



# How to Avoid Random Acts of Faculty Compensation

**ACE INSTITUTE**

**New Chief Academic Officers™**

Summer 2013

# Presented by:



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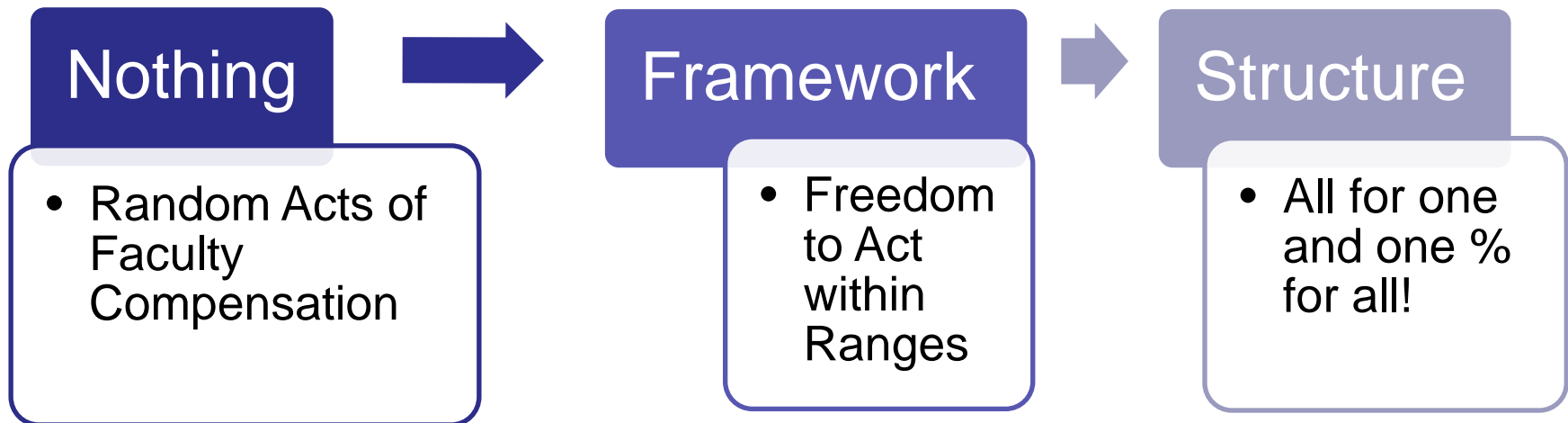


- A shift from “stable” to “negative”
- “Revenue pressure on all fronts intensifies need to grapple with traditional cost structure”
  - ➔ **“What that means: “Business as usual” is not working”**
- Critical factors contributing to the negative outlook:
  - ➔ Price sensitivity continues to suppress net tuition revenue growth
  - ➔ All non-tuition revenue sources are also strained; diversity no longer offers a safe haven
  - ➔ Rising student loan burden and defaults taint perception of value of a college degree
  - ➔ Increased public scrutiny drives escalated risk of more regulation and accreditation sanctions
  - ➔ Prospects for long-term sustainability depend upon strong leadership through better governance and management

