A Pay Plan Recommendation by Bradd Clark

During the Fall 2013 Semester, a discussion was held over the development of a pay plan that would complement the rubric evaluation system first implemented during the 2013-2014 Academic Year. Discussions involved the Faculty Senate and a Pay Plan Task Force that the Senate created, the Council of Deans, the University Council, and John Brooks who headed the Human Resources Department in 2013. Since the Pay Plan Task Force felt that they needed to consult more fully with the entire Faculty Senate, I cannot say that these discussions have reached complete function. Therefore this note should be viewed as my recommendation based on numerous extended conversations. However, it is my honest view that a consensus has been built on this issue.

This short note will be constructed from four sections. The first section will provide the context explaining why the faculties have requested the development of a pay plan. The second section will provide what I believe the consensus pay plan is. The third section will deal with the most contentious parts of the plan and the discussions that followed, while the fourth section will deal with other pay issues that in my opinion should be considered.

Context: For more than 35 years, the faculty merit raises were done on the basis of a category system. This system was based on quotas for each category, a linear order of the faculty in the upper categories by college, and a more or less one size fits all description of what was needed to obtain these category distinctions. The faculty have objected to this evaluation system for many years and requested a change. Several years ago an Evaluation Task Force was put together to develop a different system. They developed a rubric by department system that yields for each faculty member an evaluation number between 1.00 and 5.00 with 1.00 being the worst possible evaluation and 5.00 the best possible evaluation. This evaluation system was accepted; however was not put into practice for various reasons until this Academic Year.

The faculty further requested that merit raises be tied directly to the rubric evaluation number so that someone receiving a 3.13 evaluation would receive a “larger” merit raise than someone receiving a 3.12 evaluation. Also the faculty requested that a rolling three year average be used to handle the situation of excellent evaluations falling in years when merit pay increases are small.

One of the issues that stopped implementation of the rubric plan was the need for a pay plan that would take into consideration that the faculties are being evaluated by different department heads and deans. Without recognizing that, a department with a head that awards high evaluation numbers will benefit the faculty of that department over a department whose head gives lower evaluation numbers. In other words observer bias must be factored out in order for a pay plan to be successful.

Another consideration is the belief held by the Council of Deans and followed during the Category Evaluation years, that those who are not doing an adequate job during the year being evaluated should receive no pay raise. In terms of rubric evaluations, a number of 2.00 or less
would signify someone who is not doing an adequate job. Any pay plan developed should continue this long held policy.

The Plan: The pay plan involves four parts: (1) Market Adjustments (2) Merit Pay (3) Dean and Provost Adjustments (4) Provost and President’s Investments. The Plan begins with the President and the Provost agreeing on an amount of money that is to be dedicated to faculty raises for the year. We shall call this the faculty raise pool.

(1) Market Adjustments are determined by the HR department and are not influenced by the administration except to determine what portion of the raise pool is to be used for market adjustments each year. A market adjustment should be done at least every three years; more frequently if possible. The faculties realize that a larger portion of the raise pool may be needed in some years due to various situations.

(2) Merit Pay Plan money should be at least 50% of the raise pool in any given year. Normally the faculty would expect over 70% of the raise pool would go to this portion of the pay plan. The money dedicated for merit pay is to be divided between the academic units. We declare a faculty member to be productive if their rubric number is above 2.00. The portion of the merit pool that corresponds to the sum of the adjusted salaries of productive faculty within the unit to the sum of the adjusted salaries of productive faculty within the University will be used for merit raises within the unit. By dividing the merit pay before looking at rubric numbers, observer bias is removed.

Two algorithms need to be described. We define the evaluation number to be the rubric number minus two. Thus the evaluation number will approach zero as a productive faculty member’s rubric number approaches the value two. The absolute algorithm assigns a productive faculty member with the number obtained by taking their evaluation number and dividing it by the sum of the evaluation numbers of productive faculty within the unit. Call this algorithm A. A weighted algorithm can also be used by taking the product of the evaluation number of a productive faculty member with their adjusted salary and then divide by the sum of the products of evaluation numbers and adjusted salaries of all productive faculties in the unit. Call this algorithm P. By using A or P, one can divide the units merit pay up to each individual faculty member in the unit. If A is used, then faculty members with the same evaluation number will receive the absolute same number of dollars in merit raise. If P is used, then faculty members with the same evaluation number will receive the same percentage raise. Clearly hybrid algorithms can be used with the form $xA+yP$ where $x$ and $y$ are non-negative numbers and $x+y=1$. The administration should determine the algorithm to be used each year campus wide.

