

# Managing Faculty Compensation Frameworks



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Why is it that faculty  
compensation **issues**  
are mostly not  
discussed?

# Issues



## **Inventory of Faculty Compensation Issues**

- Faculty Compensation Philosophy
- Resources
- Internal Equity
- External Competitiveness
- Discipline Differences
- Merit Pay



What is a typical  
**process** for creating a  
faculty compensation  
framework?

# Process



## Typical Process

- Readiness Diagnostic
- Knowledge Building
- Design
- Implementation
- Measurement & Follow-up

**Communication, Communication, Communication**



What factors increase the likelihood of **success** in building a faculty compensation framework?

# Success



## **Factor increasing likelihood of success include:**

- Sponsorship
- Championship
- Resources
- Stakeholder Involvement
- Internal Resources
- External Resources

**Communication, Communication, Communication**





How did **Concordia University Texas** build a faculty compensation framework?



# Concordia University Texas Case Study

## **About University:**

- Private, Religiously Affiliated, Masters 1 Institution – Diverse Fields
- Part of Concordia University System
- Colleges of Business, Education, Liberal Arts, and Science
- Market: Austin, Texas (Central Texas region)

## **Faculty Compensation Issues**

- Negotiated compensation system – Equity Issues
- Raises lagged behind inflation for too many years
- Mix of official “church worker” and regular contracted faculty
- Large gap with comparison survey data (e.g. CUPA)
- Sustainability of compensation plan



# Concordia University Texas Case Study

## **Process of Developing Framework:**

- Identify clear benchmark data set(s)
- Identify relevant metrics
- Establish Mathematical Model

## **Mechanics of Resulting Framework**

- Annual Process for Benchmarking and Evaluation
- Split compensation components: scalar and variable
- Factors Impacting Variable Compensation
  - Rank
  - Discipline
  - Service
  - Merit
  - Other



# Concordia University Texas Case Study

## Concordia's Compensation Model Example:

### ■ Formula Model:

- Floor + (Discipline Factor x Base) x (Rank Index + Merit Index) + (Equiv Yr Experience x \$200)
- Floor = Scalar Contribution
- Base = Variable Contribution Factor

Discipline Factor		Rank Index	
Liberal Arts	1.000	Asst 1	1.2
Education	1.025	Asst 2	1.3
Math/Sci	1.045	Assoc	1.5
BUSN/Prof*	1.080	Prof	2.0

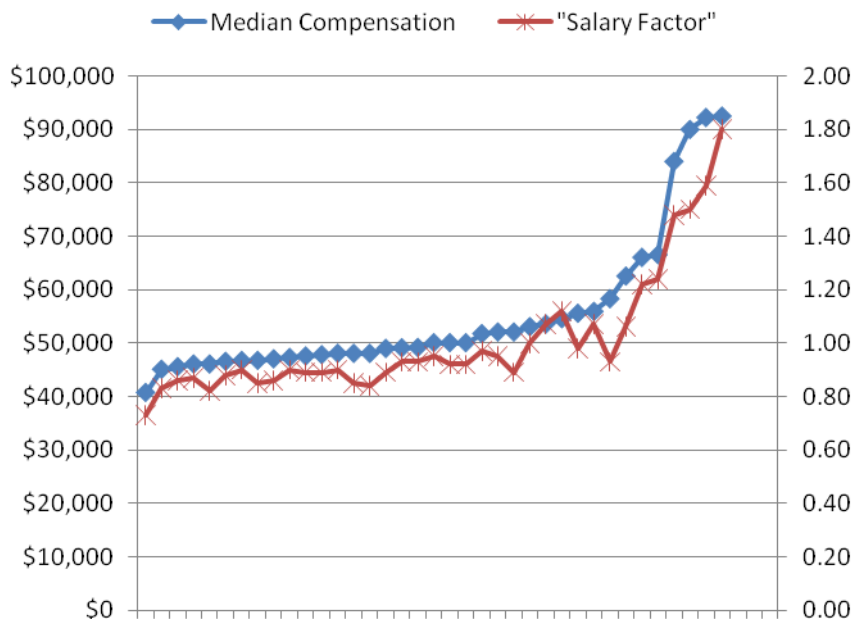
### ■ Merit

- Initially based on prior scholarship – “aptitude” (vita review)
- Continuing value based on annual evaluation (job description based)