# “Faculty Compensation is Mostly Not Discussed”

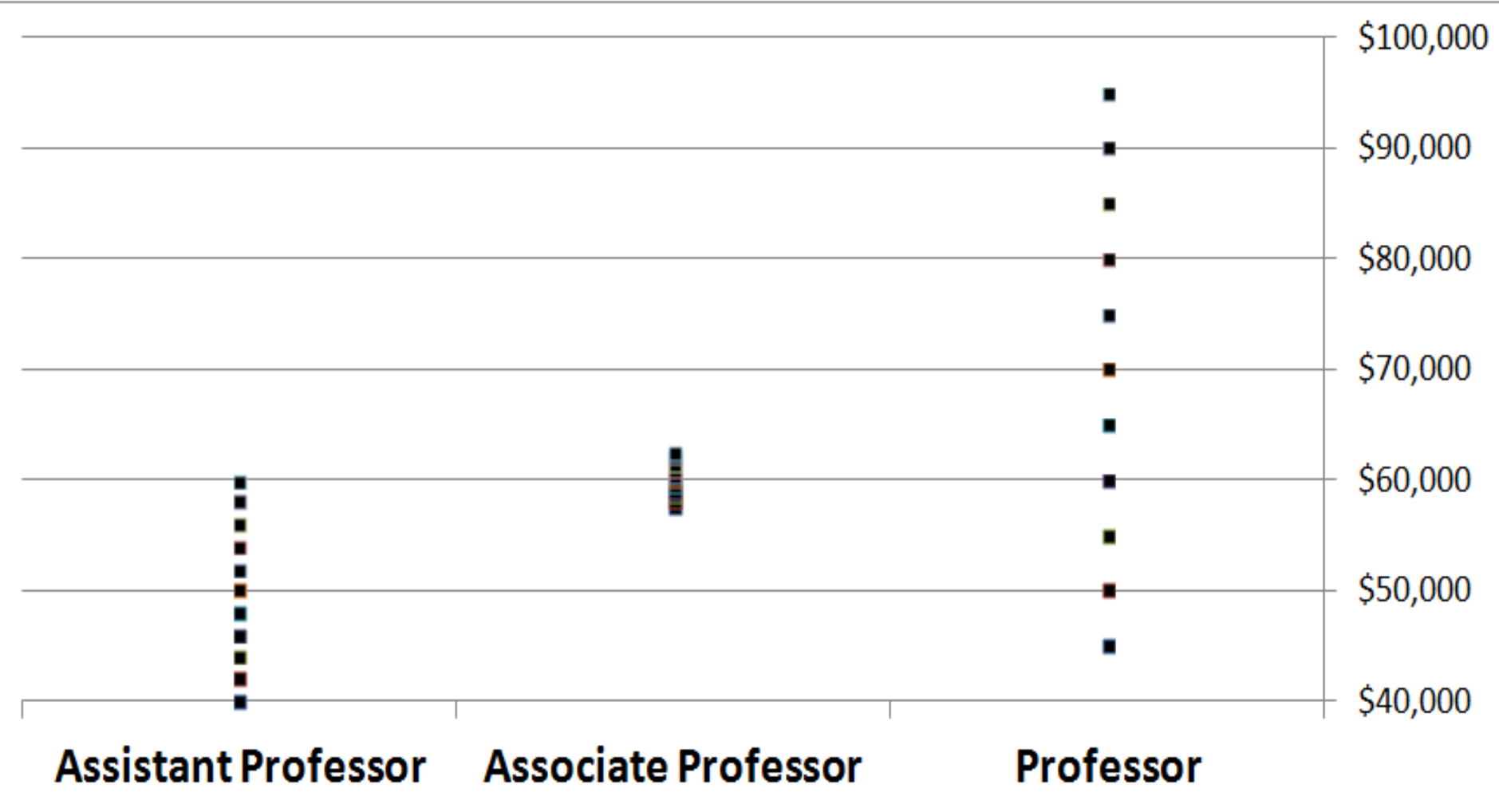


# Continuum of Choices and Consequences



# Compensation Issues

Compression, Inversion, Dispersion, Gender Equity.....



# Compensation Issues

## Placement in Salary Range



- **Distinguished:** Performance that, in all-important ways, is **significantly above** the acceptable level. This implies that any knowledgeable observer would be aware of the overall high quality of results in all areas of job emphasis. There are no shortcomings of any consequence. **113% - 120%**
- **Commendable:** Performance that is consistently above an acceptable level in all respects. Or performance that is at least at a competent level in all areas of job emphasis and noticeably exceeds that level in some important areas. **105% - 112%**
- **Competent:** Generally, the incumbent is **fully trained** and performance is **satisfactory**. Also, performance which does not deviate noticeably from an acceptable level either because there is no variation in any areas of job emphasis from the results the job was designed to produce or because areas of strong achievement are balanced by some shortcomings. **96% - 104%**
- **Developmental:** Usually, there is a **need for further training or experience** on the job before fully acceptable performance can be expected. Or, performance which is at, but not above, an acceptable level in some areas of job emphasis, and is noticeably below that level in other areas. There may be some question whether performance at a fully acceptable level can be achieved. **86% - 95%**
- **Entry Level (or Provisional):** Performance from an inexperienced incumbent who requires considerable training and experience in the job before performance in all major areas could be considered satisfactory. Or, performance in many areas of job emphasis is below the acceptable level to an extent that would cause any knowledgeable observer to consider whether retention of the employee in the job is justified. **80% - 85%**



