

SBBFP: Merit pay Document – 2/8/2021

Objective: Develop shared elements of a merit based compensation system for faculty at WSU that focus on transparency and best practices among all academic units

History: Faculty salary increases are usually decided by the Utah State legislature that allocates a certain percentage (say 3%) for salary increases (in past years WSU has sometimes increased this percentage). The SBBFP (Salary, Benefits, Budget, and Fiscal Planning) committee of the faculty senate nominates a negotiation team that recommends allocation of the 3% across two dimensions, an across-the-board (cost-of-living) increase of say 2%, and a merit component of say 1%, to the administration. For the past 3 years, the SBBFP has conducted a faculty survey in order to find out faculty preferences with regard to the two dimensions (cost-of-living versus merit). A majority of faculty (about 70%) have consistently indicated that they would like merit pay, but divergent practices and outcomes across colleges have caused concerns among faculty.

Problem: The allocation of merit pay (pay for performance) requires an annual review of faculty that follows a set of criteria. If the reviews do not distinguish among faculty performance, merit pay will look just like an across the board raise for everybody.

ASSUMPTIONS:

1. Faculty differ in their performance
2. Performance differentials are significant and can be linked to clear criteria
3. Faculty preference for merit pay indicates a desire for some variability in the final salary increases (historically given as a % of salary).

For example, some faculty may receive a 2% raise (using the example from before), while other faculty may see salary increases that are above the allocated 3% increase. Caveats: In a unit with uniformly high performers, all faculty may receive a 3% increase depending on the budgeting model used. The actual degree of variability will depend on the budgeting model, for example whether salary funds are allocated on a college level, department level or university level.

To achieve some degree of variability in salary increases (in %), the SBBFP has discussed some common elements in terms of rating faculty and some possible minimum criteria.

SUGGESTED COMMON ELEMENTS:

Rating system

Based on completion of Annual Faculty Report (AFR) form (differentiated by College), department chairs rate each faculty member exclusively on three **categories**: 1. Teaching, 2. Scholarship/Creative Productions, and 3. Administration and/or Professional Service – with some consideration on the weights that each category has. For merit pay no other categories are included in the rating (e.g. professional conduct). Faculty ratings in each category follow the language that is used for staff (PREP system). For example, the **ratings** may be: Does Not Meet Expectations, Meets Expectations, Exceeds Expectations. This language is meant to distinguish

decisions regarding merit pay from ratings that are given in the process of rank and tenure decisions.

Minimum channels for merit pay increases:

Colleges will be transparent with regard to minimum criteria or channels for merit pay eligibility. However, faculty who have not completed the AFR are not eligible for merit pay in any academic unit.

Format of the Annual Faculty Report form: While the specific format of the reporting should be left up to individual colleges, all forms should allow for multi-year reporting (at a minimum in the scholarship/creative productions category) and the data collection process should be simple. Reporting requirements should not go beyond bullet points in a stream-lined AFR.

Role of the department chair:

- Collect AFR for each faculty member in the department
- Review the AFR
- Assign ratings (possibly in conjunction with the Dean) and communicate ratings to each faculty member and to the Dean's Council of the college.
- Consider a process where faculty accept/sign-off on the evaluation (similar to PREP) with an opportunity to discuss/contest the ratings.

Role of the Dean:

- Develop a college-wide AFR in collaboration with department chairs (with additional input from other stakeholders as needed) and possible weights or minimum channels for criteria to encourage consistency of ratings.
- Ensure comparable practices of review/rating across all departmental colleges.
- Communicate the range of salary increases (in %) for the college (e.g. to SBBFP, college faculty) and inform individual faculty of their salary increase for the coming year.

Role of the Provost:

- Devise appropriate training for Deans and department chairs (including data on existing salary structure and implicit bias concerns)
- Ensure comparable practices of review/rating across all colleges (decision on whether budgets are allocated to colleges, departments or university wide).