Note that these algorithms will completely divide each unit’s merit pay pool and that for an individual, larger evaluation numbers will result in larger merit pay raises.

(3) The next part of the pay plan deals with Dean and Provost Adjustments. Since the rubrics are developed by the individual academic units, it is expected that they will focus
on unit issues. However, the College and the University as a whole have issues that must be worked upon by faculty as well. Since these issues may not be addressed by a faculty member’s rubric, it is necessary for a Dean with the agreement of the Provost to award adjustments to individual faculty members within the College. No more than 10% of the original raise pool would be assigned to this part of the pay plan. The Provost will divide this portion of the raise pool to the Colleges before adjustments are recommended by the Dean.

(4) The final part of the pay plan deals with the Provost and President’s Investments. The pool of money for merit raises within an academic unit can be adjusted upward from what was described above. This would be done by the Provost and President agreeing to such investments before merit pay is calculated. Such actions could occur as the result of recognizing the strategic needs of rewarding excellence at the academic unit level or in recognizing market forces that are changing salary expectations in some fields.

**Pay Plan Discussions:** The results of the many conversations on the pay plan were agreement on all parts of the original plan but two by both the Faculty Senate and the Council of Deans. The original plan calculated the unit merit pay pool using all of the faculty in a unit whether or not they were productive. This meant that when faculty were determined to be unproductive, their portion of the merit pay pool would remain with the unit and thus be divided between those in the unit that would have to work harder as a result of an unproductive worker. The Faculty Senate disagreed with this concept since they felt that his would cause an incentive to be formed to determine that more faculty in a unit were unproductive and thereby to artificially raise salaries within the unit for some faculty. The Council of Deans disagreed with this view based on years of experience with department heads. However, a consensus built that the monetary difference between the two approaches were insignificant. Thus the Plan described above follows the Faculty Senate’s recommendation. It should be noted that some suggested that instead of leaving the merit pay of unproductive faculty within the unit, it should be distributed to the College as a whole. No plan was developed using this approach.

The second issue concerned the use of an evaluation number instead of the rubric number in the calculations of merit pay. The Faculty Senate decided that a more uniform distribution of merit raises would be accomplished by using the rubric number and simply declaring that unproductive faculty would receive no raise. The Council of Deans strongly disagreed with this point noting the significant disparity that result between a faculty member with a rubric score of 2.00 and one with a rubric score of 2.01. A consensus between the Council of Deans and the Senate Task Force seemed to develop as it was noted that the distribution of merit raises was the result of not only the algorithm used but also the rubrics developed by the faculty. Thus the Council of Deans approach seemed acceptable to the Task Force and is the method described in
the plan outlined above. Unfortunately, the Faculty Senate could not take up these issues as a result of the lack of regularly scheduled meetings.

The discussions also led to several observations. First the rubric system should be dynamic. Frequent changes in unit rubrics can be expected as unit issues evolve. But in addition, both the rubric system and the Pay Plan are complex. As a result, it is easy to see that unintended consequences may follow. Therefore the results of these systems should be carefully checked each year.

**Plan Questions that may remain:** As mentioned in the introduction, the original rubric plan requested that a rolling average over a three year period be used in the calculation. While the Pay Plan describes a single year calculation, in the abstract it would be easy to use a rolling three year average of evaluation numbers to calculate the merit pay. However, up to this year, faculties have received a Category evaluation instead of an evaluation number. This was pointed out in the discussions with the Faculty Senate. While it is easy to develop ways to overcome this problem, the Faculty Senate did not respond to my request to determine a method for making the two systems compatible. Thus, this problem remains.

This problem relates to another faculty concern. Since it has been five years since any merit raises have been given, the faculties are very concerned that their efforts over these years will go unrewarded. In the past the University has always ultimately provided for faculty efforts in a year when no pay increases were possible. It is important to faculty moral that the administrations declare that this long standing unwritten policy will be continued.

I close this composition by thanking my colleagues around the University in conducting this Pay Plan examination. Their hand work resulted in modifications that greatly improved the original ideas. I think it is a testament to their hard work that only two issues remained unresolved out of such a detailed and comprehensive Pay Plan. Furthermore, at least consensus seemed to have been attained even on these two points. I do hope that this effort will benefit the University in the near future.