# Compensation Issues

## Discipline Differentials



College of Arts  
& Sciences

Economics

Sciences

Humanities

College of  
Education &  
Health

Physical  
Therapy

Nursing

Education

College of  
Business

Accounting

Economics





## Philosophy

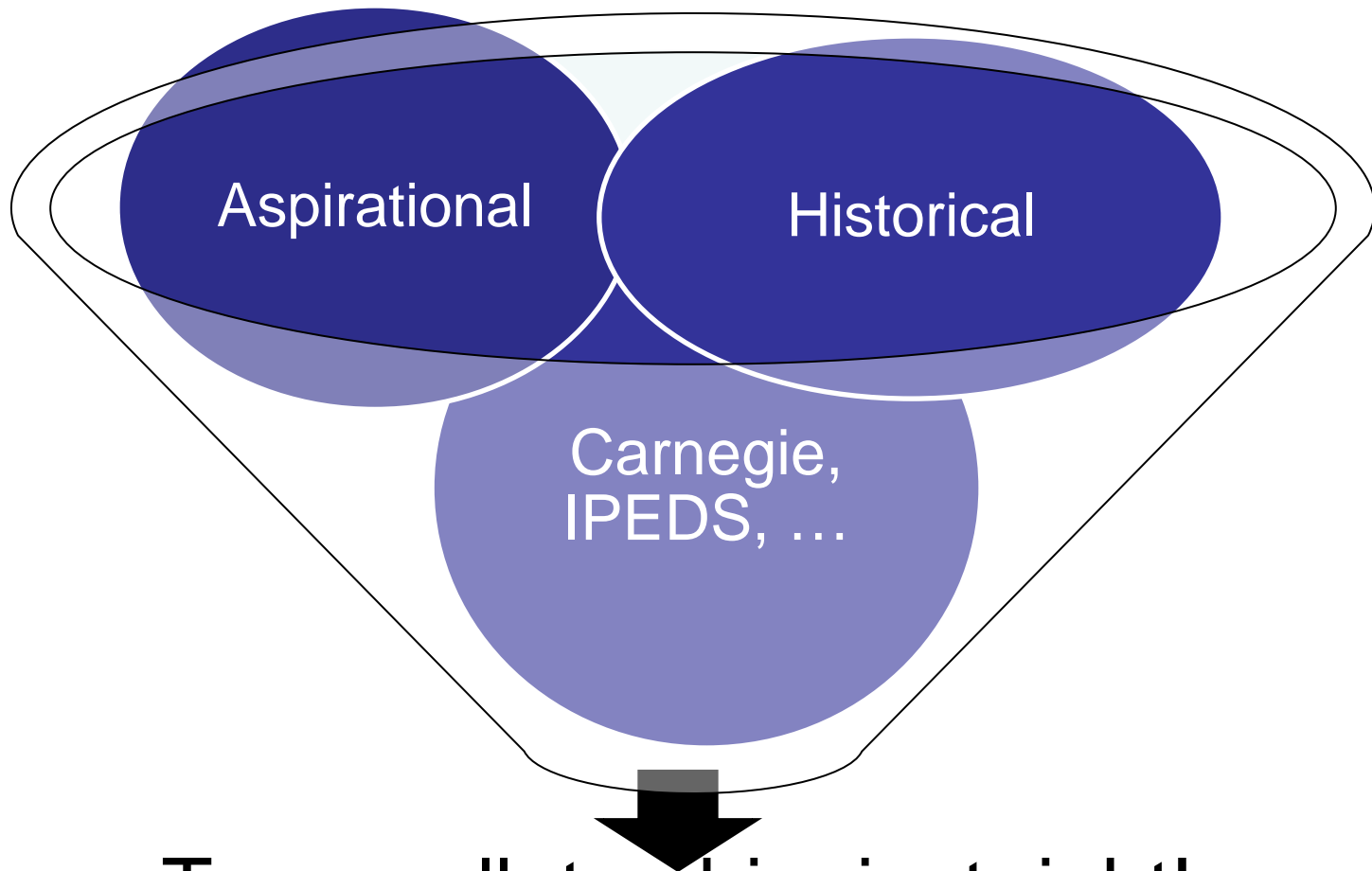
- Guiding principles that govern policy like mission

## Policies

- What and how of achieving philosophy

## Practices

- What is actually being done often in spite of above!



Too small, too big, just right!

