



LA JOLLA
COUNTRY DAY SCHOOL

La Jolla Country Day School

La Jolla, CA
Grades PK-12 Coed Day School
1,180 students

Contributors

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Case Study Focus

Salary Increase Calculator

Background

Established in 1926, La Jolla Country Day School (LJCDs) serves all of San Diego County, California. La Jolla Country Day School's mission is to prepare individuals for a lifetime of intellectual exploration, personal growth and social responsibility. The school's core value is its belief in the dignity of all people because every human has inherent value and self-worth. Dignity can mean many things to many people. The La Jolla Country Day School community values: diversity, inclusion and safety, collaboration, and student independence and growth. For more on how the school defines these values, [see the website](#).

Faculty and staff alike play an integral role in shaping the experiences of LJCDs students. The school prides itself on recruiting and retaining quality and exceptionally talented employees who are passionate about their field and lifelong learning. With more than 240 faculty and staff members, LJCDs is a diverse community with common values. Meaningful and enduring relationships between faculty, staff, students and coaches are essential to our community.

LJCDs has a distinct compensation strategy, which uses a mathematical system used to align salaries from ratings of faculty and staff members. The school aims to ensure fair and competitive salaries for its employees, and thus the strategy involves benchmarking salaries based on regional schools and top regional schools to determine median pay for various positions. The primary goal is to bring all faculty and staff members closer to the median over time, promoting fairness and consistency. The algorithm, created by Head of School Gary Krahn, considers both the employee's position in relation to the median and their supervisor's rating when

determining salary increases. The rating from the supervisor also influences the salary adjustments.

Krahn and CFO David Sigal acknowledge the importance of performance and believe that employees' contributions should impact their compensation. They also recognize, however, the challenges of fully implementing a performance-based system. The compensation strategy continues to evolve, seeking to strike a balance between performance-based pay and maintaining a fair and equitable salary structure. Their carefully crafted and data-driven approach to determine salaries encompasses the following factors:

Benchmarking: The school uses benchmarks from peer schools in the region to determine the median salary for each position. They compare employee salaries to these benchmarks to assess whether individuals are below, at or above the median.

Salary Bands: The school has established salary bands that determine the range of possible salary increases. The farther below the benchmark median of a faculty/staff member, the greater the salary increase. Conversely, if someone is above the median, their salary increase will be more modest.

Performance Ratings: Faculty/staff members are rated by their supervisors based on their performance. Ratings are used as an input in the algorithm but have less impact than where an individual stands compared to the benchmark.

Multi-Year Approach: The school acknowledges that it will take time to normalize salaries and bring all faculty members closer to the median. The algorithm ensures that the adjustments are gradual over a period of five to 10 years.

Flexibility: The model allows for some flexibility in salary adjustments, particularly for those with exceptional performance ratings. Faculty members who receive higher ratings from their supervisors may receive a more significant increase.

Stipends: In addition to base salaries, the school offers stipends for certain roles, such as coaches, department chairs and lead teachers. These stipends are not part of the salary model but serve as additional compensation for specific responsibilities.

Consideration of Experience: The model considers years of experience as part of the benchmarking process. While they acknowledge that expertise and performance do not necessarily correlate with experience, they still use it as one factor in the determination of salary.

Transparent and Fair: The school aims to be transparent and fair in its salary allocation process. The algorithm helps ensure that decisions are data-driven and less susceptible to bias.

Ongoing Evaluation: The school engages in an iterative process with supervisors to fine-tune the salary adjustments before finalizing them. The goal is to ensure that the process is as accurate and fair as possible.

This system was designed specifically for the LJCDS community, Krahn and Sigal made clear, and different institutions may use alternative methods and calculations based on their own circumstances, budget constraints and organizational philosophies.

The LJCDS system involves five ratings, where a rating of one means the individual needs to be let go, a rating of two indicates the individual needs to improve on a performance improvement plan, a rating of three means the individual is meeting expectations, and ratings of four and five indicate that the individual is exceeding expectations.

They also acknowledge the challenges they face when evaluating qualifications and experiences, especially when someone's self-assessment of their abilities might not align with the school's evaluation. Thus, Krahn and Sigal suggest that schools should align the compensation model with their core values and goals. They encourage schools to articulate what outcomes they want and what is important to them, and then create an algorithm that aligns with those objectives.