

DRAFT
College of the Arts
Compensation Philosophy and Principles for Regular Faculty and Staff

Compensation Philosophy

Ohio State's compensation philosophy is founded on a performance-driven, market-based framework, meaning that faculty and staff salary increases are based on merit, followed by consideration of any external (merit/market) or internal (merit/equity) factors. The compensation process should be utilized to inspire achievement and to reinforce performance and accountability. As such, variation in the allocation of merit among individuals is expected. There are no minimum or across-the-board increases. Under the university's current budget and funding model, each college and regional campus determines the amount available annually to award salaries.

In the College of the Arts, all annual salary increases for faculty and staff are directed toward rewarding meritorious performance, and to the greatest extent possible given financial constraints, assuring that salaries reflect the external market in the same discipline at peer institutions and are internally equitable within the same department/school.

Funds available for all faculty and staff annual salary increases are identified as part of the college's annual budget process, which includes an examination of marginal income from course enrollments from the past academic year and, if necessary, consideration of an internal reallocation of resources. The dean consults with the chairs/directors about the annual budget and resources available and then sets the college raise pool and allocates its share of the pool to each employing unit. The dean has the option to establish a raise pool centrally to award additional merit and merit market/equity to faculty and staff

University and College Compensation Principles

The following principles guide the distribution of compensation:

- Aggregate salary pools for faculty, unclassified staff, and classified staff must remain separate university-wide.
- The university or college may create differential aggregate salary increase pools for faculty and staff if internal or external market benchmark data suggest it is appropriate.
- All faculty promoted or tenured and promoted effective October 1 will receive a 6% salary adjustment from central funds. In addition to the centrally funded increase, they will receive at least an increase equal to the average merit increase distributed in the college. Promoted faculty also are eligible to be recommended for an additional annual adjustment from the college's raise pool, if available.
- The college is required to seek prior approval from the Office of Human Resources for any faculty or staff increase recommendation exceeding 10%, excluding the 6% faculty promotion increment from the university.
- Any faculty or staff member receiving no salary increase due to performance or market positions must be notified in writing with supporting rationale. Although approval is not required, a list of these individuals along with confirmation they will receive a letter of explanation, must be submitted to the Office of Human Resources/HRC.

The next three bullets present a question. The first two bullets are what we said last year. The second is what was in this year's administrative process. It sounds like now you could actually request that someone in one of these situations could get an annual increase. So now you'd need to send written documentation to get or not get an annual increase under these circumstances:

- Individuals known to be retiring or resigning, in reduction-in-force, or the university's staff severance program prior to September 30 are ineligible for the annual compensation process.
- Compensation increases for classified staff in their probationary period of 180 days are delayed until the successful completion of that period.
- Colleges, departments, schools, centers, and other employing units may determine the eligibility of recent hires, individuals who are resigning, retiring, being laid off, on severance, and staff on probationary status to participate in the compensation process. Each case should be supported by a letter of offer, unit policy, or other communication that hiring the salary is intended to remain constant until some other planned review date. For example, a classified staff member serving a 180 day probationary period may be eligible for an annual increase at the conclusion of that period.
- The college dean has the authority to modify merit, merit/market, merit/equity, and any cash awards recommended by the chairs/directors. However, no recommendations are modified at the college level without prior discussion with the chair/director.

College Expectations for Faculty and Staff Annual Performance Reviews

The college expects unit-level recommendations for faculty salaries to be founded on the annual review process, merit increase criteria, documentation requirements, and any other pertinent statements regarding annual reviews/salary adjustments in their department/school *Appointments, Promotion and Tenure* document. The college encourages conversations between faculty and department chairs/directors about job performance at any time. This is especially important if there are issues or concerns from either the faculty member or the unit head.

The college expects unit-level recommendations for staff salaries to be founded on an annual review process that includes a meeting between the staff member and supervisor to discuss the past year's job performance. The university provides an evaluation form and a self-evaluation form to use as part of the process. The university requires written documentation that a review was conducted. Units may develop their own staff evaluation form and review process. The college encourages conversations between staff and supervisors about job performance at any time. This is especially important if there are issues or concerns from either the staff member or supervisor.

Distribution of Merit

The annual merit increase process, combining an assessment of job performance, as well as external and internal equity is the primary opportunity available to address salary disparity where it may exist.

In examining their raise pool and considering salary increase recommendations, unit heads may calculate potential salary increase amounts in actual dollars as well as percentages. Salary increase calculations based on actual dollars are most helpful in assessing external and internal salary equity disparity in relation to merit.

If the dean establishes a portion of the raise pool centrally, chairs/directors forward written recommendations to the dean, making the case for an additional salary adjustment.

The college provides external average benchmark faculty salary data by discipline and academic rank from peer institutions identified by the chairs/directors and the university. Five years of salary history is provided for each faculty member to help in assessing internal equity.

Faculty/Staff External/Internal Market Data

The college provides chairs/directors with university- and college-wide internal average salary benchmark data for staff holding the same university position titles. The Office of Human Resources also may provide external benchmark average salary information for positions with similar university titles and/or broad levels of responsibility.

Cash Merit Payments/Awards

The university encourages colleges/units to make additional one-time cash payments to a limited number of faculty and staff to reinforce outstanding performance and retrain individuals whose salaries are most significantly behind market.

One-time cash payments to individuals may be appropriate and awarded in conjunction with the annual merit compensation process to reflect truly outstanding faculty and staff achievements on time-bound projects and/or to supplement the staff salary increase process in recognizing unusually outstanding performance. **I suggest omitting this sentence:** One-time cash payments should not be used routinely as a substitute for a permanent salary increase when the latter is justified.

Cash payments are funded by the employing unit, subject to review and approval by the dean, and are initiated when a chair submits a written recommendation to the dean requesting a cash award.

Cash payments as part of the compensation process may be provided up to \$2,500 or 5% of an individual's base rate, whichever is greater. Payments in excess of these figures require college and Office of Human Resources' approval.

Notification/Implementation of Annual Salary Increases/Awards

Faculty and staff should receive written notification of their annual salary increase (including merit and any merit market/equity adjustments), and any cash payments following review and approval of all university salary recommendations by the Office of Human Resources. This normally occurs in early September. Merit increases for bi-weekly paid staff will be effective September 28, 2008. For monthly paid staff and 9 and 12-month faculty salaries are effective October 1, with the annual increase reflected in the October 31 pay statement.

Additional Resources

FY 2009 Annual Merit Compensation Process Manual and Related Assist Pages
<https://assist-erp.osu.edu/assisTHR89/webhelp/assisTHR89.html>

Provost's FY 2009 Compensation Guidance Document
<http://hr.osu/comp/guidance.pdf>

Salary Range Tables for Staff and Student Titles

www.hr.osu.edu/payroll/saltable

Pay Schedules

www.hr.osu.edu/payroll/calendar

Title Deck

www.hr.osu.edu/statistics/titledck

OHR Salary Administration and Classification Policy 3.10

<http://hr.osu.edu/policy/policy310.pdf>

10.1.08