to add to that. When we talk about the salary package, we shouldn't lose sight of the benefits as well. Benefit costs, health insurance, other employee benefits are projected in this next budget to grow about 1.9 million. Which is grossly analogous to the 3% salary pool for faculty and staff. So that is a significant amount of dollars that the institution is addressing which are below the water line. You don't see that necessarily, but that does represent part of your compensation package that is material. And all those occurred in an environment in which most everyone else is moving the other direction.

Keller: Thank you so much. It may not be possible to answer this next question, but it has come up a couple of times. Folks are wondering if it's possible to know what the ideal scenario would be for addressing years of service adjustments. If it is possible to look at, if all things are equal, what the ideal rollout would be and over how many years might that take?

Provost Schuster: One of the tasks before the leadership of this institution will be to continue to work on finding the optimal compensation policy for this university. That will require formation of the committee or a task force, whatever we want to call that, with representatives of all constituents from this community.

And then we are going to evaluate how directly we are going to address several things. One is how to promote people, how to remain, let us say how to remain competitive in the market place so that we can attract and retain the best, best colleagues. Second, will be how to create an environment in which people will continue to blossom both professional and personally. The third one is, how to further refine the system in which hard work will be rewarded. That is how to further refine our performance base system. The fourth one will be last, but certainly not the least one, how to address the issues of internal equity, how to address the issue of the compression, how to address the issue in which if people are here, are not being penalized just because they stayed here, and they did not move anywhere else. That will be directly connected with of course the dedicated service and length of dedicated service to this institution.

Do we have magic stick right now in order to find the formula in which is going to do that, I'm not aware that we do, but with the help of all of us, of all of us, we will develop the system and the process policies and the processes in which this is going to become and internal part of peoples remuneration, of the reward system. So again, internal equity, professional and personal growth, market competitiveness, performance, those are four pillars which are going to be the backbone of our new compensation policy.

Keller: Thank you so much. One question we also wanted to ask about for the performance appraisal process, can you say a few words about your vision for staff evaluations and appraisals this year and in coming years?

Provost Schuster: This is a question for the human resources. But when we met, I think a couple of months ago, I made a commitment that we will do what ever we can in our respective positions. That each and every member that his or her hard work is dutifully and objectively evaluated, and that meaningful feedback is provided. So that people have a connection between with what they do with how this is evaluated to receive the feedback, what is done well to be rewarded, and what can be done better to be provided meaningful feedback with improvement suggestions so this can be followed through.

Personally I made the statement that supervisors who do not follow that will need to pay consequences. We cannot have a system in which people will obligate their responsibility in order to provide guidance and mentorship to people with whom they work. Community in which this is not present is not sustainable community. So consequently, there will be, and there has to be, and in the future especially if it is not this year, conversation, cooperation between supervisors and the person who is evaluated and his or her supervisor, the feedback needs to be meaningful, the feedback also needs, the person needs to provide his or her points of view and through this, mutually agreed upon objectives we will follow the progress of this university and members of our community and in their respective position.

So, the bottom line will be that each and every one of us expects, starting with me, to be providing the feedback how well did we do last year. What did we do well and especially what could have been done a little better. And with that continuous conversation and communication I assure you that we will be minimizing the friction and maximizing the ability to have a constructive communication which is going to lead to the better results. So that answer to the question which I remember, that is the feedback going to be confidential and discuss the answer to that is yes. Every person should be given an opportunity to provide his or her points of view on his or her evaluation and the process needs to account for that.

Keller: Thank you very much. The last follow-up question we have on this, and I think this may be our last question for today in view of time is the idea of 360 degree reviews. Is it possible or is the institution considering opportunities for staff to provide confidential evaluations on their supervisors?

Provost Schuster: Again, this is the question for the human resources. And I will tell you what I think. I think absolutely yes. That's what I think. (applaud)

And what I would add to that these evaluations, the timing of the evaluations is critical. The evaluation always in my opinion, needs to be formative. The purpose of evaluation is not to axe someone, or to show someone how bad he or she is, but to provide a meaningful feedback to all of us to do, to improve, and to do things better if we can. So I do not see why this cannot be discussed, put on the table, and then find a system in which this is going to be, as I said, formative, rather than going to be a chase in which we are going to get someone for something. We are not going to, we need to absolutely create culture which is going to be supportive of each other. Not a culture which is going to be looking for a moment, you know a-ha, I get you. (laughs) That culture, neither one of us who came here will join this university

supports and basically the processes which would, inadvertently encouraging behavior like that will slowly wane. Thank you. (applaud)

Provost Schuster: Thank you, and this is the longest applaud I got lately so thank you. (Schuster waving)

Keller: Before everyone heads out for the day, I just really wanted to take another minute to thank our administrators, who joined us today in such a candid, frank and honest appraisal of our questions. We work at a tremendous institution, thank you so much. (applaud). I want to point this out, not every institution has administrators that are willing to come and speak to us in this manner. And I want to say from my heart how appreciative I am, that I work at a place like this. So, thank you. Where is Merideth Daly? I just want to take a minute to thank Merideth, because she helped me last week and this week make these two forums happen. Thank you Merideth for your tireless work on behalf of staff, to make sure we were fed, and we had seats to sit in. (laugh). Thank you Merideth.

Loyet: One final announcement. If you were not able to grab one when you were here for professional development day, we do have the WSA aluminum bottles over here, so if you don't have one, grab it before you go out, because Merideth doesn't want to take those back to her office (laugh). So thank you very much everyone for your continued support of the WSA. Thank you so much for your interest in our events and your participation, we truly, truly appreciate it. Thank you. (applaud)

End of Presentation