# Peer Group(s)



## Saint Marys College of California

Moraga, California

Level	4-year or above	<input type="checkbox"/>
Control	Private not-for-profit	<input type="checkbox"/>
Student Population	3,636	

### Classification

### Category

Undergraduate Instructional Program:	Bal/SGC: Balanced arts & sciences/professions, some graduate coexistence	<input type="checkbox"/>
Graduate Instructional Program:	S-Doc/Ed: Single doctoral (education)	<input type="checkbox"/>
Enrollment Profile:	HU: High undergraduate	<input type="checkbox"/>
Undergraduate Profile:	FT4/S/LTI: Full-time four-year, selective, lower transfer-in	<input type="checkbox"/>
Size and Setting:	M4/HR: Medium four-year, highly residential	<input type="checkbox"/>
Basic	Master's L: Master's Colleges and Universities (larger programs)	<input type="checkbox"/>

### This institution participated in the following elective classification

Community Engagement	Curricular Engagement	<input type="checkbox"/>
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To find similar institutions, check the dimensions of interest and click the Find Similar button.

FIND SIMILAR

- All dimensions (#1)  
-too small
- Master's L (#413)  
- too big
- Private, Master's Colleges & Universities (larger programs), Medium four-year, highly residential (#48)  
- just right
- Additional filters AACSB, Catholic, Division I, similar resources.....



Custom  
Survey

AACSB...

CUPA-HR

AAUP



## Coker College

BACCALAUREATE INSTITUTION IN HARTSVILLE, SOUTH CAROLINA

Find a college

Examples: harvard, berkeley

- Faculty Salaries
- Compare Institutions
- Salaries Over Time

Sponsored by:



### Average Faculty Salaries (2012-13)

Full Professors

**\$61,600**

**Far below median**

12<sup>th</sup> percentile of baccalaureate institutions in the survey

Men (8):

**\$64,800**

Women (8):

**\$58,400** (paid 90% of male colleagues)



Associate Professors

**\$53,400**

**Far below median**

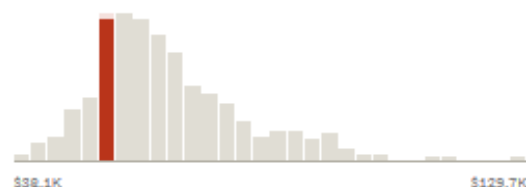
13<sup>th</sup> percentile of baccalaureate institutions in the survey

Men (11):

**\$54,700**

Women (8):

**\$51,500** (paid 94% of male colleagues)



Assistant Professors

**\$46,800**

**Far below median**

13<sup>th</sup> percentile of baccalaureate institutions in the survey

Men (12):

**\$47,200**

Women (16):

**\$46,400** (paid 98% of male colleagues)



Instructors

**NA**

This college did not report data about its instructors.

Men (0):

**NA**

Women (0):