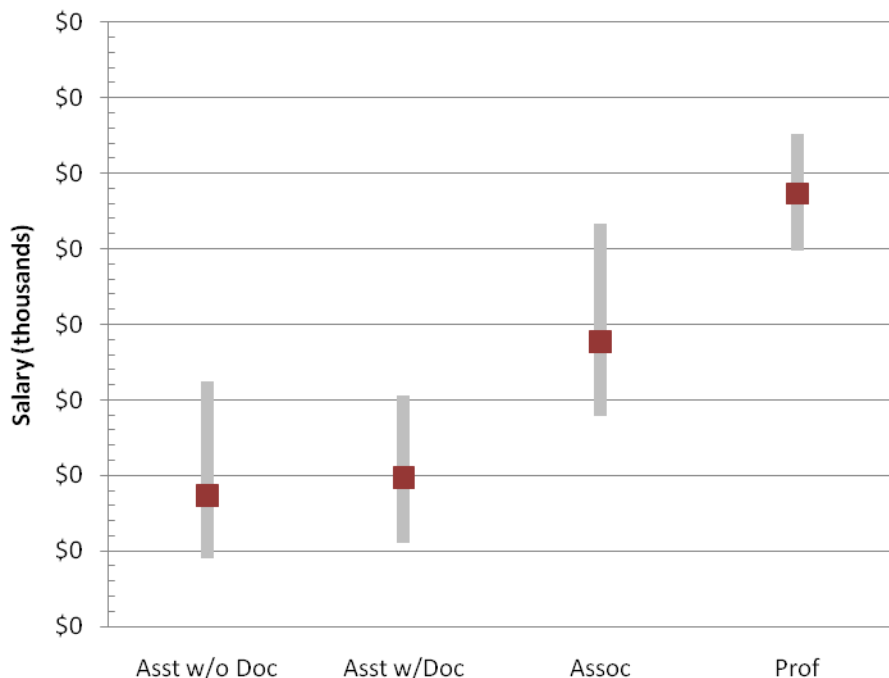


# Concordia University Texas Case Study

## CUPA Survey - Asst. Prof Discipline Distribution Sample



## Faculty Compensation Distribution





# Concordia University Texas Case Study

## **Impact on Institution:**

- Compensation Decisions are Transparent
- Compensation is Easily Established and Communicated during Search Process
- Unproductive Conversation about Compensation is Limited
- Variability is tied to tangible elements and performance is valued
- Budgeting impacts are more predictable
- Removes “negotiation” from decisions
- No artificial limitations (ranges, caps, etc)

# Other Case Studies



**Embry-Riddle Aeronautical University**  
**Rose-Hulman Institute of Technology**  
**Sacred Heart University**  
**Saint Mary's College of California**  
**Wagner College**



Please take a  
moment to share  
your **experiences &  
questions.**





What **resources** are available to help.



## **Faculty Compensation Systems: Impact on the Quality of Higher Education.**

- Terry P. Sutton, Peter J. Bergerson.
- ASHE-ERIC Higher Education Report Volume 28, Number 2

## **Making Sense of the Dollars: The Cost and Uses of Faculty Compensation**

- Kathryn M. Moore, Marilyn J. Amey
- 1993 ASHE\_ERIC Higher Education Report – Report Five

## **College and University Professional Association for Human Resources (CUPA-HR)**

- National Faculty Salary Survey for Four-Year Institutions

## **Developing a Comprehensive Faculty Evaluation System, 3<sup>rd</sup> Edition**

- Raoul A. Arreola
- Jossey-Bass

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