**NA (NA)**

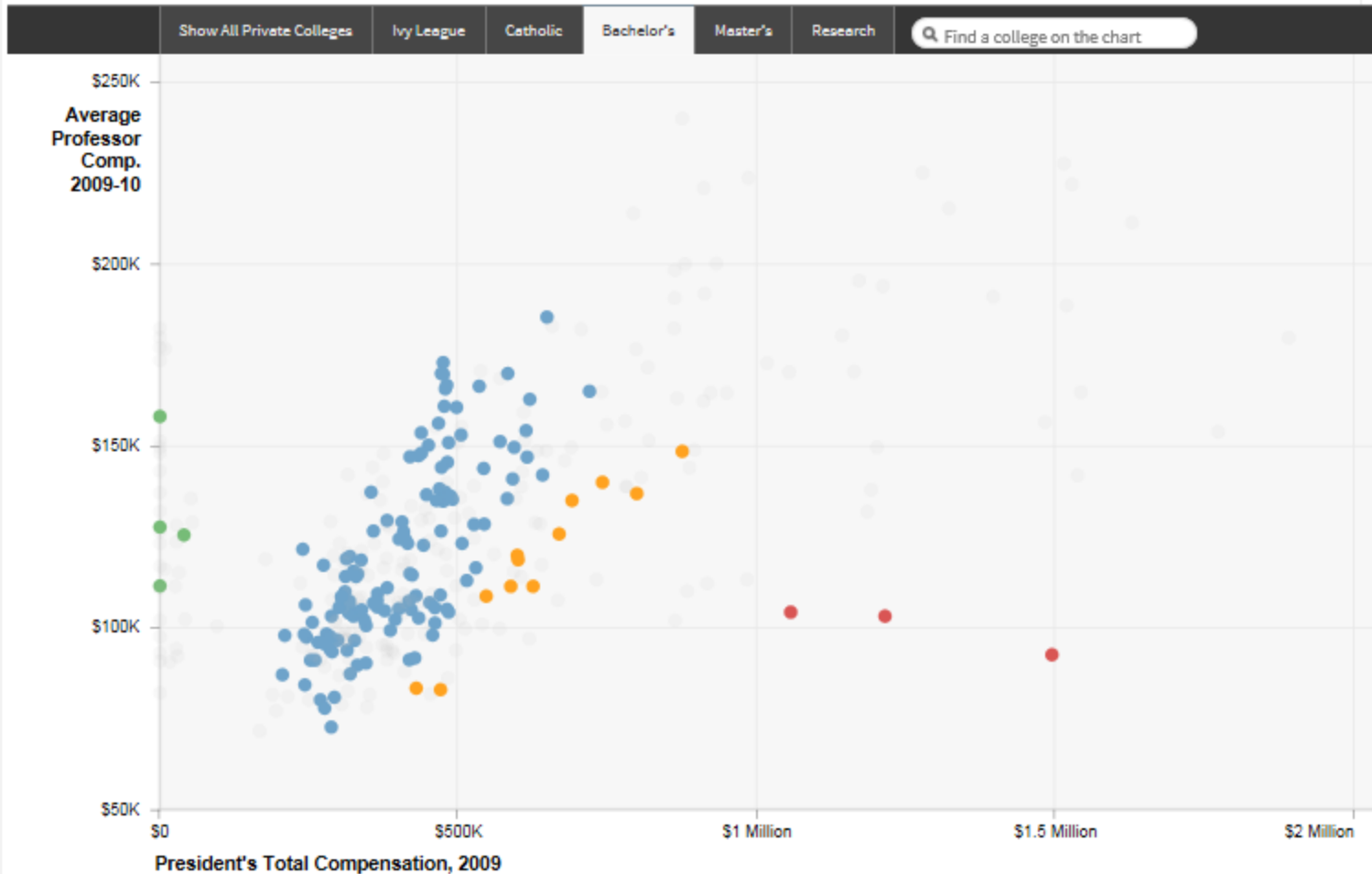


# Benchmark Data



## How Presidents' Pay Compares with Professors' Salaries

● 2 times professor salary or less   ● 2 to 5 times professor salary   ● 5 to 8 times professor salary   ● 8 times professor salary or more





Livable/Just  
Wage

Internally  
Equitable

“Fair”

Externally  
Competitive

Affordable



# Diagnostic Process



Institutional  
Understanding

- Review existing peers, prior analysis, and context

Analysis

- Consider alternate peers with new analysis

Reporting

- Report diagnostic results and explore process possibilities and readiness

# Faculty Reward Strategy Development



**Knowledge Building  
Phase I**

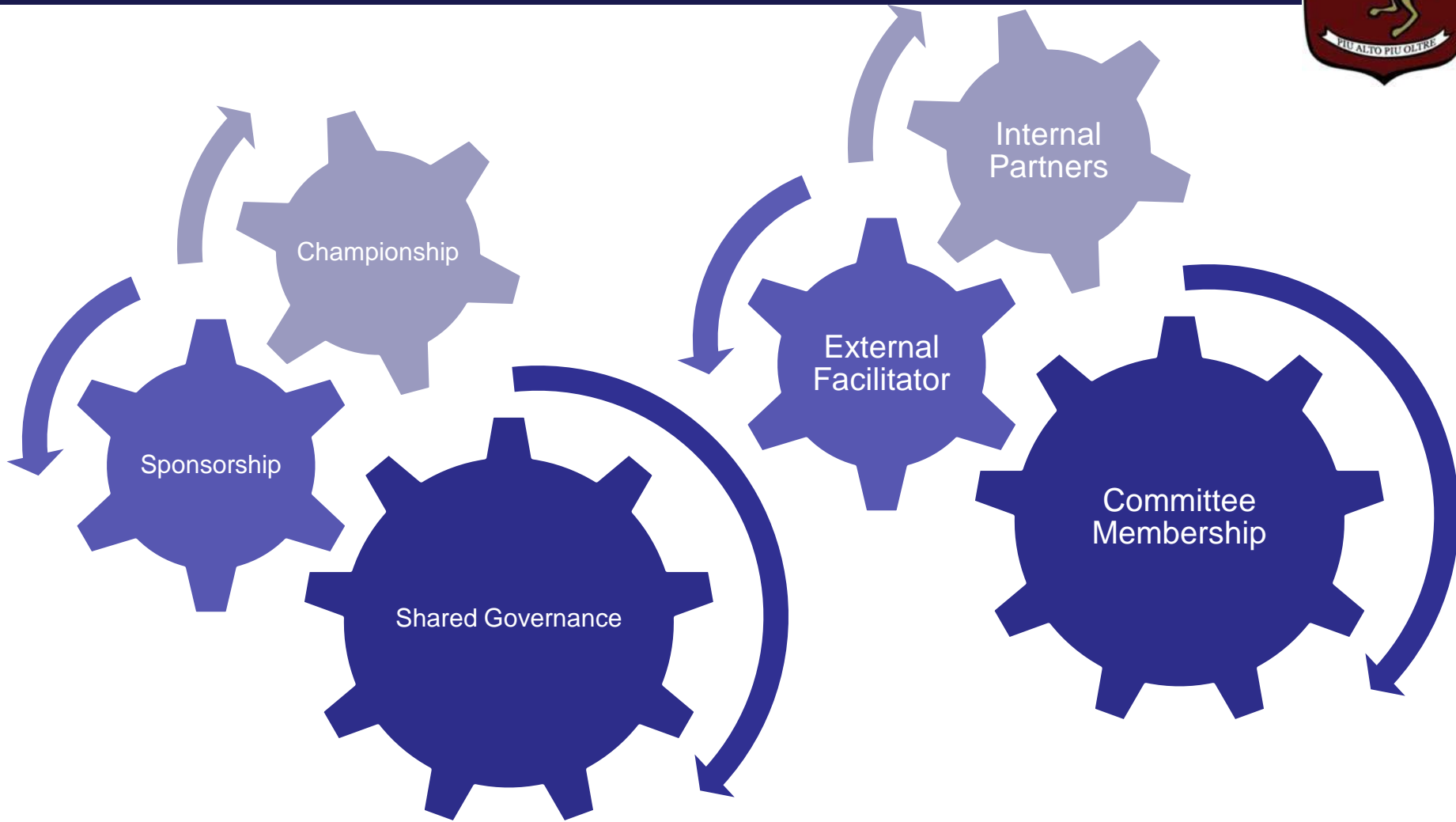
**Design  
Phase II**

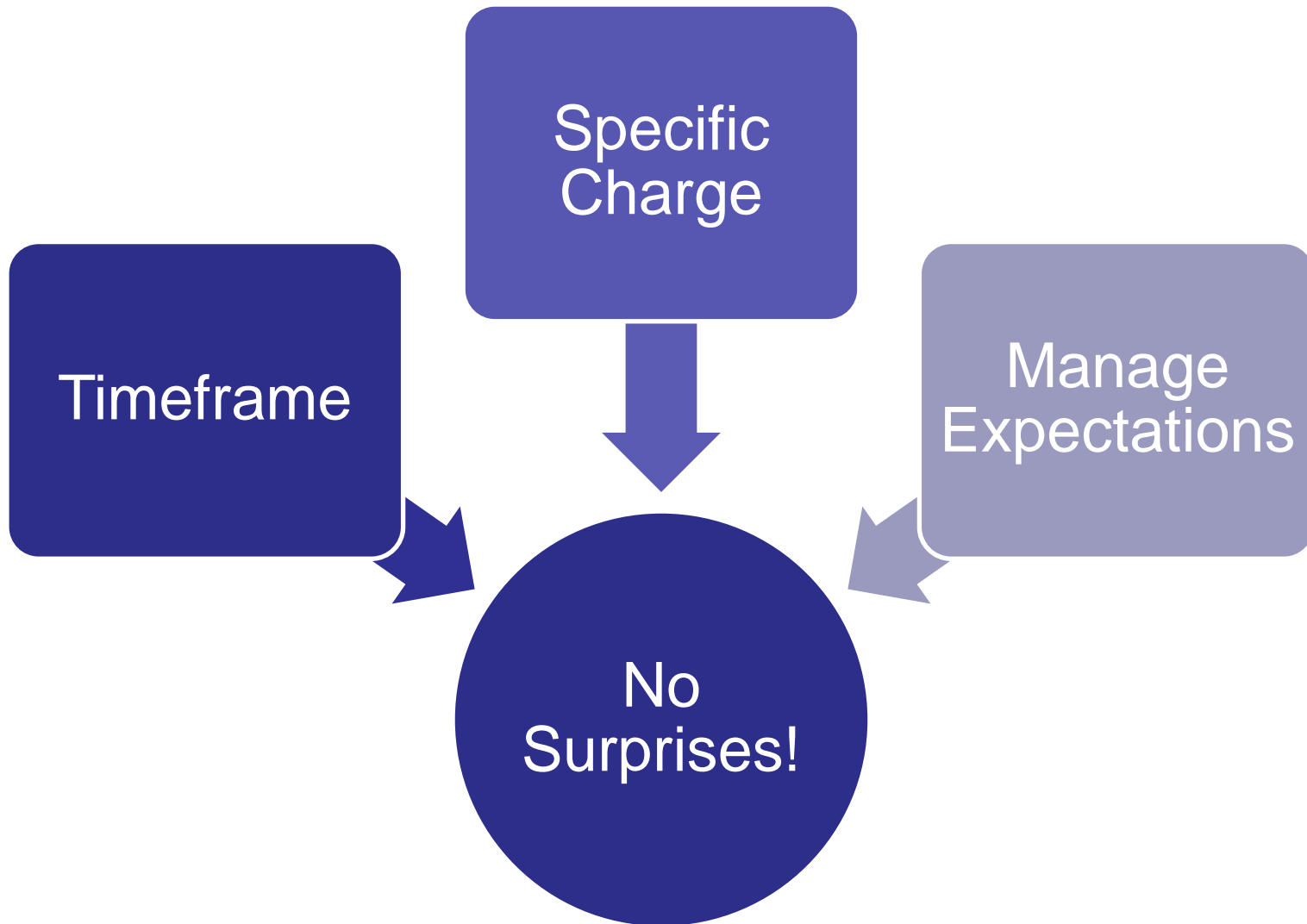
**Implementation  
Phase III**

**Measurement &  
Follow-Up  
Phase IV**

**COMMUNICATION, COMMUNICATION, COMMUNICATION!!!!**

# Success Factors







- Casagrande Consulting, LLC was launched in early 2009. We are a boutique firm of more than ten (10) consultants focused on providing insight to institutions of higher education and not-for-profit organizations in the areas of:
  - ➔ Advancement & Development,
  - ➔ Board Effectiveness,
  - ➔ Compensation,
  - ➔ Employee Benefits (more information available at [www.CUEBS.com](http://www.CUEBS.com)) ,
  - ➔ Enrollment Management,
  - ➔ Human Resources Strategy & Planning,
  - ➔ Institutional Strategy & Planning,
  - ➔ Labor Relations,
  - ➔ Leadership Development,
  - ➔ Marketing,
  - ➔ Online Learning Readiness,
  - ➔ Performance Management
  - ➔ Presidential Evaluations, and
  - ➔ Talent Management.
- The consultants at the firm all have a background in working with or for institutions of higher education or not-for-profit organizations.
- For additional information about our firm, people, and services, visit our websites.

# Casagrande Consulting

## Our People



- Frank A. Casagrande
  - ➔ Frank has more than 30 years of experience in consulting and education. Prior to launching the firm in 2009, he was Higher Education Sector Practice Leader for Hay Group, a global management consulting firm. Other consulting experience includes work for KPMG and Buck Consultants. Frank's education experience includes work as a teacher and lecturer for Passaic Board of Education, Montclair State University, and Rutgers University.
  - ➔ He has Masters of Arts in Teaching from Montclair State University, a Bachelor of Science in Applied Mathematics from Union College, and was an enrolled actuary.
- Robert E. Myers, Ph.D.
  - ➔ Skip has more than 30 years experience in public and private higher education. Prior to joining the firm in 2011 he was a college and university CEO and Chief Operating Officer. He has also served as an adjunct faculty member in Journalism, Public Relations, Business Management, and Organizational Leadership. He has served as a member of a variety of advisory and operational boards at both the national and local/regional levels, in the private, public, for-profit and non-profit sectors.
  - ➔ He holds a BS in Journalism, with an emphasis on Middle East studies, a MA in Journalism, with an emphasis on Public Relations, and a Ph.D. in Higher Education Policy, Planning and Leadership, with special emphasis on Board Effectiveness, all from the University of Maryland.